

Southwestern Advisory Group

Consulting, Advice, Leadership and Coaching Agreement

This Agreement is entered into this _____ day of _____, 2017, by the advisor, Southwestern Advisory Group, (hereinafter referred to as “**Advisor**”, “**our firm**”, “**we**” or “**us**”), through its advisory representative (“**Consultant**”) and the undersigned party (“**Client**”, “**Clients**”, or “**you**”). In consideration of the mutual benefits to be derived from this Agreement, it is understood and agreed as follows:

1. SERVICES:

Our mission at Southwestern Advisory Group is Consistently Delivering Financial Simplicity to every Client relationship that we engage. To deliver on this mission, our firm provides a variety of standalone Consulting, Advice, Leadership and Coaching (“**C.A.L.C.**”) services, solely focused on the efficient management of our Client’s energy, time and resources.

Our process begins through fundamental analysis and the establishment of a documented foundation of each Client’s individual situation. We then collaborate with them to define their current goals, and objectives, so that they too can be documented with complete clarity. Once we have confirmed that the goals and objectives of each engagement are in complete alignment with the Client’s core values, our team will design, and recommend, the most advantageous strategies and solutions required to provide them with a focused path to success.

Consulting services will typically involve preparing a written deliverable and/or rendering face-to-face, or virtual, consultation(s). Our engagements may encompass business, institutional, non-profit or retail clientele, including, but not limited to, strategic and/or tactical planning, organizational ownership and vision, health and culture, board and leadership, management, operations, investments - allocation, feasibility, cost segregation, risk analysis and advice, tax planning, captive insurance feasibility, executive compensation, succession planning, exit planning and execution, human resources, retirement plan feasibility, employee benefits education, fiduciary due diligence, investment product analysis, distributions, capital campaigns and education, gifting and receipt, insurance ownership, real estate ownership, real estate investment analysis, structured settlement design, implementation and maintenance, budgeting and cash flow, option/hedging strategies, education funding, financial independence, retirement plan design, tax diversification, risk analysis, insurance case design, product analysis, retirement income planning, retirement income distributions - maximization and efficiency, estate/legacy planning, and charitable gifting.

It should also be noted that we refer Client(s) to accountant(s), attorney(s) or other professional specialist(s) as necessary, for non-advice related services.

Please designate the services to be provided under this C.A.L.C. Agreement:

- | | | |
|--|--|---|
| <input type="checkbox"/> Organizational Ownership and Vision | <input type="checkbox"/> Institutional Board and Vision | <input type="checkbox"/> Retail Budgeting and Cash Flow |
| <input type="checkbox"/> Organizational Health and Culture | <input type="checkbox"/> Institutional Fiduciary Due Diligence | <input type="checkbox"/> Retail Investment Advice |
| <input type="checkbox"/> Organizational Board and Leadership | <input type="checkbox"/> Institutional Investment Allocation | <input type="checkbox"/> Retail Investment Product Advice |
| <input type="checkbox"/> Organizational Management | <input type="checkbox"/> Institutional Investment Feasibility | <input type="checkbox"/> Retail Investment Cost Segregation |
| <input type="checkbox"/> Organizational Operations | <input type="checkbox"/> Institutional Investment Analysis | <input type="checkbox"/> Retail Option / Hedging Strategies |
| <input type="checkbox"/> Organizational Investment Allocation | <input type="checkbox"/> Institutional Investment Product Analysis | <input type="checkbox"/> Retail Education Funding |
| <input type="checkbox"/> Organizational Investment Feasibility | <input type="checkbox"/> Institutional Investment Risk Analysis | <input type="checkbox"/> Retail Employee Benefits |
| <input type="checkbox"/> Organizational Investment Risk Analysis | <input type="checkbox"/> Institutional Distributions | <input type="checkbox"/> Retail Financial Independence |
| <input type="checkbox"/> Organizational Investment Advice | <input type="checkbox"/> Institutional Capital Campaign | <input type="checkbox"/> Retail Retirement Plan Design |
| <input type="checkbox"/> Organizational Tax Planning | <input type="checkbox"/> Institutional Campaign Education | <input type="checkbox"/> Retail Tax Diversification |
| <input type="checkbox"/> Captive Insurance Feasibility | <input type="checkbox"/> Institutional Gifting and Receipt | <input type="checkbox"/> Retail Risk Analysis |
| <input type="checkbox"/> Executive Compensation | <input type="checkbox"/> Institutional Insurance Ownership | <input type="checkbox"/> Retail Insurance Case Design |
| <input type="checkbox"/> Succession Planning | <input type="checkbox"/> Real Estate Ownership | <input type="checkbox"/> Retail Insurance Product Analysis |
| <input type="checkbox"/> Exit Planning and Execution | <input type="checkbox"/> Real Estate Investment Analysis | <input type="checkbox"/> Retirement Income Planning |
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Structured Settlement Design | <input type="checkbox"/> Retirement Income Distributions |
| <input type="checkbox"/> Retirement Plan Feasibility | <input type="checkbox"/> Structured Settlement Implementation | <input type="checkbox"/> Estate and Legacy Planning |
| <input type="checkbox"/> Employee Benefits Education | <input type="checkbox"/> Structured Settlement Maintenance | <input type="checkbox"/> Charitable Gifting |
| <input type="checkbox"/> _____ | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |
| <input type="checkbox"/> _____ | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |

2. FEES

For the purposes of this Agreement, Advised Assets will be mutually defined, and documented below, for all business, institutional and non-profit engagements. For all retail client engagements, Advised Assets will be mutually defined, and documented below, by calculating the Client(s) total net worth LESS their primary residence and any privately held business(es) in which they are directly involved in the day-to-day leadership, management or operations.

Our firm charges on an hourly basis for the consulting, advice, leadership and coaching services that we deliver to our Client(s). Billable time is invoiced using the following rate schedule:

	<u>Hourly Engagement Rates:</u>	<u>Hourly Travel Rates:</u>
• President	\$300	\$240
• Vice President(s)	\$240	\$120
• Paraplanner(s) or Associate(s)	\$180	\$90
• Professional Administrative	\$120	\$60
• General Administrative	\$60	\$30

A base annual retainer of six hundred dollars (\$600) is required annually for all hourly engagements. Clientele choosing to engage with our team on an hourly basis will not be invoiced for any additional billable hours unless the time required to service their engagement is greater than their base annual retainer.

Our firm will also continue to offer a "Legacy Base" annual retainer of three hundred dollars (\$300) for clientele with less than sixty thousand dollars (<\$60,000) in Advised Assets that also previously engaged with Southwestern Advisory Group, a financial advisory practice of Ameriprise Financial Services, Inc., and/or Southwestern Retirement Plan Services.

In the event that multiple team members are involved in your case, our firm may charge a combined hourly rate based on the previously disclosed schedule.

Consultations that require travel will be billed according to the Hourly Travel Rates previously disclosed. Mileage will be charged at the standard IRS rate, currently \$0.54/per mile. Any airfare, car rental/car service, parking and lodging will be billed at actual cost. Airfare will be economy class. Lodging will be full or limited service properties, not luxury. Car rentals will be a full size sedan; not SUV or luxury makes and models.

Excluding travel expenses, the Client(s) WILL NOT be charged more than two (2) percent of Advised Assets in year one (1) and one (1) percent of Advised Assets in future years. Regarding this Client(s) specific engagement, their current Advised Asset value is defined as \$_____. Based solely on the previously defined Advised Asset value, this Client's engagement fees WILL NOT exceed:

\$_____ or _____% in Year One (1), and

\$_____ or _____% in Future Years

The Client(s) has chosen to be billed on an hourly basis according to the Hourly Engagement Rates and/or Hourly Travel Rates as detailed above, as applicable.

_____ (Client's Initial)

_____ (Client's Initial)

For more complex engagements, our firm may require an engagement and/or quarterly service retainer. Engagement and Quarterly Service retainer rates are invoiced according to the following schedule based on the client's total Advised Assets:

<u>Advised Asset Complexity</u>	<u>Engagement Retainer</u>	<u>Quarterly Service Retainer</u>
\$150,000 - \$299,999	\$1,500	\$375
\$300,000 - \$599,999	\$3,000	\$750
\$600,000 - \$1,199,999	\$6,000	\$1,500
\$1,200,000 - \$2,399,999	\$12,000	\$3,000
\$2,400,000 - \$3,599,999	\$24,000	\$6,000
\$3,600,000 - \$4,799,999	\$36,000	\$9,000
\$4,800,000 - \$5,999,999	\$48,000	\$12,000
\$6,000,000+	\$60,000	\$15,000

The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with you. Engagement retainers will be invoiced immediately to cover our team's pre-engagement and implementation expenses. Quarterly service retainer billings will be invoiced on the first calendar day of each calendar quarter based on the client's current Advised Asset value on the same day. Monthly billing is available with prior approval and/or if automatic draft has been authorized from an account designated by you.

Consultations that require travel could be billed in addition to their retainer according to the Hourly Travel Rates previously disclosed. Mileage will be charged at the standard IRS rate, currently \$0.54/per mile. Any airfare, car rental/car service, parking and lodging will be billed at actual cost. Airfare will be economy class. Lodging will be full or limited service properties, not luxury. Car rentals will be a full size sedan; not SUV or luxury makes and models.

Excluding travel expenses, the Client(s) WILL NOT be charged more than two (2) percent of Advised Assets in year one (1) and one (1) percent of Advised Assets in future years. Regarding this client(s) specific engagement, their current Advised Asset value is defined as \$ _____. Based solely on the previously defined Advised Asset value, this client's retainer engagement fees WILL NOT exceed:

\$ _____ or _____ % in Year One (1), and

\$ _____ or _____ % in Future Years

Quarterly service retainers WILL increase and decrease on a quarterly basis based on the client's current Advised Asset value on the first calendar day of each calendar quarter.

Our firm will NOT require a retainer exceeding six hundred dollars (\$600) – the maximum cost of our first initial meeting - when services cannot be delivered within six (6) months.

The Client(s) has chosen to be billed on a retainer basis for the purposes of this Agreement. An **Engagement Retainer of \$ _____** will be invoiced immediately and an ongoing **Quarterly Service Retainer of \$ _____** will be invoiced at the beginning of each calendar quarter for ongoing relationship service; unless the client's Advised Asset value has increased or decreased from the previous calendar quarter.

_____ (Client's Initial)

_____ (Client's Initial)

3. IMPLEMENTATION

Our firm believes that every Client should fully understand that Southwestern Advisory Group, and our Consultants, are NOT investment managers. We are advisors.

It is for this reason that the Client(s) must understand that the Advisor, or Consultant, may recommend that they execute the advice and recommendations delivered per this Agreement through a specific third-party custodian, investment advisor, investment product manufacturer, investment product distributor, retirement plan sponsor, broker-dealer or insurance carrier; however, the Client(s) is welcome to implement our advice and recommendations through the third-party custodian(s), investment advisor(s), investment product manufacturer(s), retirement plan sponsor(s), broker-dealer(s) or insurance carrier(s) of their choice.

4. POTENTIAL CONFLICTS OF INTERESTS

To be truly comprehensive in the services we deliver to you, it should also be understood that your Consultant may be licensed as an insurance agent and/or registered representative of a broker-dealer. Recommendations made under the authority of these licenses, such as insurance(s) or investment product(s), could generate a sales commission to our firm.

Per this agreement, your Consultant is REQUIRED to disclose all commissions our firm may receive, in an actual dollarized value, prior to any commissionable recommendation being presented to you. Our firm will also apply ALL revenue delivered from a commissioned sale to each Client's retainer account with Southwestern Advisory Group; which could prevent the need for our firm to invoice for billable hours, or quarterly service retainers, until that account has been depleted.

To assist in the avoidance of any potential conflicts of interest regarding commissionable product sales, our Consultants DO NOT possess, or exercise, any discretion with respect to client transactions that could generate a commissionable product sale.

Your Consultant is not, and will not, be incentivized - monetarily or through gifts - to recommend transactions that could generate a commissionable product sale by our firm, third-party custodian(s), investment advisor(s), investment product manufacturer(s), investment product distributor(s), retirement plan sponsor(s), broker-dealer(s) or insurance carrier(s).

It should also be clearly understood that Cole Gilliam Parks, President of Southwestern Advisory Group, also serves as President of Southwestern Enterprises, Southwestern Asset Management, Southwestern Retirement Plan Services, Southwestern Captive Management and Southwestern Management Services. No other Consultants with Southwestern Advisory Group maintain any leadership position, employee status or equity ownership in Southwestern Enterprises, Southwestern Asset Management, Southwestern Retirement Plan Services and Southwestern Captive Management. Consultants are employed by Southwestern Management Services but maintain no leadership positions or equity ownership.

5. LEGAL AND ACCOUNTING SERVICES:

It is expressly understood, and agreed, between the parties of this Agreement, that our firm will not provide accounting or legal advice; nor prepare any accounting or legal documents for the implementation of the Client's objectives. The Client is urged to work closely with their attorney and/or accountant in implementing recommendations from this Agreement.

Keeping our mission of Consistently Delivering Financial Simplicity top of mind, your Consultant and our Firm look forward to partnering with all of your trusted professionals to coordinate the implementation of our recommendations once you have approved them.

6. TERM:

This Agreement shall renew automatically on an annual basis. Either party may terminate this Agreement at any time by providing written notice. Fees earned as of written termination notice will not be refunded. Termination assistance required by our Firm will be invoiced on an hourly basis.

7. ARBITRATION:

This agreement contains a provision, which requires that all claims arising out of transactions or activities affecting the provision of services by our firm to the Client (collectively referred to as "the parties") be resolved through arbitration in Erath County, Texas. The parties acknowledge, understand and agree that: (i) arbitration is final and binding, (ii) the parties are waiving their right to seek remedies in court, including the right to jury trial, (iii) pre-arbitration discovery is generally more limited than, and potentially different, in form and scope from court proceedings, (iv) the Arbitration Award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of a ruling by the arbitrators is strictly limited, and (v) the panel of arbitrators will typically include a minority of arbitrators who were, or are affiliated, with the securities industry.

To the extent permitted by law, all controversies which may arise between the parties or any of their affiliated companies concerning any transaction arising out of or relating to this agreement, or the construction, performance, or breach of this or any other agreement between us whether entered into prior to, on or subsequent to the date hereto, shall be submitted to arbitration conducted under the Rules of the American Arbitration Association.

Arbitration must be commenced by service upon the other party, of a written demand for arbitration or a written notice of intention to arbitrate. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered in any court having jurisdiction. Any arbitration proceeding pursuant to this Agreement shall be determined pursuant to the laws of the State of Texas. This Agreement supersedes any and all preexisting agreements and/or understandings. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

The parties hereby submit to the in-personam jurisdiction of the courts of the State of Texas and the local courts located therein - and expressly waive any defense to personal jurisdiction of the Client by such courts - for the purpose of confirming, vacating or modifying any such award or judgment entered thereon. To the extent any controversy as above described is to be resolved in a court action, the parties expressly agree that such action shall be brought only in State or Federal courts in Texas and service of process in such action shall be sufficient if served on the parties by certified mail, return receipt requested, at the parties last address known to the other party. In this connection the parties expressly waive any defense(s) to personal jurisdiction of the parties by such court; to service of process as set forth above; to venue; and in addition, expressly agree that Texas is a convenient forum for any such action.

Nothing herein shall be enforceable to the extent that you waive any of your rights under state or federal securities laws.

8. ASSIGNMENT:

This Agreement may not be assigned - within the meaning of the Advisors Act - by either you or our firm without the prior consent of the other party. You acknowledge and agree that transactions that do not result in a change of actual control or management of our firm shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Advisors Act.

9. GOVERNING LAW:

All consulting, advice, leadership and coaching services shall be in compliance with the Investment Advisor Act of 1940 regulating the services provided by this Agreement.

10. ACKNOWLEDGEMENT:

Client acknowledges receipt of Part 2 of Form ADV; at or before the time of signing this agreement in accordance with Rule 204-3 under the Investment Advisor Act of 1940. You further acknowledge and consent that our firm may send any of its notices including our ADV Part 2 and Privacy Policy to the email address most recently provided by you. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Engagement Information

Name: _____
Street Address: _____
City, State and Zip: _____

Signatures

Client/Trustee:	_____	Date: _____
Printed Name:	_____	
Client/Trustee:	_____	Date: _____
Printed Name:	_____	
Consultant:	_____	Date: _____
Printed Name:	_____	

Practice Information

Name: Southwestern Advisory Group
Street Address: _____
City, State and Zip: _____