FRANCHISE DISCLOSURE DOCUMENT

KEYSTONE®

Keystone Insurers Group LLC
A Delaware Limited Liability Company
(d/b/a Keystone Insurers Services Group, Inc. in Virginia)
1215 Manor Drive, Suite 208
Mechanicsburg, PA 17055
570-473-4302
www.keystoneinsgrp.com

You will sell insurance products under powers of appointment contained in certain agency/insurance company agreements we, and our affiliates, negotiate and maintain with insurance companies.

The total investment necessary to begin operation of a franchise ranges from $27,250 to $99,200. This includes the Initial Franchise Fee which ranges from $5,000 to $20,000. The Initial Franchise Fee must be paid to the franchisor or an affiliate. Please see Item 7 for state specific information.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Brian Hermes at Keystone Insurers Group LLC, 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055 (telephone: 570-473-4302).

The terms of your franchise agreement will govern your franchise relationship. Don't rely on this disclosure document alone to understand your franchise agreement. Read all of your franchise agreement carefully. Show your franchise agreement and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"A Consumer's Guide to Buying a Franchise,"* which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 4, 2025

How to use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Keystone Insurers Group business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other Franchises can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Keystone Insurers Group Franchise?	Item 20 or Exhibit E lists current and former Franchises. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Pennsylvania. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Pennsylvania than in your own state.

2. **Governing Law**. The franchise agreement states that Pennsylvania law governs the agreement unless your state requires otherwise. This law may not provide the same protections and benefits as local law. You may want to compare these laws.

3. **Insurance Agency Franchise Risks.** Risks are involved in owning and operating a Franchise. We cannot and do not guarantee that you will be granted powers of appointment because each insurance carrier has contractually reserved the power of appointment and the right to sell under every Keystone insurance carrier contract and because your size and experience may limit the number of Keystone Insurance Carriers available to you. The profit sharing and bonus compensation terms in the Keystone insurance carrier contracts are based on the collective performance of you and other Keystone Franchises. If other Franchises have a low premium volume, poor loss ratios or otherwise perform poorly, ineffectively or inconsistent with the Keystone System, your profit sharing and bonus payments could be lower than average or none at all. Also, you must terminate your agency/insurance company agreements with those carriers which you have in common with Keystone, or its affiliates. If your franchise agreement is terminated or expires, you may not be able to negotiate and obtain agency/insurance company agreements.

   Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

KEYSTONE INSURERS GROUP, LLC

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EXHIBITS

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement with its exhibits: 1. ACH Authorization Agreement 2. List of Owners 3. Declaration and Acknowledgment
Exhibit C	Confidentiality Agreement
Exhibit D	List of State Franchise Administrators and Agents for Service of Process
Exhibit E	List of Franchisees

Exhibit F	State Addenda and Amendments

<u>ITEM 1</u>

<u>THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES</u>

The franchisor is Keystone Insurers Group LLC ("**Keystone,**" "**Franchisor**" or "**we,**" or "**us**"), a Delaware limited liability company formed on June 28, 2024. Keystone is a wholly-owned subsidiary of its parent company, Keystone Agency Partners LLC, a Delaware limited liability company ("**KAP**"). Prior to its reorganization as a limited liability company and re-domiciliation to Delaware, Keystone was known as Keystone Insurers Group, Inc., a Pennsylvania corporation incorporated on May 2, 1983, which began offering franchises in 1999. In the Commonwealth of Virginia, we use the name "**Keystone Insurers Services Group, Inc.**" Our principal business address is 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055. Our telephone number is 570-473-4302. We do not do business under any other name. Keystone's agent for service of process in your state, if any, is disclosed in Exhibit D.

The following are Keystone affiliates and subsidiaries (collectively "**Affiliates**"):

1. Keystone Risk Managers LLC, a Pennsylvania limited liability company organized on April 16, 2001 ("**Strategic Risk Solutions**");

2. Keystone Benefits Services, LLC, a Pennsylvania limited liability company organized on December 29, 2004 ("**Keystone Benefits Services**");

3. Keystone Program Group, LLC, a Pennsylvania limited liability company dba Keystone Program Administrators and also dba Keystone Select, organized on January 9, 2013 ("**Keystone Program**");

4. Keystone Insurance and Benefits Group, LLC, a Pennsylvania limited liability company organized on June 1, 2009 ("**Keystone Insurance and Benefits**");

5. East Coast Risk Management, LLC, a Pennsylvania limited liability company organized on December 20, 2004 ("**Risk Management**");

6. East Coast Risk Management of NC, LLC, a North Carolina limited liability company organized on August 15, 2007 ("**Risk Management NC**");

7. New Jersey Agents Alliance, LLC, a New Jersey limited liability company organized on August 30, 2010 ("**NJAA**").

Each of Strategic Risk Solutions, Keystone Benefits Services, Keystone Program, NJAA and Keystone Insurance and Benefits have a principal office located at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055. Risk Management and Risk Management NC each have a principal address located at 7562 State Route 30, North Huntingdon, PA 15642.

"**Franchise**" means a franchise selling insurance products under powers of appointment contained in certain agency/insurance company agreements that Keystone and its Affiliates negotiate and maintain with insurance companies.

"**Franchisee**" means the partners, shareholders, members and any other persons or entities directly or indirectly awarded a Franchise or owning an interest, directly or indirectly, in a Franchise.

"**You**" means the person who buys the Franchise. In the remainder of this disclosure document, whenever we refer to you, we will assume that you have been awarded a franchise. "**You**" refers to your partners, shareholders, members and any other persons or entities directly or indirectly awarded a Franchise or owning an interest, directly or indirectly, in your Franchise.

We endeavor to provide services, resources and products to assist you in growing the value of your business. Further, we negotiate, maintain and administer agency/company agreements ("**Keystone Insurance Carrier Contracts**") with various insurance companies ("**Keystone Insurance Carriers**") which authorize the sale of their insurance products, including personal insurance products, commercial insurance products, financial services products and annuities and health and ancillary products. Many of the Keystone Insurance Carrier Contracts are between us and the respective Keystone Insurance Carrier; however, certain of the Keystone Insurance Carrier Contracts are between our Affiliates and the respective Keystone Insurance Carrier. We also negotiate and maintain various supplier contracts for goods and services beneficial to the operation of a Franchisee and create and administer numerous specialty insurance programs for individuals and business entities which are promoted and sold by our Franchisees ("**Specialty Programs**"). Certain Specialty Programs, described in our Operating Manual, may be available to you.

We grant Franchises to independent insurance agents. Each Franchise operates as a direct-sales independent insurance agency with powers of appointment to sell insurance products under certain Keystone Insurance Carrier Contracts. We cannot and do not guarantee that you will receive powers of appointment under every Keystone Insurance Carrier Contract because each Keystone Insurance Carrier has contractually reserved discretionary power of appointment. If we grant you a Franchisee, we will give you, with the Keystone Insurance Carrier's approval, the right to obtain powers of appointment and sell insurance products under certain Keystone Insurance Carrier Contracts. We also give you a limited, conditional right to use our trademark and trade name ("**Proprietary Marks**") as well as the right to purchase certain goods and services at contractually negotiated, discounted prices.

A Franchise must be conducted in accordance with the terms of the franchise agreement ("**Franchise Agreement**"). Our operating system ("**Keystone System**") is detailed in our Confidential Operating Manual ("**Operating Manual**") which we will lend to you for your use throughout the term of your franchise. We may modify the Keystone System and the Operating Manual at any time. Notwithstanding any of the preceding, you shall remain independently, and solely, liable for any and all actions you may take pursuant to the grant of any powers of appointment to sell insurance products you may receive pursuant to a Keystone Insurance Carrier Contract.

Risks are involved in a Franchise. We cannot and do not guarantee that you will be granted powers of appointment and the right to sell under every Keystone Insurance Carrier Contract. Your size and experience may limit the number of Keystone Insurance Carriers available to you. The profit sharing and bonus compensation terms in the Keystone Insurance Carrier Contracts are based on the collective performance of you and other Franchisees. If other Franchisees have a low premium volume, poor loss ratios or otherwise perform poorly, ineffectively or inconsistent with the Keystone System, your profit sharing and bonus payments could be lower than average or none at all. Also, you must terminate your agency/insurance company agreements with those carriers which you have in common with Keystone, or its affiliates. If your Franchise Agreement is terminated or expires, you may not be able to negotiate and obtain new agency/insurance company agreements.

The market for insurance products is well-established. Our Franchisees sell the Keystone Insurance Carrier insurance products to individuals and all types of businesses in various industries.

You will compete with other national, regional and local insurance agencies and insurance agents offering and selling insurance products, including certain Franchises which are owned and operated by our parent company, KAP.

Your Franchise will be subject to the same laws which apply to businesses generally and laws and regulations, including licensing laws and regulations, pertaining to insurance agents and brokers.

Keystone has never offered franchises in any other line of business. Neither KAP (as Keystone's parent company), nor Keystone's Affiliates, offer franchises of any type, nor have they ever offered franchises of any type. In addition to the organizational information for each Affiliate provided in this Item 1, a description of the business operations of each Affiliate can be found under Item 8 of this disclosure document.

Neither we, nor any parent, predecessor, or Affiliates have offered franchises for any other types of business other than those described above.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer – Patrick Kinney
Mr. Kinney was appointed Chief Executive Officer of KAP in December 2023 and has been Chief Executive Officer of Keystone since July 2024. He has more than forty years of experience in the insurance industry serving in several senior leadership roles throughout his career.

Chief Financial Officer – Tony Rossi
Mr. Rossi joined KAP in 2020 and serves as Chief Financial Officer, including all Keystone matters since July 2024. He has 17+ years of financial leadership experience in the areas of mergers and acquisitions, financial reporting, tax, forecasting, investor relations and treasury.

Chief Acquisitions Officer – Dan Girardi
Mr. Girardi joined KAP in 2020 and has 15+ years of experience providing sourcing, financial analysis, and due diligence as Director of Acquisitions for a top national insurance acquirer and for the investment banking division of a top national advisor.

Chief Legal Officer – Brian Hermes

Mr. Hermes has served as Chief Legal Officer ("**CLO**") since joining KAP in 2021. He is a seasoned corporate attorney with approximately 25 years of experience advising both public and private organizations. Mr. Hermes has significant experience in contracts, mergers and acquisitions, labor matters, real estate and intellectual property. As CLO, Brian leads legal and human resources functions for the company.

Vice-President of Operations and Risk Management - Brian Perkins
Mr. Perkins has over 15 years of experience in risk management and insurance operations. He works with organizations and Keystone's partners to improve risk profiles and drive results.

Chief Information Officer - John Williams
Mr. Williams joined Keystone in March 2025, bringing extensive experience in data, operations and technology to Keystone. Previously, Mr. Williams managed a consulting firm focused on new business startups, merger and acquisition support and operations and technology challenges.

Executive Vice-President of P&C -Tom Delark
Mr. Delark joined Keystone in June of 2024 to manage Keystone's trading partner relationships, placements, programs and network field operations. His team focuses upon leveraging carrier relationships to create better outcomes for Keystone's clients, carriers and franchises.

Regional President | Great Lakes Region - Neal Williams
Mr. Williams became Regional President of Keystone's Great Lakes Region Franchises in October 2023 after having served as Regional Vice-President from September 2018 to September 2023. Additionally, he served as the State Vice President for Keystone's Indiana and Illinois Franchises from January 2009 to September 2018.

Regional President | Mid-South Region - Michele Bicknell
Ms. Bicknell became Regional President for Keystone's Mid-South Region in October 2023 after having served as Regional Vice President of the Mid-South Region from September 2018 to September 2023.

State Vice President of Illinois, Wisconsin, Iowa and Minnesota - Matthew Fink
Mr. Fink has served as the State Vice President for Keystone's Illinois Franchises since December 2018.

State Vice President of Indiana and Kentucky - Melanie Rachau
Ms. Rachau has served as the State Vice President for Keystone's Indiana Franchises since March 2022.

State Vice President of Michigan and Ohio - Amy Bobel
Ms. Bobel has served as the State Vice President for Keystone's Michigan Franchises since August 2022.

State Vice President of Pennsylvania - Joseph Sacco
Mr. Sacco has served as the State Vice President for Keystone's Pennsylvania Franchises since September 2020.

State Vice President of Georgia and Tennessee - Sheldon Palefsky
Mr. Palefsky has served as the State Vice President for Keystone's Georgia Franchises since March 2018. In July 2024, his role expanded to include Tennessee.

State Vice President of Kansas and Missouri - Andrea Powell
Ms. Powell has served as the State Vice President for Keystone's Kansas and Missouri Franchises since August 2016.

State Vice President of North Carolina - Brandon Craig
Mr. Craig has served as the State Vice President for Keystone's North Carolina Franchises since January 2024.

State Vice President of Texas and Oklahoma - Meghan Pizzolato
Ms. Pizzolato has served as the State Vice President for Keystone's Texas Franchises since August 2021.

State Vice President of Virginia and Maryland - Amy Kolbl
Ms. Kolbl has served as the State Vice President for Keystone's Virginia Franchises since January 2022. In January 2024, her role expended to include Maryland.

State Vice President of New Jersey - Rebecca Hutchins
Ms. Hutchins has served as the State Vice President for Keystone's New Jersey Franchises since January 2023.

ITEM 3

LITIGATION

American Builders Insurance Company vs. Keystone Insurers Group and Ebensburg Insurance Agency (Civil Action#: 4:19-CV-01497-MWB, M.D. PA). On August 28, 2019, an insurance carrier with which one of our Franchisees placed insurance, filed a complaint against us and one of our Franchisees regarding the issuance of a workers' compensation insurance policy by the insurance carrier. In connection with the application for and issuance of the carrier's policy, the claims asserted by the plaintiffs include breach of contract, professional negligence, negligent misrepresentation, and fraudulent misrepresentation. We have denied liability but the plaintiff asserts that our and/or our Franchisee's actions have caused the plaintiff to sustain damages in an amount yet to be determined, ranging $1 million or more. Summary judgment issued dismissing Defendants in September 2023, which Plaintiff appealed. The parties subsequently entered into a settlement agreement.

Karen Boytos, Administratrix of the Estate of Victor Charles Boytos v. East Coast Risk Management, et al. (Civil Action: GD19-018037, Court of Common Pleas of Allegheny County) On Dec 20, 2017 the decedent was in course and scope of employment with Traffic Controls when an arm of a traffic light was being hoisted using a vehicle and hoist. The light was hoisted above ground and the loop failed causing the arm fall onto the decedent. The allegation is that Risk Management didn't provide appropriate safety services. However, Risk Management had a safety meeting specifically warning employees not to walk under items being hoisted, and the decedent was present during the meeting. Risk Management was not on site and the parties subsequently entered into a settlement agreement.

Other than the case above, there is no litigation which must be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this item.

ITEM 5

INITIAL FEES

Our Initial Franchise Fee is not uniform. Rather, Franchisees pay an Initial Franchise Fee based upon the gross written premium for property and casualty business at the time the Franchisee joins Keystone. The Initial Franchise Fee described below may be discounted by 25% (the "**New Agency Discount**") for each New Agency acquired by a Franchise. "**New Agency**" means an acquisition by an existing Franchisee of an additional/new Franchise within a state added to Keystone's network of Franchises within the prior 12 months. The applicability and availability of the New Agency Discount are all subject to the sole discretion of Keystone. For purposes of example only, if Keystone sells its first Franchise in a particular state in 2025, all new Franchisees which purchase a New Agency may receive the New Agency Discount.

Initial Franchise Fee is based on the following:

Gross Written Premium	Amount
$1,000,000 – $9,999,999	$5,000
$10,000,000 – $14,999,999	$7,500
$15,000,000 – $19,999,999	$10,000
$20,000,000 – $24,999,999	$12,500
$25,000,000 – $29,999,999	$15,000
$30,000,000 – $39,999,999	$17,500
$40,000,000 and higher	$20,000

The maximum Initial Franchise Fee is $20,000. A Franchisee would be required to pay this maximum Initial Franchise Fee only if it has gross written premiums of $40,000,000 or more. Notwithstanding the preceding, Keystone retains the unilateral authority to evaluate the Initial Franchise Fee on a case-by-case basis and make adjustments it determines to be appropriate in its sole discretion.

The Initial Franchise Fee must be paid in one lump sum on the date the Franchise Agreement is signed by Keystone.

If you pay us before you are approved as a Franchisee or before you sign a Franchise Agreement, we will refund the entire amount you paid to us if we do not approve you as a Franchisee and do not sign the Franchise Agreement. There are no other refunds under any circumstances.

ITEM 6

OTHER FEES

<table>
<tr><th>Type of Fee</th><th>Amount</th><th>Due Date</th><th>Remarks</th></tr>
<tr>
<td>Monthly Service Fee</td>
<td>The Monthly Service Fee is determined in accordance with the table below and is based on the Franchisee’s Gross Premium during the immediately preceding accrual period (Note 1).

<table>
<tr><th><u>Gross Premium</u></th><th><u>Monthly Fee</u></th></tr>
<tr><td><$1 million</td><td>$881</td></tr>
<tr><td>$1 – 2 million</td><td>$908</td></tr>
<tr><td>>$2 – 3 million</td><td>$936</td></tr>
<tr><td>>$3 –4 million</td><td>$964</td></tr>
<tr><td>>$4 – 5 million</td><td>$991</td></tr>
<tr><td>>$5 – 6 million</td><td>$1,046</td></tr>
<tr><td>>$6 – 7 million</td><td>$1,101</td></tr>
<tr><td>>$7 – 8 million</td><td>$1,156</td></tr>
<tr><td>>$8 – 9 million</td><td>$1,211</td></tr>
<tr><td>>$9 – 10 million</td><td>$1,266</td></tr>
<tr><td>>$10 – 11 million</td><td>$1,321</td></tr>
<tr><td>>$11 – 12 million</td><td>$1,377</td></tr>
<tr><td>>$12 – 13 million</td><td>$1,432</td></tr>
<tr><td>>$13 – 14 million</td><td>$1,487</td></tr>
<tr><td>>$14 – 15 million</td><td>$1,542</td></tr>
<tr><td>>$15 – 16 million</td><td>$1,597</td></tr>
<tr><td>>$16 – 17 million</td><td>$1,652</td></tr>
<tr><td>>$17 – 18 million</td><td>$1,707</td></tr>
<tr><td>>$18 – 19 million</td><td>$1,762</td></tr>
<tr><td>>$19 – 20 million</td><td>$1,817</td></tr>
<tr><td>>$20 – 21 million</td><td>$1,872</td></tr>
</table>
</td>
<td>Payable monthly on the last business day of each month.</td>
<td>See Item 8 of this disclosure document for a description of your Premium Placement Requirement options.</td>
</tr>
</table>

Type of Fee	Amount		Due Date	Remarks
	>$21 – 22 million	$1,927		
	>$22 – 23 million	$1,982		
	>$23 – 24 million	$2,037		
	>$24 – 25 million	$2,092		
	>$25 – 26 million	$2,147		
	>$26 – 27 million	$2,202		
	>$27 – 28 million	$2,257		
	>$28 – 29 million	$2,313		
	>$29 – 30 million	$2,368		
	>$30 – 31 million	$2,423		
	>$31 – 32 million	$2,478		
	>$32 – 33 million	$2,533		
	>$33 – 34 million	$2,588		
	>$34 – 35 million	$2,643		
	>$35 – 36 million	$2,698		
	>$36 – 37 million	$2,753		
	>$37 – 38 million	$2,808		
	>$38 – 39 million	$2,863		
	>$39 – 40 million	$2,918		
	>$40 – 41 million	$2,973		
	>$41 – 42 million	$3,028		
	>$42 – 43 million	$3,083		
	>$43 – 44 million	$3,138		
	>$44 – 45 million	$3,194		
	>$45 – 46 million	$3,249		
	>$46 – 47 million	$3,304		
	>$47 – 48 million	$3,359		
	>$48 – 49 million	$3,414		
	>$49 – 50 million	$3,469		
	>$50 million	$3,524 Add $55.06 for every additional		

<table>
<tr><th>Type of Fee</th><th>Amount</th><th>Due Date</th><th>Remarks</th></tr>
<tr><td></td><td>$1 million of Gross Premium
(Notes 1, 2, 3)</td><td></td><td></td></tr>
<tr><td>Cost of Living Adjustment on Franchise Fee</td><td>Cost of Living Adjustment will be calculated as part of the annual franchise fee review using the Consumer Price Index (CPI) as established by the U.S. Bureau of Labor Statistics</td><td>Review of franchise fee in May of each year</td><td></td></tr>
<tr><td>Aggregate Contingency Compensation Distribution Fee</td><td>2% of the total contingency compensation funds received from each Keystone Insurance Carrier (Note 4). (Supplemental compensation or any and all other plans developed now or in the future by carriers to replace or rename contingency compensation for the purposes of the Franchise Agreement shall be treated as contingency compensation.)</td><td>Payable annually when each Keystone Insurance Carrier pays annual contingency compensation funds (Note 4).</td><td>We retain this fee from contingency compensation funds received from each Keystone Insurance Carrier.</td></tr>
<tr><td>Contingency Compensation Penalty</td><td>If you are unprofitable (Note 5) with a carrier regarding contingency compensation you shall pay the following percentage penalty of the total contingency compensation.
<table>
<tr><td>Loss Ratio</td><td>55.1 %-60%</td><td>60.1 %-65%</td><td>65.1 %-70%</td><td>70.1 %-75%</td><td>75.1 %-100%</td><td>100.1% and greater</td></tr>
<tr><td>1st period of unprofitability</td><td>5%</td><td>10%</td><td>15%</td><td>20%</td><td>25%</td><td>40%</td></tr>
<tr><td>Subsequent consecutive period(s) of unprofitability</td><td>10%</td><td>20%</td><td>30%</td><td>40%</td><td>50%</td><td>80%</td></tr>
</table></td><td>Payable annually when each Keystone Insurance Carrier pays annual contingency compensation fees</td><td>For the first period of unprofitability, the Contingency Compensation Penalty will be collected by Keystone and 100% reallocated to profitable Franchisees in accordance with Individual Contingency Compensation Distribution fees. 50% of all Contingency Compensation Penalties collected for the second and subsequent period(s) of unprofitability will be reallocated to the Loss Pool for profitable Franchisees in accordance with Individual Contingency Compensation Distribution fees, and 50% will be</td></tr>
</table>

Type of Fee	Amount	Due Date	Remarks
	If after experiencing an unprofitable period or period(s) you experience a profitable period, the above schedule shall be reset and again be applicable as set forth above.		retained by Keystone and not reallocated to Franchisees. The Board of Directors of Keystone may in its sole discretion exempt a Franchisee or carrier from the Contingency Compensation Penalty.
Individual Contingency Compensation Distribution Fee	Individual Contingency Compensation Distribution Fee is based on the Franchisee's Adjusted Loss Ratio (Note 6) and/or Franchisee's Gross Premium (Note 1). If your Gross Premium is less than or equal to $200,000 the Individual Contingency Compensation Distribution Fee is 15% of your Individual Contingency Compensation Distribution (Note 7). If your Gross Premium is greater than $200,000 (or if the Contingency Compensation Agreement is specific to bond only) the Individual Contingency Compensation Distribution Fee is determined in accordance with the following table: **Adjusted Loss Ratio** — **Individual Contingency Compensation Distribution Fee** <40% — 0% 40% - 50% — 2.5% >50% - 60% — 5.0% >60% — 7.5% (Notes 4, 6, 7, 8) Individual Contingency Compensation Distributions are applied	Payable when each Keystone Insurance Carrier pays contingency compensation funds (Note 4).	We retain this fee from contingency compensation funds received from each Keystone Insurance Carrier.

Type of Fee	Amount	Due Date	Remarks
	to your final distribution after application of Contingency Compensation Funds, if any (Note 8). Gross Premium for purposes of calculating Individual Contingency Compensation Distribution Fee shall include all premiums from all lines of business (i.e. premiums related to bonds).		
Bonus Distribution Fee	15% of your Individual Bonus Distribution if your premium growth with a Keystone Insurance Carrier is in the bottom 1/3 of all Franchisees who have appointments with that carrier and experience growth with that carrier; 10% if your premium growth with a Keystone Insurance Carrier is in the middle 1/3 of all Franchisees who have appointments with that carrier and experience growth with that carrier; 5% if your premium growth with a Keystone Insurance Carrier is in the top 1/3 of all Franchisees who have appointments with that carrier and experience growth with that carrier (Notes 9, 11).	Payable when each Keystone Insurance Carrier pays bonuses (Note 10).	We retain this fee from bonuses received from each Keystone Insurance Carrier.
Annuities Fee	15% of your production bonuses (excluding commissions) earned on the sale of annuities.	Payable when each Keystone Insurance Carrier pays your annuity bonus.	We retain this fee from the annuity bonus received from each Keystone Insurance Carrier.
Insurance Costs	$37,000 – $99,000 (Notes 12, 13).	Prior to commencing the Franchise and at all times during thereafter.	Errors and omissions coverage, employee dishonesty coverage, cyber coverage and employment practices liability coverage (Notes 12, 13). Payable to insurance company.

Type of Fee	Amount	Due Date	Remarks
Accounting Costs (Note 14)	As arranged.	As agreed.	Section 9 of the Franchise Agreement requires you to submit to us by August 31 of each year a statement of your profit and loss for the most recent fiscal year and your balance sheet as of the most recent fiscal year end prepared in accordance with generally accepted accounting principles and compiled by a certified public accountant or internally prepared financial statements accompanied by your federal tax return for the same period, at the sole discretion of the Chief Financial Officer of Keystone.
Advertising (Note 15)	As determined by us or as determined by vendor.	As agreed with us or with vendor.	You are not required to advertise but if you do, you may only advertise as prescribed in our Operating Manual.
Training (Note 16)	As determined by us (Note 16).	As agreed with us.	
Indemnification of Franchisor	As incurred.	Upon demand.	Section 14(b)(ii) and Section 18 of the Franchise Agreement require you to defend us at your own cost and indemnify and hold us harmless for certain losses and expenses, including our reasonable attorneys' fees.

Type of Fee	Amount	Due Date	Remarks
Keystone Benefits Services Fee	As negotiated with, and payable to, Keystone Benefits Services.	As agreed.	You are highly encouraged to use the services of our affiliate, Keystone Benefits Services. See Item 8 of this disclosure document for a description of the services offered by Keystone Benefits Services.
Keystone Insurance and Benefits Group Fee	As negotiated with, and payable to, Keystone Insurance and Benefits Group.	As agreed.	You are highly encouraged to use the services of our Keystone Insurance and Benefits Group. See Item 8 of this disclosure document for a description of the services offered by Keystone Insurance and Benefits Group.

ITEM 6 NOTES

(1) "**Gross Premium**" shall mean your aggregate annual gross written property and casualty premium written during the immediately preceding applicable accrual period as determined by Keystone and/or the respective applicable contract(s) with Keystone Insurance Carrier(s).

(2) Gross written premium is defined as any and all premiums placed by Franchisee for any property and casualty lines of insurance, including premiums placed directly or indirectly through captives, wholesalers or others through which business is brokered and due to or received by an insurer without deduction of the cost of any reinsurance or any adjustment for the fact that some of the income has to be reserved for unexpired risks.

(3) Employee benefits gross revenues realized from business placed by Franchisee with Keystone, its Affiliates or Keystone Specialty Programs count toward meeting your 80%/90% premium requirement, but are excluded from your Monthly Service Fee calculation.

(4) Contingency compensation funds are defined as any monetary distribution primarily based on premium size, losses and/or loss ratios and any other factors. The amount and payment terms of contingency compensation funds is described in each respective Keystone Insurance Carrier Contract, and vary from carrier to carrier. Under the Keystone Insurance Carrier Contracts, however, most contingency compensation funds are calculated and paid by the Keystone Insurance Carriers on an annual basis. However, Keystone Insurance Carriers may offer, and Keystone may elect to lock-in to a shorter period than one year, in which case such period shall be used for all calculations and payments. Supplemental compensation or any and all other plans developed now or in the future to replace or rename contingency compensation funds for the purposes of the Franchise Agreement shall be treated as contingency compensation funds.

(5) Unprofitability for contingency compensation penalty purposes means an adjusted loss ratio that exceeds 55%.

(6) "**Adjusted Loss Ratio**" means your loss ratio following adjustment as defined by each respective Keystone Insurance Carrier's compensation arrangement, if applicable.

(7) Your Individual Contingency Compensation Distribution is determined using the formula in Section 10(a) of the Franchise Agreement.

(8) Individual Contingency Compensation Distributions will be calculated after application of credits or debits for Adjusted Loss Ratio penalties imposed.

(9) All Franchisees will be ranked based on their performance during the applicable period as

determined by the contract with each Keystone Insurance Carrier. The Bonus Distribution Fee due Keystone will then be determined based on which one-third (1/3) the Franchisee falls into for the applicable period established by the carrier.

(10) Bonuses are defined as any monetary distribution, including without limitation excess commission, which is based on property and casualty premium size and any other factors. The amount and payment terms of bonuses are described in each respective Keystone Insurance Carrier Contract, and vary from carrier to carrier.

(11) Your Individual Bonus Distribution is determined using the formula in Section 10(b) of the Franchise Agreement.

(12) At your own expense and prior to commencing the Franchise, you must obtain and maintain in full force and effect throughout the term of the Franchise Agreement from an insurance company with a Best's A rating or better: (i) errors and omissions insurance coverage with a minimum per occurrence limit as set forth in our Operating Manual and which names us as an additional insured (this can be a combination of E&O and umbrella coverage), (ii) employee dishonesty insurance coverage with a minimum per occurrence limit as set forth in our Operating Manual, and (iii) network security and privacy (cyber) liability insurance covering Franchisee, its employees, agents, contractors and sub-contractors, to include coverage for, but not limited to; (a) network security and privacy liability, (b) PCI-DSS, and (c) data breach response and all related costs, with limits set forth in our Operating Manual and which names us as an additional insured. We may, at our discretion, change the insurance coverages and limits required above to comply with any Keystone Insurance Carrier Contract.

(13) We estimate that a typical property and casualty insurance agency with annual gross written premium of between $4.4 Million and $8.8 Million would pay between $30,000 and $85,000 for the errors and omissions insurance coverage ($5,000,000 Limit), between $3,000 and $6,000 for combined employee dishonesty ($500,000 Limit) and employment practices liability insurance coverage, between $4,000 and $8,000 for cyber liability insurance coverage ($1,000,000 Limit). The range of errors and omissions insurance coverage is so broad because of the market for such coverage in terms of price and availability.

(14) You make arrangements with, and payments to, the certified public accountant or accounting firm of your choice. **If we do not receive the required production information by April 1st, a penalty of $500 per month may be levied beginning May 1st and for every month until all such production information is received by us. If we do not receive the required financial information by August 31st, a penalty of $500.00 per month may be levied for every month until all such financial information is received by us.**

(15) Except as otherwise described above all other fees, payments and charges described in this Item 6 are imposed, collected and payable to us; are uniform to all Franchisees acquiring a Franchise pursuant to this disclosure document; are not refundable in whole or in part under any circumstances; and are not collected or imposed by us in whole or in part on behalf of any third party.

ITEM 7

ESTIMATED INITIAL INVESTMENT

Type of Expenditures	Amount or Estimated Range Low to High	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee (Notes 1, 2)	Franchisees with $1,000,000 to $9,999,999 in gross written premium $5,000	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $10,000,000 to $14,999,999 in gross written premium $7,500	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $15,000,000 to $19,999,999 in gross written premium $10,000	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $20,000,000 to $24,999,999 in gross written premium $12,500	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $25,000,000 to $29,999,999 in gross written premium $15,000	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $30,000,000 to $39,999,999 in gross written premium $17,500	Lump Sum	When we sign the Franchise Agreement	Us
	Franchisees with $40,000,000 and above in gross written premium $20,000	Lump Sum	When we sign the Franchise Agreement	Us

Errors and Omission Insurance (Note 3)	$30,000 to $85,000	As Arranged	Prior to commencing the Franchise	Third Party insurance company with a Best's A rating or better
Combined Employee Dishonesty and Employee Practices Liability Insurance (Note 4)	$3,000 to $6,000	As Arranged	Prior to commencing the Franchise	Third Party insurance company with a Best's A rating or better
Cyber Insurance (Note 5)	$4,000 to $8,000	As Arranged	Prior to commencing the Franchise	Third Party insurance company with a Best's A rating or better
Real Estate/Rent (Note 6)	Note 6	As Arranged	As Arranged	Third Party
Equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements and decorating costs (Note 6)	Note 6	As Arranged	As Arranged	Third Party
Security deposits, utility deposits, business licenses and other prepaid expenses (Note 6)	Note 6	As Arranged	As Arranged	Third Party
Additional Funds - 3 months (Notes 6, 7, 8)	Notes 6, 7, 8	As Arranged	As Arranged	Third Party
Total	$27,250 to $99,200			

NOTES

(1) Franchisees will be charged an Initial Franchise Fee according to the following table:

Gross Written Premium	Amount
$1,000,000 – $9,999,999	$5,000
$10,000,000 – $14,999,999	$7,500
$15,000,000 – $19,999,999	$10,000
$20,000,000 – $24,999,999	$12,500
$25,000,000 – $29,999,999	$15,000
$30,000,000 – $39,999,999	$17,500
$40,000,000 and higher	$20,000

(2) See Item 5 for the conditions when the Initial Franchise Fee is refundable and for a description of the New Agency Discount.

(3) You are required, at your own expense, and prior to commencing the Franchise, to obtain, and maintain in full force and effect throughout the term of the Franchise Agreement from an insurance company with a Best's A rating or better, errors and omissions insurance coverage with a minimum per occurrence limit as set forth in our Operating Manual and which names us as an additional insured (this can be a combination of E&O and umbrella coverage). We estimate that a typical property and casualty insurance agency with annual gross written premiums of between $4.4 Million and $8.8 Million would pay between $30,000 and $85,000 for the errors and omissions insurance. The range for errors and omissions insurance coverage is so broad because of the market for such coverage in terms of price and availability. Some of the factors considered in formulating this amount are as follows: if the agency has been in business for at least 3 years, if it has had 3 to 5 years continuous coverage, if it has been claims free for the last 3 years, if it has attended a loss control seminar (or will attend within 60 days of policy inception), if its brokered business is less than 20% of its total business, if it is primarily a property and casualty agency, and if it is not writing any hazardous 33 (e.g. pollution liability).

(4) You are required, at your own expense, and prior to commencing the Franchise, to obtain, and maintain in full force and effect throughout the term of the Franchise Agreement from an insurance carrier with a Best's A rating or better, employee dishonesty (fidelity) insurance coverage with a minimum per occurrence limit as set forth in our Operating Manual. We estimate that a typical property and casualty insurance agency with annual gross written premiums of $8,000,000 would pay between $3,000 and $6,000 for the combined employee dishonesty ($500,000 Limit) and employment practices liability insurance coverage. The same factors as used in Note 3 above were used in formulating this amount.

(5) You are required, at your own expense, and prior to commencing the Franchise, to obtain, and maintain in full force and effect throughout the term of the Franchise Agreement from an insurance carrier with a Best's A rating or better, network security and privacy (cyber) liability insurance covering Franchisee, its employees, agents, contractors and sub-contractors, to include coverage for, but not limited to: (a) network security and privacy liability, (b) PCI-DSS, and (c) data breach response and all related costs, with limits set forth in our Operating Manual

and which names us as an additional insured. We estimate that a typical property and casualty insurance agency with annual gross written premiums of $8,000,000 would pay between $4,000 and $8,000 for the cyber liability coverage.

(6) Because you are a licensed insurance agency independently owned and operating and conducting an insurance agency business, your costs and expenses for real estate/rent; equipment, fixtures and other fixed assets; security deposits, utility deposits, business licenses, inventory and employee training have already been incurred and have been already determined by you and/or third parties. We do not have any requirements or policies regarding these items which would require you to incur, other than what you are already incurring, any pre-opening or opening costs and expenses involving these items.

(7) Any additional funds incurred by you for pre-opening or opening expenditures during the "**initial phase**" is at your sole discretion. The "**initial phase**" is defined as 3 months. In our experience in granting Franchises, it is uncommon to see additional expenses incurred by Franchisees during the initial phase because Franchisees are converted from existing insurance agencies and, therefore, do not need to incur standard startup costs. Accordingly, we do not anticipate that any additional funds need to be expended during the initial phase.

(8) We do not offer financing for initial franchise fees or any other initial franchising costs.

ITEM 8

RESTRICTION ON SOURCES OF PRODUCTS AND SERVICES

Except as noted below, you will not be required by the Franchise Agreement or otherwise to purchase or lease from us or our designee any real estate, services, supplies, products, fixtures, equipment, inventory, or other goods relating to the operation of the Franchise.

Keystone Insurance Carrier Contracts

At the time of commencing the operation of your Franchise, you are required to resign and terminate those agency/company agreements you have with insurance companies that are also a Keystone Insurance Carrier; you may retain those agency/company agreements you have with insurance companies that are not a Keystone Insurance Carrier. Many of the Keystone Insurance Carrier Contracts are between us and the respective Keystone Insurance Carrier; however, certain of the Keystone Insurance Carrier Contracts are by and between our Affiliates and the respective Keystone Insurance Carrier.

You are required to place a certain amount of your gross written property/casualty premiums with the Keystone Insurance Carriers selling their insurance products as a Franchisee under the Keystone Insurance Carrier Contracts and have the choice between two options (either option is referred to as the "**Premium Placement Requirement**" throughout this disclosure document). The first option requires you to place, and maintain at all times, at least 80% of your gross written premiums with the Keystone Insurance Carriers through the Keystone Insurance Carrier Contracts. This requirement must be achieved by the end of the Initial Term of the Franchise Agreement. The second option requires you to place, and maintain at all times, at least 90% of your gross written premiums, less your gross written premiums attributable to one non-Keystone Insurance Carrier of your selection (hereinafter referred to as the

"**Excluded Carrier**"), with the Keystone Insurance Carriers through the Keystone Insurance Carrier Contracts. This requirement must be achieved by the end of the Initial Term of the Franchise Agreement. If you chose option 2 and the Excluded Carrier becomes a Keystone Insurance Carrier at any time, you have the choice of either (i) selecting a different non-Keystone Insurance Carrier to be the Excluded Carrier and to have the premiums attributable thereto to be excluded from your gross written premiums, or (ii) reverting to the first Premium Placement Requirement option described above. Under either Premium Placement Requirement option, if, at the Effective Time of your Franchise Agreement, your largest agency contract is with an insurance carrier that is not a Keystone Insurance Carrier (other than the Excluded Carrier under the second option) and that carrier represents 30% or more of your premium volume, or if more than 50% of your premium volume is with insurance carriers (other than the Excluded Carrier under the second option) that are not Keystone Insurance Carriers, the period in which to achieve the Premium Placement Requirement will be extended to the end of the eighth full calendar year following the Effective Time of your Franchise Agreement (the "**Premium Placement Requirement Extension**"). See Item 6 of this Disclosure Document for a description of your monthly service fees. Gross Premium placed in Keystone Specialty Programs or with Keystone or its Affiliates count toward achieving the 80% or 90% thresholds set forth above but is excluded from the monthly service fee calculation. In addition, excess and surplus lines volume will be excluded from the 80%/90% threshold determination; however excess and surplus lines volume placed with designated Keystone relationships will count in your favor in determining your compliance with the 80%/90% threshold. You must comply with the terms and conditions, including underwriting requirements, in the sale of the insurance products of each Keystone Insurance Carrier Contract with which you have powers of appointment. We do not and cannot guarantee that you will receive powers of appointment under every Keystone Insurance Carrier Contract. Your size and experience may limit the number of Keystone Insurance Carriers available to you. For purposes of calculating gross written premiums needed to meet the Premium Placement Requirement, only property and casualty premiums shall be included and all other premiums shall be excluded. Please note that all property and casualty premiums will be included regardless of which option is chosen for the purpose of determining your monthly franchise fee.

Regardless of the Premium Placement Requirement option you choose, if you have employee benefits gross revenue, such gross revenues will be calculated for purposes of incorporation into the determination of your Premium Placement Requirement using the following formula: (i) Franchisee's employee benefits gross revenue resulting from policies placed with Keystone Insurance Carriers and Keystone, including Keystone Benefits Services and Keystone Insurance and Benefits Group divided by Franchisee's total employee benefits gross revenue (ii) the quotient resulting from the calculation set forth in section (i) is then divided by twenty (20) and the resulting quotient shall represent the percentage added to Franchisee's Premium Placement Requirement determination.

FOR ALL BUSINESS, WE EXPECT ALL FRANCHISEES TO PLACE THE BEST INTERESTS OF THEIR CLIENTS FIRST AND TO COMPLY FULLY WITH ALL REGULATIONS AND REQUIREMENTS OF ALL APPLICABLE REGULATORY AGENCIES INCLUDING ALL APPLICABLE DISCLOSURE REQUIREMENTS.

We negotiate, maintain and administer the Keystone Insurance Carrier Contracts and in most cases either we, or our Affiliates, are the agent identified in these agent/company agreements. You receive powers of appointment under certain of the Keystone Insurance Carrier Contracts. We choose the Keystone Insurance Carriers in our sole discretion. We evaluate the Keystone Insurance Carriers based on a variety of factors. The senior officers of the Company must approve them as a Keystone Insurance Carrier and authorize the execution of an agency/company agreement. Any modifications to these

Keystone Insurance Carrier Contracts must be authorized by a senior officer of the Company.

Subject to the Premium Placement Requirement described above, you may place your insurance business and premiums with any other insurance companies and sell their insurance products without any restrictions imposed by us or our approval, except that if any such insurance carrier shall become a Keystone Insurance Carrier in the future with which we, or our Affiliates, have a Keystone Insurance Carrier Contract, you must resign and terminate any agency/company agreement with such insurance carrier and operate under the Keystone Insurance Carrier Contract.

We derive revenue from licensing and monthly service fees, contingency compensation sharing and bonuses earned on the sale of insurance products of the Keystone Insurance Carriers sold by you and other Franchisees. However, the vast majority of the revenues from profit sharing and bonuses are paid, and passed on, to you either directly or on a pro rata basis, except that we retain 2% of all contingency compensation funds and we generate revenue from those fees described in Item 6 and charged by us. We also derive revenue from Keystone Insurance Carriers and Specialty Program insurance carriers and captives who pay Keystone a national expense reimbursement ("**NER**") generally of .5% of Gross Premium with those Keystone Insurance Carriers or program expense reimbursement fee ("**PER**") generally of 2.0% of Gross Premium with those Specialty Program insurance carriers and captives. We may also generate revenue in the form of non-monetary compensation by the Keystone Insurance Carriers which we keep, provided, that any non-monetary distribution earned solely by the efforts of one Franchisee will be distributed to such Franchisee. Whether any non-monetary compensation is distributed by a Keystone Insurance Carrier is in the sole discretion of such Keystone Insurance Carrier. We also may receive distributions from the Keystone Insurance Carriers to be used solely on advertising by us. We retain all of these distributions and determine, in our sole discretion, how to use them on advertising. We also retain 50% of all Contingency Compensation Improvement Penalties from the second subsequent year or period and the consecutive subsequent years, or periods, of unprofitability, except for the first unprofitable year, or period following a reset of the Contingency Compensation Improvement Penalty, to be used to further the objectives of Keystone. For the year ended December 31, 2024, our total dollar revenue was $42,902,914 of which $3,927,457 was derived from Profit-Sharing. This amount does not reflect revenue for profit sharing, commission or flow-through expenses from Franchisees as these revenues are in and out items received by us and disbursed upon receipt. Lastly, some Keystone Insurance Carriers offer additional incentives to Keystone to meet other performance objectives. Our revenue from franchise licensing and recurring monthly fees was $6,680,393 of our total revenue for the year ended December 31, 2023. This information is derived from our most recent financial statements, provided at Exhibit A.

Insurance

You must procure and maintain in full force throughout the term of the Franchise Agreement the insurances described in Item 7, notes 3, 4 and 5 of this disclosure document, and in our Operating Manual only from an insurance carrier with a Best's A rating or better. Other than being named as an additional insured, we will derive no revenue or other material benefit from your purchase of these insurances.

Financial Statements

You are required to submit the following to us by August 31 of each year:

- An income statement and balance sheet for your most recent fiscal year-end, as compiled by a certified public accountant and prepared in accordance with generally accepted accounting principles, OR
- Internally generated income statement and balance sheet. If these statements are not in satisfactory condition, additional information may be required at the discretion of the Chief Financial Officer.

You may hire and use any certified public accountant of your choice. We will derive no revenue or other material benefit from your purchase of these required financial statements.

Late filings are subject to a penalty of $500 per month, as adopted by the Keystone Board of Directors.

CORPORATE TAX RETURNS ARE NO LONGER ACCEPTABLE TO FULFILL THIS REQUIREMENT.

Advertising

At this time, Franchisees do not purchase advertising and related materials from us. Any such advertising and related materials purchased from others must be approved by us in advance and meet the standards established from time to time by us. If you use any such advertising or related materials, you must submit a written request for approval. We will notify you within 30 days of our approval or disapproval. We may revoke our approval of your use of any advertising or related materials when and if they are changed or modified in any way without our prior approval.

Keystone Affiliates

Strategic Risk Solutions, a wholly-owned subsidiary of Keystone formed on April 16, 2001, provides property/casualty products and risk management services to large commercial clients internationally. Strategic Risk Solutions provides such services on behalf of itself and Franchisees. You are under no obligation to use the services of Strategic Risk Solutions. You may obtain similar services from any other provider without any restrictions imposed by us or our approval.

Keystone Program, a wholly-owned subsidiary of Keystone formed on January 9, 2013, doing business under the name Keystone Program Administrators and also Keystone Select. Keystone Program provides Keystone administered property and casualty specialty programs exclusively for Franchisees, as well as access to contract bind facilities. You may obtain similar services from any other provider without any restrictions imposed by us or our approval. You may engage the services of Keystone Program upon terms and conditions negotiated solely between you and Keystone Program.

Keystone Benefits Services, an affiliate of Keystone formed on December 29, 2004, is owned 95% by Keystone and 5% by Emerson, Reid & Company. Emerson, Reid & Company is a subsidiary of USI Holdings Corporation, located in New York City. Keystone Benefits Services was formed in 2005 to enhance our Franchisees' abilities to market individual and group medical benefits products to their clients in Pennsylvania. Keystone Benefits Services provides and/or facilitates joint sales and assistance in the marketing of benefit products and services to Franchisees and their clients. In addition, Keystone Benefits Services attempts to attract, negotiate, maintain and administer agreements with individual and group medical insurance carriers that are unique to Keystone Benefits Services and that are not available through Keystone or its other subsidiaries.

Keystone Insurance and Benefits, formed on June 1, 2009 and a wholly-owned subsidiary of Keystone, provides individual and group employee benefits products to their clients in all of our states. Keystone Insurance and Benefits has negotiated in some circumstances enhanced coverage discounts and/or underwriting relaxation for Franchisees for group life, disability insurance and long-term disability products. You are highly encouraged to use Keystone Insurance and Benefits to meet your employee benefit needs. Keystone Insurance and Benefits provides and/or facilitates joint sales and assistance in the marketing of benefit products and services to Franchisees and their clients. In addition, Keystone Insurance and Benefits attempts to attract, negotiate, maintain and administer agreements with individual and group medical insurance carriers that are unique to Keystone Insurance and Benefits.

Other

Other standards imposed on you in the operation of your Franchise include, or may include, standards for premium billings, loss ratio performance, financial soundness, customer service, general business practices, and other restrictions and standards imposed by the Keystone Insurance Carriers. Our standards are conveyed in our Operating Manual. We may formulate and modify standards imposed on you when we determine that the need for additional standards, and modifications to current standards, exists. All standards are formulated or modified based on, first, the recommendation of Keystone's officers and, second, the approval of our board of directors.

The estimated proportion of all required purchases by you to all other purchases by you in establishing and operating the Franchise is 0% to 2%. With respect to insurance sales in the operation of your Franchise, you are required to place with the Keystone Insurance Carriers that amount of your gross written premiums (either 80% or 90%) to achieve the Premium Placement Requirement. We have no purchasing or distribution cooperatives.

We negotiate agreements with suppliers, including price terms, for goods and services that are incidental to the insurance agency business. You may, but are not required to, purchase any such goods or services. Depending on the arrangements, we may derive revenue from your purchase of any such goods or services. You will not receive any material benefit beyond those related to each transaction based on your use of designated sources.

No officer of Keystone owns any interest in any supplier.

ITEM 9

FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1	7; 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
b. Site development and other pre-opening requirements	7b; 7e; 7l	6; 7
c. Initial and ongoing training	7n	11
d. Opening	7b	11
e. Fees	3; 11	5; 6
f. Compliance with standards and policies/operating manual	1; 4b; 4c; 4d; 5b; 5c; 7	8; 11; 16
g. Trademarks and proprietary information	5; 12 Confidentiality Agreement-Sections 2-4	13; 14
h. Restrictions on services/products offered	7	8; 16
i. Warranty and customer service requirements	7	16
j. Territorial development and sales quotas	1; 13	12
k. Ongoing product/services purchases	7	8
l. Maintenance, appearance and remodeling requirements	None	None
m. Insurance	7l	6; 7; 8
n. Advertising	6h; 7m	6; 11
o. Indemnification	14(b)(ii); 18	6
p. Owner's participation/management/ staffing	7d	15
q. Records/reports	7i	6; 8
r. Inspections and audits	7h; 7i; 7j	NA
s. Transfer	14	17
t. Renewal	2b	17

Obligation	Section in Franchise Agreement	Disclosure Document Item
u. Post-termination obligations	17	17
v. Non-competition covenants	13	17
w. Dispute resolution	13d; 13e; 20; 22; 23	17

ITEM 10

NO FINANCING

Keystone does not offer financing for the payment of any franchise fees or costs.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we need not provide any assistance to you.

Pre-Opening Assistance

Under the terms of the Franchise Agreement, we must perform the activities listed below prior to or upon commencement of operations of the Franchise.

Before you begin or upon commencing operation of your Franchise, we will:

a) provide to you one copy of the Operating Manual (Franchise Agreement - Section 6(a));
b) determine those insurance carriers with which you hold agent/company agreements that are also Keystone Insurance Carriers (Franchise Agreement - Section 6(b)(i))
c) provide you access to the terms and conditions of the Keystone Insurance Carrier Contracts, including compensation arrangements, and provide you with copies thereof (Franchise Agreement - Section 6(b)(ii));
d) determine that amount of your current gross written premium necessary to meet your Premium Placement Requirement and assist you in establishing a time table for such transfer (Franchise Agreement - Section 6(b)(iii));
e) facilitate the transfer of your insurance business to certain Keystone Insurance Carrier Contracts (Franchise Agreement - Section 6(b)(iv));
f) engage our employee benefits department and Affiliates to evaluate your employee benefits operations and products (Franchise Agreement – Section 6(b)(v));
g) use our best efforts to obtain powers of representation for you with those Keystone Insurance Carriers chosen by you, but we cannot and do not guarantee that powers of representation with every Keystone Insurance Carrier will be available in all cases to you and the number of Keystone Insurance Carriers available to you may be limited based on your size and experience (Franchise Agreement - Section 6(d)).

Ongoing Assistance

Under the terms of the Franchise Agreement, we are obligated to perform the activities and services listed below.

We may periodically hold and conduct meetings. Some of these meetings may be mandatory such that your attendance is mandatory, and some of these meetings may be voluntary such that your attendance is voluntary. The duration and location of, and agenda for, any such meeting will be determined by us in our sole discretion. You are required to pay your pro rata share of the costs incurred by us to organize and conduct any such meeting and all expenses incurred in connection with your travel, meals and lodging (Franchise Agreement - Section 6(h)).

We must, at all times during the term of the Franchise Agreement, negotiate, administer and endeavor to maintain, the Keystone Insurance Carrier Contracts (Franchise Agreement - Section 6(c)).

We will notify you of new Keystone Insurance Carriers and will assist you, if you desire, in acquiring powers of representation and transferring insurance business among the Keystone Insurance Carriers (Franchise Agreement - Section 6(e)). The number of Keystone Insurance Carriers available to you may be limited based on your size and experience (Franchise Agreement - Section 6(d)). We must, at all times during the term of the Franchise Agreement, assist you in obtaining those goods and services of your choice at our discounted prices (Franchise Agreement - Section 6(e)).

We will collect from each Keystone Insurance Carrier all amounts due and owing for profit sharing and bonuses and distribute to you all amounts there from due and owing to you (Franchise Agreement - Section 6(f)). In the event any commissions due to you are distributed by a Keystone Insurance Carrier to us, we will distribute it to you promptly (Franchise Agreement - Section 6(f)).

We will from time to time furnish to you such information, instructions, techniques, data, instructional materials, and other operational developments pertaining to the administration and operation of the Franchise, the Keystone Insurance Carrier Contracts and other products and services related thereto, as may be developed by us from time to time in connection with the Keystone System (Franchise Agreement - Section 6(g)).

We will provide to you certain consultation services as we, in our sole and exclusive discretion, deem advisable. Such consultation services may be rendered on site, off site, telephonically or through other communication devices by our representatives, and may include the rendering of advice with respect to any or all programs, procedures, guidelines, systems, specifications or techniques pertaining to the operation of the Franchise. All such rendering of advice and consultation is subject (as to timing) to the availability of our representatives (Franchise Agreement - Section 6(h)).

In addition to the foregoing services, there may be additional strategic planning and consultation services provided by the Keystone Sales Culture Development Division and by the Keystone Agency Management Division, which may have separate fee schedules. Use of these services is voluntary and not required by us.

We are not obligated to provide any assistance to you regarding hiring and training employees; pricing; or administrative, bookkeeping, accounting and inventory control procedures, but we will use our best efforts to provide assistance if requested by you.

<u>Advertising</u>

At this time, we have no formal advertising program, but may engage in the business of offering and selling advertising, identification and promotional materials to you upon such prices, terms and conditions as we, in our sole and exclusive discretion, determine. (Franchise Agreement- Section 6(i)). You may, but are not required to, purchase from us such advertising, identification and promotional materials developed or offered by us. All revenue we receive from your purchase from us of advertising, promotional and identification materials is used to cover our costs to develop the same. If any revenue remains after covering our costs, we retain the same as profit to us.

All such advertising, identification and promotional materials is done either in-house by us or through an outside advertising/printing firm. (Franchise Agreement - Section 6(i)). All advertising, identification and promotional materials are mainly in print in the form of brochures and other printed material which is distributed by our Franchises. Subject to applicable advertising laws, we have, on occasion, done advertising through the internet, radio and other electronic media, but we have no formal advertisement program. We have also done advertising in trade journals which are disseminated regionally in States where Keystone currently conducts operations although we have no formal print media advertisement program. We do have a website on the internet (https://keystoneinsgrp.com).

You may use any advertising, identification and promotional materials developed by you, or at your direction. All such advertising, identification and promotional materials must be conducted in a dignified manner and must be approved by us, in our sole discretion, in advance. (Franchise Agreement - Section 7(m)). However, you are not required to spend any amount of funds on advertising.

We have no advertising council, advertising cooperatives or advertising funds.

Computer Systems

We do not require you to buy or use any particular computer system. However, any computer system that you buy or use must comply with applicable standards under the Keystone Insurance Carrier Contracts.

Confidential Operating Manual

The Table of Contents of our Confidential Operating Manual as of April 4, 2025, is set forth below. The Operating Manual may be modified at any time.

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Location

We will neither select nor approve a site or area for the operation of the Franchise.

Projected Commencement Date

We expect you to be able to commence business under the Franchise Agreement within 30 days after we sign the Franchise Agreement. That time may be needed to complete your pre-operating requirements such as obtaining the required insurances. You may be terminated as a Franchise if you fail to commence business within 30 days from the Effective Time.

Training

At this time, we do not have or offer any specialized or formal training program relating to the operation of the franchise. If we develop a training program, we retain the sole and exclusive right to determine what subjects are to be included in the curriculum and the duration, location, and instructor of any training program, and the fees to be charged to you for any training program we may develop and as prescribed in the Operating Manual.

We may periodically offer training specific to an insurance product of a Keystone Insurance Carrier. The location, duration and curriculum, and instructor, of any such training session or meeting provided by us shall be determined by us in our sole and exclusive discretion. Attendance by you is mandatory if you wish to market and sell such insurance product. The fees which would be incurred by you for attending any such training will be determined by us.

We may periodically hold and conduct meetings of all Franchisees within the Keystone System. Some of these meetings may be mandatory such that attendance by you is mandatory, and some of these meetings may be voluntary such that attendance by you is voluntary. We retain the sole and exclusive right to determine the agenda for, and duration and location of, any such meeting. The fees which would be incurred by you for attending any such meeting will be determined by us.

ITEM 12

TERRITORY

You will not receive an exclusive territory and there is no minimum geographic territory specific to your Franchise. Because Keystone converts existing insurance agencies into Keystone Franchisees, your Franchise Agreement is not for a specific location pre-approved by Keystone. Rather, Keystone approves the operation of Franchisees at the location(s) at which a Franchisee is located at the time of signing a Franchise Agreement. At any point in the future if you want to relocate your Franchise, including, for example, in connection with a new lease or purchase or sale of your Franchise, or the purchase of a non-Keystone agency in a location where Keystone or a current Franchise is located, you will need to notify, in writing, the applicable Keystone State Vice President, the Keystone Executive Vice President (Field Operations) and Keystone's Chief Development Officer, all of whom collectively have the authority to approve or deny the proposed relocation based on whether the proposed relocation would violate the noncompete or nonsolicitation restrictions and other limitations and restrictions which are described in Item 16.

Regardless of location, as a Franchisee you are subject to noncompete and nonsolicitation restrictions and other limitations on what and how you may sell, all of which are described in Item 16. Other than the restrictions set forth in Item 16, there are no geographical limitations or other restrictions on the manner in which Franchisees may distribute products or solicit or accept orders for their products.

Our affiliate, KAP, owns and operates Franchises and we may establish other franchised or company owned outlets that may be near your location, subject to the noncompete and nonsolication restrictions described in Item 16 and without having to compensate you. You may face competition from other Franchisees, from outlets that we may own, or from other channels of distribution or competitive brands that we control. Except through our affiliate, KAP (which is subject to the noncompete and nonsolication restrictions described in Item 16), we do not currently, nor do we anticipate, owning any outlets or other channels of distribution as competitive brands that will ever compete with you. In addition, your Franchise Agreement contains provisions prohibiting piracy of clients and employees by Keystone and other Franchisees and contains provisions to resolve simultaneous solicitations of new customers.

As a Franchisee you do not have any options or rights of first refusal to acquire other Franchisees. However, Keystone may, at its sole discretion, designate to another Franchisee its right of first refusal described in Item 17.

ITEM 13

TRADEMARKS

We grant you the right to operate a business using the name "Keystone Insurers Group." You may also use other current or future trademarks or Proprietary Marks to operate your Franchise. By trademarks, we mean trade names, service marks, logos and slogans we authorize you to use in connection with operating your Franchise.

There are three (3) active Federal registrations that have been granted to us by the U.S. Patent and Trademark Office. The particulars of each registration are as follows:

Trademark	Registration Date	Registration Number	Class of Good and Services
KEYSTONE INSURERS GROUP	October 10, 2000	2392852 (principal register)	Insurance agencies and insurance brokerage services
KEYSTONE INSURERS GROUP	February 19, 2002	2540964 (principal register)	Franchising, namely, offering technical assistance in the establishment and operation of insurance agencies and brokerages
KEYSTONE	January 17, 2017	5125825 (principal register)	Franchising, namely, offering technical business assistance in the establishment and operation of insurance agencies and brokerages; Insurance agencies and insurance brokerages and insurance brokerage services; Insurance underwriting for all types of insurance

Each trademark registration has a ten (10) year registration term from the date of registration grant. Each registration was granted on the Principal Register, at least in part, under Section 2(f), which provides that, except for several specific provisions of the law, nothing shall prevent the registration of a mark which has become distinctive. We have filed, and intend to file when due, affidavits of use and affidavits of incontestability, as well as renewal applications, for the registrations listed above.

You must follow our rules when you use the Proprietary Marks. The Franchise Agreement and the Operating Manual require you to operate and advertise only under the name or names from time to time designated by us for use by our franchise owners; to adopt and use the Proprietary Marks solely in the manner prescribed by us; to refrain from using our Proprietary Marks or confusingly similar names in your corporate name; to observe all laws with respect to the registration of trade names and assumed or fictitious names and to include in any application therefor a statement that your use of the Proprietary Marks is limited by the terms of your Franchise Agreement, and to provide us with a copy of any such application and registration documents; to observe the requirements with respect to trademark and service mark registration and copyright notices as we may from time to time require, including without limitation, affixing "TM" adjacent to all such proprietary Marks in any and all cases thereof. Your use of any advertising is subject to our prior written approval.

No agreements limit our right to use or license the use of our trademarks.

We are not obliged by the Franchise Agreement or otherwise to protect or defend any or all rights which you have to use the Proprietary Marks or to protect, defend or indemnify you against any claims of infringement or unfair competition with respect to the same. The Franchise Agreement does not provide for any form of compensation or payment to you if you lose your right to continue to use our Proprietary Marks.

You must promptly notify us of any claim, demand, or cause of action that we may have based upon or arising from any unauthorized attempt by any third person to use the Proprietary Marks, or any variation thereof, or any other mark or name in which we have or claim a proprietary interest. We have the sole right to contest or bring an action, and to control the same, against any third party regarding the third party's use of any of the Proprietary Marks and shall exercise such right in our sole discretion. You must assist us, upon our request and at our expense, in taking such action, if any, as we may deem appropriate to halt such activities; but you may take no action nor incur any expenses on our behalf without our prior written approval. You must not directly or indirectly commit any act of infringement, or contest or aid others in contesting the validity or our right to use the Proprietary Marks, or take any other action which undermines our rights to the Proprietary Marks.

We may, in our sole discretion, designate new, modified or replacement Proprietary Marks for your use and require you to use them in addition to or in lieu of any previously designated Proprietary Marks. Any costs or expenses associated with your use of any such new, modified or replacement Proprietary Marks shall be your sole responsibility. You are not entitled to any compensation as a result of the discontinuation of any Proprietary Marks.

Superior Prior Rights and Infringing Uses Which May Materially Affect Your Use of Our Trademark

In Pennsylvania, it is possible that Keystone Insurance Co., with locations in Pittsburgh, Johnstown, Erie, and Scranton, Pennsylvania for insurance agent and broker services, has superior rights in the name; however, their superior rights are not a certainty. We have used in Pennsylvania the "Keystone Insurers Group" service mark and trade name since at least January 1983, and there has been, to the best of our knowledge, no instances of confusion between us and Keystone Insurance Co., and it is possible that our use predates Keystone Insurance Co.'s use.

In Voorhees, New Jersey, it is possible that Keystone Insurance Co. for insurance agent and broker services has superior rights to ours. If so, we may not be able to use the mark in the area in which Keystone Insurance Co. has become sufficiently well-known to have acquired common law rights.

In Baltimore, Maryland, it is possible that Keystone Insurance (AAA Mid-Atlantic Inc.) for insurance agent and broker services has superior rights to ours. If so, we may not be able to use the mark in the area in which Keystone Insurance has become sufficiently well-known to have acquired common law rights.

In each of Belle Plaine and Keystone, Iowa; Rockford, Illinois; Omaha, Nebraska; and Reno, Nevada, it is possible that Keystone Insurance Agency Inc. for insurance agent and broker services has superior rights to ours in these areas. If so, we may not be able to use the mark in each of the areas in which Keystone Insurance Agency Inc. has become sufficiently well-known to have acquired common law rights. While a Keystone Insurance Agency Inc. is located in each of these areas, they may, or may not be, affiliated with one another.

In each of Metairie, Louisiana; Minneapolis, Minnesota; San Diego, California; Oklahoma; Seattle, Washington; and Richmond, Virginia, it is possible that Keystone Insurance for insurance agent and broker services has superior rights to ours in these areas. If so, we may not be able to use the mark in each of the areas in which Keystone Insurance has become sufficiently well-known to have acquired common law rights. While a Keystone Insurance is located in each of these areas, they may, or may not be, affiliated with one another.

In Rockwall and Austin, Texas, it is possible that Keystone General Insurance Agency for insurance agent and broker services has superior rights to ours in these areas. If so, we may not be able to use the mark in the areas in which Keystone General Insurance Agency has become sufficiently well- known to have acquired common law rights. The Keystone General Insurance Agency in both locations appear to be related entities.

In Phoenix, Arizona, it is possible that Keystone Financial Life Insurance Company for insurance agent and broker services has superior rights to ours in this area. If so, we may not be able to use the mark in the area in which Keystone Financial Life Insurance Company has become sufficiently well-known to have acquired common law rights.

In St. Louis, Missouri, it is possible that Keystone Financial Group for insurance agent and broker services has superior rights to ours in this area. If so, we may not be able to use the mark in the area in which Keystone Financial Group has become sufficiently well-known to have acquired common law rights.

In each of Denver, Colorado; Brookshire and Houston, Texas; and Norcross, Georgia, it is possible that Key Insurance Group Inc. for insurance agent and broker services has superior rights to ours in these areas. If so, we may not be able to use the mark in the areas in which Key Insurance Group Inc. has become sufficiently well-known to have acquired common law rights. While a Key Insurance Group Inc. is located in each of these areas, they may, or may not be, affiliated with one another.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We own no patents or copyrights which are material to the franchise, nor do we have any pending patent applications.

We claim common law rights and copyright protection for our Confidential Operating Manual, the Franchise Agreement, our franchise promotional and advertising material, and the Franchise Disclosure Document. However, these materials are not registered copyrights and we do not intend to register them as copyrights.

Your entire knowledge of the operation of the Franchise and Keystone System, including knowledge or know-how concerning the systems of operation, programs, services, products, customers, Keystone Insurance Carriers, Keystone Insurance Carrier Contracts and our practices is derived from information disclosed to you by us. In the Franchise Agreement, you will agree that all of our information is proprietary, confidential and our trade secret. You will maintain the absolute confidentiality of all such proprietary information during and after the term of the franchise and will not use any such information in any other business or in any manner we do not specifically authorize or approve in writing.

You may divulge confidential information only to your employees who must have access to it in order to operate the Franchise. Any and all information and know-how you receive from Keystone or through your participation in Keystone shall be deemed confidential for purposes of the Franchise Agreement, except information you can demonstrate lawfully came to your attention prior to the disclosure by us or which, at the time of or after disclosure by us to you, had lawfully become a part of the public domain, through publication or communication by others.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Regardless of your form of business and unless otherwise agreed in writing by us, you and all equity owners of the Franchise are required to personally and directly exercise on-premises supervision of the operation, and to act as business managers, of the Franchise, and shall be required to personally participate in the direct operation of the Franchise. You and all equity owners of the Franchise shall devote such amount of your time and attention and best efforts as is necessary for the proper and effective operation of your Franchise.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are required to place at least 80% or 90% of your gross written property/casualty premiums with the Keystone Insurance Carriers selling their insurance products as a licensee under the Keystone Insurance Carrier Contracts by the end of the Initial Term following the date we sign the Franchise Agreement; provided, however, if, at the Effective Time of your Franchise Agreement, your largest agency contract is with an insurance carrier that is not a Keystone Insurance Carrier (other than the Excluded Carrier) and that carrier represents 30% or more of your premium volume, or if more than 50% of your premium volume is with insurance carriers that are not Keystone Insurance Carriers (other than the Excluded Carrier), the period will be extended to the end of the eighth full calendar year following the Effective Time of your Franchise Agreement. See Item 8 for a complete description of the Premium Placement Requirement. We cannot and do not guarantee that you will receive powers of appointment under every Keystone Insurance Carrier Contract as the right of appointment has been exclusively reserved by the Keystone Insurance Carriers in these contracts and your size and experience may limit the number of Keystone Insurance Carriers available to you. We have the sole right to determine the Keystone Insurance Carriers.

You must resign and terminate your agency/company agreements with those insurance companies that are also Keystone Insurance Carriers (see Item 8).

You may be restricted in your sale of the insurance products of the Keystone Insurance Carriers by our profit improvement plan described in our Operating Manual. You must also comply with the terms and conditions, including underwriting requirements, in the sale of insurance products of each Keystone Insurance Carrier with which you have powers of appointment under the Keystone Insurance Carrier Contracts.

You must comply with all Keystone System operational systems, procedures, policies, methods and requirements which are by their terms mandatory including those contained in the Operating Manual.

You must operate and maintain the Franchise solely in the manner and pursuant to the standards prescribed in the Franchise Agreement, Operating Manual or in other written materials, which we provide you.

You are prohibited during the term of the Franchise Agreement from engaging, either directly or indirectly, in any business which is similar to, or in competition with, a Franchise.

You are prohibited during the term of the Franchise Agreement, and for 2 years after its termination or expiration, from contacting any customer of any Franchise for the purpose of selling insurance products, or for the purpose of diverting their business to yourself or a competitor. You also agree during the term of this Franchise Agreement to terminate any solicitation of a potential customer if another Franchisee was soliciting the same potential customer before you in the calendar year in which the solicitation is occurring.

You are prohibited during the term of the Franchise Agreement and after its expiration or termination from divulging or using any confidential information of Keystone.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Franchise Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision		Section in Franchise Agreement	Summary*
a.	Length of the franchise term	2(a)	5 Years.
b.	Renewal or extension of the term	2(b)	You may renew for additional 5-year terms if you have fully complied throughout the initial and subsequent terms. There is no renewal fee.
c.	Requirements for you to renew or extend	2(b)	Notify us 6 months before expiration date of initial term; you may be asked to sign a new Franchise Agreement with materially different terms and conditions from your original Franchise Agreement.

Provision		Section in Franchise Agreement	Summary*
d.	Termination by you	16(d); 17(a)(i)	You may terminate the Franchise Agreement at any time after your first year without cause by giving us at least 180 days prior written notice thereof; however, if you are terminated, you are not entitled to any Individual Contingency Compensation Distribution or Individual Bonus Distribution due to you for the year in which you are terminated. You may terminate for cause if we have materially breached the Franchise Agreement at least twice during a calendar year and if we fail to cure the breaches within 60 days after you provide us with written notice to cure each such default.
e.	Termination by us without cause	None	We cannot terminate the Franchise Agreement without cause.
f.	Termination by us with cause	16(a); 16(b)	We can only terminate if you default.
g.	Cause defined: defaults can be cured	16(b); 16(c)	Section 16(a) lists 4 circumstances where you have 15 days to cure a default after you receive notice from us. If you do not cure, the Franchise Agreement terminates. The circumstances are: you fail to pay any financial obligation created in this Agreement; you fail to pay any premium billings due and owing under and Keystone Insurance Carrier Contract; you fail to perform or breach any covenant, obligation, term, condition, warranty or certification in the Franchise Agreement or Operating Manual; you operate your Franchise in a manner contrary or inconsistent with the Operating Manual and Proprietary Marks.
h.	Cause defined – noncurable defaults	16(b); 16(c)	Section 16(b) lists 17 circumstances where a default by you allows us to terminate your Franchise Agreement with no cure period. The termination is effective upon your receipt of notice. The circumstances are: you do not commence operations on time; you make or made false statements or reports to us; you interfere with our contractual relations; you interfere with our rights to license the Proprietary Marks to others; you misuse the Proprietary Marks; you fail to cure within 10 days

Provision		Section in Franchise Agreement	Summary*
			a violation of law or regulation which applies to your Franchise; you fail to obtain our written approval when required; you violate assignment and transfer provisions; you receive 2 or more notices to cure defaults in the same calendar year; we receive 3 or more substantiated and material complaints in the same calendar year from customers about your conduct; you cease operating your Franchise; you commit a crime; you engage in conduct which reflects materially and unfavorably upon your Franchise, us or the Keystone System; you default in any other agreement with us and fail to cure the default; you misuse confidential information; you violate non-compete provisions; you become insolvent, assign your assets for the benefit of creditors, or you consent to the initiation of proceedings to appoint a custodian or receiver of your assets, or a custodian or receiver of your assets is assigned; you fail to meet the Premium Placement Requirement (see Item 8).
i.	Your obligations on termination/non-renewal	17	Cease being a Franchise owner; discontinue use of Proprietary Marks; pay us all sums due; pay us all expenses we incur as a result of your defaults; return all of our property to us; execute all agreements necessary for termination; comply with post termination covenants not to compete; do not misuse any of our confidential information or trade secrets.
j.	Assignment of contract by us	14(a)	No restriction on our right to assign.
k.	Transfer by you defined	14(b)	Includes all changes of ownership rights in Franchise Agreement, the business, its assets or changes in you and the purchase by you of assets of another. A transfer is a general term which includes assignment, sale, transfer and purchase as used in the Franchise Agreement.
l.	Our approval of transfer by you	14(b)	You must obtain our approval for any transfer. Transfers are subject to Keystone's right of first refusal.
m.	Conditions for our approval of transfer	14(b)	Any reasonable conditions we may impose at the time of transfer. You must comply with first

Provision		Section in Franchise Agreement	Summary*
			right of refusal provisions.
n.	Our right of first refusal to acquire your business	14(d)	Internal perpetuation may subordinate our right of first refusal. We may match any offer for your Franchise. We are allowed 60 days to prepare for closing from the time we notify you that we intend to exercise our right of first refusal. You deliver any offer to us. We decide whether to approve your proposed transfer within 30 days.
o.	Our option to purchase business placed through Keystone and its exclusive programs, affiliates and core carriers	14(g)	We have the right to purchase business placed through Keystone's exclusive programs, affiliates and core carriers.
p.	Your death or disability	14(c)	Heirs or personal representatives may apply within 180 days to operate the Franchise for the remainder of the term. The heirs or personal representatives have the right to transfer the Franchise within 180 days, subject to compliance with Keyston's right of first refusal at Section 14(d). If these deadlines are missed, we may purchase the Franchise based on appraised value.
q.	Noncompetition covenants during the term of the Franchise Agreement	13(a); 13(b)	You cannot engage in any other competing business. You cannot divert or attempt to divert to any competitor any business, customers or employees from Keystone or another Franchisee of ours. If you and another Franchisee of ours are soliciting new insurance business from the same potential customer, the first person to solicit the potential customer in that calendar year has the sole right to continue such solicitation.
r.	Noncompetition covenants during the term of the Franchise Agreement and continuing after it is terminated or expires	13(a)(ii)	During the term and for 2 years thereafter, you cannot (i) divert or attempt to divert to yourself or to a competitor any commercial or financial services business, customers or employees from us or of another franchise of ours, or (ii) perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or Keystone System.
s.	Modifications of the Franchise Agreement	19(c) and (d)	We may modify the Keystone System and our operating procedures and standards through unilateral changes to the Operating Manual or

Provision		Section in Franchise Agreement	Summary*
			otherwise, so long as the modifications don't materially conflict with your express rights created by the Franchise Agreement. The Franchise Agreement may only be modified during its term by mutual written agreement. However, we may unilaterally modify or amend the Franchise Agreement in any manner whatsoever in order to address any changes in federal or state regulatory law, changes to carrier requirements or changes in carrier agreements with Keystone or industry practices
t.	Integration/merger clause	23(d)	Only written terms of the Franchise Agreement are binding on you and us (subject to state law). Other statements or promises are not enforceable.
u.	Dispute resolution by arbitration or mediation	None	We are not required to arbitrate or mediate claims.
v.	Choice of forum	22	Litigation must be in the Court of Common Pleas in and for Cumberland County, Pennsylvania or in the Federal District Court for the Middle District of Pennsylvania unless the State in which your Franchised Business is located requires otherwise. You waive your right to a jury trial.
w.	Choice of law	22	Pennsylvania law applies unless the State in which your Franchised Business is located requires otherwise. You waive your right to a jury trial.

*This is only a summary. Language in the Franchise Agreement alone defines your rights and duties. Please read the Franchise Agreement thoroughly.

Some states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your Franchise Agreement.

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code Section 101, the federal bankruptcy law.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Brian Hermes at Keystone Insurers Group LLC, 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	273	270	3
	2023	270	298	28
	2024	298	280	18
Company- Owned (KAP)	2022	9	15	6
	2023	15	20	5
	2024	20	22	2
Total Outlets (this is Franchised locations)	2022	273	270	3
	2023	270	298	28
	2024	298	280	18

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Georgia	2022	2
	2023	0
	2024	2
Illinois	2022	0
	2023	1
	2024	0
Indiana	2022	1
	2023	0
	2024	1
Iowa	2022	0
	2023	0
	2024	2
Kansas	2022	0
	2023	0
	2024	0
Kentucky	2022	2
	2023	0
	2024	0
Maryland	2022	0
	2023	0
	2024	0

Michigan	2022	1

Table No. 3

Status of Franchised Outlets
For years 2022 to 2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
Georgia	2022	21	0	2	0	0	0	19
	2023	19	0	0	0	1	0	18
	2024	18	0	2	0	1	0	16
Indiana	2022	19	0	1	0	3	1	15
	2023	15	0	0	0	2	0	13
	2024	13	0	1	0	1	0	11
Illinois	2022	21	0	0	0	0	0	20
	2023	20	1	0	0	1	0	20
	2024	20	1	0	0	0	0	21
Iowa	2022	5	5	0	0	0	0	10
	2023	10	0	0	0	0	0	10
	2024	10	2	0	0	0	0	10
Kansas	2022	2	0	0	0	0	0	2
	22023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Kentucky	2022	24	0	2	0	0	0	22
	2023	22	1	0	0	0	0	23

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
	2024	23	0	0	0	0	0	23
Maryland	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Michigan	2022	11	2	1	0	1	0	12
	2023	12	2	0	0	2	0	14
	2024	14	0	2	0	0	1	11
Minnesota	2022	2	1	0	0	1	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Missouri	2022	12	0	0	0	0	0	11
	2023	11	1	0	0	0	0	12
	2024	12	1	0	0	0	0	13
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Jersey	2022	0	1	0	0	1	0	1
	2023	1	22	0	0	0	1	22
	2024	22	0	1	0	1	0	20
New York	2022	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	30	0	1	0	0	0	29
	2023	29	0	1	0	0	0	28
	2024	28	0	0	0	0	0	28
Ohio	2022	25	0	0	0	0	0	25
	2023	25	0	0	0	0	0	25
	2024	25	0	1	0	0	0	24
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	6	0	0	0	0	6
	2024	6	0	0	0	0	0	6
Pennsylvania	2022	52	0	0	0	0	2	52
	2023	52	0	0	0	0	1	51
	2024	51	1	1	0	3	1	47
Tennessee	2022	21	0	0	0	0	0	21
	2023	21	0	0	0	0	0	21
	2024	21	1	2	0	0	0	20
Texas	2022	1	4	0	0	0	0	5
	2023	5	4	1	0	0	0	8
	2024	8	0	2	0	0	0	6

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
Virginia	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	1	19
	2024	19	0	2	0	0	1	17
Wisconsin	2022	6	0	0	0	0	0	6
	2023	6	3	0	0	0	0	9
	2024	9	0	1	0	0	0	8
Totals	2022	273	13	7	0	6	3	270
	2023	270	41	3	0	8	2	298
	2024	298	8	17	0	5	4	280

If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system. There is no Franchisee who has not communicated with us within 10 weeks of the application date of this disclosure document.

<u>During 2024, the most recently completed fiscal year, we voluntarily terminated</u>:

Rathbun Agency, Inc., 529 W. Saginaw St, Lansing, MI 48933 (517-482-1316)

Horak Insurance, Inc., 115 E. Washington St, Washington IA 52353 (319-653-2116)

Thompson & Smith Insurance LLC, 380 Carriage House Drive, Jackson, TN 38305 (731-664-4750)

Wyatt Insurance Services, Inc., 312 Prosperity Rd, Suite 105, Knoxville, TN 37923 (865-470-9654)

Tillman Insurance Agency, Inc.,3964 Old US Highway 41 N, Valdosta, GA 31602 (229-242-5377)

Moncure Insurance Agency, Inc., 203 S. Main Street, Blackstone, VA 23824 (434-292-3912)

Perkins Insurance Agency, LLC, 749 Gateway, Suite D-401, Abilene, TX 79602 (325-673-9300)

Trimble Batjer Insurance Associates, 201 S. Chadbourne, San Angelo, TX 76902 (325-653-6733)

Turner & Associates Insurance, Inc., PO Box 40, Brunswick, GA 31521 (912-265-2840)

McDonald Insurance Services LLC, 1810 Crest View Drive, Suite 1A, Hudson, WI 54016 (715-386-9494)

Hayes Insurance Agency, Inc., 202 Union Street, Marietta, OH 45750 (740-373-2347)

Richard S Miller & Sons, Inc. 109 W. Plymouth Sttreet, PO Box 229, Bremen, IN 46506 (574-546-3341)

Charis Insurance Group, Inc., 15A North Lane, Lititz, PA 17543 (717-202-8860)

Frank P Licato Insurance Agency, LLC, 2325 Plainfield Ave, South Plainfield, NJ 07080 (908-757-5500)

Virginia Commonwealth Corporation, 6243 -1 River Road, Henrico, VA 23229 (804-282-6723)

SFD Insurance, Inc., 631 9th Street, Marion IA 52302 (319-377-4861)

Iott Insurance Agency, Inc. 9017 E US 223, Blissfield, MI 49228 (517-486-4381)

<u>During 2024 the following franchises were voluntarily acquired by KAP</u>:

CM Moore Insurance Agency, Inc. partially purchased Al Torstrick Insurance Agency, LLC. This agency will remain a main location in Kentucky and operate separately from CM Moore Insurance Agency, Inc.

Trego Insurance Agency, Inc. purchased Insurance Offices, LTD, 1 Greenwood Mall, Wyomissing, PA 19610. There will be no satellite location and will roll up to Trego Insurance Agency, Inc.

The Nulty Agency LLC purchased Combined Insurance (720 St. Joseph Drive, St. Joseph, MI 49085). This will be a satellite location of Nulty Agency, LLC.

Seltzer Group Partners LLC (KAP) purchased Steely & Smith, LLC (PO Box 890, Doylestown, PA 18902). This will be a satellite location of Seltzer Group Partners LLC.

KAI Strategic Insurance Partners dba Strategic Insurance Partners purchased Kape Insurance Agency, Inc. (510 Hamilton Blvd, South Plainfield, NJ 07080). This will be a satellite location of KAI Strategic Partners dba Strategic Insurance Partners.

McGowan Insurance Group LLC purchased Schultheis Insurance Agency (PO Box 2728, Evansville, IN 47728). This will be a satellite location of McGowan Insurance Group LLC.

Merritt I Edner dba Kness Insurance & Investments purchased Central Insurers Group(1360 N. Atherton St, State College, PA 16803)/Charles A. Jones Agency (20 S. Front Street, Philipsburg, PA 16866). Both offices will be satellite locations of Merritt I Edner dba Kness Insurance & Investments.

KAI Yurconic Insurance Agency LLC (KAP) purchased WR Sims Agency, Inc (1036 Washington Blvd, Williamsport, PA 17701). This will be a satellite office of KAI Yurconic Insurance Agency LLC.

Table No. 4

Company-Owned Outlets

For years 2022 to 2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of year	Col. 4 Outlets Opened	Col. 5 Termina-tions	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations – Other Reasons	Col. 9 Outlets at End of the Year
Florida	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Georgia	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Illinois	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Iowa	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Indiana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Kansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Kentucky	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Maryland	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Michigan	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Minnesota	2022	0	1	0	0	0	0	1
	2023	0	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Nebraska	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
New Jersey	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New York	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Ohio	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Pennsylvania	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Texas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Virginia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Totals	2022	9	6	0	0	0	0	15
	2023	15	5	0	0	0	0	20
	2024	20	2	0	0	0	0	22

All company-owned outlets are owned by Keystone's parent, KAP. The majority of the company-owned outlets are subject to the same fees, terms, restrictions and obligations as all other Franchisees. However, not every company-owned outlet is a Franchisee.

Table No. 5

Projected Openings As Of April 4, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in The Next Fiscal year
Alabama	0	0
Arkansas	0	0
California	0	0
Delaware	0	0
Georgia	0	1
Illinois	0	1
Indiana	0	1
Iowa	0	2
Kansas	0	1
Kentucky	0	1
Maryland	0	2
Michigan	0	1
Minnesota	0	2
Missouri	0	1
Nebraska	0	0
New Jersey	0	0

New York	0	0
North Carolina	0	1
Ohio	0	1
Oklahoma	0	2
Pennsylvania	0	1
Tennessee	0	1
Texas	0	2
Virginia	0	1
Wisconsin	0	2
Other Networks	0	24

Exhibit E of this Disclosure Document lists the names of all Franchisees and the address and telephone number of all of their outlets as of April 4, 2025.

ITEM 21

FINANCIAL STATEMENTS

The following financial statements are attached hereto as Exhibit A:

1. Unaudited balance sheet and statement of profit and loss for Keystone for the period beginning on January 1, 2024 ending on December 31, 2024. Prospective Franchisees should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

2. Audited financial statements of Keystone's predecessor in interest, Keystone Insurer's Group, Inc., for the year's ended December 31, 2023 and 2022.

ITEM 22

CONTRACTS

The following agreements for use in all States are attached to this Disclosure Document:

Exhibit B	Franchise Agreement with its exhibits: 1. ACH Authorization Agreement 2. List of Owners 3. Declaration and Acknowledgment
Exhibit C	Confidentiality Agreement
Exhibit F	State Addenda and Amendments

ITEM 23

RECEIPTS

The Receipts to be signed by all prospective Franchisees are attached in duplicate to this disclosure document as the last two pages. You will sign and date both copies at the time we present the disclosure document to you, return one copy to us at the time we present the disclosure document to you and retain the other copy for your records.

EXHIBIT A

FINANCIAL STATEMENTS

Keystone Insurers Group LLC
Consolidated Balance Sheet
January 1, 2024 – December 31, 2024

	12/31/24
ASSETS	
Cash - Capital Reserve	3,369,369.08
Cash - Chase Investment Program	0.00
Cash - Captives	146,359.60
Cash - Operating	3,558,669.64
Cash - Premium/Select	1,410,257.10
Total Cash	8,484,655.42
Accounts Receivable	2,472,693.75
Notes Receivable	15,139.94
Intercompany Receivables	456,869.18
NER Receivable	0.00
Other Current Assets	639,385.29
Total Current Assets	**12,068,743.58**
Total Fixed Assets (Net)	**6,870.35**
Acquisition Costs	4,437,874.72
Deferred Taxes	0.00
Intangible Assets (Net)	4,966,714.72
Investments-Subs/Co's/Captives	1,888,186.56
Supp Exec Ret Plan (SERP)	0.00
Total Other Assets	**11,292,776.00**
TOTAL ASSETS	**23,368,389.93**

LIABILITIES & EQUITY	
Accounts Payable	2,781,334.22
Intercompany Payables	456,869.18
Stock Option Liability (ST)	0.00
Other Current Liabilities	152,006.02
Line of Credit Payable	0.00
Corporate Autos Payable	0.00

Corporate Taxes Payable	(345,179.85)
Profit-Sharing Payable	284,218.67
Total Current Liabilities	**3,329,248.24**
Mortgage Payable	0.00
Stock Option/SARS Liability (LT)	0.00
Notes Payble - NJAA	0.00
Notes Payble - ECRM	0.00
Notes Payble - CLI	0.00
Acquisition Earnouts	0.00
Total Long Term Liabilities	**0.00**
Total Liabilities	**3,329,248.24**
Beginning Equity	1,800,000.00
Common Stock	28,956.90
Treasury Stock	(5,652,166.03)
Sales Proceeds	0.00
Shareholder Distributions	(269,249.75)
Stock Redemption - Acquisition	0.00
Asset Transfer	0.00
Paid in Capital	2,249,349.28
Liability Transfer	0.00
Retained Earnings	21,671,241.59
Current Year Net Income	211,009.70
Total Equity	**20,039,141.69**
TOTAL LIABILITIES & EQUITY	**23,368,389.93**

Keystone Insurers Group LLC
Consolidated Profit & Loss
January 1, 2024 – December 31, 2024

REVENUES

COMMISSION INCOME	2,037,083.43
FEE INCOME	110,148.14
PROGRAM REVENUE	2,524,218.43
KPA PROGRAM REVENUE	1,417,441.83
CLI SELECT REVENUE	952,028.41
RISK MANAGEMENT REVENUE	7,772,260.52
SUBSIDIARY INCOME	7,478,665.64
FRANCHISE MONTHLY FEES	6,640,393.00
FRANCHISE LICENSING FEES	40,000.00
BUSINESS DEVELOPMENT INCOME	54,410.29
FINANCIAL SERVICES INCOME	142,437.54
PTP INCOME	0.00
CAPTIVE INCOME	22,001.20
OG TRAINING & CONSULTING	12,350.00
OG COACHING & ADVISORY	255,506.92
INTEREST INCOME	110,365.32
INTEREST INCOME - FINANCING	2,015.96
RENTAL INCOME	65,020.50
PROFIT SHARING	3,927,456.63
NATIONAL EXPENSE REIMBURSEMENT	8,050,940.45
MANAGEMENT FEES	135,216.48
VENDOR PROGRAMS	660,003.39
NATIONAL SPONSORSHIPS	477,500.00
INVESTMENT INCOME	0.00
DIVIDEND INCOME	0.00
NSV - LIFE INSURANCE	0.00
MISCELLANEOUS INCOME	15,450.03
TOTAL REVENUE	**42,902,914.11**

EXPENSES

ACCOUNTING & LEGAL	799,013.65
ADVERTISING/PROMOTION	90,043.44
AUTOMATION/EQUIPMENT LEASES	716,418.22
BANK CHARGES	50,768.75
CAPTIVE EXPENSE	40,000.00
CHARITABLE DONATIONS	103,423.32
COMPUTER EQUIPMENT	107,440.24
CONSULTING FEES	445,884.54
DUES & FEES	410,259.20
EMPLOYEE FUNCTIONS/AWARDS	83,042.44
GROUP BENEFITS	2,547,700.83
INSURANCE	1,066,231.30
INTEREST EXPENSE	407,584.45
LICENSING FEES	192,030.13

MAINTENANCE	111,018.96
MARKETING	472,621.42
MARKETING - AUTOMATION	49,990.44
MEETING COSTS	1,013,630.98
MISCELLANEOUS EXPENSE	3,468.78
OFFICE CLEANING	56,005.22
OFFICER LIFE	27,860.02
OVERHEAD ALLOCATION	0.00
PAYROLL TAXES	1,779,580.28
POSTAGE	31,639.52
PROPERTY TAXES	39,638.41
RENT	280,140.15
RETIREMENT PLAN (401K)	893,958.73
SALARIES	26,656,804.85
STUDENT INTERNS	1,176.00
SUPPLIES/PRINTING	109,915.66
TECHNOLOGY DEVELOPMENT	754,719.99
TELEPHONE	149,279.09
TRAINING & EDUCATION	40,622.55
TRAVEL & ENTERTAINMENT	1,506,815.60
UTILITIES	45,636.06
DEPRECIATION & AMORTIZATION	1,474,372.90
TOTAL EXPENSES	**42,558,736.12**
INCOME BEFORE TAXES	**208,961.51**
Income Tax Expense	**(2,048.19)**
NET INCOME AFTER TAXES	**211,009.70**

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Financial Statements December 31, 2023

and 2022

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December 31, 2023 and 2022

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Independent Auditors' Report

To the Board of Directors of
Keystone Insurers Group

Opinion

We have audited the consolidated financial statements of Keystone Insurers Group (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Lancaster, Pennsylvania
April 29, 2024

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 5,588,923	$ 5,269,866
Other receivable	-	1,250,000
Accounts receivable, net	7,795,817	6,643,096
Contingent commission bonus receivable	1,132,921	605,273
Income tax recoverable	485,173	672,424
Note receivable	78,826	2,366,821
Prepaid expenses and other current assets	1,853,520	1,363,738
Total current assets	16,935,180	18,171,218
Property and Equipment		
Land	341,000	341,000
Building	4,487,709	4,420,874
Automobiles	1,137,050	1,145,801
Furniture and equipment	305,922	305,923
Total	6,271,681	6,213,598
Less accumulated depreciation	(2,193,716)	(2,002,814)
Total property and equipment, net	4,077,965	4,210,784
Investments, Cost Method	3,339,735	3,339,735
Investments, Equity Method	3,728,737	5,203,495
Intangible Assets		
Goodwill	1,831,303	1,831,303
Intangible assets	13,479,472	1,736,009
Total	15,310,775	3,567,312
Less accumulated amortization	(3,706,206)	(2,599,162)
Total intangible assets, net	11,604,569	968,150
Other Assets		
Officer life insurance, cash surrender value	2,159,124	1,519,762
Deferred tax assets, net	630,710	292,872
Total other assets	2,789,834	1,812,634
Total assets		

$	42,476,020	$	33,706,016

See notes to consolidated financial statements

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

	2023	2022
Liabilities and Stockholders' Equity		
Current Liabilities		
Long-term debt, current portion	$ 2,078,981	$ 258,093
Accounts payable	1,366,129	1,509,556
Insurance premiums payable	2,164,769	530,671
Profit sharing payable	363,569	999,511
Accrued payroll	1,582,686	502,500
Other current liabilities	5,482	5,280
Stock option liability, current portion	586,100	639,865
Total current liabilities	8,147,716	4,445,476
Long-Term Liabilities		
Contingent acquisition liability	847,125	-
Stock option liability, net of current portion	346,197	634,382
Stock appreciation rights liability	15,415	-
Revolving line of credit	-	1,500,000
Long-term debt, net of current portion	7,143,118	1,576,228
Total long-term liabilities	8,351,855	3,710,610
Total liabilities	16,499,571	8,156,086
Stockholders' Equity		
Common stock, $0.88 par value, 5,000 shares authorized, 2,168.78 and 2,170.12 shares issued and outstanding at December 31, 2023 and 2022, respectively	802	802
Additional paid-in capital	10,097,346	10,097,346
Accumulated earnings	21,523,682	21,070,023
Total	31,621,830	31,168,171
Less treasury stock of 904.77 and 892.72 shares at cost at December 31, 2023 and 2022, respectively	(5,645,381)	(5,618,241)
Total stockholders' equity	25,976,449	25,549,930
Total liabilities and stockholders' equity	$ 42,476,020	$ 33,706,016

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Statements of Operations
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues, Net		
Commission related	$ 32,993,367	$ 28,110,945
Franchise related	6,113,288	5,190,164
Consulting	5,588,249	-
Total revenues, net	44,694,904	33,301,109
Operating Expenses	43,261,830	31,800,859
Income from operations	1,433,074	1,500,250
Other Income		
Equity in loss of investments, equity method	(823,005)	(1,022,938)
Impairment of investment, cost method	-	(924,259)
Gain on disposal of fixed assets	2,489	12,985
Interest expense	(107,292)	(183,047)
Interest income	546,626	425,719
Other income	1,284,272	1,327,668
Total other income (loss), net	903,090	(363,872)
Income before provision for income taxes	2,336,164	1,136,378
Provision for Income Taxes		
Current tax	1,951,089	726,608
Deferred tax (expense) benefit	(337,838)	212,721
Total tax	1,613,251	939,329
Net income	$ 722,913	$ 197,049

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
Years Ended December 31, 2023 and 2022

	2023	2022
Common Stock		
Beginning balance	$ 802	$ 802
Ending balance	802	802
Additional Paid-in Capital		
Beginning balance	10,097,346	10,097,346
Ending balance	10,097,346	10,097,346
Accumulated Earnings		
Beginning balance	21,070,023	20,872,974
Dividends	(269,254)	-
Net income	722,913	197,049
Ending balance	21,523,682	21,070,023
Treasury Stock		
Beginning balance	(5,618,241)	(5,569,500)
Treasury stock acquired	(27,140)	(48,741)
Ending balance	(5,645,381)	(5,618,241)
Total stockholders' equity	$ 25,976,449	$ 25,549,930

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income	$ 722,913	$ 197,049
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	261,380	316,838
Amortization	1,107,044	271,838
(Loss) gain of equity method investment	(823,005)	1,661,318
Bad debt expense	2	(11)
Gain on disposal of assets	(2,489)	(12,985)
Gain on deconsolidation of Veruna	-	(638,379)
Impairment loss with Agency KPI	-	924,259
Deferred taxes provision	(337,838)	212,721
Changes in assets and liabilities:		
Other receivable	1,250,000	(1,250,000)
Accounts receivable, net	(1,152,721)	(655,965)
Contingent commission bonus receivable	(527,648)	513,329
Prepaid expenses and other current assets	(489,782)	(11,290)
Income tax recoverable	187,251	(665,240)
Accounts payable	(143,427)	161,045
Insurance premiums payable	1,634,098	(1,242,582)
Profit sharing payable	(635,942)	364,899
Accrued payroll	1,080,186	(562,500)
Other current liabilities	202	675
Contingent acquisition liability	847,125	-
Stock appreciation rights liability	15,415	-
Stock option liability	(341,950)	(948,016)
Net cash provided by (used in) operating activities	2,650,814	(1,362,997)
Cash Flows From Investing Activities		
Purchase of property and equipment	(147,627)	(245,754)
(Increase) decrease in cash surrender value of officer life insurance	(639,362)	220,952
Proceeds from sale of property and equipment	21,555	59,275
Proceeds (issuance) of note receivable	2,287,995	(2,179,375)
Investment in KPI	-	(1,000,000)
Investment in Enroll X	-	(200,000)
Cash paid for acquisition of businesses, net	(2,480,746)	-
Net cash used in investing activities	(958,185)	(3,344,902)
Cash Flows From Financing Activities		
Issuance (repayment) of debt	422,822	(20,898)
Purchase of treasury stock	(27,140)	(48,741)
(Repayment) proceeds from line of credit	(1,500,000)	1,500,000
Payment of cash dividends	(269,254)	-

Net cash (used in) provided by financing activities	(1,373,572)	1,430,361
Net increase (decrease) in cash and cash equivalents	319,057	(3,277,538)
Cash and Cash Equivalents, Beginning	5,269,866	12,206,176
Less cash and cash equivalents of Veruna as of January 1, 2022	-	3,658,772
Cash and Cash Equivalents, Ending	$ 5,588,923	$ 5,269,866

See notes to consolidated financial statements

1. Scope of Business and Summary of Significant Accounting Policies

Scope of Business

Keystone Insurers Group, Inc. and Subsidiaries (KIG or the Company) is an umbrella corporation providing support services as they relate to the distribution of property/casualty, financial and risk management services through a network of one hundred eighteen (118) franchised locations throughout Pennsylvania, sixty-eight (68) locations throughout North Carolina, thirty-three (31) locations throughout Virginia, forty-three (43) locations throughout Ohio, Forty-four (47) locations throughout Indiana, sixty (60) locations throughout Kentucky, thirty-six (36) locations throughout Tennessee, Forty-one (44) locations throughout Illinois, twenty-four (24) locations throughout Georgia, thirty-six (36) locations throughout Missouri, thirty-three (33) locations throughout Michigan, twenty-four (24) locations throughout Iowa, three (3) locations throughout Minnesota, five (5) location in Kansas, one (1) location in Maryland, twenty-nine (29) locations throughout Wisconsin, thirty-one (31) throughout Texas, thirty-one (31) in New Jersey, and twenty (20) in Oklahoma. The Company operates from owned facilities located in Cumberland, Pennsylvania.

Keystone Risk Managers, LLC (KRM), a subsidiary of KIG, provides property/casualty products and risk management services to large commercial clients on a national and international basis. These services are provided individually and on behalf of the Company's franchised locations.

Keystone Benefit Services, LLC (KBS), a subsidiary of KIG was formed to address the growing needs of its Pennsylvania franchised locations in the areas of benefits and health insurance.

Keystone Advantage Limited (KAL), a subsidiary of KIG, was formed in June 2009. KAL is a Bermuda domiciled captive company in the business of providing segregated rental cells to KIG Franchisees and their clients.

Keystone Insurance & Benefits Group, LLC (KIBG), a subsidiary of KIG, was formed in 2009. KIBG addresses the growing needs of its franchisees in all states other than Pennsylvania, in the areas of benefits and health insurance.

Keystone Program Group, LLC (KPG), a subsidiary of KIG, d/b/a Keystone Program Administrators and Keystone Select, was formed in January 2013 to provide franchise partners with program underwriting for specialty insurance markets, as well as risk placement services for small commercial business.

Keystone Bonding & Surety Agency (KBSA), a subsidiary of KIG, was formed in January 2014 to purchase Keystone Surety Associates, LLC (KSA). KBSA, through a purchase of 100% of the assets of KSA, is a bond-only agency specializing in bonds for construction and nonconstruction contracts, license and permit obligations, fidelity bonds, court, ERISA, notary bonds, and many other types of bonded obligations.

Policyforce.com LLC (Policyforce), a Delaware limited liability company, was formed on November 4, 2015 as a software service company featuring software for insurance claims, policies, and agency management. During June 2016, Policyforce amended its name to Veruna Inc, (Veruna). Veruna principally focuses on providing contemporary solutions to manage and automate business solutions specific to insurance carriers and agencies.

New Jersey Agents Alliance (NJAA) is a group of New Jersey independent insurance agencies that is owned, managed and controlled by its agents. Their primary purpose is to connect business owners, families and individuals with superior insurance companies, quality product selection and competitive pricing.

East Coast Risk Management, LLC (ECRM) is a business management consulting firm headquartered in North Huntingdon, PA. They assist clients in managing risk i.e., exposure to financial loss. Their services include accident prevention, human resources, claims management and Department of Transportation (DOT) compliance.

Canyon Lands Insurance (CLI) is a network of independent agencies, working together to provide their clients with property / casualty insurance products to protect what matters most. Based in Arizona, their marketing territory encompasses 15 states in the mid-western and western U.S.

Deconsolidation

Previously, the Company considered Veruna to be a variable interest entity. As part of the deconsolidation of Veruna during 2022, the Company recognized a gain on the consolidated statement of operations of $638,379, which is the difference between the fair value of the Company's interest in Veruna and book value based on the equity method at the time of deconsolidation. In 2022, the Company determined that it is no longer the primary beneficiary of Veruna as the Company no longer has the power to direct the activities that most significantly impact Veruna's economic performance; has no obligation to absorb losses of Veruna that could potentially be significant to Veruna or right to receive benefits from Veruna that could potentially be significant to Veruna.
The Company has an interest of 25% and 38% in Veruna as of December 31, 2023 and 2022, respectively.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation. The subsidiaries, along with the percentages of ownership as of December 31, 2023 are as follows:

Subsidiary	Percentage	
Keystone Risk Managers, LLC	100	%
Keystone Benefit Services, LLC	95	
Keystone Advantage Limited, a Bermuda Corporation	100	
Keystone Insurance & Benefits Group, LLC	100	
Keystone Program Group, LLC	100	
Keystone Bonding & Surety Agency, LLC	100	
East Coast Risk Management, LLC	100	
New Jersey Agents Alliance, LLC	100	
Canyon Land Insurance, LLC	100	

Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include valuation of deferred taxes and stock based compensation. Actual results may differ from those estimates.

Cash and Cash Equivalents

For purposes of the consolidated balance sheets and consolidated statements of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions which periodically exceed the Federal Deposit Insurance Company (FDIC) insured limits of up to $250,000 per institution.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. The Company recognizes an allowance for credit losses for accounts receivable to present the net amount expected to be collected as of the consolidated balance sheet date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the consolidated balance sheet date.

Consistent with industry practice, credit is granted to customers for the payment of services rendered or licenses granted. Receivables are generally due 14 days after the issuance of the invoice.

Notes Receivable

The Company grants notes receivable to affiliates which are returned based on agreements set forth. There are additional fees for borrowing, established within agreements, which results in income for the Company.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of the asset are capitalized. Expenditures for repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight line method for financial reporting purposes over the estimated useful lives of the assets. Depreciation is computed over the following periods:

	Years
Buildings	39
Automobiles	5
Furniture and equipment	3 - 10
Land Improvements	15
Building Improvements	7 - 15
Computer software	3

Depreciation expense was $261,380 and $316,838 for the years ended December 31, 2023 and 2022, respectively.

Cost Method Investments

Certain of the Company's investments are recorded using the cost method of accounting, as the Company does not have significant influence over these entities. Under this method, the Company's share of the earnings or losses of such companies is not included in the consolidated balance sheets or consolidated statements of operations. However, impairment charges are recognized in the consolidated statement of operations. If circumstances suggest that the value of the investment has subsequently recovered, such recovery is not recorded.

Equity Method Investments

The Company utilizes the equity method of accounting with respect to investments where it possesses the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when an investor possesses more than 20% but less than 50% of the voting interests of the investee. This presumption may be overcome based on specific facts and circumstances that demonstrate the ability to exercise significant influence is restricted. In applying the equity method, the Company records its investment at cost in the consolidated balance sheets as equity method investments. Any increase or decrease in the carrying amount subsequent to acquisition is the result of the Company's share of the net income or losses. The Company's share of earnings or loss is recorded in the Company's consolidated statements of operations.

The Company reviews its equity method investments for possible impairment taking into account events and circumstances that may have occurred since the prior review and any impairment is recorded in the Company's consolidated statements of operations. No impairment was recorded for the years ended December 31, 2023 and 2022.

Goodwill

Goodwill represents the excess of the purchase price over this fair value of net assets acquired through various acquisitions. Management reviews goodwill for possible impairment taking into account events and circumstances that may have occurred since then, prior review, and any impairments are recorded in the Company's consolidated statements of operations. Based on its evaluation, the Company does not consider goodwill to be impaired at December 31, 2023 and 2022.

The Company has elected to amortize goodwill over a period of ten years beginning on January 1, 2018. See Note 4 for further information.

Intangible Assets

Amortizable intangible assets are comprised of rights, trademark, website development costs, customer lists and other intangibles which are being amortized over periods ranging from 3 to 15 years. Intangible assets with an indefinite life are not amortized and are subject to annual
impairment testing. All identifiable intangible assets are tested for recoverability whenever events or changes in circumstances indicate that a carrying amount may not be recoverable. There were no impairment losses recognized in 2023 and 2022. See Note 4 for further information.

Acquisitions

The Company purchases insurance agencies with cash and establishes opening balance sheets of the acquired agencies at fair value in accordance with ASC 805, *Business Combinations*. A significant portion of the assets of the opening balance sheet include goodwill (the amount of the excess purchase price over the fair value of the identified assets), and intangibles, which are generally customer lists, noncompete and nonsolicited agreements. ASC 805 provides for a period of time during which the Company may adjust provisional amounts recognized at the acquisition date to their subsequently determined acquisition-date fair values, referred to as the "measurement period". Adjustments during the measurement period are not limited to just those relating to the assets acquired and liabilities assumed but apply to all aspects of the business combination (i.e. the consideration transferred).

Revenue Recognition Policies

The Company recognizes revenue when control of a service promised in a contract (i.e., a performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that service. A majority of the Company's revenues are recognized over time as customers simultaneously receive control as the Company performs services under a contract. However, a portion of the Company's revenues are recognized point-in-time. A performance obligation is a distinct service or a bundle of services promised in a contract.

The Company identifies performance obligations at the inception of a contract and allocates the transaction price to individual performance obligations to faithfully depict the Company's performance in transferring control of the promised services to the customer. These performance obligations are typically satisfied as the service is rendered. The output method was utilized to measure the progress for performance obligations as the performance obligations are continually satisfied over time.

The transaction price allocated to a performance obligation reflects the Company's expectations about the consideration it will be entitled to receive from a customer related to that performance obligation. To determine the transaction price, variable consideration is assessed as well as whether a significant financing component exists. The Company's contracts typically do not include a significant financing component.

Franchise Related Revenue

Franchise-related income are franchisee arrangements that provide for payment of initial licensing fees, ongoing monthly service fees, as well as profit sharing and bonus distribution fees by the Company's franchisees. The performance obligations related to franchise revenue are primarily to negotiate and administer Company carrier contracts, collect all money from carriers and profit share funds and bonuses and distribute to the franchisees. These performance obligations are satisfied over time. Each individual franchisee has a contract with the Company that outlines the amount of licensing fees, profit sharing, commissions, monthly service fees and miscellaneous fees they are required to pay. Profit sharing and commissions are received directly from franchisees based on agreed upon rates. Initial licensing fees are accounted for as income in the period when the franchise is awarded. The franchise licensing fee is not uniform and is not refundable. The fee is determined by the franchisee's maturity in the state in which it operates. Franchise fees recognized for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Initial licensing fees	$ 88,126	$ 189,950
Recurring franchise related fees	6,025,162	5,000,214
Total	$ 6,113,288	$ 5,190,164

In 2023, the Company issued 41 new franchise licenses to new agency relationships and 7 were terminated, merged or acquired, both internally and externally. The total number of franchise licenses was 308 and 274 at December 31, 2023 and 2022, respectively.

Commission Related Revenues

Commission related income is comprised primarily of percentages of growth and profit sharing bonuses, carrier expense reimbursements, miscellaneous fees and commissions for shared activities and vendor purchasing programs. Profit sharing revenue, included in commission related income, is based on sales value of insurance underwriting premiums, growth and loss ratios of the franchises. Commission related income is recognized over time as access to the franchise network occurs throughout contract period.

Consulting Revenues

Revenue for consulting services including consulting related to accident prevention, human resources, claims management and DOT compliance is recognized when the service are completed. The performance obligation is the consulting services rendered to the Company's clients.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising expense amounted to $335,621 and $320,873 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

Deferred income taxes arise from temporary differences resulting from differences between the consolidated financial statements and tax basis of assets and liabilities. Deferred income taxes are classified as noncurrent in accordance with Accounting Standards Codification (ASC) 2015-17, Balance Sheet Classifications of Deferred Taxes. Deferred income taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which those temporary difference is expected to reverse. The Company's federal income tax returns for tax years ended December 31, 2020 and prior are closed.

In accordance with ASC 740-10-50, Accounting for Uncertainty in Income Taxes, the Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Interest and/or penalties related to income tax matters, if incurred, are recognized as a component of income tax expense. The Company's income tax filings are subject to audit by various taxing authorities.

Stock Based Compensation

The Company's stock-based compensation is measured based on fair value of the awards at the grant date and recognized as compensation expense on a straight-line basis over the period during which the option holder is required to perform services in exchange for the award (vesting period). The Company uses the Black-Scholes Option Pricing Model to estimate fair value of the stock options. The use of the option valuation model requires subjective assumptions, including the fair value of the Company's common stock, the expected term of the options and the expected stock price volatility based on peer companies.

Long-Term Debt

The Company's long-term debt consists primarily of secured loans and notes payable, which are recorded at amortized cost. The Company follows the effective interest method to recognize interest expense over the term of the debt.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. This guidance was adopted on January 1, 2023. No allowance was deemed necessary as of January 1, 2023 or December 31, 2023.

Subsequent Events

The Company has evaluated subsequent events through April 29, 2024, which is the date the consolidated financial statements were available to be issued.

2. Income Taxes

The components of the provision for income taxes for the years ended December 31 are as follows:

	2023	2022
Current:		
Federal	$ 1,475,783	$ 553,694
State	475,306	172,914
Total current income tax expense	1,951,089	726,608
Deferred:		
Federal	(268,464)	146,443
State	(69,374)	66,278
Total deferred provision	(337,838)	212,721
Total provision for income taxes	$ 1,613,251	$ 939,329

Deferred tax assets, net consisted of the following components at December 31:

	2023	2022
Deferred tax assets:		
Intangible assets	$ 314,319	$ 169,529
Capitalized R&D Costs	249,996	-
Accrued bonus	25,057	-
Capital loss net operating loss carryforwards	-	13,376
Lease liability	15,420	18,111
Stock options	248,505	331,163
Gross deferred tax assets	853,297	532,179
Less valuation allowance	-	-
Deferred tax assets, net of allowance	853,297	532,179
Deferred tax liabilities:		
Fixed assets	68,044	92,980
Intangibles amortization	138,377	127,950
Right-of-use asset	16,166	18,377
Deferred tax liabilities	222,587	239,307
Net deferred income tax asset	$ 630,710	$ 292,872

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the federal income tax rate to income before income taxes. The significant items causing this difference include the impact of state taxes and prior year adjustments.

3. Investments in Other Entities

The Company makes strategic investments in companies that have developed or are developing relationships that are complementary to its business. The Company accounts for these investments using either the cost or equity method of accounting. Under the cost method, the Company does not adjust the investment balance when the investee reports profit or loss but monitors the investment for an other-than-temporary decline in value including the credit quality of the entity. Under the equity method of accounting, the Company initially records the investment in the stock of an investee at cost and adjusts the carrying amount of the investment to recognize the Company's share of the earnings or losses of the investee after the date of acquisition.

Investment, Cost Method

On December 31, 2009, the Company invested $369,735 for a 9.9% interest in Keystone National Insurance Company (KNIC) (a Pennsylvania limited liability company). On September 20, 2010, November 14, 2011, November 15, 2012, and again on November 25, 2014 the Company invested $99,000 in order to maintain its ownership percentage as part of a capital infusion that was completed by KNIC. As of December 31, 2023 and 2022, the Company had an investment in KNIC of $765,735. In addition, as of December 31, 2023 and 2022, KRM had an investment and ownership in entities Leonardo of $5,000 and 9.99% and Michelangelo of $69,000 and 9.99%.

In July of 2018, the Company purchased a 7.6% interest in AgencyKPI for $1,000,000 with an additional purchase of $1,424,259 in May 2020 and $1,000,000 in February 2022 with a total investment of $3,424,259. Keystone's ownership decreased from 10.69% as of December 31, 2022 to 10.53% as of December 31, 2023.

Management has made the determination that there have been no impairments to the values of the investments in AgencyKPI, KNIC, Leonardo and Michelangelo.

Investment, Equity Method

On December 31, 2008, the Company invested $600,000 for a 25% interest in ECRM (a Pennsylvania limited liability company). There were losses on the equity method investment in the amount of $33,594, reducing the investment to $688,512 as of December 31, 2022. On April 1, 2023 the Company bought the remaining 75% of shares of ECRM, acquiring 100% of business. (See Note 5)

In August 2022, the Company invested $200,000 for a 33.33% interest in Enroll X, LLC. As of December 31, 2023 and 2022, the Company had an investment in Enroll X, LLC of $200,000. The Company maintains a 33.33% interest in Enroll X, LLC as of December 31, 2023.

Management has made the determination that there have been no impairments to the values of the investments in ECRM Holdings and Enroll X, LLC.

In 2022, Veruna was deconsolidated and was recorded as an equity method investment (See Note 1). The Company has an interest of 25% and 38% in Veruna as of December 31, 2023 and December 31, 2022, respectively.

4. Goodwill and Intangible Assets

Intangible assets consisted of the following as of December 31, 2023 and 2022:

	2023	2022
Goodwill	$ 1,831,303	$ 1,831,303
Customer lists	12,963,513	1,220,050
Rights	244,724	244,724
Trademark	4,317	4,317
Product website development costs	266,918	266,918
Subtotal	15,310,775	3,567,312
Less accumulated amortization	(3,706,206)	(2,599,162)
Total	$ 11,604,569	$ 968,150

Amortization expense for the years ended December 31, 2023 and 2022 was $1,107,044 and $271,838, respectively.

Estimated amortization expense is expected to be as follows:

Years ending December 31:	
2024	$ 1,063,991
2025	995,959
2026	962,626
2027	962,626
2028	852,054
Thereafter	6,767,313
Total	$ 11,604,569

5. Acquisitions

The Company in the matter of due course and as part of its business strategy acquires insurance agencies and insurance specific businesses generally for cash considerations. The consolidated financial statements reflect the operations of the acquired business starting from the effective date of the acquisition. Transaction costs related to the acquisition are recognized as incurred and are included in operating expenses in the consolidated statements of operations. The Company accounted for these business combinations under the acquisition method of accounting.

The Company acquired two agencies and one consulting firm in 2023 as follows:

On January 1, 2023, the Company acquired 100% of NJAA for $1,250,000, which the Company paid $500,000 upfront and three annual installments of $250,000. The remaining purchase price is a note payable of $750,000 which is included in long-term debt in the consolidated balance sheets.

On April 1, 2023, the Company acquired the remainder 75% of the shares of ECRM for $7,530,000 of which the Company paid 25% or $1,882,500 in 30 days following the closing date and five equal installments over a five-year period with interest paid at the end of each year on the outstanding balance, at 5% per year. The remaining purchase price is a note payable of $5,647,500 which is included in long-term debt in the consolidated balance sheets. ECRM has a contingent consideration for five years if the Annual Growth Rate as of the calendar year end preceding any anniversary date of the closing is greater than 17.5%, the applicable Installment Payment shall be increased by 15%, this can result up to $847,125 in potential earn-out liability. The Company recorded an earn out liability of $847,125 as of the purchase price date based on prior growth.

On October 1, 2023, the Company acquired 100% of CLI. The purchase price was $2,000,000 of which the Company paid $750,000 in 2023. The first installment is $500,000 and three remaining installments are equal installments over a three-year period with interest paid at the end of each year on the outstanding balance, at 5% per year. The remaining purchase price is a note of $1,250,000 which is included in long-term debt in the consolidated balance sheets.

The following table summarizes the acquisitions in aggregate made by the Company during the years ended December 31, 2023. The purchase price allocation set forth herein is preliminary and will be revised as additional information becomes available during the measurement period, which could be up to 12 months from the Closing Date. Any such revisions or changes may be material.

	NJAA	ECRM	CLI	Total Acquisition for the Year ended December 31, 2023
Consideration transferred				
Cash / notes payable	$ 1,250,000	$ 6,682,875	$ 2,000,000	$ 9,932,875
Contingent consideration	-	847,125	-	847,125
FV of total consideration	1,250,000	7,530,000	2,000,000	10,780,000
Assets acquired / liabilities assumed:				
Cash	-	95,100	302,738	397,838
Accounts receivable	-	357,884	-	357,884
Prepaid expenses	-	83,016	-	83,016
Other assets	-	4,000	-	4,000
Other liabilities	-	-	220,564	220,564
Net assets acquired	-	540,000	82,174	622,174
Customer lists	1,250,000	6,990,000	1,917,826	10,157,826
Total purchase price	$ 1,250,000	$ 7,530,000	$ 2,000,000	$ 10,780,000

6. Line of Credit

The Company had a $1,000,000 line of credit available with Westfield Bank, net of outstanding balances on loans held at the same bank, which was $0 at December 31, 2022. This line of credit was secured by substantially all assets owned by the Company. This excludes those funds that are the property of insurance carriers; such as premiums in transit; returned commissions, etc. In addition, payments of franchisees payable from insurance carriers for franchise commissions and/or profit sharing payments are excluded. Interest is paid monthly at a variable rate of prime, with a floor of 5.00%. At December 31, 2022, there were no amounts outstanding. The line of credit was closed as of April 13, 2022.

On April 21, 2022, the Company obtained a $3,500,00 line of credit available with JPMorgan Chase Bank, N.A. with a promise to pay on or before April 30, 2023. This line of credit was secured by substantially all assets owned by the Company. This excludes those funds that are the property of insurance carriers; such as premiums in transit; returned commissions, etc. In addition, payments of franchisees payable from insurance carriers for franchise commissions and/or profit sharing payments are excluded. Interest is paid monthly at a variable rate of prime, with a floor of 3.00%. At December 31, 2022 the interest rate was 7.17% and there was $1,500,000 outstanding. As of December 31, 2023, there were no amounts outstanding and the line of credit was closed as of November 16, 2023.

On April 29, 2022, the Company executed a bridge preferred agreement with Keystone Agency Partners, LLC (KAP) for $6,250,000, using the funds from the JPMorgan line of credit. Per the agreement, interest on the note receivable was $120 for every $100 invested. At December 1, 2022, $4,000,000 was received from KAP, while $3,500,000 is the outstanding balance which includes $1,250,000 of fee income and $2,250,000 in note receivable as of December 31, 2022. On September 28, 2023, the remaining balance of $3,500,000 was paid off by KAP. As of December 31, 2023, the note receivable balance was $0.

7. Long-Term Debt

The following table lists total debt outstanding at December 31, 2023 and 2022. The interest rates presented in the following table are the range of contractual rates in effect at December 31, 2023, including fixed and variable rates:

December 31, 2023	Maturity Dates	Range of Rates	Balance at December 31, 2023	Balance at December 31, 2022
Automotive loans	2023	1.9% - 6.7%	$ -	$ 115,887
	2024	1.9% - 6.7%	50,350	50,769
	2025	1.9% - 6.5%	9,963	9,963
Real estate	2023	4.7% - 5.7%	-	142,206
	2024	4.7% - 5.7%	149,131	149,131
	2025	4.7% - 5.7%	156,393	156,393
	2026	4.7% - 5.7%	164,009	164,009
	2027	4.7% - 5.7%	171,996	171,996
	2028	4.7% - 5.7%	140,653	-
	Thereafter	5.2% - 5.5%	732,104	873,967
Note payable	2024	5%	1,879,500	-
	2025	5%	1,629,500	-
	2026	5%	1,629,500	-
	2027	5%	1,379,500	-
	2028	5%	1,129,500	-
Total			$ 9,222,099	$ 1,834,321

8. Senior Officer Incentive Compensation

The Company employs nine (9) senior officers to provide leadership and execution of the Company's business plans. The Company has entered into Employment Agreements that provide for stock options and cash bonuses if certain performance objectives are met.

Stock Option Award Pool

The stock option award pool is designed to provide an incentive to the senior officers for increasing the fair value of the Company and is calculated annually. The senior officers receive stock options according to a formula contained within their employment agreements based on an increase in the per share value of the Company. The options awarded to the senior executives vest immediately and have a five year life/term. The options must be held for a minimum of three years before they can be exercised. Senior officers have the right to exercise the options as a net cash settlement or for shares.

The Company over its history has granted a total of 2,726.67 stock options to senior management pursuant to their respective executive employment agreements, of which 2,251.18 have been exercised and redeemed. To value these options, the Company adopted the accounting and disclosure provisions of the Financial Accounting Standards Board (FASB) ASC 718, *Stock Compensation*, using the modified prospective application transition method.

The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes Model. The Black-Scholes Model has assumptions for risk free interest rates, dividends, stock volatility and expected life of an option grant. The risk free interest rate is based on the U.S. Treasury Bill rate with a maturity based on the expected life of the options and on the closest day to an individual stock option grant. Dividend rates are based on the Company's dividend history. The stock volatility factor is based on a comparison of the volatility of publicly-traded companies in the insurance brokerage industry. The expected life of an option grant is based on the stated life/term of
3 years. The fair value of each option grant is recognized as compensation expense over the vesting period of the option on a straight line basis.

The Company's stock option liability as of December 31, 2023 and 2022 was $586,100 and $639,865, respectively. In 2023 and 2022, the long-term portion of the Company's stock option liability was $346,197 and $634,382, respectively. If all exercisable options were exercised under the net cash settlement provision as of December 31, 2023 and 2022 the net cash outlay by the Company would be equal to $1,795,013 and $2,919,682, respectively.

A summary of stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2022	708.33	$ 15,752
Granted	-	-
Exercised	232.84	14,686
Outstanding at December 31, 2023	475.49	16,274
Exercisable at December 31, 2023	345.15	$ 16,112
Outstanding at December 31, 2021	868.02	$ 15,356
Granted	-	-
Exercised	159.69	13,547
Outstanding at December 31, 2022	708.33	15,356
Exercisable at December 31, 2022	442.79	$ 15,752

The following table summarizes information about stock options outstanding and nonexercisable at December 31, 2023 and 2022:

2023

Number Outstanding	Weighted Average Remaining Contract Life	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value

130.347	1 year	$ 20,770	$ 2,587

2022

Number Outstanding	Weighted Average Remaining Contract Life	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
135.188	1 year	$ 17,386	$ 1,956
130.347	2 years	20,941	2,587

Executive Bonus Pool

The executive bonus provision of the senior officer employment agreements contains two components; growing the gross annual profit sharing income received from its carriers and the EBITDA (earnings before interest, taxes, depreciation and amortization) bonus component which is designed to increase corporate revenue and profits of the Company. These two components are then combined, and the aggregate shared among all senior officers. The incentive for managing the performance and to grow profit sharing is 1% of the total profit sharing commissions received by
the Company from its carriers. The incentive for driving operating profits of the Company and growing its revenue annually is a share of the EBITDA profit of the Company and is determined by the
annual percentage of revenue increase ranging from 0% to 30%. The profit sharing bonus component amounted to $508,828 and $463,059 for the years ended December 31, 2023 and 2022, respectively. The EBITDA bonus component amounted to $1,569,744 and $502,500 for the years ended December 31, 2023 and 2022, respectively, and is included in accrued payroll on the consolidated balance sheets.

9. Commitments and Contingencies

The Company secures insurance contracts through insurance carriers on behalf of its franchised agencies. Should the agencies not pay their respective account balances, the Company is liable for these payables. Management has determined that the amount of this contingent liability is not readily determinable at December 31, 2023 and 2022. Some insurance premiums are received by the Company from insurance agencies and subsequently remitted to the insurance companies. These are reflected in the accompanying consolidated balance sheets as insurance premiums payable in the amount of $2,164,769 and $530,671 for the years ended December 31, 2023 and 2022, respectively. The majority of insurance premiums are remitted directly by the insurance agencies to the respective carriers.

10. Safe Harbor 401(k) Plan

The Company maintains a safe harbor 401(k) plan covering employees with 30 days of service and who have attained the age of 21. Employees may elect to make voluntary contributions to the plan through a salary reduction arrangement. Employees vest in their voluntary contributions immediately.
The Company's contributions to the plan are 3% of compensation and are immediately vested; contributions are mandatory regardless of the employee's voluntary participation in the plan.
The Company's contributions for the years ended December 31, 2023 and 2022 was $691,153, and $500,139, respectively.

11. Supplemental Cash Flow Information

	2023	2022
Cash paid for:		
Interest	$ 107,292	$ 183,047

Income taxes	$ 1,763,918	$ 1,391,847

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Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Financial Statements December 31, 2021

and 2020

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Independent Auditors' Report

To the Board of Directors of
Keystone Insurers Group, Inc.

Opinion

We have audited the consolidated financial statements of Keystone Insurers Group,Inc. (the Company), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Baker Tilly US, LLP

Lancaster, Pennsylvania
April 26, 2022

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 12,207,309	$ 7,344,110
Accounts receivable, net	5,987,126	5,622,264
Contingent commission bonus receivable	1,118,602	468,238
Other receivable	-	50,000
Affiliate receivable	21,667	337,242
Income tax recoverable	7,184	390,177
Note receivable	187,446	264,132
Prepaid expenses and other current assets	1,352,448	1,456,234
Total current assets	20,881,782	15,932,397
Property and Equipment		
Land	341,000	117,000
Building	4,420,875	4,557,826
Automobiles	1,071,218	1,044,786
Furniture and equipment	305,921	481,275
Computer software	300,641	300,641
Total	6,439,655	6,501,528
Less accumulated depreciation	(2,111,498)	(1,976,732)
Total property and equipment, net	4,328,157	4,524,796
Investments, Cost Method	3,263,993	3,263,993
Investments, Equity Method	820,767	680,845
Intangible Assets		
Goodwill	1,831,303	1,831,303
Intangible assets	1,861,064	1,861,064
Total	3,692,367	3,692,367
Less accumulated amortization	(2,464,126)	(2,197,123)
Total intangible assets, net	1,228,241	1,495,244
Other Assets		
Officer life insurance, cash surrender value	1,740,714	1,329,499
Deferred tax assets, net	505,593	344,582

Total other assets	2,246,307	1,674,081
Total assets	$ 32,769,247	$ 27,571,356

See notes to consolidated financial statements

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

	2021	2020
Liabilities and Stockholders' Equity		
Current Liabilities		
Long-term debt, current portion	$ 216,662	$ 182,465
Accounts payable	1,348,511	1,302,129
Insurance premiums payable	1,773,253	794,482
Profit sharing payable	634,612	731,618
Accrued payroll	1,065,000	628,412
Other current liabilities	110,866	70,949
Customer deposits	7,036	69,536
Unearned revenue	979,136	965,974
Stock option liability, current portion	1,314,003	1,381,305
Total current liabilities	7,449,079	6,126,870
Long-Term Liabilities		
Stock option liability, net of current portion	908,260	474,058
Convertible notes payable	-	1,000,000
Paycheck Protection Program loan	-	254,933
Long-term debt, net of current portion	1,649,733	2,026,592
Total long-term liabilities	2,557,993	3,755,583
Total liabilities	10,007,072	9,882,453
Stockholders' Equity		
Common stock, $0.88 par value, 5,000 shares authorized, 2,172.46 and 2,166.46 shares issued and outstanding at December 31, 2021 and 2020 respectively	802	802
Additional paid-in capital	10,097,345	10,032,467
Accumulated earnings	16,012,070	13,682,406
Total	26,110,217	23,715,675
Less treasury stock of 911.10 and 892.72 shares at cost at December 31, 2021 and 2020 respectively	(5,569,500)	(5,552,661)
Total controlling interests	20,540,717	18,163,014
Noncontrolling interests	2,221,458	(474,111)
Total stockholders' equity	22,762,175	17,688,903

Total liabilities and stockholders' equity	$ 32,769,247	$ 27,571,356

See notes to consolidated financial statements

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Statements of Operations

Years Ended December 31, 2021 and 2020

	2021	2020
Revenues, Net		
Commission related	$ 26,858,303	$ 23,260,151
Franchise related	4,779,793	4,369,593
Management income	12,952	479,955
Subscription fee revenues	3,631,301	1,800,013
Professional fee revenues	950,927	883,139
Total revenues, net	36,233,276	30,792,851
Operating Expenses	35,821,248	29,716,947
Income from operations	412,028	1,075,904
Other Income		
Earnings of equity method investment	240,242	60,866
Interest expense	(214,817)	(142,314)
Interest income	110,496	177,508
Loan forgiveness	254,933	1,848,334
Other income	584,302	466,294
Total other income, net	975,156	2,410,688
Income before provision for income taxes	1,387,184	3,486,592
Provision for Income Taxes		
Current tax	1,235,357	1,115,108
Deferred tax	(161,011)	(68,614)
Total tax	1,074,346	1,046,494
Net income	312,838	2,440,098
Less net loss attributable to noncontrolling interests	(2,016,827)	(1,330,273)
Net income attributable to the controlling interests	$ 2,329,665	$ 3,770,371

Keystone Insurers Group, Inc. and Subsidiaries Consolidated

Statements of Changes in Stockholders' Equity Years Ended December 31, 2021 and 2020

	2021	2020
Common Stock		
Beginning balance	$ 802	$ 801
Common stock issued	-	1
Ending balance	802	802
Additional Paid-in Capital		
Beginning balance	10,032,467	9,922,467
Stock based compensation plan	64,877	110,000
Ending balance	10,097,344	10,032,467
Accumulated Earnings		
Beginning balance	13,682,406	9,912,035
Net income attributable to the controlling interest	2,329,665	3,770,371
Ending balance	16,012,071	13,682,406
Treasury Stock		
Beginning balance	(5,552,661)	(5,512,486)
Treasury stock acquired	(16,839)	(40,175)
Ending balance	(5,569,500)	(5,552,661)
Total controlling interest stockholders' equity	20,540,717	18,163,014
Noncontrolling Interests		
Beginning balance	(474,111)	771,426
Common stock issued	83,746	84,736
Preferred stock issued	4,628,650	-
Net loss attributable to the noncontrolling interests	(2,016,827)	(1,330,273)
Ending balance	2,221,458	(474,111)
Total stockholders' equity	$ 22,762,175	$ 17,688,903

Keystone Insurers Group, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Net income from controlling interests	$ 2,329,665	$ 3,770,371
Net loss from noncontrolling interests	(2,016,827)	(1,330,273)
Total net income	312,838	2,440,098
Adjustments to reconcile net income (loss) to net cash		
Provided by (used in) operating activities:		
Depreciation	342,120	363,516
Amortization	280,654	305,709
Earnings of equity method investment	(240,252)	(60,866)
Stock based compensation	717,035	382,669
Bad debt expense	2	206
Gain on disposal of assets	-	(60,866)
Deferred taxes provision	161,011	68,614
Loan forgiveness	(254,933)	(1,848,334)
Changes in assets and liabilities:		
Accounts receivable, net	(364,862)	(1,046,295)
Contingent commission bonus receivable	(650,364)	296,952
Prepaid expenses and other current assets	103,786	(213,432)
Unearned revenue	13,162	624,156
Customer deposits	(62,500)	(40,000)
Income tax recoverable	382,993	(337,670)
Accounts payable	46,382	208,461
Insurance premiums payable	978,771	235,474
Profit sharing payable	(97,006)	(235,109)
Accrued payroll	436,588	(9,588)
Other current liabilities	39,917	(29,184)
Other receivable	50,000	236,384
Affiliate receivable	315,575	(337,242)
Stock option liability	(348,135)	207,742
Net cash provided by provided by operating activities	2,162,782	1,151,395
Cash Flows From Investing Activities		
Purchase of property and equipment	(390,405)	(267,103)
Increase in cash surrender value of officer life insurance	(411,215)	(372,294)
Proceeds from sale of property and equipment	6,000	17,700
Purchases of investments	-	(1,488,259)
Proceeds (issuance) of note receivable	76,685	(1,321)
Net cash used in investing activities	(718,935)	(2,111,277)
Cash Flows From Financing Activities		
Repayment of debt	(223,466)	(268,950)
Purchase of treasury stock	(16,839)	(40,175)
Issuance of preferred stock, net of conversion	3,575,911	1,000,000
Issuance of common stock	83,746	84,736
Paycheck protection program loan	-	2,103,267
Net cash provided by financing activities	3,419,352	2,878,878
Net increase in cash and cash equivalents	4,863,199	1,918,996
Cash and Cash Equivalents, Beginning	7,344,110	5,425,114

Cash and Cash Equivalents, Ending	$ 12,207,309	$ 7,344,110

See notes to consolidated financial statements

1. Scope of Business and Summary of Significant Accounting Policies

Scope of Business

Keystone Insurers Group, Inc. and Subsidiaries (KIG or the Company) is an umbrella corporation providing support services as they relate to the distribution of property/casualty, financial and risk management services through a network of one hundred sixteen (116) franchised locations throughout Pennsylvania, sixty-three (63) locations throughout North Carolina, thirty-three (33) locations throughout Virginia, forty-two (42) locations throughout Ohio, Forty-four (44) locations throughout Indiana, sixty-one (61) locations throughout Kentucky, thirty-six (36) locations throughout Tennessee, Forty-one (41) locations throughout Illinois, twenty-seven (27) locations throughout Georgia, thirty-five (35) locations throughout Missouri, thirty-two (31) locations throughout Michigan, fourteen (14) locations throughout Iowa, two (2) locations throughout Minnesota, five (5) location in Kansas, one (1) location in Maryland, twenty (20) locations throughout Wisconsin, and nine (9) throughout Texas. The Company operates from owned facilities located in Northumberland, Pennsylvania.

Keystone Risk Managers, LLC (KRM), a subsidiary of KIG, provides property/casualty products and risk management services to large commercial clients on a national and international basis. These services are provided individually and on behalf of the Company's franchised locations.

Keystone Benefit Services, LLC (KBS), a subsidiary of KIG was formed to address the growing needs of its Pennsylvania franchised locations in the areas of benefits and health insurance.

Keystone Advantage Limited (KAL), a subsidiary of KIG, was formed in June 2009. KAL is a Bermuda domiciled captive company in the business of providing segregated rental cells to KIG franchisees and their clients.

Keystone Insurance & Benefits Group, LLC (KIBG), a subsidiary of KIG, was formed in 2009. KIBG addresses the growing needs of its franchisees in all states other than Pennsylvania, in the areas of benefits and health insurance.

Keystone Program Group, LLC (KPG), a subsidiary of KIG, d/b/a Keystone Program Administrators and Keystone Select, was formed in January 2013 to provide franchise partners with program underwriting for specialty insurance markets, as well as risk placement services for small commercial business.

Keystone Bonding & Surety Agency (KBSA), a subsidiary of KIG, was formed in January 2014 to purchase Keystone Surety Associates, LLC (KSA). KBSA, through a purchase of 100 percent of the assets of KSA, is a bond-only agency specializing in bonds for construction and nonconstruction contracts, license and permit obligations, fidelity bonds, court, ERISA, notary bonds, and many other types of bonded obligations.

Policyforce.com LLC (Policyforce), a Delaware limited liability company, was formed on November 4, 2015 as a software service company featuring software for insurance claims, policies, and agency management. During June 2016, Policyforce amended its name to Veruna LLC, (Veruna). Veruna principally focuses on providing contemporary solutions to manage and automate business solutions specific to insurance carriers and agencies.

Keystone Agency Insurers, LLC (KAI), a Delaware corporation, an affiliate, was formed in August 2019 for the purpose of acquiring, owning and operating independent insurance agencies, including but not limited to Keystone franchisees. Their acquisition facility enables insurance agencies to perpetuate, while the Company's franchise platform provides opportunities for future growth. The Company received a 25 percent voting interest in KAP in April 2020 but was not required to contribute any capital. During October 2021, KAI amended its name to Keystone Agency Partners, LLC (KAP).

As of January 1, 2018, Veruna changed its tax status from an LLC to a C corporation. The Company has an interest of 39 percent in Veruna as of December 31, 2021 and December 31, 2020.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Significant estimates include valuation of deferred taxes and stock based compensation. Actual results may differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries and variable interest entity. All significant intercompany accounts and transactions are eliminated in consolidation. The subsidiaries and variable interest entity, along with the percentages of ownership as of December 31, 2021 are as follows:

Subsidiary and Variable Interest Entity	Percentage	
Keystone Risk Managers, LLC	100	%
Keystone Benefit Services, LLC	95	
Keystone Advantage Limited, a Bermuda Corporation	100	
Keystone Insurance & Benefits Group, LLC	100	
Keystone Program Group, LLC	100	
Keystone Bonding & Surety Agency, LLC	100	
Veruna, Inc.	39	

Cash and Cash Equivalents

For purposes of the consolidated balance sheets and consolidated statements of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions which periodically exceed the Federal Deposit Insurance Company (FDIC) insured limits of up to $250,000 per institution.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at the amount management expects to collect from outstanding balances at year-end. Management monitors outstanding balances through a review of historical losses and collections and has concluded that any realization losses on balances outstanding at December 31, 2021 and 2020 are immaterial.

Consistent with industry practice, credit is granted to customers for the payment of services rendered or licenses granted. Receivables are generally due 14 days after the issuance of the invoice.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of the asset are capitalized. Expenditures for repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight line method for financial reporting purposes over the estimated useful lives of the assets. Depreciation is computed over the following periods:

	Years
Buildings	39
Automobiles	5
Furniture and equipment	3 - 10
Land Improvements	15
Building Improvements	7 - 15
Computer software	3

Depreciation expense was $342,120 and $363,516 for the years ended December 31, 2021 and 2020, respectively.

Cost Method Investments

Certain of the Company's investments are recorded using the cost method of accounting, as the Company does not have significant influence over these entities. Under this method, the Company's share of the earnings or losses of such companies is not included in the consolidated balance sheets or consolidated statements of operations. However, impairment charges are recognized in the consolidated statement of operations. If circumstances suggest that the value of the investment has subsequently recovered, such recovery is not recorded.

Equity Method Investments

The Company utilizes the equity method of accounting with respect to investments where it possesses the ability to exercise significant influence, but not control, over the operating and financial policies of the investee. The ability to exercise significant influence is presumed when an investor possesses more than 20 percent but less than 50 percent of the voting interests of the investee.
This presumption may be overcome based on specific facts and circumstances that demonstrate the ability to exercise significant influence is restricted. In applying the equity method, the Company records its investment at cost in the consolidated balance sheets as equity method investments.
Any increase or decrease in the carrying amount subsequent to acquisition is the result of the Company's share of the net income or losses. The Company's share of earnings or loss is recorded in the Company's consolidated statements of operations.

The Company reviews its equity method investments for possible impairment taking into account events and circumstances that may have occurred since the prior review and any impairment is recorded in the Company's consolidated statements of operations. No impairment was recorded for the years ended December 31, 2021 and 2020.

Goodwill

Goodwill represents the excess of the purchase price over this fair value of net assets acquired through various acquisitions. Management reviews goodwill for possible impairment taking into account events and circumstances that may have occurred since then, prior review, and any impairments are recorded in the Company's consolidated statements of operations. Based on its evaluation, the Company does not consider goodwill to be impaired at December 31, 2021 and 2020.

The Company has elected to amortize goodwill over a period of ten years beginning on January 1, 2018. See Note 4 for further information.

Intangible Assets

Amortizable intangible assets are comprised of rights, trademark, website development costs, customer lists and other intangibles which are being amortized over periods ranging from 3 to 15 years. Intangible assets with an indefinite life are not amortized and are subject to annual impairment testing. All identifiable intangible assets are tested for recoverability whenever events or changes in circumstances indicate that a carrying amount may not be recoverable. There was no impairment losses recognized in 2021 and 2020. See Note 4 for further information.

Revenue Recognition Policies

The Company recognizes revenue when control of a service promised in a contract (i.e., a performance obligation) is transferred to a customer. Control is obtained when a customer has the ability to direct the use of and obtain substantially all of the remaining benefits from that service. A majority of the Company's revenues are recognized over time as customers simultaneously receive control as the Company performs services under a contract. However, a portion of the Company's revenues are recognized point-in-time. A performance obligation is a distinct service or a bundle of services promised in a contract.

The Company identifies performance obligations at the inception of a contract and allocates the transaction price to individual performance obligations to faithfully depict the Company's performance in transferring control of the promised services to the customer. These performance obligations are typically satisfied as the service is rendered. The output method was utilized to measure the progress for performance obligations as the performance obligations are continually satisfied over time.

The transaction price allocated to a performance obligation reflects the Company's expectations about the consideration it will be entitled to receive from a customer related to that performance obligation. To determine the transaction price, variable consideration is assessed as well as whether a significant financing component exists. The Company's contracts typically do not include a significant financing component.

Franchise Related Revenues

Franchise related income, are franchisee arrangements that provide for payment of initial licensing fees, ongoing monthly service fees, as well as profit sharing and bonus distribution fees by the Company's franchisees. The performance obligations related to franchise revenue are primarily to negotiate and administer Company carrier contracts, collect all money from carriers and profit share funds and bonuses and distribute to the franchisees. These performance obligations are satisfied over time. Each individual franchisee has a contract with the Company that outlines the amount of licensing fees, profit sharing, commissions, monthly service fees and miscellaneous fees they are required to pay. Profit sharing and commissions are received directly from franchisees based on agreed upon rates. Initial licensing fees are accounted for as income in the period when the franchise is awarded. The franchise licensing fee is not uniform and is not refundable. The fee is determined by the franchisee's maturity in the state in which it operates.

Franchise fees recognized for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Initial licensing fees	$ 102,400	$ 135,525
Recurring franchise related fees	4,677,393	4,234,068
Total	$ 4,779,793	$ 4,369,593

In 2021, the Company issued 11 new franchise licenses to new agency relationships and 13 were terminated, merged or acquired, both internally and externally. The total number of franchise licenses was 279 and 281 at December 31, 2021 and 2020, respectively.

Commission Related Revenues

Commission related income is comprised primarily of percentages of growth and profit sharing bonuses, carrier expense reimbursements, miscellaneous fees and commissions for shared activities and vendor purchasing programs. Profit sharing revenue, included in commission related income, is based on sales value of insurance underwriting premiums, growth and loss ratios of the franchises. Commission related income is recognized over time as access to the franchise network occurs throughout contract period.

Subscriptions Fee Revenues

Revenue recognition for the subscription software products are based on the software as a service model, typically billed on a monthly basis based on minimums in the contract. Subscription revenue is recognized at the time of invoicing based on the length of the period invoiced, typically one month. The performance obligation for subscription fee revenues is access to the various software for the contract period, which is satisfied over time.

Professional Service Revenues

Professional services including integration, training, installation and data conversion services, are recognized at the time the service is performed and completed. The performance obligation for professional service revenues is the training, installation and data conversion related to the software identified in subscription fee revenues.

Unearned Revenue

The Company recognizes certain revenue ratably over the contractual support period. Amounts prepaid by customers in excess of revenue recognized are deferred. The current portion of deferred revenue represents the amounts that are expected to be recognized as revenue within one year of the balance sheet date.

Advertising

The Company expenses all advertising costs as they are incurred. Advertising expense amounted to $896,952 and $314,082 for the years ended December 31, 2021 and 2020, respectively.

Income Taxes

Deferred income taxes arise from temporary differences resulting from differences between the consolidated financial statements and tax basis of assets and liabilities. Deferred income taxes are classified as noncurrent in accordance with Accounting Standards Codification (ASC) 2015-17, *Balance Sheet Classifications of Deferred Taxes*. Deferred income taxes arising from temporary differences that are not related to an asset or liability are classified as current or noncurrent depending on the periods in which those temporary difference are expected to reverse. The Company's federal income tax returns for tax years ended December 31, 2017 and prior are closed.

In accordance with ASC 740-10-50, *Accounting for Uncertainty in Income Taxes,* the Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. Interest and/or penalties related to income tax matters, if incurred, are recognized as a component of income tax expense. The Company's income tax filings are subject to audit by various taxing authorities.

Stock Based Compensation

The Company's stock-based compensation is measured based on fair value of the awards at the grant date and recognized as compensation expense on a straight-line basis over the period during which the option holder is required to perform services in exchange for the award (vesting period). The Company uses the Black-Scholes Option Pricing Model to estimate fair value of the stock options. The use of the option valuation model requires subjective assumptions, including the fair value of the Company's common stock, the expected term of the options and the expected stock price volatility based on peer companies.

Variable Interest Entity

The Company consolidated a variable interest entity, Veruna, where it is the primary beneficiary. The primary beneficiary is the entity that has both (1) the power to direct the activities of the VIE that most significantly affect the entity's economic performance and (2) the obligation to absorb losses that could be potentially significant to the VIE.

The follow table present the total assets, total liabilities and total stockholders' equity associated with Veruna as of December 31, 2021 and 2020.

	2021	2020
Total assets	$ 3,958,226	$ 1,322,300
Total liabilities	$ 1,334,470	$ 3,641,247
Total stockholders' equity	2,623,756	(2,318,947)
Total liabilities and stockholders' equity	$ 3,958,226	$ 1,322,300

Veruna had a net loss of $3,305,191 and $2,184,356 for the years ended December 31, 2021 and 2020, respectively.

Noncontrolling Interests

The Company accounts for noncontrolling interests for Veruna as a separate component of stockholders' equity. The noncontrolling interest's share of subsidiary net income is reported as part of net income with disclosure of the attribution of controlling and noncontrolling interests in the consolidated statements of operations.

Subsequent Events

The Company has evaluated subsequent events through April 26, 2022, which is the date the consolidated financial statements were available to be issued. On March 31, 2022, KIG invested $1,000,000 into AgencyKPI as part of AgencyKPI's $7,500,000 Series B capital raise. Due to this additional investment by both KIG and outside parties, KIG's ownership interest in AgencyKPI decrease from 10.72 percent in December 2021 to 8.24 percent in March 2022.

2. Income Taxes

The components of the provision for income taxes for the years ended December 31 are as follows:

	2021	2020
Current:		
Federal	$ 935,892	$ 827,808
State	299,465	287,300
Total current income tax expense	1,235,357	1,115,108
Deferred:		
Federal	(122,000)	(51,990)
State	(39,011)	(16,624)
Total deferred provision	(161,011)	(16,624)
Total provision for income taxes	$ 1,074,346	$ 1,098,484

Deferred tax assets, net consisted of the following components at December 31:

	2021	2020
Deferred tax assets:		
Intangible assets	$ 153,762	$ 131,277
Veruna net operating loss carryforwards	2,147,151	1,492,759
Right of use asset	1,373	-
Stock options	615,900	511,395
Gross deferred tax assets	2,918,186	2,135,431
Less valuation allowance	2,147,151	1,492,759
Deferred tax assets, net of allowance	771,035	642,672
Deferred tax liabilities:		
Fixed assets	138,803	181,261
Intangibles amortization	126,639	116,829
Deferred tax liabilities	265,442	298,090
Net deferred income tax asset	$ 505,593	$ 344,582

The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the federal income tax rate to income before income taxes. The significant items causing this difference include the impact of state taxes, change in valuation allowance, noncontrolling interest and prior year adjustments.

In February of 2022, the Company received notice that the federal income tax return for the 2019 tax year was selected for examination by the Internal Revenue Service (IRS). Thus far, the IRS has only sent initial Information Document Requests (IDRs) and has not provided a response or met with the IRS. At this time, there is no information to suggest that any changes to the Company's tax return will be required.

3. Investments in Other Entities

The Company makes strategic investments in companies that have developed or are developing relationships that are complementary to its business. The Company accounts for these investments using either the cost or equity method of accounting. Under the cost method, the Company does not adjust the investment balance when the investee reports profit or loss but monitors the investment for an other-than- temporary decline in value including the credit quality of the entity. Under the equity method of accounting, the Company initially records the investment in the stock of an investee at cost and adjusts the carrying amount of the investment to recognize the Company's share of the earnings or losses of the investee after the date of acquisition.

Investment, Cost Method

On December 31, 2009, the Company invested $369,735 for a 9.9 percent interest in Keystone National Insurance Company (KNIC) (a Pennsylvania limited liability company). On September 20, 2010, November 14, 2011, November 15, 2012, and again on November 25, 2014 the Company invested $99,000 in order to maintain its ownership percentage as part of a capital infusion that was completed by KNIC. As of December 31, 2021 and 2020, the Company had an investment in KNIC of
$765,735. In addition, as of December 31, 2021 and 2020, KRM had an investment and ownership in entities Leonardo of $5,000 and 9.99 percent and Michelangelo of $69,000 and 9.99 percent.

Management has made the determination that there have been no impairments to the values of the investments in KNIC, Leonardo and Michelangelo.

In July of 2018, the Company purchased a 7.6 percent interest in AgencyKPI for $1,000,000 with an additional purchase of $1,424,259 in May 2020 with a total investment of $2,424,259 and 10.7 percent. Keystone's ownership is unchanged as of December 31, 2021.

Investment, Equity Method

On December 31, 2008, the Company invested $600,000 for a 25 percent interest in East Coast Risk Management, LLC (a Pennsylvania limited liability company). There were earnings on this equity method investment in the amount of $240,242 and $60,866 for the years ended December 31, 2021 and 2020, respectively. As of December 31, 2021 and 2020, the Company had a 25 percent interest in East Coast Risk Management, LLC. Management believes there is no impairment to the value of the investment at December 31, 2021 and 2020.

4. Goodwill and Intangible Assets

Intangible assets consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Goodwill	$ 1,831,303	$ 1,831,303
Customer lists	1,220,050	1,220,050
Rights	244,724	244,724
Trademark	4,317	4,317
Product website development costs	391,973	391,973

Subtotal	3,692,367	3,692,367
Less accumulated amortization	(2,464,126)	(2,197,123)
Total	$ 1,228,241	$ 1,495,244

Amortization expense for the years ended December 31, 2021 and 2020 was $280,654 and $305,709, respectively.

Estimated amortization expense is expected to be as follows:

Years ending December 31:	
2022	$ 260,090
2023	260,090
2024	217,039
2025	149,007
2026	149,007
Thereafter	193,008
Total	$ 1,228,241

5. Line of Credit

The Company has a $1,000,000 line of credit available with Westfield Bank, net of outstanding balances on loans held at the same bank, which were $61,530 and $23,694 at December 31, 2021 and 2020, respectively. This line of credit is secured by substantially all assets owned by the Company. This excludes those funds that are the property of insurance carriers; such as premiums in transit; returned commissions, etc. In addition, payments of franchisees payable from insurance carriers for franchise commissions and/or profit sharing payments are excluded. Interest is paid monthly at a variable rate of prime, with a floor of 5.00 percent. At December 31, 2021 and 2020, there were no amounts outstanding. The interest rate at December 31, 2021 and 2020 was 5.00 percent.

6. Long-Term Debt

The following table lists total debt outstanding at December 31, 2021 and 2020. The interest rates presented in the following table are the range of contractual rates in effect at December 31, 2021, including fixed and variable rates:

At December 31, 2021	Maturity Dates	Range of Rates	Balance at December 31, 2021	Balance at December 31, 2020
Automotive loans	2021	1.9% - 6.7%	$ -	$ 87,827
	2022	1.9% - 6.7%	81,059	14,854
	2023	1.9% - 6.5%	36,561	5,379
	2024	2.9% - 4.3%	420	420
Real estate	2021	4.7% - 5.7%	-	94,638
	2022	4.7% - 5.7%	135,603	99,588
	2023	4.7% - 5.7%	142,206	104,798
	2024	4.7% - 5.7%	149,131	110,282
	2025	4.7% - 5.7%	156,393	116,055

	2026	4.7% - 5.7%	164,009	-
	Thereafter	5.2% - 5.5%	1,001,013	1,575,216
Total			$ 1,866,395	$ 2,209,057

7. Paycheck Protection Program

On April 14, 2020, Keystone Insurers Group received loan proceeds in the amount of $1,848,334 and Veruna received proceeds in the amount of $254,933 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25 percent during the covered period. Any unforgiven portion is payable over
two years if issued before, or five years if issued after, June 5, 2021 at an interest rate of 1 percent with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties.

For Keystone Insurers Group, the Company met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during November 2020. Legal release was received during November 2020, therefore, the Company recorded forgiveness income of $1,848,334 within the other income section of its consolidated statements of operations for the year ended December 31, 2020. The entirety of the loan was forgiven. The outstanding PPP loan balance was $0 at December 31, 2020.

For Veruna, the Company met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during November 2020. Legal release was received during April 2021, therefore, the Company recorded forgiveness income of $254,933 within the other income section of its consolidated statements of operations for the year ended December 31, 2021. The entirety of the loan was forgiven. The outstanding PPP loan balance was $0 at December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

8. Convertible Notes Payable

On January 28, 2020 Veruna entered into a convertible notes arrangement whereby Veruna borrowed $1,000,000. The maturity date was eighteen months from the date of issuance and interest at 5 percent per annum throughout the term of the note. On February 16, 2021 convertible note that Veruna had previously entered into were converted from debt into preferred shares of stock. The note was converted to 903,128 shares of preferred stock in Veruna with the preferred stock issuance in February 2021. As a result of this issuance there were 9,186,626 of nonvoting preferred shares to Veruna external investors outstanding as of December 31, 2021.

9. Senior Officer Incentive Compensation

The Company employs five (5) senior officers to provide leadership and execution of the Company's business plans. The Company has entered into Employment Agreements that provide for stock options and cash bonuses if certain performance objectives are met.

Stock Option Award Pool

The stock option award pool is designed to provide an incentive to the senior officers for increasing the fair value of the Company and is calculated annually. The senior officers receive stock options according to a formula contained within their employment agreements based on an increase in the per share value of the Company. The options awarded to the senior executives vest immediately and have a three year life/term. Furthermore, these options will not be exercisable until the last day of the stated life/term. Senior officers have the right to exercise the options as a net cash settlement or for shares.

The Company over its history has granted a total of 2,726.67 stock options to senior management pursuant to their respective executive employment agreements, of which 2,017.10 have been exercised and redeemed. To value these options, the Company adopted the accounting and disclosure provisions of the Financial Accounting Standards Board (FASB) ASC 718, *Stock Compensation*, using the modified prospective application transition method.

The fair value of each stock option granted is estimated on the date of the grant using the Black-Scholes Model. The Black-Scholes Model has assumptions for risk free interest rates, dividends, stock volatility and expected life of an option grant. The risk free interest rate is based on the U.S. Treasury Bill rate with a maturity based on the expected life of the options and on the closest day to an individual stock option grant. Dividend rates are based on the Company's dividend history. The stock volatility factor is based on a comparison of the volatility of publicly-traded companies in the insurance brokerage industry. The expected life of an option grant is based on the stated life/term of 3 years. The fair value of each option grant is recognized as compensation expense over the vesting period of the option on a straight line basis.

For stock options issued during the years ended December 31, 2021 and 2020 the fair value of these options was estimated at the date of the grant using a Black-Scholes Model with the following range of assumptions:

	2021	2020
Risk free interest rate	0.97 %	0.17 %
Dividends	-	-
Volatility factor	16.0 %	16.0 %
Expected life	3 years	3 years

The Company's stock option liability as of December 31, 2021 and 2020 was $2,222,263 and $1,855,363 respectively. In 2021 and 2020, the long-term portion of the Company's stock option liability was $908,260 and $474,058, respectively. If all exercisable options were exercised under the net cash settlement provision as of December 31, 2021 and 2020 the net cash outlay by the Company would be equal to $3,781,461 and $1,298,241, respectively.

A summary of stock option activity is as follows:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2020	797.119	$ 14,115
Granted	130.347	20,941
Exercised	59.443	11,102
Outstanding at December 31, 2021	868.023	15,356
Exercisable at December 31, 2021	511.699	$ 13,844
Outstanding at December 31, 2019	713.659	$ 13,282
Granted	129.990	17,386
Exercised	46.530	10,472
Outstanding at December 31, 2020	797.119	14,115
Exercisable at December 31, 2020	438.56	$ 12,867

The following table summarizes information about stock options outstanding and nonexercisable at December 31, 2021 and 2020:

2021

Number Outstanding	Weighted Average Remaining Contract Life	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
90.789	1 year	$ 15,510	$ 2,062
135.188	2 years	17,386	1,956
130.347	3 years	20,941	2,587

2020

Number Outstanding	Weighted Average Remaining Contract Life	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value
133.367	1 year	$ 14,686	$ 2,147
90.787	2 years	15,510	2,062
135.187	3 years	17,386	1,956

Executive Bonus Pool

The executive bonus provision of the senior officer employment agreements contain two components; growing the gross annual profit sharing income received from its carriers and the EBITDA (earnings before interest, taxes, depreciation and amortization) bonus component which is designed to increase corporate revenue and profits of the Company. These two components are then combined and the aggregate shared among all senior officers. The incentive for managing the performance and to grow profit sharing is 1 percent of the total profit sharing commissions
received by the Company from its carriers. The incentive for driving operating profits of the Company and growing its revenue annually is a share of the EBITDA profit of the Company and is determined by the annual percentage of revenue increase ranging from 0 percent to 30 percent. The profit sharing bonus component amounted to $483,621 and $408,818 for the years ended December 31, 2021 and 2020, respectively. The EBITDA bonus component amounted to $1,065,000 and $600,000 for the years ended December 31, 2021 and 2020, respectively, and is included in accrued payroll on the consolidated balance sheets.

10. Commitments and Contingencies

The Company secures insurance contracts through insurance carriers on behalf of its franchised agencies. Should the agencies not pay their respective account balances, the Company is liable for these payables. Management has determined that the amount of this contingent liability is not readily determinable at December 31, 2021 and 2020. Some insurance premiums are received by the Company from insurance agencies and subsequently remitted to the insurance companies. These are reflected in the accompanying consolidated balance sheets as insurance premiums payable in the amount of
$1,773,253 and $794,482 for the years ended December 31, 2021 and 2020, respectively. The majority of insurance premiums are remitted directly by the insurance agencies to the respective carriers.

11. Safe Harbor 401(k) Plan

The Company maintains a safe harbor 401(k) plan covering employees with 30 days of service and who have attained the age of 21. Employees may elect to make voluntary contributions to the plan through a salary reduction arrangement. Employees vest in their voluntary contributions immediately. The Company's contributions to the plan are 3 percent of compensation and are immediately vested; contributions are mandatory regardless of the employee's voluntary participation in the plan.
The Company's contributions for the years ended December 31, 2021 and 2020 was $439,910 and $402,392, respectively.

12. Supplemental Cash Flow Information

	2021	2020
Cash paid for:		
Interest	$ 105,754	$ 133,262
Income taxes	$ 852,364	$ 1,529,855
Conversion of convertible debt	$ 1,000,000	$ -

EXHIBIT B
<u>FRANCHISE AGREEMENT</u>

KEYSTONE INSURERS GROUP LLC
(d/b/a KEYSTONE INSURERS SERVICES GROUP, INC. IN VIRGINIA) FRANCHISE

AGREEMENT

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KEYSTONE INSURERS GROUP LLC
(d/b/a KEYSTONE INSURERS SERVICES GROUP, LLC IN VIRGINIA)
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into by and between Keystone Insurers Group, LLC. (d/b/a Keystone Insurers Services Group, Inc. in Virginia) (hereinafter referred to as "**Franchisor**" or "**Keystone**") with its principal place of business at 1215 Manor Drive, Suite 208, Mechanicsburg, Pennsylvania 17055, telephone number (570) 473-4302, and ______________________________________ whose principal address is____________________________________(hereinafter referred to as "**Franchisee**"). Franchisee as used in this Agreement shall mean Franchisee, and its shareholders, owners, partners, members or principals, as applicable.

RECITALS

a. Franchisor, as a result of the expenditure of time, skill, effort and money, has negotiated and maintains and administers agent/company agreements (also referred to herein as "**appointments**") and business relationship agreements with several insurance carriers (the "**Keystone Insurance Carriers**") authorizing the sale of personal insurance product lines, commercial insurance product lines, financial services product lines, individual, group and health product lines and annuities and which have compensation arrangements and broad insurance product portfolios we believe are better than average agent/company agreements (the "**Keystone Insurance Carrier Contracts**"). Most of the Keystone Insurance Carrier Contracts are between Franchisor, in its own capacity and/or on behalf of those franchisees who will be appointed as agents for such Keystone Insurance Carrier, and the respective Keystone Insurance Carriers; however, certain Keystone Insurance Carrier Contracts are between Franchisor's affiliates and the respective Keystone Insurance Carriers. Through Franchisor's purchasing power with the Keystone Insurance Carriers obtained by combining insurance premiums and historic profitable performance, Franchisor is positioned to continue to hold and negotiate and administer appointments with the Keystone Insurance Carriers.

b. Franchisor has developed a plan and system in which Franchisee may obtain powers of representation with the Keystone Insurance Carriers under the Keystone Insurance Carrier Contracts, which enable Franchisee to sell the insurance products of the Keystone Insurance Carriers and, thereby, to participate in the negotiated compensation arrangements of the Keystone Insurance Carrier Contracts, (hereinafter called the "**Franchise**"). Our Confidential Operating Manual details our system of operation and contains the requirements and restrictions which determine how Franchisee may operate their business (the "**Keystone System**").

c. Franchisor cannot and does not guarantee that powers of representation with every Keystone Insurance Carrier will be available in all cases to Franchisee and the size and experience of Franchisee may impact the number of appointments available to Franchisee. In addition, Franchisor offers insurance products and programs designed and created by Franchisor for its own, and its existing franchisees, promotion and sale. Such products and programs are more particularly described in the Operating Manual (the "**Specialty Programs**"). Because of the nature and timing of these Specialty Programs, certain of the Specialty Programs may be available to Franchisee and others may not.

d. Franchisor continues to expend time, skill and money to investigate and, if Franchisor deems it desirable, to develop and integrate into the Keystone System new or substitute insurance carriers, programs, procedures, systems, services, activities and products.

e. Franchisor is the owner of certain trademarks, trade names and service marks as are now designated and may hereafter be designated by Franchisor (the "**Proprietary Marks**") for use in connection with businesses it may own or operate, and in which it franchises to and/or authorizes others to own or operate.

f. Franchisor desires to grant to Franchisee a franchise upon the terms and subject to the conditions hereof.

NOW, THEREFORE, FRANCHISOR AND FRANCHISEE, INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:

1. GRANT OF FRANCHISE

Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the right to operate a Franchise and to use in connection therewith the Keystone System as it may be changed, improved, modified or further developed from time to time and upon the terms and subject to the provisions in this Agreement and all ancillary documents hereto. With the exceptions listed in this Agreement, Franchisee can operate its Franchise anywhere, and call on any potential customers it wishes. Similarly, Franchisor can grant franchises to whomever it wishes, regardless of where the franchise owners are located or will do business, and they may call on any prospective customers they wish. Also, Franchisor may conduct business using the Keystone System wherever they wish.

2. TERM AND RENEWAL

a. This Agreement becomes effective when Franchisor signs it (the "**Effective Time**"). The initial term (the "**Initial Term**") of this Agreement shall be for a period of 5 years commencing at the Effective Time.

b. If the Franchisee has complied with all the requirements of this Agreement and is not otherwise in default of this Agreement, the Franchisee shall have the right, but not the obligation, to enter into a Renewal Franchise Agreement for additional consecutive terms of 5 years (the "**Renewal Term**"), which shall commence upon the date of the expiration of the Initial Term or respective Renewal Term hereof. Franchisee is not required to pay any renewal fee in connection with a Renewal Franchise Agreement. As a condition of Franchisor signing the Renewal Franchise Agreement, Franchisee will be required to:

i. Sign the then current form of Renewal Franchise Agreement within thirty (30) days of receipt of same. **It may have terms and conditions which differ significantly from this Agreement.**

ii. Give Franchisor written notice of Franchisee's desire not to sign a Renewal Franchise Agreement a minimum of six (6) months before the expiration date of the Initial Term.

3. INITIAL FRANCHISE FEE

In consideration for the execution of this Agreement by Franchisor, Franchisee shall pay Franchisor an Initial Franchise Fee in full, on the day that we sign this Agreement.

4. CONFIDENTIAL OPERATING MANUAL

a. Franchisor shall lend to Franchisee one (1) copy of Franchisor's Confidential Operating Manual (the "**Operating Manual**") which shall be given to Franchisee at or before the Effective Time.

b. Franchisee shall conduct the operation of their Franchise in strict compliance with Franchisor's operational systems, procedures, policies, methods and requirements as prescribed from time to time in the Operating Manual, and in any supplemental bulletins and notices, revisions, modifications or amendments thereto, all of which shall be deemed a part hereof.

c. The subject matter of the Operating Manual may include (but need not be limited to nor necessarily include all of) the following matters: requirements, duties, standards, procedures, policies, systems, techniques, guidelines and specifications pertaining to the Franchise and the Keystone System; record keeping systems and materials; advertising and marketing materials; required uses of Franchisor's Proprietary Marks; insurance requirements, license requirements; customer satisfaction; training specifications; additions to, deletions from, modifications to and variations of the programs, products, procedures and other components constituting the Keystone System.

d. Franchisor retains the right to prescribe additions to, deletions from or revisions of the Operating Manual which shall become binding on Franchisee upon being mailed or otherwise delivered to it, as if originally set forth therein. The Operating Manual, and any additions, deletions or revisions thereto, shall not materially alter Franchisee's rights and obligations hereunder. The Operating Manual shall at all times remain the property of Franchisor.

5. PROPRIETARY MARKS

a. Nothing herein shall give Franchisee any right, title or interest in or to any of the Proprietary Marks of Franchisor except as a mere privilege and license during the term hereof to display and use the same according to the limitations set forth herein. All uses of the Proprietary Marks by Franchisee, whether as a trade mark, service mark, trade name or trade style, inure to the benefit of Franchisor.

b. Franchisee may only use the Proprietary Marks for the purpose of operating the Franchise, and in the manner prescribed in the Operating Manual and must only conduct the Franchise using the Proprietary Marks. Franchisee may not use the Proprietary Marks in its corporate name. This Agreement gives Franchisee no ownership in the Proprietary Marks, or any right to a payment for goodwill when this Agreement expires or terminates. Franchisee may never directly or indirectly commit any act of infringement, or contest or aid others in contesting the validity of Franchisor's right to use the Proprietary Marks, or take any other action which undermines Franchisor's rights.

c. Franchisee shall promptly notify Franchisor of any unauthorized attempt to use the Proprietary Marks, or any variation of them, or any other mark or name in which Franchisor claims a proprietary interest. At Franchisor's expense, Franchisee shall assist Franchisor in taking any action Franchisor decides is appropriate to halt such activities. Franchisee shall take no action nor incur any expenses on behalf of Franchisor without Franchisor's prior written approval.

d. Franchisor, in its sole discretion, may designate new, modified or replacement Proprietary Marks for Franchisee's use, and require Franchisee to use them in addition to or in lieu of any previously designated Proprietary Marks. Franchisee must pay its own costs and expenses associated with implementing required changes. Franchisee shall not be entitled to any compensation as a result of the discontinuation of any Proprietary Marks.

6. DUTIES OF FRANCHISOR

a. As provided for above, Franchisor shall lend and deliver to Franchisee one (1) copy of Franchisor's Operating Manual at or before the Effective Time.

b. Before or at the time Franchisee commences their Franchise, Franchisor will:

i. determine those insurance carriers with which both Franchisor (or its affiliates) and Franchisee hold agent/company agreements as prescribed in the Operating Manual;

ii. use its best efforts to advise, inform and educate Franchisee on the terms and conditions of the Keystone Insurance Carrier Contracts, including their compensation arrangements and product portfolios, and provide Franchisee with copies thereof as prescribed in the Operating Manual;

iii. determine the current amount of Franchisee's (1) current employee benefits gross revenue and (2) gross written property and casualty premium necessary to meet the Premium

Placement Requirement as described in Section 7(f) of this Agreement and assist in establishing a timetable for such transfer as prescribed in the Operating Manual;

iv. facilitate the transfer of your insurance business to certain Keystone Insurance Carrier Contracts as prescribed in the Operating Manual; and

v. engage Keystone, including its affiliates, to evaluate Franchisee's employee benefits operations and products.

c. Franchisor shall, at all times during this Agreement, negotiate and administer, and endeavor to maintain, the Keystone Insurance Carrier Contracts.

d. Franchisor will use its best efforts to obtain powers of representation for Franchisee with those Keystone Insurance Carriers chosen by Franchisee as prescribed in the Operating Manual, but cannot, and does not, guarantee that powers of representation with every Keystone Insurance Carrier will be available in all cases to Franchisee. Franchisee acknowledges and agrees that the number of Keystone Insurance Carriers available to Franchisee through powers of representation may be limited based on the Franchisee's size and experience and the discretion of the respective Keystone Insurance Carriers.

e. Franchisor will notify Franchisee of new Keystone Insurance Carrier Contracts available to Franchisee as prescribed in the Operating Manual, and will assist Franchisee if Franchisee desires, during the term of the Franchise Agreement, in acquiring powers of representation and transferring insurance business to the Keystone Insurance Carriers.

f. Franchisor shall collect from each Keystone Insurance Carrier all monies due and owing for Contingency Compensation Funds (as defined in Section 10(a)) and Bonuses (as defined in Section 10(b)) and distribute to Franchisee (as prescribed in the Operating Manual) all amounts due and owing to them for their Individual Contingency Compensation Distribution (as defined in Section 10(a)) and Individual Bonus Distribution (as defined in Section 10 (b)). In the event any commissions due to Franchisee are distributed by a Keystone Insurance Carrier to Franchisor, Franchisor shall distribute same to Franchisee promptly.

g. Franchisor shall from time to time furnish to Franchisee such information, instructions, techniques, data, instructional materials, and other operational developments pertaining to the administration and operation of the Franchise, the Keystone Insurance Carrier Contracts and other products and services related thereto, as may be developed by Franchisor from time to time in connection with its operation of the Keystone System.

Franchisor may periodically offer training specific to an insurance product, or service, of a Keystone Insurance Carrier. The location, duration and curriculum and instructor of any such training session or meeting provided by Franchisor shall be determined by Franchisor in its sole and exclusive discretion. Attendance by Franchisee is mandatory if Franchisee wishes to market and sell such insurance product. The fees which would be incurred by Franchisee for attending any such training and which are the responsibility of Franchisee will be determined by the Franchisor.

Franchisor may periodically hold and conduct meetings of all franchisees within the Keystone System. Some of these meetings may be mandatory such that attendance by Franchisee is mandatory, and some of these meetings will be voluntary such that attendance by Franchisee is voluntary. The Franchisor retains the sole and exclusive right to determine the agenda for, and duration and location of, any such meeting. The fees which would be incurred by Franchisee for attending any such meeting and which are the responsibility of Franchisee will be determined by the Franchisor.

In addition to the foregoing, following commencement of operation of Franchisee's Franchise, Franchisor shall furnish to Franchisee certain consultation services as Franchisor in its sole and exclusive direction deems advisable. Such consultation services may be rendered on site, off site, telephonically or through other communication devices by Franchisor's representatives, and may include the rendering of advice with respect to any or all programs, procedures, guidelines, systems, specifications or techniques pertaining to the operation of Franchisee's Franchise.

All such rendering of advice and consultation provided for in this Agreement shall be subject (as to timing) to the availability of Franchisor's representatives.

h. Franchisor may engage in the business of offering and selling advertising identification, and promotional materials to Franchisee upon such terms and conditions and at such prices as Franchisor, in its sole and exclusive discretion, determines and sets forth at the time of offer or sale, in accordance with the Operating Manual (as same may be amended from time to time), or otherwise. All such prices shall be subject to change at any time. Franchisee shall have no obligation to purchase any such advertising or promotional materials from Franchisor.

i. All of the obligations of Franchisor under this Agreement are to Franchisee and Franchisee alone, and no other party is entitled to rely on, enforce or obtain relief for breach of any such obligations, either directly or by subrogation.

7. DUTIES OF FRANCHISEE

a. Franchisee shall at all times conduct the activities and operations of Franchisee's Franchise in compliance with the Keystone System, including all standards, procedures and policies as Franchisor at its sole discretion may from time to time establish in its Operating Manual, as same may be amended from time to time, or otherwise, as though all were specifically set forth in this Agreement. Franchisor and Franchisee agree that Franchisee shall retain all right, title and interest in and to Franchisee's customer and client lists, including expiration lists, and accounts placed with, and written through, the Keystone Insurance Carrier Contracts, except that if Franchisee defaults on any of its obligations to Keystone or to Keystone Insurance Carriers under the Keystone Insurance Carrier Contracts all expirations shall become the property of Keystone until such obligations are satisfied. All insurance business placed with, and written through, the Keystone Insurance Carrier Contracts by Franchisee shall be coded or otherwise identified by Franchisor in order to indicate Franchisee's ownership thereof. Franchisee acknowledges that while it is the owner of the insurance business placed with and written through the Keystone Insurance Carrier Contracts, each Keystone Insurance Carrier Contract is between Keystone and the respective Keystone Insurance Carrier, as set forth in Section (a) of the Recitals hereto, and as such Franchisee hereby consents to each respective Keystone Insurance Carrier sharing all policy information relating to the Franchisee's insurance business with Keystone. Furthermore, Franchisee agrees to share, and consents to each and every insurance carrier, regardless of whether said insurance carrier(s) has/have a contractual relationship with Keystone, with whom Franchisee places insurance business sharing, with Keystone all policy information and profit-sharing agreements relating to all insurance business placed and written through the Franchisee.

b. Franchisee agrees to commence the operation of their Franchise within 30 days from the Effective Time and, as a condition precedent to such commencement of operations, to fulfill all of the pre-operating procedures set forth in the Operating Manual, including without limitation the termination of his agency/company agreements as prescribed in the Operating Manual.

c. Franchisee shall operate their Franchise in strict compliance with all applicable laws, rules and regulations of all governmental authorities; shall comply with all applicable wage, hour and other laws and regulations of the federal, state and local governments; shall prepare and file all necessary tax returns; shall pay all taxes imposed upon Franchisee related to the Franchise; and, shall obtain and keep in good standing all necessary licenses, permits, and other required forms of governmental approval required of Franchisee to operate within the Keystone System.

d. Regardless of Franchisee's form of business, the Franchisee and each of its shareholders, principals or partners executing this Agreement are individuals; and unless otherwise agreed in writing, they are required to personally and directly exercise on-premises supervision of the operation, and to act as business manager, of the Franchise, and shall be required to personally participate in the direct operation of the Franchise. Franchisee shall devote such amount of their time and attention and best efforts to the performance of their duties hereunder as is necessary for the proper and effective operation of the Franchise, and a failure to do so shall constitute a material and incurable breach of this Agreement which, unless waived by Franchisor, shall entitle Franchisor to terminate this Agreement unilaterally and immediately upon notice to Franchisee, with no opportunity to cure, and this Agreement shall thereafter be null, void and of no effect (except for those post-termination and post- expiration provisions which by their nature shall survive).

e. Franchisee must be and remain a licensed insurance agent, in good standing with the state insurance department(s) in the state(s) in which they transact business and, as a going concern, conduct all business in conformity with the generally accepted professional standards of competency, at all times during the term of this Agreement as set forth in the Operating Manual.

f. Check either Option I or Option II below. *This Section 7(f) should be read in conjunction with Section 11(a) of this Agreement.*

<u>OPTION I</u>: ☐

By the end of the Initial Term, Franchisee must place, and maintain at all times thereafter, at least 80% of their aggregate annual gross written property/casualty premiums with the Keystone Insurance Carriers through the Keystone Insurance Carrier Contracts (hereinafter called the "**Premium Placement Requirement**"); provided, however, if, at the Effective Time, Franchisee's largest agency contract is with a non-Keystone Insurance Carrier and that carrier represents 30% or more of Franchisee's gross written premium volume, or if more than 50% of Franchisee's gross written premium volume is with non-Keystone Insurance Carriers, the period in which to achieve the Premium Placement Requirement will be extended to the end of the eighth full calendar year following the Effective Time of Franchisee's Franchise Agreement (the "**Premium Placement Requirement Extension**").

<u>OPTION II</u>: ☐

By the end of the Initial Term, Franchisee must place, and maintain at all times thereafter, at least 90% of their aggregate annual gross written property/casualty premiums, less their gross written premiums attributable to one non-Keystone Insurance Carrier of their selection (hereinafter referred to as the "**Excluded Carrier**"), with the Keystone Insurance Carriers through the Keystone Insurance Carrier Contracts (hereinafter called the "**Premium Placement Requirement**"); provided, however, if, at the Effective Time, Franchisee's largest agency contract is with a non-Keystone Insurance Carrier (not taking into account the Excluded Carrier) and that carrier represents 30% or more of Franchisee's gross written premium volume, or if more than 50% of Franchisee's gross written premium volume is with non-Keystone Insurance Carriers (not taking into account the Excluded Carrier), the period in which to achieve the Premium Placement Requirement will be extended to the end of the eighth full calendar year following the Effective Time of your Franchise Agreement (the "**Premium Placement Requirement Extension**"). In the event the Excluded Carrier shall at any time become a Keystone Insurance Carrier, Franchisee shall have the choice of either (i) selecting a different non-Keystone Insurance Carrier to be the Excluded Carrier and to have the premiums attributable thereto to be excluded from Franchisee's gross written premiums, or (ii) reverting to Option I of this Section 7(f). For purposes of calculating gross written premiums needed to meet the Premium Placement Requirement, only property and casualty premiums shall be included and all other premiums shall be excluded.

Regardless of the Premium Placement Requirement option Franchisee chooses, if Franchisee has employee benefits gross revenue, such gross revenues will be calculated for purposes of incorporation into the determination of Franchisee's Premium Placement Requirement using the following formula: (i) Franchisee's employee benefits gross revenue resulting from policies placed with Keystone Insurance Carriers and Keystone, including its affiliates, <u>divided by</u> Franchisee's total employee benefits gross revenue (ii) the quotient resulting from the calculation set forth in section (i) is then divided by twenty (20) and the resulting quotient shall represent the percentage added to Franchisee's Premium Placement Requirement determination.

Example: Franchisee has $1,000,000 in employee benefits gross revenue from policies placed with Keystone Insurance Carriers and Keystone or its affiliates. Franchisee has $1,500,000 in total employee benefits gross revenue. Therefore:

(i) $1,000,000/$1,500,000 = .667

(ii) 0.667/20 = .033

Percentage added to Franchisee's Premium Placement Requirement = 3.3%

For all business, Franchisee will place the best interests of their clients first and will comply fully with all regulations and requirements of all applicable regulatory agencies including all applicable disclosure requirements.

g. Franchisee must pay all premium billings when due as prescribed in the Operating Manual.

h. Franchisee must comply with all financial requirements prescribed in the Operating Manual.

i. Franchisee must submit all financial records and non-financial records as prescribed in the Operating Manual.

j. Franchisee must comply with all property and casualty loss ratio performance standards as prescribed herein and in the Operating Manual. If adjusted loss ratios exceed that amount prescribed in the Operating Manual, Franchisee may be required to undergo a profit improvement plan as prescribed in the Operating Manual and pay a profit sharing penalty. If Franchisee is unprofitable with a Keystone carrier for two consecutive periods or more, with unprofitability being defined as having an Adjusted Loss Ratio (as defined in Section 10(a) of this Agreement) that exceeds 55%, Franchisee will be subject to and be required to comply with Keystone's "Profit Improvement Plan" more fully described in our Operating Manual.

k. Franchisee must comply with all Keystone Insurance Carrier requirements as prescribed in the Operating Manual and the Carrier Contracts.

l. Franchisee must maintain insurance coverage in the amount and types, and from the insurance companies, as prescribed in the Operating Manual.

m. Franchisee must comply with all advertising requirements as prescribed in the Operating Manual.

n. Franchisee must comply with all training requirements as prescribed in the Operating Manual.

o. Franchisee agrees to use their best efforts to develop and expand the market for the services offered by their Franchise, to comply with their obligations under this Agreement and to cooperate with Franchisor in accomplishing the purposes of this Agreement.

p. Franchisee's employee benefits gross revenues and property and casualty excess and surplus lines brokerage volume will not be counted or included within the Franchisee's total property and casualty premium volume for purposes of calculating whether the 80%/90% requirement has been met except for property and casualty excess and surplus lines brokerage volume that is placed with wholesale brokers with whom Keystone has contractual business relationships; this volume will be counted toward meeting the 80%/90% requirements.

q. Property and casualty premiums placed through Keystone's Specialty Programs and affiliates, as well as gross revenues generated from employee benefits business placed by Franchisee with Keystone Insurance Carriers, and Keystone and its affiliates, will count toward the 80%/90% premium placement requirement consistent with and as set forth in the calculations represented in this Section 7.

r. Franchisee agrees to establish an arrangement for electronic funds transfer by and between Franchisor and Franchisee for any payments or fees owed or payable by Franchisee or Franchisor under this Agreement. Among other things, to implement such electronic funds transfer, Franchisee agrees to sign and return to Franchisor their current form of "ACH - Authorization Agreement" for direct debits and deposits, a copy of which is attached to this Agreement as Exhibit 1 (and any replacements for that form that we deem to be periodically needed to implement such electronic funds transfer), and Franchisee agrees to: (a) comply with the payment and reporting procedures that we may specify in the Operating Manual or otherwise in writing; and (b) maintain an adequate balance in Franchisee's bank account at all times to pay by electronic means the charges or fees that you owe under this Agreement. If Franchisor elects to use ACH withdrawal to debit Franchisee's bank account for the payment of fees under this Agreement, then Franchisee will not be required to submit a separate payment to Franchisor unless Franchisee does not maintain sufficient funds to pay the full amount due.

8. PREMIUM BILLINGS; SECURITY INTEREST; SET OFF

Franchisee's premium billings shall be rendered as prescribed in the Operating Manual. In the event Franchisee fails to pay any premium billing when due and within 5 days after Franchisor or any Keystone Insurance Carrier gives written notice to cure, Franchisor shall have the right, but is not required, to cure such default and pay any such premium billing, and to receive reimbursement with interest at the rate of 1.5% per month therefore from Franchisee without waiving any claim for breach hereunder and without notice to Franchisee. To secure the payment of any premium billing and/or reimbursement therefore owed to Franchisor plus any and all damages, costs and expenses (including reasonable attorneys' fees) incurred by Franchisor as a result of Franchisee's failure to pay any premium billing, Franchisee hereby grants to Franchisor a collateral lien and security interest in and to all of their personal property; accounts receivable; commissions and any other monies due to Franchisee; all customer and client lists, including expiration lists; and book of agency business (the "**Lien and Security Interest**"). Franchisee hereby agrees, acknowledges and understands that Franchisee has entered into a collateral security agreement with Franchisor by granting the Lien and Security Interest herein. Franchisor shall also have a right of set off against any commissions, Individual Contingency Compensation Distributions (as defined in Section 10(a) below), or Individual Bonus Distributions (as defined in Section 10(b) below) due to Franchisee until any reimbursement for any premium billing paid by Franchisor has been fully paid and extinguished.

9. COMMISSIONS

Franchisee's commissions for the placement of its insurance business premiums with any Keystone Insurance Carrier shall be as set forth on the commission schedules prescribed in each Keystone Insurance Carrier Contract and as prescribed in the Operating Manual. All excess compensation, except for the Contingency Compensation Fund (as defined below), shall be deemed a "**Bonus**" and distributed in accordance with Section 10(b) hereof. In the event Franchisee fails to submit to Franchisor all financial records and information required by and prescribed in the Operating Manual by August 31st of each year during the term of this Agreement, any compensation due and owing to Franchisee shall not be distributed to Franchisee unless and until Franchisee has fully complied and submitted all financial records and information required thereby to Franchisor. Further, should such records and information not be received by Franchisor by August 31st, a penalty of $500.00 per month shall be levied for every month until all such information is received by Franchisor.

10. DISTRIBUTIONS FOR CONTINGENCY COMPENSATION PAYMENTS AND BONUSES

a. Contingency Compensation Payments. Pursuant to the terms and conditions of certain Keystone Insurance Carrier Contracts, Franchisor may receive payments based on the preceding applicable accrual period from a Keystone Insurance Carrier as Contingency Compensation Funds (as hereinafter defined). "**Contingency Compensation Funds**" is defined as any monetary distribution primarily based on property and casualty premium sizes, losses and/or loss ratios, fixed fee arrangements, contingency compensation agreements, and any other factors. Franchisee shall participate in any such distribution of Contingency Compensation Funds from each Keystone Insurance Carrier by receiving Franchisee's Individual Contingency Compensation Distribution, based on any preceding accrual period as determined by the respective carrier. Franchisee shall be paid his Individual Contingency Compensation Distribution as prescribed in the Operating Manual. However, Keystone Insurance Carriers may offer, and Keystone may elect to lock-in to a shorter period in which case such period shall be used for all calculations and payments.

Franchisor or its affiliates, depending on who has the Keystone Insurance Carrier Contracts, participates in each such distribution of Profit Sharing Funds by: (i) retaining 2% of the Aggregate Contingency Compensation Distribution (as defined below) as a fee pursuant to Section 10(a) of this Agreement, and (ii) retaining a specified percentage of each Franchisee's Individual Contingency Compensation Distribution as a fee in accordance with Section 10(a) of this Agreement. Notwithstanding the foregoing, profit sharing received by Keystone and its affiliates, is retained in its entirety by Franchisor unless Franchisee has an assigned independent sub-code under such carrier contracts).

Individual Contingency Compensation Distribution

Franchisee's **Individual Contingency Compensation Distribution** for each Keystone Insurance Carrier, if any, is a pro rata distribution of the Net Contingency Compensation Distribution (as defined below) based on Franchisee's Premium Factor (as defined below) for each Keystone Insurance Carrier less an amount based on Franchisee's Loss Ratio (as defined below) for each Keystone Insurance Carrier and is determined as follows:

Franchisee's Individual Contingency Compensation Distribution =
Franchisee's Individual Basic Distribution - Franchisee's Loss Amount

By carrier, all amounts which are deducted as Loss Amounts from the Individual Basic Distribution of all franchisees appointed with said carrier are collected and pooled together on an individual carrier basis by Franchisor (the "**Loss Pool**"). In the event Franchisee has a Loss Ratio of less than 55%, then Franchisee shall receive a pro rata share of the Loss Pool based on Franchisee's Adjusted Premium Factor as follows:

Franchisee's Share of the Loss Pool (if any) =
Franchisee's Adjusted Premium Factor x the Loss Pool

In the event Franchisee earns a share of the Loss Pool, such amount shall be added to and become a part of Franchisee's Individual Contingency Compensation Distribution. In the event Franchisee has a Loss Ratio of 55.1% or greater, Franchisee will not receive any part of the Loss Pool. Further, Franchisee will be penalized each year the Franchisee's Adjusted Loss Ratio is 55.1% or greater with a carrier. In the first year, or period, if Franchisee's Adjusted Loss Ratio is greater than 55% with a carrier (see table 1) the penalty applied will be placed within the Loss Pool and shared pro rata amongst all other franchisees with Adjusted Loss Ratios of 55% or less. In the second, third and ongoing years, or periods, of adjusted loss experience of greater than 55.1%, Table 2 will apply (see definition of Adjusted Loss Ratio for detail on penalties that will be used under Table 2).

For purposes of this Agreement, the following terms shall have the meanings set forth next to such term:

"**Individual Basic Distribution**" is the product of Franchisee's Premium Factor multiplied by the Net Contingency Compensation Distribution.

"**Premium Factor**" is the quotient of the total annual "net earned" or "written" property and casualty premium ("net earned" and "written" is defined by generally accepted industry terms) of Franchisee for the preceding period as determined by the respective carrier placed with such Keystone Insurance Carrier divided by the aggregate annual amount of all "net earned" or "written" property and casualty premiums for the preceding period as determined by the respective carrier placed with such Keystone Insurance Carrier, including all net earned property and casualty premiums of all franchisees of Franchisor.

"**Adjusted Premium Factor**" is the quotient of the total annual net earned property and casualty premium of the Franchisee with an Adjusted Loss Ratio of 55% or less for the preceding period as determined by the respective carrier placed with such Keystone Insurance Carrier divided by the aggregate annual amount of all franchisees of the Franchisor with Adjusted Loss Ratios of 55% or less.

"**Net Contingency Compensation Distribution**" is the difference between the Aggregate Contingency Compensation Distribution less 2% thereof levied by Franchisor as a fee pursuant to Section 10(a) of this Agreement.

"**Aggregate Contingency Compensation Distribution**" is the total amount of sums realized from property and casualty premiums received by Franchisor from any one Keystone Insurance Carrier as Contingency Compensation Funds pursuant to that Keystone Insurance Carrier Contract. Supplemental compensation or any and all other plans developed now or in the future by carriers to replace or rename profit sharing shall be treated as contingency compensation.

"**Loss Amount**" is the product of the Individual Basic Distribution multiplied by the Loss Pool Percentage.

"**Adjusted Loss Percentage**" is the Individual Basic Distribution multiplied by the Loss Pool Percentage (Table 1) or Profit Sharing Penalty Percentage (Table 2) as applicable.

	Table 1	Table 2
If Franchisee's Adjusted Loss Ratio (as defined in Section 11(b)(ii) below) is:	1st Period of Unprofitability the Loss Pool Percentage shall be:	2nd and Subsequent Consecutive Period(s) of Unprofitability the Contingency Compensation Penalty Percentage shall be:
55% or less	0%	0%
55.1% to 60%	5%	10%
60.1% to 65%	10%	20%
65.1% to 70%	15%	30%
70.1% to 75%	20%	40%
75.1% to 100%	25%	50%
100.1% or greater	40%	80%

"**Loss Ratio**" is the quotient of the total annual incurred and reserved losses of Franchisee for such Keystone Insurance Carrier divided by the total annual net earned property and casualty premium of Franchisee placed with the Keystone Insurance Carrier.

"**Adjusted Loss Ratio**" is the amount calculated after the Loss Ratio is adjusted to reflect any and all stop loss adjustments (if any) by the Keystone Insurance Carrier and may represent a credit or debit to Franchisee's results based upon the records of the Keystone Insurance Carrier.

If your Adjusted Loss Ratio with a carrier exceeds 55% in the second consecutive and subsequent consecutive period(s), thereafter you must pay an additional "Contingency Compensation Penalty" as depicted in Table 2 above. If after experiencing an unprofitable period or periods, you experience a profitable period, the Contingency Compensation Penalty shall be reset and shall become applicable anew. 50% of all Contingency Compensation Penalties assessed under Table 2 will be placed in the Loss Pool and disbursed pro rata amongst all other Keystone franchisees with Adjusted Loss Ratios of 55% or less. The remaining 50% will be retained by Keystone to further the objectives of Keystone's profit and growth divisions.

b. Bonuses including but not limited to Growth Bonuses. Pursuant to the terms and conditions of certain Keystone Insurance Carrier Contracts, Franchisor (or its affiliates depending on who has the Keystone Insurance Carrier Contract) may receive bonus payments from time to time from a Keystone Insurance Carrier as Bonuses (as hereinafter defined). "**Bonuses**" are defined as any monetary distributions which are based on property and casualty premium size and any other factors but not primarily on losses and/or loss ratios. (Bonuses differ from Contingency Compensation Funds in that they are not primarily based on losses and/or loss ratios). Franchisee shall participate in each such Bonus distribution from each Keystone Insurance Carrier by receiving Franchisee's Individual Bonus Distribution (as defined below). Franchisee shall be paid his Individual Bonus Distribution as prescribed in the Operating Manual.

Franchisor or its affiliates, depending on who has the Keystone Insurance Carrier Contract, participate in each such Bonus distribution by retaining a specified percentage of each Franchisee's Individual Bonus Distribution as a fee in accordance with Section 10(b) of this Agreement. Notwithstanding the foregoing, bonuses received by Keystone and its affiliates are retained in their entirety by Franchisor unless Franchisee has an assigned independent sub-code under such carrier contracts.

Individual Bonus Distribution

Franchisee's Individual Bonus Distribution for each Bonus distributed by each Keystone Insurance Carrier, if any, is a pro rata distribution of the Aggregate Bonus Distribution (as defined below) based on Franchisee's Premium Factor (as defined below) for such Keystone Insurance Carrier and is determined as follows:

Franchisee's Individual Bonus Distribution =
Aggregate Bonus Distribution x Franchisee's Premium Factor

For purposes of this Agreement, the following terms shall have the meanings set forth next to such term:

"**Aggregate Bonus Distribution**" is the total amount of sums arising from property and casualty premiums received by Franchisor from any one Keystone Insurance Carrier as Bonuses pursuant to that Keystone Insurance Carrier Contract.

"**Premium Factor**" is the quotient of the total annual gross written property and casualty premium of Franchisee for the preceding period as established by the Keystone Insurance Carrier, divided by the aggregate annual amount of all gross written property and casualty premiums for the preceding period established by the Keystone Insurance Carrier, including all gross written property and casualty premiums of all franchisees of Franchisor, or, the total gross written property and casualty premium "growth" of the Franchisee with said Keystone Insurance Carrier for the preceding period as established by the carrier through the Keystone Insurance Carrier Contract, including all gross written property and casualty premium "growth" of all franchisees of Franchisor with the Keystone Insurance Carrier.

c. Employee Benefits Bonus Distributions. All bonuses generated by employee benefits gross revenues realized from business placed by Franchisee or its affiliates shall be retained in their entirety by Keystone.

d. Non-Monetary Distributions. Any non-monetary distribution to Franchisor (or its affiliate depending on who has the Keystone Insurance Carrier Contract) by any Keystone Insurance Carrier shall be retained by the Franchisor; provided, however, that any non-monetary distribution earned solely by the efforts of one franchisee shall be distributed to such franchisee.

11. PAYMENTS TO FRANCHISOR

As partial consideration for being awarded the Franchise and in consideration of Franchisor's furnishing to Franchisee those continuing services and that ongoing assistance provided for in this Agreement, Franchisee shall pay the following service fees:

a. Monthly Service Fee.

i. The Monthly Service Fee is determined in accordance with the table below and is based on the Franchisee's Gross Premium during the immediately preceding calendar year.

Gross Premium	Monthly Fee
<$1 million	$881
$1 – 2 million	$908
>$2 – 3 million	$936
>$3 – 4 million	$964
>$4 – 5 million	$991
>$5 – 6 million	$1,046
>$6 – 7 million	$1,101
>$7 – 8 million	$1,156
>$8 – 9 million	$1,211
>$9 – 10 million	$1,266
>$10 – 11 million	$1,321
>$11 – 12 million	$1,377
>$12 – 13 million	$1,432
>$13 – 14 million	$1,487
>$14 – 15 million	$1,542
>$15 – 16 million	$1,597
>$16 – 17 million	$1,652
>$17 – 18 million	$1,707
>$18 – 19 million	$1,762
>$19 – 20 million	$1,817
>$20 – 21 million	$1,872
>$21 – 22 million	$1,927
>$22 – 23 million	$1,982
>$23 – 24 million	$2,037
>$24 – 25 million	$2,092
>$25 – 26 million	$2,147
>$26 – 27 million	$2,202
>$27 – 28 million	$2,257
>$28 – 29 million	$2,313
>$29 – 30 million	$2,368
>$30 – 31 million	$2,423
>$31 – 32 million	$2,478
>$32 – 33 million	$2,533
>$33 – 34 million	$2,588
>$34 – 35 million	$2,643
>$35 – 36 million	$2,698
>$36 – 37 million	$2,753

>$37 – 38 million	$2,808
>$38 – 39 million	$2,863
>$39 – 40 million	$2,918
>$40 – 41 million	$2,973
>$41 – 42 million	$3,028
>$42 – 43 million	$3,083
>$43 – 44 million	$3,138
>$44 – 45 million	$3,194
>$45 – 46 million	$3,249
>$46 – 47 million	$3,304
>$47 – 48 million	$3,359
>$48 – 49 million	$3,414
>$49 – 50 million	$3,469
>$50 million	$3,524
	Add $55.06 for every additional $1 million of Gross Premium

The Monthly Service Fee shall be due and payable by the Franchisee to Franchisor no later than the last business day of each month. Cost of Living Adjustment (COLA) will be calculated as part of the annual franchise fee review using the Consumer Price Index (CPI) as established by the U.S. Bureau of Labor Statistics. The COLA adjustment will be included in the annual fee adjustment.

ii. If after the Initial Term, and at any time thereafter, or if the Franchisee is subject to the Premium Placement Requirement Extension per Section 7(f) of this Agreement, then after the eighth full calendar year following the Effective Time, and at any time thereafter, Franchisee has not achieved and maintained the Premium Placement Requirement as required by Section 7(f) of this Agreement, the Monthly Service Fee shall increase by 10% of franchisee's then current Monthly Service Fee due and payable as prescribed in Section 11(a)(i) above until such time as the Franchisee achieves the 80%/90% compliance.

iii. For purposes of Section 11(a) only, "**Gross Premium**" shall mean Franchisee's aggregate annual gross written property and casualty premium written during the immediately preceding applicable accrual period as determined by Keystone and/or the respective applicable contract(s) with Keystone Insurance Carrier(s). Gross written premium is defined as any and all premiums placed by Franchisee for any property and casualty lines of insurance, including premiums placed directly or indirectly through captives, wholesalers or others through which business is brokered and due to or received by an insurer without deduction of the cost of any reinsurance or any adjustment for the fact that some of the income has to be reserved for unexpired risks. Employee benefits gross revenues realized from business placed by Franchisee or its affiliates and Gross Premium placed with Keystone, it affiliates or Keystone Specialty Programs, count toward achieving the 80%/90% thresholds but are excluded from the monthly service fee calculation.

b. Annual Contingency Compensation Distribution Fees.

Aggregate Contingency Compensation Distribution Fee.

i. Franchisor its affiliates, depending on who has the Keystone Insurance Carrier Contract, shall retain from Contingency Compensation Funds collected from each Keystone Insurance Carrier (as defined in Section 10(a) hereof) an Annual Contingency Compensation Distribution Fee equal to two percent (2%) of the Aggregate Contingency Compensation Distribution (as defined in Section 10(a) hereof). Notwithstanding the foregoing, contingency compensation received by Keystone and its affiliates, is retained in its entirety by Franchisor unless Franchisee has an assigned sub-code under such carrier contracts)

Contingency Compensation Penalty

ii. If Franchisee's Adjusted Loss Ratio with a carrier is greater than 55% in the second and subsequent consecutive period(s) Franchisee shall pay a penalty to Keystone as follows (the "**Contingency Compensation Penalty**"):

Loss Ratio	55.1%-60%	60.1%-65%	65.1% - 70%	70.1%-75%	75.1%-100%	100.1% and greater
1st period of unprofitability	5%	10%	15%	20%	25%	40%
2nd and subsequent consecutive period(s) of unprofitability	10%	20%	30%	40%	50%	80%

If after experiencing an unprofitable period or periods you experience a profitable period, the above schedule shall be reset and again be applicable as set forth above.

For the first period of unprofitability, the Contingency Compensation Penalty will be collected by Keystone and will be placed in the Loss Pool and reallocated and disbursed pro rata amongst all other Keystone franchisees with Adjusted Loss Ratios of 55% or less. For the second period of unprofitability and beyond, 50% of all Contingency Compensation Improvement Penalties collected will be retained by Keystone and not reallocated to franchisees. These fees will be used by Keystone to advance the objectives of Keystone's profit and growth division. The Board of Directors of Keystone may in its sole discretion exempt a franchisee from the profit improvement penalty.

Individual Contingency Compensation Distribution Fee.

iii. Individual Contingency Compensation Distribution Fee is based on the Franchisee's Adjusted Loss Ratio and/or Franchisee's Gross Premium. Gross Premium shall have the meaning set forth in Section 11(a)(iii) above and shall also include all premiums from all lines of business (i.e. premiums related to bonds), except gross revenues realized from employee benefits business. Adjusted Loss Ratio means Franchisee's loss ratio following adjustment for the respective Keystone Insurance Carrier's stop loss provision if applicable. If Franchisee's Gross Premium is less than or equal to $200,000 the Individual Contingency Compensation Distribution Fee is 15% of Franchisee's Individual Contingency Compensation Distribution. If Franchisee's Gross Premium is greater than $200,000 or if the Contingency Compensation Agreement is specific to bond only the Individual Contingency Compensation Distribution Fee is determined in accordance with the following table:

Adjusted Loss Ratio	Individual Contingency Compensation Distribution Fee
<40%	0%
40% - 50%	2.5%
>50% - 60%	5%

>60%	7.5%

Contingency Compensation Funds are defined as any monetary distribution primarily based on property and casualty premium size, losses and/or loss ratios and any other factors. The specific amount and payment terms are described in each respective Keystone Insurance Carrier Contract, and vary from carrier to carrier. Under the Keystone Insurance Carrier Contracts, however, all Contingency Compensation Funds are paid by the Keystone Insurance Carriers on an annual basis and by carrier contract the carrier's calculation is deemed final although Keystone will endeavor to ensure carrier's calculations are accurate and pursue adjustments, if appropriate.

Individual Contingency Compensation Distribution Fees will be calculated after application of credits or debits for Adjusted Loss Percentages, Loss Pool and Contingency Compensation Penalty if applicable.

c. Bonus Distribution Fee. Franchisor or its affiliates, depending on who has the Keystone Insurance Carrier Contract, shall retain from Franchisee's Individual Bonus Distributions from each Keystone Insurance Carrier (as defined in Section 10(b) hereof) a Bonus Distribution Fee as set forth below, provided, however, any monies payable as a result of an individually negotiated rollover to a carrier by Franchisee's agency or any monies payable as a result of a carrier-sponsored production campaign, applicable to that carrier's entire agency plant, are directed in their entirety to Franchisee. Notwithstanding the foregoing, bonuses received by Keystone or its affiliates are retained in their entirety by Franchisor unless Franchisee has an assigned independent sub-code with such carriers.

Franchisee's Bonus Distribution Fee shall be: 15% of Franchisee's Individual Bonus Distribution if Franchisee's property and casualty premium with a Keystone Insurance Carrier is in the bottom 1/3 of all franchisees who have appointments with that carrier; 10% if Franchisee's property and casualty premium with a Keystone Insurance Carrier is in the middle 1/3 of all franchisees who have appointments with that carrier; 5% if Franchisee's property and casualty premium with a Keystone Insurance Carrier is in the top 1/3 of all franchisees who have appointments with that carrier.

All franchisees will be ranked based on their performance during the applicable period as determined by the contract with each Keystone Insurance Carrier. The Bonus Distribution Fee due Keystone will then be determined based on which one-third (1/3) the Franchisee falls into for the applicable period established by the carrier. Bonuses are defined as any monetary distribution, including without limitation excess commission, which is based on property and casualty premium size and any other factors. The amount and payment terms of bonuses are described in each respective Keystone Insurance Carrier Contract, and vary from carrier to carrier.

d. Annuities Fee. Franchisee shall pay to Franchisor (or its affiliates depending on who has the Keystone Insurance Carrier Contract) an Annuities Fee equal to fifteen percent (15%) of the production bonuses (excluding commissions) earned by Franchisee on the sale of annuities. Such Annuities Fee shall be retained by Franchisor prior to distribution of such production bonuses to Franchisee or paid by Franchisee within twenty (20) days of his receipt of such production bonuses.

12. CONFIDENTIAL INFORMATION

Franchisee hereby agrees that they shall not ever, during the Initial Term of this Agreement, any Renewal Term thereof, or at any time following expiration or termination of this Agreement, divulge or use for the benefit of any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning the systems of operation, programs, services, products, customers, Keystone Insurance Carriers, Keystone Insurance Carrier Contracts and practices of Franchisee and/or Franchisor and/or pertaining to the Keystone System which may be communicated to Franchisee. Any and all information, knowledge, know-how, techniques and information which Franchisor, its affiliate(s), subsidiary(ies) or designee(s), if any, or the respective officers of each, designate as confidential shall be deemed confidential for the purposes of this Agreement, except information Franchisee can demonstrate lawfully came to their attention prior to the disclosure thereof by Franchisor or which, at or after the time of disclosure by Franchisor to Franchisee, has become a part of the public domain through publication or communication by others (but in no event through any act of Franchisee).

13. COVENANTS NOT TO COMPETE

a. Franchisee, including all of their owners, shareholders, general partners, members or principals, whatever the case may be, covenant that, except as otherwise approved in writing, they:

i. Agree that during the Initial Term of this Agreement, and any Renewal Term thereof, Franchisee will not, either directly or indirectly, engage in any other business which is similar to, or in competition with, the Franchise, or engage in any of the activities which this Agreement contemplates will be engaged in by Franchisee, either as a proprietor, partner, investor, stockholder, director, officer, employee, principal, agent, advisor or consultant, or induce, either directly or indirectly, any employee of Keystone or a Keystone Franchisee or Keystone affiliate, or member of a Keystone affiliate, to leave such Franchisee, Keystone or its affiliates or members and be employed by Franchisee without the willing consent of the other party.

ii. (A) During the term of this Agreement and anywhere in the world, and (B) for 2 years after termination or expiration of this Agreement and within any state in the United States in which Keystone sells at the time of termination or expiration of this Agreement, Franchisee, either as a proprietor, partner, investor, stockholder, director, officer, employee, principal, agent, advisor or consultant shall not contact for the purpose of selling any insurance products or provide any consulting services to any customer of Keystone, its affiliates and any member agencies thereof, or any Franchise, or divert or attempt to divert any personal, commercial, employee benefits or financial services business or customer of any Franchise or member agency of a Keystone affiliate, to themselves or any competitor, by direct or indirect inducement, or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the Keystone System.

b. In the event Franchisee and any other franchisee of Franchisor, or member agency of a Keystone affiliate, are simultaneously soliciting new insurance business from the same potential customer (who at no time prior to such solicitation was a customer of any franchisee of Franchisor), Franchisee agrees that the franchisee or Keystone affiliate member agency who can establish he was the first in during the calendar year in which the solicitation is occurring to solicit such potential customer shall have the sole right to continue such solicitation with the potential customer.

c. Franchisee shall be responsible for enforcing the confidentiality and non-compete covenants of this agreement with all of his employees.

d. The foregoing covenants shall be construed independently of any other covenants or provisions in the Franchise Agreement. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is party, Franchisee shall be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated and made a part of the Franchise Agreement.

e. Franchisee acknowledges that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee hereby consents to the entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of those covenants not to compete set forth in this Franchise Agreement. Franchisee expressly agrees that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through Franchisee's unlawful utilization of Franchisor's confidential information, know-how, methods and procedures. Further, Franchisee expressly agrees that the existence of any claims he may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants not to compete in this Agreement. Franchisee further agrees to pay all costs and expenses (including reasonable attorneys' fees and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

f. To the extent Franchisee alleges a violation of this Section 13 by another Franchise or Franchisee is alleged to have violated this Section 13 by another Franchise (collectively, a "**Dispute**"), Franchisee agrees that the Dispute shall be resolved in accordance with the following process (collectively, the "**Mediation Process**"):

Franchisee agrees to mutually work in good faith with the other Franchise to come to a reasonable resolution of the Dispute within thirty (30) days of being notified of or alleging the Dispute.

If the Dispute is not resolved in accordance with Section 13(f)(i), Franchisee shall (A) promptly notify the State Vice President located in the state of Franchisee's principal business location and (B) work in good faith and cooperate with such State Vice President to come to a reasonable resolution of the Dispute within a reasonable time.

If the Dispute is not resolved in accordance with Section 13(f)(ii), all parties involved in the Dispute, including the Franchisee, the other Franchise and the State Vice Presidents located in the states of the Franchisee and the other Franchise, shall notify the Franchisor of such Dispute and shall participate in a conference call or in-person meeting facilitated by any executive officer chosen by Franchisor in its sole discretion, and shall work in good faith and cooperate with all parties to resolve the Dispute.

If the Dispute is not resolved in accordance with Section 13(f)(iii), the Dispute shall be resolved by a three member panel, such members to be selected by the Franchisor, in its sole discretion (the "**Resolution Panel**"), which shall issue a final and binding resolution with respect to the dispute. Any proceeding under this Section 13(f)(iv) shall be conducted in a manner and at a time and location as determined by the Franchisor in its sole discretion after consultation with all parties involved in the Dispute. The Franchisee shall work in good faith and cooperate with all parties involved to resolve the Dispute under this Section 13(f)(iv) and shall be permitted to present its case, witnesses and evidence, if any, in the presence of the Resolution Panel. The Resolution Panel shall determine the Dispute under and pursuant to the terms of this Agreement and shall strictly apply this Agreement according to its specific terms. The Resolution Panel shall render a determination of the Dispute by majority vote accompanied by a written decision as soon as practicable after considering all facts, witnesses and evidence. The Franchisee agrees to be bound by any determination of the Resolution Panel. Except as expressly permitted by this Agreement, Franchisee will not commence or voluntarily participate in any court action or legal proceeding concerning a Dispute.

Franchisee acknowledges that the Mediation Process is subject to change from time to time as set forth in Franchisor's Confidential Operating Manual.

14. TRANSFER; ASSIGNMENT; ACQUISITION; RIGHT OF FIRST REFUSAL

a. Assignment by Franchisor. Franchisor shall have the right to assign this Agreement, and all of its rights and privileges hereunder, to any person, firm, corporation or other entity.

b. Assignment by Franchisee – General.

i. With respect to Franchisee's obligations hereunder, this Franchise Agreement is personal, and is a personal obligation of Franchisee, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Franchisee, and the trust and confidence reposed in

Franchisee by Franchisor. Therefore, Franchisee may not give away, sell, assign, lease, license, devise, redeem, divide or otherwise transfer, either directly or in any other manner, this Agreement, any of his rights or privileges hereunder, the Franchise or any interest therein, or any interest in shares of stock of any kind or nature in the Franchisee's business, or any significant asset of Franchisee's business or the Franchise, including without limitation, any accounts, customers or clients (any one or more of the foregoing hereinafter referred to as a "**Fundamental Transaction**"), without the prior written consent of Franchisor procured in accordance with the terms and conditions set forth in this Section 14 and without first complying with Section 14(d) of this Agreement pertaining to Franchisor's right of first refusal and Section 14(g) of this Agreement pertaining to Exclusive Business. Franchisee may not purchase or acquire, either directly or in any other manner, any other insurance business, stock, customers, clients, accounts, book of business, or any other assets from any insurance entity or person (hereinafter referred to as an "**Acquisition**") without the prior written consent of Franchisor procured in accordance with the terms and conditions set forth in this Section 14. Franchisor's consent to any such Fundamental Transaction or Acquisition shall not be unreasonably withheld; provided, however, Franchisor may impose any reasonable conditions precedent to its consent and, in the case of a Fundamental Transaction, Franchisee must comply with Section 14(d) of this Agreement pertaining to Franchisor's first right of refusal and Section 14(g) of this Agreement pertaining to Exclusive Business. Any actual or attempted Fundamental Transaction or Acquisition made or accomplished in violation of the terms of this Section 14 shall be null, void and of no effect, and shall constitute a material and incurable breach of this Agreement which, unless waived by Franchisor, shall entitle Franchisor to terminate this Agreement unilaterally and immediately upon notice to Franchisee, with no opportunity to cure, and this Agreement shall thereafter be null, void and of no effect (except for those post-termination and post-expiration provisions which by their nature shall survive).

ii. Franchisee agrees to defend at Franchisee's own cost and to indemnify and hold harmless Franchisor, its parent, and the subsidiaries, affiliates, designees, stockholders, directors, officers, employees and agents of either entity, from and against any and all losses, costs, expenses (including attorneys' and experts' fees), court costs, claims, demands, damages, liabilities, however caused (whether or not such losses, costs, expenses, court costs, claims, demands, damages or liabilities are reduced to judgment), resulting directly or indirectly from or pertaining to any statements, representations or warranties that may be given by the Franchisee in connection with any Fundamental Transaction or Acquisition.

c. Assignment by Franchisee – Transfer Upon Death or Incapacity. If an individual Franchisee, one or more partners owning a total of fifty percent (50%) or more of the Franchisee partnership, or one or more stockholders or members owning a total of fifty percent (50%) or more of the Franchisee corporation or limited liability company dies or is incapacitated, the heirs or personal representatives may within one hundred eighty (180) days apply to Franchisor for the right to continue to operate the franchise for the duration of the term of the Franchise Agreement, and Franchisor shall grant this right upon fulfillment of all of the conditions regarding transferability of interest. Alternatively, the heirs or personal representatives shall transfer Franchisee's interest in compliance with the provisions of transferability within one hundred eighty (180) days; provided, however, in the event a proper and timely application for the right to continue to operate has been made and rejected, the one hundred eighty (180) day period in which to sell, assign, transfer or convey shall be computed from the date of such rejection.

In the event of the death or incapacity of an individual Franchisee or partner(s) of a Franchisee partnership, or stockholder(s) of a Franchisee corporation or members of a limited liability company as described above, where the provisions of transferability have not been timely fulfilled, all rights licensed to Franchisee will, at Franchisor's option, terminate and Franchisor shall have the option to purchase the Franchise based on the appraised value.

d. Right of First Refusal. The right of Franchisee to engage in and consummate a Fundamental Transaction, voluntarily or by operation of law, shall be subject to Franchisor's right of first refusal described in this Section 14(d) and Franchisee's compliance with this Section 14(d). Franchisee and its owners shall not, directly or indirectly through an affiliate, enter into any term sheet, letter of intent, memorandum of understanding or any other agreement relating to, or consummate, a Fundamental Transaction except in compliance with the terms and conditions of this Section 14(d).

If, at any time Franchisee or its owners receive a bona fide offer, including, without limitation, any proposed agreement, term sheet, letter of intent, memorandum of understanding, or other similar agreement or arrangement to enter into or consummate a Fundamental Transaction (a "**Proposed Fundamental Transaction**"), which Franchisee or its owners desire to accept (each, a "**Third-Party Offer**"), Franchisee shall within ten (10) days following receipt of the Third-Party Offer, notify Franchisor in a writing (the "**Offer Notice**") which (A) identifies all proposed parties to such Proposed Fundamental Transaction, (B) encloses a true and complete copy of such Third-Party Offer, (C) includes an acknowledgement by Franchisee that, but for the Franchisor's right of first refusal under this Agreement, Franchisee would accept the Third-Party Offer without modification, including acceptance of the Material Terms (defined below) therein, and (D) describes the material financial and other terms and conditions set forth in the Third-Party Offer, including, (i) the amount of cash consideration, including any bonuses or earn-outs, (ii) the amount and type of other consideration, including issuances of equity or debt securities and (iii) management, employment or restrictive covenant agreements to be entered into in connection with the Proposed Fundamental Transaction (the "**Material Terms**"). Franchisee shall also furnish to Franchisor such additional information concerning the Third-Party Offer as Franchisor shall request. Each Offer Notice shall constitute an offer made by Franchisee to enter into an agreement with Franchisor on the same Material Terms of such Third-Party Offer (the "**ROFR Offer**"), subject to Franchisor's rights set forth in Section 14(d)(ii) below.

At any time prior to the expiration of the thirty (30) day period following Franchisor's receipt of an Offer Notice or, if Franchisor shall request additional information regarding the Third-Party Offer, within the thirty (30) day period following Franchisor's receipt of such additional information (the "**Exercise Period**"), Franchisor may accept the ROFR Offer or assign the ROFR Offer to its nominee, as determined by Franchisor in its sole discretion, by delivery to Franchisee of a written notice of acceptance with a letter of intent, executed by Franchisor or its nominee, containing the Material Terms (the "**ROFR Acceptance**"); provided, however, that Franchisor or its nominee (a) shall be entitled to all customary covenants, closing conditions (including Franchisor's satisfactory due diligence), representations and warranties given by a seller in transactions similar to the Proposed Fundamental Transaction, including, without limitation, representations and warranties as to ownership, condition of title to assets or equity, liens and encumbrances on the assets or equity, validity of contracts and agreements, and liabilities of Franchisee affecting the assets or equity, contingent or otherwise; (b) shall not be required to accept any non-financial terms or conditions contained in any Material Terms that cannot be fulfilled by Franchisor or its nominee as readily as by any other person (e.g., an agreement conditioned upon the services of a particular individual); (c) may substitute cash for any form of consideration proposed in the Offer Notice, which shall not be to the detriment of the Franchisee or its owners with respect to taxation; and, (d) shall be given not less than sixty (60) days after delivery of the ROFR Acceptance to prepare for closing.

If, by the expiration of the Exercise Period, Franchisor or its nominee has not accepted the ROFR Offer, and provided that Franchisee has complied with all of the provisions of this Section 14(d), at any time during the one hundred eighty (180) day period following the expiration of the Exercise Period, Franchisee may consummate the Proposed Fundamental Transaction with the parties identified in the applicable Offer Notice on the Material Terms contained therein. If such Proposed Fundamental Transaction is not consummated within such one hundred eighty (180) day period, or if the Material Terms in the applicable Offer Notice are changed, the terms and conditions of this Section 14(d) will again apply and Franchisee shall not enter into any Fundamental Transaction without affording Franchisor the right of first refusal on the terms and conditions of this Section 14(d).

For the avoidance of doubt, the terms and conditions of this Section 14(d) apply to each Third-Party Offer received by Franchisee. If Franchisee provides an Offer Notice to Franchisor pursuant this

Section 14(d), Franchisee shall not engage in further negotiations or communications with the proposed buyer, other counterparty or any other third party in an attempt to solicit, directly or indirectly, more favorable terms contained in the Offer Notice. Any such negotiations or communications shall be deemed an immediate breach of this Agreement. Upon Franchisor's delivery of a ROFR Acceptance, the ROFR Offer shall be deemed accepted with respect to the Material Terms and the Franchisor and Franchisee shall proceed in good faith to consummate the Proposed Fundamental Transaction on such terms, subject to Franchisor's rights set forth in Section 14(d)(ii) above.

An election by Franchisor not to exercise its right of first refusal with regard to any Third-Party Offer shall not be deemed a waiver of, and shall not affect its right of first refusal with regard to, any subsequent Third-Party Offer made to Franchisee. Further, Franchisor's failure to exercise its right of first refusal shall not be construed or deemed as approval of the Proposed Fundamental Transaction.

Franchisee acknowledges that the rights of Franchisor under this Section 14(d) are of a unique and special character, and acknowledges and agrees that (a) a breach or threatened breach by Franchisee of any of its obligations under Section 14(d) would give rise to irreparable harm to Franchisor for which monetary damages would not be an adequate remedy and (b) if a breach or a threatened breach by Franchisee of any such obligations occurs, Franchisor will, in addition to any and all other rights and remedies that may be available to it at law, at equity or otherwise in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance, and any other relief that may be available from a court of competent jurisdiction, without any requirement to (i) post a bond or other security, or (ii) prove actual damages or that monetary damages will not afford an adequate remedy. Franchisee agrees that it will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in each case, consistent with the terms of this Section 14(d).

e. Subordination of Right of First Refusal. Notwithstanding the provisions of Section 14(d) and Franchisor's first right of refusal, in the event of Franchisee's death, retirement or desire to engage in a Fundamental Transaction, Franchisor hereby subordinates its right of first refusal provided in Section 14(d) of this Agreement to _________________ who shall have the first right of refusal in the event of Franchisee's death, retirement or desire to engage in a Fundamental Transaction. If _________________ fails or elects not to exercise his first right of refusal, the provisions of Section 14(d) of this Agreement shall apply and Franchisor shall have the right of first refusal.

f. No Encumbrance. Franchisee shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the franchise conveyed hereunder or the Franchise in any manner whatsoever without the prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole subjective judgment.

g. If, after complying with the above provisions Franchisee terminates the franchise or is terminated by the Franchisor or sells its business to a purchaser who does not become a Keystone Franchisee, Keystone will review and evaluate the Franchisee's accounts and business. In such case, Franchisee shall fully cooperate with Keystone in such review and evaluation. All of Franchisee's business that is written through or in Keystone's divisions, programs (including Specialty Programs and affiliates) or is part of an exclusive arrangement with Keystone's divisions or programs (including Specialty Programs and affiliates) and all business that is placed with Keystone Core Carriers with which Keystone has an exclusive relationship (collectively, the "**Exclusive Business**") will be included in such review and evaluation and shall be subject to this Section 14(g). Franchisor or its designee, as determined in the sole discretion of Franchisor, shall have the option to purchase all such Exclusive Business at the next applicable renewal period(s) of the Exclusive Business following such termination or sale or a date that is sooner than such next applicable renewal period, as determined in Franchisor's sole discretion, and such purchase, if elected by Franchisor, shall be made in accordance with the purchase price, purchase price payment structure, closing date and applicable renewal transition date(s) (collectively, the "**Exclusive Business Purchase Terms**") as agreed to in writing by Franchisor and Franchisee; provided that (a) in the case of a termination of the franchise, the Exclusive

Business Purchase Terms shall be agreed to by Franchisor and Franchisee at or prior to the termination of the franchise, (b) in the case of a Fundamental Transaction in which Franchisor does not exercise its right of first refusal set forth in Section 14(d), (i) the closing of the Fundamental Transaction shall be conditioned upon and subject to Franchisor and Franchisee agreeing in writing, at or prior to the closing of the Fundamental Transaction, as to the Exclusive Business Purchase Terms, (ii) as applicable, the Franchisor and Franchisee shall mutually cooperate with each other to obtain for Franchisee limited agency appointments with any Keystone Core Carriers so that Franchisee can service the Exclusive Business until the applicable renewal transition date(s), and (iii) none of the Exclusive Business shall be sold or transferred under or pursuant to the Fundamental Transaction without Franchisor's written consent, and (c) if Franchisee and Franchisor are unable to agree on the purchase price for such Exclusive Business, then the Franchisee and Franchisor shall each, at their own cost and expense, hire an appraiser who is familiar with and well known in the insurance agency industry in appraising fair market value of insurance agencies and the purchase price for such Exclusive Business purchased hereunder shall be based upon average of the two appraisals.

h. If an existing Keystone Franchisee purchases another existing Keystone Franchise the purchaser shall sign a franchise acceptance form assuming the liabilities, responsibilities and obligations of the purchased Franchise. Further, the premium volume for the purchased Franchise will be merged into the existing premium volume of the acquiring Franchise to determine the new monthly fee to be charged to the acquiring Franchise, which will become effective on the date of the acquisition. Immediately thereafter, their identity will be viewed and administered as a consolidated entity.

i. Franchisee shall not, without the prior written approval of Franchisor, assign or otherwise sell, split, divide or otherwise transfer, either directly or in any other manner, any interest, including, without limitation, any rights to receive commissions, that Franchisee has in any coded insurance policy accounts of the Franchisee.

15. RELATIONSHIP OF THE PARTIES

Franchisee understands and agrees that, under this Franchise Agreement, Franchisee is and shall be an independent contractor of Franchisor. No employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing in this Franchise Agreement shall be construed so as to create a partnership, joint venture or agency. Franchisee shall not, without the prior written approval of Franchisor, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as is specifically provided for in this Agreement. Franchisor shall not have the power to hire or fire Franchisee's employees and, except as herein expressly provided, Franchisor may not control or have access to Franchisee's funds or the expenditure thereof, or in any other way exercise dominion or control over Franchisee's Franchise.

It is expressly understood and agreed that neither Franchisee nor any employee of Franchisee whose compensation or services is paid by Franchisee may, in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency.

FRANCHISEE SHALL CONSPICUOUSLY IDENTIFY THEMSELVES AND IN ALL DEALINGS WITH THEIR CLIENTS, SUPPLIERS, AND OTHERS, AS AN INDEPENDENT FRANCHISEE OF FRANCHISOR, AND SHALL PLACE SUCH NOTICE OF INDEPENDENT OWNERSHIP ON ALL FORMS, BUSINESS CARDS, STATIONERY, ADVERTISING, SIGNS AND OTHER MATERIALS AND IN SUCH FASHION AS FRANCHISOR MAY, IN ITS SOLE AND EXCLUSIVE DISCRETION, SPECIFY AND REQUIRE FROM TIME TO TIME, IN ITS CONFIDENTIAL OPERATING MANUAL (AS SAME MAY BE AMENDED FROM TIME TO TIME) OR OTHERWISE.

EXCEPT AS OTHERWISE EXPRESSLY AUTHORIZED BY THIS AGREEMENT, NEITHER PARTY HERETO WILL MAKE ANY EXPRESS OR IMPLIED AGREEMENTS, WARRANTIES, GUARANTEES OR REPRESENTATIONS OR INCUR ANY DEBT IN THE NAME OF OR ON BEHALF OF THE OTHER PARTY, OR REPRESENT THAT THE RELATIONSHIP BETWEEN FRANCHISOR AND FRANCHISEE IS OTHER THAN THAT OF FRANCHISOR AND

FRANCHISEE. FRANCHISOR DOES NOT ASSUME ANY LIABILITY, AND WILL NOT BE DEEMED LIABLE, FOR ANY AGREEMENTS, REPRESENTATIONS, OR WARRANTIES MADE BY FRANCHISEE WHICH ARE NOT EXPRESSLY AUTHORIZED UNDER THIS AGREEMENT, NOR WILL FRANCHISOR BE OBLIGATED FOR ANY DAMAGES TO ANY PERSON OR PROPERTY WHICH DIRECTLY OR INDIRECTLY ARISE FROM OR RELATE TO THE OPERATION OF THE FRANCHISE.

16. DEFAULT AND TERMINATION

a. Franchisee shall have 15 calendar days after their receipt from Franchisor of a written notice of termination within which to remedy any default hereunder (or, if the default cannot reasonably be cured within such 15 calendar days, to initiate within that time all available substantial and continuing action to cure the default), and to provide evidence thereof to Franchisor. If any default is not cured within that time (or, if appropriate, substantial and continuing action to cure the default is not initiated within that time), this Agreement shall terminate immediately upon expiration of the 15 day period. Franchisee shall be in default of this Agreement upon the occurrence of any one of the following defaults:

i. Franchisee fails to pay any financial obligation created in this Agreement, and Franchisee fails to cure such nonpayment within 15 days after Franchisor gives written notice to cure.

ii. Franchisee fails to pay any premium billings due and owing under any Keystone Insurance Carrier Contract, and Franchisee fails to cure such nonpayment within 15 days after Franchisor or any Keystone Insurance Carrier gives written notice to cure.

iii. Franchisee fails to perform or breaches any covenant, obligation, term, condition, warranty, or certification in this Agreement or the Operating Manual and Franchisee fails to cure such non-compliance within 15 days after Franchisor gives Franchisee notice to cure.

iv. Franchisee operates the Franchise in a manner contrary to or inconsistent with the Operating Manual, the Proprietary Marks, and/or industry practices and Franchisee fails to cure such deficiency within 15 days after Franchisor gives Franchisee notice to cure.

b. Franchisee shall have immediately breached this Agreement and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the breach, effective immediately upon receipt of written notice of termination by Franchisee upon the occurrence of any of the following defaults:

i. Franchisee fails to commence business within 30 days from the Effective Time.

ii. Franchisee makes, or made, any materially false statement or report to Franchisor in connection with this Agreement.

iii. Franchisee interferes or attempts to interfere with Franchisor's relations with other franchisees, clients, employees, carriers or any third parties.

iv. Franchisee interferes or attempts to interfere with Franchisor's ability or right to franchise or license others to use and employ Franchisor's Keystone System or the Proprietary Marks or Franchisee makes any use of the Proprietary Marks not authorized hereunder or in the Operating Manual.

v. Franchisee fails, for a period of 10 days after notification of non-compliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise.

vi. Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval where consent is required by this Franchise Agreement.

vii. Franchisee violates any provision of the assignment and transfer provisions contained in Section 14 of this Agreement.

viii. Franchisor in the same calendar year sends to Franchisee 2 or more notices to cure defaults or violations of this Agreement, or Franchisor receives 3 or more substantiated and material complaints from actual or potential customers or vendors about Franchisee's conduct as a Franchise owner.

ix. Franchisee abandons or ceases to operate the Franchise.

x. Franchisee or any person owning an interest in Franchisee are convicted of a felony, a crime of moral turpitude, or any other crime or offense relating to the operation of the Franchise or that is likely to have an adverse effect on the Keystone System, the Proprietary Marks, the reputation of Franchisor or its franchisees or the goodwill associated therewith or Franchisor's interest therein.

xi. Franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the Franchise, the Franchisor or the Keystone System.

xii. Franchisee defaults in any other agreement with Franchisor, and the default is not cured in accordance with the terms of such other agreement.

xiii. Franchisee violates or permits a violation of any covenant of confidentiality or non-disclosure contained in Section 12 of this Agreement.

xiv. Franchisee violates or permits a violation of any covenant of noncompetition contained in Section 13 of this Agreement.

xv. Franchisee becomes insolvent, assigns their assets for the benefit of their creditors, or if Franchisee consents to the institution of proceedings to appoint a custodian or receiver of all or part of Franchisee's assets, or if a receiver, trustee or other custodian of all or part of Franchisee's assets is appointed.

xvi. Franchisee fails to meet the Premium Placement Requirement as set forth in Section 7(f) of this Agreement and is not under the Premium Placement Requirement Extension.

xvii. Franchisee is subject to the Premium Placement Requirement Extension as described in Section 7(f) of this Agreement, and fails to meet the Premium Placement Requirement by the end of the extension period.

c. If a different notice or cure period or good cause standard is prescribed by applicable law, it shall apply to a termination of this Agreement.

d. At any time following the first anniversary of the Effective Time, Franchisee may terminate this Agreement without cause by giving Franchisor at least 180 days prior written notice. Otherwise, Franchisee may terminate this Agreement only if Franchisor has committed 2 or more material breaches of its obligations under this Agreement within a calendar year, and Franchisor fails to cure such breach within 60 days after Franchisee provides Franchisor with written notice to cure each such default.

17. FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

a. Upon the expiration or termination of this Agreement, Franchisee shall immediately:

i. Cease to be a Franchise owner and cease to use the Proprietary Marks and the Keystone System in any way. If Franchisee is terminated under this Agreement for a default of the Agreement as set forth in Section 16 above, Franchisee shall not be entitled to receive any Individual Contingency Compensation Distributions or Individual Bonus Distributions due to Franchisee for the year in which Franchisee is so terminated under this Agreement.

ii. Pay all amounts of any financial obligations owed to Franchisor under the Franchise Agreement, and any financial obligation owed to a Keystone Insurance Carrier, plus, in the event of default by Franchisee, all costs and expenses Franchisor incurs as a result of Franchisee's default, including interest on the amount in default at the rate of 1.5% per month. All financial obligations owed to Franchisor under this Agreement, including without limitation, all financial obligations as a result of Franchisee's default hereunder shall give rise to and remain, until paid in full, a lien and security interest in favor of Franchisor against any and all of Franchisee's personal property; accounts receivable; commissions and any other monies due to Franchisee; all customer and client lists, including expiration lists; and book of agency business. Franchisor shall also have a right of set off against any and all financial compensation due to Franchisee.

iii. Return to Franchisor all copies of the Operating Manual, Franchisor's trade secrets and confidential materials and all Franchisor's other property. Franchisee shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with applicable laws.

iv. Immediately execute any and all agreements necessary to effectuate such termination or expiration in a prompt and timely manner.

v. Continue to abide by those restrictions pertaining to the use of Franchisor's confidential information, trade secrets and know-how, and abide by those restrictions pertaining to non-competition set forth in detail in Sections 12 and 13, respectively.

b. The expiration or termination of this Agreement shall be without prejudice to the rights of the Franchisor against Franchisee, and such expiration or termination shall not relieve Franchisee of any of his obligations to Franchisor existing at the time of expiration or termination, or terminate those obligations of Franchisee which by their nature survive the expiration or termination of this Agreement.

18. INDEMNIFICATION

Franchisee shall protect, defend, indemnify and hold Franchisor, its affiliates, and their respective partners, directors, officers, employees and stockholders, jointly and severally, harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including without limitation attorneys' fees and accountants' fees) as a result of, arising out of, or connected with Franchisee's negligent operation of the Franchise, breach of contract or wrongful conduct.

Franchisor shall protect, defend, indemnify and hold Franchisee, its affiliates, and their respective partners, directors, officers, employees and stockholders, jointly and severally, harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including without limitation attorneys' fees and accountants' fees) as a result of, arising out of, or connected with Franchisor’s negligent operation of the Franchise, breach of contract or wrongful conduct.

19. WRITTEN APPROVALS; WAIVERS; AND AMENDMENT

a. Whenever this Agreement requires Franchisor's prior approval, Franchisee shall make a timely written request. Unless the Agreement specifies a different time period, Franchisor shall respond with its approval or disapproval within 15 days.

b. Franchisor's failure to exercise any power reserved to it by this Agreement or any customs or practices in which Franchisor engages which vary from the terms of this Agreement shall not constitute a waiver of Franchisor's right to demand Franchisee's exact compliance with any of the terms of this Agreement or the Operating Manual. Franchisor's waiver or approval of any particular default, or Franchisor's acceptance of any payments due under this Agreement shall not be considered a waiver or approval of any preceding or subsequent breach of this Agreement.

c. Franchisor may modify any and all standards and bases for approving or disapproving Franchisee's requests, through changes to the Operating Manual or otherwise, so long as such modifications do not conflict with Franchisee's express rights created by this Agreement. Otherwise, no amendment or variance from this Agreement shall be binding on Franchisor or Franchisee without both parties written agreement.

d. Franchisor may unilaterally modify or amend this Agreement in any manner whatsoever in order to address any changes in federal or state regulatory law, carrier requirements or industry practices.

20. ENFORCEMENT

a. Franchisor shall be entitled to obtain, without bond, declarations, temporary and permanent injunctions, and orders of specific performance, to enforce the provisions of this Agreement.

b. The prevailing party in any litigation or arbitration concerning this Agreement shall be entitled to receive from the non-prevailing party all its costs and expenses of obtaining such relief, including, but not limited to, court costs and reasonable attorneys' fees which may be incorporated into the terms of any judgment, order or relief to the prevailing party.

c. If Franchisee prevails in any dispute against Franchisor or any of its partners, stockholders, affiliates, officers, agents, employees or representatives as a result of any dispute arising out of the Franchise Agreement, or the awarding of the Franchise, the damages awarded Franchisee shall not exceed the actual amounts Franchisee has paid to Franchisor to acquire and operate the Franchise. Franchisee's recovery shall be subject to an offset for income Franchisee has received from operating the Franchise.

21. NOTICES

All notices required by this Agreement shall be in writing and may be delivered by personal delivery, by facsimile, PDF, email or other means of electronic delivery, by overnight courier, or by United States mail. If personally delivered, such notice shall be deemed delivered upon actual receipt. Notices delivered by mail shall be deemed given two (2) Business Days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. If delivered by overnight courier, such notice shall be deemed delivered upon receipt. Notices by facsimile, PDF, email or other electronic means of delivery shall be deemed given on the next Business Day after transmission; provided, however, (i) sender shall bear the burden of delivery and (ii) such notice shall only be effective if such notice is also delivered by hand, overnight courier, or deposited in the United States mail, postage prepaid, registered or certified mail, on or before two (2) Business Days after its delivery by facsimile, PDF, email or other electronic means of delivery. Notice to Franchisee shall be addressed to the address listed in the introductory paragraph of this Agreement. Notices to Franchisor shall be addressed to the address listed in the introductory paragraph of this Agreement, Attention: President.

22. GOVERNING LAW; WAIVER OF JURY TRIAL; VENUE

This Agreement shall be governed by and interpreted in accordance with the internal laws of the Commonwealth of Pennsylvania, without regard to conflict or choice of law principles. Franchisor and Franchisee consent to the exclusive personal and subject matter jurisdiction and exclusive venue in the Court of Common Pleas in and for Cumberland County, Pennsylvania, or in the Federal District Court for the Middle District of Pennsylvania **Franchisor and Franchisee hereby waive their right to trial by jury. Any provision of this Section 22 shall be void if the State in which the Franchisee is located has law(s) which render any such provision void.**

23. SEVERABILITY; CONSTRUCTION; MERGER AND INTEGRATION

a. Should any part of this Agreement, for any reason, be declared invalid by a court of competent jurisdiction, such decision or determination shall not affect the validity of any remaining portion, and such remaining portion shall remain in force and effect as if this Agreement had been executed with the invalid portion eliminated; provided, however, that in the case of a declaration of invalidity, the provision declared invalid shall not be invalidated in its entirety, but shall be observed and performed by the parties to the extent such provision is valid and enforceable. The parties hereby agree that any such provision shall be deemed to be altered and amended to the extent necessary to effect such validity and enforceability.

b. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute one and the same instrument.

c. The headings and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require.

d. This Agreement contains the entire agreement of the parties hereto with respect to the subject matter hereof. Neither party relies upon any prior written or oral representation or agreement, and all such representations and agreements are merged into and have, to the extent intended, become a part of this Agreement. Only the written terms of this Agreement are binding on the parties. Nothing in this Agreement requires the Franchisee to waive reliance on representations and warranties made in the Franchise Disclosure Document.

e. Although Franchisor may offer services to Franchisee and other Franchise owners now and in the future which are not prescribed by this Agreement, this Agreement gives Franchisee no right to receive such services, and Franchisor shall not be liable to Franchisee for modifying or eliminating them.

24. ACKNOWLEDGMENTS

Franchisee acknowledges that:

a. A Franchise involves business risks, and that Franchisee's volume, profit, income and success are dependent primarily upon Franchisee's efforts as an independent business operator.

b. No one associated with Franchisor has warranted or guaranteed, expressly or by implication, the potential volume, profit, income, success or potential future opportunities of Franchisee's Franchise.

c. Franchisor gave Franchisee a Franchise Disclosure Document at least 14 days prior to the execution of this Agreement, or any payment of any consideration by Franchisee. Franchisee has read the Franchise Disclosure Document and understands its contents.

d. Franchisee has had ample opportunity to consult with its attorneys, accountants and other advisors. Franchisor's attorneys have not advised or represented Franchisee with respect to this Agreement.

e. Franchisor's ability to assist Franchisee in overcoming operational, financial or other problems depends in substantial part upon whether Franchisee makes Franchisor aware of such problems. Franchisee, therefore, agrees to promptly notify Franchisor if Franchisee believes that he is unable to meet his obligations arising from this Agreement, if he is unable to satisfy his expectations or needs relating to the Franchise, or if he believes Franchisor is not fulfilling its obligations to Franchisee. Franchisee agrees that Franchisor will under no circumstances be liable to Franchisee for any loss suffered by Franchisee which resulted from a problem or default which Franchisee did not bring to Franchisor's attention promptly after it arose.

f. If Franchisee is an entity, then each party that directly or indirectly holds any interest whatsoever in Franchisee (each, an "**Owner**"), and the interest that each Owner directly or indirectly holds in Franchisee, is identified in Exhibit 2 to this Agreement. Franchisee represents and warrants to Franchisor, and agrees, that Franchisee's Owners are accurately set forth on Exhibit 2 to this Agreement and that each Owner has signed the Declaration and Acknowledgment Form set forth on Exhibit 3 to this Agreement.

25. SUBMISSION OF AGREEMENT

The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution hereof by Franchisor and Franchisee. The date of execution by the Franchisor shall be considered the date of execution of this Agreement and the Effective Time. THIS AGREEMENT SHALL NOT BE BINDING UPON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OR PRESIDENT OF FRANCHISOR.

FRANCHISEE HAS READ ALL OF THE FOREGOING AGREEMENT AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS HEREOF.

FRANCHISEE

Name of Franchisee

____

By(sign):

Name (print):

Title:

Date: ______________________________

KEYSTONE INSURERS GROUP, LLC.
(d/b/a KEYSTONE INSURERS SERVICES GROUP, LLC IN VIRGINIA)

____

By (sign):

Name (print):

Title:

Date: ______________________________

☐ ***Check Here if Exhibit 2 is Not Applicable***

Keystone Insurers Group LLC

Franchise Agreement Exhibit 1

ACH PAYMENTS AUTHORIZATION AGREEMENT
(DIRECT DEBITS AND DEPOSITS)

____ (Name of Person or Legal Entity)

The undersigned depositor ("**Depositor**" or "**Franchisee**") hereby authorizes Keystone Insurers Group LLC ("**Franchisor**") to initiate debit entries, credit entries, and/or credit correction entries pursuant to the Keystone Insurers Group LLC Franchise Agreement to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**" or "**Bank**") to debit or credit such account(s) pursuant to Franchisor's instructions.

______________________________	______________________________
Depository Bank Name	Depository Bank Branch Location

______________________________	______________	___________
Depository Bank City	State	Zip Code

______________________________	______________________________
Bank Transit/ABA Number	Bank Account Number

This ACH Payment Authorization Agreement shall remain in full and force and effect until Franchisor has received written notification from Franchisee of its termination.

Name of
Depositor (Print): ___________________________

Signed By (Sign): ___________________________

Printed Name: ______________________________

Title: _____________________________________

Date: _____________________________________

Keystone Insurers Group LLC

Franchise Agreement Exhibit 2

List of Owners of [*INSERT FRANCHISEE NAME*]

Full Name of Owner	Ownership Interest %

Franchisee Name: ____

Signed by (sign): ____

Printed Name: ____

Title: ____

Date: ____

Keystone Insurers Group LLC
Franchise Agreement

Exhibit 3

DECLARATION AND ACKNOWLEDGMENT

The undersigned **FRANCHISEE** and each **OWNER** of Franchisee hereby declare and acknowledge that the following are true and correct:

1. Franchise Agreement. Franchisee has entered into that certain Franchise Agreement, dated ____________________________ (the "Franchise Agreement"), with Keystone Insurers Group LLC ("Keystone") whereby Keystone has granted to Franchisee the right to operate a Franchise.

2. Term of Franchise Agreement. The initial term of the Franchise Agreement is for a period of five (5) years.

3. Appointed Agent.

   3.1 Insurance Company Agency Agreements. Keystone is the duly authorized legal agent for, and on behalf of, Franchisee for purposes of, and in matters relevant to, the execution and administration of any and all insurance company agency agreements, including, but not limited to, executing insurance company agency agreements, receiving commissions and bonuses, and receiving policy information relating to Franchisee's Franchise.

   3.2 Service Agreements. Keystone is the duly authorized legal agent for, and on behalf of, Franchisee for purposes of, and in matters relevant to, the execution and administration of any and all service agreements relevant to its Franchise and its insurance agency business.

4. Representations and Warranties. Franchisee represents and warrants that it has reviewed and examined all insurance company agency agreements under which it has received an agent appointment and is bound by the terms, covenants and conditions thereof.

5. Restrictive Covenants. Franchisee and each undersigned owner of Franchisee acknowledge and agree that the undersigned has reviewed and is bound by Section 13 of the Franchise Agreement

IN WITNESS WHEREOF, the Franchisee and Franchisee owners have caused this Declaration and Acknowledgment to be duly executed this ____________day of _________, 202__.

FRANCHISEE:

_______________________[insert Franchisee entity name]

By: ____

Name: _____________________________________

Title:_______________________________________

OWNERS:

____(sign)

Name: ______________________________________(print)

____(sign)

Name: ______________________________________(print)

____(sign)

Name: ______________________________________(print)

____(sign)

Name: ______________________________________(print)

____(sign)

Name: ______________________________________(print)

EXHIBIT C

CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

Agreement between __________________________________(“**Prospective Franchisee**”) and Keystone Insurers Group LLC (Keystone Insurers Services Group, Inc. in Virginia), a Delaware limited liability company with its principal place of business at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055 (“**Franchisor**”).

WHEREAS, Franchisor is offering Prospective Franchisee the opportunity to sell insurance products as a franchisee under powers of appointment contained in certain agency/insurance company agreements that Franchisor and its affiliates negotiate and maintain with insurance companies (a “**Franchise**”) and in doing will provide Prospective Franchisee with a Franchise Disclosure Document;

WHEREAS, Prospective Franchisee will provide Franchisor with confidential information;

WHEREAS, Prospective Franchisee has requested to see certain other confidential and secret information owned by the Franchisor in order to evaluate the opportunity for the purpose of possibly purchasing a Franchise.

NOW, THEREFORE, Prospective Franchisee and Franchisor, intending to be legally bound hereby, agree as follows:

(1) Franchisor will provide to Prospective Franchisee a copy of its Confidential Operating Manual and copies of its Keystone Insurance Carrier Contracts and any other reasonably requested information marked “**Confidential**” by Franchisor (the “**Confidential Information**”).

(2) Prospective Franchisee will provide to Franchisor the information required to determine eligibility, and any other reasonably requested information deemed confidential by Prospective Franchisee (the “**Confidential Information**”).

(3) Franchisor will receive the Confidential Information and hold it in confidence. Franchisor will not disclose the Confidential Information in any manner whatsoever to any person or entity, except only to Franchisor’s management team, board of directors, and carriers which Prospective Franchisee requests licensing with. Franchisor shall not copy the Confidential Information and shall take all reasonable care to prevent the unauthorized use and/or dissemination and/or publication of the Confidential Information. Franchisor shall immediately return the Confidential Information to the Prospective Franchisee upon Franchisee’s request.

(4) Prospective Franchisee will receive the Confidential Information and hold it in confidence. Prospective Franchisee will not disclose the Confidential Information in any manner whatsoever to any person or entity, except only to Prospective Franchisee’s attorneys, accountants and other advisors for the sole purpose of evaluating the Franchise. Prospective Franchisee shall not copy the Confidential Information and shall take all reasonable care to prevent the unauthorized use and/or dissemination and/or publication of the Confidential Information. Prospective Franchisee shall immediately return the Confidential Information to Franchisor upon Franchisor’s request.

(5) Prospective Franchisee and Franchisor shall be relieved of its confidential disclosure obligations hereunder if any one or more of the following takes place or exists:

(a) Prospective Franchisee purchases a Franchise and enters into a Franchise Agreement with Franchisor.

(b) After the time of disclosure, the Confidential Information becomes public knowledge through no fault of Prospective Franchisee or Franchisor.

This Confidentiality Agreement shall not be construed as an offer by Franchisor to Prospective Franchisee to purchase a Franchise. There is no obligation on the part of Franchisor or Prospective Franchisee to grant or purchase a Franchise by this Confidentiality Agreement.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed, this Confidentiality Agreement as of this ______________________day of _______________________.   .

KEYSTONE INSURERS GROUP LLC

(KEYSTONE INSURERS SERVICES GROUP, INC. – FOR USE IN VIRGINIA)

By:____________________________________
Agency Principal

PROSPECTIVE FRANCHISEE

By: ___________________________

EXHIBIT D
LIST OF STATE FRANCHISE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

The following list identifies the administrator of the state franchise disclosure and/or registration law in your state. If your state is not listed, there is no applicable state franchise disclosure and/or registration law or Keystone Insurers Group LLC has an exemption.

State Franchise Law Administrator	Agent for Service of Process
California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500	California Commissioner, Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500
Illinois Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Indiana Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Maryland Maryland Division of Securities Office of Attorney General 200 St. Paul Place Baltimore, MD 21202 (410) 576-6360	Maryland Commissioner of the Division of Securities Office of Attorney General 200 St. Paul Place Baltimore, MD 21202
Michigan Michigan Department of Attorney General Corporate Oversight Division, Franchise Section G. Mennan Williams Building, 1st Floor 525 W. Ottawa Street Lansing, MI 48913 (517) 335-7567	Michigan Michigan Department of Attorney General Corporate Oversight Division, Franchise Section G. Mennan Williams Building, 1st Floor 525 W. Ottawa Street Lansing, MI 48909 (517) 335-7567
Minnesota Minnesota Department of Commerce Securities Section 85 7th Place East, Suite 280 Saint Paul, MN 55101 (651) 539-1600	Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 Saint Paul, MN 55101 (651) 539-1600
New York New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8236	New York New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
Virginia State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Virginia Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Wisconsin	Wisconsin Department of Financial Institutions

Wisconsin Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin	Wisconsin Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin

EXHIBIT E

OPERATIONAL FRANCHISEES

Agency Name	Primary Principal	Shipping Address	City	State	Zip Code	Phone Number	Type	Main Location
Canyon Lands Insurance 1, Inc.	Jody-Marie Frankovits	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Felicia Hopkins	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Kayla Craddock	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Jeremiah Hale	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Paloma Clouse	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Heather McDougall	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Alicia Hopp	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Nichole Vanjo	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Andrea Gonzales	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Albert Kimbrell	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	Dawnyel Smink	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
Canyon Lands Insurance 1, Inc.	James Bechtel	1655 West Drake Drive	Tempe	AZ	85283	480-288-5900	Partner Agency	
5Kidds, LLC	Charles Kidd, Jr	PO Box 295	Braselton	GA	30517	706-654-5353	Partner Agency	
Bernard Williams & Company, LLC	Dick Williams	P O Box 22213	Savannah	GA	31403	912-234-4476	Partner Agency	
Boswell Insurance Group, LLC	Jay Boswell	PO Box 1347	Athens	GA	30603	706-546-8100	Partner Agency	
Boswell Insurance Group, LLC	John McAbee	PO Box 1347	Athens	GA	30603	706-546-8100	Partner Agency	
Boswell Insurance Group, LLC	Carey Stephens	PO Box 1347	Athens	GA	30603	706-546-8100	Partner Agency	

Fallaize Insurance Agency, Inc.	Michael Fallaize	PO Box 920128	Norcross	GA	30010	770-242-8842	Partner Agency	
Fallaize Insurance Agency, Inc.	Brad Arthur	PO Box 920128	Norcross	GA	30010	770-242-8842	Partner Agency	
Farley Insurance Services	Tim Burch	PO Box 750	Hiawassee	GA	30546	706-896-6442	Partner Agency Satellite	Farley Insurance Services, Inc. 1004 Hwy 64 West PO Box 640 Murphy NC 28906
Griffin & Company Insurance Partners, LLC	Nathan Griffin	P.O. Box 71725	Albany	GA	31708	229-432-9892	Partner Agency	
Hunt-Miller Insurance Agency, Inc.	Josh Gurley	211 Independence Drive	Warner Robins	GA	31088	478-922-8531	Partner Agency	
Joe M. Welborn Insurance, Inc	Timothy Smith	103 Midway Drive Suite A	Cornelia	GA	30531	(706)510-0221	Partner Agency	
Johnston Insurance Agency, Inc.	Mitchell Hill	212 Savannah Avenue	Statesboro	GA	30458	912-764-9896	Partner Agency	
Lewis & Wallace Associates, Inc.	Jordan Piland	1857 W McIntosh Road	Griffin	GA	30223	(770) 879-6060	Partner Agency	
Moore Insurance Agency	Michael Moore	PO Box 650	Perry	GA	31069	478-987-1832	Partner Agency	
Orr Insurance Agency, Inc.	Erwin Orr	904 Bellevue Avenue	Dublin	GA	31021	478-272-0915	Partner Agency	
Rob Hill Insurance, Inc.	Rob Hill	3006 Clairmont Rd, Suite 1070	Atlanta	GA	30341	678-791-7132	Partner Agency	
Roland, Abbott & DeZoort Insurance Agency, LLC	Louis Abbott	2200 Northside Crossing	Macon	GA	31210	(478) 745-7200	Partner Agency	
Skelton-Morris Associates, LLC	Carey Jackson	PO Box 130	Hartwell	GA	30643	706-376-8035	Partner Agency	
The Harbin Agency, Inc	Marty Harbin	PO Box 1130	Tyrone	GA	30290	770-461-4315	Partner Agency	

Zorn & Son Insurance	Chris Zorn, Jr.	PO Box 385	Vidalia	GA	30475	912-537-7951	Partner Agency	
Fullenkamp Insurance Agency, Inc.	Chris Fullenkamp	307 5th St PO Box 367	West Point	IA	52656	319-837-6178	Partner Agency	
Hughes, Brennan & Wirtz, Inc.	Laurie Jenness	3685 450th Ave PO Box 97	Emmetsburg	IA	50536	(712) 852-2523	Partner Agency	
Hughes, Brennan & Wirtz, Inc.	Dave Walters	3685 450th Ave PO Box 97	Emmetsburg	IA	50536	(712) 852-2523	Partner Agency	
Kingsgate Insurance Center, Inc.	Ryan Smith	924 Central Ave	Fort Dodge	IA	50501	515-576-4321	Partner Agency	
Koehler Insurance, Inc.	Bobby Shomo	22 E. Main Street PO Box 129	Marshalltown	IA	50158	641-753-6691	Partner Agency	
Middendorf Insurance Associates Inc.	Trent Middendorf	8400 Hickman Rd	Clive	IA	50325	515-252-1414	Partner Agency	
Midwest Insurance Corporation	Melissa Johnson	1601 South B Avenue	Nevada	IA	50201	515-382-3541	Partner Agency	
Mills-Shellhammer & Associates, Inc.	Lynn Mills	117 Pierce Street #200	Sioux City	IA	51101	(712) 258-2580	Partner Agency	
Ratcliff & Blake Insurance Professionals, Inc.	Billy Blake	107 High Ave W	Oskaloosa	IA	52577	641-673-8603	Partner Agency	
The Greteman Agency, Inc.	David Greteman	704 US-30	Carroll	IA	51401	712-792-5050	Partner Agency	
The Greteman Agency, Inc.	Matt Greteman	704 US-30	Carroll	IA	51401	712-792-5050	Partner Agency	
Tulip City Agency Ltd.	Jim Gosselink	1108 Washington St.	Pella	IA	50219	(641) 628-1270	Partner Agency	
Arachas Group, LLC	Bill Sullivan	P O Box 8152	Bartlett	IL	60103	630-289-4410	Partner Agency	
Babcock and Associates, Inc.	Mike Babcock	11 Glen Ed Professional Park	Glen Carbon	IL	62034	618-659-8744	Partner Agency	
Brennan & Stuart, Inc.	Jenny Stuart Waszkowiak	222 Bucklin Street	La Salle	IL	61301	815-223-0137	Partner Agency	

Buttrey-Wulff-Mamminga Agency, Inc.	John Wulff	PO Box 580	Batavia	IL	60510	630-879-0111	Partner Agency	
Dansig, Inc.	Cristy Gilpin	111 E Decatur St	Decatur	IL	62521	217-423-3311	Partner Agency	
Dansig, Inc.	Erech Pierson	111 E Decatur St	Decatur	IL	62521	217-423-3311	Partner Agency	
Dansig, Inc.	Daniel Reynolds	111 E Decatur St	Decatur	IL	62521	217-423-3311	Partner Agency	
Dansig, Inc.	Jeanine Blythe	111 E Decatur St	Decatur	IL	62521	217-423-3311	Partner Agency	
Dasco Insurance Agency, Inc.	Kenneth Samson	628 Academy Drive	Northbrook	IL	60062	847-291-0660	Partner Agency	
Joseph M.Wiedemann and Sons, Inc.	Debbie Rocco	505 East Golf Road	Arlington Heights	IL	60005	847-228-8400	Partner Agency	
Joseph M.Wiedemann and Sons, Inc.	John Wiedemann	505 East Golf Road	Arlington Heights	IL	60005	847-228-8400	Partner Agency	
Joseph M.Wiedemann and Sons, Inc.	Rito Michel	505 East Golf Road	Arlington Heights	IL	60005	847-228-8400	Partner Agency	
Joseph M.Wiedemann and Sons, Inc.	Cory Renchin	505 East Golf Road	Arlington Heights	IL	60005	847-228-8400	Partner Agency	
Joseph M.Wiedemann and Sons, Inc.	Mon'Cher Crutcher	505 East Golf Road	Arlington Heights	IL	60005	847-228-8400	Partner Agency	
Lander Van Gundy Agency, Inc.	Mark Brent	101 South Towanda Ave	Normal	IL	61761	309-452-1156	Partner Agency	
LB Benefits, Inc.	Brett Lohman	3901 15th Street D	Moline	IL	61265	309-764-8331	Partner Agency	
Loman-Ray Insurance Group, LLC	Brian Loman	2702 Boulder Dr.	Urbana	IL	61802	888-566-2679	Partner Agency Satellite	Loman-Ray Insurance Group, LLC 108 S Lincoln Broadlands IL 61816

Loman-Ray Insurance Group, LLC	Madison Goodrich	145 E 5th Ave	Clifton	IL	60927	815-694-2512	Partner Agency Satellite	Loman-Ray Insurance Group, LLC 108 S Lincoln Broadlands IL 61816
MKINS, LLC	Joe Kane	113 Republic Ave	Joliet	IL	60435	815-744-0111	Partner Agency	
Muir Insurance Group	Mike Muir	41 E Main St. Ste 200	Lake Zurich	IL	60047	847-550-9900	Partner Agency	
Olsick Insurance Group	Bryan Olsick	50 75th Street Suite 216	Willowbrook	IL	60527	630-325-9199	Partner Agency	
Park Avenue Service Corporation	Patrick Rouse	1311 S. Neil Street	Champaign	IL	61824	217-359-9000	Partner Agency	
Pufalt-Pauley Insurance Agency, Inc.	James Pauley	PO Box 837	Belleville	IL	62222	618-233-0034	Partner Agency	
Resource Insurance Agency	Steve Braser	555 Bethany Road	DeKalb	IL	60115	815-748-1489	Partner Agency	
Sedlak, LLC	Richard Sedlak	305 Carlyle Avenue	Belleville	IL	62221	618-233-0193	Partner Agency	
The Cornerstone Agency, Inc.	Brian Hawkins	105 S. Main St.	Tampico	IL	61283	815-438-3923	Partner Agency	
The Cornerstone Agency, Inc.	Tyler Sandrock	105 S. Main St.	Tampico	IL	61283	815-438-3923	Partner Agency	
The Rockwood Company	Daniel Berman	20 N Wacker Drive Suite 600	Chicago	IL	60606	312-621-2200	Partner Agency	
The Rockwood Company	Phil Reimer	20 N Wacker Drive Suite 600	Chicago	IL	60606	312-621-2200	Partner Agency	
Vince Konen Insurance Agency, Inc.	Nick Knudtson	2570 Beverly Drive Suite 100	Aurora	IL	60502	630-897-4239	Partner Agency	
Winters LLP	Jeff Tweedell	201 South 5th Street	Quincy	IL	62301	217-223-4080	Partner Agency	
Winters LLP	Alex Russell	201 South 5th Street	Quincy	IL	62301	217-223-4080	Partner Agency	

Beatty Insurance, Inc.	Nate Tormoehlen	111 North Poplar Street PO Box 345	Seymour	IN	47274	812-522-5640	Partner Agency	
Brown Insurance Group	Thomas Brown	9105A Indianapolis Boulevard, Suite 300	Highland	IN	46322	219-972-6060	Partner Agency	
Callistus Smith Agency, Inc.	Glenn Smith	3415 Paoli Pike	Floyds Knob	IN	47119	812-944-7711	Partner Agency	
Hummel Insurance Inc.	Dan Hummel	142 Walnut Street	Lawrenceburg	IN	47025	812-537-1785	Partner Agency Satellite	Hummel Steinmetz Agency, Inc 118 W. Indian Trail, Unit 1 Milan IN 47031
Hummel Steinmetz Agency, Inc	Andy Hummel	118 W. Indian Trail, Unit 1	Milan	IN	47031	812-654-2071	Partner Agency	
Hummel Steinmetz Agency, Inc	Randy Roberts	118 W. Indian Trail, Unit 1	Milan	IN	47031	812-654-2071	Partner Agency	
Knapp Miller Brown Insurance Services, Inc.	Jonathan Spaulding	#8 Public Square PO Box 368	Salem	IN	47167	812-883-4700	Partner Agency	
Knapp Miller Brown Insurance Services, Inc.	Kim Hamlin	146 SE Court Street	Paoli	IN	47454	812-733-0054	Partner Agency Satellite	Knapp Miller Brown Insurance Services, Inc. #8 Public Square PO Box 368 Salem IN 47167
Matchett & Company, Inc.	Cheryl Fisher	P.O. Box 228	Winchester	IN	47394	765-584-1261	Partner Agency	
McGowan Insurance Group LLC	Brady Claxton	220 South Harrison Street	Shelbyville	IN	46176	317-398-9797	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204

McGowan Insurance Group LLC	Brett Schultheis	PO Box 2728	Evansville	IN	47728	812-479-8651	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204
McGowan Insurance Group LLC	Adam Bauernfiend	PO Box 2728	Evansville	IN	47728	812-479-8651	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204
McGowan Insurance Group LLC	Eric Rich	30 W. 11th Street PO Box 1137	Anderson	IN	46016	765-400-5594	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204
McGowan Insurance Group, LLC	Hugh McGowan	355 Indiana Ave. Suite 200	Indianapolis	IN	46204	317-464-5000	Partner Agency	
McGowan Insurance Group, LLC	Todd Jackson	210 E Main Street	Lebanon	IN	46052	765-482-3730	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204
McGowan Insurance Group, LLC	Josh Estelle	1220 Broad Street	New Castle	IN	47362	765-529-6400	Partner Agency Satellite	McGowan Insurance Group, LLC 355 Indiana Ave. Suite 200 Indianapolis IN 46204
Morgan Group, Inc.	James S. McConnell	1100 State Road 39 Bypass PO Box 1496	Martinsville	IN	46151	765-342-6619	Partner Agency	

Morgan Group, Inc.	Brad McConnell	1100 State Road 39 Bypass PO Box 1496	Martinsville	IN	46151	765-342-6619	Partner Agency	
NxtGen, LLC	Jeffrey Pikel	11118 Coldwater Road	Fort Wayne	IN	46845	260-424-5600	Partner Agency	
Reef-Michael-Eikenberry, Inc.	Matthew Bryan	45 South Center Street PO Box 5	Flora	IN	46929	574-967-4547	Partner Agency	
Synergy LLC	David Atkinson	13800 Jackson Road	Mishawaka	IN	46544	574-258-5555	Partner Agency	
A G INS LLC	Angie Gantz	PO Box 817	Perry	KS	66073	785-480-9888	Partner Agency	
Charlson Wilson Insurance	Mike Widman	555 Poyntz Ave #205	Manhattan	KS	66502	(785) 537-1600	Partner Agency	
Charlson Wilson Insurance	Emily Kiefer	555 Poyntz Ave #205	Manhattan	KS	66502	(785) 537-1600	Partner Agency	
Fee Insurance Group, Inc.	Allen Fee	2920 N. Plum Street	Hutchinson	KS	67502	(620) 662-2381	Partner Agency	
Fee Insurance Group, Inc.	Ciara Ford	2920 N. Plum Street	Hutchinson	KS	67502	(620) 662-2381	Partner Agency	
Al Torstrick Insurance Agency, LLC	Allison Johnson	343 Waller Avenue	Lexington	KY	40504	859-233-1461	Partner Agency	
Barger Insurance Agency, Inc.	Susan Loy	326 Public Square Suite 100	Columbia	KY	42728	270-384-2457	Partner Agency	
Barger Insurance Agency, Inc.	Dwayne Loy	326 Public Square Suite 100	Columbia	KY	42728	270-384-2457	Partner Agency	
Charles C Adams Insurance Inc.	Allyson Adams	221 20th Street	Ashland	KY	41101	(606) 325-9709	Partner Agency	
CM Moore Insurance Agency, Inc.	Tommy Adams	PO Box 7500	Bowling Green	KY	42102	270-843-9054	Partner Agency	
CM Moore Insurance Agency, Inc.	Jordan Clarke	P.O. Box 487	Scottsville	KY	42164	270-237-3184	Partner Agency Satellite	CM Moore Insurance Agency, Inc. PO Box 7500 Bowling Green KY 42102

Durrett Insurance Agency, LLP	Virginia Goff	6004 Brownsboro Park Blvd, Ste C	Louisville	KY	40207	502-895-5665	Partner Agency	
Ferrell & Evans, LLC	Carson Evans	2300 Regency Road	Lexington	KY	40503	859-252-0381	Partner Agency	
FSB Insurance Agency, Inc.	Diana Hunt	267 Terrell Lane	Barbourville	KY	40906	606-546-4132	Partner Agency	
Hall & Clark Insurance Agency, Inc.	Phillip Hunt	PO Box 508	Prestonsburg	KY	41653	606-886-2318	Partner Agency	
Hall & Clark Insurance Agency, Inc.	Richard Clark	PO Box 508	Prestonsburg	KY	41653	606-886-2318	Partner Agency	
Harbor Insurance Agency, LLC	Adam Murphy	PO Box 727	Hopkinsville	KY	42240	270-881-1022	Partner Agency	
Houk Insurance Agency, Inc.	David Houk	P.O. Box 250	Horse Cave	KY	42749	(270) 786-2724	Partner Agency	
Insuramax, LLC	Betsy Smith	805 N Whittington Parkway, Suite 150	Louisville	KY	40202	502-459-7500	Partner Agency	
Insurance Associates, Inc.	Jay Hall III	204 W. Jefferson Street	La Grange	KY	40031	(502) 222-9558	Partner Agency Satellite	B. Morris Insurance Inc. 22 Court Street New Castle KY 40050
Insurance Service Center of SE Kentucky, Inc.	Stephen Vaughn	100 N. Kentucky Street	Corbin	KY	40702	606-528-5151	Partner Agency	
Ison Insurance Agency, Inc.	John Ison	346 Riverside Drive	West Liberty	KY	41472	606-743-4472	Partner Agency	
Jessie Insurance Danville LLC	Jessica Leick	129 South Fourth Street	Danville	KY	40422	859-236-5922	Partner Agency Satellite	Jessie Insurance LLC 103 Central PlazaPO Box 569 Campbellsville KY 42719
Jessie Insurance LLC	Humberto Pineda	103 Central Plaza PO Box 569	Campbellsville	KY	42719	270-465-5502	Partner Agency	

Jessie Insurance LLC	Scott Jessie	103 Central Plaza PO Box 569	Campbellsville	KY	42719	270-465-5502	Partner Agency	
Latta Insurance Services, Inc.	William Latta	140 North Main Street, Suite A	Henderson	KY	42420	270-827-3543	Partner Agency	
Latta Insurance Services, Inc.	Whitney Latta-Floyd	140 North Main Street, Suite A	Henderson	KY	42420	270-827-3543	Partner Agency	
Lexington Insurance Agency, Inc.	Jamie Melton	465 East High Street, Suite 101	Lexington	KY	40507	859-253-6570	Partner Agency	
Lexington Insurance Agency, Inc.	Kevin Stinnett	465 East High Street, Suite 101	Lexington	KY	40507	859-253-6570	Partner Agency	
Limestone Agency LLC	Ray Robertson	46 Broadway PO Box 347	Mt. Sterling	KY	40353	859-498-3410	Partner Agency	
Moore Insurance Agency, LLC	David Clarke	200 N. Main Street P.O. Box 176	Russellville	KY	42276	270-726-3136	Partner Agency	
Rowland Insurance Agency, Inc.	Bart Rowland	PO Box 398	Tompkinsville	KY	42167	270-487-6192	Partner Agency	
Schumacher Insurance Agency, Inc.	Eric Schumacher	P.O. Box 38	Maysville	KY	41056	606-759-5663	Partner Agency	
The Murray Insurance Agency	Jason Billington	PO Box 1370	Murray	KY	42071	270-753-4751	Partner Agency	
Bay Area Insurance Group, LLC	Brian Roszell	1 Annapolis Street, Suite 100	Annapolis	MD	21401	(410) 647-7333	Partner Agency	
Veirs Insurance	Cliff Veirs	932 Hungerford Drive, Suite 15	Rockville	MD	20850	301-424-8700	Partner Agency	
Veirs Insurance	Chip Veirs	932 Hungerford Drive, Suite 15	Rockville	MD	20850	301-424-8700	Partner Agency	
Conner Insurance Group, Inc.	Jerry Conner	861 N Pontiac Trail Ste 200	Walled Lake	MI	48390	248-427-9400	Partner Agency	
General Agency Company	David Weisenburger	525 E Broadway Street	Mt Pleasant	MI	48858	(989) 773-6981	Partner Agency	
General Agency Company	Sarah Munn	223 N Mitchell St	Cadillac	MI	49601	231-775-3460	Partner Agency Satellite	General Agency Company 525 E Broadway Street

								Mt Pleasant MI 48858
General Agency Company	Jolyn Stockerll	223 N Mitchell St	Cadillac	MI	49601	231-775-3460	Partner Agency Satellite	General Agency Company 525 E Broadway Street Mt Pleasant MI 48858
Guy Hurley, LLC	Richard McGregor	989 E South Blvd Suite 200	Rochester Hills	MI	48307	(248) 519-1400	Partner Agency	
Hartland Insurance Agency, Inc.	David Walker	PO Box 129	Hartland	MI	48353	810-632-5161	Partner Agency	
Hartland Insurance Agency, Inc.	David Neumann	PO Box 129	Hartland	MI	48353	810-632-5161	Partner Agency	
KAI Mason-McBride LLC	Mike McBride	3155 W. Big Beaver Road, Suite 125	Troy	MI	48084	248-822-7170	Partner Agency	
ML&L Insurance Agency,LLC	Will Lemanski	P.O. Box 1270	East Lansing	MI	48826	517-351-9117	Partner Agency	
Shoreline Insurance Agency, Inc.	Richard Kramer	875 W. Broadway Ave.	Muskegon	MI	49441	231-755-1919	Partner Agency	
Smith & Eddy Insurance, Inc.	Scott Smith	201 S Main St	Scottville	MI	49454	231-757-4743	Partner Agency	
Spire America Holdings, Inc.	Brian Bartosh	514 N Ripley Blvd	Alpena	MI	49707	989-356-6133	Partner Agency	
The Nulty Agency LLC	T Nulty	5579 Stadium Drive	Kalamazoo	MI	49009	269-372-9200	Partner Agency	
The Nulty Agency, LLC	Robert Beemer	720 St. Joseph Drive	St.Joseph	MI	49085	269-983-7161	Partner Agency Satellite	The Nulty Agency LLC 5579 Stadium Drive Kalamazoo MI 49009
Walton Agency, LLC	Eric Walton	2929 Spring Arbor Rd	Jackson	MI	49203	517-787-2600	Partner Agency	

Cartier Agency LLC	Matt Cartier	310 E. Superior Street, P.O. Box 16567	Duluth	MN	55802	218-727-5992	Partner Agency	
GREATER INSURANCE SERVICE OF NORTHEASTERN MINNESOTA INC	Tony Taylor	407 S. Pokegama Ave #1	Grand Rapids	MN	55744	(218) 327-1854	Partner Agency	
GREATER INSURANCE SERVICE OF NORTHEASTERN MINNESOTA INC	Jody Hasbargen-Tessier	407 S. Pokegama Ave #1	Grand Rapids	MN	55744	(218) 327-1854	Partner Agency	
GREATER INSURANCE SERVICE OF NORTHEASTERN MINNESOTA INC	Mike Kane	407 S. Pokegama Ave #1	Grand Rapids	MN	55744	(218) 327-1854	Partner Agency	
Moores Insurance Management Inc.	Mark Moores	PO Box 18120	Minneapolis	MN	55418	(651) 255-6800	Partner Agency	
Barker Phillips Jackson	Tom Montileone	1637 S Enterprise	Springfield	MO	65804	(417) 887-3550	Partner Agency	
Cowell James Forge Insurance Group	Alyson Snow	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Rey Lopez	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Leon Van Berkum	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Brandon Barrero	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Rob Hackney	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	

Cowell James Forge Insurance Group	Jason Forge	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Bryce Brookshire	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Rachel Rodgers	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Diane Smith	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Cowell James Forge Insurance Group	Rebecca Walker	10525 N Ambassador Drive #301	Kansas City	MO	64153	(816) 471-4245	Partner Agency	
Custom Insurance Services, Inc.	Christina Kelley	200 Mississippi Ave.	Crystal City	MO	63019	(636) 931-1200	Partner Agency	
Custom Insurance Services, Inc.	Heather White	200 Mississippi Ave.	Crystal City	MO	63019	(636) 931-1200	Partner Agency	
Custom Insurance Services, Inc.	Tony Becker	200 Mississippi Ave.	Crystal City	MO	63019	(636) 931-1200	Partner Agency	
Custom Insurance Services, Inc.	Cole McClinton	200 Mississippi Ave.	Crystal City	MO	63019	(636) 931-1200	Partner Agency	
Harrison Agency, Inc.	Brian Harrison	2100 Whitegate Dr	Columbia	MO	65202	(573) 474-9537	Partner Agency	
Hawkins Insurance Group	Belinda Brenizer	103 South First St.	Edina	MO	63539	(660) 397-2251	Partner Agency	
Hawkins Insurance Group	JL Brenizer	103 South First St.	Edina	MO	63539	(660) 397-2251	Partner Agency	
Hutchinson & Co. Insurance	Randy Steele	PO Box 860	Chillicothe	MO	64601	660-646-3317	Partner Agency	
KAI Midwest Risk Partners LLC	Marc Harris IV	PO Box 1610	Cape Girardeau	MO	63702	573-651-0509	Partner Agency	
KAI Midwest Risk Partners LLC	Jennifer Harris	PO Box 1610	Cape Girardeau	MO	63702	573-651-0509	Partner Agency	

Mike Keith Insurance, Inc.	Mike Keith	103 W. Franklin Street	Clinton	MO	64735	(660) 885-5581	Partner Agency	
Missouri General Insurance Agency, Inc.	Jonny Mota	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Mike McCoy	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Melinda Brill	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	David Weber	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Bonnie Zigler	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Charlene Cox	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Sara Warner	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Deena James	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Missouri General Insurance Agency, Inc.	Jim Baxendale	1227 Fern Ridge Pkwy	St Louis	MO	63141	(314) 432-6464	Partner Agency	
Ozark Hills Insurance, Inc.	David Hall	1701 Porter Wagoner Blvd	West Plains	MO	65775	417-257-1285	Partner Agency	
Scott Agency	Brent Speight	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	
Scott Agency	Brittney Boemer	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	

Scott Agency	Victoria Gaston	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	
Scott Agency	Matt Speight	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	
Scott Agency	Mercedes Gotsch	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	
Scott Agency	Kirt Kleindienst	408 N Sturgeon St	Montgomery City	MO	63361	(573) 564-2237	Partner Agency	
TRB Enterprises, Inc.	Michelle Seko	2 Williams Drive	Union	MO	63084	(636) 583-2313	Partner Agency	
TRB Enterprises, Inc.	Tim Bauer	2 Williams Drive	Union	MO	63084	(636) 583-2313	Partner Agency	
Winter-Dent & Company	Louis Landwehr, CIC, CRM	101 E McCarty Street PO Box 1046	Jefferson City	MO	65102	(573) 634-2122	Partner Agency	
Winter-Dent & Company	Nick McGovern	101 E McCarty Street PO Box 1046	Jefferson City	MO	65102	(573) 634-2122	Partner Agency	
Winter-Dent & Company	Bryan French	101 E McCarty Street PO Box 1046	Jefferson City	MO	65102	(573) 634-2122	Partner Agency	
Winter-Dent & Company	Riley Cooper	101 E McCarty Street PO Box 1046	Jefferson City	MO	65102	(573) 634-2122	Partner Agency	
Winter-Dent & Company	Norman Davis	101 E McCarty Street PO Box 1046	Jefferson City	MO	65102	(573) 634-2122	Partner Agency	
Business Insurers of the Carolinas LLC	Keith Pearsall	501 Eastowne Drive, Suite 250 PO Box 2536	Chapel Hill	NC	27514	919-968-4611	Partner Agency Satellite	Triangle Insurance & Associates, LLC 222 N. Bickett Blvd. Louisburg NC 27549
Catawba First Insurance Associates, Inc.	Susan Flowers	PO Box 888	Nees	NC	28658	(828) 464-3829	Partner Agency	

Colonial Insurance Services, Inc.	David Hartsell	4285 Hwy 24 27 E., Suite A PO Box 170	Midland	NC	28107	704-888-3232	Partner Agency	
Crissman Mendenhall Steelman, LLP	Rusty Crissman	201 North State Street PO Box 1456	Yadkinville	NC	27055	336-679-8816	Partner Agency	
Farley Insurance Services, Inc.	Tim Burch	1004 Hwy 64 West PO Box 640	Murphy	NC	28906	828-837-7447	Partner Agency	
Fortner Insurance Agency, Inc.	John Hall	311 Oak Avenue PO Box 39	Spruce Pine	NC	28777-0039	828-765-6121	Partner Agency	
G.W. Mountcastle Agency, Inc.	Ryan Harman	307 West Center Street P O Box 1937	Lexington	NC	27293	336-249-4951	Partner Agency	
George High Inc.	Jeff Rubish	PO Box 3040	Chapel Hill	NC	27517	919-913-1144	Partner Agency	
Granite Insurance Agency, Inc.	Chase Keller	PO Box 620	Granite Falls	NC	28630	828-396-3342	Partner Agency	
Granite Insurance Agency, Inc.	Ben Culp	PO Box 620	Granite Falls	NC	28630	828-396-3342	Partner Agency	
InSouth Insurance Services	Jacqueline May	111 Kilson Drive Suite 202	Mooresville	NC	28117	704-663-6444	Partner Agency	
InSouth Insurance Services	Josh Burger	111 Kilson Drive Suite 202	Mooresville	NC	28117	704-663-6444	Partner Agency	
Insurance Consultants of Pinehurst, Inc.	Rob McVay	94 Aviemore Drive	Pinehurst	NC	28370	910-295-1431	Partner Agency	
J.E. Fisher Insurance Agency, Inc.	John Fisher	115 Brown Street, Suite 103 PO Box 275	Granite Quarry	NC	28072	704-279-7234	Partner Agency	
Johnson Insurance Services, Inc.	Wes Johnson	127 Marketplace Drive	Mocksville	NC	27028	336-751-6281	Partner Agency	
Jones & Peacock, Inc.	Clark Gibson	1812 Eastchester Drive	High Point	NC	27265	336-889-8282	Partner Agency	
Jones Insurance Agency, Inc.	Wortham Boyle	820 Benson Road	Garner	NC	27529	919-772-0233	Partner Agency	

Kevin Brewer & Associates, Inc	Kevin Brewer	PO Box 621627	Charlotte	NC	28262	704-549-1222	Partner Agency	
Legacy Insurance Partners	Robert Broome, Jr.	PO Box 3858	Hickory	NC	28603	828-328-5671	Partner Agency Satellite	Legacy Insurance Partners, Inc. PO Box 3858 Hickory NC 28602
Legacy Insurance Partners	Claude Faw III	PO Box 1248	North Wilkesboro	NC	28659	336-667-7125	Partner Agency Satellite	Legacy Insurance Partners, Inc. PO Box 3858 Hickory NC 28602
Legacy Insurance Partners	Brian Pierce	PO Box 1248	North Wilkesboro	NC	28659	336-667-7125	Partner Agency Satellite	Legacy Insurance Partners, Inc. PO Box 3858 Hickory NC 28602
Main Street Financial Group LLC	Forester Adams	22-A North Trade Street	Tryon	NC	28782	706-723-8338	Partner Agency Satellite	Main Street Financial Group, LLC 123 E. Main Street Forest City NC 28043
Main Street Financial Group, LLC	Tripp Flack	123 E. Main Street	Forest City	NC	28043	828-245-6467	Partner Agency	
Mimosa Insurance	Spencer Cash	207 N. Sterling Street PO Drawer 310	Morganton	NC	28680	828-437-5357	Partner Agency	
Morrow Insurance Agency, Inc.	Marshall Dark	800 Beverly-Hanks Centre	Hendersonville	NC	28792	828-693-5396	Partner Agency	
Patton, Morgan & Clark Insurance Agency, Inc.	Greg Stamey	PO Box 1027	Canton	NC	28716	828-648-2632	Partner Agency	
Snipes Insurance Service, Inc.	Hope Greene	P O Box 1165	Dunn	NC	28335	910-892-2121	Partner Agency	
Snipes Insurance Service, Inc.	Joseph Neil McDonald	P O Box 1165	Dunn	NC	28335	910-892-2121	Partner Agency	
Snipes Insurance Service, Inc.	John Snipes	P O Box 1165	Dunn	NC	28335	910-892-2121	Partner Agency	

Snipes Insurance Service, Inc.	Jerod Cohen	P O Box 1165	Dunn	NC	28335	910-892-2121	Partner Agency	
Spivey Insurance Group, Inc.	Chris Spivey	251 Post Office Drive, Suite A3 PO Box 2220	Indian Trail	NC	28079	704-821-4460	Partner Agency	
Triangle Insurance & Associates, LLC	Jacob Alphin	222 N. Bickett Blvd.	Louisburg	NC	27549	(919) 496-2239	Partner Agency	
Triangle Insurance & Associates, LLC	David Godwin	4909 Unicon Drive Suite 200	Wake Forest	NC	27587	919-488-5240	Partner Agency Satellite	Triangle Insurance & Associates, LLC 222 N. Bickett Blvd. Louisburg NC 27549
Triangle Insurance & Associates, LLC	William White, Jr.	P.O. Box 1310	Black Mountain	NC	28711	828-669-7912	Partner Agency Satellite	Triangle Insurance & Associates, LLC 222 N. Bickett Blvd. Louisburg NC 27549
Triangle Insurance & Associates, LLC	Jim Mozingo	921 S McPherson Church Road	Fayetteville	NC	28303	910-867-9500	Partner Agency Satellite	Triangle Insurance & Associates, LLC 222 N. Bickett Blvd. Louisburg NC 27549
Wayah Insurance Group, Inc.	Jeff Cloer	295 East Palmer Street PO Box 999	Franklin	NC	28744	828-524-4442	Partner Agency	
Wester Realty and Insurance Agency, Inc.	David Carver	PO Box 769	Henderson	NC	27536	252-438-8165	Partner Agency	
Whitesides and Company, Inc.	John Cloninger	PO Box 2227	Gastonia	NC	28056	704-865-3455	Partner Agency	
Allen & Stults Company, Inc.	Abi Rivenburgh	106 N. Main St	Hightstown	NJ	8520	609-448-0110	Partner Agency	
Blue Lion Insurance Advisors, LLC	Elio Vecchiarelli	27 Monmouth St	Tinton Falls	NJ	7724	(732) 649-1600	Partner Agency	

Central Jersey Insurance Associates	Michael DeMaio	51 James Way, Suite 102	Eatontown	NJ	7724	732-383-7158	Partner Agency	
Danskin Insurance Agency, Inc.	Charles Casagrande	1937 Highway 35	Wall	NJ	7719	732-449-3800	Partner Agency	
G. S. Newborn & Associates, Inc.	Gary Newborn	32 Mine Street	Flemington	NJ	8822	908-788-9080	Partner Agency	
Harrah & Associates	Scott Harrah	2426 Nottingham Way	Mercerville	NJ	8619	609-587-8030	Partner Agency	
John Hill Agency	Mike Hill	635 Atlantic City Blvd	Bayville	NJ	8721	732-269-0800	Partner Agency	
KAI Strategic Insurance Partners LLC	Steve Wildt	492 Franklin Ave	Nutley	NJ	7110	973-667-2600	Partner Agency	
KAI Strategic Insurance Partners LLC	Alan Kape	510 Hamilton Blvd	South Plainfield	NJ	7080	908-757-6666	Partner Agency Satellite	KAI Strategic Insurance Partners LLC 492 Franklin Ave Nutley NJ 07110
Marschil Insurance Agency, Inc	Frank Schiliro	4400 US Hwy 9 S Suite 3300	Freehold	NJ	7728	732-972-1771	Partner Agency	
McMahon Agency, Inc.	Bill McMahon	PO Box 239	Ocean City	NJ	8226	609-399-0060	Partner Agency	
Oliver L.E. Soden Agency	Hal Jr. Soden	60 W Railroad Ave	Jamesburg	NJ	8831	732-521-0001	Partner Agency	
Puharic and Associates, Inc.	Adam Puharic	PO Box 1132	Wall Township	NJ	7719	732-655-6200	Partner Agency	
RP Keller Sr. Insurance Agency, Inc.	Theodore Keller	1107 Mantua Pike Suite 706	West Deptford	NJ	8051	856-464-9899	Partner Agency	
Schumacher Insurance Group	Honey Correia	551 Passaic Avenue	West Caldwell	NJ	7006	973-237-1000	Partner Agency	
Stuber Insurance Agency	David Stuber	115 Mill Street PO Box 444	Hackettstown	NJ	7840	908-852-4444	Partner Agency	
Stuber Insurance Agency	Susan Eger	115 Mill Street PO Box 444	Hackettstown	NJ	7840	908-852-4444	Partner Agency	

The Commercial Agency, Inc.	Kenneth (Ken) Cerullo	141 Kinderkamack Rd #H	Park Ridge	NJ	7656	201-391-1324	Partner Agency	
The John Morgan McLachlan Agency, Inc.	Morgan McLachlan	75 E Main Street	Somerville	NJ	8876	908-526-4600	Partner Agency	
The Rosell Insurance Agency, Inc.	Michael Rosell	149 Avenue at the Common Suite 203	Shrewsbury	NJ	7702	732-741-3538	Partner Agency	
The Schenck Agency, Inc.	William (Bill) Jeney	495 Main Street	Metuchen	NJ	8840	732-548-2727	Partner Agency	
William R. Mints Agency, Inc.	Robert (Bob) Conner	10 E Main Street Suite E	Millville	NJ	8332	856-825-2880	Partner Agency	
CAI Insurance Agency, Inc.	Carl Schlotman, III	2035 Reading Road	Cincinnati	OH	45202	513-221-1140	Partner Agency	
Dumbaugh Insurance Agency, Inc.	John Dumbaugh	122 South Main Street	Mount Vernon	OH	43050	740-397-1234	Partner Agency	
Evarts Tremaine	John Hannon	1111 Superior Avenue Suite 1650	Cleveland	OH	44114	216-621-7183	Partner Agency	
Hamler-Gingrich Insurance Agency, Inc.	Matt Gingrich	102 North Miami Street	West Milton	OH	45383	937-698-4101	Partner Agency	
Hamler-Gingrich Insurance Agency, Inc.	Mark Hamler	102 North Miami Street	West Milton	OH	45383	937-698-4101	Partner Agency	
Hosket Ulen Insurance Solutions LLC	Brad Hosket	6640 Riverside Drive Suite 400	Dublin	OH	43017	614-339-1771	Partner Agency	
Hosket Ulen Insurance Solutions LLC	Nicole Mauger	6640 Riverside Drive Suite 400	Dublin	OH	43017	614-339-1771	Partner Agency	
Huesman-Schmid Insurance Agency, Inc.	A.J. Schmid	5670 Cheviot Road	Cincinnati	OH	45247	513-521-8590	Partner Agency	

Huesman-Schmid Insurance Agency, Inc.	Doug Brush	7041 Corporate Way	Dayton	OH	45459	937-435-0345	Partner Agency Satellite	Huesman-Schmid Insurance Agency, Inc. 5670 Cheviot Road Cincinnati OH 45247
Insurance Agency of Miller & Miller, Inc.	Kyle Miller	599 Monroe Street	Dover	OH	44622	330-364-6641	Partner Agency	
Insurance Agency of Miller & Miller, Inc.	William McIlvaine	599 Monroe Street	Dover	OH	44622	330-364-6641	Partner Agency	
Jacobs Vanaman Agency, Inc.	Tony West	P O Box 370	Coshocton	OH	43812	740-622-1796	Partner Agency	
K. & J. Flickinger Insurance Agency	Amy Winkelman	30 East Main Street	Norwalk	OH	44857	419-668-4406	Partner Agency	
L. Calvin Jones & Company	Keith Miller	3744 Starrs Centre Drive, Suite 2	Canfield	OH	44406	330-533-1195	Partner Agency	
Miller Insurance, Inc.	Shane Miller	36 S. Breiel Blvd	Middletown	OH	45044	513-422-3621	Partner Agency	
Montgomery Insurance and Investments Agency, Inc.	Jim Saner	114 South Detroit Street PO Box 670	Xenia	OH	45385	937-372-7646	Partner Agency	
Preferred Insurance Center	Andy Kremer	809 W. Main St. Suite 2	Coldwater	OH	45828	419-678-2326	Partner Agency	
Preferred Insurance Center	Gina Hess	809 W. Main St. Suite 2	Coldwater	OH	45828	419-678-2326	Partner Agency	
Preferred-Protectors Insurance Agency	Joe Marsh	1260 Nilles Road Suite 2	Fairfield	OH	45018	513-829-3300	Partner Agency	
Richmond Insurance Agency, Inc.	Brittany Davis	P.O. Box 217	West Union	OH	45693	937-544-2326	Partner Agency	
Richmond Insurance Agency, Inc.	Eric Schumacher	P.O. Box 217	West Union	OH	45693	937-544-2326	Partner Agency	

Roby, Foster, Miller, Earick Insurance Agency, Inc.	Rick Roby	44 Sturges Avenue	Mansfield	OH	44902	419-524-8411	Partner Agency	
Roselius Insurance Agency, Inc.	Sarah Pickerell	55 E Dayton St	West Alexandria	OH	45381	937-839-4661	Partner Agency	
Roselius Insurance Agency, Inc.	Brad Unger	55 E Dayton St	West Alexandria	OH	45381	937-839-4661	Partner Agency	
Sheward-Fulks Insurance Agency, Inc.	Dan Fulks	738 E. Main Street	Jackson	OH	45640	740-286-1708	Partner Agency	
Somers Agency, LLC	Dan Kelley	5311 Leavitt Road Suite 100	Lorain	OH	44053	440-324-3447	Partner Agency	
Spreng-Smith Agency, Inc.	Nate Shultz	320 College Avenue	Ashland	OH	44805	419-289-3310	Partner Agency	
The Wiseman Agency, Inc.	Gary Roach	451 Second Avenue PO Box 359	Gallipolis	OH	45631	740-446-3643	Partner Agency	
Thomas-Fenner-Woods Agency, Inc.	Bob Fenner	155 E. Broad Street, Suite 800	Columbus	OH	43204	614-481-4300	Partner Agency	
United Heartland Insurance Agencies	Jason Crank	150 High Street	Hamilton	OH	45013	513-896-5555	Partner Agency	
Wallace & Turner Agency, Inc.	Patrick Field	30 Warder Street, Suite 200	Springfield	OH	45504	937-324-8492	Partner Agency	
Ascent Insurance Group, LLC	Aaron Bogie	17308 N May Ave	Edmond	OK	73012	405-341-5996	Partner Agency	
Cole Paine & Carlin Insurance Agency, Inc.	Mark Carlin	1140 NW 50th	Oklahoma City	OK	73118	405-843-5678	Partner Agency	
Earnie Cornelius Insurance Agency, Inc.	Avery Moore	1213 Piedmont Road N, Suite B	Piedmont	OK	73078	405-373-2977	Partner Agency	
Loftis & Wetzel Insurance	Mike Loftis	115 W. Blackwell	Blackwell	OK	74631	580-363-3434	Partner Agency	
Somers Insurance Agency, Inc.	Daniel Somers	PO Box 788	Lindsay	OK	73052	405-756-3116	Partner Agency	

The Beckman Company	Martin Beckman	118 N. 16th Street	Muskogee	OK	74401	918-683-7844	Partner Agency	
Advanced Financial Security, Inc.	Jennifer Moore	11001 Anthony Highway	Waynesboro	PA	17268	717-762-5780	Partner Agency	
Affolder & Associates Inc.	Brian Jack	8700 Perry Highway	Pittsburgh	PA	15237	412-366-9100	Partner Agency	
Altiery Gingerich Insurance Agency, LLC	Heidi Altiery	21 W Monument Square	Lewistown	PA	17044	717-248-6789	Partner Agency	
Anderson Insurance Group, Inc.	Lee Anderson	220 S Broad St	Grove City	PA	16127	724-458-8240	Partner Agency	
Anderson Insurance Group, Inc.	Glenn Lebby	2815 Wilmington Road Suite 1	New Castle	PA	16105	724-652-6605	Partner Agency Satellite	Anderson Insurance Group, Inc. 220 S Broad St Grove City PA 16127
Associated Insurance Management, Inc.	Grier Boedker, Sr.	PO Box 256	Danville	PA	17821	(570) 275-0100	Partner Agency	
B. Titus Rutt Agency, Inc.	Jamie Rutt	83 East Main Street PO Box 357	Mt. Joy	PA	17552	717-653-1816	Partner Agency	
B.I.G. Risk Partners, LLC	Tyler Reitz	26 N Railroad Street	Palmyra	PA	17078	717-838-5464	Partner Agency	
Baily Insurance Agency, Inc.	David Baily	55 S Washington Street PO Box 1070	Waynesburg	PA	15370	724-627-6121	Partner Agency	
Brett Insurance Agency, Inc.	William Brett	225 Vine Street	Johnstown	PA	15901	814-535-8649	Partner Agency	
C McMath Insurance Group, LLC	Clay McMath	P.O. Box 100	Orbisonia	PA	17243	814-447-5568	Partner Agency	
Calvert Pearson Insurance Group	Erik Pearson	712 Pennsylvania Avenue W	Warren	PA	16365	814-726-5610	Partner Agency	
Calvert Pearson Insurance Group	David Pearson	712 Pennsylvania Avenue W	Warren	PA	16365	814-726-5610	Partner Agency	
Calvert Pearson Insurance Group	David Pearson, Jr.	712 Pennsylvania Avenue W	Warren	PA	16365	814-726-5610	Partner Agency	

Christie Insurance, Inc.	Mark Christie	Executive Commons 110 Roessler Road, Suite 200C	Pittsburgh	PA	15220	412-563-7828	Partner Agency	
Connor-Helring Associates, Inc.	Maureen McLaughlin	1906 Sanderson Avenue	Scranton	PA	18509	570-344-7060	Partner Agency	
CVIV, Inc.	Jim Schnell	19 E Main Street PO Box 451	New Kingstown	PA	17072	717-697-1958	Partner Agency	
Dinnin & Parkins Associates	Tom Parkins	300 Allegheny River Blvd.	Oakmont	PA	15139	412-828-5122	Partner Agency	
DST Strategies, LLC	Nathan Troutman	2 W. Main Street	Elizabethville	PA	17023-0077	717-362-8600	Partner Agency	
DST Strategies, LLC	Holly Kandybowski	2 W. Main Street	Elizabethville	PA	17023-0077	717-362-8600	Partner Agency	
Duncan Insurance Group, LLC	John Duncan	311 Main Street	Irwin	PA	15642	724-863-3420	Partner Agency	
EIA Group, LLC	Carl (Buddy) DeYulis	129 E High Street PO Box 90	Ebensburg	PA	15931	814-472-9557	Partner Agency	
FIFS, LLC	Kyle Zehr	199 Telford Pike	Telford	PA	18969	267-384-5300	Partner Agency	
Front Porch Insurance Corp	Marc Thayer	PO Box 626	Lewisburg	PA	17837	570-523-3295	Partner Agency	
Gilberts Insurance Agency, Inc.	Lew Kachulis	PO Box 688	Sharon	PA	16146	724-342-6832	Partner Agency	
Griffin & Griffin Financial Services, Inc.	William Griffin III	41 West Main Street	Collegeville	PA	19426	610-454-0300	Partner Agency	
Hart, McConahy & Martz, Inc.	Benjamin Martz	2562 West 12th Street Suite 250	Erie	PA	16505	814-455-0987	Partner Agency	
Hart, McConahy & Martz, Inc.	R Carl Martz	2562 West 12th Street Suite 250	Erie	PA	16505	814-455-0987	Partner Agency	
John F. Graff Insurance Agency	John Graff	213 Market Street	Kittanning	PA	16201	724-543-2204	Partner Agency Satellite	Dinnin & Parkins Associates 300 Allegheny River Blvd. Oakmont PA 15139

KAI Yurconic Insurance Agency, LLC	John Yurconic	5910 Hamilton Blvd	Allentown	PA	18106	610-770-6600	Partner Agency	
Kilmer Insurance Agency, Inc.	Joshua Kilmer	25 Homet Cross Road P.O. Box 337	Wyalusing	PA	18853	570-746-1007	Partner Agency	
Kocman Insurance Group	Rudy Kocman	3217 East Market Street	York	PA	17402	717-854-0300	Partner Agency	
Koontz Hollern & Seese Inc.	Scott Hollern	1421 Graham Ave. PO Box 326	Windber	PA	15963	814-467-9600	Partner Agency	
Lehman Insurance Agency, Inc.	Rodney Lehman	1686 W Main Street	Ephrata	PA	17522	717-733-2050	Partner Agency	
Merritt I. Edner Agency, Inc	John Kness	407 S Main Street	DuBois	PA	15801	814-371-6756	Partner Agency	
Mitchell Insurance, Inc.	Bill Mitchell	P.O. Box 788 400 N Main Street	Butler	PA	16003-0788	724-283-7900	Partner Agency	
Myers & Lynch Insurance, Inc.	Tony Rosini	129 E. Independence Street P.O. Box 585	Shamokin	PA	17872	570-644-0371	Partner Agency	
Myers, Benner LLC	Brian Dooley	2895 Hamilton Blvd Suite 201	Allentown	PA	18104	610-435-9551	Partner Agency	
R. E. Walbeck Agency, Inc.	Robert Walbeck	137 S. Main Street	Homer City	PA	15748	724-479-9378	Partner Agency	
Rick Leet Agency LLC	Rick Leet	18 Como Road	Lakewood	PA	18439	570-798-2666	Partner Agency	
Robert Snyder Agency	Robert Snyder II	101 Lincoln Way East P.O. Box 717	McConnellsburg	PA	17233	717-485-4220	Partner Agency	
Rosensteel Insurance, Inc.	Christina Rosensteel	360 Main Street	McSherrystown	PA	17344	717-632-1216	Partner Agency	
RWR Group, Inc	Abigal Williams	702 West Pitt Street	Bedford	PA	15522	814-623-1111	Partner Agency	
RWR Group, Inc	Brandon Hartrampf	702 West Pitt Street	Bedford	PA	15522	814-623-1111	Partner Agency	
RWR Group, Inc	Todd Roadman	702 West Pitt Street	Bedford	PA	15522	814-623-1111	Partner Agency	

RWR Group, Inc	Nate Roadman	702 West Pitt Street	Bedford	PA	15522	814-623-1111	Partner Agency	
Seltzer Group Partners LLC	Commissions Contact	609 Route 61 South PO Box 219	Orwigsburg	PA	17961	888-366-1000	Partner Agency	
Seltzer Group Partners LLC	Pete Krammes	609 Route 61 South PO Box 219	Orwigsburg	PA	17961	888-366-1000	Partner Agency	
Sheeley Insurance Agency	Chris Lord	900 Scott Street	Stroudsburg	PA	18360-0050	570-421-1191	Partner Agency	
Snyder-Eyster Agency, Inc.	Troy Eyster	250 N. Main Street	Herndon	PA	17830	570-758-2321	Partner Agency	
Sprowls Insurance Group	David Hughes	217 West Main Street P.O. Box 1447	Uniontown	PA	15401	724-437-9812	Partner Agency	
Team Andy Agency, Inc.	Andy Jiang	875 Market Street Suite 100	Lemoyne	PA	17043	717-739-4639	Partner Agency	
Teeter Insurance Agency, Inc	April Ressler	3375 Lynnwood Drive	Altoona	PA	16602	814-944-5900	Partner Agency	
The Foley Insurance Agency, Inc.	Dan McGill	8 Spring House Innovation Park, Suite 202	Lower Gwynedd	PA	19002	215-542-8030	Partner Agency	
The Guthrie Agency, LLC	Shane Guthrie	217 First Street	Apollo	PA	15613	724-478-4381	Partner Agency	
The Guthrie Agency, LLC	Mark Guthrie	217 First Street	Apollo	PA	15613	724-478-4381	Partner Agency	
Trego Insurance Agency, LLC	Steven Trego	1100 Berkshire Blvd, Ste 205	Wyomissing	PA	19608	(484) 388-4400	Partner Agency	
Walters Associates, Inc.	Betsy Tribendis	1174 Wyoming Avenue	Forty Fort	PA	18704	570-283-3148	Partner Agency	
Whitford Insurance Network, Inc.	Bob Ward	503 Gordon Drive	Exton	PA	19341	610-524-7860	Partner Agency	
Whitford Insurance Network, Inc.	Erin Brogan	503 Gordon Drive	Exton	PA	19341	610-524-7860	Partner Agency	
Art E. Gernt Insurance, Inc.	Art Gernt	P.O. Box 786	Crossville	TN	38557	931-484-3448	Partner Agency	

BFS Insurance Group	David Fish	1820 Madison Street, Suite G	Clarksville	TN	37043	931-503-1533	Partner Agency	
BFS Insurance Group	Amber Hamaker	1820 Madison Street, Suite G	Clarksville	TN	37043	931-503-1533	Partner Agency	
BFS Insurance Group	Josh Medvecky	1820 Madison Street, Suite G	Clarksville	TN	37043	931-503-1533	Partner Agency	
Bradshaw & Company Insurors	Walt Bradshaw	P.O. Box 1300	Dyersburg	TN	38025	731-285-5767	Partner Agency	
Burchfiel-Overbay & Associates, Inc.	Mitch Rader	P.O. Box 4608	Sevierville	TN	37864	865-453-4675	Partner Agency	
Chappell, Smith & Associates, Inc.	Christopher Turnbull	1006 Merylinger Court	Franklin	TN	37067	615-435-8300	Partner Agency	
First Insurance Group	Jeff Brown	P.O. Box 727	Lebanon	TN	37088	615-443-4778	Partner Agency	
Haven Insurance Partners LLC	Cy Young	101 N Highland Ave	Jackson	TN	38301	731-577-4300	Partner Agency	
Heritage Insurance Group, Inc.	Jeremy Stiltner	PO Box 420	Johnson City	TN	37605	423-283-9811	Partner Agency	
Holman & Holman Agency	David Palmer	611 Main Street	Springfield	TN	37172	615-384-0261	Partner Agency	
Jamieson & Fisher, Inc.	Ed Kaiser	P.O. Box 688	Covington	TN	38019	901-476-8644	Partner Agency	
Lester, Greene & McCord Insurance Agency, Inc.	John McCord	P.O. Box 40	Tullahoma	TN	37388	931-455-3453	Partner Agency	
Lester, Greene & McCord Insurance Agency, Inc.	Tara Owens	P.O. Box 40	Tullahoma	TN	37388	931-455-3453	Partner Agency	
Maddox Insurance, LLC	Andrew Maddox	21290 E Main St, P.O. Box 608	Huntingdon	TN	38344	(731) 986-4432	Partner Agency	
Porch-Stribling-Webb, Inc.	Dave Porch	P.O. Box 549	Waverly	TN	37185	931-296-4271	Partner Agency	
Raborn Insurance Agency, Inc.	Derek Raborn	P.O. Box 817	Smyrna	TN	37167	615-459-4145	Partner Agency	
Robins Insurance Agency, Inc.	Van Robins	11 Music Circle S	Nashville	TN	37203	615-665-9200	Partner Agency	

RPA Insurance, LLC	David Allen	P.O. Box 23685	Chattanooga	TN	37422	423-954-9100	Partner Agency	
Sneed Insurance	Tommy Sneed	4515 Poplar Ave Suite 322	Memphis	TN	38117	(901) 372-4580	Partner Agency	
Sneed Insurance	Brittany Ross	4515 Poplar Ave Suite 322	Memphis	TN	38117	(901) 372-4580	Partner Agency	
Swallows Insurance Agency, Inc	Matt Swallows	480 Neal Street Suite 100	Cookeville	TN	38501	931-526-4025	Partner Agency	
Westan Insurance Group, Inc.	Portis Tanner	315 S Second Street	Union City	TN	38261	731-885-5453	Partner Agency	
William Blount & Associates, Inc.	William Blount	9700 Westland Drive Suite 102	Knoxville	TN	37922	865-588-7000	Partner Agency	
Allbright & Duncan Insurance Agency, Inc	Brad Allbright	3527 Billy Hext Road Building A	Odessa	TX	79765	432 362 6361	Partner Agency	
Alpha Omega Insurance Agency	Baruch Clawson	9925 Gillespie Dr. #1100	Plano	TX	75025	972-964-8397	Partner Agency	
Alpha Omega Insurance Agency	Kyle Brown	9925 Gillespie Dr. #1100	Plano	TX	75025	972-964-8397	Partner Agency	
Braly Insurance Group	Mark Braly	300 E. Davis St #106	McKinney	TX	75069	972-359-9324	Partner Agency	
Garrett Insurance Agency LLC	Stephen Schmerbeck	PO Box 291425	Kerrville	TX	78029	830-896-6600	Partner Agency	
MFINS, Inc.	Brett Felker	401 E 7th Street	Odessa	TX	79761	432-332-0771	Partner Agency	
MFINS, Inc.	Brenam Butler	401 E 7th Street	Odessa	TX	79761	432-332-0771	Partner Agency	
The Hulett Agency, Inc.	Shay Hulett	1580 S. Main Street Suite 103	Boerne	TX	78006	817-461-3251	Partner Agency	
Alexander Insurance Agency	Everett Alexander	9251 Rutland Commons Drive Suite A	Mechanicsville	VA	23116	804-730-8323	Partner Agency	
Brown Insurance	Tommy Via	100 Hubbard Street, Suite A	Blacksburg	VA	24060	540-552-5331	Partner Agency	
Brown's Insurance Agency, Inc.	Jeffrey Brown	PO Box 1219	Manassas	VA	20108-1219	703-368-0333	Partner Agency	

Coverage, Inc.	John Mann	14130-J Sullyfield Circle	Chantilly	VA	20151	703-631-8000	Partner Agency	
Crowder Insurance Agency, Inc.	Bob Thomasson	1064 Virginia Ave. PO Box 1757	Clarksville	VA	23927	434-374-2145	Partner Agency	
Croxton, Elliott and Daingerfield, Inc.	Jim Croxton	636 Church Lane	Tappahannock	VA	22560	804-443-3307	Partner Agency	
Fieldale Insurance Agency, Inc.	Phillip Davis	51 Marshall Way PO Box 158	Fieldale	VA	24089	276-673-6701	Partner Agency	
GHT Insurance Agency, Inc.	Ryan Kuester	8253 Crown Colony Pkwy Suite 101	Mechanicsville	VA	23116	804-789-5525	Partner Agency	
Hawk Advisers, Inc.	Rand Wright	206 Williamson Road Suite 100	Roanoke	VA	24011	540-343-4309	Partner Agency	
Hawk Advisers, Inc.	Stephen Hamilton, CWCA	206 Williamson Road Suite 100	Roanoke	VA	24011	540-343-4309	Partner Agency	
Herndon-Reston Insurance Agency, Inc.	Douglas Downer	718 Pine Street	Herndon	VA	20170	703-435-3500	Partner Agency	
Herndon-Reston Insurance Agency, Inc.	Kaitlyn Downer	718 Pine Street	Herndon	VA	20170	703-435-3500	Partner Agency	
Independent Insurance Center, Inc.	David Grant	19465 Deerfield Avenue Suite 210	Lansdowne	VA	20176	703-777-7774	Partner Agency	
Lester Insurance Group, Inc.	Stephen Lester II	PO Box 968	Wytheville	VA	24382	276-663-1568	Partner Agency Satellite	Lester Insurance Group, Inc. 409 Alamance Road, Suite B Burlington NC 27215
Nansemond Insurance Agency, Inc.	Joby Webb	453 West Washington Street	Suffolk	VA	23434	757-539-3421	Partner Agency	
SMH, LTD.	Scott Harwood, Jr.	PO Box 306	Farmville	VA	23901	434-392-5405	Partner Agency	
Suffolk Insurance Corporation	Hunter Odom	202 Market Street	Suffolk	VA	23434	757-539-9988	Partner Agency	

Towe Insurance Service, Inc.	Beth Towe-Heck	304 E. Jefferson Street	Charlottesville	VA	22902	434-295-5191	Partner Agency	
Watkins Insurance Agency, Inc.	Catherine Olmert	133 N Mecklenburg Avenue PO Box 360	South Hill	VA	23970	434-447-3544	Partner Agency	
William H. Talley & Son, Inc.	William Talley IV	146 N. Sycamore Street	Petersburg	VA	23804-0751	804-733-2011	Partner Agency	
Burns Insurance Agency LLC	Cindy Burns	500 South Central Avenue	Marshfield	WI	54449	(715) 387-0002	Partner Agency	
Dallman Insurance Agency LLC	Wayne Dallman	1101 W Clairemont Ave. Suite 1C	Eau Claire	WI	54701	715-318-2832	Partner Agency Satellite	Dallman Insurance Agency, LLC 106 S Main Street Greenwood WI 54437
Dallman Insurance Agency, LLC	Troy Thomas	106 S Main Street	Greenwood	WI	54437	715-267-6150	Partner Agency	
Family Insurance Center	Olivia Wetter	1017 Orchard Drive	Seymour	WI	54165	(920) 833-6802	Partner Agency	
Family Insurance Center	Eric DeBruin	1017 Orchard Drive	Seymour	WI	54165	(920) 833-6802	Partner Agency	
Family Insurance Center	Jeremy Cornelius	1017 Orchard Drive	Seymour	WI	54165	(920) 833-6802	Partner Agency	
Family Insurance Center	Carter Hanke	1017 Orchard Drive	Seymour	WI	54165	(920) 833-6802	Partner Agency	
Forward Bank	Bryan Troyer	1001 N. Central Avenue	Marshfield	WI	54449	715-389-6370	Partner Agency	
Forward Bank	Sarah Munro	1001 N. Central Avenue	Marshfield	WI	54449	715-389-6370	Partner Agency	
Forward Bank	Don Hadden	105 S Washington St	Thorp	WI	54771	715-669-5528	Partner Agency Satellite	Forward Bank 1001 N. Central Avenue Marshfield WI 54449

Green Bay Insurance Center	Tony Schiegg	417 S Monroe Ave	Green Bay	WI	54301	(920) 437-9281	Partner Agency	
Martz Insurance Agency, Inc.	Jeff Martz	105 S. Cambridge St	Wautoma	WI	54982	920-787-2900	Partner Agency	
Walker Agency, Inc.	Greg Walker	PO Box 271	Berlin	WI	54923	(920) 361-4444	Partner Agency	
RWR WV LLC	Hayley Andrews	245 S Washington St Suite B	Berkeley Springs	WV	25411	304-500-2812	Partner Agency Satellite	RWR Group, Inc 702 West Pitt Street Bedford PA 15522

EXHIBIT F

STATE ADDENDA AND AMENDMENTS

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

In recognition of the requirements of California's Franchise Investment Law and the California Franchise Relations Act, the Keystone Insurers Group, LLC Franchise Disclosure Document and Franchise Agreement shall be supplemented as follows:

1. California Corporations Code, Section 31125, requires Franchisor to give Franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, before a solicitation of a proposed material modification of an existing franchise.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

3. Item 17 of the Franchise Disclosure Document is modified by adding the following paragraphs to the end of Item 17:

c. California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

d. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

e. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

f. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

g. The Franchise Agreement requires application of the laws of, and exclusive venue of the courts located in, the Commonwealth of Pennsylvania. This provision may not be enforceable under California law.

4. We maintain an Internet website at www.https://keystoneinsgrp.com/. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT
www.dfpi.ca.gov.

5. Section 16(c) of the Franchise Agreement is amended in its entirety to read as follows:

> (c) Notwithstanding Sections 16(a) and (b) of this Agreement, except for events enumerated in Section 20021 of the California Business and Professions Code which permit Franchisor to provide immediate notice of termination of this Agreement without an opportunity to cure, Franchisee will have 60 days after receipt from Franchisor of a written notice of default within which to remedy any default under this Agreement and to provide evidence thereof to Franchisor. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the sixty-day period, and by promptly providing proof thereof to Franchisor. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement will terminate without further notice to you, effective immediately upon the expiration of the sixty-day period or such longer period as applicable law may require. You will be in default pursuant to this Section 16(c) for failure to substantially comply with any of the requirements imposed by this Agreement or failure to carry out the terms of this Agreement in good faith.

6. Neither the franchisor nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in that association or exchange.

7. This Addendum shall be effective only to the extent that jurisdictional requirements of the California Franchise Investment Law or the California Franchise Relations Act are met independently of and without reference to this Addendum. This Addendum shall have no effect if the jurisdictional requirements of the California Franchise Investment Law or the California Franchise Relations Act are not met.

____________________	______________________________
Date	Signature of Prospective Franchisee
	______________________________
	Print Name

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
<u>FOR THE STATE OF ILLINOIS</u>

In recognition of the requirements of Illinois law, the Keystone Insurers Group, LLC Franchise Disclosure Document and Franchise Agreement shall be supplemented as follows:

1. Illinois law governs the agreements between the parties to this franchise.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. Item 17 of the disclosure document is hereby modified by amending and restating the provision entitled "t. Integration/merger clause" as follows:

> Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.

6. Item 17 of the disclosure document is hereby modified by amending and restating the provision entitled "v. Choice of Forum" as follows:

> Litigation must be in the state or federal courts in Illinois. You waive your right to a jury trial.

7. Item 17 of the disclosure document is hereby modified by amending and restating the provision entitled "w. Choice of Law" as follows:

> Illinois law applies.

8. Section 22 of the Franchise Agreement is hereby amended and restated as follows:

"**22. GOVERNING LAW; WAIVER OF JURY TRIAL; VENUE**

This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Illinois, without regard to conflict or choice of law principles. Franchisor and Franchisee consent to the exclusive personal and subject matter jurisdiction and exclusive venue in the state and federal courts of Illinois. **Franchisor and Franchisee hereby waive their right to trial by jury. Any provision of this Section 22 shall be void if the State in which the Franchisee is located has law(s) which render any such provision void."**

______________________________ ____

Date Signature of Prospective Franchisee

____

Print Name

ADDENDUM TO KEYSTONE INSURERS GROUP LLC
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

The Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 through 233, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: "any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law. Specifically, no statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming any reliance on any statement made by any franchisor, franchisee seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Section 22 of the Franchise Agreement are amended by adding any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

Item 17 of the disclosure document is hereby modified by amending and restating the provision entitled "w. Choice of Law" as follows: Maryland law applies.

Item 17 of the Franchise Disclosure Document is hereby modified by amending and restating the "summary" column of line v, "Choice of Forum" as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland

Section 22 of the Franchise Agreement is amended to provide as follows: This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Illinois, without regard to conflict or choice of law principles. Franchisor and Franchisee consent to the exclusive personal and subject matter jurisdiction and exclusive venue in the state and federal courts of Maryland. **Franchisor and Franchisee hereby waive their right to trial by jury. Any provision of this Section 22 shall be void if the State in which the Franchisee is located has law(s) which render any such provision void."**

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
FOR THE STATE OF MICHIGAN

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Questions regarding the notice should be directed to:

Michigan Department of Attorney General
G. Mennan Williams Building, 7th Floor 525 W.
Ottawa Street
P.O. Box 30212
Lansing, MI 48909
(517) 373-1110

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
<u>FOR THE STATE OF MINNESOTA</u>

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80Cor (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

______________________________	______________________________
Date	Signature of Prospective Franchisee
	______________________________
	Print Name

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH CAROLINA

DISCLOSURES REQUIRED BY NORTH CAROLINA LAW

The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, please see an attorney before you sign a contract or agreement.

As required by North Carolina law, the seller has secured a bond issued by Travelers, 770 Pennsylvania Drive, Suite 110, Exton, PA 19341, a surety company authorized to do business in this state. Before signing a contract to purchase this business opportunity, you should check with a surety company to determine the bond's current status.

If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within forty-five (45) days of the delivery date stated in your contract, you may notify the seller the in writing and demand that this contract be cancelled.

ADDENDUM TO KEYSTONE INSURERS GROUP, LLC FRANCHISE DISCLOSURE DOCUMENT
<u>FOR THE STATE OF VIRGINIA</u>

In recognition of the requirements contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document of Keystone Insurers Group, LLC is amended as follows:

1. Item 17 of the disclosure document is hereby modified by adding the following paragraphs to the end of provision entitled "h. Cause defined – non-curable defaults":

> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute 'reasonable cause,' as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable.
>
> Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to them under the franchise. If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to them under the franchise, that provision may not be enforceable.

<u>State Effective Dates</u>

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	January 6, 2024
Illinois	April 30, 2024
Indiana	April 30, 2024
Maryland	December 12, 2024
Michigan	PENDING
Minnesota	PENDING
New York	April 30, 2024
Virginia	October 17, 2024
Wisconsin	October 9, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

(FRANCHISOR COPY)

RECEIPT

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Keystone Insurers Group LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Keystone Insurers Group LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit D.

The Franchisor is Keystone Insurers Group LLC located at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055. Its telephone number is (570) 473-4302.

Name of Franchise Seller is **Keystone Insurers Group LLC**

Date of Issuance: April 4, 2025

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated ______________________ that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement with its exhibits: 1. ACH Authorization Agreement 2. List of Owners 3. Owner Acknowledgment
Exhibit C	Confidentiality Agreement
Exhibit D	List of State Franchise Administrators and Agents for Service of Process
Exhibit E	List of Franchisees
Exhibit F	State Addenda and Amendments

______________________________ Date

______________________________ Signature of Prospective Franchisee

______________________________ Print Name

You may return the signed receipt by signing, dating and mailing it to Keystone Insurers Group LLC at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055. Its telephone number is (570) 473-4302.

(FRANCHISEE COPY)

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Keystone Insurers Group LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Keystone Insurers Group LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit D.

The Franchisor is Keystone Insurers Group LLC located at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055. Its telephone number is (570) 473-4302.

Name of Franchise Seller is **Keystone Insurers Group LLC**

Date of Issuance: April 4, 2025

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated ___________________ that included the following Exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement with its exhibits: 1. ACH Authorization Agreement 2. List of Owners 3. Owner Acknowledgment
Exhibit C	Confidentiality Agreement
Exhibit D	List of State Franchise Administrators and Agents for Service of Process
Exhibit E	List of Franchisees
Exhibit F	State Addenda and Amendments

____
Date

____
Signature of Prospective Franchisee

____
Print Name

You may return the signed receipt by signing, dating and mailing it to Keystone Insurers Group LLC at 1215 Manor Drive, Suite 208, Mechanicsburg, PA 17055.