

# Emmaus Investor Services Corp.

"Coaching You Can Count On ....."

## LEVEL I – PORTFOLIO REVIEW AND RECOMMENDATIONS

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 hereinafter described, and the **Advisor** accepts such appointment;
- b) The **Client** – acknowledges that the **Advisor** shall, consistent with the **Client's** investment objective(s) and risk tolerance, recommend allocation of the **Assets** among various individual Exchange Traded Funds, Mutual Funds, Stock Portfolios and/or other investment products;
- c) **The Programs** – The following disclosure is specifically applicable to the **Programs**:
  - 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) **Statement** – the **Custodian** (Scottrade Accounts only) shall provide, to the **Client**, on-line monthly reports on the status of the **Account**;
  - 3) **Separate Account** – a separate account shall be maintained with the **Custodian**, by the **Client**;
  - 4) **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

- d) **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 performed 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;
- e) 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 recommendations shall be limited to the investment alternatives provided by the retirement plan or the variable investment product.
- f) **Client** acknowledges and understands that the service to be provided by **Advisor** under this **Agreement** is limited to money management recommendations for 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**.
- 3) **Risk Acknowledgement** – **Advisor** does not guarantee the future performance of any investment recommendation or strategy that **Advisor** may recommend for 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 **Program Recommendations** are intended to be a long-term investment strategies (i.e. at least 5 years), and, as such, (2) agrees that a fair assessment of the **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 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 recommendations 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**.
- 7) **Reports** – The **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) **Termination** – This contract is a one-time agreement between the Client and the Advisor for Portfolio Review and Recommendations services. Once these services have been delivered, this contract is self terminating. Following termination of this contract, the **Advisor** will have no further obligation to recommend any action with regard to the securities, cash, or other investments in the **Client’s Account**. However, the advisor does recommend an annual review of the portfolio and the investment options followed by possible rebalancing of the account. An annual fee will apply.
- 9) **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**.
- 10) **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.
- 11) **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**.
- 12) **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, **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 attorney fees and other costs of collection.
- 13) **Disclosure Statement** – The **Client** hereby acknowledges prior receipt of a copy of the **Disclosure Statement** of the **Advisor** as same as 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.

- 14) **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**.
- 15) **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.
- 16) **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 **Referral Agreement**, and shall not result in any additional charge to the **Client**. The **Client** acknowledges receipt of the written disclosure statement disclosing the terms of the **Referral Agreement** between the **Advisor** and the referring person including the compensation to be received by the referring person from the **Advisor**.
- 17) **Privacy Notice** – The **Client** acknowledges prior receipt of the **Advisor's Privacy Notice**.
- 18) **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.
- 19) **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**.
- 20) **Advisor Portfolio Review and Recommendations Fee**

- a) The **Advisor's** fee for Portfolio Review and Recommendations services provided under this **Agreement** shall be:

<u>Account Size</u>	<u>Advisor Fee</u>
\$0 to \$150,000 *	\$299 / Year
\$150,000 to \$500,000	\$399 / Year
\$500,000 and up	\$499 / Year

\* There are no account minimums at this time.

- b) In addition to **Advisor's** Portfolio Review and Recommendations fee, the **Client** shall also incur, relative to all Mutual funds, exchange traded funds, charges imposed directly at the fund product level (e.g. advisory fees and other fund expenses); and,

**21) OFFERINGS**

**Level I - Passive Strategy**

Portfolio Review and Recommendations

<b>Broker / Dealer</b>	<b>Account Number</b>	<b>Fee</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**22) METHOD OF PAYMENT**

Cash       Check       Money Order

**23) 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 >>

\_\_\_\_\_  
<< Advisor Representative >>

## **INVESTMENT PROGRAM DEFINITIONS / EXPLANATIONS**

### **Level I - Passive Strategy**

- Portfolio Review and Recommendations** - This includes a onetime review of the subscriber's Traditional IRA, Roth IRA, 401K, 403B, Brokerage Account, etc. Following this review, the Emmaus advisor will make recommendations to the Client, that are appropriate to meet the Client's financial objectives.