

Internal use only:

Coded @ Clr firm  
 On Doc Digger (Bear only)  
 Added to Fee Bill Syst  
 Cmplc apprvd  
 ADV log  
 Disc  Non Disc  POA  
 FundCircuit

## Cantella Classic Gold

# Investment Advisory Client Agreement

Account Title: \_\_\_\_\_

Account # (s) : \_\_\_\_\_

Address: \_\_\_\_\_

Social Security (Tax ID #) \_\_\_\_\_

Investment Adviser Representative Name: \_\_\_\_\_ Rep # \_\_\_\_\_

THIS AGREEMENT is by and between the above named party (hereinafter referred to as "Client") and \_\_\_\_\_,

an investment advisory representative (hereinafter referred to as "Adviser Representative") of Cantella & Co., Inc.

### *PARTIES HERETO AGREE AS FOLLOWS:*

I. Execution and Administrative Services and Duties— Cantella & Co., Inc., (hereinafter referred to as "Cantella"), is hereby appointed by Client as sole and exclusive broker with respect to the referenced account for the execution of purchase and sale transactions. In the execution of said transactions, Cantella and/or one of its clearing agents, National Financial, LLC, J.P. Morgan Clearing Corp, or Pershing LLC, all members of the New York Stock Exchange, may act as agent (including agency cross transactions with other clients) or as principal.

Cantella will also provide various administrative services which include determining the fair market value of assets held in Client's Cantella Classic Gold account quarterly and producing a quarterly statement for Client detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received.

Cantella will provide Client, by and through an Adviser Representative, upon acceptance of Client's account, investment advisory services including portfolio reviews and recommendations with respect to various investments. Such investments will be included in the asset value of Client's account for the purpose of calculating the fee compensation to Cantella for advisory services and are hereinafter referred to as Cantella Classic Gold "Fee Investments." These investments include open-end mutual funds offered with no sales commission or load, publicly traded closed-end mutual funds, common and preferred stocks, American Depositary Receipts, options, real estate investment trusts, corporate bonds, U.S. Government and Government agency bonds, mortgage backed and municipal bonds, and any other investment that may, from time to time, be designated as a Fee Investment. For the purposes of this Agreement, the term "value of the account" shall mean the total absolute value of the securities in the account, long or short, plus all credit balances, with no offset for any margin or debit balances.

The Adviser Representative will render the afore mentioned investment advice and any other advisory services under this agreement while exercising the investment authority/trading authorization granted in Section 18 of this agreement.

2. Securities Custody - At no additional charge, Cantella shall facilitate the maintenance of custody of securities positions for the referenced account through either National Financial, LLC, J.P. Morgan Clearing Corp, or Pershing LLC including holding securities in nominee name and crediting interest and dividends received on said securities to Client's account.

3. Securities Brokerage Remuneration - Client agrees to pay Cantella for transaction execution and clearing services based upon a fee per transaction based on the type security involved. Commissions will be charged on any investments, with the exception being no load or load waived funds that Cantella does not incur a transaction charge from the clearing firm that carries customer's account(s).

## **Schedule of Charges for Execution and Clearing of Transactions in Cantella Classic Gold Fee Investments**

<u>Security Type</u>	<u>Processing Fee</u>
Stocks: Listed	\$29.95 plus \$.015/ share for all listed trades over 2,500 shares
Stocks: OTC	\$29.95
Closed End Mutual Funds	\$29.95 plus \$.015/share for all listed trades over 2,500 shares
Mutual Funds*	\$29.95
Options	\$50.00 plus additional \$1.50 per contract for orders in excess of 20 contracts
Bonds: Government, Corporate, Municipal, & Mortgage Backed	\$50.00
Non-Publicly Traded Limited Partnerships	\$50
Limited Partnership Re-registration Fee	\$125
Non-Marketable Securities	\$50
Foreign Securities	\$90

\*J.P. Morgan Clearing Corp and National Financial, LLC have programs available that allow you to buy or sell over 1,000 no load or load waived funds without a transaction fee. A separate list of these funds is available.

In addition to the foregoing transaction charges, Client will incur a charge in the amount of \$5.65 per transaction at National Financial, LLC, \$6.65 per transaction at Pershing, LLC or \$5.35 per transaction at J.P. Morgan Clearing Corp for handling and postage charges. Client may also incur charges for other account services provided by Cantella through Cantella not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Client understands that the Adviser Representative will not share in any transaction charges paid by Client to Cantella. Said charges are charged solely to defray the expenses incurred in facilitating the execution and clearing of Client's portfolio transactions. In certain circumstances the actual expense incurred by Cantella for any given transaction may be less than or greater than the stipulated charge paid by Client.

4. Adviser Representative Remuneration - Client will compensate Cantella for investment advisory services on an annual fee basis at the rate set forth in Schedule A attached hereto. The fee will be payable quarterly in advance. New accounts opened during the first or second month of the quarter are billed initially for the days from inception to the end of the quarter based on the inception value. New accounts opened during the last month of the quarter are billed initially for the days from inception to the end of the month, plus the next full quarter based on the inception value. The initial quarterly payment will become due in full on the date the account is accepted and will be based on the account asset value as of that date.

Subsequent quarterly fees will be calculated based upon the average daily market value of Client's Gold Fee Investments, during the prior quarter, for Cantella Classic Gold Accounts carried at National Financial Services LLC. For Cantella Classic Gold Accounts carried at J.P. Morgan Clearing Corp and Pershing LLC subsequent quarterly fees will be calculated based upon the previous quarter's end value of the Gold Fee Investments. No fee adjustments will be made for contributions or withdrawal of funds until adjustments are made as reflected in the next quarter's invoice. Cash balances will be held in a money market fund. Adviser Representative can provide Client with list of all available money market funds.

Cantella is hereby authorized to deduct from Client's account any fee owed to Adviser Representative pursuant to the terms of this Agreement. All fees paid to Adviser Representative will be reported to Client on the quarterly statements.

5. Limitation of Responsibility - Client authorizes Adviser Representative to act as Client's agent to buy or sell investments for Client's account as instructed by Client.\* Client hereby agrees to indemnify and hold Cantella, their officers, directors, agents, employees, and affiliates harmless from all loss, cost (including attorneys' fees), indebtedness and liabilities arising from actions directed by client. This authorization is a continuing one and shall remain in full force and effect until terminated in writing. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

\*The Adviser Representative will render the aforementioned investment advice and any other advisory services under this agreement while exercising the investment authority/trading authorization granted in Section 18 of this agreement.

In no event will Cantella be obligated to execute any transaction that it believes would violate any federal or state law, rule or regulation, or any rule or regulation of any regulatory body. Adviser Representative and its affiliates are not obligated to buy, sell, or recommend for Client any security or other investment that Adviser Representative or affiliates may buy sell or recommend for any other Client or for their own accounts. Client understands that transactions in a specific security may not be accomplished for all Clients at the same time or the same price.

Adviser Representative or Cantella may buy, sell or currently own for itself, securities that are also recommended to Client. Such recommendations will be made on investment merit and not on the basis of improving the value of holdings of the Adviser Representative or Cantella.

6. Reports - Cantella shall transmit to the Client the following reports: (1) Trade confirmations reflecting all transactions in securities; (2) Statements itemizing all transactions in cash and securities, and all deposits and withdrawals of principal and income, submitted at least quarterly; and (3) Statements of securities in custody listing securities held in the account, submitted at least quarterly.

7. Verification of Reports - Client will verify all statements prepared by Cantella, National Financial, LLC, J.P. Morgan Clearing Corp or Pershing and will acknowledge the correctness of any statements of account upon request, whether of cash or of property, in the account or accounts of the Client, as well as all notices, confirmations and reports with respect to any transactions or action for, or purporting to be for, the accounts of the Client. The Client shall immediately notify Cantella of any discrepancy in such reports.

8. Authority to Contract - If the Client is not an individual (i.e., a corporation, partnership, trust or retirement plan), the party executing on behalf of the Client (hereinafter referred to as the "Authorized Person") represents that he or she, is fully authorized to execute this Agreement with Adviser Representative and Cantella and to act on behalf of the Client in connection with the services to be provided to the Client by Adviser Representative and Cantella under this Agreement. If Agreement is entered into by a trustee or other fiduciary, you agree that the fee arrangement under this agreement has been determined to be proper and permissible pursuant to any applicable plan, trust or other document and/or applicable law and that your participation in the Cantella Classic Gold Account is permitted by the relevant governing instrument that authorizes you to enter into the agreement. The Client and the Authorized Person agree to provide to Cantella upon their request of any and all additional documentation and agreements necessary to establish the authority of the Authorized Person to act on behalf of the Client.

9. Modification or Amendment – Cantella may modify or amend this Agreement, the fee schedule or nature of the services to be provided hereunder by providing Client with thirty (30) days' advance written notice of such change, modification or amendment.

10. Assignment, Termination and Responsibility - This Agreement may not be assigned without the consent of the Client, Adviser Representative and Cantella & Co. Inc. The initial term of this Agreement shall be for a period of one (1) year and shall automatically renew thereafter for successive periods of one (1) year each until terminated by Cantella, Adviser Representative or Client. Cantella, Adviser Representative or Client may terminate this Agreement at any time by providing 30 days written notice of such election to the other party. This Agreement will terminate automatically upon receipt by Adviser Representative or Cantella of legal notice of the death of the Client. Termination of this Agreement will not affect any liability or responsibility with regard to transactions for the Client's account initiated prior to or after such termination, and the Client agrees to be responsible for any commissions, fees or expenses prior to or after such termination.

In the event of termination of this Agreement, Cantella will refund to Client the prorated portion of the fee for the quarter of termination. Transaction processing charges paid to Cantella are not subject to refund in the event of termination of this Agreement because they will be incurred at the time a service is performed. All fees due under this Agreement at termination will be deducted from Client's account before assets are delivered from the account. Client has 5 business days to terminate this agreement without incurring any expenses.

11. Conflicts of Interest - Adviser Representative or its affiliated parties may individually be registered securities representatives affiliated with Cantella. In said capacity these individuals may provide securities brokerage services through Cantella, which involve securities not transacted in Client's Cantella Classic Gold account pursuant to the terms and conditions of this Agreement. Such securities transactions may cause a commission to be paid to Cantella and, if so, the affiliated registered representative will receive a portion of said commission. The Client understands that the Adviser Representative and Cantella will be paid a share of the Cantella Classic Gold Account fee and may also receive other fees, credits, and considerations.

12. Other Compensation to Cantella - Certain of the open-end mutual funds which may be acquired in Client's Cantella Classic Gold account, may, in addition to assessing management fees, internally assess a distribution fee pursuant to section 12(b)1 of the Investment Company Act of 1940 as amended, or an administrative or service fee. Cantella may be eligible or may subsequently become eligible to share in such fees, which generally equal 0.25%, or exceed this amount, each year of the mutual fund account balance. Such fees are included in the calculation of operating expenses of a mutual fund, and the existence of such fees is disclosed in the prospectus for each mutual fund. Cantella may be

eligible or may subsequently become eligible to share in asset-based revenue on mutual fund assets. Additionally, Client understands that funds which charge no sales load may be transacted directly with the sponsoring fund organization with no transaction fee.

Client should be aware that all mutual funds incur expenses for portfolio management services and fund administrative services. These expenses may range from 1.25% to 2.0% of asset value for a domestic equity fund and from 2.0% to 2.5% for an international or global equity fund. Internal expenses of bond funds tend to be lower than for equity funds. The advisory fee charged pursuant to this Agreement will be in addition to mutual fund internal expenses. A portion of the annual advisory fee charged by Adviser Representative is paid to Cantella for administration of the account.

13. Proxies - Client understands and agrees that Client retains the right to vote all proxies solicited for the securities held in Client's account. Neither Cantella nor Adviser Representative will take any action with respect to the voting of proxies on the behalf of Client.

14. Entire Agreement – This Agreement and any Schedules attached hereto represent the entire Agreement between Cantella & Co., Inc, Adviser Representative and Client regarding fees and services set forth herein and may not be modified, amended or changed except with the written consent of Cantella. This Agreement shall be construed in conjunction with and be subject to the express terms and conditions of the separate brokerage account Client Agreement between Client and Cantella.

15. Governing Law - This Agreement shall be governed by the laws of the State of Massachusetts.

16. Severability - The parties hereby agree that if any term, provision, duty, obligation or undertaking herein contained is held to be unenforceable or in conflict with applicable state law, the validity of the remaining portions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if such invalid or unenforceable provision was not contained herein.

17. Receipt of Cantella's Disclosure Document - Client hereby acknowledges receipt of Cantella's Form ADV Part II or a brochure providing the same information about Adviser as required under Rule 204-3 of the Investment Adviser's Act of 1940.

18. Trading Discretion – Client grants the Adviser Representative the following Trading Authorization:

- No Trading Authorization.** Although Adviser Representative shall retain the aforementioned authority to direct the investment and reinvestment of assets in Client's Account, Adviser Representative shall gain approval from Client beforehand.
- Limited Trading Authorization.** Adviser Representative shall have full discretion, power, and authority to sell (including short sales), purchase, exchange, convert, tender, trade, or otherwise acquire or dispose of stocks, bonds, and any other securities including the purchase and/or sale of option contracts (exchange traded or over-the-counter, puts, calls, etc.) to open new option positions or close existing positions, to exercise option contracts and to sell option contracts as either a covered or uncovered writer, and/or contracts relating to the same on margin or otherwise in accordance with the terms and conditions of Client's account. *A signed Limited Trading Authorization form must be attached to this agreement.*
- Power of Attorney.** *The Attorney in Fact (Adviser Representative or another designated party) and Client must complete, sign and attach a separate Power of Attorney Affidavit.*

## Schedule A

Minimum account size for the Cantella Classic Gold Account program is generally \$25,000.

<u>Account Asset Value</u>	<u>Annualized Fee</u>
On the first \$500,000 in assets	2.0%
On assets over \$500,000	1.75%

### Signatures

Agreed to and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Client Signature (Joint Account)

\_\_\_\_\_  
Adviser Representative Signature

\_\_\_\_\_  
Date

Brokerage Firm Acceptance: "Cantella & Co., Inc." hereby accepts appointment as the broker/dealer with respect to the above Client's account and agrees to provide services in accordance with the terms of this Agreement.

\_\_\_\_\_  
Cantella & Co., Inc. Signature

\_\_\_\_\_  
Date

