



ENGAGEMENT AGREEMENT

EFFECTIVE DATE: FEBRUARY 1, 2012

This Engagement Agreement (“Agreement”) sets forth the terms of engagement offered to you by The QDRO Company, LLC, including its agents, consultants or employees (“QDROCO”).

Unless modified in writing by mutual agreement, these terms will control all services rendered by QDROCO until termination of this Agreement. Review this Agreement carefully before signing. If you have any questions or concerns, we urge you to have an attorney of your choice review this Agreement and inform you of your obligations.

It is also understood by all parties that **QDROCO requires that, unless you are an attorney engaging our services, then at least one party to this Agreement must engage an attorney to review any DRO language drafted under this Agreement** for legal content, suitability and conformance with the intentions of the Participant and Alternate Payee pursuant to their dissolution of marriage and any other legal matter(s). QDROCO does not provide legal advice.

It is also understood by all parties that QDROCO does not provide financial or tax advice.

Please retain a copy of this Agreement for your records.

I. DEFINITIONS

Alternate Payee – An Alternate Payee is any spouse, former spouse, child, or other dependent of a Participant who is recognized by as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

Domestic Relations Order (“DRO”) – In this Agreement, all orders dividing or transferring funds between former spouses will be referred to as a Domestic Relations Order.

Plan Participant - One who contributes to and/or is eligible to receive benefits from an employer-sponsored retirement plan or pension. This includes person(s) contributing to a 401(k), as well as retired persons who are making withdrawals from their accounts.

Summary Plan Description (“SPD”) - A Summary Plan Description is a document that employers must give free to employees who participate in Employee Retirement Income Security Act-covered retirement plans or health benefit plans. The SPD is a detailed guide to what benefits the plan provides and how the plan works.

Qualified Domestic Relations Order (“QDRO”) - A Qualified Domestic Relations Order is a domestic relations order which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under a qualified Plan (i.e. employer sponsored).^[2] A domestic relations order is qualified by a plan administrator upon the plan administrator's determination that the order meets the plan's rules for segregation. Such orders do not relate to Plans *not* covered by ERISA.

Examples of retirement plans NOT covered by ERISA include military retirement pay (covered by the Uniformed Services Former Spouses' Protection Act), State and Municipal retirement plans, Federal Retirement Plans (the Civil Service Retirement System (CSRS), Federal Employees Retirement System (FERS) and Thrift Savings Plan (TSP)), Individual Retirement Accounts (IRAs) (SEP-IRA, SIMPLE IRA and Keogh Plan), and most deferred compensation plans.

II. SCOPE OF SERVICES

A. **DRO DRAFTING SERVICES:** This Section A applies if you are retaining QDROCO to prepare one or more DROs to divide or transfer retirement funds between former spouses.

DRO Drafting services include, and are limited to, the following:

1. Requesting information relevant to the Plan Participant and Alternate Payee, including:
 - a. Requesting copies of relevant court documents pertaining to the dissolution of the marriage, and
 - b. Requesting Plan documents from the Plan Administrator including, but not limited to, the Summary Plan Description, Guidelines and model language.
2. Communicating with a party or party's attorney regarding other relevant information that, in QDROCO's professional judgment, may need further clarification or resolution.
3. Communicating with the Plan Administrator regarding any additional matters that need resolution, including revisions to any proposed DRO drafted by QDROCO to insure that QDROCO's final draft DRO meets the qualification requirements of the Plan as defined by the Plan.
4. Preparing the appropriate initial DRO language and relevant documentation based on the division language in the applicable settlement agreement, divorce decree and/or order of the Court.
5. Providing the appropriate initial DRO language and relevant documentation to the attorney(s) for initial review.
6. Requesting a pre-approval letter from the Plan Administrator. *If the Plan Administrator refuses to provide a pre-approval letter, this service is omitted.* In no event shall QDROCO be liable for a Plan Administrator's refusal to provide documentation necessary for QDROCO to perform the Services under this Agreement. Please note: a request for preliminary review will add additional time to the process.
7. Providing the attorney(s) with final DRO language and documentation for entry with the Court and subsequent forwarding of the entered DRO and related documents to the Plan Administrator.
8. Any changes to a DRO requested by Client after receipt of approval by the Plan Administrator will be charged at a rate of \$150/hour.
9. QDROCO's Services under this Section do not include:
 - a. Obtaining signatures on any draft DRO;
 - b. Entering the proposed DRO with the Court;
 - c. Forwarding a court-entered DRO to the Plan for approval/qualification; or
 - d. Follow-up with the applicable Plan Administrator regarding qualification of a court entered DRO.

10. As a condition precedent to QDROCO's obligations to perform under this Agreement, the parties must provide to QDROCO the Necessary Documents outlined in Section III below and payment in full must be received before DRO Drafting will commence.

B. **DRO REVIEW SERVICES.** This Section B applies if you are retaining QDROCO to review one or more DROs prepared by opposing counsel or a third party.

QDROCO DRO Review Services include, and are limited to, the following:

1. Requesting information relevant to the Plan Participant and Alternate Payee, including:
 - a. Requesting copies of relevant court documents pertaining to the dissolution of the marriage, and
 - b. Requesting Plan documents from the Plan Administrator including, but not limited to, the Summary Plan Description, Guidelines and model language.
2. Communication with the Plan Administrator regarding any additional matters that need clarification.
3. Communication regarding other relevant information that, in QDROCO's professional judgment, may need further clarification or resolution.
4. Providing our opinion regarding any recommended changes.
5. QDROCO's Services under this Section do not include:
 - a. Obtaining signatures on any draft DRO;
 - b. Entering the proposed DRO with the Court;
 - c. Forwarding a court-entered DRO to the Plan for approval/qualification; or
 - d. Follow-up with the applicable Plan Administrator regarding qualification of a court entered DRO.
6. As a condition precedent to QDROCO's obligations to perform under this Agreement, the parties must provide to QDROCO the Necessary Documents outlined in Section III below.

III. NECESSARY DOCUMENTS

QDROCO will begin drafting the QDRO once all the following has been received (the "Necessary Documents"):

- An executed QDROCO Engagement Agreement;
- QDRO Case Worksheet;
- Verified Statement;
- A copy of the divorce decree, separation or mediation agreement to understand the terms of the division;
- A copy of an account or benefit statement or for each account to be divided dated within the last 90 days (for equalization calculations, we must be provided with the account balances as of the date of division); and
- A copy of the Plan's Summary Plan Description ("SPD") or an executed Notice of Authorization signed and notarized by the Participant so that QDROCO can request the SPD from the Plan Administrator. (It should be noted that while many Plan Administrators accept a Notice of Authorization, some Plan Administrator's require that the Participant request the SPD and other DRO related materials directly from the Plan Administrator. QDROCO will make every effort to request this information directly. However, the success of QDROCO to obtain such information is not guaranteed.)

IV. QDROCO FEES

- A. **Service Fees.** You must review and sign the Fee Schedule for the Services you would like QDROCO to provide. If you are retaining QDROCO for Consulting Services in addition to the services outlined herein, a separate Consulting Agreement is required.
- B. **Out of Pocket and Hourly Expenses.** QDROCO Fees include routine 1st class mailing costs and telephone charges. However, we reserve the right to charge you for any out of pocket costs arising in connection with services which are other than routine including, but not limited to: messenger fees, overnight delivery fees, overseas phone calls, computerized research, charges made by government agencies and/or unusual clerical charges.
- C. **Hourly Fees:** Hourly services fees will be carefully itemized and billed at the hourly rate of \$150/hour. You agree that if you request hourly rate services, we have no obligation to render such service before payment of the hourly rate in advance, based upon a good faith time estimate, if we request such a payment.
- D. **Refunds.** Withdrawn DRO Drafting or Review Requests are subject to a \$150 administrative fee *per* DRO. Full fee is non-refundable after DRO is drafted.
- E. **Division of QDROCO Fees Among Parties.** Fees will be allocated to the hiring attorney or between parties as stipulated in the parties' applicable agreement. Each party will be invoiced separately for their share of the Fees whenever possible.
- F. **Additional Services.** In addition to the Fees outlined in the Fee Schedule, it may become necessary for QDROCO to perform additional services related to the work covered by this Agreement that was not reasonably foreseen at the time this Agreement was fully executed.

QDROCO will provide prompt notification in the event additional services become necessary, including estimated time to complete the additional work.

QDROCO will inform the parties and/or attorneys regarding additional services prior to performing said services above and beyond the Services incorporated herein. It is possible that a new Engagement Agreement will need to be executed for any services not included in this Agreement.

QDROCO's rate for any such additional services will be at **\$150 per hour**.

Such additional services may not require a separate Agreement.

V. **PAYMENT OF QDROCO'S FEES**

The Fees are to be **paid in full** and in advance of QDROCO's commencement of services under this Agreement. Payment is accepted by check or credit card.

VI. **PLAN ADMINISTRATION REVIEW FEES.**

In some cases, the Plan Administrator will charge fees for the review and qualification of an Order. Any such fees are not part of this Agreement.

VII. LIMITATION OF LIABILITY

- A. QDROCO shall not be liable to anyone who may claim any right under this Agreement due to any affiliation with QDROCO, for any acts or omissions in the performance of services reasonably covered by this Agreement on the part of QDROCO, including its agents or employees, except when said acts or omissions result directly from willful misconduct or gross negligence of QDROCO.
- G. Parties to this Agreement shall hold QDROCO, its agents, consultants and employees free and harmless from any obligations, costs, claims, judgments, settlements, attorney fees, and/or attachments arising from services rendered that are reasonably covered by this Agreement, or that are in any way connected with the rendering of such services, except when the same results directly from willful misconduct or gross negligence of QDROCO, as proven in accordance with the Agreement's dispute resolution section (i.e., section IX).
- H. Parties to this Agreement shall indemnify QDROCO for any costs, claims, judgments, settlements, attorney fees, and/or attachments arising from services rendered that are reasonably covered by this Agreement, or that are in any way connected with the rendering of such services, except when the same result directly from willful misconduct or gross negligence of QDROCO, as proven in accordance with the Agreement's dispute resolution section (i.e., section IX).

VIII. LIMITATION OF REMEDIES

- A. In the event there is a monetary judgment or other judicial or quasi-judicial award against QDROCO, its agents, consultants and/or employees, the sole and exclusive remedies against QDROCO will be limited to, at QDROCO's option, replacement or correction of any services not in conformance with this Agreement, or to the repayment of the portion of compensation paid attributable to the nonconforming Services.
- B. Neither QDROCO, its agents, consultants and/or employees may be held liable for any other damages, including but not limited to special, direct, indirect, incidental, and/or consequential damages.
- C. In the event a monetary award (e.g., arbitration award, judgment, or other judicial or quasi-judicial award) is obtained against QDROCO, its agents, consultant's and/or employees, parties to this Agreement hereby acknowledge and agree that any such award may not exceed the amount paid to QDROCO for the services under this Agreement.

IX. OUTSIDE LEGAL REPRESENTATION

QDROCO does not express any opinion as to the outcome of any legal matter, nor does QDROCO, its agents, consultants or employees render legal advice. Orders prepared by QDROCO will only be released to an attorney who will review the Order for content, suitability and conformance with the parties' intentions.

X. FINANCIAL OR TAX ADVICE

QDROCO does not express any opinion as to the outcome of any financial matter, nor does QDROCO, its agents, consultants or employees render financial or tax advice. QDROCO recommends that parties to this Agreement seek financial and/or tax advice from a financial or tax professional.

XI. TERMINATION

This Agreement may terminate at any time, with or without cause, by written notification. If such termination occurs, all original papers and property will be returned promptly to the original provider.

QDROCO may continue to retain QDROCO's file containing work product under this Agreement.

Termination of this Agreement will not affect the parties' responsibility for payment for the services rendered and out-of-pocket costs incurred before termination. The "Minimum Fee" is non-refundable after a DRO has been drafted. Withdrawn DRO requests are subject to \$100 administrative fee.

Termination by either party is effective upon receipt by the non-terminating party (e.g., proof may be shown by the signed, return proof card for certified mail, return receipt, delivery restricted to addressee).

QDROCO has and will retain the right to decline or discontinue services under this Agreement immediately, and without requiring proof of receipt by a either party, for breach of this Agreement, including non-payment of fees or costs, conduct which renders it unreasonably difficult to carry out the Agreement effectively, failure to provide information within a reasonable time as set forth by QDROCO, conflict of interest (e.g., QDROCO may be initially retained by both spouses jointly, and a conflict may arise during the pendency of the divorce proceedings, creating a conflict of interest for QDROCO), or other reasonable items not in violation of ethics codes covering QDROCO's profession. QDROCO will promptly notify all parties in writing of QDROCO's decision to discontinue services under this Agreement.

XII. ARBITRATION

In the event of disagreement, including fee disputes, services rendered or any other issue in dispute, the parties agree to resolve any disagreements by binding arbitration only. Each party shall be responsible for its own attorneys' fees and costs incurred as a result of a disagreement and arbitration.

XIII. ENTIRE AGREEMENT/WAIVER/CHOICE OF LAW

This Agreement represents the entire agreement for all periods during which QDROCO renders the Services outlined above. Any modifications to this Agreement must be made in writing and signed by all parties to this Agreement.

- A. The undersigned participated in the negotiation of this Agreement.
- B. The undersigned acknowledges they have been advised to consult an attorney prior to signing this Agreement.
- C. If any term of this Agreement is deemed invalid by a competent authority (e.g., statute, arbitrator), the remaining terms shall continue in full force and effect.
- D. Waiver of any term of this agreement by either party at any time may not be construed as an ongoing waiver of that term, or of any other term of the Agreement, unless an agreement to that effect is made in writing and signed all parties to this Agreement.
- E. The parties agree that this Agreement is made and shall be construed under the laws of the state of Michigan.

XIV. EXECUTION OF AGREEMENT

By signing this Agreement, the undersigned agrees that this is an enforceable contract and accepts the terms, conditions and obligations as set forth herein.

If jointly retained by both parties, both parties' signatures are required.

Date

Date

Print Name

Print Name

Sign Name

Sign Name

If you are the attorney, please list your client's name below:

If you are the attorney, please list your client's name below:

/s/ _____
Sharee M. Burkel, President
The QDRO Company, LLC

**Please make checks payable to "THE QDRO COMPANY, LLC" and mail to:
The QDRO Company, LLC
PO Box #422
Chelsea, MI 48118**

To pay by e-Check, please contact us at (877) 661-7376 ext. 701. We will need your email address in order to email you the link for payment.

To pay by credit card, please contact us at (877) 661-7376 ext. 701 or complete the credit card information on the Case Worksheet.