

Emmaus Investor Services Corp.

"Coaching You Can Count On"

LEVEL III – PORTFOLIO MANAGEMENT AGREEMENT

CLIENT: _____

ADDRESS: _____ APT#: _____

CITY: _____ STATE: _____ ZIP: _____

Day Phone Number: _____ Evening Phone Number: _____

Email Address: _____ Date: _____

How did you hear about us? (Please check) Website A Friend Other: _____

This **Agreement** made on _____, by and between the **undersigned party**, hereinafter referred to as the **Client** and **Emmaus Investor Services (EIS)**, a **Registered Investment Advisor**, hereinafter referred to as the **Advisor**, whose primary address is **117 Fairgrounds Ave. Dayton, Ohio 45409** supersedes any previous agreements with **Emmaus Investor Services**.

1) Scope of Agreement

- a) The **Client** - hereby appoints **Emmaus Investor Services** as an **Investment Advisor** to perform the services here-in-after described, and the **Advisor** accepts such appointment. The **Advisor** shall be responsible for the investment and reinvestment of those assets designated by the **Client** to be subject to the **Advisor's** management (which assets, together with all additions, substitutions and/or alternations thereto are hereinafter referred to as the "**Assets**" or "**Account**");
- b) The **Client** – delegates to the **Advisor** all of its powers with regard to the investment and reinvestment of the **Assets** and appoints the **Advisor** as the **Client's** agent in fact with full authority to buy, sell, or otherwise effect investment transactions involving the **Assets** in the **Client's** name for the **Account**;
- c) The **Advisor** – is authorized, without prior consultation with the **Client**, to buy, sell, and trade in stocks, bonds, Exchange Traded Funds (**ETFs**), Mutual Funds, and other securities and/or contracts relating to the same, and to give instructions in furtherance of such authority to the **Registered Broker-Dealer** and the **Custodian** of the **Assets**;
- d) The **Client** – acknowledges that the **Advisor** shall, consistent with the **Client's** investment objective(s) and risk tolerance, primarily allocate the **Assets** among various individual Stocks, Exchange Traded Funds, Mutual Funds, and/or other investment products in accordance with one or more set allocation **Program** (the "**Programs**" or "**Program**" when mentioned in the singular);
- e) **The Programs** – The following disclosure is specifically applicable to the **Programs** (Programs are defined in "Appendix A" of this Agreement):

- 1) **Initial Interview** – at the opening of the **Account**, the **Advisor** shall obtain from the **Client (i.e. Financial Profile)**, information sufficient to determine the **Client’s** financial situation and investment objectives;
 - 2) **Individual Treatment** – the **Account** is managed on the basis of the **Client’s** financial situation and investment objectives;
 - 3) **Annual Contact** – at least annually, the **Advisor** shall contact the **Client** to determine whether the **Client’s** financial situation or investment objectives have changed, or if the **Client** wants to impose and/or modify any reasonable restrictions on the management of the **Account**. In the event that the **Client** is referred to the **Advisor** by the **Client’s** primary financial services professional the **Advisor** shall request such professional to make the contact;
 - 4) **Consultation Available** – the **Advisor** (and/or the **Client’s** primary financial services professional) shall be reasonably available to consult with the **Client** relative to the status of the **Account**;
 - 5) **Statement** – the **Custodian** shall provide, to the **Client**, on-line monthly reports on the status of the **Account for the preceding period**;
 - 6) **Ability to Impose Restrictions** – the **Client** shall have the ability to impose reasonable restrictions on the management of the **Account**, including the ability to instruct the **Advisor** not to purchase certain funds;
 - 7) **No Pooling** – the **Client’s** beneficial interest in a security does not represent an undivided interest in all the securities held by the **Custodian**, but rather represents a direct and beneficial interest in the securities which comprise the **Account**;
 - 8) **Separate Account** – a separate account shall be maintained with the Custodian, by the **Client**;
 - 9) **Ownership** – each **Client** retains indicia of ownership of the **Account** (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations);
 - 10) **Advisor’s Fee** – the **Advisor** believes that its annual fee is reasonable in relation to the advisory services provided under this **Agreement** and the fees charged by other investment **Advisors** offering similar services/programs. However, **Advisor’s** annual investment management fee may be higher than that charged by other investment **Advisors** offering similar services/programs. In addition to Advisor compensation, the **Client** will also incur charges imposed at the ETF/Mutual Fund level (e.g., advisory fees and other fund expenses) and charges imposed by the **Account** custodian; and
 - 11) **Tax Efficiency** – **Client** acknowledges and understands that **Advisor’s Rollover Stocks, Exchange Traded Funds, and/or Mutual Fund Asset** management programs may involve above-average portfolio turnover which could negatively impact the net after-tax gain experienced by the **Clients** in non-qualified accounts.
- f) The **Client** – agrees to provide information and/or documentation requested by **Advisor** in furtherance of this **Agreement** as pertains to **Client’s** objectives, needs and goals, and acknowledges his/her/their/its responsibility to keep **Advisor** informed **of any changes regarding same**. The **Client** acknowledges that **Advisor** can not adequately perform its services for the **Client** unless the **Client** diligently performs his responsibilities under this **Agreement**. **Advisor** shall not be required to verify any information obtained from the **Client**, **Client’s** attorney, accountant or other professionals, and is expressly authorized to rely thereon;
- g) In the event that the **Account** is a retirement plan sponsored by **Client’s** employer or a variable investment product, **Client** acknowledges that **Advisor’s** investment selection shall be limited to the investment alternatives provided by the retirement plan or the variable investment product. In the event that the **Account** sponsor or **Custodian** will not permit **Advisor** direct access to the **Account**, the **Client** will provide the **Advisor** with the **Client’s** password (and log-in information). If the **Client** has not established a log-in identification, the **Advisor** is authorized to do so on the **Client’s** behalf) to effect **Account** transactions. The **Client** acknowledges and understands that: 1) the **Advisor** will not receive any communication from the **Account** sponsor or custodian, and it shall remain the **Client’s** exclusive obligation to notify the **Advisor** of any changes in investment alternatives, restriction, etc. pertaining to the **Account**; and (2) the **Advisor** shall not be responsible for any costs, damages, penalties, or otherwise, resulting from the **Client’s** failure to so notify the **Advisor**.

- h) **Client** authorizes **Advisor** to respond to inquires from, and communicate and share information with, **Client's** attorney, accountant and other professionals to the extent necessary in furtherance of **Advisor's** services under this **Agreement**; and,
- i) **Client** acknowledges and understands that the service to be provided by **Advisor** under this **Agreement** is limited to the management of the **Assets** and does not include financial planning or any other related or unrelated services.
- 2) **Custodian** – The **Assets** shall be held by an independent **Custodian** (i.e. clearing firm, trust company, mutual fund company, or the variable investment product sponsor), not the **Advisor**. The **Advisor** is authorized to give instructions to the **Custodian** with respect to all investment decisions regarding the **Assets** and the **Custodian** is hereby authorized and directed to effect transactions, deliver securities, and otherwise take such actions as the **Advisor** shall direct in connection with the performance of the **Advisor's** obligations in respect of the **Assets**.
- 3) **Risk Acknowledgement** – **Advisor** does not guarantee the future performance of the **Account** or any specific level of performance, the success of any investment recommendation or strategy that **Advisor** may take or recommend for the **Account**, or the success of **Advisor's** overall management of the **Account**. **Client** understands that investment recommendations for the **Account** by **Advisor** are subject to the various markets, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The **Client** further acknowledges that past performance may not be indicative of future results, and understands that future performance of any specific investment or investment strategy (including the investment and/or investment strategies recommended by the **Advisor** may not be profitable or equal any corresponding historical performance level(s). For the above reasons, the **Client**: (1) understands and accepts that the **Programs** are intended to be a long-term investment (i.e. at least 5 years), and, as such, (2) agrees that a fair assessment of **Account** investment performance can not be made on a short-term basis.
- 4) **Directions to the Advisor** – All directions, instructions and/or notices from the **Client** to the **Advisor** shall be in writing, including notification of a change in the **Client's** investment objective(s). The **Advisor** shall be fully protected in relying upon any directions, notice, or instructions until it has been duly advised in writing of changes therein.
- 5) **Advisor Liability** – Except as otherwise provided by federal or state securities laws, the **Advisor** acting in good faith, shall not be liable for any actions, omissions., investment recommendations/decisions, or losses in connection with this **Agreement** including but not limited to the investment of the **Assets**, or the acts and/or omissions of other professionals or third party service providers recommendations to the **Client** by the **Advisor**, including a **Broker-Dealer** and/or **Custodian**. 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 waiver or limitation of any rights which the **Client** may have under any federal securities laws. If the **Account** contains only a portion of the **Clients** total **Assets**, **Advisor** shall only be responsible for those **Assets** of the **Client** under **Advisor's** investment management services under this **Agreement** without consideration to those additional **Assets** not so designated by the **Client**.
- 6) **Proxies** – The **Client** shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the **Client** shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events, pertaining to the **Assets**. **Advisor** is authorized to instruct the **Custodian** to forward to the **Client** copies of all proxies and shareholder communications relating to the **Assets**.
- 7) **Reports** – The **advisor** and/or **Account** custodian shall provide the **Client** with periodic reports for the **Account**. In the event that the **Advisor** provides supplemental **Account** reports which include **Assets** for which the **Advisor** does not have discretionary investment management authority the **Client** acknowledges that the reporting is provided as an accommodation only, and does not include investment management, review or monitoring service nor investment recommendations or advice. As such, the **Client** and not the **Advisor** shall be exclusively responsible for the investment performance of any such assets or accounts. In

the event the **Client** desires that the **Advisor** provide investment management services with respect to any such **Assets** or **Accounts**, the **Client** may engage the **Advisor** to do so for a separate and additional fee.

- 8) **Inactive Status** – **Clients** may choose to be placed on inactive status at any time. To be moved to inactive status the **Client** need only provide written notice of their intent to the **Advisor**. **Clients** may return to Active Status at any time by simply notifying **Advisor** of their intent.
- 9) **Termination** – This **Agreement** will continue in effect until terminated by either party by written notice to the other (email notice will not suffice) which written notice must be signed by the terminating party. Termination of this **Agreement** will not affect (i) the validity of any action previously taken by **Advisor** under this **Agreement**; (ii) liabilities or obligations of the parties from transactions initiated before termination of **Advisor** receives a written termination notice from the **Client**, unless the termination date is a mutually agreed upon date subsequent to the **Advisor's** receipt of the written termination notice. Upon the termination of this **Agreement**, **Advisor** will have no obligation to recommend or take any action with regard to the securities, cash, or other investments in the **Account**, and, unless the **Client** advises in writing to the contrary, **Advisor** shall automatically liquidate all **Assets** and place the proceeds in money market accounts.
- 10) **Assignment** – This **Agreement** may not be assigned (within the meaning of the **Investment Advisor Act of 1940** by either the **Client** or the **Advisor**) without the prior consent of the other party. The **Client** acknowledges and agrees that transactions that do not result in a change of actual control or management of the **Advisor** shall not be considered an **Assignment** pursuant to **Rule 202(a)(1)-1** under the **Investment Advisor Act of 1940**.
- 11) **Non-Exclusive Management** – **Advisor**, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other **Clients**, as the **Advisor** does for the **Client's Assets**. **Client** expressly acknowledges and understands that **Advisor** shall be free to render investment advice to others and that **Advisor** does not make its investment management services available exclusively to **Client**. Nothing in this **Agreement** shall impose upon the **Advisor** any obligation to purchase or sell or to recommend for purchase, or sale for the **Account** any security which the **Advisor** its principals, affiliates, or employees, may purchase or sell for their own accounts or for the account of any other **Client**, if in the reasonable opinion of the **Advisor** such investments would be suitable for the **Account** or if the **Advisor** determines in the best interest of the **Account** it would be impractical or undesirable.
- 12) **Death or Disability**, The death, disability or in competency of **Client** will not terminate or change the terms of this **Agreement**. However, **Client's** executor, guardian, attorney-in-fact or other authorized representative may terminate this **Agreement** by giving written notice to **Advisor**, and providing corresponding evidence of such appointment or position. The **Client** recognizes that the **Custodian** may not permit any further **Account** transactions until such time as corresponding documentation is provided to the **Custodian**.
- 13) **Arbitration** – To the extent that the parties do not agree to initially submit the dispute to non-binding mediation, subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to **Advisor's** services under this **Agreement** both **Advisor** and **Client** agree to submit the dispute to arbitration in accordance **with the auspices and rules of the American Arbitration Association (“AAA”)**, provided that the **AAA** accepts jurisdiction. **Advisor** and **Client** understand that such arbitration shall be final and binding and that by agreeing to arbitration, both **Advisor** and **Client** are waiving their respective rights to seek remedies in court, including the right to a jury trial. **Client** acknowledges that he/she/it has had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this **Agreement**. **Client** acknowledges and agrees that in the specific event of non-payment of any portion of **Advisor's** Compensation pursuant to **Paragraph “2”** of this **Agreement**, **Advisor**, in addition to this aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys fees and other costs of collection.

- 14) **Disclosure Statement** – The **Client** hereby acknowledges prior receipt of a copy of the **Disclosure Statement** of the **Advisor** as same is set forth in **Part II of Form ADV (Uniform Application for Investment Advisor Registration)**. **Client** further acknowledges that he/she/it has had a reasonable opportunity (i.e. at least 48 hours) to review said **Disclosure Statement**, and to discuss the contents of same with professionals of his choosing, prior to the execution of this **Agreement**. If the **Client** has not received a copy of the **Advisor’s Disclosure Statement** at least 48 hours prior to execution of this **Agreement**, the **Client** shall have 5 business days from the date of execution of this **Agreement** to terminate **Advisor’s** services without penalty.
- 15) **Trade Errors** – All **Account** trades are placed electronically or telephonically by **Advisor**. The **Client** acknowledges that **Advisor** cannot and will not be responsible for **Account** errors and/or losses that occur where **Advisor** has used its best efforts (without direct failure on the part of **Advisor**) to execute trades in a timely and efficient manner. If a trade or some portion of a trade is not effected or an electronic “**Glitch**” occurs which results in the **Account** not being traded at the same time or at the same price as others, and such occurrence is not a result of **Advisor’s** failure to execute or follow its trade procedures, the resulting loss will not be considered a trading error for which **Advisor** is responsible. In addition, virtually all mutual funds, as disclosed in their prospectuses reserve the right to refuse to execute trades if in a fund’s sole judgment the trade(s) would jeopardize the value of the fund. **Advisor** has no authority to change, alter, amend, or negotiate any provision set forth in a mutual fund prospectus. The **Client** further acknowledges that **Advisor** cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company when an order has been properly submitted by the **Advisor**. Finally, **Advisor** cannot be responsible for a unilateral adverse decision by a mutual fund or insurance company to restrict and/or prohibit mutual fund asset management programs.
- 16) **Advisors Proprietary Interest** – The **Client** acknowledges that the **Advisor’s** Programs are proprietary and the **Client** shall not share any information regarding the programs, including but not limited to trade signals, investment algorithms, or **Account** composition, with any **non-Client** of **Advisor**.
- 17) **Severability** – Any term or provision of this **Agreement** which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this **Agreement** or affecting the validity or enforceability of any of the terms or provisions of this **Agreement** in any other jurisdiction.
- 18) **Client Conflicts** – If this **Agreement** is between the **Advisor** and related **Clients** (i.e. husband and wife, life partners, etc), **Advisor** 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 disposition of the **Assets**, unless and until such reliance is revoked in writing to the **Advisor**. The **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**.
- 19) **Referral Fees** – If the **Client** was introduced to the **Advisor** through a **Referring Person**, the **Advisor** may pay that **Referring Person** a referral fee in accordance with **Rule 206(4)3** of the **Investment Advisor’s Act of 1940**. The referral fee shall be paid solely from **Advisor Compensation** as defined in the **Written Referral Disclosure Agreement**, and shall not result in any additional charge to the **Client**. The **Client** acknowledges receipt of the **Written Referral Disclosure Agreement** disclosing the terms of the referral compensation arrangements between the **Advisor** and the **Referring Person** including the compensation to be received by the **Referring Person** from the **Advisor**.
- 20) **Privacy Notice** – The **Client** acknowledges prior receipt of the **Advisor’s Privacy Notice**.
- 21) **Amendments** – The **Advisor** (via certified mail to the **Client**) may amend this **Agreement** upon written notification to the **Client**, which amendment, unless the **Client** notifies the **Advisor** to the contrary, in writing, shall become effective thirty (30) days from the date of mailing.

22) **Applicable Law** – This **Agreement** supersedes and replaces, in its entirety, all previous investment advisory agreements(s) between the parties. To the extent not inconsistent with applicable law, this **Agreement** shall be governed by and constructed in accordance with the laws of the **State of Ohio**. In addition, to the extent not inconsistent with applicable laws the venue (i.e. location) for the resolution of any dispute or controversy between **Advisor** and **Client** shall be the **County of Montgomery, State of Ohio**.

23) **Authority** – The **Client** acknowledges that he/she/it has all requisite legal authority to execute this **Agreement** and that there are no encumbrances on the **Assets**. The **Client** correspondingly agrees to immediately notify the **Advisor**, in writing, in the event that either of these representations should change.

24) **Advisor Management Fees**

a) The **Advisor’s** annual fee for investment management services provided under this **Agreement** shall be based upon a percentage (%) of the market value of the **Assets** under management in accordance with the following fee schedule. In some cases a different fee schedule may apply, because all fees are negotiable. If the fee schedule differs from the following, it will be defined in **Paragraph “25”** below.

<u>Account Size</u>	<u>Actively Managed</u>
\$0 to \$80,000	Varies
\$80,000 to \$150,000	1.00%
\$150,000 to \$500,000	0.90%
\$500,000 and Up	0.80%

* An account will be considered “**Actively Managed**” if it contains the Aggressive Growth Strategy or one of the Income Generating Strategies or Buy and Hold with Rebalancing. There is a \$100/month minimum fee requirement.

Advisor Management Fees are payable quarterly when based upon a percentage (%) of the market value of the **Assets** under management. The amount is based upon the market value of the **Assets** on the last business day of the preceding quarter. **Advisor Management Fees** are calculated independently on a per **Account** basis. Should **Advisor** change to monthly billing, **Client** will receive 60 days prior written notice. Deposits made to the **Account** will be immediately billed on a prorated basis. The **Client** acknowledges that it is the **Client’s** responsibility to verify the accuracy of the fee calculation and that the **Custodian** will not determine whether the fee is properly calculated. Additionally, **Client** agrees to pay any incidental charges levied by third parties in relation to the **Account**, including, but not limited to, wire transfer fees, and trading fees. No increase in the annual fee shall be effective without prior written notification to the **Client**. Flat monthly **Advisory Management Fees** are billed within the month. ;

b) Unless the **Client** otherwise indicates on the execution page of this **Agreement**, the **Client** authorizes **Advisor** and the **Custodian** of the **Assets** to charge the **Account** for the amount of the **Advisor’s fee** and to remit such fee to the **Advisor** in accordance with required **SEC** procedures. These fees will be deducted from the **Account** in which they were incurred, independently, and on a per account basis. In certain instances, **Advisor’s** fee may be incurred in an **Account** but deducted from a different **Client Account** (i.e. fees incurred in a qualified account are deducted from a taxable **Account** or non qualified **Account**). In the event that the **Client** wishes to be billed directly, the **Client** expressly understands and agrees that if the **Advisor’s** fee is not paid within fifteen (15) days from the date of invoice, a one percent (1%) monthly penalty shall accrue thereon until paid-in-full.

c) In addition to **Advisor’s** annual investment management fee, the **Client** shall also incur, relative to all Mutual funds, Exchange Traded Funds, and /or variable investment products, charges imposed directly at the Fund and/or variable investment product level (e.g. advisory fees and other fund expenses);

- d) No portion of the Advisor Management Fee shall be based on capital gains, or on capital appreciation of the **Assets**, except as provided for under the Investment Advisor Act of 1940; and
- e) All fees will be deducted from Account as noted in Section 23b. Any exceptions will be listed below on a per account basis.

25) Offerings

Passive Growth Strategy (Both Passively and Actively Managed Accounts)

- Buy and Hold with Periodic Rebalancing

Aggressive Growth Strategies (Actively Managed Accounts Only)

- Aggressive Rollover Strategy (8 Stocks / Month)

Income Generating Strategies (Actively Managed Accounts Only)

- ETFs / Bonds, Dividend Paying
- CDs

Broker / Dealer	Account Number	Fee
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

METHOD OF BILLING

- Direct to Scottrade Service Account (Billed 1st of Month every 3 months or Billed 1st of each Month)

COMMUNICATIONS – Do you agree to accept communications from your **Advisor** by email?

- Yes No

In Witness Whereof, the **Client** and **Advisor** have each executed this **Agreement** on the day, month, and year first above written.

 << Client First Name >> << Client Last Name >>

 << Spouse First Name >> << Spouse Last Name >>

 << EIS Advisor Representative >>

APPENDIX “A”

INVESTMENT PROGRAM DEFINITIONS / EXPLANATIONS

Passive Growth Strategy

- Buy and Hold with Periodic Rebalancing of Account** – This strategy begins with a complete review of the **Client’s** financial situation. Following this review, the **Advisor** representative will work with the **Client** to determine their Risk Profile and develop their Financial Goals. The **Advisor** will then define an appropriate Portfolio designed to meet the **Client’s** financial goals while remaining within the **Client’s** Risk Tolerance. The **Advisor** will purchase the identified components for the Portfolio. The purchased components may include Exchange Traded Funds (Money Market, Bonds, or Stocks) and Mutual Funds. The Portfolio will be reviewed by the **Advisor** and rebalanced periodically depending on Market Conditions.

Aggressive Growth Strategy

- Aggressive Strategy (8 Rollover Stocks / Month)** – This strategy uses a mechanical approach to investing whereby the Advisor will conduct the research required to identify 8 stocks (two per week) to be purchased for the **Client** each Monday of the Month. Each pair of stocks will be held for a period of one month then be rotated out and replaced with the next group of two stocks.

Income Generating Strategies:

- ETFs (Bonds or Dividend Paying ETFs)** – For this strategy, the **Advisor** will select a well diversified portfolio for the **Client** that is based on maximizing dividend returns from available ETFs or depending on market conditions, Short Term Bonds.
- CDs (Certificates of Deposit)** – This strategy is based on selecting appropriate Certificates of Deposit, for the **Client**, that are expected to provide a reasonable rate of return in the short run, 3 to 6 months.