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## Cantella Classic Platinum

# 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, Pershing, LLC or J.P. Morgan Clearing Corp, 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 Platinum 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 Platinum "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 Depository 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, Pershing, LLC or J.P. Morgan Clearing Corp, including holding securities in nominee name and crediting interest and dividends received on said securities to Client's account.

3. Postage & Handling - 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.

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 Platinum Fee Investments, during the prior quarter, for Cantella Classic Platinum Accounts carried at National Financial Services LLC. For Cantella Classic Platinum 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 Platinum Fee Investments. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next quarter's statement. 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, Pershing, LLC or J.P. Morgan Clearing Corp 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 Platinum 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 provided that this Agreement has been in effect for a minimum of 90 days. Should this Agreement be terminated by the Client prior to 90 days from the date of inception the Client fee will not be prorated. Instead the initial quarterly fee will be utilized to cover set up and transaction expenses. 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 Platinum 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 Platinum 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 Platinum 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 Advisory Representative the following Trading Authorization:

- No Trading Authorization.** Although Advisory Representative shall retain the aforementioned authority to direct the investment and reinvestment of assets in Client's Account, Advisory Representative shall gain approval from Client beforehand.

**Limited Trading Authorization.** Advisory 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.*

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### Schedule A

Platinum -minimum account size for the Cantella Classic Platinum Account program is generally \$50,000.

<u>Account Asset Value</u>	<u>Standard Annualized Fee</u>
On the first \$500,000 in assets	2.75%
On assets over \$500,000	2.5%

### 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

**Schedule B**

Adjustments to Schedule A Fee Arrangement

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**Signatures**

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

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

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

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

## Schedule C - Rep Use only

Platinum – minimum account size for a Cantella Classic Platinum account is generally \$50,000  
 Platinum Plus - minimum account size for the Cantella Classic Platinum Plus account is generally \$100,000

### Please select a billing option:

- |   |  |
|---|--|
| <input type="checkbox"/> National Financial Platinum (BQO)<br><input type="checkbox"/> National Financial Platinum Plus<br><input type="checkbox"/> Billing Option # 1 (branch W3Z)<br><input type="checkbox"/> Billing Option # 2 (branch W2X)<br><input type="checkbox"/> Billing Option # 3 (branch W2Y) | <input type="checkbox"/> Pershing Platinum (AYP)<br><input type="checkbox"/> Pershing Platinum Plus (AY3)<br><br><input type="checkbox"/> J.P. Morgan Clearing Corp Platinum (516) |
|---|--|

Basic information is provided below. However, for more in-depth information on Platinum, Platinum Plus, and other Cantella advisory platforms, please see the Cantella Advisory Services Operations Manual.

### National Financial Platinum Plus billing options:

	<b>Option #1</b>	<b>Option #2</b>	<b>Option #3</b>
<u>Chargeable Assets**</u>	<u>Annualized fee</u>	<u>Annualized fee</u>	<u>Annualized fee</u>
	up to 80 trades/yr.	up to 160 trades/yr.	unlimited trades/yr.
First \$250,000	35 basis points	45 basis points	65 basis points
Next \$250,000	20 Basis points	30 basis points	45 basis points
Next \$500,000	15 basis points	15 basis points	30 basis points
Next \$1 million	10 basis points	10 basis points	30 basis points
Amounts over \$2 million	8 basis points	10 basis points	30 basis points

*Trades during the first 30 days from account establishment do not count towards the final trade count (applies to options 1 & 2 only).*

Option #1: client receives up to 80 trades per year. The **minimum annual account fee paid for processing is \$425**. Fees are charged per account, not per client. Accounts within a household are not aggregated for billing purposes. This means the break-even on a 35 basis point charge is an account value of \$121,428. Any account below that amount will be charged a higher basis point fee that reduces the representative's retention percentage of the total fee. The basis point fee is deducted from the total fees paid by the customer.  
 Example: Client has an account valued at \$100,000 and pays a 2.75% fee. The annual fee would be \$2,475 and \$425 of the fee (the minimum), which in this scenario is 42.5 basis points, would be deducted from the fees charged.

Option #2: client receives up to 160 trades per year. The minimum account size is \$100,000. The **minimum annual account fee paid for processing is \$525**. Fees are charged per account, not per client. Accounts within a household are not aggregated for billing purposes. This means the break-even on the 45 basis point charge is an account of \$116,666. Any account below that amount will be charged a higher basis point fee that reduces the representative's retention percentage of the total fee. The basis point fee is deducted from fees paid by the customer.

Option #3: client receives unlimited trades.\* The minimum account size is \$100,000. The **minimum annual account fee paid for processing is \$575**. Fees are charged per account, not per client. Accounts within a household are not aggregated for billing purposes. Any account below that amount will be charged a higher basis point fee that reduces the representative's retention percentage of the total fee. The basis point fee is deducted from fees paid by the customer.

*\*NFS has not placed a maximum trade limit per account, but should the number of trades in an account exceed a "reasonable" number, representative may be charged a fee per trade by NFS. Though there is no specific definition for "reasonable", Cantella is taking it to mean that any trades in excess of 400 trades might be considered unreasonable.*

**\*\* Chargeable assets include all account assets except NTF mutual funds, Fidelity funds, cash and cash equivalents, certain foreign securities and certain non-marketable securities. Please note – non-chargeable assets DO NOT incur basis point charges and thus do not count towards the minimum account size.**

### Pershing Platinum Plus billing option

	<u>Annualized Fee</u>
Unlimited trades per calendar year in the asset fee*	25 basis points

*\*Pershing has not placed a maximum trade limit per account, but should the number of trades in an account exceed a "reasonable" number, representative may be charged a fee per trade by Pershing. Though there is no specific definition for "reasonable", Cantella is taking it to mean that any trades in excess of 30 trades might be considered unreasonable. This number varies depending on the average size of combined accounts with Cantella. **The minimum annual fee paid for***

processing is \$250.