



WHOLESALE BROKER REGISTRATION PROCESS

A. Overview:

Thank you for considering becoming a registered broker with Korth Direct Mortgage, LLC ("KDM"). Our registration process is outlined below. Please review the information and contact your Account Executive if you have any questions. KDM registration is required for all mortgage loan brokers ("Broker") who originate loans that are submitted to KDM for loan approval and funding in KDM's name. All Brokers must be registered before loans are funded.

B. Broker Criteria:

The Broker must meet the following criteria:

- Be properly licensed and authorized to broker loans that meet KDM product line and underwriting requirements.
- Have been in business for at least two years. In cases of newer firms, principals should have at least five years' experience in mortgage lending.
- Have a good reputation in the industry and a high level of professionalism and strong ethical standards.
- Have a "good standing" rating with all governmental licensing and revenue collection agencies and have a public record clear of any civil or criminal judgments. A Broker whose firm has been suspended, is currently under investigation by any agency or has an open judgment in excess of \$5,000 will not be approved or may not be renewed to do business with KDM.

C. Documentation Requirements:

Broker is responsible for completing the application and submitting to KDM. Documentation needed to support the Broker application may vary, but in all cases the following items are required from applicants:

1. A completed and signed Wholesale Broker Application.
2. A completed and signed Wholesale Broker Agreement.
3. Copies of all licenses or exemption letters from states, where required, in which the Broker currently does business.
4. A complete and signed W-9 form.

Please submit your complete application and exhibits to your Account Executive. Electronic copies are acceptable. Your application will then be processed and registration confirmation issued through your Account Representative.



WHOLESALE BROKER APPLICATION

Company Name ("Applicant"): _____

Company DBA: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Primary Contact Name: _____ Title: _____

Primary Phone No.:() _____ Email: _____

Form of Organization:

- Corporation Sole Owner Partnership Limited Limited Liability Corporation Bank Charter
- Other: _____

Applicant is Licensed or Registered to broker loans in (circle all that apply):

AZ CA FL IL LA MI MN NC ND NJ NY NV PA RI SD UT VT

If closely held, list owners showing relative ownership and position:

Name:	Position:	Percentage Ownership

Please respond to the following:

Has your company or any of its owners, partners, managers or principals ever been suspended or terminated by any lender, state regulatory or licensing agency? No Yes (please explain)

Is the company or any of its owners, partners, managers or principals currently involved in any litigation that could affect the ability to perform as a broker? No Yes (please explain)

Authorization:

By signing the Wholesale Broker Agreement which is a part of the application process Applicant certifies that the information provided herein is true and correct.



WHOLESALE BROKER AGREEMENT

THIS AGREEMENT ("Agreement") is entered in the State of Florida this ___ day of ____, ____ between Korth Direct Mortgage, LLC, hereinafter referred to as "KDM", and _____ hereinafter referred to as "Broker".

WHEREAS, Broker seeks to become an approved broker of mortgage loans to be submitted to KDM; and, WHEREAS, the parties wish to establish a non-exclusive relationship between and for the benefit of KDM and Broker, Broker will submit to KDM, from time to time, selected and completed applications of eligible applicants for mortgage loans for review, underwriting and potential approval by KDM.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements hereinafter contained, the parties agree as follows:

1. **General Broker Responsibility:**

Broker shall perform all of the following duties and functions at Broker's sole expense and Broker agrees to truthfully provide and perform these conditions in addition to the other promises, representations and covenants contained herein:

- A. Submit to KDM completed mortgage loan application packages (each a "Package") from loan applicants using such forms and under such programs, procedures and fee schedules as KDM periodically may establish.
- B. Furnish KDM the loan applicant's credit, financial and other information as KDM may require.
- C. Provide such additional information as KDM may reasonably request to assist KDM after the closing of the mortgage loan by KDM.
- D. Perform such other services as KDM shall require to close the mortgage loans.
- E. Comply with all applicable local, state and federal laws, including but not limited to the Equal Credit Opportunity Act, the Fair Credit Reporting Act and any other governmental regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the loan to be made is located.

2. **Broker's Warranties:**

Broker represents and warrants to KDM at the time any Package is submitted to KDM and at the time that any mortgage loan is funded and closed by KDM, that:

- A. That the information contained in the Wholesale Broker Application is true and correct. That Broker shall not submit in any Package any false, fraudulent or erroneous information or statements, or omit any material fact necessary to make any statement or information included in the Package true, accurate, complete and understandable. For purposes of this warranty, the term "submit" shall mean (i) submitting a Package to KDM with false, fraudulent or erroneous information with actual knowledge thereof; or (ii) submitting a Package to KDM with false, fraudulent or erroneous information after failing to follow standard practices and procedures prevalent in the mortgage banking or brokering industry which, if followed, would have led to the discovery or disclosure thereof; or (iii) submitting a Package with false, fraudulent or erroneous information where such information was or should have been within the knowledge or control of Broker. Broker acknowledges that the information in a Package is subject to KDM's independent verification, underwriting approval or quality control review but this shall not affect Broker's duties, responsibilities and representations hereunder.



- B. Unless otherwise exempt, Broker is in compliance with all business licensing requirements to do business in the state(s) in which Broker brokers, originates or negotiates any mortgage loan and possesses and agrees to maintain as valid, all necessary licenses, permits, and authority to engage in activities contemplated by this Agreement.
- C. Unless disclosed to KDM in writing and approved by KDM in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the loan applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and Broker (and Broker's agents, employees, officers and directors) shall have no direct or indirect ownership interest, guaranty interest lien on or in any property intended as security for the mortgage loan being reviewed by KDM.
- D. Broker, if it is not an individual, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has full power and authority to own its assets and carry on its business as it is now being conducted, and is duly qualified to transact business where such qualification is required.
- E. All mortgage loan applications submitted to KDM will be originated, compiled and prepared by trained employees of Broker and will be properly originated, prepared and completed in accordance with the procedures and guidelines of KDM, which shall be known to Broker and Broker warrants to remain apprised of all current procedures and guidelines of KDM sent to Broker by KDM. Further, Broker agrees to deliver to KDM any and all exhibits or documents obtained or prepared by the Broker in connection with each loan submitted.
- F. Broker has the requisite authority and capacity to enter into this Agreement.

3. No Joint Venture, Partnership or Agency:

Broker acknowledges that nothing in this Agreement shall be construed to create a joint venture between Broker and KDM. In addition, nothing in this Agreement shall be construed to make Broker a partner, agent, representative, or employee of KDM, and Broker shall not hold itself out as such. Broker may not use KDM's name in any advertising medium. Broker acknowledges and agrees that it is acting on behalf of a borrower will conduct any and all business activities accordingly including determining the method, details and means of performing of all services described within this Agreement.

4. Indemnification:

Broker shall indemnify and hold harmless KDM and its shareholders, directors, officers, agents, attorneys, employees, successors and assignees from and against (and shall reimburse the same with respect to) any and all loss, damage, liability, cost and expense, including reasonable attorney's fees incurred by reason of, or arising out of, or in connection with:

- A. Any breach of any representation, warranty or covenant contained in this Agreement; or
- B. Broker's failure to perform any obligation hereunder.

Without limiting the generality of the foregoing, in the event of any breach of any representation, warranty or covenant contained in this Agreement by Broker, Broker's indemnity shall extend to each third party to which KDM has sold any loan or to any assignee thereof.

5. KDM has Sole Discretion to Approve Mortgage Loans:

KDM agrees to review all Packages submitted by Broker; however, mortgage loan approval shall be within KDM's sole discretion. Broker shall not represent that KDM has approved or will approve any mortgage loan until Broker is so informed by KDM in writing. Mortgage loans shall close in the name of KDM and KDM shall appear on the promissory note as beneficiary. In the event that a mortgage loan application is denied, KDM shall cause to be delivered to Broker a statement of credit denial, termination or change. Broker agrees to inform Applicant of the adverse action on the mortgage loan application in accordance with the regulations of the Equal Credit Opportunity Act.

Broker acknowledges that failure of KDM to review or discover any deficiency or error in the mortgage loan or the loan file at time of closing by KDM will not release Broker from its obligations to use its best efforts to provide any required documentation or



correct any errors subsequently discovered. Nor will such a failure to review or discover deficiencies or errors prevent or inhibit KDM's exercise of any of its remedies hereunder.

6. Change in Underwriting Standards:

Broker acknowledges that KDM’s underwriting standards may be amended at any time. KDM shall provide written notice to Broker of such changes. Any such changes shall apply to all applications submitted to KDM by Broker after the written notice of amendments. Upon such change and written notice, Broker shall comply with all modified underwriting guidelines and modifications thereto.

7. Compensation:

Broker agrees that each deal will have a separate, mutually agreed upon, compensation schedule. Broker and KDM will execute a broker compensation addendum. Compensation will be detailed in the Conditional Loan Approval given to borrower as well as the closing statement.

8. Inspection Rights of KDM:

Broker agrees to keep and maintain its books and records as to mortgage loans hereunder so as to meet and comply with Federal and State laws and regulations. Broker hereby grants permission and authority to KDM to audit said files. Broker understands that KDM will maintain an active quality control system and that KDM may routinely reverify pertinent credit documentation submitted by Broker even after a loan is closed or sold to KDM.

9. Notices:

All notices required herein shall be in writing and shall be deemed to have been given, made and received: a) one (1) business day after the date of dispatch, if by facsimile with a confirmed transmission; b) one (1) business day after deposit, if delivered by a nationally recognized courier service offering guaranteed, overnight delivery; c) three (3) business days after deposit in the United States mail, certified mail, postage prepaid, return receipt requested, at the addresses appearing below; or, d) when sent to the email address identified in the Broker Application, which hereby incorporated herein.

All notices required to be given may be sent by registered or certified mail addressed as follows:

If to KDM: Korth Direct Mortgage, Inc
135 San Lorenzo, Suite 600
Coral Gables, FL 33146
Attn: Daniel Llorente, Chief Lending Officer

If to Broker: _____

Or at such other offices or addresses as either party shall inform the other in accordance with this paragraph.

10. No Assignment of Broker’s Rights or Duties:

Broker shall not have the right to assign any of its duties, obligations, or rights under this Agreement without the prior written consent of KDM, which consent is subject to KDM’s sole discretion.

11. Arbitration of Disputes, Attorney Fees:

Any controversy, claim or dispute among the parties arising out of this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Miami, Florida and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction, including the Superior Court of Miami, County of Miami-Dade. The fees and costs incurred in any such arbitration (exclusive of each party’s attorney’s fees and costs) shall be borne equally between the parties. However, the prevailing party from such arbitration shall be entitled to recover



its attorney's' fees in addition to any other relief to which it may be entitled. Should either party fail or refuse to pay its share of the fees and costs, then the non-refusing party may advance those fees and costs and the non-paying party shall then be deemed to have waived their right to participate in the binding arbitration and shall be precluded from participating in the arbitration unless and until they have reimbursed the advancing party. Any such reimbursement must be at least 14 days prior to the Arbitration Hearing date in order to cure the default of the non-paying party.

12. Entire Agreement:

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporary agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed by both parties, except where KDM has been specifically granted the right to do so hereunder. It is the intention of the parties hereto that this Agreement shall be construed under and according to the substantive laws of the state of Florida and shall not be binding until executed by KDM. All questions regarding the validity, interpretation or performance of any of its terms, representations and warranties of any rights or obligations of the parties shall be governed by the laws of the State of Florida.

13. Enforceability of Agreement:

If any provision of this Agreement is held invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

14. Further Acts of Parties:

Each party shall perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

15. Waiver:

The waiver of any breach, term, provision or condition of this Agreement shall not be construed to be a waiver of any other breach, term, provision or conditions. All remedies afforded by this Agreement, or breach hereof, shall be cumulative, that is, in addition to all other remedies provided herein at law or in equity.

Korth Direct Mortgage, LLC

Broker: _____

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									
					-				

or

Employer identification number									
					-				

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.