

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF OHIO**

VERITAS INDEPENDENT PARTNERS,	:	Case No. 1:18-cv-769
LLC, and on behalf of all others similarly	:	
situated,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	
THE OHIO NATIONAL LIFE	:	
INSURANCE COMPANY; OHIO	:	
NATIONAL LIFE ASSURANCE	:	
CORPORATION; OHIO NATIONAL	:	
EQUITIES, INC.; and OHIO NATIONAL	:	
FINANCIAL SERVICES, INC.,	:	
	:	
Defendants.	:	

**CLASS ACTION COMPLAINT**

Plaintiff Veritas Independent Partners, LLC (“Veritas”), individually and on behalf of all others similarly situated (the “Class”), brings this action arising out of Defendants’ class-wide and unlawful decision to stop paying contractually agreed-upon trail commissions due to independent broker/dealers.

**PARTIES**

1. Plaintiff Veritas Independent Partners, LLC is an Arkansas limited liability company with a principal place of business at 2201 Washington Avenue, Suite 2, Conway, Arkansas 72034. Veritas’s two members are citizens of and reside in Arkansas. Veritas is an independent broker dealer registered with the FINRA.

2. Veritas offers investment and advisory products and services directly to retail customers through representatives who are licensed and registered with FINRA, with the United States Securities and Exchange Commission and with state insurance agencies.

3. Some of the financial products selected by Veritas to be available to its representatives for sale and servicing to clients are created by third parties such Ohio National, with whom Veritas enters into selling and/or servicing agreements.

4. In those circumstances, the revenue Veritas receives is based on the commissions paid by those third parties, including Ohio National, on the financial products sold through Veritas.

5. Defendant The Ohio National Life Insurance Company is a corporation organized under the laws of Ohio, with a principal place of business at One Financial Way, Cincinnati, Ohio 45242. The Ohio National Life Insurance Company is a wholly-owned subsidiary of Ohio National Financial Services, Inc., which has the same principal place of business.

6. Defendant Ohio National Life Assurance Corporation is a corporation organized under the laws of Ohio, with a principal place of business at One Financial Way, Cincinnati, Ohio 45242. Ohio National Life Assurance Corporation is a wholly-owned subsidiary of The Ohio National Life Insurance Company.

7. Defendant Ohio National Equities, Inc. is a corporation organized under the laws of Ohio, with a principal place of business at One Financial Way, Cincinnati, Ohio 45242. Ohio National Equities, Inc. is an independent broker dealer registered with FINRA. Upon information and belief, Ohio National Equities, Inc. is a wholly-owned subsidiary of The Ohio National Life Insurance Company.

8. Defendant Ohio National Financial Services, Inc. is a corporation organized under the laws of Ohio, with a principal place of business at One Financial Way, Cincinnati, Ohio 45242. Ohio National Financial Services, Inc. is the sole parent of The Ohio National Life Insurance Company.

**JURISDICTION AND VENUE**

9. Federal diversity jurisdiction exists pursuant to 28 U.S.C. § 1332. The Ohio National defendants are corporations incorporated under the laws of Ohio with principal places of business in Ohio, and the amount in controversy exceeds \$5,000,000.

10. This Court has jurisdiction over Ohio National because its principal place of business is in this District.

11. Ohio National conducted and solicited business in the Southern District of Ohio, engaged in a persistent course of conduct in Ohio and/or derived substantial revenues from goods or services used in the Southern District of Ohio, and engaged in conduct in Ohio which caused foreseeable injuries to Plaintiff and the Class.

**ADDITIONAL FACTS**

12. In 2014, Defendants The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Ohio National Equities, Inc., and Ohio National Financial Services, Inc. (collectively, “Ohio National” and/or “Defendants”) and Veritas entered into a Selling Agreement, pursuant to which, among other things, Veritas agreed to sell Ohio National’s variable annuity contracts through Veritas’s representative sales agents with commissions to be paid under a Schedule of Commissions. True and accurate copies of the relevant portions of the Selling Agreement and the Schedule of Commissions (“Commission Schedule”) are attached hereto as Exhibits A and B.

13. Upon information and belief, Defendants had entered into thousands of the same or substantially similar selling agreements with the thousands of members of the Class for over a decade, all of which expressly provide that Ohio law shall govern the agreements.

14. One of the contracts to be sold by Plaintiff and the Class in accordance with the Selling Agreement was a variable annuity with a Guaranteed Minimum Income Benefit Rider (“GMIB Annuity Contract” or the “Contracts”).

15. The GMIB Annuity Contract provides a guaranteed retirement income for life, regardless of the performance or value of the underlying contract investments.

16. The GMIB Annuity Contract is sold to a client through Plaintiff and the Class in exchange for a lump sum premium paid to Ohio National at the time of purchase (the client or clients are hereinafter referred to as the “Clients” or the “Annuity Contract Owner”).

17. The GMIB Annuity Contract provides that the amount of the annual income is derived by taking the higher of a fixed percentage of either the investor’s account value or a fixed guaranteed minimum. Even if a combination of underperforming investments, contract fees and income distributions in the account value were to cause the annuity’s account value to fall to zero, Ohio National is nonetheless still responsible for continuing a certain level of guaranteed income for the lifetime of the client.

18. Upon information and belief, recently Ohio National concluded the pool Ohio National’s GMIB Annuity Contracts were unprofitable to Ohio National.

19. Consequently, Ohio National decided that it was in its best interest to exit as many existing GMIB Annuity Contracts as possible; and where it could not do so, Ohio National decided to eliminate paying commission obligations to the Class and Plaintiff, irrespective of Defendants’ agreements with the Class and Plaintiff. On information and belief, the decision to exit the annuity business and stop paying Ohio National’s contractually obligated commissions was made and directed by the parent corporation, Ohio National Financial Services, Inc.

20. As set forth below, Ohio National cannot do so without breaching its contractual obligations under the Selling Agreement.

21. Under the Selling Agreement, Ohio National appointed Veritas to sell its Contracts: “ONL ... hereby appoint[s] BD to supervise solicitations of the Contracts, and to facilitate solicitations of sales of the Contracts which are described in the Schedule(s) of Commissions attached hereto.” See Ex. A, ¶1.

22. Commissions payable in connection with the Contracts shall be paid to Plaintiff and the Class “according to the Commission Schedule(s) relating to this Agreement as they may be amended from time to time *and in effect at the time the Contract Payments are received by [Ohio National].*” See Ex. A, ¶9.

23. Veritas transfers all premiums paid on each sold Contract to Ohio National with the Contract application, so Ohio National receives Contract payments up front. See Ex. A, ¶8.

24. The Commission Schedule under the Selling Agreement identified three types of commissions that could be paid on a Contract: commissions on initial premiums; commissions on add-on premiums; and trail commissions. See Ex. B.

25. The Commission Schedule provided that for the Contracts, Veritas or its representatives could choose from commission pay out options. See Ex. B, at 2-5.

26. This case is about the trail commissions.

27. A trail commission is compensation based on both the premiums paid by the customer and the earnings on those premiums that is deferred by Veritas for at least a year, and that lasts until the Contract is annuitized or surrendered.

28. Specifically, the Commission Schedule allowed Veritas or its representatives to choose to be paid a greater amount upon the initial sale of the Contracts, or to be paid more evenly (in the form of a trail commission) over the life of the Contract. See Ex. B, at 1.

29. As set forth in part of the Commission Schedule below for the ONcore Premier FPDA Contracts, for example, Veritas and its representatives were presented with five different “Options” to choose from for a commission, and the amount of up front commissions was dependent upon the amount of trail commission chosen. The smaller the up front lump sum commission selected, the larger the trail commission paid out:

<b>COMMISSIONS FOR PURCHASERS AGE 80 and UNDER</b>					
	Option 1	Option 2	Option 3	Option 4	Option 5
Initial Premium <sup>1</sup>	6.00%	5.00%	1.00%	7.00%	3.00%
Add-on premiums	6.00%	5.00%	1.00%	7.00%	3.00%
Trails <sup>2</sup>					
Deposit Yrs 2-6	0.00%	0.25%	1.00%	0.00%	0.80%
Deposit Yrs 7 +	1.00%	1.00%	1.00%	0.00%	0.80%

See Ex. B, at 2; see also id. at 3-5.

30. The Commission Schedule in place at the time of the sale of the Contracts at issue here also expressly provided that the trail commissions would continue to be paid to the Plaintiff and the Class not only during the life of the Selling Agreement, but also as to each particular Contract, for so long as that Contract remained live: “Trail commissions will continue to be paid to the broker dealer of record while the Selling Agreement remains in force ***and on any particular contract until the contract is surrendered or annuitized.***” See Ex. B, at 2-5.

31. Nonetheless, Ohio National has sought to skirt its obligations to the Plaintiff and the Class.

32. First, Ohio National sought to buy its way out of the situation by encouraging Plaintiff and the Class to “sell” clients on the benefit of an alternative investment.

33. Expecting that would alone be insufficient to exit their obligations, Ohio National tortiously devised a scheme to save money by refusing to pay owed trail commissions to Veritas and the Class on GMIB Annuity Contracts.

34. Ohio National initiated this scheme by announcing in September of this year to the Plaintiff and the Class that it was terminating the Selling Agreement, and informed Veritas and the Class that trail commissions would not be paid post-termination, notwithstanding the unambiguous terms of the Selling Agreement's Commission Schedule, which specifically provides – among other language that vests the right to a trail commission – that Ohio National will pay trail commissions to Plaintiff and the Class of broker/dealers “on a particular contract until the contract is surrendered or annuitized.”

35. A true and accurate copy of Ohio National's September 21, 2018 letter (“Termination Letter”) to Plaintiff is attached hereto as Exhibit C. Upon information and belief, it is similar to those sent by Ohio National contemporaneously to thousands of other independent broker/dealers, including Class Members.

36. Second, Ohio National, however, understood that the Plaintiff and the Class would not want to leave their Clients without any assistance and Defendants – without compensating Plaintiff and the Class – hoped to pass on to Plaintiff and the Class the ongoing costs associated with transferring the Clients to other products, as well as servicing the Clients on non-transferred Contracts.

37. So, on the same day Defendants sent the Termination Letter, Ohio National sent a letter to the Plaintiff and the Class advising that they could still have access to the Clients' information at Ohio National so they can continue to service those clients, just without any compensation.

38. Servicing a client on a Contract is complicated, however, and requires an analysis of, among other things: the amount of withdrawals allowed per year on the Contract; the timing of withdrawals; the timing of annuitization; and the expected return per year from the annuity contract. Deciding whether a Contract should be surrendered or exchanged for another product is likewise complicated.

39. Upon information and belief, therefore, it is Defendants' expectation that they may be able to lower their exposure on certain Contracts by causing broker/dealers to transfer clients who have purchased the Contracts to alternative products.

40. In furtherance of this effort, Defendants have decided to directly attempt to convince Plaintiff's and the Class's clients to give up their Contract benefits.

41. In an email dated October 29, 2018, Ohio National notified Plaintiff and the Class:

From November 12, 2018 through February 11, 2019, Ohio National is offering the opportunity for eligible clients to participate in a Buyout offer of their ... variable annuity contract with Guaranteed Minimum Income (GMIB) rider. By accepting this offer, clients will be cancelling their variable annuity contracts and all attached riders in exchange for an Enhanced Contract Value, which they may receive as a cash surrender or transfer to a financial product available from another financial institution.

("Buyout Offer.")

42. In that same email, Ohio National made it clear that it was going directly to the client with the Buyout Offer: "The following items accompany this letter: A list of clients eligible for the offer[;] A sample of the letter your eligible client will receive[;] a copy of the GMIB Buyout Offer Acceptance form[.]" Id.

43. Ohio National's unlawful conduct is thus intended to extract extra work from the Plaintiff and the Class but cut off the payment of the trail commissions to Plaintiff and the Class they are entitled to receive. More troubling, that illicit effort seemed designed to pressure Plaintiff to



counsel their clients to purchase substitute financial products or result in advisors providing less service to GMIB Annuity clients, thereby increasing the chances Ohio National will get the result it seeks—surrender of the GMIB Annuity Contracts.

44. Plaintiff seeks a declaratory judgment concerning the disputed rights and obligations under the Selling Agreement, as well as specific performance and/or monetary remedies for breach of contract.

45. This conduct is widespread and uniform. Upon information and belief, hundreds or thousands of members of the Class are due the payment of trail commissions on the Contracts and are currently servicing those Contracts.

46. Upon information and belief, Ohio National pays tens of millions of trail commissions on these Contracts each year to Plaintiff and the Class and has likely calculated, identified, and recognized the contingent liability on their financial statements.

47. Ohio National now intends to retain the tens of millions of dollars annually in trail commissions it otherwise would have paid Plaintiff and the Class if the Selling Agreement were honored.

48. Ohio National's improper conduct has caused and is continuing to cause damage and irreparable harm to Plaintiff, including the loss of goodwill and the negative impact upon Plaintiff's and the Class's relationships and reputation.

#### **CLASS ACTION ALLEGATIONS**

49. Plaintiff brings this suit as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of itself and all members of the following Class:

All broker-dealers who Defendants notified in September of 2018 that Defendants were terminating the Selling Agreement and that all annuity trail compensation would cease to be paid by Defendants on GMIB Annuity Contracts.

50. Excluded from the Class are: (1) all judicial officers presiding over this matter and members of their families; (2) Defendants, their subsidiaries, parents, successors, predecessors, affiliates over which they have a controlling interest, and their current or former employees, registered and/or securities representatives, officers, and directors; (3) counsel for Plaintiff and Defendants (and employees of their firms); and (4) legal representatives, successors, or assigns of excluded persons.

51. The Class fulfills Federal Civil Rule 23(a).

52. The Class is so numerous that joinder of all members is impracticable. Upon information and belief, variable annuities represented the bulk of Defendants' assets under management — \$23.6 billion, or about 56% of the total, at the end of 2017. Upon information and belief hundreds if not thousands of independent broker/dealers are owed trail commissions for Contracts under Selling Agreement that Defendants terminated in September 2018 with the accompanying announcement that trail commissions would not be paid.

53. The identities of Class Members are easily ascertainable through Ohio National's electronic records.

54. Common questions of law and fact exist as to all Class Members that predominate over any questions affecting only individuals Class Members, including but not limited to, the following:

- a. Whether Ohio National entered into a Selling Agreement that provided trail commissions would be owed to the broker/dealer on particular Contracts until the Contract is surrendered or annuitized;
- b. Whether Ohio National provided notice that it was terminating the Selling Agreement;

- c. Whether Ohio National repudiated the agreement by announcing that it would no longer pay trail commissions under those Selling Agreements on the Contracts after the termination;
- d. Whether Ohio National breached the Selling Agreement by terminating the Agreement and advising it would no longer pay trail commissions;
- e. Whether Ohio National Financial Services, Inc. induced or caused the other Ohio National Defendants to breach the Selling Agreement;
- f. Whether Ohio National is liable to Plaintiff and Class Members for that breach;
- g. Whether Plaintiff and Class Members are entitled to damages; and
- h. Whether Plaintiff and the Class are entitled to declaratory relief and/or injunction to enforce the terms of the Selling Agreement.

55. Each of the Class Member's Selling Agreements is substantially similar, by – among other things – providing that Defendants shall pay Plaintiff and each Class Member trail commissions on each particular contract until the contract is surrendered or annuitized under a substantially similar or same Commission Schedule.

56. The evidence to demonstrate Defendants' conduct will be common to the Class, establishing a class-wide claim, including but not limited to termination letters, notices to Class members, testimony about the class-wide decision to terminate trail commissions, and internal accounting records of Defendants (including but not limited to reserves and other liabilities recognized by Defendants on their books for trail commissions) that will be used to demonstrate the amount of damages owed to the Class.

57. Plaintiff's claims are typical of the claims of the Class it will represent. Plaintiff and all Members of the proposed Class have suffered similar injuries as a result of the same alleged illegal practices.

58. Plaintiff has no interests adverse to the interests of the other Class Members.

59. Plaintiff will fairly and adequately protect the interests of the Class.

60. Plaintiff has retained attorneys well experienced in class actions and complex litigation.

61. The Class satisfies both Federal Civil Rules 23(b) and 23(c). Defendants have acted and continue to refuse to act in ways that apply generally to the proposed class, thereby making final injunctive relief or declaratory relief described herein appropriate for the benefit of the entire Class, questions of law or fact common to the Class predominate over any questions affecting only individual members, and a class action treatment is superior to other available methods for the fair and efficient adjudication of the controversy which is the subject of this action.

62. Certification of one or more subclasses or issues may be appropriate for certification under Federal Civil Rule 23(c).

63. The interests of judicial economy will be served by concentrating litigation concerning these claims in this Court, and the management of the Class will not be difficult.

64. Defendants have caused injury and damages to Plaintiff and the Class through the above conduct.

65. A class action is needed to afford Plaintiff and Class Members of their contractual rights and without it Defendants will continue to injure Plaintiff and the Class.

**CAUSES OF ACTION**

**COUNT I**

**Declaratory Judgment Relief (28 U.S.C. §§ 2201-2202)**

66. Plaintiff repeats, realleges and incorporate by reference the allegations contained in the preceding paragraphs as if fully stated herein.

67. Plaintiff requests that this Court declare that: both prior to and after the termination of the Selling Agreement, Defendants are obligated pursuant to the Selling Agreement to pay all trail commissions to Plaintiff and the Class on all Contracts until any particular contract is surrendered or annuitized.

68. There is an actual and justiciable controversy between the parties with regard to these issues.

**COUNT II**

**Breach of Contract**

69. Plaintiff repeats, realleges and incorporates by reference each and all of the allegations contained in the preceding paragraphs as if fully stated herein.

70. Ohio National and Plaintiff, as well as the Class, are parties to the Selling Agreement, which is a binding and enforceable contract.

71. Plaintiff, as well as the Class, has at all times fulfilled its obligations, if any, under the Selling Agreement.

72. Ohio National is contractually required to pay commissions, including trail commissions, to Veritas after the termination of the Selling Agreement.

73. As noted above, Ohio National has clearly and unequivocally informed Plaintiff, as well as the Class, that it will not pay any commissions after the termination of the Selling Agreement.

74. Defendants' actions constitute a breach of the express terms of the contract and the duty of good faith and fair dealing implied in every contract.

75. As a direct and proximate result of Ohio National's breach and unlawful conduct, Veritas and the Class will be damaged, and Ohio National is therefore liable to Plaintiff in an amount to be determined by the Court, together with costs, interest and attorneys' fees as allowable by law. In addition, Plaintiff and the Class are entitled to specific enforcement of the terms of the Selling Agreement by way of declaratory judgment and injunctive relief.

**COUNT III**  
**Injunctive Relief**

76. Plaintiff repeats, realleges and incorporates by reference the allegations contained in each and all of the preceding paragraphs as if fully stated herein.

77. Defendants have no right to harm the goodwill and reputation of Plaintiff and the Class through their interference with relationships created, maintained and developed by and at the expense of Plaintiff and the Class.

78. Unless Defendants are enjoined from the conduct described herein, Plaintiff and the Class will continue to suffer irreparable harm including loss of goodwill, loss of reputation, and financial losses that are presently not calculable.

79. Plaintiff and the Class have no adequate remedy at law.

80. The irreparable harm that Plaintiff and the Class will suffer if injunctive relief is denied outweighs the potential harm (if any) to Ohio National if injunctive relief is granted. Plaintiff and the Class have demonstrated a likelihood of success on the merits and that a balancing of the equities and the public interest favor the issuance of injunctive relief against Ohio National.

81. It is unjust and inequitable to permit Ohio National to benefit from the deliberate disregard of Ohio National's contractual and legal obligations.

82. The injunctive relief that Plaintiff requests would merely maintain the status quo requiring Ohio National to adhere to the Selling Agreement and its other legal obligations and is appropriate.

**COUNT IV**  
**Tortious Interference with Contract**  
**(Solely Against Defendant Ohio National Financial Services, Inc.)**

83. Plaintiff repeats, realleges and incorporates by reference the allegations contained in each and all of the preceding paragraphs as if fully stated herein.

84. Defendant Ohio National Financial Services, Inc., without a privilege to do so, induced or otherwise purposely caused the other Ohio National Defendants to breach their obligations under the Selling Agreement to Plaintiff and the Class.

85. Plaintiff and the Class will be damaged as a direct result of Ohio National Financial Services, Inc.'s interference with their contractual relationships with the other Ohio National Defendants.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff respectfully request that this Court:

1. That the Court determine, certify and order that the claims brought by the Class may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure;
2. That the Court award money damages.
3. That the Court declare Plaintiff's and the Class' rights to trail commissions under the Selling Agreement.
4. That the Court award injunctive relief allowed for by law and equities.
5. That the Court award prejudgment and post-judgment interest.

6. That the Court award punitive damages and attorneys fees as may be permitted by law.
7. That the Court award such other relief as may be permitted by law and equity.
8. That the Court order Defendants to pay the costs of this action.

**JURY DEMAND**

Plaintiff demands a trial by jury on all claims.

Dated: November 8, 2018

Respectfully submitted,

VERITAS INDEPENDENT PARTNERS,  
LLC

By its attorneys,

**/s/ James B. Hadden**

James B. Hadden, Trial Attorney (0059315)

Geoffrey J. Moul (0070663)

Brian K. Murphy (0070654)

Joseph F. Murray (0063373)

Murray Murphy Moul + Basil LLP

1114 Dublin Road

Columbus, OH 43215

Telephone: 614.488.0400

Facsimile: 614.488.0401

Email: hadden@mmb.com

moul@mmb.com

murphy@mmb.com

murray@mmb.com



# **EXHIBIT A**

## SELLING AGREEMENT

Agreement, made this 25 date of August, 2017 by and between The Ohio National Life Insurance Company, an Ohio Corporation; Ohio National Life Assurance Corporation, an Ohio corporation; Ohio National Equities, Inc. ("ONEQ"), an Ohio Corporation, and Veritas Ind. partners, a LLC Corporation.

Whereas, The Ohio National Life Insurance Company and its subsidiary, Ohio National Life Assurance Corporation (collectively referred to as "ONL"), issue certain variable insurance contracts/policies ("Contracts") described in this Agreement, which are deemed securities under the Securities Act of 1933 ("1933 Act"); and

Whereas, ONEQ is duly licensed as a Broker/Dealer with the National Association of Securities Dealers, Inc. ("FINRA") and the Securities and Exchange Commission ("SEC"); and

Whereas, ONL has appointed ONEQ as the Principal Underwriter of the Contracts; and

Whereas, ONL and ONEQ propose to have BD's registered representatives ("Representatives") who are, or will become, duly licensed insurance agents, solicit sales of the Contracts; and

Whereas, ONEQ delegates to BD, to the extent legally permitted, training and certain administrative responsibilities and duties in connection with sales of the Contracts;

NOW THEREFORE, in consideration of the premises and mutual promises contained herein, the parties hereto agree as follows:

### 1. APPOINTMENT

ONL and ONEQ hereby appoint BD to supervise solicitations of the Contracts, and to facilitate solicitations of sales of the Contracts which are described in the Schedule(s) of Commissions attached hereto.

### 2. REPRESENTATIONS

- a. ONL, ONEQ and BD each represents to the others that it and the below signed officers have full power and authority to enter into this Agreement.
- b. ONEQ represents to BD that it is registered as a Broker/Dealer under the Securities Exchange Act of 1934 ("1934 Act") and under the securities laws of each jurisdiction in which such registration is required for the sale of the Contracts and that ONEQ is a member of the FINRA.
- c. BD represents to ONEQ that it is registered as a Broker/Dealer under the 1934 Act and under the securities laws of each jurisdiction in which such registration is

required for the sale of the Contracts, and that the BD is a member of the FINRA.

- d. ONL represents to BD that the Contracts, including related separate accounts, shall comply with the registration and all other applicable requirements of the 1933 Act and the Investment Company Act of 1940 ("1940 Act"), and the rules and regulations thereunder, including the terms of any order of the SEC with respect thereto.
- e. ONL represents to BD that the Contracts it issues have been duly filed and approved by the state insurance departments in such jurisdictions where it is authorized to transact business, unless otherwise indicated in the Schedule of Commissions.
- f. ONL represents to BD that the Registration Statement and any post-effective amendments and any supplements thereto, as filed or to be filed with the SEC, as of their respective dates, contain or will contain, all statements and information which are required to be stated therein by the 1933 Act and the 1940 Act and in all respects conform or will conform, to the requirements thereof.

### 3. COMPLIANCE WITH FINRA CONDUCT RULES AND FEDERAL AND STATE SECURITIES AND STATE INSURANCE LAWS

BD agrees to abide by all rules and regulations of the FINRA, including its Conduct Rules, and to comply with all applicable state and federal laws and the rules and regulations of authorized regulatory agencies affecting the sale of the Contracts.

### 4. LICENSING AND/OR APPOINTMENT OF REPRESENTATIVES

BD certifies that any Representative who requests appointment from ONL has not been convicted of a felony or a misdemeanor involving fraud or dishonesty. BD shall assist ONL and ONEQ in the licensing and/or appointment of Representatives under applicable insurance laws to sell the Contracts (see attached General Letter of recommendation). BD understands that ONL reserves the right to refuse to appoint any Representative or, once appointed, to thereafter terminate the same. BD shall notify ONEQ if any Representative ceases to be a registered representative of BD,

or if any Representative becomes the subject of adverse action (e.g., an amended U-4).

#### **5. SUPERVISION OF REPRESENTATIVES**

BD shall have full responsibility for training and supervision of all Representatives who are engaged directly or indirectly in the offer or sale of the Contracts and all such persons shall be subject to the control of BD with respect to such persons' activities in connection with the sale of the Contracts. BD shall comply with the administrative procedures of ONL and ONEQ involving state and federal securities law and state insurance law.

Before Representatives engage in the solicitation of applications for the Contracts, BD will cause: (1) the Representatives to be registered representatives of BD; (2) the Representatives to qualify under applicable federal and state laws to engage in the sale of the Contracts; (3) the Representatives to be trained in the sale of the Contracts; and (4) the Representatives to limit solicitations for the Contracts to jurisdictions where ONL has authorized such solicitation.

BD is specifically charged with the responsibility of supervising and reviewing its Representatives' use of sales literature and advertising and all other communications with the public in connection with the Contracts. No sales solicitation, including the delivery of supplemental sales literature or other such materials, shall occur, be delivered to, or used with a prospective purchaser unless accompanied or preceded by appropriate then current prospectus(es).

In the event a Representative fails to meet the BD's rules and standards with respect to the solicitation of Contracts, BD shall act to terminate the sales activities of such Representative relating to the Contracts.

#### **6. SALES PROMOTION MATERIAL AND ADVERTISING**

No sales promotion materials or advertising relating to the Contracts shall be used by BD unless the specific items have been approved in writing by ONL.

#### **7. SECURING APPLICATIONS**

All applications for Contracts shall be made on application forms supplied by ONL. BD will review all sales for suitability and all applications for completeness and correctness as to form. BD will promptly, but in no case later than the end of the next business day following receipt by BD, forward to ONL all complete and correct applications for suitable transactions, together with any payments received with the applications. ONL reserves the right to reject any Contract application and return any payment made in connection with

an application which is rejected. Contracts issued on accepted applications will be forwarded to BD or its Representatives for delivery to the Contract Owner within five (5) days after the date of issue, unless otherwise agreed by the parties hereto.

#### **8. PAYMENTS RECEIVED BY BD**

All premium or annuity purchase payments (hereinafter collectively referred to as "Payments") are the property of ONL and shall be transmitted to ONL by BD immediately in accordance with the administrative procedures of ONL without any deduction or offset for any reason, unless otherwise agreed by the parties hereto. CUSTOMER PREMIUM CHECKS SHALL BE MADE PAYABLE TO THE ORDER OF "OHIO NATIONAL LIFE".

#### **9. COMMISSIONS PAYABLE**

Commissions payable in connection with the Contracts shall be paid to BD, or its affiliated insurance agency, according to the Commission Schedule(s) relating to this Agreement as they may be amended from time to time and in effect at the time the Contract Payments are received by ONL. ONL reserves the right to: revise the Commission Schedules at any time upon at least thirty (30) days prior written notice to BD. ONL also reserves the right to adjust the compensation payable on sales of ONL products that replace existing ONL contracts and offset future compensation payable to BD against any compensation to be returned to ONL by BD. Compensation to the BD's Representatives for Contracts solicited by the Representatives and issued by ONL will be governed by an agreement between BD and its Representatives and its payment will be the BD's responsibility. In those states where express assignment of commissions is required, BD hereby assigns its Representatives' commissions to its affiliated insurance agency for those states.

BD will not pay any compensation to a Representative licensed pursuant to this Agreement until such Representative is authorized to receive such compensation under applicable state law.

The terms of compensation shall survive this Agreement unless the Agreement is terminated for cause by ONL, provided that BD remains a broker-dealer in good standing with the FINRA and other state and federal regulatory agencies and that BD remains the broker-dealer of record for the account.

#### **10. CANCELLATION OF POLICY**

If ONL refunds premiums or returns Contract value and waives surrender charges on any Contract for any reason, then no commission will be payable with respect to said premiums and any commission previously paid for said premiums shall

be refunded to ONEQ. However, ONL will not refund premiums or return Contract value and waive surrender charges to satisfy customer complaints without prior notification to BD.

ONEQ agrees to notify BD within thirty (30) days after it receives notice from ONL of any premium refund or a commission chargeback.

#### **11. ADDITIONAL PARTY TO THIS AGREEMENT**

In the event that BD is not licensed as an insurance agency in any state where it wishes to solicit contracts, but utilizes an affiliated entity to satisfy state insurance laws, such affiliated entity shall sign this Agreement and BD shall countersign this Agreement, and BD and its affiliated entity shall be duly bound thereby. All references to BD in this Agreement shall include any affiliated entity.

#### **12. HOLD HARMLESS AND INDEMNIFICATION PROVISIONS**

No party to this Agreement will be liable for any obligation, act or omission of the other. Each party to this Agreement will hold harmless and indemnify ONL, ONEQ, and BD as appropriate, for any loss or expense suffered as a result of the actual or alleged violation of, or noncompliance with, any applicable law or regulation or for a breach of this Agreement by a party or by an Associated Person of that party. The term "Associated Person" as used herein shall be defined consistently with the definition of such term as contained in Article I of the FINRA By-laws.

#### **13. NON-ASSIGNABILITY PROVISION**

This Agreement may not be assigned by any party except by mutual consent.

#### **14. NON-WAIVER PROVISION**

Failure of any party to terminate the Agreement for any of the causes set forth in this Agreement will not constitute a waiver of the right to terminate this Agreement at a later time for any of these causes.

#### **15. AMENDMENTS**

ONL and ONEQ each reserves the right to unilaterally amend this Selling Agreement in order to comply with any law, rule or regulation, provided, however, any such change or amendment shall become effective after thirty (30) days prior written notice is delivered to the address provided in the Selling Agreement.

Any other changes or amendments to the Selling Agreement shall not be effective unless thirty (30) days prior written notice is provided and unless agreed to by the parties in writing, if the change is proposed by the BD, or as evidenced by submission of additional applications if proposed by ONL or ONEQ.

#### **16. INDEPENDENT CONTRACTORS**

BD and its Representatives are independent contractors with respect to ONL and ONEQ.

#### **17. NOTIFICATION OF DISCIPLINARY PROCEEDINGS**

BD agrees to notify ONEQ in a timely fashion of any disciplinary proceedings against any of BD's Representatives arising from the solicitation of sales of the Contracts or any threatened or filed arbitration action or civil litigation arising out of BD's solicitation of the Contracts.

#### **18. BOOKS AND RECORDS**

ONL, ONEQ and BD agree to maintain their books, accounts and records so as to clearly and accurately disclose the nature and details of transactions and to assist each other in the timely preparation of records. ONEQ and BD shall each submit such records to the regulatory and administrative bodies which have jurisdiction over ONL or the underlying mutual fund shares.

Each party to this Agreement shall promptly furnish to the other party any reports and information which the other party may reasonably request for the purpose of meeting its reporting and recordkeeping requirements under the insurance laws of any state, under federal and state securities laws or under the rules of the FINRA.

#### **19. LIMITATIONS**

No party other than ONL shall have the authority on behalf of ONL to make, alter, or discharge any Contract issued by ONL, to waive any forfeiture or to grant, permit, or extend the time of making any Payments, or to alter the forms which ONL may prescribe, or to substitute other forms in place of those prescribed by ONL; or to enter into any proceeding in a court of law or before a regulatory agency in the name of or on behalf of ONL.

#### **20. TERMINATION**

This Agreement may be terminated at the option of any party upon sixty (60) days written notice to the other parties, or

without notice at the option of any party hereto upon a material breach by any party of the covenants and terms of this Agreement.

#### **21. NOTICE**

All notices to ONL and ONEQ relating to this Agreement should be sent to One Financial Way, Cincinnati, Ohio 45242, ATTN: Legal Department. All notices to BD shall be duly given if mailed to the address shown below, or if otherwise delivered to ONL in a manner mutually agreed upon before the attempted delivery.

#### **22. GOVERNING LAW/SEVERABILITY**

This agreement will be construed in accordance with the laws of the State of Ohio. Should any provision of this Agreement be held unenforceable, those provisions not affected by the determination of unenforceability shall remain in full force and effect.

#### **23. GENERAL CONDUCT OF BD**

BD expressly agrees that neither it nor its Representatives will: induce agents to leave ONL; engage in any course of conduct to systematically replace Contracts issued by ONL; or recommend or cause the surrenders of cash values of the Contracts to purchase or exchange for insurance policies or annuities issued by other insurance companies, unless such action is in the best interests of the customer; or otherwise do anything prejudicial to ONL's interest or that of its customers. This provision will continue in force after the termination of this Agreement.

#### **24. CUSTOMER COMPLAINTS**

In the event a complaint is received by ONL or ONEQ from a customer, ONL or ONEQ will advise BD as soon as possible of the existence and nature of the complaint. BD shall have a reasonable amount of time, not to exceed ten (10) days unless otherwise agreed to by the Parties, to resolve the complaint.

In the event the complaint is not resolved, ONL may, in its sole discretion, refund premiums or return contract values and waive surrender charges or otherwise act to resolve the customer's complaint.

In the event a complaint is made by a customer or to a state or federal regulatory agency or filed with an appropriate self-regulatory organization, BD shall fully cooperate with ONL in responding to the complaint, including providing all documents and records reasonably requested by ONL.

#### **25. REQUIRED ELEMENTS OF THIS AGREEMENT**

This agreement is not complete unless it includes a Commission Schedule, and the General Letter of Recommendation, both of which are incorporated herein by reference.

#### **26. ANTI-MONEY LAUNDERING PROCEDURES**

BD represents that it has adopted, implemented and will maintain an anti-money laundering compliance program as required by law. BD further warrants that before submitting applications and funds to ONL and ONEQ, BD will ensure that customers have been properly identified and the details of the transaction verified in accordance with the latest anti-money laundering requirements and guidelines. BD agrees to provide periodic evidence and details of its anti-money laundering procedures as requested by ONL and ONEQ.

#### **27. PRIVACY**

BD represents that it has adopted and implemented procedures to safeguard consumer information and records that are reasonably designed to (i) insure the security and confidentiality of BD's customer records and information; (ii) protect against any anticipated threats or hazards to the security or integrity of customer records and information; (iii) protect against unauthorized access to or use of BD's customer records or information that could result in substantial harm or inconvenience to any customer; (iv) protect against unauthorized disclosure of non-public personal information to unaffiliated third parties; and (v) otherwise ensure BD's compliance with Regulation S-P.

BD agrees to indemnify ONL against any and all claims, liability, expense or loss in any way arising out of BD's failure to adopt and implement these and such other privacy or confidentiality procedures that may be in the future required by law or regulation.

**THE OHIO NATIONAL LIFE INSURANCE COMPANY  
OHIO NATIONAL LIFE ASSURANCE CORPORATION**

BY: \_\_\_\_\_

Title: Vice Chairman & Chief Distribution Officer

**OHIO NATIONAL EQUITIES, INC.**

BY: \_\_\_\_\_

Title: Vice Chairman & Chief Distribution Officer

**BROKER DEALER**

169291 46-3578654  
Firm CRD # Tax ID Number

Veritas Independent Partners  
(Name)

1150 Bob Courtyard Dr, Suite 50  
(Street Address)

Conway, Ar 72032  
(City, State, Zip)

BY: Debra Shannon

Title: C.C.O.

**BROKER-DEALER INSURANCE AFFILIATE**

BY: Debra Shannon

Title: Owner



#### ADDENDUM TO SELLING AGREEMENT

The Selling Agreement by and between The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation (collectively referred to as "ONL"), Ohio National Equities, Inc. ("ONEQ"), and your firm ("BD"), is amended as follows.

1. All references to the National Association of Securities Dealers ("NASD") contained within the Selling Agreement are hereby deleted and replaced with the Financial Industry Regulatory Authority ("FINRA").
2. Section 7 of the Selling Agreement is hereby amended by inserting the following at the end of the section:

"BD may use electronic order tickets with the consent of ONL; provided that the order is not for a sale which is a replacement. If BD submits electronic order tickets for Contracts, BD represents and warrants that the electronic order ticket for the purchase of a Contract operates as an electronic signature from the registered representative representing that no replacement is involved in the sale."
3. Section 18 of the Selling Agreement is hereby amended by inserting the following at the end of the section:

"BD agrees to provide periodic evidence and to certify that it is in compliance with all applicable state insurance laws, federal and state securities laws and rules of FINRA as requested by ONL and ONEQ."

6. Confirmations. Contemporaneous confirmations are not provided on variable universal life policies for purchase payments made by automatic bank drafts, payroll deduction or other automated and regularly scheduled methods of payment pre-authorized by the purchaser. Confirmation of such payments appears on the annual statement for the policy provided to the policy owner on the occasion of each policy anniversary.

7. Application of ONL Rules and Practices. The then-current rules and practices of ONEQ and ONL shall govern the payment and adjustment of compensation under the following circumstances:

- (a) if issuance of the policy is based on any modification of the insurer's rules;
- (b) if the policy issued causes the total insurance for the insured to exceed the insurer's retention limit;
- (c) if any premium or cost of insurance is waived on account of disability;
- (d) if any temporary, extra premium or any extra premium on account of travel, residence or aviation is paid; or
- (e) if no other applicable provision of this Agreement controls.

**THE OHIO NATIONAL LIFE INSURANCE COMPANY  
OHIO NATIONAL LIFE ASSURANCE CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**OHIO NATIONAL EQUITIES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**BROKER DEALER** (identified in Agreement)

(on behalf of itself and Agency)

Firm: Veritas Independent Partners

By: Dana Shannon

Title: C.E.O

Date: 8-21-14



### FIXED AND VARIABLE INSURANCE ADDENDUM

WHEREAS, the parties hereto have entered into a Selling Agreement in order to enable BD and its Representatives to sell ONL variable products, namely ONcore variable annuities; and

WHEREAS, the parties wish to authorize BD and its Representatives to sell ONL life insurance products, which include variable life insurance ("variable contracts") and insurance and annuity contracts which are not variable contracts and not subject to regulation as securities under federal or state law ("fixed contracts"); and

WHEREAS, ONL desires to market the fixed contracts through BD's affiliated insurance agency ("Agency") and BD's Representatives;

NOW, THEREFORE, the parties hereto agree to supplement the Agreement, with regard to sales of variable life insurance policies, as follows:

1. Incorporation by Reference. The terms and provisions of the Selling Agreement are incorporated herein and made applicable to the solicitation, delivery and servicing of variable contracts and fixed contracts, except as follows:
  - (a) Ohio National Equities, Inc. ("ONEQ"), the principal underwriter of ONL's variable products, is only a party to this addendum with respect to variable life contracts. ONL, including both The Ohio National Life Insurance Company and Ohio National Life Assurance Corporation, is the issuer of the fixed contracts.
  - (b) References in the Selling Agreement to Contracts shall, for purposes of this addendum, also be references to fixed annuities and fixed life insurance policies issued by ONL
  - (c) The compensation supplement attached to, and incorporated into, this addendum, shall apply to the sales of variable contracts and fixed contracts issued by ONL. The compensation payable to the Agency under said compensation supplement is subject to such future changes as are made applicable to the variable and fixed contracts described therein.
2. Underwriting. BD shall cause its Representatives to comply with all procedures established by ONEQ or ONL for soliciting, completing and transmitting applications and orders and shall comply with ONL's rules and practices in regards to insurance underwriting and acceptance of risks.
3. Purchase Payments. A payment made to BD, or BD's receipt of a check or other negotiable instrument payable to ONL, shall not constitute payment to, or receipt by, ONL, except for BD's receipt of the initial payment necessary to place in force or to reinstate a policy or to effect its delivery. BD shall not make any representations to policy owners or premium payors contrary to the foregoing.
4. Limits on Authority. BD and its Representatives have no authority to accept any past due payment on behalf of ONEQ or ONL; to approve evidence of insurability for ONL; or to bind ONEQ or ONL by making or receiving any promises, representations or notices contrary to or inconsistent with the terms and provisions of the variable or fixed contracts, the prospectuses therefor (if any) or any sales literature developed or approved by ONL or ONEQ.
5. Delivery of Policies. No variable or fixed insurance policy shall be delivered unless and until the minimum premium payment required to place the policy in effect has been paid by the purchaser, nor unless BD, through its Representatives, is reasonably satisfied, based upon its own knowledge and upon reasonable inquiry to the proposed insured, that the proposed insured is, at the time of policy delivery, in the same health and insurable condition as represented in the application for the policy.

2014 ANNUITY SUITABILITY CERTIFICATION

The undersigned Broker-Dealer, Veritas Independent Partners  
(name of broker-dealer firm)

hereby certifies to Ohio National Financial Services, Inc. and any and all subsidiaries, and, if applicable, to National Security Life and Annuity Company (collectively "Insurer"), that the Selling Firm:

- (1) is a registered broker-dealer and a member of FINRA;
- (2) supervises sales of the Insurer's annuity contracts by the Selling Firm's registered representatives; and
- (3) has established and currently maintains a system to supervise recommendations to customers by or through the Selling Firm or its affiliates regarding the purchase or exchange of fixed and variable annuity products, as applicable, issued by the Insurer, which system is reasonably designed to achieve compliance with:
  - (a) all state insurance laws or regulations based on the NAIC Suitability and Annuity Transaction Model Regulation, the Regulation as revised, or otherwise pertaining to annuity sales practices if and to the extent that such laws and regulations are applicable to the Selling Firm; and
  - (b) all FINRA conduct rules regarding suitability, including but not limited to, Rule 2320 and Rule 2330 if and to the extent that such rules are applicable to the Selling Firm; and
- (4) has adopted and implemented written policies and procedures reasonably designed to achieve compliance with applicable laws, rules and regulations referenced above; and
- (5) conducts periodic reviews of its records to confirm that the Selling Firm is in compliance with applicable laws, rules and regulations referenced above.

The Selling Firm acknowledges and agrees that the Insurer may review the Selling Firm's compliance with this Certification.

The undersigned represents that he/she (1) is a senior manager of the Selling Firm who, in conjunction with others, has responsibility for overseeing suitability of annuity sales, (2) has a reasonable basis on which to make this certification, and (3) is authorized to provide this certification on behalf of the Selling Firm.

Certified this 25 day of August, 2014 by an authorized officer of the Broker-Dealer.

Broker Dealer: Veritas Independent Partners ID: 46-3578654

Address: 1150 Bob Courtway Dr, Suite 50 Print Name: Debra Shannon

City: Conway Signature: Debra Shannon

State: Ar Zip: 72032 Title: C.C.O

Phone Number: 501-358-6131 E-Mail: debra@veritasmail.com

# **EXHIBIT B**



Ohio National  
Financial Services®

*Life changes. We'll be there.®*

**ONCORE COMMISSION SCHEDULE**

Please check which ONcore products firm can sell:

<input checked="" type="checkbox"/>	Premier
<input checked="" type="checkbox"/>	Value
<input checked="" type="checkbox"/>	Lite
<input checked="" type="checkbox"/>	Xtra

On the following pages, please mark which Commission Options your Registered Representative can choose.

Section A: allows the firm to control which Commission Options your Registered Representatives may choose from. If Section A: is filled in; then in A2 the firm needs to pick a default option for cases where reps fail to make the choice on their application.

Also, if Section A is filled in, the reps will need to fill in the Rep Option on each client application (under their signature).

Section B: allows the firm to choose one Commission Option for all business. If this section is selected, reps will not need to fill in the Rep Option on the application.

**Please sign page 5 of the Oncore Commission Schedule and return it along with the Selling Agreement for proper Commission processing.**

**SCHEDULE OF COMMISSIONS - IBD**



**COMMISSIONS FOR PURCHASERS AGE 80 and UNDER**

	Option 1	Option 2	Option 3	Option 4	Option 5
Initial Premium <sup>1</sup>	6.00%	5.00%	1.00%	7.00%	3.00%
Add-on premiums	6.00%	5.00%	1.00%	7.00%	3.00%
Trails <sup>2</sup>					
Deposit Yrs 2-6	0.00%	0.25%	1.00%	0.00%	0.80%
Deposit Yrs 7 +	1.00%	1.00%	1.00%	0.00%	0.80%

**Commissions for purchasers age 81 - 85:**

	Option 1	Option 4	Option 5
Initial Premium	3.00%	3.50%	1.50%
Add-on premiums	3.00%	3.50%	1.50%
Trails <sup>2</sup>			
Deposit Yrs 2-6	0.00%	0.00%	0.40%
Deposit Yrs 7 +	1.00%	0.00%	0.40%

**1: You must select either A<sup>1a</sup> or B:**

<b>A: Firm allows Registered Representative to choose from the following options:</b>				
Option 1	Option 2	Option 3	Option 4	Option 5
✓	✓	✓	✓	✓

**1a: If A is selected, part 2 must be completed.**

<b>A2: If individual broker fails to select option, default will be:</b>				
Option 1	Option 2	Option 3	Option 4	Option 5
✓				

**B: Firm chooses one option for all business:**

Option 1	Option 2	Option 3	Option 4	Option 5

Annuitant must be living at time of policy delivery.  
 There will be a 100% chargeback if the policy is not taken during the free look period.  
 A chargeback of 1% will apply to contracts surrendered in years one and two if option 4 is chosen.  
 There will be a 100% chargeback if death occurs within the first six months.  
 There will be a 50% chargeback if death occurs within the second six months.

2: Trails are calculated on the quarterly anniversary by multiplying the trail basis\* by the quarterly trail rate.  
 For policies with multiple premiums, the trail basis is multiplied by the trail basis ratio\*\*.  
 \*The trail basis equals the average between the contract value on the quarterly anniversary and the contract value 90 days prior.  
 \*\*The trail basis ratio is the portion of premium that is due a trail on the quarterly anniversary.

Trail commissions will continue to be paid to broker dealer of record while the Selling Agreement remains in force and will be paid on a particular contract until the contract is surrendered or annuitized.

We reserve the right to adjust commissions on policies annuitized during the first contract year.

**SCHEDULE OF COMMISSIONS - IBD**

**COMMISSIONS FOR PURCHASERS AGE 80 and UNDER**

	Option 1	Option 2	Option 3
Initial Premium <sup>1</sup>	5.00%	4.00%	0.70%
Add-on premiums	5.00%	4.00%	0.70%
Trails <sup>2</sup>			
Deposit Yrs 2-6	0.00%	0.00%	0.70%
Deposit Yrs 7 +	0.00%	0.50%	0.70%

**Commissions for purchasers age 81 - 85:**

	Option 1	Option 2	Option 3
Initial Premium	2.00%	2.00%	2.00%
Add-on premiums	2.00%	2.00%	2.00%
Trails <sup>2</sup>			
Deposit Yrs 2-6	0.00%	0.00%	0.00%
Deposit Yrs 7 +	0.50%	0.50%	0.50%

**1: You must select either A<sup>1a</sup> or B:**

<b>A: Firm allows Registered Representative to choose from the following options:</b>		
Option 1	Option 2	Option 3
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**1a: If A is selected, part 2 must be completed.**

<b>A2: If individual broker fails to select option, default will be:</b>		
Option 1	Option 2	Option 3
<input checked="" type="checkbox"/>		

**B: Firm chooses one option for all business:**

Option 1	Option 2	Option 3

Annuitant must be living at time of policy delivery.

There will be a 100% chargeback if the policy is not taken during the free look period.

There will be a 100% chargeback if death occurs within the first six months.

There will be a 50% chargeback if death occurs within the second six months.

2: Trails are calculated on the quarterly anniversary by multiplying the trail basis\* by the quarterly trail rate.

For policies with multiple premiums, the trail basis is multiplied by the trail basis ratio\*\*.

\*The trail basis equals the average between the contract value on the quarterly anniversary and the contract value 90 days prior.

\*\*The trail basis ratio is the portion of premium that is due a trail on the quarterly anniversary.

Trail commissions will continue to be paid to broker dealer of record while the Selling Agreement remains in force and will be paid on a particular contract until the contract is surrendered or annuitized.

We reserve the right to adjust commissions on policies annuitized during the first contract year.

**SCHEDULE OF COMMISSIONS - IBD**



**COMMISSIONS FOR PURCHASERS AGE 80 and UNDER**

	Option 1	Option 2
Initial Premium <sup>1</sup>	6.00%	4.00%
Add-on premiums	6.00%	4.00%
Trails <sup>2</sup>		
Deposit Yrs 2-4	0.00%	1.00%
Deposit Yrs 5+	1.00%	1.00%

**COMMISSIONS FOR PURCHASERS AGE 81 to 85**

	Option 1	Option 2
Initial Premium	3.00%	2.00%
Add-on premiums	3.00%	2.00%
Trails <sup>2</sup>		
Deposit Yrs 2-4	0.00%	1.00%
Deposit Yrs 5+	1.00%	1.00%

**1: You must select either A<sup>1a</sup> or B:**

**A: Firm allows Registered Representative to choose from the following options:**

Option 1	Option 2
✓	✓

**1a: If A is selected, part 2 must be completed.**

**A2: If individual broker fails to select option, default will be:**

Option 1	Option 2
✓	

**B: Firm chooses one option for all business:**

Option 1	Option 2

Annuitant must be living at time of policy delivery.

There will be a 100% chargeback if the policy is not taken during the free look period.

There will be a 100% chargeback if death occurs within the first six months.

There will be a 50% chargeback if death occurs within the second six months.

2: Trails are calculated on the quarterly anniversary by multiplying the trail basis\* by the quarterly trail rate.

For policies with multiple premiums, the trail basis is multiplied by the trail basis ratio\*\*.

\*The trail basis equals the average between the contract value on the quarterly anniversary and the contract value 90 days prior.

\*\*The trail basis ratio is the portion of premium that is due a trail on the quarterly anniversary.

Trail commissions will continue to be paid to broker dealer of record while the Selling Agreement remains in force and will be paid on a particular contract until the contract is surrendered or annuitized.

We reserve the right to adjust commissions on policies annuitized during the first contract year.

SCHEDULE OF COMMISSIONS - IBD



COMMISSIONS FOR PURCHASERS AGE 80 and UNDER

	Option 1	Option 2	Option 3	Option 4
Initial Premium <sup>1</sup>	5.00%	4.00%	4.00%	3.00%
Add-on premiums	5.00%	4.00%	4.00%	3.00%
Trails <sup>2</sup>				
Deposit Yrs 2 - 8	0.00%	0.25%	0.00%	0.25%
Deposit Yrs 9 +	0.00%	0.25%	1.00%	1.00%

1: You must select either A<sup>1a</sup> or B:

<b>A: Firm allows Registered Representative to choose from the following options:</b>			
Option 1	Option 2	Option 3	Option 4
✓	✓	✓	✓

1a: If A is selected, part 2 must be completed.

<b>A2: If individual broker fails to select option, default will be:</b>			
Option 1	Option 2	Option 3	Option 4
✓			

**B: Firm chooses one option for all business:**

Option 1	Option 2	Option 3	Option 4

Annuitant must be living at time of policy delivery.  
There will be a 100% chargeback if the policy is not taken during the free look period.

There will be a 100% chargeback if death occurs within the first six months.  
There will be a 50% chargeback if death occurs within the second six months.

Trails are calculated on the quarterly anniversary by multiplying the trail basis\* by the quarterly trail rate.  
For policies with multiple premiums, the trail basis is multiplied by the trail basis ratio\*\*.

\*The trail basis equals the average between the contract value on the quarterly anniversary and the contract value 90 days prior.

\*\*The trail basis ratio is the portion of premium that is due a trail on the quarterly anniversary.

Trail commissions will continue to be paid to broker dealer of record while the Selling Agreement remains in force and will be paid on a particular contract until the contract is surrendered or annuitized.

We reserve the right to adjust commissions on policies annuitized during the first contract year.

OHIO NATIONAL LIFE INSURANCE COMPANY

By:

Name: Thomas A. Barefield

Title: Vice Chairman & Chief Distribution Officer

OHIO NATIONAL EQUITIES, INC

By:

Name: Thomas A. Barefield

Title: Vice Chairman & Chief Distribution Officer

Acknowledged and agreed to:

BROKER DEALER:

By: Debra Shannon

Name: Debra Shannon

Title: CEO

Date: 8-25-14



# **EXHIBIT C**



Ohio National  
Financial Services

One Financial Way  
Cincinnati, Ohio 45242

Post Office Box 237  
Cincinnati, Ohio 45201-0237  
513.794.6100  
ohionational.com

September 21, 2018

Veritas Independant Partners Llc  
Ste 50  
1150 Bob Courtway Dr  
Conway, AR 72032-4773

**RE: Selling Agreement**

To Whom It May Concern:

This letter is to provide notice of termination of any and all selling agreements, as amended, by and between you and any of your affiliates and The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation and Ohio National Equities, Inc. Termination will be effective December 12, 2018. Pursuant to the agreement, all individual annuity trail compensation will cease at that time. All group variable annuity trail compensation and life insurance renewal commissions will continue to be paid per the terms of the selling agreement.

You will be receiving information shortly about the terms for servicing your clients after termination of the selling agreement(s).

If you have any questions, please direct them to [legal@ohionational.com](mailto:legal@ohionational.com).

Sincerely,

A handwritten signature in black ink, appearing to read "William C. Price".

William C. Price  
Senior Vice President & Assistant General Counsel

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Veritas Independent Partners, LLC

(b) County of Residence of First Listed Plaintiff Conway County, AR (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) James B. Hadden, Geoffrey J. Moul, Brian K. Murphy, and Joseph F. Murray, Murray Murphy Moul + Basil LLP, 1114 Dublin Road, Columbus, OH 43215, 614.488.0400

DEFENDANTS

The Ohio National Life Insurance Company; Ohio National Life Assurance Corporation; Ohio National Equities, Inc.; and Ohio National Financial Services, Inc.

County of Residence of First Listed Defendant Hamilton County, OH (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship and business location (Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation).

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, LABOR, IMMIGRATION, FORFEITURE/PENALTY, SOCIAL SECURITY, FEDERAL TAX SUITS, BANKRUPTCY, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332

Brief description of cause:

Defendants have breached their contracts to pay trail commissions due to independent broker/dealers.

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ greater than 5,000,000.00 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE Susan J. Dlott

DOCKET NUMBER 1:18-cv-763-SJD

DATE SIGNATURE OF ATTORNEY OF RECORD

11/08/2018 /s/ James B. Hadden

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Ohio

Veritas Independent Partners, LLC

Plaintiff(s)

v.

The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Ohio National Equities, Inc., and Ohio National Financial Services, Inc.

Defendant(s)

Civil Action No. 1:18-cv-769

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) The Ohio National Life Insurance Company c/o Corporation Service Company, Registered Agent 50 West Broad Street, Suite 1330 Columbus, OH 43215

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

James B. Hadden Murray Murphy Moul + Basil LLP 1114 Dublin Road Columbus, OH 43215

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: \_\_\_\_\_

Signature of Clerk or Deputy Clerk

Civil Action No. 1:18-cv-769

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_.

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_, who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

I returned the summons unexecuted because \_\_\_\_\_; or

Other *(specify)*:

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_ 0.00 \_\_\_\_\_.

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Ohio

Veritas Independent Partners, LLC

Plaintiff(s)

v.

The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Ohio National Equities, Inc., and Ohio National Financial Services, Inc.

Defendant(s)

Civil Action No. 1:18-cv-769

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Ohio National Life Assurance Corporation c/o Corporation Service Company, Registered Agent 50 West Broad Street, Suite 1330 Columbus, OH 43215

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: James B. Hadden Murray Murphy Moul + Basil LLP 1114 Dublin Road Columbus, OH 43215

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: \_\_\_\_\_

Signature of Clerk or Deputy Clerk

Civil Action No. 1:18-cv-769

**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_ .

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_ , who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I returned the summons unexecuted because \_\_\_\_\_ ; or

Other *(specify)*:

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_ 0.00 \_\_\_\_\_ .

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

Southern District of Ohio

Veritas Independent Partners, LLC

Plaintiff(s)

v.

The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Ohio National Equities, Inc., and Ohio National Financial Services, Inc.

Defendant(s)

Civil Action No. 1:18-cv-769

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Ohio National Equities, Inc. c/o Stuart G. Summers, Registered Agent 237 William Howard Taft Cincinnati, OH 45219

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are: James B. Hadden Murray Murphy Moul + Basil LLP 1114 Dublin Road Columbus, OH 43215

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: \_\_\_\_\_

Signature of Clerk or Deputy Clerk



Civil Action No. 1:18-cv-769

**PROOF OF SERVICE**

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\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_ , and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_ , who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_ ; or

I returned the summons unexecuted because \_\_\_\_\_ ; or

Other *(specify)*:

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I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc:

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UNITED STATES DISTRICT COURT

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Veritas Independent Partners, LLC

Plaintiff(s)

v.

The Ohio National Life Insurance Company, Ohio National Life Assurance Corporation, Ohio National Equities, Inc., and Ohio National Financial Services, Inc.

Defendant(s)

Civil Action No. 1:18-cv-769

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) Ohio National Financial Services, Inc. c/o Dennis L. Schoff, Registered Agent One Financial Way Cincinnati, OH 45242

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

James B. Hadden Murray Murphy Moul + Basil LLP 1114 Dublin Road Columbus, OH 43215

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: \_\_\_\_\_

Signature of Clerk or Deputy Clerk

Civil Action No. 1:18-cv-769

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\_\_\_\_\_, a person of suitable age and discretion who resides there,  
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I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
*Server's signature*

\_\_\_\_\_  
*Printed name and title*

\_\_\_\_\_  
*Server's address*

Additional information regarding attempted service, etc: