

# Consulting, Advice, Leadership, and Coaching Agreement

for

## Southwestern Advisory Group

This Agreement is mutually entered on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by the Advisor, Southwestern Advisory Group, (after this 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 ("CALC") 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 unique situation. We then collaborate with them to define their current goals and objectives so that they, too, can be recorded with complete clarity. After confirming your goals and objectives are in harmonious alignment with your values, our team will design and recommend the most beneficial strategies and solutions required to provide our Client with a focused path towards achieving – or maintaining – financial independence.

Consulting services will typically involve preparing a written deliverable and/or rendering face-to-face, or virtual, consultation(s). Our Client engagements are generally with individuals, trustees, institutions, businesses, and non-profit clientele, including, but not limited to delivering recommendations that encompass financial independence, budgeting, cash flow, cash management, protection, accumulation, growth, distributions, income, legacy planning, estate planning, charitable gifting, structured settlements, traditional, alternative, and derivative investments, packaged investment products, insurance products, portfolio expense management, and mitigation, portfolio benchmarking, asset allocation, tax diversification, executive compensation, stock options, qualified retirement plans, employee benefits, succession planning, exit planning and execution, entrepreneurial ventures, capital raising, and capital insurance.

Our Firm also refers Client(s) to a third-party accountant(s), attorney(s), or another professional specialist (s) as necessary, for non-CALC related services.

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> Financial Independence | <input type="checkbox"/> Traditional Investments | <input type="checkbox"/> Executive Compensation      |
| <input type="checkbox"/> Budgeting and Cash Flow           | <input type="checkbox"/> Alternative Investments | <input type="checkbox"/> Stock Options               |
| <input type="checkbox"/> Cash Management                   | <input type="checkbox"/> Derivative Investments  | <input type="checkbox"/> Qualified Retirement Plans  |
| <input type="checkbox"/> Protection                        | <input type="checkbox"/> Investment Products     | <input type="checkbox"/> Employee Benefits           |
| <input type="checkbox"/> Accumulation & Growth             | <input type="checkbox"/> Insurance Products      | <input type="checkbox"/> Succession Planning         |
| <input type="checkbox"/> Distributions & Income            | <input type="checkbox"/> Expense Mitigation      | <input type="checkbox"/> Exit Planning and Execution |
| <input type="checkbox"/> Legacy & Estate Planning          | <input type="checkbox"/> Benchmarking            | <input type="checkbox"/> Entrepreneurial Ventures    |
| <input type="checkbox"/> Charitable Gifting                | <input type="checkbox"/> Asset Allocation        | <input type="checkbox"/> Capital Raising             |
| <input type="checkbox"/> Structured Settlements            | <input type="checkbox"/> Tax Diversification     | <input type="checkbox"/> Captive Insurance           |
| <input type="checkbox"/> _____                             | <input type="checkbox"/> _____                   | <input type="checkbox"/> _____                       |
| <input type="checkbox"/> _____                             | <input type="checkbox"/> _____                   | <input type="checkbox"/> _____                       |

### 2. FEES

For this Agreement, we will mutually define Advised Assets during our initial engagement and update this data as required for future services. To perform this calculation, we will determine the Client(s) total net worth and subtract the value of their primary residence and any privately-held business(es) in which they are directly involved in the day-to-day leadership, management, operations. For business, institutional, and non-profit client engagements, Advised Assets will be mutually defined and documented on a case-by-case basis.

Our Firm requires an initial engagement fee and quarterly service fees for ongoing CALC services. Engagement fee and quarterly service fees will be invoiced according to the following schedule based on each Client's unique Advised Asset values:

<u>Advised Asset Range</u>	<u>Engagement Fee</u>	<u>Quarterly Service Fees</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 - 4,799,999	\$24,000	\$6,000
\$4,800,000 - \$9,999,999	\$48,000	\$12,000
\$10,000,000+	\$60,000	\$15,000

\_\_\_\_\_ (Client Initials)

\_\_\_\_\_ (Client Initials)

Fees are negotiable at the Firm's discretion, but the total fees charged will be competitively based on your case's unique complexity and the scope of our engagement. Engagement fees will be invoiced immediately to cover our team's pre-engagement, engagement, and implementation expenses. Quarterly service fees 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. Fees will be due and payable within fifteen (15) days of receiving an invoice.

In addition to the Engagement and Quarterly Service Fees quoted above, consultations that require travel are invoiced according to the hourly travel rates and travel expense reimbursements disclosed below:

<u>Team Member</u>	<u>Hourly Travel Rates:</u>
Advisors	\$140.00 - \$420.00
Analysts / Specialists	\$105.00 - \$210.00
Administrative	\$35.00 - \$140.00

Mileage is invoiced at the standard IRS rate, currently \$0.56 per mile for 2021, from our Firm's nearest physical office location. Any airfare, car rental/car service, parking, and lodging will be invoiced at actual cost. Airfare will be business 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.

\_\_\_\_\_ (Client Initials)

\_\_\_\_\_ (Client Initials)

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 for CALC services.

Quarterly service fees WILL increase and decrease every quarter 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 five hundred dollars (\$500) when services cannot be delivered within six (6) months.

\_\_\_\_\_ (Client Initials)

\_\_\_\_\_ (Client Initials)

### 3. IMPLEMENTATION

Your Consultant, may recommend that you 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, you are 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 your 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 fees, 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 Farm Capital, Southwestern Capital Partners, Southwestern Land & Livestock, 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 Farm Capital, Southwestern Capital Partners, and Southwestern Land & Livestock. 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 charged 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 – in accordance with relevant state statutes and rules - 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 relevant state statutes and rules.

**9. GOVERNING LAW:**

All consulting, advice, leadership and coaching services shall be in compliance with relevant state statutes and rules 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 relevant state statutes and rules. 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.

**11. ENGAGEMENT INFORMATION:**

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

Street Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Client/Trustee Signature:\_\_\_\_\_ Date:\_\_\_\_\_

Printed Name: \_\_\_\_\_

Client/Trustee Signature:\_\_\_\_\_ Date:\_\_\_\_\_

Printed Name: \_\_\_\_\_

12. FIRM INFORMATION:

Name: Southwestern Advisory Group

Street Address: \_\_\_\_\_

City, State, and Zip: \_\_\_\_\_

Consultant Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Notes: \_\_\_\_\_

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