

DISCLOSURE TO CLIENT

I/We have chosen _____ to serve as my/our financial advisor **only**.

I/WE understand that my/our designation of _____ as my/our financial advisor, upon my/our consent, provides the ability to transact financial business on my/our behalf.

This arrangement is done of my/our own free will and accord, and out of a desire to utilize _____ services as a financial advisor. Furthermore, as _____ is a financial advisor, I/we am/are aware that he receives the usual and customary brokerage fees and commissions. These fees, commissions, and expenses have been explained and individually reviewed by me/us prior to entering into any transaction. The actual percentage rate of the commission he will receive is _____ %. For example, if the invested amount was \$10,000 dollars, then _____ would receive \$_____ dollars as the commission. This commission is being paid to _____ by **Employees Life Company (Mutual)**.

I/WE have been advised that I/WE may return the financial product to the issuing company within 30 days of receipt of the policy for a refund as set forth in Insurance Code Section 10127.10.

_____ has **NOT** advised or counseled me/us to make any transfer of assets that could result in the imposition of a period of ineligibility for Medi-Cal. _____ has specifically advised me/us against making any such transfer.

I/We understand that if a dispute arises between me/us and _____ regarding his fees or services in connection with the above-referenced relationship, such dispute shall be submitted to binding arbitration in front of the National Association of Securities Dealers or JAMS in _____, California. This includes any claim against _____ or any of his associates for breach of contract, negligence, breach of fiduciary duty or other wrongdoing.

Such arbitration shall be conducted in accordance with the rules of the National Association of Securities Dealers or the American Arbitration Association.

The arbitrator shall have the discretion to order the losing party in the arbitration proceedings to reimburse the prevailing party for all costs and fees incurred in connection with the arbitration, including without limitation attorney fees and the arbitrator's fee.

I/WE acknowledge that _____ has explained to me/us that such binding arbitration may deprive me/us of various rights that I/We otherwise might have in a legal action, including without limitation the right to a jury trial, the right to appeal, and full discovery rights.

Additionally, pursuant to California Insurance regulation, I am required to advise you of the following:

In the event I recommend that you sell or liquidate any stocks, bonds, IRA, certificate of deposit, mutual fund annuity, or other assets to fund the purchase of an annuity from an insurance company, you may be subject to some or all of the following:

1. Tax consequences;
2. Early withdrawal penalties;
3. Or, other costs or penalties.

You may wish to consult an independent legal or financial advisor before selling or liquidating any assets and prior to purchasing an annuity.

In light of the above provisions, I/we now consent to the utilization of _____ as a financial advisor. This consent includes his ongoing supervision of my/our account(s) as is fair and reasonable as measured by the standards of a reasonable financial advisor.

Furthermore, and in conclusion, the specifics of this disclosure have been individually reviewed with me/us. After such review and a reasonable opportunity to ask questions, I/We have initialed each page and have signed below in order to express my/our consent to its entirety.

Signature Date

Signature Date

NOTICE REGARDING STANDARDS FOR MEDI-CAL ELIGIBILITY

If you or your spouse are considering purchasing a financial product based on its treatment under the Medi-Cal program, read this important message!

You or your spouse do not have to use up all of your savings before applying for Medi-Cal.

UNMARRIED RESIDENT

An unmarried resident may be eligible for Medi-Cal benefits if he or she has less than \$2,000.00 in countable resources.

The Medi-Cal recipient is allowed to keep from his or her monthly income a personal allowance of () plus the amount of any health insurance premiums paid. The remainder of the monthly income is paid to the nursing facility as a monthly share of cost.

MARRIED RESIDENT

COMMUNITY SPOUSE RESOURCE ALLOWANCE: If one spouse lives in a nursing facility, and the other spouse does not live in a facility, the Medi-Cal program will pay some or all of the nursing facility costs as long as the couple together does not have more than \$87,000.00.

MINIMUM MONTHLY MAINTENANCE NEEDS ALLOWANCE: If a spouse is eligible for Medi-Cal payment of nursing facility costs, the spouse living at home is allowed to keep a monthly income of at least his or her individual monthly income or (insert amount of the minimum monthly maintenance needs allowance), whichever is greater.

FAIR HEARINGS AND COURT ORDERS

Under certain circumstances, an at-home spouse can obtain an order from an administrative law judge or court that will allow the at-home spouse to retain additional resources or income. The order may allow the couple to retain more than (insert amount of community spouse resource allowance plus individual's resource allowance) in countable resources. The order also may allow the at-home spouse to retain more than (insert amount of the monthly maintenance need allowance) in monthly income.

REAL AND PERSONAL PROPERTY EXEMPTIONS

Many of your assets may already be exempt. Exempt means that the assets are not counted when determining eligibility for Medi-Cal.

REAL PROPERTY EXEMPTIONS

ONE PRINCIPAL RESIDENCE. One property used as a home is exempt. The home will remain exempt in determining eligibility if the applicant intends to return home someday.

The home also continues to be exempt if the applicant's spouse or dependent relative continues to live in it.

Money received from the sale of a home can be exempt for up to six months if the money is going to be used for the purchase of another home.

REAL PROPERTY USED IN A BUSINESS OR TRADE. Real estate used in a trade or business is exempt regardless of its equity value and whether it produces income.

PERSONAL PROPERTY AND OTHER EXEMPT ASSETS

IRAs, KEOGHs, AND OTHER WORK-RELATED PENSION PLANS. These funds are exempt if the family member whose name it is in does not want Medi-Cal. If held in the name of a person who wants Medi-Cal and payments of principal and interest are being received, the balance is considered unavailable and is not counted. It is not necessary to annuitize, convert to an annuity, or otherwise change the form of the assets in order for them to be unavailable.

PERSONAL PROPERTY USED IN A TRADE OR BUSINESS

ONE MOTOR VEHICLE

IRREVOCABLE BURIAL TRUSTS OR IRREVOCABLE PREPAID BURIAL CONTRACTS.

THERE MAY BE OTHER ASSETS THAT MAY BE EXEMPT.

This is only a brief description of the Medi-Cal eligibility rules, for more detailed information, you should call your county welfare department. Also, you are advised to contact a legal services program for seniors or an attorney that is not connected with the sale of this product.

I have read the above notice and have received a copy.

Dated: _____

Signature: _____

Signature: _____