

# BRIGHTER FINANCIAL CAPITAL MANAGEMENT LLC

## INVESTMENT ADVISORY AGREEMENT

### DISCRETIONARY AND NON-DISCRETIONARY

On this date \_\_\_\_\_, by and between Brighther Financial Capital Management, LLC ("BFCM") and \_\_\_\_\_ ("Client").

#### WITNESSETH

WHEREAS, the undersigned Client being duly authorized has funds available ("Account"). In consideration of the premises and mutual covenants contained herein, and intending to be legally bound hereby agrees to the following terms and conditions:

**INVESTMENT ADVISORY SERVICES** – Investment Advisory Services are detailed throughout this Agreement.

#### **(A) Appointment and Acceptance as Investment Advisor**

The Client hereby appoints BFCM as investment advisor for the Account. BFCM shall supervise and direct the investments of and for the Account, subject to the objectives, limitations and restrictions listed in Schedule A.

#### **(B) Duties of BFCM**

BFCM hereby accepts appointment and fiduciary duty of utmost good faith to act solely in the best interest of each Client pursuant to the terms and conditions set forth in this Agreement and to comply with impartial conduct standards of:

- Charging no more than reasonable compensation for services provided; and
- Making no misleading statements regarding investments, compensation and conflicts of interest.

DISCRETION		NON-DISCRETION	
<div><div></div><div>(Client Initial)</div></div>	Client chooses for BFCM to have discretion for the accounts as outlined in Schedule A. BFCM shall <b>have authority in its sole discretion</b> to:	<div><div></div><div>(Client Initial)</div></div>	Client chooses for BFCM to have non-discretion for the accounts as outlined in Schedule A. BFCM shall <b>with prior Client approval:</b>
<div>1. Direct the Custodian to invest and reinvest or sell the Account assets in common and preferred stocks, bonds, debentures, notes, mutual fund shares, exchange traded funds, options, variable life insurance, and variable annuities.</div> <div>2. Direct the Custodian to exercise or abstain from exercising any options, privileges or rights held as part of the account.</div> <div>3. Render to Client at least quarterly a written statement of the investments of the Account. This statement may come directly from the Custodian.</div>			

**BFCM will not be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Account may be invested from time to time.**

BFCM represents and warrants that it has authority to enter into this Agreement and to perform this Agreement in accordance with its terms and that it is licensed as an investment advisor under the laws of the Securities and Exchange Commission and other jurisdictions in which it may conduct business.

### **(C) Duties of Client**

Client agrees to:

1. Notify BFCM of a change in life status including but not limited to, employment, retirement, marital status, or household.
2. Promptly notify BFCM in writing of any changes to its investment policy, and any changes to the restrictions or limitations applicable to the Account, and to provide BFCM with prior written notice of any changes in the identity of persons authorized to receive information with respect to the Account.
3. Execute any and all agreements, including limited powers of attorney, necessary or appropriate to enable BFCM to perform its investment advisory services hereunder.
4. Cause the Custodian to pay all Account charges and fees, including but not limited to brokerage commissions and taxes, and investment advisory fees. Client authorizes the custodian to automatically deduct BFCM's advisory fees from client accounts.

### **(D) Custodian**

The Custodian at the time this Agreement is executed is identified in Schedule C. BFCM may receive certain administrative benefits from the Custodian that enable BFCM to provide the Client with advisory services. Under no circumstances will BFCM act as Custodian for the Account or have possession of any portion of the cash or investments of the account except for authorized fee withdrawal.

**BFCM is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of BFCM.**

### **(E) Directed Brokerage**

In circumstances where a Client directs BFCM to use a certain broker-dealer, BFCM still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: BFCM's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals.

### **(F) Services to Other Clients**

It is understood that BFCM performs investment advisory services for various Clients. Client agrees that BFCM may give advice and take action in the performance of its duties with respect to any of its other Clients which may differ with the advice given or action taken with respect to the Account, so long as it is BFCM's policy, to the extent practical, to allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other Clients. Nothing in this Agreement shall be deemed to confer upon BFCM any obligation to acquire for the Account a position in any security which BFCM, its principals or employees may acquire for its or their own accounts or for the account of any other Client, if in the sole and absolute discretion of BFCM it is not for any reason practical or desirable to acquire a position in such security for the Account. BFCM shall not be held responsible for any loss incurred by reason of any independent act or omission of any broker or the Custodian for the Account.

### **(G) Fees**

In computing the market value of any investment of the Account, each security listed on any national securities exchange or otherwise subject to current last-sale reporting shall be valued at the last sale price on the valuation date. However, for assets such as alternative investments where a fee is charged and the custodian does not price the security, the asset may be priced by the provider of the asset according to their pricing policy or may also involve independent pricing services for assets that are priced in that manner. BFCM itself, does not price any investment or security for which it charges a management fee or that is included in the portfolio return

The investment advisory fee is billed directly to the Custodian. The Custodian deducts the fee for the Account upon receipt of the invoice, or shortly thereafter. BFCM will not be compensated based on the basis of a share of capital gains or capital appreciation of the assets in the Account.

Client shall be given thirty (30) days prior written notice of any increase in fees and Client will acknowledge, in writing, any agreement of increase in said fees.

Client acknowledges that representatives of BFCM may provide Client with various insurance and securities products upon which a commission may be paid to BFCM's representatives, and such commissions are separate and apart from the fees charged under this Agreement. A conflict exists because of the relationship. This conflict is mitigated by disclosures, procedures and BFCM's fiduciary obligation. The Client is under no obligation to act upon the investment advisor's recommendations. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through BFCM or its representatives.

**(H) Duration and Termination**

This Agreement shall become effective on the date written above. This agreement may be terminated at any time, by either party, by written notice to the other party. Clients will be responsible for investment advisory fees up to and including the effective date of termination.

No assignment of this Agreement by BFCM shall be effective without the prior consent of Client. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty.

**(I) Confidentiality**

Client's personal information will be disclosed to third parties as presented in the privacy policy of BFCM.

**(J) Title to Assets**

Except to the extent Client has notified, or in the future notifies, BFCM in writing, Client represents that assets in the Account belong to Client free and clear of any liens or encumbrances.

**(K) Market Conditions**

Client acknowledges that BFCM's past performance and advice regarding Client's Account cannot guarantee future results. **Client investments can appreciate or depreciate.** BFCM does not guarantee or warranty that services offered will result in profit.

**(L) Notices**

All notices and other communications contemplated by this Agreement shall be deemed duly given if it is transmitted to BFCM at:

1984 Isaac Newton Sq. W  
Suite 203  
Reston, VA, 20190

And to Client at the address appearing below, or at such other address or addresses that shall be specified, in each case, in a written notice similarly given.

**(M) Limitation of Liability**

BFCM shall not be responsible for independent acts, omissions, or solvency of the Custodian or any broker or agent selected by it to affect any transactions for the Account. BFCM shall not be relieved of any liability imposed by the Investment Advisors Act of 1940 or any applicable state laws that cannot be waived. Nothing in this Agreement may be interpreted to limit or modify the investment adviser's fiduciary duties to its clients and nothing in this Agreement shall be deemed a waiver of any right or remedy that a client may have under federal or state securities laws. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith.

**(N) Governing Law**

The validity of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State in which the Client resides, except to the extent preempted by ERISA.

**(O) Captions**

The section headings of this Agreement are inserted for convenience of reference only, and shall not affect the interpretation of this Agreement.

**(P) Brochure and Privacy Notice**

Client acknowledges receipt of the Privacy Policy, Form CRS and Form ADV Part 2A & 2B of BFCM. If Form ADV Part 2A & 2B was not delivered to the Client at least 48 hours prior to the Client entering into any written advisory contract with BFCM, then the Client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

Client chooses to have the following delivered via electronic communication via the following Email Address: \_\_\_\_\_

☐ Annual Delivery of Privacy Policy

☐ Annual Delivery of Form ADV Part 2

☐ Other \_\_\_\_\_

**Email Address Certification.** You certify that the Email Address you provided above is a functioning Email Address; owned and maintained by you or your agent on your behalf, and that all electronic communications of reports sent to the Email Address shall be accessible by you. You agree to notify us in writing, of any change in the Email Address.

**(Q) Entire Agreement and Amendment**

This Agreement (including the Schedules listed below) contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior written agreements and understandings with respect hereto. This Agreement may only be amended or modified, and the terms hereof may only be waived, by a writing signed by all parties hereto or in the case of a waiver, by the party entitled to the benefit of the terms being waived.

Schedule A	Client's Individual Account Level Suitability
Schedule B	Identification of Authorized Persons
Schedule C	Identification of Custodian
Schedule D	Schedule of Fees

**SCHEDULE A Client's Individual Account Level Suitability**

Complete the information below for each different registration type.

**Account 1**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 2**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 3**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 4**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 5**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 6**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

Attach additional sheets as necessary.

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**SCHEDULE B Identification of Additional Authorized Persons**

The following persons are authorized to receive information with respect to the Account. Client will provide BFCM with prior written notice of any changes to authorized persons.

Name(s): \_\_\_\_\_

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**SCHEDULE C Identification of Custodian**

Custodian: \_\_\_\_\_

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**SCHEDULE D      Schedule of Fees**

***Managed by BFCM:***

***Account Minimums***

BFCM does not require a minimum to open an account.

☐ **ASSET MANAGEMENT**

BFCM offers direct asset management services to advisory Clients. BFCM charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Negotiated Fee
Up to \$100,000	1.15%	
\$100,001 to \$500,000	1.00%	
\$500,001 to \$1,000,000	0.80%	
\$1,000,001 to \$2,000,000	0.75%	
\$2,000,001 to \$5,000,000	0.65%	
Over \$5,000,00	0.40%	

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$2,000,000 under management would pay \$15,000 on an annual basis.  $\$2,000,000 \times 0.75\% = \$15,000$ .

The annual fee is negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). Fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to BFCM. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

***By initialing below, Client agrees to the above fee schedule.***

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

☐ VARIABLE ANNUITY MANAGEMENT

The fees for these services will be based on a percentage of Assets Under Management of 1% annually of the assets managed. Fees will be disclosed prior to Client signing the Investment Advisory Agreement.

BFCM's fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Quarterly advisory fees will be paid in the following ways:

- Deduct from another non-qualified Client's account held with BFCM
- Deduct from another qualified account if eligible, i.e. over 59 ½
- Direct billing to the Client payable within 10 days of invoice presentation
- Deduct from Client's annuity account

The annual fee is negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.). Accounts within the same household may be combined for a reduced fee. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. Client will be entitled to a pro rata refund for the days service was not provided in the final billing period. Client shall be given thirty (30) days prior written notice of any increase in fees, and Client will acknowledge, in writing, any agreement of increase in said fees.

***By initialing below, Client agrees to the above fee schedule.***

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

IN WITNESS WHEREOF, the parties hereto have executed and agreed to this Agreement as of the date below,

**Brighter Financial Capital Management, LLC**

Advisor Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Advisor Printed Name: \_\_\_\_\_

**CLIENT DATA**

Name: \_\_\_\_\_

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

\_\_\_\_\_

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Client Signature: \_\_\_\_\_ Date: \_\_\_\_\_