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Assets Under Management

CM CAPITAL PARTNERS  
INVESTMENT ADVISORY CONTRACT

6 Horeshoe Drive Millstone Township, NJ 08535

(702)755-7304 - [rico@cmcapitalpartners.com](mailto:rico@cmcapitalpartners.com)

Version Date: 05/24/2019

The undersigned ("Client"), being duly authorized, has established an account (the "Account") and hereby agrees to engage [FULL LEGAL NAME OF RIA] ("IA") on the following terms and conditions.

**I. Appointment of IA.**

Client hereby appoints IA as investment adviser for the Account. Client agrees to promptly notify IA in writing of any changes to the information contained on the Investment Policy Statement or other information pertinent to the Account and to provide IA with prior written notice of any changes in the identity of persons authorized to act on behalf of Client with respect to the Account.

**II. Services by IA.**

By execution of this Agreement, IA hereby accepts the appointment as investment adviser for the Account and agrees, as of the effective date set forth in the signature page below, to provide the services indicated below:

- (a) \_\_\_/\_\_\_ supervise and direct the investments of the Account in accordance with the investment objectives of Client
- (b) \_\_\_/\_\_\_ appraise and review investments of the Account
- (c) \_\_\_/\_\_\_ recommend and select third-party investment advisers in accordance with the investment objectives of Client
- (d) \_\_\_/\_\_\_ monitor the investments of the Account managed by other third-party investment advisers

It is understood and agreed that IA, in the maintenance of records for its own purposes, or in making such records or the information contained therein available to Client or any other person at the direction of Client, does not assume responsibility for the accuracy of information furnished by Client or any other person.

**III. Authority.**

*(Discretionary Investment Management)*  
\_\_\_/\_\_\_ Except as otherwise set forth in this Agreement, Client authorizes IA to

investigate, purchase, and sell on behalf of Client, various securities and investments. IA is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase.

*(Non-Discretionary Investment Management)*  
\_\_\_/\_\_\_ IA is authorized to execute purchases and sales of securities only after securing permission from Client regarding each transaction.

*(Non-Discretionary, Non-Trading Management)*  
\_\_\_/\_\_\_ Client acknowledges that (i) IA does not have discretionary authority; (ii) IA will not purchase or sell securities; and (iii) it will be up to Client to implement transactions since IA will not enter trades on behalf of Client.

**IV. Client Accounts.**

Client has opened or will open an account with a custodian or other authorized third party (the "Custodian") for the execution of securities transactions and custodial services. The Custodian at the time this Agreement is executed is identified in Exhibit III hereto. All funds/securities will be delivered between Client and the Custodian only. Client hereby authorizes IA to receive from the Custodian a copy of any agreement between Client and the Custodian in effect at any time with respect to the Account.

If the identity of Client's Custodian changes, then Client will provide IA with prompt, written notice of the change. If Client elects to use a custodian other than the custodian suggested by IA, then IA may not be able to negotiate the best commission rates.

**V. Service to Other Clients.**

It is understood that IA may perform investment advisory services for various clients and that the services provided by IA are offered/rendered on a non-exclusive basis. Client agrees that IA may give advice and take action in the performance of its duties with respect to any of its other clients

which may differ with the advice given or action taken with respect to the Account. Nothing in this Agreement shall be deemed to confer upon IA any obligation to acquire for the Account a position in any security which IA, its principals, or its employees may acquire for its or their own accounts or for the account of any other client, if in the sole and absolute discretion of IA it is not for any reason practical or desirable to acquire a position in such security for the Account.

#### **VI. *Inside Information.***

IA shall have no obligation to seek to obtain any material nonpublic (“inside”) information about any issuer of securities and shall not purchase, sell, or recommend for the Account the securities of any issuer on the basis of any such information as may come into its possession.

#### **VII. *Liability.***

IA shall not be liable to Client for any independent acts or omissions by third parties. A person who is not a party to this Agreement has no rights to enforce any term of this Agreement and this Agreement shall not be deemed to create any third party beneficiary rights.

#### **VIII. *Proxies.***

IA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

#### **IX. *Fees.***

The compensation of IA for its services rendered hereunder shall be calculated in accordance with the Schedule of Fees attached hereto as Exhibit II. Client shall be given thirty (30) days’ prior written notice of any proposed increase in fees. Any increase in fees shall be accompanied by an amendment or the execution of a new contract, with signatures

from both parties evidencing acceptance of the new fees.

#### **X. *Valuation.***

In computing the market value of any investment of the Account, the securities in the Account listed on a national securities exchange or otherwise subject to current last-sale reporting shall be valued at the amount reported on the statement that Client receives from the Custodian. Such securities which are not traded nor subject to last-sale reporting shall be valued at the latest available bid price reflected by quotations furnished to IA by such sources as it may deem appropriate. Any other security shall be valued in such manner as shall be determined in good faith by IA and Client to reflect its fair market value.

#### **XI. *Representations by Client.***

The execution and delivery of this Agreement by Client shall constitute the representations by Client that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise; that if Client is an entity other than a natural person (a) this Agreement has been duly authorized by appropriate action and is binding upon Client in accordance with its terms and (b) Client will deliver to IA such evidence of such authority as IA may reasonably require, whether by way of a certified corporate resolution or otherwise; IA is responsible only for the Account and not for the diversification or prudent investment of any outside assets or holdings of Client.

*The following language of this section applies only if your Account is for a (a) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (b) tax-qualified retirement plan under section 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and not covered by ERISA; or (c) an individual retirement account under the Code.*

Client represents that IA has been furnished true and complete copies of all documents establishing and governing the plan and evidencing Client authority to retain IA. Client acknowledges that Client is a "named fiduciary" with respect to the control or management of the assets in the Account. Client will furnish promptly to IA the governing plan documents, any amendment to the plan, and Client agrees that, if any amendment affects IA's rights or obligations, then the amendment will be binding on IA only when agreed to by IA in writing. If the Account contains only a part of the assets of the plan, then Client understands that IA will have no responsibility for the diversification of all of the plan's investments and that IA will have no duty, responsibility, or liability for Client assets that are not in the Account. If the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other applicable law requires bonding with respect to the assets in the Account, then upon written request by IA, Client will obtain and maintain at Client expense bonding that satisfies the requirements of Section 412 of ERISA and covers IA and affiliated persons of IA.

#### ***XII. Representations by IA.***

By execution of this Agreement, IA represents and confirms that it is registered as an investment adviser or exempt from registration pursuant to applicable laws and regulations.

#### ***XIII. Amendment; Termination.***

This Agreement contains the entire agreement between the parties, may not be modified or amended except in writing as executed by both parties, and remains in force and effect unless terminated by either party as discussed herein. Client may terminate the Agreement within five (5) business days of signing the Agreement, without penalty or fee. Thereafter, this Agreement shall continue in effect until terminated by either party by giving to the other party        days' written notice.

#### ***XIV. Notices.***

All notices and other communications contemplated by this Agreement shall be deemed duly given if transmitted to IA at the address set forth on the cover page of this Agreement to the attention of its Chief Compliance Officer, and to Client at the address appearing below, or at such other address or addresses as shall be specified, in each case, in a written notice similarly given.

#### ***XV. Governing Law.***

The validity of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the state in which Client resides except to the extent preempted by ERISA or other federal or state laws or regulations.

#### ***XVI. Exhibits.***

The following Exhibits are attached hereto and incorporated as part of this Agreement:

Exhibit I - Identification of Accounts

Exhibit II - Schedule of Fees

Exhibit III - Identification of Custodian

Exhibit IV - Investment Policy Statement

#### ***XVII. Receipt.***

\_\_\_\_/\_\_\_\_ Client acknowledges receipt of Form ADV Parts 2A and 2B and IA's Privacy Policy Statement.

*<For Texas clients>*

\_\_\_\_/\_\_\_\_ Client acknowledges receipt of IA's Privacy Policy Statement, together with Parts 2A and 2B of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if Client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosures statement was not delivered to Client at least 48 hours prior to Client entering into any written or oral advisory contract with this investment adviser, then Client has the right to terminate the contract without penalty

within five (5) business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

**XVIII. Consent to Electronic Delivery**

\_\_\_/\_\_\_ By initialing here, Client hereby consents to receive via e-mail or other electronic delivery method for various communications, documents, and notifications from IA. These items may include but are not limited to: all statements or reports produced by IA; trade confirmations; billing invoices; all Form ADV brochures; privacy policy statements; and any other notices or documentation that IA chooses to provide on an ongoing or occasional basis. Client agrees to immediately notify IA of any changes to Client's e-mail address shown below or other electronic delivery address. If Client does not consent to electronic delivery, then hard copies of the applicable documentation will be provided to Client.

**XIX. Assignment.**

No assignment of this Agreement may be made by any party to this Agreement without the prior written consent of the other party hereto. Subject to the foregoing, this Agreement shall inure to the benefit and be binding upon the parties hereto, and each of

their respective successors and permitted assigns.

**XX. Confidential Relationship.**

All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as required by law and as described in IA's Privacy Policy Statement.

**XXI. Death or Disability.**

If Client is a natural person, then Client's death, incapacity, disability, or incompetence will not terminate or change the terms of this Agreement. However, Client's guardian, executor, attorney-in-fact, or other authorized representative may terminate this Agreement by giving IA written notice in accordance with the termination provisions of this Agreement.

**XXII. Title to Assets.**

Except to the extent Client has notified, or in the future notifies, IA in writing, Client represents that assets in the Account belong to Client free and clear of any lien or encumbrances.

**XXIII. Market Conditions.**

Client acknowledges that IA's past performance and advice regarding client accounts cannot guarantee future results. **AS WITH ALL MARKET INVESTMENTS, CLIENT INVESTMENTS CAN APPRECIATE OR DEPRECIATE.** IA does not guarantee or warrant that services offered will result in profit.

IN WITNESS THEREOF, the parties have executed this Agreement on the date stated below.

<b>Client Name:</b>	<b>CMCAPITAL PARTNERS</b>
Client Signature _____	Adviser Signature _____
Date _____	Date _____

Client#2 Signature	Date

Client Street Address:					
City:		State:		Zip:	
Phone:		E-Mail(s):			

**Exhibit I - Identification of Accounts**

Below are the accounts (collectively, the "Account") included under this Agreement:

**Exhibit II - Fee Schedule**

The following are the fees charged by IA for services provided. Lower fees for comparable services may be available from other sources.

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
	1%
	.75%
	.5%

*IA will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the Account.*

*There is an account minimum of \$250,000 which may be waived by IA in its discretion.*

Fees are paid monthly in arrears. IA uses the value of the account as of an average of the daily balance in the client's account throughout the billing period, for purposes of determining the market value of the assets upon which the advisory fee is based.

\_\_\_/\_\_\_ IA is authorized to withdraw management fees directly from the Account

\_\_\_/\_\_\_ By initialing here, Client agrees to the fee of: \_\_\_\_\_.

**Exhibit III - Identification of Custodian**

Custodian or other Authorized Third Party:	Axos Clearing
Mailing Address:	1200 Landmark Center Suite 800 Omaha, Nebraska 68102
Telephone:	866-774-0218

A copy of the custodian's agreement is not attached as part of this Exhibit III.

## Exhibit IV - Investment Policy Statement

Creation Date: [MM/DD/YYYY]

### Personal information

- What is your first name: \_\_\_\_\_
- What is your last name: \_\_\_\_\_
- What is your birthdate: \_\_\_\_\_
- Spouse's name: \_\_\_\_\_

### Income & net worth

- What is your current annual household income: (\$) \_\_\_\_\_
- What is your liquid net worth: (Excluding primary residence) (\$) \_\_\_\_\_
- What is the value of your residence(s): (\$) \_\_\_\_\_
- What is the value of any other significant illiquid asset(s): (\$) \_\_\_\_\_
- What are your current annual income needs from investments: (\$) \_\_\_\_\_
- What is your desired retirement age: \_\_\_\_\_
- What is your desired annual income in retirement (\$): \_\_\_\_\_

### Risk tolerance & investment objectives

- Acceptable percentage of principal loss in a short term period? (less than 1 year)
  - o \_\_\_\_ Up to 5%
  - o \_\_\_\_ Up to 10%
  - o \_\_\_\_ Up to 15%
  - o \_\_\_\_ Up to 20%
  - o \_\_\_\_ Up to 25%
  
- What is your desired annual rate of return?
  - o \_\_\_\_ 0-2.5%
  - o \_\_\_\_ 2.5-5%
  - o \_\_\_\_ 5-7.5%
  - o \_\_\_\_ 7.5-10%
  - o \_\_\_\_ 10%+
  
- Which of the following statements best describes your investment objectives?

- \_\_\_\_ My highest priority is to preserve my investments and I am willing to accept minimal return in order to do so
  - \_\_\_\_ I seek to generate income from my investments and am interested in investments that have historically demonstrated a low degree of risk of loss of principal value
  - \_\_\_\_ I seek to grow the principal value of my investments over time and, in pursuit of these gains, am willing to invest in securities that have historically demonstrated a moderate degree of risk to loss of principal value
  - \_\_\_\_ I seek to accelerate somewhat the growth of the principal value of my investments over time and, in pursuit of these gains, am willing to invest in securities that have historically demonstrated a moderate to above average degree of risk of loss of principal value
  - \_\_\_\_ I seek a significant appreciation of the principal value of my investments and, in pursuit of these gains, am willing to accept a greater degree of risk by investing in securities that have historically demonstrated a high degree of risk of loss of principal value
- How would you respond in the event of a decline in the value of your investments?
- \_\_\_\_ I would sell my investments immediately if they were to suffer substantial declines
  - \_\_\_\_ Although declines in investment value make me uncomfortable, I would wait one to two quarters before adjusting my portfolio
  - \_\_\_\_ I can endure significant declines in the value of my investments and would wait at least one year before adjusting my portfolio
  - \_\_\_\_ Even if my investments were to suffer a significant decline over several years, I would continue to follow my long-term investment strategy and not adjust my portfolio
  - \_\_\_\_ I would increase the amount invested in my portfolio in anticipation of an increase in value
- Which of the following scenarios would make you more uncomfortable?
- \_\_\_\_ Making an investment and watching it decline in value
  - \_\_\_\_ Selling an investment and watching it increase in value
- During the decline in stock market values that took place from 2007 through 2009, what action did you take with respect to your investments?
- \_\_\_\_ Sold all equity holdings
  - \_\_\_\_ Moderately decreased equity holdings
  - \_\_\_\_ No changes
  - \_\_\_\_ Moderately increased equity holdings
  - \_\_\_\_ Significantly increased stock holdings
  - \_\_\_\_ Not applicable
- In general, how did you feel about the decline in stock market values from 2007 through 2009?
- \_\_\_\_ High level of anxiety
  - \_\_\_\_ Moderate level of anxiety

- \_\_\_\_ Acceptance that short-term losses are part of investing and assurance that the risk I took was reasonable given the potential long-term gains of my investments
- \_\_\_\_ Indifference
- \_\_\_\_ Excited to be able to invest in assets that had declined in value
  
- How would you describe your level of knowledge with regard to finance and investing?
  - \_\_\_\_ Minimal. I have very little interest in understanding finance and investing, or I have not had the opportunity to learn.
  - \_\_\_\_ Low. I have basic knowledge of finance, such as understanding what stocks, bonds, and mutual funds are.
  - \_\_\_\_ Medium. I have knowledge beyond basic products and I understand diversification and other financial and investing terminology and strategy.
  - \_\_\_\_ High. In addition to understanding most financial products and terminology, I understand factors that affect the price of stocks and bonds.
  - \_\_\_\_ Advanced. I have an in-depth knowledge of most financial products, including stocks, bonds, and options. I understand overall market risk as well as company-specific risk.
  
- For how many years, if any, have you owned each of the following types of investments?
  - \_\_\_\_ Mutual funds
  - \_\_\_\_ Stocks
  - \_\_\_\_ Bonds
  - \_\_\_\_ Options
  - \_\_\_\_ Variable annuities
  - \_\_\_\_ ETFs
  - \_\_\_\_ REITs
  - \_\_\_\_ Limited partnerships/Private Placements