

# PRIVATE ADVISOR GROUP INVESTMENT ADVISORY AGREEMENT



This Agreement is made between the undersigned party, \_\_\_\_\_  
whose mailing address is \_\_\_\_\_ (STREET), \_\_\_\_\_ (CITY),  
\_\_\_\_\_ (STATE) \_\_\_\_\_ (ZIP) ("Client"), and Private Advisor Group, LLC, a registered investment Advisor,  
whose principal mailing address is 65 Madison Avenue, Suite 300, Morristown, New Jersey 07960 ("Advisor") as of the  
date the Client signs below

## 1. Scope of Engagement.

- a. Client hereby appoints Advisor as an Investment Advisor to perform the services hereinafter described, and Advisor accepts such appointment. Advisor shall be responsible for the investment and reinvestment of those assets designated by Client to be subject to Advisor's management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the "Assets" or "Account");
- b. Client delegates to Advisor all of its powers with regard to the investment and reinvestment of the Assets and appoints Advisor as Client's agent and attorney-in-fact with full authority to buy, sell, or otherwise effect investment transactions involving the Assets in Client's name for the Account;
- c. Advisor is authorized, without prior consultation with Client, to buy, sell, trade and allocate in and among stocks, bonds, mutual funds, exchange traded funds, sub-advisors, independent investment managers and/or programs (with or without discretion, depending upon the independent investment manager or program) and other securities and/or contracts relating to the same, on margin (only if written authorization has been granted) or otherwise, and to give instructions in furtherance of such authority to the registered broker-dealer and the custodian of the Assets;
- d. Advisor shall discharge its investment management responsibilities consistent with Client's designated investment objectives.

Unless Client has advised Advisor to the contrary, in writing, there are no restrictions that Client has imposed upon Advisor with respect to the management of the Assets. Client agrees to provide information and/or documentation requested by Advisor in furtherance of this Agreement as pertains to Client's objectives, needs and goals, and maintains exclusive responsibility to keep Advisor informed of any changes regarding same. Client acknowledges that Advisor cannot adequately perform its services for Client unless Client diligently performs his responsibilities under this Agreement. Advisor shall not be required to verify any information obtained from Client, Client's attorney, accountant or other professionals, and is expressly authorized to rely thereon;

- e. In the event that the Account is a retirement plan sponsored by Client's employer, Client acknowledges that Advisor's investment selection shall be limited to the investment alternatives provided by the retirement plan. In the event that the plan sponsor or custodian will not permit Advisor direct access to the Account, Client acknowledges and understands that: (1) Advisor will not receive any communications from the plan sponsor or custodian, and it shall remain Client's exclusive obligation to notify Advisor of any changes in investment alternatives, restrictions, etc. pertaining to the Account; (2) Advisor shall not be responsible for any costs, damages, penalties, or otherwise, resulting from the failure to so notify Advisor; and (3) Advisor's authority shall be limited to the allocation of the Assets among the investment alternatives available through the plan,



and, as such, Advisor will not have, nor will it accept, any authority to effect any other type of transactions or changes via the plan web site, including but not limited to changing beneficiaries or effecting Account disbursements or transfers to any individual or entity; and;

- f. Client authorizes Advisor to respond to inquiries from, and communicate and share information with, Client’s attorney, accountant, and other professionals to the extent necessary in furtherance of Advisor’s services under this Agreement.

**2. Advisor Compensation**

- a. Advisor’s annual fee for investment management services provided under this Agreement shall be based upon a percentage (%) of the market value of the Assets Under Management (“AUM”) for all accounts placed under the management of Advisor, now or in the future. This fee shall be set at \_\_\_\_\_ % unless specific accounts have a different fee set in either the fee schedule in a custodian’s account paperwork for that account(s) opened or assumed under management, or the fee schedule in this agreement in section 2 (e). This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the Assets on the last business day of the previous quarter. No increase in the annual fee percentage shall be effective without prior written notification to Client;
- b. Client authorizes the Custodian of the Assets to charge the Account for the amount of Advisor’s fee and to remit such fee to Advisor in compliance with regulatory procedures;
- c. In addition to Advisor’s annual investment management fee, Client shall also incur, relative to: (1) all mutual fund and exchange traded fund purchases, charges imposed directly at the fund level (e.g. management fees and other fund expenses); (2) independent investment managers, the fees charged by each separate manager who is engaged to manage the Assets; and (3) any fee associated with maintaining a retirement account charged by the Custodian of the Qualified Account.
- d. No portion of Advisor Compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940; and,
- e. The below accounts, held at custodians where the new account paperwork does not permit the entry of the AUM charge, shall be charged the below listed AUM charges. If account numbers are not yet available, the stated rate will apply to all accounts opened immediately and in the future. If there is a discrepancy between a rate listed on new account applications and rate stated here, the rate on the new account application will prevail.

Account Description or Type	Account Number (if available)	Annual Fee Expressed as a Percentage of Assets Under Management or Flat Dollar Amount
1.		
2.		
3.		
4.		
5.		
6.		
7.		



8.		
9.		
10.		
11.		
12.		

3. **Custodian.** The Assets shall be held by an independent custodian, not Advisor. Advisor is authorized to give instructions to the custodian with respect to all investment decisions regarding the Assets and the custodian is hereby authorized and directed to effect transactions, deliver securities, and otherwise take such actions as Advisor shall direct in connection with the performance of Advisor's obligations in respect of the Assets.
4. **Account Transactions**
  - a. Client recognizes and agrees that in order for Advisor to discharge its responsibilities, it must engage in securities brokerage transactions described in paragraph 1 herein;
  - b. Commissions and/or transaction fees are generally charged for effecting securities transactions; and
  - c. The brokerage commissions and/or transaction fees charged to Client for securities brokerage transactions are exclusive of, and in addition to, Advisor Compensation as defined in paragraph 2 hereof.
5. **Risk Acknowledgment.** Advisor does not guarantee the future performance of the Account or any specific level of performance, the success of any investment recommendation or strategy that Advisor may take or recommend for the Account, or the success of Advisor's overall management of the Account. Client understands that investment recommendations for the Account by Advisor are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.
6. **Directions to Advisor.** All directions, instructions and/or notices from Client to Advisor shall be in writing. Advisor shall be fully protected in relying upon any direction, notice, or instruction until it has been duly advised in writing of changes therein.
7. **Fiduciary Duty and Advisor Liability.** Advisor acts as a fiduciary under this Agreement and has a duty to invest the Client's assets as a prudent investor would in accordance with the Client's investment objectives and risk tolerance. Advisor shall not be liable for the acts and/or omissions of other professionals or third party service providers recommended to Client by Advisor, including a broker-dealer, custodian, attorney, accountant, insurance agent, or any other professional. If the Account contains only a portion of Client's total assets, Advisor shall only be responsible for those assets that Client has designated to be the subject of Advisor's investment management services under this Agreement without consideration to those additional assets not so designated by Client.

If, during the term of this Agreement, Advisor purchases specific individual securities for the Account at the direction of Client (i.e. the request to purchase was initiated solely by Client), Client acknowledges that Advisor shall do so as an accommodation only, and that Client shall maintain exclusive ongoing responsibility for monitoring any and all such individual securities, and the disposition thereof. Correspondingly, Client further acknowledges and agrees that Advisor shall not have any responsibility for the performance of any and all such securities, regardless of whether any such security is reflected on any quarterly Account reports prepared by



Advisor. However, Advisor may continue to include any such assets for purposes of determining Advisor Compensation. In addition, with respect to any and all accounts maintained by Client with other investment professionals or at custodians for which Advisor does not maintain trading authority, Client, and not Advisor, shall be exclusively responsible for the investment performance of any such assets or accounts. In the event Client desires that Advisor provide investment management services with respect to any such assets or accounts, Client may engage Advisor to do so for a separate and additional fee.

Client acknowledges that investments have varying degrees of financial risk, and that Advisor shall not be responsible for any adverse financial consequences to the Account resulting from any investment that, at the time made, was consistent with Client's investment objectives.

Client further acknowledges and agrees that Advisor shall not bear any responsibility whatsoever for any adverse financial consequences occurring during the Account transition process (i.e., the transfer of the Assets from Client's predecessor advisors/ custodians to the Account to be managed by Advisor) resulting from: (1) securities purchased by Client's predecessor advisor(s); (2) the sale by Advisor of securities purchased by Client's predecessor advisor(s) subsequent to completion of the Account transition process; and (3) any account transfer, closing or administrative charges or fees imposed by the previous broker-dealer/custodian.

The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which Client may have under any federal or state securities laws.

8. **Proxies.** Advisor does not vote proxies. Client shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by Client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.
9. **Reports.** Advisor and/or Account custodian shall provide Client with periodic reports for the Account. In the event that Advisor provides supplemental Account reports which include assets for which Advisor does not have discretionary investment management authority, Client acknowledges the reporting is provided as an accommodation only, and does not include investment management, review, or monitoring services, nor investment recommendations or advice.
10. **Termination.** This Agreement will continue in effect until terminated by either party by written notice to the other (email notice will not suffice), which written notice must be signed by the terminating party. Termination of this Agreement will not affect (1) the validity of any action previously taken by Advisor under this Agreement; (2) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (3) Client's obligation to pay advisory fees (prorated through the date of termination). Upon the termination of this Agreement, Advisor will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account. Client will be entitled to a prorated refund of unearned fees, if any, based on the time and effort completed prior to the termination date.
11. **Assignment.** This Agreement may not be assigned (within the meaning of the Investment Advisers Act of 1940) by either Client or Advisor without the prior consent of the other party. Client acknowledges and agrees that transactions that do not result in a change of actual control or management of Advisor shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940. Should there be a change in control of Advisor resulting in an assignment of this Agreement (as that term is defined under the Advisers Act), Advisor will notify Client about the assignment and will continue to provide services to Client. If Client does not object to the assignment in writing within 30 days of the sending of the notification, the Successor Advisor will



assume that Client has consented to the assignment and the Successor Advisor will become Advisor to Client under the terms and conditions of this Agreement.

**12. Non-Exclusive Management.** Advisor, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other Clients, as Advisor does for the Assets. Client expressly acknowledges and understands that Advisor shall be free to render investment advice to others and that Advisor does not make its investment management services available exclusively to Client. Nothing in this Agreement shall impose upon Advisor any obligation to purchase or sell, or to recommend for purchase or sale, for the Account any security which Advisor, its principals, affiliates or employees, may purchase or sell for their own accounts or for the account of any other Client, if in the reasonable opinion of Advisor such investment would be unsuitable for the Account or if Advisor determines in the best interest of the Account it would be impractical or undesirable.

**13. Death or Disability.** The death, disability or incompetency of Client will not terminate or change the terms of this Agreement.

However, Client's executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement by giving written notice to Advisor. Client recognizes that the custodian may not permit any further Account transactions until such time as any documentation required is provided to the custodian.

**14. Arbitration.** Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to Advisor's services under this Agreement that cannot be resolved by mediation, both Advisor and Client agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. Advisor and Client understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both Advisor and Client are waiving their respective rights to seek remedies in court, including the right to a jury trial. Client acknowledges that Client has had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this Agreement.

**15. Disclosure Statement.** Client hereby acknowledges prior receipt of a copy of Advisor's Customer Relationship Summary – Form CRS, Part 2A Wealth Suite Wrap Fee Program Brochure Part 2A for SWM II, Privacy Notice, and Part 2B Brochure Supplements for Advisor's representatives which serve as Advisor's written disclosure statements. Client further acknowledges that Client has had a reasonable opportunity to review these documents, and to discuss the contents of same with professionals of Client's choosing, prior to the execution of this Agreement. These documents describe conflicts of interest between Client and Advisor and Advisor's representatives. Client acknowledges receiving the information and consents to receive financial advice from Advisor and Advisor's representatives despite the disclosed conflicts.

When Client is a resident of Texas, the following paragraph applies:

Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if Client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to Client at least 48 hours prior to Client entering into any written or oral advisory contract with this investment adviser, then Client has the right to terminate the contract without penalty within five 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, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.



16. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.
17. **Client Conflicts.** If this Agreement is between Advisor and related Clients (i.e. husband and wife, life partners, etc.), Advisor's services shall be based upon the joint goals communicated to Advisor. Advisor is specifically granted permission by each party to discuss the Assets including any individually titled accounts with the other party, unless those accounts are specifically excluded from this permission. Advisor shall be permitted to rely upon instructions from either party with respect to the Assets, unless and until such reliance is revoked in writing to Advisor. Advisor shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between Clients.
18. **Referral Fees.** If Client was introduced to Advisor through a Solicitor or Promoter, Advisor may pay that Solicitor or Promoter a referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral fee shall be paid solely from Advisor's compensation as defined in this Agreement, and shall not result in any additional charge to Client. Client acknowledges receipt of the written disclosure statement disclosing the terms of the solicitation arrangement between Advisor and the Solicitor, including the compensation to be received by the Solicitor from Advisor.
19. **Entire Agreement.** This Agreement represents the entire agreement between the parties. This agreement supersedes and replaces, in its entirety, all previous agreements regarding the Account(s) between Client and Advisor.
20. **Amendments.** Advisor may amend this Agreement upon written notification to Client. Unless Client notifies Advisor to the contrary, in writing, the amendment shall become effective thirty (30) days from the date of mailing.
21. **Applicable Law/Venue.** To the extent not inconsistent with applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy between Advisor and Client shall be the County of Morris, State of New Jersey. Where a dispute between Client and Advisor will not involve Advisor's personnel working in Morristown, New Jersey, Advisor will consent to move the arbitration to a location within 50 miles of the office of the personnel servicing Client.
22. **Electronic Delivery.** Client authorizes Advisor to deliver, and Client agrees to accept, all required regulatory notices and disclosures via electronic mail and/or via Advisor's internet web site, as well as all other correspondence from Advisor. Advisor shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to Client's last provided email address (or upon advising Client via email that such document is available on Advisor's web site).
23. **Authority.** Client acknowledges that he/she/they/it has (have) all requisite legal authority to execute this Agreement, and that there are no encumbrances on the Account. Client correspondingly agrees to immediately notify Advisor, in writing, in the event that either of these representations should change. Client specifically represents as follows:
  - a. If Client is an individual, he/she: (1) is of legal age and capacity, (2) has full authority and power to retain Advisor, (3) the execution of this Agreement will not violate any law or obligation applicable to Client, and, (4) Client owns the Account, without restriction;



- b. If Client is an entity, it: (1) is validly organized under the laws of applicable jurisdictions, (2) has full authority and power to retain Advisor, (3) the execution of this Agreement will not violate any law or obligation applicable to Client, and, (4) Client owns the Assets without restriction; and
- c. If Client is a retirement plan (“Plan”) organized under the Employment Retirement Income Security Act of 1974 (“ERISA”), Advisor represents that it is registered under The Investment Advisers Act of 1940 and the Plan represents that it is validly organized and is the beneficial owner of the Account. The only source of compensation to Advisor under this Agreement shall be the fee paid to Advisor by the Plan. The Plan further represents that Advisor has been furnished true and complete copies of all documents establishing and governing the Plan and evidencing Plan’s authority to retain Advisor. The Plan will furnish promptly to Advisor any amendments and further agrees that, if any amendment affects the rights or obligations of Advisor, such amendment will not be binding on Advisor until agreed to by Advisor in writing. If the Account contains only a part of the investments of the Plan’s assets, the Plan understands that Advisor will have no responsibility for the diversification of all of the Plan’s assets, and that Advisor will have no duty, responsibility or liability for Plan investments that are not part of the Account. The Plan is responsible for voting all Proxies per paragraph 8 above.

IN WITNESS WHEREOF, Client and Advisor have each executed this Agreement.

Client Signature	Client Name (print)	Date
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Client Signature	Client Name (print)	Date
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Private Advisor Group, LLC

By: _____	_____	_____	_____
Investment Advisor Representative Signature	Investment Advisor Representative Name (print)	Date	Rep ID