

# VSR Advisory Services

8620 West 110<sup>th</sup> Street, Suite 200  
Overland Park, Kansas 66210

Phone (913) 498-2900  
Fax (913) 982-8433

## INVESTMENT MANAGEMENT PROGRAM CLIENT AGREEMENT

Client Name(s) - [please print]

Client Social Security Number(s) - [please print]

This Agreement is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between the undersigned (referred to as "you" or "your" in this Agreement), and VSR Advisory Services, a division of VSR Financial Services, Inc., a Missouri corporation (referred to as "VSR Advisory Services," "VSR," "we," "us," or "our"). The parties agree as follows:

1. **Recitals.** VSR Advisory Services is the trade name under which we conduct our investment advisory business. We are a broker-dealer and investment adviser registered with the United States Securities and Exchange Commission. You and we have agreed that we will provide for you, through our authorized Advisory Representative (the "Advisory Representative") shown at the end of this Agreement, the investment advisory services (the "Services") described below.

2. **Managed Account, Services, Custodian, and Fees.**

(a) You will establish one or more accounts with the "Custodian" indicated at the end of this Agreement (or such other Custodian designated by you and acceptable to us) pursuant to a separate account agreement between you and the Custodian. These accounts are referred to collectively as the "Managed Account", which term shall apply to all of the separate or subaccounts (including without limitation cash accounts, money market accounts, margin accounts, and options accounts) established by you with the Custodian and which are accepted by us for management pursuant to this Agreement. The assets deposited from time to time in the Managed Account will be held by the Custodian. We will not obtain custody of any of your assets. You may add assets to the Managed Account and may designate other assets as Managed Assets (as defined below), as long as such assets are accepted by us, at any time upon advance notice to us. You may withdraw any or all of the Managed Assets from the Managed Account and you may designate assets as no longer being Managed Assets, at any time. We may reject any assets for management pursuant to this Agreement or for deposit into the Managed Account. Unless otherwise agreed by us in writing, limited partnership units, promissory notes, and non-traded real estate investment trust interests held in the Managed Account shall not be deemed to be Managed Assets. Assets withdrawn from the Managed Account shall not be deemed to be Managed Assets and shall not be subject to this Agreement or management by us or the Advisory Representative (except as may be specifically agreed by you and us in a separate written agreement). Neither the Advisory Representative nor we shall provide the Services with respect to assets not held in the Managed Account, except to the extent such assets are considered Managed Assets. The term "Managed Assets" shall refer to all assets held in the Managed Account (except limited partnership units, promissory notes, interests in non-traded REITs, or assets rejected by us), plus all assets (and all subaccounts and separate accounts thereof) identified as Managed Assets in this Agreement or on any subsequent Managed Asset Addition Form delivered to us (unless we reject such asset as a Managed Asset). An asset shall be deemed to be a Managed Asset on the date hereof (for assets listed in this Agreement) or, for assets not listed in this Agreement, on the earlier of the date we receive the Managed Asset Addition Form listing the asset (unless we reject any such listed asset) or the day on which such asset is deposited into the Managed Account. An asset shall cease to be a Managed Asset on the earlier of the day this Agreement terminates, the day the asset is withdrawn from the Managed Account, the day on which we notify you that we have rejected the asset as a Managed Asset, or the day on which you notify us that such asset should no longer be treated as a Managed Asset.

(b) You request that we accept the following assets as Managed Assets (attach additional sheets if necessary):

Description of Initial Managed Assets (Include number of shares, name of issuer, class of shares or custodian account number)	Date Purchased	Name of Current Custodian of Asset	Estimated Current Value of Asset
			\$
			\$
			\$
			\$
<b>ESTIMATED VALUE OF INITIAL MANAGED ASSETS</b>			\$

(c) Through the Advisory Representative, we will provide the following Services during the term of this Agreement: (i) Advisory Representative shall direct (if a discretionary account) or make recommendations to you regarding (if not a discretionary account) the investment and reinvestment of the Managed Assets, including without limitation the purchase, sale, exchange, and reinvestment of securities and cash which are deemed to be Managed Assets, and (ii) Advisory Representative shall be available to you upon reasonable notice to discuss the Managed Assets, and any changes in your personal or financial condition, risk tolerance or investment objectives.

(d) **Discretionary Accounts.** By initialing below, you acknowledge that:

- (i) you are hereby granting us (including the Advisory Representative) full discretion to effect transactions involving the Managed Assets and the Managed Account in our sole discretion without your prior consent; and
- (ii) you hereby authorize us (including the Advisory Representative) to give Custodian and any other person holding any of the Managed Assets instructions regarding the purchase, sale, exchange, redemption, retention, or conversion of any of the Managed Assets, and agree to execute any authorization forms required by Custodian or such other person. We may provide a copy of this Agreement to Custodian or to any broker-dealer or other person as evidence of our authority to act on behalf of you, the Managed Assets, and the Managed Account. *In no event, however, may we direct the Custodian or any other person to deliver any of the Managed Assets to Advisory Representative or us, except in payment of the amounts due to us as provided in this Agreement and according to the procedures outlined below.*

\_\_\_\_\_ *Initial here to grant discretion to us.* If no initials, this will be deemed to be a non-discretionary account, and the Advisory Representative will consult with you in advance of effecting any transactions in the Managed Account.

(e) Following are any special instructions or limitations which you want us to follow with regard to the Managed Account or Managed Assets (*if no instructions or limitations are shown, you will be deemed not to have given any special instructions or limitations regarding the Managed Account or the Managed Assets*):

\_\_\_\_\_

\_\_\_\_\_

(f) You direct us to use VSR (and any clearing firm with which VSR has a clearing relationship) to execute transactions in the Managed Account, unless you designate in writing another brokerage firm and which is acceptable to us, or is required by the Custodian. You acknowledge that Advisory Representative is also a registered representative of VSR.

(g) You agree to pay the following direct costs for participation in The Investment Management Program: (i) the usual and customary transaction charges (including wire charges and postage) for transactions involving the Managed Assets charged by VSR and the clearing broker, (ii) custodial fees charged by the Custodian, and (iii) the Investment Advisory Fee described below. You will not be charged any commissions for transactions in the Managed Account. There are also indirect expenses you will bear, depending on the nature of the Managed Assets, as described below. You agree that we are not responsible for negotiating fees or expenses charged by the Custodian or any broker-dealer who executes transactions for the Managed Account.

(h) You agree to pay us a quarterly account fee (the "Investment Advisory Fee") as shown below, based on the value of the Managed Assets (as valued by the Custodian or other person holding the Managed Assets, or as otherwise valued by us in good faith). Except for the first calendar quarter in which the Managed Account is open, the Investment Advisory Fee is paid in advance, is due and payable on the first day of each calendar quarter, as appropriate, and will be calculated based on the value of the Managed Assets (not reduced by any margin balance, but including any credits from short sales) as of the close of the last trading day of the preceding calendar quarter, using the annualized percentages shown below. Transactions that have not settled prior to the last trading day of a calendar quarter may be included in either the current or the following calendar quarter, as determined by us. For the first calendar quarter that the Account is open, and for all other quarters in which an asset becomes a Managed Asset after the last trading day of the preceding quarter, the Investment Advisory Fee will be calculated on each such asset from the date such asset is deemed to be a Managed Asset until the last day of such quarter (provided, in lieu of calculating the fee on an asset-by-asset basis, we may, in our discretion, use an average daily account value for such quarter to calculate the prorated fee). The Investment Advisory Fee for the first calendar quarter or year in which an asset is deemed to be a Managed Asset shall be payable with the next Investment Advisory Fee. For the calendar quarter in which this Agreement is terminated, the Investment Advisory Fee will be pro rated and refunded based on the number of days that this Agreement was in effect during such quarter. We may (but are not required to) calculate fees and proration on the basis of a 360-day year, and a 90-day quarter. We will not owe any partial refund of the Investment Advisory Fee if you withdraw a portion of the Managed Assets from the Managed Account during a calendar quarter. Upon termination of this Agreement, you will be charged VSR's, any clearing broker's, and the Custodian's usual commissions and transaction fees for transactions in and services provided with respect to the Managed Account.

Value of Managed Account		Annualized Investment Advisory Fee
\$ <u>100,000</u>	to \$ <u>199,999</u>	1.50 %
\$ <u>200,000</u>	to \$ <u>499,999</u>	1.15 %
\$ <u>500,000</u>	to \$ <u>1,999,999</u>	0.85 %
Value of account over \$ <u>2,000,000</u>		0.50 %

Insert any additional agreements regarding fees with respect to the Managed Account:

\$0 - \$99,999 = 2.00%

(i) In addition to the Investment Advisory Fee and transaction fees, you agree to pay us an initial "Account Activation Fee" for our services in setting up, opening, and activating the Managed Account, as shown below. Unless otherwise directed by you in writing, the Account Activation Fee will be paid from the Managed Account. The amount of the Account Activation Fee shall be as follows:

**Account Activation Fee:** \_\_\_\_\_% (not to exceed one-half percent) of the value of the Managed Assets listed in this Agreement. The Account Activation Fee will be calculated and deducted from the Account as of the end of the month in which such assets are received by the Custodian. (If no amount is inserted in this blank, no Account Activation Fee will be charged to the Managed Account.)

(j) Certain investments carry indirect expenses that you will bear. For example, we may receive compensation from mutual fund companies and other product sponsors (such as 12b-1 fees) or sponsorship of meetings and other marketing support. These are indirect expenses that investors will ultimately bear. Investments in mutual funds or other investment company securities, variable annuities, or variable life insurance will also be subject to additional advisory fees and expenses, as set forth in the prospectuses for those investments, and investors will ultimately bear such fees and expenses. You also understand that certain investment companies and insurance companies may charge a contingent deferred sales charge or surrender charge upon the withdrawal or liquidation of investments in such companies' securities or contracts, and that investors may ultimately bear such charges. You agree to pay any fees charged by the Custodian relating to the Managed Account or the Managed Assets.

(k) You acknowledge that the fees and transaction charges charged by us and any clearing broker-dealer may be higher than fees and other charges charged by other investment advisers and broker-dealers for similar services. We will not be compensated on the basis of a share of capital gains upon or capital appreciation of any of the Managed Assets. Because we may receive compensation from mutual fund companies and other product sponsors as a result of investments made in the Managed Account, you acknowledge that a conflict of interest may exist.

(l) You agree that we may bill the Custodian of the Managed Assets (or other person holding any of the Managed Assets) for the fees payable pursuant to this Agreement, and you hereby authorize the Custodian and each such other person to pay the fees described on such bill without further inquiry within 10 days after receipt of such bill. We will send to you and the Custodian (and any such other person) at the same time the bill showing the amount of the fees due, the value of the Managed Assets upon which the fee was calculated, and how the fee was calculated. It will be the responsibility of the Custodian (and any other person holding any of the Managed Assets) to provide you with a statement, at least quarterly, showing the amount of such fees. You agree that if the cash portion of the Managed Assets is not sufficient to pay any such fees, the Custodian or other person holding the Managed Assets may liquidate assets selected by us, the Custodian, or such person in order to pay such fees. You agree that the Custodian and each such other person are not responsible for determining the accuracy of any fee or bill submitted by us. Unless you request to pay any fees directly, we will bill the Custodian and such other person for such fees, and such fees shall be paid from the Managed Account or the Managed Assets held by such other person.

(m) You agree that we may, but are not required to, combine or "batch" transactions in the same securities for you and other customers. You acknowledge that such transactions may be effected through our or the clearing firm's average price account, and that the execution prices for all customers included in a batched transaction will be equalized, even though transactions involving your securities may have received a better price.

(n) You understand that we provide investment advice to other clients. You acknowledge that we may give advice or take actions in performing duties for other clients or for their own accounts that may differ from the advice given to you or actions taken for the Managed Account. We are not obligated to buy, sell, or recommend for you any security or other investment, which we may buy, sell, or recommend for any other client or for our own account. This Agreement does not in any way restrict or limit us from buying, selling, or trading in any securities or other investments for our own account.

### 3. **Consultation with Other Professionals; Tax Consequences.**

(a) VSR is not an accounting firm, is not a law firm, and does not provide accounting, tax, or legal advice. If the Advisory Representative is an accountant, tax adviser, or attorney (as disclosed to you by the Advisory Representative), any accounting, tax, or legal advice is provided in the Advisory Representative's separate professional capacity, and is not provided on our behalf.

(b) You are advised to consult with your tax adviser and attorney regarding the investment, tax, estate planning, and other recommendations made by the Advisory Representative. In particular, you acknowledge that transactions involving Managed Assets may create taxable events for you, and it is your responsibility to consider the effects of such taxes in consultation with your tax advisers.

4. **Your Obligation to Notify Us.** You acknowledge that the advice, services, and products provided and recommended by us and the Advisory Representative will be based on the information you provide regarding your financial condition, investment objectives, risk tolerance, and other matters. Until this Agreement is terminated, you agree to inform us in writing of any material changes in your financial condition, investment objectives, risk tolerance, or other information you have previously provided.

5. **Limitation of Liability.** You agree that the Representative, VSR Advisory Services, and our officers, directors, employees, agents, and representatives shall not be liable to you for any of their acts or omissions, or for any loss sustained by you, unless such acts or omissions were the result of gross negligence, willful misfeasance, or intentional violation of applicable laws.

6. **No Promise of Profits.** Neither VSR nor the Advisory Representative make any representation or warranty that the transactions or products recommended by the Advisory Representative will be profitable for you. There are risks associated with any investment and investment strategy, and you may lose some or all of your principal.

7. **Termination.** This Agreement may be terminated by either party at any time upon 5 days' prior written notice to the other party. You will receive a full refund of all fees if this Agreement is canceled within 5 days after the date hereof, less any fees actually earned by us during such 5-day period as a result of Services performed by the Advisory Representative. Termination of this Agreement will not affect the validity of any action taken by Advisory Representative or us prior to termination of this Agreement, or your obligation to pay any fees earned under this Agreement.

8. **No Continuing Obligations.** Upon termination of this Agreement, we will not provide any further Services to you or with respect to the Managed Assets or Managed Account, unless specifically agreed in a separate written agreement. We will not provide any Services whatsoever with respect to assets which cease to be Managed Assets.

9. **Assignment.** This Agreement may not be assigned by either party hereto without the consent of the other party.

### 10. **Notices and Consents.**

(a) **Notices Generally.** Any notice, request for consent, proposed amendment of this Agreement, or other communication shall be sufficient if made in writing, and sent by pre-paid first-class United States Mail or messenger service, transmitted by facsimile transmission, or if Client has consented below, transmitted or made available by email or other electronic methods. Any communication which is mailed shall be deemed to have been given on the third business day after the date of mailing; any communication which is sent by messenger service or transmitted by facsimile shall be deemed to have been given on the date of delivery to such

address or on the date the facsimile transmission is received at such address; and any communication which is transmitted by email or other electronic method shall be deemed to have been given on the first business day after the communication is received by addressee. All notices to VSR Advisory Services shall be given at 8620 W. 110<sup>th</sup> Street, Suite 200, Overland Park, KS 66210. Attention: Advisory Services – New Business, Fax No. (913) 982-8433, or such other instructions as designated by us. All notices to you shall be given at the street address, facsimile number, or email address (if Client consents to electronic communication) shown on VSR's records. You may also give us oral consent to matters proposed to you, and we will keep a record of such consent to the extent required by law.

(b) **Authorization to Use Negative Consent.** Except when prohibited by law, regulation, or rule of a securities regulatory body, if we request your consent with respect to a matter, or if we propose an amendment of this Agreement, you will be deemed to have given such consent or to have agreed to such amendment unless you notify us in writing within 30 days that you do not wish to give such consent or do not agree to such amendment.

(c) **Authorization to Deliver Communications Electronically.** If you provide your email address to us (either below or after today) you are authorizing us to provide to you all notices, statements, reports, and other communications required or permitted to be provided under this Agreement through our website at www.vsrfinancial.com, through other websites we might designate from time to time, or through such email address or other email address you designate to us from time to time. If we provide you a communication through an electronic method, we will not send you a paper copy. This authorization remains effective until termination of your account or this Agreement, or until you notify us in writing that you revoke such authorization. You have the right to terminate this authorization at any time by written notice to us and to receive paper copies of all communications. We reserve the right to provide communications to you in paper form. We will notify you of communications which are available electronically.

11. **Your Indemnity of Us and The Advisory Representative.** You hereby indemnify, and agree to keep indemnified and hold harmless us, and our officers, directors, employees, and agents (including the Advisory Representative) from all loss, liability, damage and expense (including without limitation reasonable attorneys' fees and expenses of pursuing claims under this Agreement) arising from or as a result of (i) any misrepresentation or omission of a material fact by you, or (ii) your failure to perform any of your obligations under this Agreement or any agreement with the Custodian or any other third party.

12. **Proxy Voting.** You agree that we will not vote or give any advice about how to vote proxies for securities held in the Managed Account. If the Managed Assets are owned by a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974 ("ERISA"), you direct us *not* to vote proxies for such securities because the right to vote such proxies has been expressly reserved to the trustees of such plan, and the trustees shall vote such proxies.

13. **ERISA Plans.** If you are an ERISA qualified plan, you may not, and you agree that you will not, use advice from the Advisory Representative as a primary basis for making investment decisions regarding plan assets. You agree that there are no limitations in the plan documents regarding the types of investments that may be made with plan assets, except as you have notified us in writing. You agree that there are no conflicts between the plan documents and the terms of this Agreement. The trustees of the plan and the administrator of the plan will be responsible for assuring compliance with ERISA.

14. **Other Agreements.** This Agreement shall be interpreted under Missouri law. If any provision of this Agreement or any application thereof is invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby. This Agreement represents the entire agreement of the parties, and shall not be amended except by a written agreement signed by all of the parties hereto. Paragraph headings are only for the convenience of the parties and do not have any legal significance. If you are a corporation, partnership, or trust, you agree that the person signing below is a duly authorized signatory for you, and that this Agreement is the binding agreement of the corporation, partnership, or trust, enforceable in accordance with its terms. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

15. **Class Action Lawsuit.** You understand and agree that we will not provide you with any advice regarding whether to participate in any class action lawsuit brought by a third-party against the issuers of securities held in the Managed Account. You understand and agree that it shall be your sole responsibility to take the following actions: (1) review any class action lawsuit or corresponding settlement notices; (2) consult with your own legal counsel regarding such class action lawsuits and settlements; (3) determine if you shall participate in such class action lawsuit proceedings; and (4) prepare and/or file the appropriate paperwork required of the class action administrator.

16. **Acknowledgements.**

\_\_\_\_\_ (*client initials*) By executing this Agreement, you acknowledge that you have received VSR Advisory Services' Form ADV Part II, and the Representative's Attachment to Form ADV Part II. In addition, you have received VSR's Privacy Policy Statement as required under The Gramm-Leach-Bliley Act of 1999. You understand and agree that while VSR believes the services provided to you will benefit you, due to the risks inherent in investing, we cannot ensure that your objectives will be achieved. You acknowledge and agree that you understand these risks and limitations.

**DO NOT SIGN THIS AGREEMENT UNTIL YOU HAVE RECEIVED A COPY OF VSR ADVISORY SERVICES' FORM ADV, PART II (OR SUBSTITUTE BROCHURE). BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE RECEIPT OF VSR ADVISORY SERVICES' FORM ADV, PART II (OR SUBSTITUTE BROCHURE) AND THE WRITTEN DISCLOSURE DOCUMENT PURSUANT TO SEC RULE 206(4)-3.**

**VSR Advisory Services, a division of VSR Financial Services, Inc:**      **Client(s):**  
By: \_\_\_\_\_ (Home Office Signature)      \_\_\_\_\_ (Client Signature)  
Title: \_\_\_\_\_ (Client Signature)

**The Advisor Representative:** Charles Geraci      **Date:** \_\_\_\_\_  
(Advisor Representative's Name and Signature)

**The Custodian:** \_\_\_\_\_