

## **Advisory Services Agreement**

This AGREEMENT sets forth the terms of the engagement entered into by KJH Financial Services, a registered investment advisor (Advisor), and \_\_\_\_\_ and \_\_\_\_\_ (Client).

### **SERVICES OF THE ADVISOR**

Advisor shall provide the following services to the Client on an ongoing basis:

- Assist in articulating your goals, objectives and values.
- Prepare an annual Net Worth Statement.
- Prepare a Statement of Cash Flow.
- Assist in the transfer of investment accounts currently custodied at to TD Waterhouse a custodial firm.
- Develop an Investment Policy Statement in concert with your goals.
- Implement investment recommendations as outlined in the Investment Policy Statement.
- Place trades in your accounts as discussed and approved or requested by you.
- Provide portfolio management services.
- Provide recommendations for annual contributions to IRAs and other retirement plans.
- Prepare education cost analysis and provide savings vehicle recommendations.
- Review your personal and trust tax returns and provide tax planning advice.
- Provide insurance advice, as needed, and assist in implementing recommendations.
- Provide estate planning guidance and assist in the implementation of any recommendations.
- Prepare cash flow and retirement projections and analysis as needed.
- Participate in a discussion about alternative housing options; review the financial ramifications.
- Provide advice and recommendations in other areas of financial planning in which Advisor or Client identifies a need.

### **RESPONSIBILITY OF THE CLIENT**

The Client agrees to provide information regarding income, investments, income tax, estate plan, and other pertinent matters as requested by Advisor from time to time. The Client also agrees to discuss current and projected future needs and goals candidly with Advisor and to keep Advisor informed of changes in the Client's situation, needs and goals.

Although permitted to do so, Advisor shall not be required to verify any information obtained from the Client, Client's attorney, accountant or other advisors and is expressly authorized to assume the accuracy of information received from the Client.

### **IMPLEMENTATION**

The Client is free to obtain legal, accounting, and insurance services from any professional source to supplement and to implement the recommendations of the Advisor. Advisor shall cooperate with any attorney, insurance agent and accountant chosen by the Client with regard to implementation of any recommendation.

Client will retain absolute discretion over all investment and implementation decisions. The Client will execute a written Limited Power of Attorney with the fiduciary having custody of the Client assets. Under the Limited Power of Attorney, the Advisor has no access to Client assets and is not able to withdraw funds from the Client account. The Limited Power of Attorney is primarily executed for the convenience of the Client so that the Client does not have to execute each investment trade.

### **FEES TO ADVISOR**

An annualized fee based on fee scheduled listed below will be charged for the comprehensive financial services listed above. All fees are assessed in arrears and are charged on a quarterly basis. The fee is due upon receipt of the invoice, and regardless of the market performance of the portfolio during the quarter just ended.

An annualized fee will be charged on a quarterly basis for comprehensive financial services as follows:

First \$500,000 of Net Worth	1.00% annually
Next \$750,000 of Net Worth	0.80% annually
Next \$1,000,000 of Net Worth	0.70% annually
Over \$1,500,000 of Net Worth	0.50% annually

The annualized fee is calculated on the value of net worth on the last day of the quarter. All fees are assessed in arrears. The fee is due upon receipt of the invoice, and regardless of the market performance of the portfolio during the quarter just ended. The billing quarter starts on the Agreement date.

This Agreement will be reviewed at the end of twelve months from the contract date.

### **BASIS OF ADVICE**

The Advisor obtains information from a wide variety of publicly available sources and has no sources of inside or private information. The recommendations developed by Advisor are based upon the professional judgment of the Advisor. The Advisor cannot and does not guarantee the results of its recommendations. Client is solely responsible for electing to follow or not follow any information or recommendation given by the Advisor.

## **LEGAL AND ACCOUNTING SERVICES**

It is understood and agreed that Advisor is not qualified to and will not render any legal advice nor prepare any legal documents for the implementation of Client's financial plan, Client agrees that his/her personal attorney shall be solely responsible for the rendering and/or preparation of the following: (i) all legal advice; (ii) all legal opinions and determinations and (iii) all legal documents.

## **DIRECT DEBIT OF COMPREHENSIVE FINANCIAL SERVICES FEES**

Whenever possible, the quarterly fee charged for comprehensive financial services will be billed directly to the account custodian. Upon receipt of a quarterly billing statement, the account custodian may debit your account for the amount of the quarterly fee and make payment directly to KJH Financial Services. Client will receive a copy of the billing statement detailing the amount billed and the method in which it was calculated prior to any account debit.

## **TERMINATION**

A Client shall have the right at any time to terminate the Advisor's services upon written notice to the Advisor. Such termination shall not, however, relieve the Client of the obligation to pay for all services rendered on behalf of the Client prior to the date of such termination

The Advisor may terminate this Agreement upon written notice to the Client if, among other things, the Client fails to honor the terms of the Agreement, the Client fails to cooperate or follow Advisor's advice on material matters, or any fact or circumstance that would, in the Advisor's view, render the Advisor's continuing service unlawful or unethical. Upon termination, the Advisor will be entitled to be paid for all services rendered on behalf of the Client to the date of termination.

## **REQUIRED DISCLOSURES**

Advisor is required to deliver written disclosures regarding background and business practices, consisting of Part II of Advisor's Registration Statement on Form ADV. Any Client who has not received a copy of Advisor's written disclosure statement at least forty-eight (48) hours prior to executing any confidential Client Agreement (Agreement) shall have five (5) business days subsequent to executing the Agreement to terminate Advisor's services and to receive a full refund of all Client monies already paid without penalty.

## **RELATED PARTIES**

If this Agreement is between Advisor and related clients (i.e. husband and wife, life partners, etc), Advisor's services shall be based upon the instructions communicated to Advisor by either of the related clients. Advisor shall be permitted to rely upon instructions from either of the related clients. Advisor shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the related clients.

## **ARBITRATION**

Any controversy arising out of or relating to any transaction or the construction, performance, or breach of this or any other agreement between the parties shall be settled by arbitration under the Commercial Arbitration Rules then in effect of the American Arbitration Association. Unless the arbitrator awards otherwise, each party shall be responsible for its own costs for discovery, if any, and its own attorney's fees. All other costs of arbitration shall be divided equally by the parties. The arbitrator(s) shall have the authority to adjudicate the dispute and award compensatory damages. The decision of the arbitrator(s) rendered in accordance with this agreement shall be final and binding upon the parties to the extent of, and pursuant to, MA law, and may be entered in any court of competent jurisdiction.

## **ASSIGNMENT**

Neither party hereto may assign, convey or otherwise transfer any of its rights, obligations, or interest herein without prior express written consent of the other party.

## **MISCELLANEOUS**

- a) This Agreement shall be applicable only to financial advice contained in the financial analysis, investment recommendation or plan individually prepared for Client and shall not relate to any advice given by any person or persons not specifically designated by Advisor in writing to perform such services.
- b) The advice and recommendations given to the Client are intended strictly for Client's benefit, and no other persons shall be entitled to rely on such information.
- c) Advisor is not responsible for the actions, omissions or insolvency of any agent, broker or independent contractor that is recommended to perform any action for the Client's account.
- d) Subject to the provision regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, legal representatives, successors, and assigns of the respective parties.
- e) This Agreement represents the complete agreement of the parties with regard to the subject matter and supersedes any prior understanding or agreements, oral or written.
- f) This Agreement may be amended or revised only by an instrument in writing signed by the Client and by a Principal or Advisor.

