

# ESP FINANCIAL SERVICES, LLC

## *INVESTMENT ADVISORY AGREEMENT*

This Investment Advisory Agreement is entered into by the undersigned (hereinafter "Client") and ESP Financial Services, LLC ("ESP") (hereinafter "Advisor"). The Client, as being duly authorized, appoints and engages ESP as investment adviser for the Client's Account(s). ESP agrees to serve in that capacity, on the following terms and conditions.

### **1. Investment Advisory Services:**

ESP shall provide Client with specific investment recommendations and the reasons therefore based on information Client provides ESP about Client's investment objectives, financial needs and current financial situation. Client shall approve all investment recommendations prior to their implementation. If ESP is unable to contact Client about any changes in Client's investments, ESP shall not be responsible for any losses related to such investments.

### **2. Client's Responsibilities:**

Client recognizes that the value and usefulness of ESP's services shall be dependent upon the information he/she provides. Accordingly, Client shall provide all data on his/her current financial situation and other relevant personal information as requested by ESP. Client agrees to inform ESP promptly of any changes in Client's investment objectives or financial situation. ESP shall not be held liable for any Client omission of information that was used to base its recommendations or implementation of such investments.

### **3. Custody of Assets and Brokerage:**

ESP shall not act as custodian to take and have possession of assets belonging to the Client. ESP may, at Client's direction, place orders for the execution of transactions with a broker or fund family of ESP's choice, with Client's approval. ESP will negotiate for the Client's benefit if brokerage charges are involved. Custodians may at times be various mutual funds, mutual fund families, savings & loan organizations, banks, brokerage houses, Insurance companies or other entities approved by Client and unrelated to ESP. ESP shall not be liable to Client for any act, conduct or omission of any custodian or broker.

### **4. Reports to Clients:**

ESP will send Client a report of his/her investments at least four times a year, including an annual summary. ESP does not assume responsibility for the accuracy of information furnished by Client or any other party.

### **5. Reports to ESP:**

Client shall instruct any custodian, if any, to provide ESP with such periodic reports concerning the status of the account(s) as ESP may reasonably request from time to time.

### **6. Confidential Relationship:**

All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as required by law and provided that ESP may consult with attorneys, accountants and other professionals regarding Client's financial affairs and may disclose confidential information about Client to such professionals. However, ESP will not disclose Client's name to such professionals without Client's prior approval.

### **7. Non-Exclusive Contract:**

It is understood that ESP acts as adviser to other clients and may give advice, with respect to any such client which may differ from the advice given with respect to this Account. ESP shall have no obligation to recommend for purchase or sale by this Account, any security which ESP may recommend for purchase or sale by any other clients. Nothing in this agreement shall be deemed to confer upon ESP any obligation to acquire for the account a position in any security which ESP, its principals or employees may acquire for its

own accounts or for the account of any other client, if in the sole and absolute discretion of ESP it is not for any reason practical or desirable to acquire a position in such security for the account. ESP shall not be held responsible for any loss incurred by reason of any act or omission of any broker or custodian for the account.

**8. Fees:**

ESP's compensation for services shall be calculated and paid in accordance with Exhibit "A" attached hereto. The Client understands that some of the investments in which the assets may be invested may also charge an investment management fee, additional commission and or administrative costs to be paid by the Client.

**9. Agreement Not Assignable:**

No assignment (as that term is defined in the Investment Advisers Act of 1940) of this Agreement may be made by ESP without written consent of the Client.

**10. Risk Acknowledgment:**

Adviser does not guarantee the future performance of the Account or any specify level of performance, the success of any investment decisions or strategy that Adviser may use. Client understands that investment decisions made for Client's account by Adviser are subject to various markets, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Except as may otherwise be provided by law, Adviser will not be liable to Client for (i) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Adviser with that degree of care, skill, prudence, and diligence under the circumstance that a prudent person acting in a fiduciary capacity would use (ii) any loss arising from Adviser's adherence to Client's written or oral instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer who which Adviser directs transactions for the Account, or by any other third party.

**11. Legal and Accounting Services:**

It is expressly understood and agreed between the parties to this Agreement that ESP, nor any of its employees or agents shall be qualified to give, any advice with respect to the legal or tax treatment of the account(s). ESP shall not provide legal or accounting advice or prepare any legal or accounting documents for Client. Client agrees to rely on his/her attorney and/or accountant for tax advice and/or tax preparation.

**12. Termination:**

This Agreement may be terminated at any time upon thirty (30) days' prior written notice by either party. "Advisory Services" fees will be prorated to date of termination and any unearned portion of prepaid fees will be returned to Client. If either party terminates the Agreement during the first three month period in the first year of the Client - ESP relationship the entire amount paid by Client to ESP shall be returned to Client less ½ of the account "setup charge" which will remain non-refundable.

**13. Death or Disability:**

If Client is a natural person, the death, disability or incompetence of Client will not terminate or change the terms of this agreement. However, Clients executor, guardian, attorney-in-fact or other authorized representatives may terminate this agreement by giving written notice to Advisor.

**14. Representations by Client:**

Client represents that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law, or otherwise, and that, if required, (i) this contract has been duly authorized by appropriate action and is binding upon Client in accordance with its terms, and (ii) the Client will deliver to Advisor such evidence of such authority as it may reasonably require, whether by way of a certified resolution, trust agreement, or otherwise.

**15. Notices:**

Notices required to be given under this Agreement shall be sent by certified mail and shall be deemed given when received at the address herein, and, as to the Custodian(s), at such address as it/they may specify to

ESP in writing, or at such other address as a party to receive notice may specify in a notice given in accordance with this provision. ESP may rely on any notice from any person reasonably believed to be genuine and authorized.

**16. Dispute Resolution.**

Any controversy or claim arising out of or relating to services to Client under this Agreement, or the construction or breach thereof, shall be settled by arbitration before a panel of independent arbitrators established in accordance with the arbitration rules of a recognized alternative dispute resolution organization selected by ESP. Judgment on the award rendered by the arbitrators shall be final and may be entered in any court having jurisdiction thereof.

**17. Privacy Statement:**

ESP's privacy statement complying with Regulation S-P adopted by the Securities and Exchange Commission is attached as Exhibit "B" to this document.

**18. Receipt of Form ADV, Part II:**

Client acknowledges receipt of ESP's Form ADV, Part II no later than the date of execution of this Agreement. Accordingly, Client shall have the option to terminate this Agreement without penalty within five business days after that date of execution.

**19. Acknowledgement of Disclosure: Termination by Client.** Client hereby acknowledges receipt of Adviser's Disclosure Statement as required pursuant to Rule 204-3 under the Investment Adviser's Act of 1940 prior to or on the date (shown below) of the Client's signing of this agreement. Client shall have the option to terminate this agreement in its entirety exercisable at Client's sole option, and without penalty, for five days from the date (shown below) of the Client's signing of this agreement; provided, however, that any investment action taken by the Adviser with respect to the Account during such five day period in reliance upon this agreement and prior to receipt of actual notice of the Client's exercise of this right of termination, shall be at the sole risk of the Client.

**20. Entire Agreement; Governing Law:**

This Agreement constitutes the entire agreement of the parties with respect to management of the Account and can be amended only by a written document signed by both parties. It shall be governed by the laws of the State of California. Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

**ESP FINANCIAL SERVICES, LLC**

Date:

Signature: \_\_\_\_\_ / \_\_\_\_\_

*I have read this Investment Advisory Agreement and ESP Financial Services, LLC's Part II of Form ADV and hereby agree to the terms set forth*

ACCOUNT NAME: \_\_\_\_\_

Signature: \_\_\_\_\_ / \_\_\_\_\_

Please print:

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

Signature: \_\_\_\_\_ / \_\_\_\_\_

Please print:

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

**EXHIBIT A**

**FEES**

The annual fee for Investment Advisory Services is based on the total dollars for which investment advice is sought. Subsequent annual fees shall be based on the Account's market value at the start of the new fiscal year. The annual fee will be prorated for additions and/or withdrawals (other than planned periodic "living expense" withdrawals).

**Fee schedule:**

Investment Advisory Services: (Annual charges, paid Quarterly)  
First \$200,000 = 2.00%  
Next \$300,000 = 1.75%  
Over \$500,000 = 1.50%

**Setup charges: (one-time charge)**

The setup charge is \$1,000. It covers the initial analysis, allocation, and setting up the Account in ESP's record keeping system. This charge is assessed at the beginning of our working together.

**Individual Fixed Income Investments:**

For individual fixed income investments, such as individual bonds and certificates of deposits, which are planned to be held until maturity, the first year's fee is as shown above. Subsequent years' fees are 0.50% of the value of those types of investments. This does not apply to mutual funds since they do not have an expected maturity date. The balances of Client's investments are billed according to the previously shown fee table.

Minimum Investment Amount equals \$100,000, although lesser accounts may be accepted based upon specific circumstances of each individuals account(s).

**Payment schedule:**

One-quarter of the annual Advisory Services fee is payable every three months in advance. The setup charge is billed in the beginning. \$250 is due upon signing of the agreement. ESP will bill you or your account for the amount owed. The annual asset-based fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the asset account value on the last business day of the previous calendar quarter, and becomes due the following business day. Client authorizes and directs ESP Financial Services, LLC to deduct asset-based fees from clients account(s).

*I have read this Investment Advisory Agreement Exhibit "A" and hereby agree to the terms set forth.*

ACCOUNT NAME: \_\_\_\_\_

Signature: \_\_\_\_\_ / \_\_\_\_\_

Please print:

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

Signature: \_\_\_\_\_ / \_\_\_\_\_

Please print:

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

**EXHIBIT B**  
**PRIVACY STATEMENT**

ESP Financial Services, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. We hold all personal information provided to our firm in the strictest confidence. The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from your tax returns. We use this information to help you meet your personal financial goals. We have never disclosed information to nonaffiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first. With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firms in order to execute securities transactions on your behalf. We do not provide your personal information to mailing list vendors or solicitors. We maintain a secure office to ensure that your information is not placed at unreasonable risk. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Statement to you annually, in writing.