

1099 IS HIGH RISK

****AND YOU COULD PAY THE PRICE BY NOT READING THE FINE PRINT**



Misclassified Employees

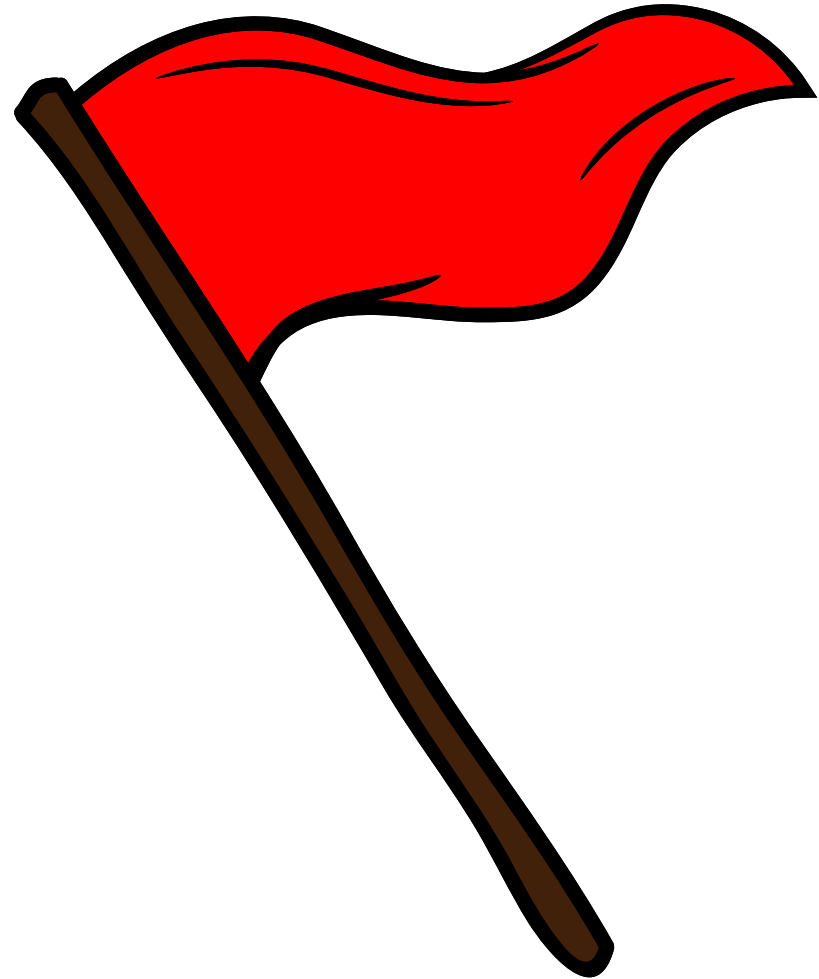
By telling workers what time to start, what to wear, what they will be doing, and what time they will finish are they really independent contractors?



If temp staff are doing the same tasks as your in-house staff, how can they legally be allowed to be classified differently?



Beware of this kind of verbiage in an app company's contract



"(You) acknowledges and agrees that (contractor) are "employees" of (app company) only for purposes of (payment) processing and, in some cases, the provision of certain employee benefits, but (app company does not) assumes any responsibility for the working conditions or the workplace in which (contractor) will perform work for (you), the projects and work assigned to (contractor), and/or (your) decision to use (contractor).

(You) further acknowledges and agrees that (contractor), if assigned by (app company), are not employees or consultants of (app company), and that (app company) maintains no control over any (contractor), supervision of (contractor) payroll practices or other terms and conditions of the working relationship described herein."



Lack of Insurance Coverage



EXPLANATION

App-based 1099 workers are not covered by liability or workers' compensation insurance, placing all of the risk and liability on YOU!

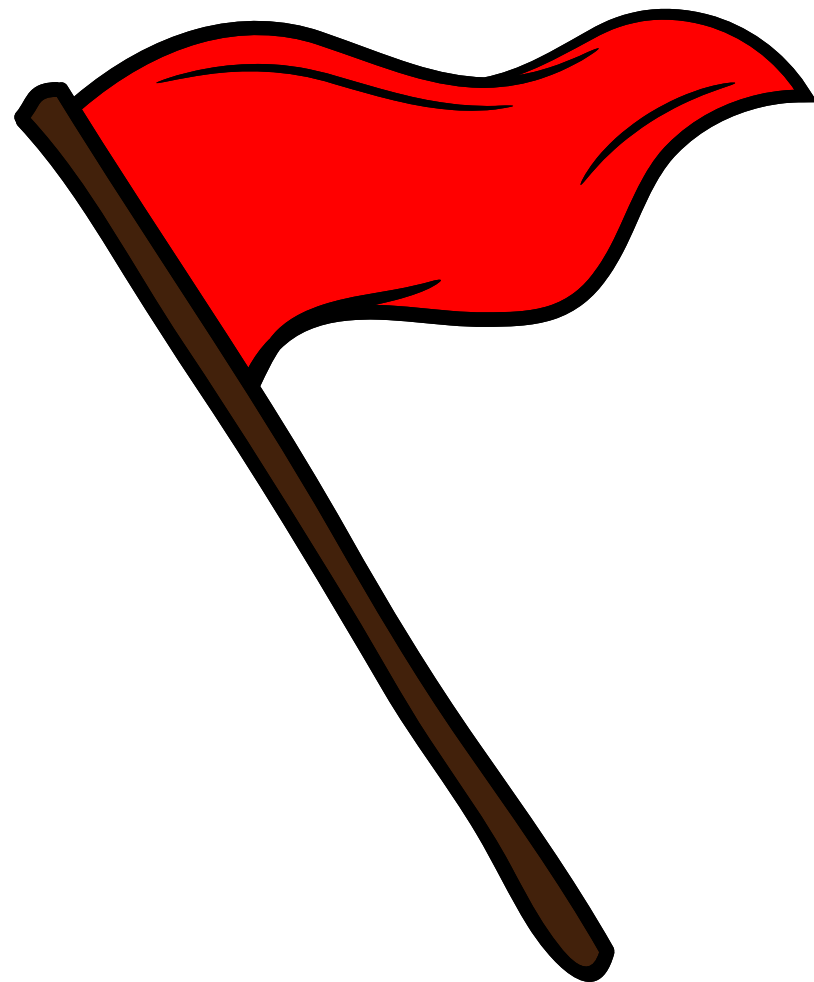


IMPLICATIONS

Companies may face significant financial and legal consequences if a worker is injured on the job or causes damage to property. Think millions of dollars...



Beware of this kind of verbiage in an app company's contract



"(App company) is not responsible for **insurance coverage** of (contractors). Specifically, in the event that a (contractor) is injured or becomes ill while or as a result of working a (client's event), (you) acknowledges and understands that the (contractor) may not be **covered by any workers' compensation insurance** that (app company) may otherwise provide to its employees. Partner represents and warrants that, unless otherwise expressly agreed herein or elsewhere in writing, any (contractor) performing a (client's event) will be covered by (your) workers' compensation insurance. Further, in the event that a (contractor's) actions cause an injury to a third party while the (contractor) is working in the course and scope of performing a (client's event) or otherwise, (you) acknowledges and agrees that the **(contractor) may not be covered by any general liability or automobile liability insurance coverage** that (app company) may have, and that (app company) is not making any commitment to defend, compensate and/or indemnify (you) or (contractor) in such circumstances, and specifically denies such obligation."



Would you hire someone off the street?

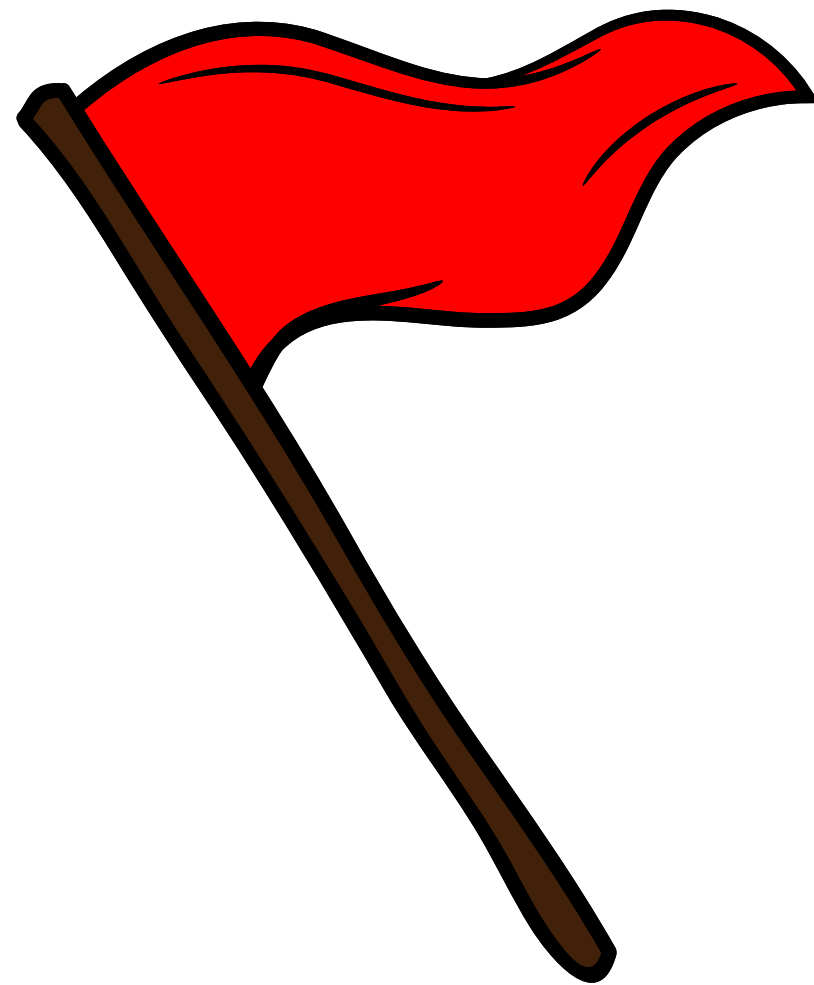


App-based companies do not have an interview process, do not conduct reference checks, nor do they do skill assessment tests.

They do not have the ability to verify the qualifications and skills of the workers they are sending to you, which can lead to poor quality work or even safety risks.



Beware of this kind of verbiage in an app company's contract



"(App company does not) make any representations or warranties as to the skills, experience, background or education of any employee."



Lack of Support

There is NO in person support for the client OR the staff members, not even on the phone.





4 BIGGEST RISKS



**MISCLASSIFIED
WORKERS
WITH NO
BENEFITS**

**NO LIABILITY
OR
WORKERS
COMP**

**NO VETTING
PROCESS
OR
INTERVIEW**

**NO CLIENT
OR
STAFF
SUPPORT**

The Party Staff



ALL W2 EMPLOYEES

\$5 MILLION GENERAL, \$1 MILLION LIQUOR, \$1 MILLION WORKERS COMP

INTERVIEWED IN OFFICE, CONDUCT SKILL ASSESSMENTS, FULL BACKGROUND CHECKS

24/7 SUPPORT OVER PHONE FOR BOTH STAFF AND CLIENTS