

Capital Financial Services, LLC

Suite 180 at 855 Route 146, Clifton Park, NY 12065
(518) 399-3903 • Fax (518) 399-4303 • www.capitalfinancialservicesllc.com



Investment Advisory Agreement

I,(We) _____ (Client)

acknowledge that I(we) have completed a Limited Power of Attorney authorizing *Capital Financial Services, LLC* a Registered Investment Adviser registered with the SEC, to give instructions to a broker for transactions in one or more brokerage accounts which the client has opened or will open, to receive copies of all statements and confirmations generated by these brokerage accounts, and to have its fees deducted from these brokerage accounts. *Capital Financial Services, LLC* agrees that it will supervise the investment and reinvestment of all cash, securities and other property in those accounts for which a Limited Power of Attorney has been completed at its discretion, without being required to consult with the client in advance. The client acknowledges that he/she/they will retain all voting rights of all securities held in these brokerage accounts, and *Capital Financial Services, LLC* will not vote any proxies for securities held in these accounts. The client shall retain ownership of all cash and securities in said accounts. The client understands that they are solely responsible for the income tax consequences of income and capital gains generated in their accounts, including withdrawals from qualified accounts, and that closing an account might trigger tax consequences depending on the size of any gains.

Capital Financial Services, LLC believes that all those who render investment or financial advice should meet the requirements of the fiduciary standard, as established originally under the Investment Advisers Act of 1940, the Employee Retirement Income Security Act of 1974 (ERISA), and affirmed by the U.S. Supreme Court.

In order to protect the interests of our clients, *Capital Financial Services, LLC* acknowledges its fiduciary status for itself and its advisers. *Capital Financial Services, LLC* and its advisers adhere to basic standards of impartial conduct. *Capital Financial Services, LLC* and its advisers give prudent advice that is in the client's best interest, avoid misleading statements, and receive no more than reasonable compensation.

- I. It is further agreed by both parties that this agreement shall cover future situations in which the client grants a limited power of attorney as specified above to manage additional brokerage accounts, providing that all necessary forms are executed by both parties for the additional brokerage account(s).
- II. I (we) understand that the account(s) will be charged a quarterly fee for the investment management service provided by *Capital Financial Services, LLC*. The fee will be 1/4 (one quarter) of 1% of the balance of the account at the end of the previous quarter, for the first 1 million dollars of all the accounts listed; 3/16 (three sixteenths) of 1% of the amount from \$1,000,001 to five million dollars, and 1/8 (one eighth) of 1% of the amount over five million dollars. The Investment Adviser will not be compensated on the basis of a share of capital gains upon or capital appreciation of the client(s) funds. The fee for each quarter will be billed shortly after the end of the quarter. New accounts beginning in the middle of a quarter will be billed on a prorated basis for the partial quarter. Terminated accounts will also be prorated for a partial quarter. Terminated accounts will be promptly billed for the prorated amount due.

- III. I (we) acknowledge our understanding that the Investment Adviser employees and owner may on occasion trade in the same securities for their own accounts as in the managed accounts. Because of the fiduciary responsibility which the Adviser has, every effort will be made by the Investment Adviser to ensure that client account transactions will be executed ahead of their own transactions if such transactions would occur within three days of each other.
- IV. No assignment of this agreement shall be made without the written consent of the client.
- V. The Investment Adviser has met with me (us) to discuss investment goals and expectations, and I(we) acknowledge that the Investment Adviser correctly understands these goals and expectations. Should I (we) wish to limit *Capital Financial Services, LLC*'s investment decisions at any time, I(we) agree to send written guidelines or instructions to the Investment Adviser. In particular, if certain securities should not be purchased, either due to personal preference or because there may be a conflict of interest on the client's part, the client will provide such a list (in writing) to the Investment Adviser within five days of signing this agreement, or with five days notice thereafter.
- VI. The Investment Adviser will manage the accounts referenced herein to the best of his ability, keeping in mind the goals and risk tolerances of the client.
- VII. This agreement may be terminated at any time by either party with written notice to the other party. In addition, this agreement may be terminated by the client at any time within 5 business days of the date that the client signed this agreement without penalty or fees from *Capital Financial Services, LLC*.
- VIII. All written notices provided to the client will be mailed to the address indicated in the account application. Any written notices from the client to *Capital Financial Services, LLC* should be sent to this office. Notification of change of either address must be in writing and will be effective upon receipt. The client is responsible for maintaining a valid address with the broker holding their account(s).
- IX. If there is any material change in the client's financial situation which could have an impact on the suitability of any investments, including changes in total assets or tax brackets, the client will inform the Investment Adviser of such changes.
- X. The client will receive a written report quarterly from the Investment Adviser showing the previous quarter-end balance and the amount billed for the previous quarter; this is in addition to the statements provided by the broker.
- XI. I (we) have received a copy of *Capital Financial Services, LLC's* Firm Brochure, at or before my (our) signing of this agreement.
- XII. The client's account(s) will be debited for normal trading expenses by the broker, including brokerage commissions, margin interest, custodial fees for special accounts, and the like which would normally be incurred by a brokerage account without an Investment Adviser.
- XIII. The client understands that the Investment Adviser has other clients, and will not devote exclusive attention to this client. The client understands that the Investment Adviser may give

advice and take action for some clients that may differ from advice given or the timing and nature of action taken for other clients. Conflicts of investment opportunities will be allocated on a basis that is fair and equitable for each client.

- XIV. If there is any question as to the interpretation of this contract; the laws of the State of New York will apply, except that in the event that New York law would conflict with federal securities law, the application of federal securities law will be paramount. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore nothing herein shall in any way constitute a limitation of any rights which the undersigned may have under federal and state securities laws.
- XV. The client understands that the security selections chosen by *Capital Financial Services, LLC* are not to be disclosed to others, or used in other accounts not managed by *Capital Financial Services, LLC*, and that doing so is against the law.
- XVI. This contract contains all agreements of the parties hereto. There are no promises, agreements, terms, conditions, warranties, representations or statements other than contained herein. This contract supersedes all prior written or oral negotiations and agreements. This agreement shall apply to and bind the heirs, legal representatives, successors and assigns of the respective parties. It may not be changed orally. All modifications and amendments hereto must be in writing and signed by both parties.
- XVII. *Capital Financial Services, LLC* shall not accept possession of client's funds or securities. Securities must in all cases be delivered directly to the client's account. Forms will be provided to you for this purpose. Securities or cash delivered directly to *Capital Financial Services, LLC*, or checks payable to *Capital Financial Services, LLC* (if they are client funds) shall not be accepted, and will be returned immediately.

Signed _____

Dated ___/___/___

Signed _____

Dated ___/___/___

Principal Owner _____

Dated ___/___/___

William C. Jerome, CFP®



Financial Directive

The purpose of this Financial Directive is for you to decide in advance the action that may be taken by *Capital Financial Services, LLC* if we notice a decline in your financial decision-making capacity. The Financial Directive gives us permission to contact your designated individuals with concerns that may occur during the term of our engagement. This Directive serves as a waiver of your expectation of confidentiality under these limited circumstances to those persons you direct in this document. We will use this directive to give us permission to contact family, friends, lawyers, accountants, or medical professionals on your behalf.

Signs of decline in financial functioning may occur before other problems become evident. Because we have developed an understanding of your personal approach to financial decisions, we may be one of the first to notice a change in behavior that could represent a decline in cognitive abilities. We do not have the training to explain or interpret these observations so this allows us to appropriately express our concerns if we see changes.

You providing us with this document and our accepting it is no way to be construed as a commitment on our part to act as your agent outside of the terms of your advisory agreement with us.

You acknowledge that you have not been influenced by *Capital Financial Services, LLC* and understand that we are in no way responsible for the competency of the person(s) you have appointed to be contracted under this directive.

We advise you to seek legal advice about whom to appoint when making this choice. You understand that this directive does not replace the need for other more comprehensive estate planning documents.

You may revoke this directive at any time by notification in writing to us and signed and dated by you. The revocation will become effective upon delivery to *Capital Financial Services, LLC*.

Signed _____

Dated ___/___/___

Signed _____

Dated ___/___/___



Designated Individuals Who May Be Contacted

Listed below are those individuals *Capital Financial Services, LLC* may contact under the circumstance referred to in this Directive.

NAME	RELATIONSHIP	CONTACT INFORMATION
_____	_____	_____
_____	_____	_____
_____	_____	_____

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