

## INVESTMENT ADVISORY AGREEMENT

**THIS AGREEMENT** is made by and between **Schaeffer Financial, LLC**, a Maryland Limited Liability Company (“Advisor”), whose mailing and business address is **4612 Great Oak Road, Rockville, MD 20853** and the client (“Client”) whose name and address is listed below.

**Client Name and Address:**

Client Name (Individual Account) - Owner	Street Address
Client Name (Joint Account) - Co-Owner	<div style="display: flex; justify-content: space-between;"> <span>City</span> <span>State</span> <span>Zip Code</span> </div>
Corporate/Trustee Account	Phone Number

**WITNESSETH**

**WHEREAS**, The Advisor is a Registered Investment Advisor;

**WHEREAS**, The Advisor is in the business of providing investment advisory services;

**WHEREAS**, The Advisor and its investment advisor representatives are fiduciaries, within the meaning of the Employer Retirement Income Security Act of 1974 (“ERISA”) and as defined under the Internal Revenue Code of 1986 (the “Code”), if investment advisory services are provided to the Client who is: (i) a participant or beneficiary of a retirement plan subject to ERISA or described in the Code; and/or, (ii) the beneficial owner of an Individual Retirement Account (“IRA”); and

**WHEREAS**, The Client desires to retain Advisor for the purpose of obtaining personalized investment advisory services.

**NOW THEREFORE**, in consideration of the premises and mutual promises contained in the Agreement, the parties agree as follow:

**1. ADVISORY SERVICES**

The Client hereby retains the Advisor, and the Advisor hereby agrees to manage Client’s assets among those investments/securities which Advisor, in its sole and unlimited discretion, believes to be appropriate for Client’s stated investment objectives. Client understands that the services provided under this section shall be limited to the management of the assets held in Client’s segregated account(s) that the Advisor shall maintain on behalf of Client (the “Portfolio”). The Advisor shall have no duties or obligations as to other Client assets absent a separate agreement with Client. Should the Client deposit cash and other marketable securities in the Portfolio, the Advisor is authorized to liquidate the securities consistent with Client’s investment objectives.

**2. TRADING AUTHORIZATION**

The Client hereby grants the Advisor discretionary power over his/her Portfolio and appoints the Advisor, and its representatives, as the Client’s Agent and Attorney-in-Fact, to buy, sell, exchange, convert, tender, trade, or otherwise acquire or dispose of stocks, bonds, mutual funds, annuities, and any other securities, financial contracts or financial instruments; and engage in margin and/or option transactions, if established by the Client and in accordance with investment objectives and risk tolerance;. Client retains absolute ownership of all assets contained in the Account, including the power to withdraw or pledge such assets.

**3. SUB-ADVISORS**

Advisor may allocate (and/or recommend that the Client allocate) all or a portion of the Client’s Portfolio to an unaffiliated independent investment manager (“Sub-Advisor”) in accordance with the Client’s designated investment objectives. In such a case, the Client shall execute the Advisor’s Sub-Advisor Acknowledgement Form, which (among other things) allows the Sub-Advisor to have day-to-day responsibility for the active discretionary management of the allocated Portfolio assets and deduct asset management fees in accordance with the Sub-Advisor’s fee schedule. Advisor shall continue to render investment advisory services to the Client relative to the ongoing monitoring and review of Portfolio performance, asset allocation and client investment objectives.

Advisor shall receive a portion of the asset management fee charged by the Sub-Advisor for as long as the Sub-Advisor continues to manage the Client’s Portfolio. The receipt of a portion of the Sub-Advisor’s asset management fee shall be paid solely from the Sub-Advisor’s standard asset management fee, and shall not result in any additional charge to the Client. Fees charged by the Sub-Advisor will be fully disclosed to Client.

**4. CUSTODY OF ASSETS**

Client shall appoint **Charles Schwab & Co., Inc.** as “Custodian”. The Advisor shall not take possession of or maintain custody of the Client’s funds or securities, but shall simply manage the holdings within the Portfolio and make trades within the Portfolio pursuant to the above Trading Authorization granted by the Client. Physical possession and custody of said funds and/or securities shall be maintained with the Custodian chosen above. The Custodian will provide at least quarterly, brokerage statements that will summarize the specific investments currently held, the value of the Client’s Portfolio, and account transactions. In addition, the Custodian will deliver all trade confirmations.

**5. RESPONSIBILITY OF THE CLIENT**

The Client agrees to discuss his/her needs, goals and projected future needs candidly with the Advisor and to keep the Advisor informed of changes in his/her situation.

The Client agrees to provide Advisor with all material information concerning the Client's personal and financial situation, investment objective and risk tolerance. The Client acknowledges that the Advisor cannot adequately perform its services on the Client’s behalf unless the Client performs such responsibilities on his/her part and that the Advisor’s analysis and recommendations are based, in part, on the information provided by the Client.

**6. RESPONSIBILITY OF THE ADVISOR**

The Advisor will act at all times in a fiduciary capacity with respect to the Client assets, and shall at no time have physical custody or control of the Client assets. The Advisor will exercise good faith in negotiating the fees, commissions, and expenses paid with respect to transactions involving the Portfolio assets.

**7. CONFIDENTIAL RELATIONSHIP**

All information and advice furnished by either party (the Client or the Advisor) to the other, including their agents and employees, shall be treated as confidential and not disclosed to third parties except as may be required by law, or except upon the prior written approval of the other party to this Agreement.

**8. BASIS OF ADVICE**

The Client acknowledges that the Advisor obtains information from a wide variety of publicly available sources and that the Advisor has no sources, and does not claim to have sources, of inside or private information. The recommendations developed by the Advisor are based upon the professional judgment of the Advisor and its individual professional counselors and neither the Advisor nor its individual counselors can guarantee the results of any of their recommendations. The Client at all times may elect unilaterally to follow or ignore completely or in part any information, recommendation or counsel given by the Advisor under this Agreement.

**9. EXPENSES**

The Client shall pay all expenses related to the Portfolio, including, but not limited to, any costs of safekeeping, transport, acquisition, and disposition, such as brokerage and other execution costs, custody fees and margin cost, assessed by third parties.

**10. MANAGEMENT FEE (Please Check One)**

The Client agrees to pay a management fee semi-annually, in arrears, for the investment management services provided by the Advisor pursuant to this Agreement. The management fee will be calculated based on the aggregate market value of the Client’s portfolio account(s) on the last business day of the previous calendar semi-annual period (i.e., June 30<sup>th</sup> and December 31<sup>st</sup>), multiplied by one-half the corresponding annual percentage rate (i.e., 1.00%/2 = 0.50%). The fair market value of the Portfolio (securities, cash, and cash equivalents) under management shall be valued by the Advisor, in good faith, based on the value of Client’s account as reported on the Client’s statement provided by the Custodian where the Client’s Portfolio is maintained.

The Advisor’s management fee schedule is as follows:

Portfolio Value	Annual Fee Rate Not to Exceed
Up to \$1,500,000 .....	1.00%
\$1,500,001 - \$5,000,000.....	0.75%
Over \$5,000,000 .....	0.65%

- The Client agrees to pay an annual fixed fee of \$ \_\_\_\_\_, semi-annually in arrears, for the investment management services provided by the Advisor pursuant to this Agreement. The management fee will be calculated based on the previous calendar semi-annual period (i.e., June 30<sup>th</sup> and December 31<sup>st</sup>) at one-half the annual rate.

The client hereby authorizes the Advisor to deduct the management fee for investment management services from the Client's Portfolio semi-annually in arrears by the Custodian as instructed by the Advisor. The management fee will be paid to Advisor; (1) from any cash balances, if any, in the Portfolio; and (2) from the liquidation or withdrawal of the Client's shares from any money market investment. To the extent that such assets are insufficient to satisfy payment of the Advisor's fee, a portion of the Portfolio assets may be liquidated. The Client understands that if such liquidation occurs, it may affect the relative balance of the Portfolio. For new managed accounts opened between billing periods, Advisor's fee will be based upon a pro-rated calculation of Client assets managed for the prior semi-annual period.

Advisor shall not be compensated on the basis of a share of capital gains upon, or capital appreciation of, the Client's Portfolio, or any portion thereof unless otherwise allowed by law.

Pursuant to Item 3, "Sub-Advisors", management fees for Portfolio assets allocated to a Sub-Advisor will be calculated and deducted in accordance with the Sub-Advisor's fee schedule.

## 11. TERMINATION

Clients have five (5) full business days after entering into this Agreement in which to cancel the Advisor's investment services without penalty (Custodial fees will still apply).

To terminate this Agreement, either party (the Client or the Advisor) upon written notice to the other party, may terminate this Agreement at any time. The written notification should include the date the termination will go into effect along with any final instructions on the Portfolio account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the last day of June and/or December, the Advisor will bill the Client a pro-rated management fee based upon the number of days during the semi-annual calendar period the Advisor managed the Portfolio. Once the termination of investment advisory services has been implemented, neither party has any obligation to the other - the Advisor no longer earns management fees or gives investment advice and the Client becomes responsible for making their own investment decisions.

## 12. NON-EXCLUSIVE ADVISORY SERVICES

It is understood that the Advisor performs investment advisory services for various clients, and the Client understands and agrees that the Advisor may give advice and take action with respect to any of its other clients, which may differ, from advice given to the Client. With regards to time spent or action taken on the Client's Portfolio and those of other clients, it is the Advisor's policy, to the extent practical, to allocate investment opportunities on a fair and equitable basis to all clients.

The Client acknowledges that the Advisor, its directors, officers, affiliates and employees, and other clients of the Advisor, may at any time acquire, increase, decrease or dispose of portions of investments which are at the same time being acquired, held or disposed of for the Portfolio. The Advisor is under no obligation to initiate the same transaction, or recommendation for the Portfolio in any security or other asset which the Advisor, its directors, officers, affiliates and employees, and other clients of the Advisor may have purchased or sold for their own account.

Nothing in this Agreement shall limit or restrict the Advisor or any of its directors, officers, affiliates or employees from buying, selling or trading in any securities or other assets for its or their own account or accounts.

The Client also understands that cash awaiting investment or reinvestment may be invested in cash balances or money market funds with the Custodian. In no event shall the Advisor be obligated to effect any transaction for the Client which would violate any applicable federal or state law, rule, or regulation, or the rules or regulations of any regulatory or self-regulatory body.

## 13. FOR ERISA CLIENTS ONLY

If this Agreement is entered into by a trustee or other fiduciary, including, but not limited to someone meeting the definition of "fiduciary" under the Employee Retirement Income Security Act of 1974 (ERISA) of an employee benefit plan subject to ERISA, such trustee or fiduciary represents and warrants that Client's participation in the services offered by the Advisor is permitted by the relevant governing instrument of such plan, and that the Client is duly authorized to enter into this Agreement. The Client agrees to furnish the Advisor with such documents, as they shall reasonably request with respect to

the foregoing. The Client further agrees to advise the Advisor of any event, which might affect this authority, or the validity of the Agreement. The Client additionally represents and warrants (i) that the governing instruments provide that an "investment advisor" as defined under ERISA may be appointed, and (ii) that the person executing and delivering this Agreement on behalf of Client is a "named fiduciary" (as defined under ERISA) who has the power under the plan to appoint an investment manager. If the Client is a corporation, the party executing this Agreement on behalf of the Client represents that execution of this Agreement has been duly authorized by appropriate corporate action.

#### 14. PROXIES

The Advisor does not vote client proxies. The Client understands and agrees that he/she retains the right to vote all proxies, which are solicited for securities held in the Client's Portfolio accounts. Any proxy solicitations inadvertently received by the Advisor will be immediately forwarded to the Client for his/her evaluation and decision.

#### 15. CLIENT CONFLICTS

If this Agreement is between the Advisor and related Clients (i.e., husband and wife, etc.), Advisor's services shall be based upon the joint goals communicated to the Advisor. Advisor shall be permitted to rely upon instructions from either party with respect to the Account(s), unless and until such reliance is revoked in writing to Advisor. 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 Clients.

#### 16. LIMITATION OF LIABILITY

The Advisor makes no guarantee that any investment effort will be profitable or a specific result achieved. The Client understands investment in a security involves a risk of loss they should be willing and prepared to bear. As such, the Client agrees that the Advisor is not liable for losses due to market performance. However, the Advisor may still be subject to civil liability even in the absence of fraud, willful misconduct, or willful negligence if, as a fiduciary, the Advisor did not fulfill its duty to act in good faith and with reasonable care.

The Client agrees that the Advisor shall not be responsible in any way whatsoever for any loss incurred due to any act or omission of the Client, any custodian, or any brokerage firm. Furthermore, the Client understands that the Advisor shall not be liable for losses caused by events beyond its control (i.e. war, strikes, natural disasters, new government restrictions, communications disruptions and market fluctuations).

In addition, the Client agrees that, the Advisor shall have no liability to the Client or any other person for any loss or other harm to any property in the Portfolio, whether held in the custody of the Custodian or any other person. This includes any harm to any property in the Portfolio held in the custody of the Custodian resulting from the insolvency of the Custodian or any acts of the agents or employees of the Custodian, regardless of whether or not the Securities Investor Protection Corporation ("SIPC") or any other insurance, which may be carried by the Custodian, covers the full amount of such loss. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

The Advisor shall not be liable or responsible for any failure to act of any broker, bank, or similar agent utilized by the Advisor effecting any transaction on the Client's behalf, or for the financial solvency of any such broker, bank or agent.

The Advisor shall not be held liable for the Client's failure to inform the Advisor in a timely manner of any material changes in the Client's financial circumstances, which might affect the manner in which the Client's assets are allocated.

**Federal and State securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained this Agreement shall in any way constitute a waiver or limitation of any rights that the Client may have under federal and state securities laws.**

#### 17. SEVERABILITY

If any term, provision, duty, undertaking or obligation of this Agreement shall be held or made non-enforceable by a statute, rule, regulation, decision of a tribunal or otherwise, such provision shall be automatically reformed and construed so as to be valid, operative and enforceable to the maximum extent permitted by law or equity while most nearly preserving its original intent. The invalidity of any part of this Agreement shall not render invalid the remainder of this Agreement and, to that extent, the provision of this Agreement shall be deemed severable.

#### 18. ASSIGNMENT

No party to this Agreement may assign or delegate, by operation of law or otherwise, all or any portion of its rights, obligations or liabilities under this Agreement without the prior written consent of the other parties to this Agreement.

**19. DISPUTE RESOLUTION**

Client hereby agrees that all controversies which may arise between Client and Advisor concerning any transaction or the construction, performance, or breach of this Agreement between Client and Advisor whether entered into prior to, on, or subsequent to the date hereof, shall be determined by arbitration. Any arbitration shall be held in the city chosen by Advisor or the American Arbitration Association, pursuant to the Arbitration Laws of the State of Maryland, or before the American Arbitration Association and in accordance with its rules then applying. This paragraph shall not constitute a waiver of any rights that Client may have under federal and state securities laws to pursue a remedy by other means

**20. DURATION OF AGREEMENT**

This Agreement will remain in effect until such time as either party - the Client or the Advisor - pursuant to the terms required by Item 11, "Termination", has terminated this Agreement.

**21. RECEIPT OF DISCLOSURE DOCUMENT**

The Client hereby acknowledges delivery and receipt of the Advisor's Disclosure Brochure (Form ADV Part 2A) and applicable Brochure Supplements (Form ADV Part 2B).

**22. PRIVACY POLICY**

The Client hereby acknowledges delivery and receipt of the Advisor's Privacy Policy at the time they opened their Portfolio account. Such notice reflects the Advisor's privacy policies and practices regarding the Client's nonpublic information.

**23. E-MAIL AUTHORIZATION**

Client hereby agrees to receive communications from the Advisor by e-mail or other similar means of electronic delivery without also receiving paper copies. Such communications may include periodic account notices and compliance disclosures, such as copies of the Advisor's Disclosure Brochure and Privacy Notice. The Client may opt-out of receiving documents electronically at any time by providing written notice to the Advisor.

\_\_\_\_\_  
Primary e-mail address

\_\_\_\_\_  
Secondary e-mail address (if any)

**24. EMERGENCY CONTACT INFORMATION**

By providing emergency contact information, the Client authorizes Advisor to contact the person(s) listed below in the event that (1) the Advisor has concerns about the Client's mental capacity or well-being; (2) the Advisor suspects financial exploitation or abuse; or (3) the Advisor is unable to contact the Client. In such event, the Client agrees and understands that:

- Advisor may share information about the Client and Client's Portfolio with the emergency contact(s).
- Advisor may confirm whether another person has legal authority to act on Client's behalf and communicate with such person.
- Advisor is not required to contact the emergency contact(s).
- Client has voluntarily provided emergency contact information and may withdraw or change the information at any time by notifying the Advisor in writing.
- Client will hold harmless Advisor and each of its owners, members, partners, officers, employees, and agents from any and all claims that might result from Advisor acting and/or relying upon this authorization.

\_\_\_\_\_  
Emergency Contact Name Relationship

\_\_\_\_\_  
Street Address City State Zip Code

\_\_\_\_\_  
Telephone E-Mail

\_\_\_\_\_  
Emergency Contact Name Relationship

\_\_\_\_\_  
Street Address City State Zip Code

\_\_\_\_\_  
Telephone E-Mail

25. MISCELLANEOUS PROVISIONS.

- (a) **Captions** - Paragraph headings are for convenience only and are not of substantive effect.
- (b) **Entire Agreement/Amendments** - This Agreement represents the entire Agreement between the parties with respect to the subject matter contained herein. This Agreement may only be amended in a written document that is signed by all parties. If the amendment does not have an adverse effect on the Client, or the Advisor is required to amend or modify certain term(s) of the Agreement in order to comply with any provision of law or regulation governing the Advisor and its advisory representatives, then such amendments may be made solely by the Advisor upon written notice to the Client.
- (c) **Contract** - This Agreement shall be deemed a Maryland contract and shall be governed and construed according to the laws thereof.
- (d) **Venue** - Venue for any litigation filed to enforce any provision of this Agreement shall be filed in the appropriate state or federal court in the State of Maryland.

26. INVESTMENT OBJECTIVES

- INCOME** - Objective is income and preserving capital with minimal market risk.
- CONSERVATIVE GROWTH** - Objective is to grow assets utilizing a balanced approach (allocating among stock, bond, international and money market funds) with stock market risk and volatility.
- GROWTH** - Objective is to grow assets by diversifying among equity investments within the U.S and international markets. Client accepts the market risk and volatility associated with an all stock portfolio (i.e., S&P 500 Index).

Special Instructions / Exclusions

IN WITNESS WHEREOF, the undersigned, being duly authorized, has hereunto signed and dated this Agreement.

X

Client Signature (Owner) Date

Print Client Owner Name

X

Client Signature (Co-Owner) Date

Print Client Co-Owner Name

X

Authorized Corporate/Trustee Signature Date

Print Authorized Corporate/Trustee Name

SCHAEFFER FINANCIAL, LLC

By:

Authorized Signature Date

Print Name and Title