

---

*Demming Financial Services Corporation*

**FINANCIAL PLANNING AND INVESTMENT ADVISORY AGREEMENT**

---

THIS AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **Demming Financial Services Corporation** (DFSC), an Ohio corporation located at 13 New Hudson Road, Aurora, OH 44202, and \_\_\_\_\_ (**Client**).

The Client hereby engages DFSC to provide financial planning and investment advisory services, and DFSC agrees to perform such services, pursuant to the terms and conditions of this Agreement.

**1. SERVICES.** DFSC agrees to perform the following services **initialed by the Client**:

\_\_\_\_\_ **Comprehensive Services / Annual Retainer Fee**

Review the Client's over-all financial circumstances and provide an analysis relating to the Client's financial goals, assets and liabilities, and formulate a plan regarding investments, estate planning and insurance programs. Services may or may not include a formal written financial plan. (See Schedule A.)

\_\_\_\_\_ **Specific Services / Hourly Fee**

A list of the specific services to be provided is set forth on Schedule B. DFSC will not have custody or possession of any Client assets or have any discretionary power over the Client's assets. DFSC will provide, or arrange for the Client's account custodian to provide, the Client with the reports specified on Schedule B to this Agreement.

\_\_\_\_\_ **Asset Management Services / Asset-Based Fee**

Periodically review certain investments designated by the Client and make recommendations to the Client, at the times DFSC deems it appropriate to do so, regarding the purchase, sale or holding of investments. DFSC also agrees to meet with the Client during the term of this Agreement, at the times mutually agreed between DFSC and the Client, to discuss the performance of the Client's investment account in relation to the Client's investment objectives. DFSC will not have custody or possession of any Client assets or have any discretionary authority over client assets. (See Schedule C.)

The Client understands that DFSC does not guarantee the results of any of its recommendations and that losses may occur by following DFSC's advice.

**2. INFORMATION COLLECTION.** DFSC's services under this Agreement are based upon information provided by the Client. The Client represents and warrants that such information shall be substantially accurate and complete. The Client will provide, or instruct Client's account custodian(s) to provide, DFSC with such information and status of the Client's account as DFSC may request. The Client further agrees to promptly inform DFSC of any material changes in the Client's financial circumstances or planning objectives.

**3. CONFIDENTIALITY.** All information given to DFSC and advice and reports furnished to the Client shall be regarded by each as confidential.

4. **IMPLEMENTATION.** The Client shall make all decisions about implementing all recommendations or advice given by DFSC. The Client may select any brokerage firm, broker, insurance agent, accountant, attorney or other professional to assist in implementation of advice given by DFSC, including the execution of any recommended transaction. DFSC does not guarantee the performance of any recommendation and, provided that the services are rendered in good faith and not in violation of any laws, rules or regulations, DFSC shall not be liable in any way for the performance of the Client's account.
5. **OTHER SERVICES.** It is understood and agreed that DFSC shall not provide accounting or legal advice to the Client. The Client shall retain a personal accountant and/or attorney for any and all accounting and legal advice or documents deemed necessary by the Client for implementation of the financial plan.
6. **FEES.** Fees shall be based upon the Schedule(s) attached to this Agreement. The Client acknowledges understanding that fees are negotiable and that the Client may pay higher or lower fees than other clients receiving similar services. Client understands that in addition to DFSC's fees, each mutual fund in which the Client's assets are invested also pays its own advisory fees and other expenses, which have already been deducted from the fund's reported performance.

The Client understands that mutual fund investments are long-term investments which usually do not require intensive monitoring or frequent transactions and that an asset-based fee may result in paying fees which are higher over an extended period of time, particularly if the fee is based on a single securities position or a portfolio composed of a few positions.

DFSC may, at its discretion, discount any or all of its fees if the Client purchases securities or insurance products through representatives of DFSC who are licensed as securities and insurance salespersons and who will receive commissions as a result of such purchases.

Client understands and agrees that DFSC may change its fee for services upon 30 days advance written notice to the Client.

7. **OTHER COMPENSATION.** The Client understands that DFSC's representatives giving advice are also securities registered representatives for a securities broker-dealer and may also be licensed to sell insurance. After the Client's financial plan or evaluation report has been completed or other consulting service performed, representatives may recommend the Client purchase securities or insurance through them. If such products are purchased, DFSC's representatives will receive all or part of the commissions paid for transactions executed through them. Thus, when giving advice, DFSC's representatives have a conflict of interest since they will receive a commission if the product they recommend is purchased. Also, DFSC and/or its representatives licensed to offer mortgage services may refer the Client to providers of mortgages. The Client understands that if the client acquires a mortgage, DFSC and/or its representative making the referral will receive a fee.
8. **ASSIGNMENT.** No assignment or transfer of this Agreement will be made by DFSC without the written consent of the Client.
9. **TERMINATION.** This Agreement may terminate at any time by either party giving the other 10 days written notice of termination. If the Client did not receive Part II of DFSC's Form ADV or an equivalent disclosure brochure at least 48 hours prior to signing this Agreement, the Client may terminate this Agreement without penalty within five days of signing. Upon termination any unearned prepaid fee shall be returned to the Client.

**10. ARBITRATION.** Any controversy arising out of or relating to any business or transactions with DFSC, or to the construction, performance or breach of this Agreement, except for claims arising under federal securities laws which are held not to be arbitrable as a matter of law, shall be settled by arbitration in accordance with the rules then in effect of the National Association of Securities Dealers, Inc. Judgment upon any award rendered by the arbitrators may be entered in any Court having jurisdiction thereof. The provisions of this paragraph shall also apply to any such controversy involving any agent or employee of DFSC.

**11. GOVERNING LAW.** This Agreement shall be deemed an Ohio contract and shall be governed and construed according to the laws thereof.

**12. ACKNOWLEDGMENT.** The Client hereby acknowledges receipt of DFSC's Part II of Form ADV or DFSC's Disclosure Brochure.

**The undersigned have read this Agreement and fully understand the provisions in it and hereby execute this Agreement in duplicate.**

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

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

*DEMMING FINANCIAL SERVICES CORPORATION*

By: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

**COMPREHENSIVE SERVICES / ANNUAL RETAINER FEE**

Services shall include an initial plan and ongoing services as specified below.

**Initial Plan**

For the first year, DFSC shall provide an initial Comprehensive Plan to the Client. The plan fee is based on a combination of the complexity of the Client’s financial situation and the level of the Client’s income and assets. The income/assets component of the fee generally follows the table below:

Level of Income/Assets	Fee
to \$50,000 annual income or \$100,000 assets	\$450 - \$750
to \$100,000 annual income or \$250,000 assets	\$750 - \$1500
to \$200,000+ annual income or \$500,000+ assets	\$1500+

DFSC shall weigh these two components to determine how much each adds to the work projected to be performed for the client. DFSC’s basic rates are \$150/hour for its principal counselors, \$100/hour for its professional staff, and \$50/hour for clerical staff. If requested, DFSC will provide a maximum fee quote to the Client for the initial plan.

Fees are due upon delivery of the initial plan.

**Periodic Reviews**

After the initial plan is provided, DFSC will provide review services periodically at the request of the Client. Services shall include making DFSC representatives available during the year to meet with Client and answer Client’s questions. These periodic reviews may or may not result in the preparation of a written report.

The fee for periodic services after the first year shall be no higher than 2% of Client’s investable assets or \$5,000, whichever is lower.

Fees are due upon the annual anniversary date of this Agreement. Client understands that the fee is a retainer and is not the total compensation that DFSC and its representatives earn from its Clients. Commissions on securities and insurance products sold to the Client may also be earned. DFSC discloses such fees to its Clients as each investment is made.

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

\_\_\_\_\_  
Typed or Printed Name of Client

\_\_\_\_\_  
Joint Client Signature Date

\_\_\_\_\_  
Joint Name on Account (if applicable)

**SPECIFIC SERVICES / HOURLY FEE**

The Client agrees to pay DFSC for the specific services selected below based on a fee of \$100 per hour. Hourly fees are subject to negotiation. The complexity of each service and time required to research and complete each service vary greatly. If requested, a quote will be provided to the Client within five (5) working days after a request for planning services is received by DFSC.

**Description of Specific Services to be Performed (initial services desired):**

\_\_\_\_\_

**Investment Planning:**

- Prioritize investment goals and objectives.
- Prepare proposed portfolio designed to address Client’s goals and objectives.
- Consolidate investment account custodians and assist with implementation proposal as needed.

\_\_\_\_\_

**Retirement Planning:**

- Develop, coordinate, and regularly review progress toward retirement goals.
- At retirement, establish an income stream from available investments.
- Calculate and monitor Required Minimum Distributions.
- Monitor retirement plan and discuss plan with Client at the times mutually agreed between Client and DFSC.

\_\_\_\_\_

**Estate Planning:**

- Prioritize goals and objectives.
- Recommend an attorney for appropriate estate documents (e.g., living will, power of attorney, etc.).
- Coordinate beneficiary designations to complement Client’s estate planning goals and reduce taxes where possible.
- Review estate plan and discuss plan with Client at the times mutually agreed between Client and DFSC.

\_\_\_\_\_

**Education Planning:**

Analyze specific college or trade school costs and establish savings and investment plans having the goal of meeting education-funding expenses when they become due.

\_\_\_\_\_

**Mortgage and Debt Analysis**

\_\_\_\_\_

**Insurance Analysis:**

Analyze specific financial exposure to catastrophic illness, lost wages, long-term care, personal liability and mortality. Suggest insurance coverages designated to address these risks.

\_\_\_\_\_

**Other (specify)**

(e.g., retitle investments due to divorce, death, trust, etc.; establish corporate retirement plans such as SIMPLEs or SEPs, etc.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Date: \_\_\_\_\_