

**LICENSE DEFENDERS, INC.
RN GUARDIAN
PLAN CONTRACT**

PREAMBLE

WHEREAS, LICENSE DEFENDERS, INC. dba RN Guardian (hereinafter referred to as “RN Guardian”) is a California Corporation that provides member services to qualified registered nurses; and

WHEREAS, registered nurses have developed a need for a significant and specialized form of legal representation services; and

WHEREAS, RN Guardian was established to provide said legal defense service benefits to its members;

NOW, THEREFORE, RN Guardian, hereby describes its plan contract as set forth in the following pages.

**ARTICLE I
DEFINITIONS**

1. “Administrative Office” – refers to the administrative office of RN Guardian as follows:

2366 Gold Meadow Way, Suite 200
Gold River, California 95670
(916) 851-1900
2. “Panel Attorney” – an attorney selected by RN Guardian as needed and as provided for in this plan document to provide legal services under the Plan Contract.
3. “Plan” or “Plan Contract” – the group prepaid legal services plan contract as set forth herein and any amendment thereto. The terms “Plan” and “Plan Contract” shall be used interchangeably in this Plan Contract.
4. “Member” – any California Registered Nurse who qualifies for benefits under this Plan document as described herein.
5. “Administrator” – a person or persons appointed by RN Guardian to evaluate claims and carry-out other administrative duties as prescribed by RN Guardian.

6. "Representation" – refers to the representation provided to the member by the Panel Attorney. Representation may include phone conferences, personal conferences, attendance at meetings, preparing correspondence, responding to correspondence, legal research, investigation, attendance at the Administrative proceedings, attendance at any court proceeding and other services. Representation shall be offered to the member in accordance with the Plan based upon the professional judgment and opinion of the Panel Attorney and the Administrator.
7. "Limited Representation" – refers to representation offered to any member by a Panel Attorney, and approved by the Administrator, and may include many of the services defined as "Representation" but shall not include formal litigation or any appearance in any formal legal proceeding in any court or administrative proceeding nor shall it require a Panel Attorney to substitute in as attorney of record in any formal legal proceeding.
8. "California Board of Registered Nursing" – refers to the State of California Board of Registered Nursing, also referred to as "BRN" through which registered nurses in California are issued a license to practice nursing.
9. "Events" – refers to any incident, action or perceived action, which may give rise to a complaint to the BRN or notification to the BRN of said incident or action.

ARTICLE II ENTITLEMENT TO BENEFITS

1. Member Eligibility Requirement

To be eligible for membership any applicant for membership must meet the following eligibility requirements: Any registered nurse of California who is licensed through the California Board of Registered Nursing, and whose license is active and valid.

2. Initial Entitlement to Benefits

A qualified and eligible member shall be entitled to benefits for events which occur after all the following have occurred:

- a. Proper application to RN Guardian, the date on which the Administrator is in actual receipt of an application to RN Guardian, which in the judgment of the Administrator properly meets the requirements of this section and membership requirements;
- b. Payment of membership fees (dues) – The date on which the Member has made the required payment as described in Section 4 of this Article.

3. **Application**

- a. Application for participation in the Plan shall be submitted by the Member to RN Guardian on the forms provided by RN Guardian;
 - i. Online Application
 - ii. US Mail Application

4. **Required Payments**

- a. Payment Amount – the contribution required in order to be entitled to services under the Plan is a monthly contribution of Eleven Dollars and ninety-five cents (\$11.95) or an annual contribution of One Hundred and Thirty-Seven Dollars and forty cents (\$137.40).
- b. Time of Payment – payments as described in this section shall be made in full either on an annual basis by paying \$137.40 which entitles the Member to benefits, as otherwise described herein, for a period of twelve (12) calendar months from the date of Member's payment, or on a monthly basis by paying \$11.95, provided the member pays by credit card, and provided the member has properly authorized automatic billing of \$11.95 each month to the credit card. Termination of a Member's participation in RN Guardian shall not result in any refund of any payment.
- c. Method of Payment – payments shall be deemed to have been made as of the date of the Member's online payment by credit card or on the date of the postmark on the envelope containing the payment, if made by U.S. Mail, provided it has been properly addressed to RN Guardian at its administrative office. The foregoing shall not apply, however, where payment is made by a check which is not honored by the bank upon which it was drawn, or upon a credit card payment that is later invalidated, contested or withdrawn.

5. **Termination of Benefits**

The Member's benefits shall automatically terminate or be limited as described in Article IV (Exclusions and Limitations) of the Plan Contract, or Shall automatically terminate for any occurrence as described herein. Member benefits shall terminate on the date of said occurrence and not necessarily upon the date that the Administrator or RN Guardian became aware of said occurrence. Accordingly, Member benefits shall automatically terminate as follows:

- a. After twenty-one (21) calendar days have passed from the time of non-payment of membership fees/contributions as described in this Article. Non-payment of contributions includes failure of payment of contributions due to any problem with a member's credit card which prevents the automatic monthly or annual billing of contributions to the member's credit card. Such problems include but are not limited to expiration of the credit card, attempted billing that result in the credit limit for the credit card being exceeded, or any change in the account number or any other information associated with the credit card. While RN Guardian may or may not notify the member of any failed billing due to credit card problems. It is the member's responsibility to ensure that the credit card provided for the purpose of paying membership contributions remains active, valid, and operational. If non-payment of contributions and the automatic termination of RN Guardian benefits after the 21 day grace period following non-payment of contributions and the automatic termination of RN Guardian benefits after the 21 days grace period following non-payment results from any problem with a member's credit card, the prior member will be afforded the opportunity to rejoin RN Guardian and obtain membership benefits by paying required contributions using a valid and operational credit card; however, any events which occur after 21 calendar days following non-payment of membership fees/contributions and before payment of membership fees/contributions resumes, and which may lead to license defense issues of any kind, will not be covered by RN Guardian.
- b. When the Member loses his or her license pursuant to the California Board of Registered Nursing except when said member's loss of license is the subject of services being provided under the Plan.
- c. When a Member is convicted of any misdemeanor or felony, at the discretion of the Administrator.
- d. When the Member becomes deceased in that no benefits as described herein shall pass to any other person or entity other than Member.

ARTICLE III BENEFITS

Subject to the exclusions and limitations set forth in the Plan Contract, a Member is entitled to the benefits as described herein for which the Member is properly qualified under all of the Articles of the Plan Contract.

1. **The member shall be entitled to the following benefits and services:**
 - a. Advice, consultation and representation during the course of any investigation by the Board of Registered Nursing, including during any interview, interrogation, or fact-finding procedure. Note: Until a member's claim has been formally accepted by RN Guardian and an attorney assigned to the case, the Member is solely responsible for any deadlines associated with the investigation or appeal.
 - b. Representation to challenge any Board of Registered Nursing citation, fine, suspension or adverse action either formally or informally, upon approval of the Administrator as follows:
 - i. Representation in any Board of Registered Nursing administrative hearing before an administrative law judge or before the full Board of Registered Nursing;
 - ii. Upon approval of the Administrator, representation to overturn any adverse administrative decision in the California Superior Court through administrative mandamus proceedings;
 - iii. Whereby legally appropriate, and upon approval of the Administrator, representation in any judicial proceeding to enforce, implement or support any favorable administrative decision;
 - c. Advice, consultation and limited representation on any civil claim, suit or other action where the member is named as a defendant in any incident arising from the course and scope of the member's job as a registered nurse. Limited representation may include advice, consultation, phone conferences, correspondence, and document review to obtain defense coverage for any member from his or her liability or malpractice insurance coverage or through his or her employer, but does not include representation in the civil claim, suit or other action itself.
 - d. Advice, consultation, and limited representation regarding any criminal investigation or criminal prosecution initiated against any member arising from any matter within the course and scope of his or her job as a registered nurse. Limited representation may include advice, consultation, phone conferences, correspondence, and other preliminary advice, but does not include representation in the criminal prosecution itself.
 - e. Advice and consultation regarding any matter that may affect a member's license through the Board of Registered Nursing.

- f. Legal representation shall also include the payment of costs, at the discretion and the professional judgment of the Administrator as described in Section 2 of this Article.
 - g. Participation in the Preferred Member discount program as described in Article VIII.
 - h. Any member who would otherwise be excluded from representation benefits due to an event which predated membership, or for other reasons as described herein, shall be entitled to have the option for representation under the Preferred Member Discount Program.
2. **Costs**

Benefits for a member for whom benefits have been extended by RN Guardian shall include the payment of costs that may include, but are not limited to, investigation costs, expert witness costs, transcript costs and other costs. Any expenditure for costs, shall be made in the sole discretion and based upon the professional judgment of the Administrator.

ARTICLE IV EXCLUSIONS AND LIMITATIONS

In addition to the exclusions and limitations set forth elsewhere in this Plan Contract, the benefits under the Plan Contract shall be subject to the following exclusions and limitations:

1. **Events Occurring Outside of California**

Any event occurring outside the borders of the State of California shall be specifically excluded from benefits under the Plan Contract.

2. **Events Occurring Prior to or After Membership**

Any event occurring either prior to or following the time period an eligible member is entitled to benefits, as described in Article II of this Plan.

3. **Discipline or Investigation Resulting from a Violation or Alleged Violation of Probation**

A member shall not be entitled to any benefit or representation for a disciplinary matter arising from a violation of Probation, or where the incident that gave rise to probation was committed prior to membership.

4. **Appeals Following Verdict or Judgment and Criminal Proceedings**

A Member shall not be entitled to any benefits following Entry of a Judgment or a verdict following a civil or criminal trial. Said exclusion includes any form of appeal of the herein described judicial proceeding. A member shall be excluded from BRN representation resulting from any misdemeanor or felony conviction that occurred subsequent to membership.

5. **Discretion of Panel Attorney and RN Guardian**

The Panel Attorney assigned to the Member shall exercise his or her best legal judgment on all strategy related decisions in the representation of any RN Guardian Member. Representation may be limited, denied or excluded if the Panel Attorney and RN Guardian decide, when exercising their professional judgment, that certain actions within the course of representation should not be conducted. For example, the Panel Attorney and RN Guardian may decide that an appeal to an administrative hearing or a superior court judicial proceeding is not advisable because it has a low probability of success. In that event, the RN Guardian Administrator may deny further benefits.

6. **Other Legal Matters**

Benefits under the Plan are extended for the purposes as described in Article III of the Plan. No benefit shall be provided under the Plan for any other type of legal matter not specifically described herein including, but not limited to any and all civil matters, employment matters, labor matters, workers' compensation, personal injury, social security, unemployment, retirement matters and any other type of legal matter. Nothing in this section shall prevent a Member from retaining a provider law firm under the Preferred Member Discount Program.

**ARTICLE V
CLAIMS PROCEDURES**

1. **Member's Duty to Notify Administrator of Claim**

A Member shall be obligated to notify the Administrator if Member has a claim for benefits before Member may receive any benefits under the Plan. Notification to any other party including any Panel Attorney other than the Administrator is ineffective to obtain entitlement to benefits. Failure to notify the Administrator of any claim shall relieve RN Guardian of any obligation to provide benefits.

2. **Telephone Notification**

A Member shall accomplish notification of the Administrator as described above by calling the Administrator at **1 (800) 506-9766**.

3. **Acceptance or Denial of Claim by Administrator**

The Administrator shall consider each claim for benefits and determine whether to grant or deny coverage under the Plan Contract. If coverage is granted, the Member shall be referred to a Panel Attorney in the discretion of Administrator. If the claim is denied, the Member shall have the right to appeal a denied claim pursuant to the procedures described in Section 6 of this Article V.

4. **Referral by Administrator to Panel Attorney**

The Administrator shall refer representation of a Member who is entitled to benefits to a Panel Attorney. In making such referral, the Administrator shall select a Panel Attorney from the Law Offices of Goyette & Associates, Inc. or from other designated panel attorneys in California. The Administrator shall have sole discretion to select a Panel Attorney for a Member.

5. **Dissatisfaction or Non-cooperation with Panel Attorneys**

If a member unreasonably refuses representation by a Panel Attorney selected to represent Member or fails or refuses to accept the advice of the Administrator or a Panel Attorney, RN Guardian shall be free from further obligation to such Member to provide benefits. Such Member shall be free to employ alternative counsel at Member's own expense to represent Member.

6. **Appeal Procedures**

a. **Denial**

If claim for benefits made by a Member is wholly or actually denied, the Administrator shall give written notification of such denial to the Member. The notification shall include specific reasons for such denial and a specific reference to the Plan Contract Section upon which the denial is based.

b. **Request for Arbitration Hearing**

Any Member whose claim has been denied may appeal to an arbitrator to conduct a hearing in the matter, provided that Member requests a hearing in writing within fifteen (15) calendar days after being notified of the denial. Said appeal must include a description as to why the Member believes the reasons for the denial are inapplicable or invalid.

c. Selection of Arbitrator and Conduct of Hearing

The arbitrator shall be selected from a list of five (5) arbitrators specifically maintained by the Administrator to resolve such disputes. The Member shall select an arbitrator and notify the Administrator of Member's selection. The Administrator shall then contact the Arbitrator and schedule a hearing within thirty (30) days of said selection.

The arbitration hearing shall be abbreviated in nature and the formal rules of evidence shall not apply. The arbitrator, in his or her discretion may or may not take formal witness testimony. The Member shall be entitled to present his or her position and any evidence in support thereof at the hearing. The Member may be represented at the hearing by an attorney of his or her choosing at the Member's expense. Within thirty (30) days of the hearing, the arbitrator shall issue a written decision affirming, modifying, or setting aside the Administrator's decision. The arbitrator shall have no authority to award a Member damages, attorney's fees, costs, nor shall the arbitrator have authority to alter or amend the Plan Contract in any way. The sole issue for the arbitrator to decide shall be whether the Member is entitled to benefits under the Plan Contract. IN the event the arbitrator overturns the Administrator's decision of a denial of benefits, the Administrator shall thereafter refer the Member to a Panel Attorney as described in the Plan Contract. The arbitrator's decision shall be final and binding and shall not be subject to any form of appeal, Writ, Motion or request to set aside the arbitrator's decision

**ARTICLE IV
MISCELLANEOUS**

1. Limitation of Rights

Neither the establishment of RN Guardian or the Plan Contract, nor any modification thereof, nor any creation of any fund or account, nor the payment of any benefits shall be construed as giving any Member or other person or legal entity any legal right of action or recourse against RN Guardian or its employees or agents.

2. Applicable Laws

The laws of the State of California shall control any and all disputes under the Plan Contract.

3. **Confidentiality**

A provider of services to a Member pursuant to the Plan Contract shall not divulge to third parties matters which a Member revealed to Panel Attorney in confidence. A Panel Attorney shall, however, be entitled to provide information to the Administrator and other agents and employees of RN Guardian concerning the Member's case. RN Guardian shall not reveal to any third party matters or information it receives in confidence from a Member in the course of Member's application for benefits or receipt of benefits under the Plan Contract.

4. **Independent Contractors**

All Panel Attorneys and other providers of service are independent contractors and are not agents of RN Guardian.

5. **Arbitration of Disputes**

Any and all disputes arising under the Plan Contract or any other dispute between a member and RN Guardian or its agents or employees shall be resolved through mandatory binding arbitration. By Member's application for benefits, any Member hereby agrees to mandatory binding arbitration for any future disputes with RN Guardian, its agents, or employees. A Member's consent to mandatory binding arbitration of any future disputes between the Member and RN Guardian or its agents or employees is a pre-condition of acceptance of any person's application for membership.

**ARTICLE VII
AMENDMENT AND TERMINATION**

In order that RN Guardian can carry out its obligation to maintain, within the limits of its resources, a program dedicated to providing maximum benefits to qualified Members, RN Guardian expressly reserves the right, in its sole discretion, at any time and from time to time to:

1. Amend or terminate any benefit, even though such amendment or termination affects cases already accepted by the Administrator, provided that the responsibility of RN Guardian to pay for approved services previously rendered shall not be affected;
2. To increase or decrease the rate of contributions or alter the method of payment;
3. To amend or rescind any other provision of this Plan Contract.

ARTICLE VIII
PREFERRED MEMBER DISCOUNT PROGRAM

Any Member of RN Guardian shall be eligible for representation on legal services not otherwise covered by membership from a provider law firm at a discount ranging from ten percent (10%) to twenty-five percent (25%) on any legal matter within the expertise of the provider law firm. A Member shall be under no obligation to use a provider law firm for any such legal matter.