



# CLIENT PROFILE AND DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT AND LIMITED FINANCIAL PROFESSIONAL AGREEMENT

## 1. CLIENT INFORMATION

<input type="checkbox"/> Mr. First Name <input type="checkbox"/> Ms. <input type="checkbox"/>	Middle Initial	Last Name	
SSN/Tax ID#	Date of Birth	Home Phone Number <input type="checkbox"/> Primary	Mobile Phone Number <input type="checkbox"/> Primary
Home/Legal Street Address (No P.O. Boxes)	City	State	Zip Code
Mailing Address (if different from above)	City	State	Zip Code
Email Address (for electronic delivery of information)	Citizenship <input type="checkbox"/> USA <input type="checkbox"/> Other	Country of Citizenship (For non-U.S. Citizens)	
Employment Status: <input type="checkbox"/> Employed <input type="checkbox"/> Retired <input type="checkbox"/> Self-Employed <input type="checkbox"/> Student <input type="checkbox"/> Non-Employed	Employer Name		

## 2. CO-CLIENT INFORMATION

Relation to Client Above: <input type="checkbox"/> Spouse <input type="checkbox"/> Other _____			
<input type="checkbox"/> Mr. First Name <input type="checkbox"/> Ms. <input type="checkbox"/>	Middle Initial	Last Name	
SSN/Tax ID#	Date of Birth	Home Phone Number <input type="checkbox"/> Primary	Mobile Phone Number <input type="checkbox"/> Primary
Home/Legal Street Address (No P.O. Boxes)	City	State	Zip Code
Mailing Address (if different from above)	City	State	Zip Code
Email Address (for electronic delivery of information)	Citizenship <input type="checkbox"/> USA <input type="checkbox"/> Other	Country of Citizenship (For non-U.S. Citizens)	
Employment Status: <input type="checkbox"/> Employed <input type="checkbox"/> Retired <input type="checkbox"/> Self-Employed <input type="checkbox"/> Student <input type="checkbox"/> Non-Employed	Employer Name		

## 3. ELECTRONIC DELIVERY OF INFORMATION

By providing your email address above in Section 1, you consent to receive electronic delivery of quarterly statements, advisory fee notifications, marketing literature, reports and other correspondence. These documents will be sent via electronic mail or made available in the online client portal for The Pacific Financial Group ("TPFG"). In the event that an email sent to the email address provided is returned as undeliverable, TPFG will send paper statements to the address of record. <b>In addition, if you prefer to receive electronic delivery of regulatory disclosures such as our Form ADV Part 2A &amp; B and Privacy Statement, then please sign below.</b> You may revoke this authorization at any time by written notice to TPFG which includes email.			
Client Signature  X	Date	Co-Client Signature  X	Date



4. ACCOUNT INFORMATION

Client Name, <i>First M.I. Last</i>		SSN/Tax ID#	
Co-Client Name, <i>First M.I. Last</i>		SSN/Tax ID#	
Account Type: <input type="checkbox"/> Self-Directed Brokerage Account (SDBA) <sup>1</sup> <input type="checkbox"/> Managed Strategists Account <sup>1</sup>		Initial Deposit: <input type="checkbox"/> Check <input type="checkbox"/> Wire/ACH <input type="checkbox"/> Transfer <input type="checkbox"/> Payroll Deduction Subsequent Deposits: <input type="checkbox"/> Check <input type="checkbox"/> Wire/ACH <input type="checkbox"/> Transfer <input type="checkbox"/> Payroll Deduction <input type="checkbox"/> None	
CLIENT RISK PROFILE (AS CALCULATED BY RISK PROFILE QUESTIONNAIRE):			
SELECT ONE: <input type="checkbox"/> RiskPro® proposal attached. <input type="checkbox"/> Accept Risk Profile Questionnaire (RPQ) Results <input type="checkbox"/> Self-Elected Risk Tolerance (RPQ still required. Each client must sign below) If you choose a Self-Elected Risk Tolerance, client(s) is/are willing to accept the level of investment risk inherent in the portfolio chosen.		Account # (if available) Registration Type: (401(k), 403(b), IRA, JTWR05, etc) Estimated Account Value \$	
CUSTODIAN:			
<input type="checkbox"/> Aspire <input type="checkbox"/> Empower <input type="checkbox"/> TD Ameritrade <input type="checkbox"/> Principal Financial Group <sup>2</sup> <input type="checkbox"/> BOK Financial <sup>2</sup> <input type="checkbox"/> Fidelity <input type="checkbox"/> TIAA-CREF Brokerage <sup>2</sup> <input type="checkbox"/> Prudential Brokerage <input type="checkbox"/> Charles Schwab <input type="checkbox"/> Alight (formerly Hewitt) <sup>2</sup> <input type="checkbox"/> Pershing <input type="checkbox"/> Vanguard Brokerage <sup>3</sup>			

<sup>1</sup> Portfolios are constructed using the R Share Class of TPGF Family of Funds. Management fees are charged internally within the funds. <sup>2</sup> \$25,000 account minimum for SDBA accounts held at BOK Financial, Empower, Alight, Principal, Prudential, and TIAA-CREF. <sup>3</sup> \$100,000 account minimum for SDBA accounts held at Vanguard.

PORTFOLIO SELECTION (PLEASE CHECK ONLY ONE PORTFOLIO OPTION)

Risk Score	Risk Profile	Tolerance Range	Portfolio Options:
22 to 37.5	Conservative	0.00% - 8.83%	<input type="checkbox"/> Managed Conservative
			<input type="checkbox"/> Managed Conservative - Focused
37.6 to 53.1	Moderate Conservative	8.84% - 17.67%	<input type="checkbox"/> Managed Moderate Conservative
			<input type="checkbox"/> Managed Moderate Conservative – Focused
			<input type="checkbox"/> Managed Moderate Conservative – Featuring Meeder
			<input type="checkbox"/> Managed Moderate Conservative – Featuring TPGF
53.2 to 68.7	Moderate	17.68% - 26.51%	<input type="checkbox"/> Managed Moderate
			<input type="checkbox"/> Managed Moderate – Focused
			<input type="checkbox"/> Managed Moderate – Featuring Meeder
			<input type="checkbox"/> Managed Moderate – Featuring TPGF
68.8 to 84.3	Moderate Aggressive	26.52% - 35.35%	<input type="checkbox"/> Managed Moderate – Featuring Loring Ward
			<input type="checkbox"/> Managed Moderate Aggressive
			<input type="checkbox"/> Managed Moderate Aggressive – Focused
			<input type="checkbox"/> Managed Moderate Aggressive – Featuring Meeder
84.4 to 100	Aggressive	30% +	<input type="checkbox"/> Managed Moderate Aggressive – Featuring TPGF
			<input type="checkbox"/> Managed Moderate Aggressive – Featuring Loring Ward
			<input type="checkbox"/> Managed Aggressive
			<input type="checkbox"/> Managed Aggressive – Focused
<b>FINANCIAL PROFESSIONAL ACKNOWLEDGMENT:</b> I have reviewed with the undersigned clients the risk tolerance and portfolio allocation (to include any self-election of risk) for this account.			
Financial Professional Signature		Financial Professional Name	Date
<b>RISK TOLERANCE ACKNOWLEDGEMENT AND INSTRUCTION:</b> By signing below and after discussing the same with the above noted Financial Professional, I/we acknowledge that the elected portfolio and corresponding risk, to include self-elected risk as may be applicable, is appropriate taking into consideration among other factors, the investment objectives, time horizon, other investments, and needs for this account. The Pacific Financial Group is authorized to allocate the account in accordance with these instructions provided.			
Client Signature		Date	Co-Client Signature
			Date

## 5. CLIENT AUTHORIZATION OF FINANCIAL PROFESSIONAL

Financial Professional's Name	Financial Professional's Broker/Dealer Name		
Financial Professional's Mailing Address	Financial Professional's RIA Firm Name (if applicable)		
<p>The undersigned ("Client") authorizes Financial Professional listed above ("Financial Professional"), on behalf of Client, to establish and change investment allocations on all accounts and to request disbursements of funds on non-qualified accounts that Client has with The Pacific Financial Group, Inc. ("TPFG"). Client further authorizes TPFG to implement the instructions of the Financial Professional with respect to these matters. In addition, Client authorizes the release of any and all information on these accounts to Financial Professional. Client releases TPFG, its affiliates, and each of their respective officers, agents, members and employees ("TPFG and Affiliates"), from any liability in connection with Client/Financial Professional requested account allocation and changes on all Client accounts, Client/Financial Professional requested disbursement of funds on non-qualified accounts, and Client/Financial Professional requested release of information about all Client accounts to the Financial Professional and agrees to indemnify and hold TPFG and Affiliates, and Financial Professional, harmless from any liability as a result of the above.</p> <p>This authorization will remain in effect until Client provides written notice of termination to TPFG and the Financial Professional. <b><u>In the event this section is not signed by the Client, it is understood that the Financial Professional is NOT permitted to make investment changes or distribution requests on any accounts.</u></b></p>			
Client Signature	Date	Co-Client Signature	Date
X		X	

## 6. FINANCIAL PROFESSIONAL SIGNATURE

<p>I am the Financial Professional named in Section 5 above. I affirm that I have reviewed the Client Profile &amp; Investment Management Agreement and TPFG's advisory and other services and Financial Professional's services with the Client. I agree not to take any actions relating to Client accounts unless authorized by Client. I certify that I have verified the identity of the Client whose signature(s) appears in this Agreement by reviewing appropriate identifying documentation.</p> <p>If the Client has signed the above Client Authorization of Financial Professional section, I will act at all times with proper authority given by the Client for all actions initiated by me pertaining to Client accounts with TPFG. I will not use my authority to engage in market timing or frequent trading activities. I will indemnify, defend and hold harmless TPFG and Affiliates against any and all losses, claims, damages, liabilities, actions, proceedings, judgments or costs, including attorneys' fees, which any of those parties may incur by relying upon my instructions.</p>			
Financial Professional Signature	Date	Name (please print)	
X			

## 7. AGREEMENT

This is an agreement (the "Agreement") between (i) The Pacific Financial Group, Inc., a Washington corporation and a registered investment advisor ("Advisor" or "TPFG"); (ii) the Financial Professional identified on Schedule A, an investment advisory representative of a registered investment advisor or a registered representative of a broker/dealer ("Financial Professional"); and (iii) the Client(s) ("Client") whose identity and signature(s) are set forth on the Client Profile. By this agreement, Client retains Advisor and Financial Professional to provide services to Client, in accordance with the terms and conditions set forth below:

### 1. Role of Advisor

- A. **Investment Management Services.** Advisor will direct, in Advisor's sole discretion and without first consulting Client, the investment and reinvestment of the assets in Client's accounts (the "Account") in securities and cash or cash equivalents. Initial Account assets may be one or a combination of the following forms: A deposit from the Client made payable to the custodian selected by the Client (the "Custodian"), and/or transferred assets as evidenced by account statements provided by the Client. **Any special instructions or limitations that Client wishes Advisor to follow in managing the Account are described in the Investment Restrictions section of the Investment Election Form. Client agrees to notify Advisor or Financial Professional promptly of any significant change in Client's financial circumstances, investment objectives or information noted in Restrictions that might affect the manner in which Client's Account should be managed.** Client also agrees to provide Advisor or Financial Professional with such additional information as Advisor or Financial Professional may request from time to time to assist it in managing the Account. After Advisor is in receipt of this fully executed Agreement and is provided access to a Variable Annuity or Self-Directed Retirement Account, there may be an "evaluation period" not to exceed 30 days to determine whether or not Advisor can effectively manage the assets. Client will not be charged any management or other fees if Advisor determines Client's Account cannot be effectively managed. Advisor's authority under this Agreement will remain in effect until changed or terminated by Client in writing.
- B. **Execution of Investment Account Transactions.** Advisor will arrange for the execution of securities transactions for the Account through brokers or dealers that Advisor reasonably believes will provide best execution. In selecting a broker or dealer, Advisor may consider, among other things, the broker or dealer's execution capabilities, reputation and access to the markets for the securities being traded. Advisor generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions for the Account.

Consistent with obtaining best execution, transactions for Client's Account may be directed to brokers in return for research services furnished by them to Advisor. Such research generally will be used to service all of Advisor's clients, but brokerage commissions paid by Client may be used to pay for



research that is not used in managing Client's Account. Advisor may, in its discretion, cause the Account to pay brokers a commission greater than another qualified broker might charge to effect the same transaction where Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Transactions for each client account may be effected independently or "batched," should the Advisor decide to purchase or sell the same securities for several clients at approximately the same time. Circumstances of the situation will determine which method is used. Advisor may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Advisor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among Advisor's clients in a manner Advisor considers equitable (for example, in proportion to the purchase and sale orders placed for each client account on any given day).

Instead of allowing Advisor to select brokers or dealers for the Account, Client may direct Advisor in writing to use a particular broker or dealer to execute all transactions for Client's Account. Advisor reserves the right to decline use of any broker or dealer if (i) the Advisor believes that broker or dealer exercises practices that are not in the best interest of the Client, (ii) the Advisor does not have a working relationship with the broker or dealer, or (iii) the broker or dealer is not compatible with Advisor's systems. If Advisor uses a particular broker or dealer at Client's discretion, Client will negotiate terms and arrangements for the Account with that broker or dealer, and Advisor will not seek better execution services or prices from other brokers or dealers or be able to "batch" Client transactions for execution through other brokers or dealers with orders for other accounts managed by Advisor. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the Account than would otherwise be the case.

Client authorizes and directs Advisor to instruct all brokers and dealers executing orders for Client to forward confirmations of those transactions to Custodian and Advisor. Per the Custodian's account application, Client elects preference regarding delivery of confirmations. Advisor may give a copy of this Agreement to any broker, dealer or other party to a transaction for the Account, or the Custodian, as evidence of Advisor's authority to act for Client.

For annuity accounts, the individual insurance companies that issue the annuity contracts may have trading restrictions relating to the frequency of trading and the size of the trades. The trading restrictions are specific to each insurance company. As third party investment advisor, Advisor is required to adhere to these trading restrictions. Upon request, Advisor will provide an explanation of the restrictions, based on its understanding.

- C. Custodial Arrangements. Custody of Account assets will be maintained with the independent Custodian selected by the Client, as evidenced by the appropriate custodial agreement for the type of account held by Client. This includes insurance companies and their trusts or custodians, in the case of annuities. Client will be solely responsible for paying all fees or charges of the Custodian. Client authorizes Advisor to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Account. Client also authorizes and directs Advisor to instruct Custodian on Client's behalf to (i) send Client a monthly or quarterly statement showing all transactions occurring in the Account during the period covered by the account statement, and the funds, securities and other property in the Account at the end of the period; and (ii) provide Advisor copies of all periodic statements and other reports for the Account that Custodian sends to Client. Client instructs Custodian that, for those investments for which Client agreed to pay fees directly to Advisor or Financial Professional for services provided, Client authorizes the Custodian to deduct from the Account and pay to Advisor and Financial Professional such fees as may be due for each calendar year quarter. Advisor will send to the Custodian and the Client a statement showing the fees owed by Client to Advisor and to Financial Professional. The statement sent to Client will also include the account value on which the fees were based and how the fees were calculated. It is the responsibility of Client to verify the accuracy of the fee calculations when Client receives the statement. The Custodian will send Client a monthly or quarterly statement (depending on the Custodian) showing all amounts paid from the Account, including all fees paid by Custodian to Advisor and to Financial Professional. **Advisor will not have custody of any assets in the Account;** provided, however, that Advisor will be deemed a custodian solely to the extent of authorizing Client's Custodian to deduct from Client's Account fees owed to Advisor and Financial Professional.
- D. Manager Reports. Advisor will provide Client quarterly and annual written statements of the assets in Client's Account including the purchase date, cost, current market value, and performance data for the period. The Advisor does not track or report performance data on Client's Account until the first full calendar quarter of investment under the Advisor's management.
- E. Proxy Voting. The Client agrees that Advisor will vote proxies for securities held in the Account, unless otherwise directed by Client on the Custodian's account application. Advisor will not vote proxies for Client if Client has directed custodian to send proxies to Client. If the Account is for a pension or other employee benefit plan governed by ERISA, Client directs Advisor to vote proxies for securities held in the Account as noted on the Custodian's account application.
- F. Other Investment Accounts. Client understands that Advisor serves as investment manager for other clients and will continue to do so. Client also understands that Advisor, its personnel and affiliates ("Advisor's Affiliated Persons") may give advice or take action in performing their duties for other clients, or for their own accounts, that differ from advice given to or action taken for Client. Advisor is not obligated to buy, sell or recommend for Client any security or other investment that Advisor or Advisor's Affiliated Persons may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way Advisor or Advisor's Affiliated Persons from buying, selling or trading in any securities or other investments for their own accounts.

Advisor or Advisor's Affiliated Persons may provide services for, or solicit business from, various companies, including issuers of securities that Advisor may recommend or purchase or sell for Client accounts. In providing these services, Advisor or Advisor's Affiliated Persons may obtain material, nonpublic or other confidential information that, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Advisor and Advisor's Affiliated Persons cannot improperly disclose or use this information for their personal benefit or for the benefit of any person, including clients of Advisor. If Advisor or Advisor's Affiliated Persons obtain nonpublic or other confidential information about any issuer, Advisor will have no obligation to disclose the information to Client or use it for Client's benefit.

- G. Insider Trading. Advisor does not indulge in "insider trading." Should Advisor become privy to information which is non-public ("insider"), Advisor will immediately disqualify itself from trading that security or related securities until the information is fully published. Additionally, if Advisor becomes privy to



“insider” information, then Advisor is required by law not to use that information for advice or recommendation.

H. **Potential Conflicts of Interest.** Please review Section 5 of the Agreement.

**2. Role of Financial Professional**

- A. **Introduction To, and Recommendation Of, Advisor.** Financial Professional shall be responsible to introduce Client to Advisor, and to recommend the services of Advisor, as consistent with the Client’s best interests.
- B. **Primary Relationship.** Financial Professional shall serve as the primary relationship contact with the Client.
- C. **Risk Profile.** Financial Professional shall assist the Client in determining the Client’s initial and ongoing Risk Profile, and shall provide Advisor with the necessary information to support Client’s selection of a Risk Profile. As part of the process, Financial Professional shall interview the Client to determine the Client’s financial situation, investment objectives, risk tolerance and other relevant characteristics. Financial Professional shall be responsible to retain all appropriate information as may be required to support Client’s selection of a Risk Profile.
- D. **Use of RiskPro.** In assisting Client in determining their initial and ongoing Risk Profile, Financial Professional shall utilize either: (i) a Risk Profile Questionnaire, provided by Advisor, together with RiskPro, a web-based, risk profiling, software tool created by Advisor’s affiliate; or (ii) an alternative approach, acceptable to Advisor, to help determine each Client’s Risk Profile. Under all circumstances, Financial Professional shall obtain the written consent of the Client, with respect to Client’s Risk Profile, and shall provide a copy of Client’s written consent to Advisor.
- E. **Client On-Boarding.** Financial Professional shall facilitate the on-boarding process for Client, including supporting the Client in completing the new account opening paperwork (Client Profile and Risk Profile; this Agreement; Investment Election Form; and Custodial Forms). Financial Professional certifies that he or she has verified the identity of the Client whose signature(s) appear in this Agreement by reviewing appropriate identifying documentation.
- F. **On-Going Contact.** Subject to Advisor’s regulatory requirements, and as otherwise required by this Agreement, Financial Professional shall have sole responsibility for: (i) maintaining ongoing contact with Client; (ii) obtaining updated information regarding Client’s financial situation, investment objectives, risk tolerance and other relevant characteristics; and (iii) determining whether the investment programs and investment strategies (“Investment Products”) in which the Client is invested are, and remain, suitable for the Client.
- G. **Review of Investment Products.** Financial Professional shall (i) review with Client the Investment Products held in Client’s Account, (ii) respond to Client questions about such Investment Products, and (iii) in some circumstances, recommend Investment Products for the Client to consider; provided, however, that the Financial Professional shall not be authorized to provide the Client with discretionary investment management services.
- H. **Client Communications.** Financial Professional shall assist with receiving and responding to ongoing communications from Advisor to Client, including providing Client with all required documentation received from Advisor. Financial Professional shall be responsible for communicating to Advisor any changes in the Client’s Risk Profile, including any changes to Client’s financial situation, investment objectives, and/or tolerance for investment risk.
- I. **Financial Professional Authorization.** Unless Client declines in writing to provide Financial Professional with authorization to act on Client’s behalf, Financial Professional shall be authorized, by Client, to take any or all of the following actions, on behalf of Client: (i) establish and change Client’s investment allocations, Investment Products or Client’s Risk Profile on each Account; (ii) request disbursements of funds on any non-qualified Account; (iii) receive any and all information regarding each Account; and (iv) implement the instructions of the Client with respect to these matters. In acting on Client’s behalf, Financial Professional shall (i) not take any action relating to any Client Account unless authorized by Client; (ii) not engage in market timing or frequent trading activities; and (iii) indemnify, defend and hold harmless Advisor, its affiliates, and each of their respective officers, agents, members and employees (“Advisor and Affiliates”), against any and all losses, claims, damages, liabilities, actions, proceedings, judgments or costs, including attorneys’ fees, which any of those parties may incur by relying upon the instructions of Financial Professional.
- J. **Potential Conflicts of Interest.** Please review Section 5 of the Agreement.

**3. Representations and Undertakings by Client**

- A. **Client Authority.** If Client is an individual, Client represents that he or she is of the age of majority. If Client is a corporation, a limited liability company or other entity, the person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate or other action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that Advisor’s investment management strategies, allocation procedures, Investment Products and investment management services are authorized under the applicable plan, trust, or law, and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform Advisor or Financial Professional of any event that might affect this authority or the propriety of this Agreement.
- B. **Risk Profile.** Client acknowledges that (i) Client completed a Client Profile and Risk Profile Questionnaire, as provided by Advisor or Financial Professional, and that Client’s Profile, the Questionnaire, and RiskPro, a web-based, risk profiling, software tool created by Advisor’s affiliate, were used by Client in Client’s selection of a Risk Profile that matched Client’s investment objectives and risk tolerance; or (ii) Client completed a Client Profile and an alternative risk profiling document, as provided by Financial Professional, in order for Client to select a Risk Profile that matched Client’s investment objectives and risk tolerance. Client shall be solely responsible for the completeness and accuracy of the data and information provided to Advisor or Financial Professional in Client’s selection of a Risk Profile. Further, Client acknowledges Client’s responsibility for promptly advising Advisor or Financial Professional of any changes or modifications to Client’s investment objectives, risk tolerance, financial circumstances or any other information provided to Advisor or Financial Professional, in connection with Client’s selection of a Risk Profile. Client shall also advise Advisor or Financial Professional of any additions or withdrawals of assets from Client’s Account.
- C. **Risk Acknowledgment.** Neither Advisor nor Financial Professional guarantees (i) the future performance of the Account or any specific level of performance, (ii) the success of any investment decision, strategy or Investment Product that Advisor may use, or that Financial Professional may recommend, or (iii) the success of the overall management of the Account. Past performance is not necessarily indicative of future results. Client understands that investment decisions made for Client’s Account by Advisor, or recommended by Financial Professional, are subject to various market, currency, economic, political and



business risks, and that Advisor's investment decisions, and Financial Professional's investment recommendations, will not always be profitable. Advisor will manage, and Financial Professional will review, only the securities, cash and other investments held in Client's Account, and in making investment decisions or investment recommendations for the Account, neither Advisor nor Financial Professional will consider any other securities, cash or other investments owned by Client. Except as may otherwise be provided by law, neither Advisor and Affiliates, nor Financial Professional, will be liable to Client for (i) any loss that Client may suffer by reason of any investment decision made by Advisor, investment recommendation made by Financial Professional, or other action taken or omitted in good faith by Advisor or Financial Professional, provided that Advisor and Financial Professional (as applicable) acted with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use (or, if not acting as a fiduciary, in a capacity similar to that of Advisor or Financial Professional); (ii) any loss arising from Advisor's or Financial Professional's adherence to Client's instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer to which Advisor directs transactions for the Account, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

- D. **Advisor Authority.** Client acknowledges that Advisor is authorized to direct, in Advisor's sole discretion and without first consulting Client, the investment and reinvestment of the assets in Client's Account in securities and cash or cash equivalents, including in any Investment Products. Client further acknowledges that Advisor is authorized to act on Client's behalf, in accordance with the terms of this Agreement. In addition, Client authorizes the release of any and all information about the Account to the Advisor.
- E. **Financial Professional Authority.** Client acknowledges that Financial Professional is authorized to act on Client's behalf, in providing Advisor with instructions regarding the Account, in accordance with the terms of this Agreement and as directed by Client. In addition, Client authorizes the release of any and all information about the Account to the Financial Professional.
- F. **Reliance on Service Providers.** Client acknowledges that Advisor relies on services, systems, information, platforms and data provided by third parties including, without limitation, broker/dealers, registered representatives, insurance agents, investment advisers, custodians, insurance companies, transfer agents, solicitors, and the employees and agents of each of them (all of such third parties referred to as "Service Providers"). The Service Providers are believed to be reliable but such reliability cannot be guaranteed. Advisor is not responsible for any Service Provider's failure or delay in performance of its responsibilities. This limitation applies to any action or inaction on the part of any Service Provider however caused, including delays, failures, or inaccuracies in any electronic system, computer system, software application or communication system. Client understands the scope of Advisor's responsibility as so limited, and covenants with Advisor that Client will not attempt to hold Advisor liable for any loss or expense attributable in whole or in part to any Service Provider's failure or delay.
- G. **Other Legal Actions.** The Client agrees that neither Advisor nor Financial Professional will advise, recommend or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities. Client also agrees that neither Advisor nor Financial Professional is responsible or liable for knowing, noticing or advising Client on any legal, tax, insurance or other such matters.

H. **Potential Conflicts of Interest.** Please review Section 5 of the Agreement.

**4. Retirement or Employee Benefit Plan Accounts**

- A. **Applicability.** This Section applies if the Account is for a (i) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) tax-qualified retirement plan (including a Keogh plan) under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and not covered by ERISA; or (iii) an individual retirement account ("IRA") under Section 408 of the Code (in each instance, a "Retirement Account").
- B. **Role of Advisor.** If the Account is a Retirement Account, Client appoints Advisor, and Advisor accepts its appointment, as an "investment manager" for purposes of ERISA and the Code, and Advisor acknowledges that it is a "fiduciary" within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code (but only with respect to the provision of services described in Section 1 (A) of this Agreement). Advisor represents that it is registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act").
- C. **Role of Financial Professional.** If the Account is a Retirement Account, in the event Financial Professional recommends Advisor's investment management services to the Client, or in the event that Financial Professional recommends Investment Products for the Client to consider, Financial Professional may be acting as a "fiduciary" with respect to the Client, as that term is defined under ERISA Regulation Section 2510.3-21(a), but solely to the extent that Financial Professional: (i) introduced Client to Advisor and recommended that Advisor's services are in Client's best interests; or (ii) recommended Investment Products for Client to consider.
- D. **Client Information.** Client represents that Advisor or Financial Professional has been furnished true and complete copies of all documents establishing and governing the plan and evidencing Client's authority to enter into this Agreement. Client will furnish promptly to Advisor or Financial Professional any amendments to the plan, and Client agrees that, if any amendment affects the rights or obligations of Advisor or Financial Professional, such amendment will be binding on Advisor or Financial Professional only when agreed to by Advisor and Financial Professional in writing. If the Account contains only a part of the assets of the plan, Client understands that neither Advisor nor Financial Professional will have any responsibility for the diversification of all of the plan's investments, and that neither Advisor nor Financial Professional will have any duty, responsibility or liability for Client assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, Advisor will obtain and maintain at its expense bonding that satisfies this requirement and covers Advisor and Advisor's Affiliated Persons.

- E. **Potential Conflicts of Interest.** Please review Section 5 of the Agreement.

**5. Potential Conflicts of Interest**

- A. **Advisor.** Advisor shall receive fees, in an amount and from sources disclosed in this Agreement, as a result of Client entering into this Agreement. For "Managed Strategists Program," or for Portfolios customized by Financial Professional ("Customized Portfolios"), which, in either instance, may include Self-Directed Retirement Accounts or other Retirement Accounts, Advisor (or, Financial Professional) shall select (or recommend) investment solutions for Client's Account that are limited to one or more mutual funds that are part of the Pacific Financial Group Mutual Funds ("New Pacific Funds"), a new Group of mutual funds managed by Advisor's affiliate, Pacific Financial Group, LLC ("PFG"). As investment advisor to the New Pacific Funds, PFG receives investment management fees paid by the New Pacific Funds for managing the assets of the Funds.





The limitation of available investment solutions, for Managed Strategists Program and for Customized Portfolios, to the New Pacific Funds that are managed by an affiliate of the Advisor, may give rise to potential conflicts of interest for the Advisor. To mitigate the potential conflicts, neither the Advisor nor PFG charges the Client a separate fee for advisory services provided to the Client under this Agreement, for Client assets invested in the New Pacific Funds. The only fees received by Advisor or PFG, for assets invested in the New Pacific Funds, are the investment management fees paid by the Funds to PFG, for investment advisory services provided by PFG to the Funds.

**B. Financial Professional.** For services provided by Financial Professional under this Agreement, Financial Professional shall receive fees, which may give rise to potential conflicts of interest for Financial Professional. To mitigate the potential conflicts, Financial Professional shall disclose the amount and sources of all fees, in this Agreement and on Schedule A to this Agreement. Further, for Managed Strategists Program and Customized Portfolios, Client's obligation to pay fees to Financial Professional shall be offset in its entirety by fees paid by the New Pacific Funds or by Advisor.

**C. Client Acknowledgement.** Client acknowledges that Client has received and read this Agreement, including the description of the services to be provided by, and the fees to be paid to, Advisor and Financial Professional, prior to entering into, renewing or extending this Agreement, and that Client has determined that the terms of the Agreement, and fees payable pursuant to this Agreement, are fair and reasonable. Client also acknowledges that Client is solely responsible for determining whether to enter into this Agreement with Advisor and Financial Professional.

**6. Fees Paid to Advisor and Financial Professional**

**A. Managed Strategists Program or Customized Portfolios.** Client agrees to pay Advisor a fee for its investment management and other services, which will be determined and assessed as follows:

Managed Strategists Program or Customized Portfolios		
Assets Under Management	Service	Amount
\$0 and Up	Management Fee	1.25%
	Shareholder Services Fee	0.25%
	12b-1 Plan Fee	0.25%

A Client Account that invests in Managed Strategists Program or Customized Portfolios is investing in Portfolios that consist solely of the Pacific Financial Group Mutual Funds ("New Pacific Funds"), a new Group of mutual funds managed by the Advisor's affiliate, Pacific Financial Group, LLC ("PFG"). As investment advisor to the New Pacific Funds, PFG receives investment management fees of up to 1.25% per year, paid by the Funds, for managing the investments of the Funds. Neither the Advisor nor PFG receives any fees directly from the Client, for providing investment management services under this Agreement to the Client.

The management fees paid by the New Pacific Funds to the Advisor's affiliate, PFG, are accrued daily and paid monthly in arrears. The management fees paid to PFG for managing the investments of the New Pacific Funds' may not include direct trading costs or the cost of custodial services. For custodial platforms that offer and engage PFG in a no-transaction fee (NTF) relationship, up to 0.50% cost is paid exclusively by PFG and the New Pacific Funds. Prior to investing in any of the New Pacific Funds, the Client should consider carefully the investment objectives, risks, and charges and expenses of each of the New Pacific Funds. The Prospectus for the New Pacific Funds contains this and other important information, and should be read carefully before investing. To obtain a copy of the New Pacific Funds' Prospectus, please contact the Advisor at (800) 735-7199 or visit [www.tpfg.com](http://www.tpfg.com).

For the services provided by a Financial Professional that is affiliated with a Broker/Dealer Firm, the Client is obligated to pay Financial Professional 0.75% annually, for Client assets invested in Managed Strategists Program or Customized Portfolios. The Client's obligation, however, shall be offset entirely by payments

to the Financial Professional as follows:

- Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- Annual fee of up to 0.25% paid by the New Pacific Funds, from the New Pacific Funds' 12b-1 Plan, for distribution and other services. The 12b-1 fee is paid directly to Financial Professional's Broker/Dealer Firm by the distributor of the New Pacific Funds. Please refer to Schedule B Amendment to this Agreement for additional information regarding 12b-1 fees.
- Annual fee of up to 0.25% paid by TPFG out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

For services provided by a Financial Professional that is not affiliated with a Broker/Dealer Firm, the Client is obligated to pay the Financial Professional 0.75% annually, for Client assets invested in Managed Strategists Program or Customized Portfolios. The Client's obligation, however, shall be offset entirely by payments to the Financial Professional as follows:

- Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- Annual fee of 0.50% paid by TPFG out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

**B. Variable Annuity, Variable Universal Life, Core Retirement Management and Separately Managed Accounts.** For Variable Annuity, Variable Universal Life, Core Retirement Management and Separately Managed Accounts, Client agrees to pay Advisor and Financial Professional a fee for services provided, which will be determined and assessed as follows:

Variable Annuity, Variable Universal Life ("VUL"), Core Retirement Management and Separately Managed Accounts		
Maximum Annual Fees: Paid by Client		
Assets Under Management:	Fees Paid to Financial Professional	Fees Paid to Advisor
\$0 to \$500,000	1.00%	1.00%
\$500,001 to \$3,000,000	0.75%	0.75%
\$3,000,001 to \$5,000,000	0.50%	0.50%
\$5,000,001 to \$10,000,000	0.40%	0.40%
\$10,000,001 and up	SUBJECT TO NEGOTIATION	SUBJECT TO NEGOTIATION



For Variable Annuity, VUL, Core Retirement Management and Separately Managed Accounts, Client pays fees to the Advisor and to the Financial Professional directly out of the Account that the Advisor is managing, or from an unmanaged source such as a credit card or payment by check. Client will pay Advisor a fee for its investment management and other services, and Client will pay Financial Professional a fee for services provided by Financial Professional, both of which will be a percentage of the market value of all assets in the Account on the last trading day of each calendar quarter, per the fee schedule noted above, and billed in advance. All fees are calculated on a graduated basis; e.g. an account of \$1,000,000 would pay on an annualized basis a total fee, to the Advisor and Financial Professional, of 2.00% of the first \$500,000, and 1.50% of the second \$500,000. Advisor assesses a \$40.00 annual administrative fee (deducted at the rate of \$10.00 per quarter) on all Separately Managed and Variable Annuity Accounts. The above fee schedule may change and can be adjusted for any specific Client of Advisor and Financial Professional. However, it will never be adjusted in such a way that requires any Client to pay an additional amount in fees to cover the services provided by the Financial Professional, including any referral or solicitation fees. Withdrawal of fees from a variable annuity may constitute a taxable event, and a penalty may be imposed on fees withdrawn from Accounts where the Account holder is under 59 ½ years of age. The fees paid by Client to the Advisor and Financial Professional, as listed above, may not include trading costs or the cost of custodial services. If applicable and approved by Advisor and Financial Professional, please indicate any reduced fees in the Custom Fee Arrangement section of the Schedule A Amendment.

In any partial calendar quarter, the fees paid by the Client to the Advisor and Financial Professional will be prorated based on the number of calendar days that the Account was open during the quarter. Client understands that all Account assets not deemed “unsupervised” on Advisor’s quarterly published “Portfolio Appraisal” will be included in calculating the value of the Account for purposes of computing the Advisor’s and Financial Professional’s fees. The same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of the funds and variable annuities held in Client’s Account. These fees and expenses charged by funds and variable annuities in Client’s Account are ultimately borne, indirectly, by the Client.

## 7. Additional Provisions

- A. **Valuation.** Advisor will value securities in the Account that are listed on a national securities exchange or on NASDAQ at the closing price, on the valuation date, on the principal market where the securities are traded. Other securities or investments in the Account will be valued in a manner determined in good faith by Advisor to reflect fair market value.
- B. **Privacy and Confidentiality.** Advisor and Financial Professional will keep confidential all information concerning Client’s identity, financial affairs or investments, except as required by law or as Advisor or Financial Professional receives in advance verbal or written authorization from Client to discuss such matters with specific other persons. Advisor has adopted a Privacy Policy, which states how Client’s personal information that is collected is handled and protected. This policy is stated in its entirety on Advisor’s website at [www.tpfg.com](http://www.tpfg.com). In addition, a copy may be requested at any time by contacting the Advisor.
- C. **Termination of Advisor.** This Agreement will continue in effect until terminated by either Client or Advisor by written notice to the other. Termination will only take effect upon the receipt of written notice of termination at Advisor’s corporate offices, located at 777 108<sup>th</sup> Avenue NE, Suite 2100, Bellevue, Washington 98004. Termination of this Agreement will not affect (i) the validity of any action previously taken by Advisor or Financial Professional under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) Client’s obligation to pay Advisory or Financial Professional fees (pro-rated through the date of termination). Upon the termination of this Agreement, neither Advisor nor Financial Professional will have any obligation to recommend or take any action with regard to the securities, cash or other investments in the Account, and any investment activity in the Client’s account after receipt of the rescission notice will be at the sole risk of the Client. The Client has the right, notwithstanding the foregoing provisions of this agreement, to terminate this agreement, without penalty, within ten (10) days of the date set below. If the Client terminates the relationship within the first 10 days of the relationship, all fees charged for the quarter will be refunded. If the Client terminates the relationship after ten (10) days but before the quarter is complete, a pro rata refund based upon the ratio of the number of days assets were under management to days in the quarter will be made to the Client for any unearned fees.
- D. **Termination of Financial Professional.** It is the Client’s right to direct which third-party will receive compensation, for the services provided. Should the Client direct a firm other than Financial Professional as the Client contact for Advisor, then Financial Professional shall not be entitled to continue to receive compensation with respect to Client’s account, effective on the date that Advisor is notified in writing by the Client. In addition, Advisor and Financial Professional have the right to terminate the Selling Agreement between Advisor and Financial Professional, in accordance with the terms of the Selling Agreement.
- E. **Assignment.** This contract cannot be assigned by Advisor to any other party without the consent of the Client. Client shall be presumed to have given such consent if Advisor gives written notice of its intention to assign this Agreement specifying the name of the proposed assignee, and Client shall not have objected in writing to such assignment within thirty (30) days after the giving of such notice by Advisor.
- F. **Death or Disability.** If Client is a natural person, the death, disability or incompetence 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 as set forth in Section 6 above to Advisor.
- G. **Binding Agreement.** This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns.
- H. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Washington without giving effect to any conflict or choice of law provisions of that State, provided that nothing in this Agreement will be construed in any manner inconsistent with the Advisers Act, any rule or order of the Securities and Exchange Commission under the Advisers Act and, if applicable to the Account, ERISA and any rule or order of the Department of Labor under ERISA.
- I. **Arbitration.** Any claim, controversy or dispute arising out of or relating to the Account(s) or to any transactions, negotiation, performance, or breach of this Agreement, or any dispute with Advisor and Affiliates or Financial Professional acting on behalf of the Account, shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Venue for the arbitration proceeding shall be in the jurisdiction closest to the party against whom action is being taken. Discovery shall not be permitted except as required by the rules of AAA. The arbitration award shall not include factual findings or conclusions of law. The parties understand that any party’s right to appeal or to seek modification of any ruling or award of





the arbitrator is severely limited pursuant to the rules of the AAA and state and federal arbitration law. The parties will share equally the costs of the arbitration panel. Reasonable attorney's fees and costs will be awarded to the substantially prevailing party.

- J. **Waiver of Jury Trial.** EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
- K. **CLASS ACTION WAIVER. ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS NEITHER CLIENT, ADVISOR NOR FINANCIAL PROFESSIONAL MAY JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CLIENTS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.**
- L. **Financial Professional Arrangements.** Client acknowledges that Advisor and Affiliates will receive fees, as a result of Client entering into this Agreement. Disclosure of any fees received by a Financial Professional is disclosed in this Agreement and on the Schedule A Amendment to this Agreement.
- M. **Notices.** Any notice, advice or report to be given to Advisor under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Advisor at 777 108th Avenue NE, Suite 2100, Bellevue, WA 98004, Attention: Megan Meade or at such other address as Advisor may designate in writing. Any notice, advice or report given to Client under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Client at the address set forth above or at such other address as Client may designate in writing. Any notice, advice or report given to Financial Professional under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Financial Professional at the address set forth below or at such other address as Financial Professional may designate in writing.
- N. **Miscellaneous.** If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect. No term or provision of this Agreement may be waived or changed except in writing signed by the party against whom such waiver or change is sought to be enforced. Advisor's or Financial Professional's failure to insist at any time upon strict compliance with this Agreement or with any of the terms of the Agreement or any continued course of such conduct on its part will not constitute or be considered a waiver by Advisor or Financial Professional of any of their respective rights or privileges.
- O. **Entire Agreement.** This Agreement constitutes the entire Agreement among the Client, Advisor and Financial Professional, and supersedes all prior or contemporaneous agreements, representations and understandings of the parties; provided, however, that Advisor and Financial Professional acknowledge that they entered into a Selling Agreement that provides for certain rights and obligations as between Advisor and Financial Professional, with respect to services provided to Client under this Agreement. The parties acknowledge and agree that none of them has made any representation with respect to the subject matter of this Agreement or any representations including its execution and delivery, except those specifically set forth herein. Each of the parties acknowledges that such party has relied on its own judgment in entering into this Agreement.

## 8. CLIENT SIGNATURES\*

Client hereby certifies that the information provided in this Client Profile is complete and accurate.			
Client has received and reviewed a copy of Part 2A & 2B of Advisor's Form ADV and the Disclosure of Compensation (Schedule A Amendment), describing the compensation to be received by the Financial Professional. Client has also received a copy of this Discretionary Investment Advisory and Limited Financial Professional Agreement and any supplements thereto that govern the management of Client's Account(s) and has read, understands, and agrees to the terms and conditions contained therein.			
Client Signature	Date	Co-Client Signature	Date
X		X	
Name (please print)		Name (please print)	

\*If the Account is administered by one or more fiduciaries, each should sign and indicate the capacity in which he or she is acting. If the account is an IRA, and if a person is signing on Client's behalf, said person represents that he or she is the sponsor of the IRA. If the Account is for a pension or other employee benefit plan, each person signing on Client's behalf represents that he or she is a named fiduciary of such plan.

### ACCEPTED BY:

#### FINANCIAL PROFESSIONAL

Financial Professional Authorized Signature	Date
X	

### ACCEPTED BY:

#### THE PACIFIC FINANCIAL GROUP, INC. (ADVISOR)

TPFG Authorized Signature & Title	Date
X	





# SCHEDULE A AMENDMENT TO DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT AND LIMITED FINANCIAL PROFESSIONAL AGREEMENT

## FINANCIAL PROFESSIONAL DISCLOSURE OF COMPENSATION

The purpose of this document is to disclose the amount and sources of compensation to be paid to

\_\_\_\_\_ of \_\_\_\_\_  
("Financial Professional") (Name of Registered Investment Advisor or Broker/Dealer)  
(Name of Individual Representative)

for services performed by the Financial Professional, as provided for in the Investment Management Agreement and Limited Financial Professional Agreement ("Agreement") among The Pacific Financial Group, Inc., acting as your discretionary investment advisor ("Advisor"), the Financial Professional and you ("Client"). The payments to Financial Professional are in accordance with an agreement between Advisor and Financial Professional.

For Client accounts that invest in Advisor's "Managed Strategists Program," or in Portfolios customized based on recommendations of the Financial Professional ("Customized Portfolios"), each of which consist solely of the new Pacific Financial Group of Mutual Funds ("New Pacific Funds"), a Group of mutual funds managed by Advisor's affiliate, Pacific Financial Group, LLC, the Client is obligated to pay the Financial Professional an annual fee of 0.75%.

Managed Strategists Program or Customized Portfolios	
Assets Under Management:	Annual Fee Paid to Financial Professional:
\$0 and up	0.75%

For the services provided by a Financial Professional that is affiliated with a Broker/Dealer Firm, the Client's obligation shall be offset entirely by payments to the Financial Professional as follows:

- A. Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- B. Annual fee of up to 0.25% paid by the New Pacific Funds, from the Funds' 12b-1 Plan, for distribution and other services.
- C. Annual fee of up to 0.25% paid by the Advisor out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

For services provided by a Financial Professional that is not affiliated with a Broker/Dealer Firm, the Client's obligation shall be offset entirely by payments to the Financial Professional as follows:

- A. Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- B. Annual fee of 0.50% paid by the Advisor out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

For Variable Annuity Accounts, Variable Universal Life Accounts, Core Retirement Accounts and Separately Managed Accounts, Client pays the Financial Professional annual fees in the amount set forth below, unless negotiated separately as set forth in the *Custom Fee Arrangement section*.

Variable Annuity Accounts, Variable Universal Life Accounts, Core Retirement Accounts and Separately Managed Accounts	
Maximum Annual Fees Paid by Client	
Assets Under Management:	Fees Paid to Financial Professional:
\$0 to \$500,000	1.00%
\$500,001 to \$3,000,000	0.75%
\$3,000,001 to \$5,000,000	0.533%
\$5,000,001 to \$10,000,000	0.433%
\$10,000,001 and up	SUBJECT TO NEGOTIATION

Financial Professional continues to receive the fees set forth above, as long as this Agreement remains in effect, including with respect to Client and Financial Professional, and a Selling Agreement exists between Financial Professional and Advisor. Financial Professional and Advisor are not affiliated. In addition, Financial Professional is not authorized to provide investment advice on behalf of Advisor or to act for or bind Advisor. Financial Professional is not, nor is it to be deemed, an agent or employee of Advisor. No Investment Management Agreement with Advisor will become effective until accepted by Advisor at its offices in Bellevue, Washington.



**CUSTOM FEE ARRANGEMENT(S) – IF APPLICABLE (DO NOT COMPLETE FOR STANDARD FEE ARRANGEMENTS AS DESCRIBED ABOVE)**

Only accounts where Client pays fees directly out of the Account that Advisor is managing or from an unmanaged source such as a credit card or checking account are eligible for reduced fees. If applicable and approved by Advisor, please list the reduced custom fee breakdown below:

Account Name/Account #	Assets Under Management:	Annual Fees, Advisor:	Annual Fees, Financial Professional:
	\$0 and up	%	%
	\$0 and up	%	%

**1. CLIENT ACKNOWLEDGEMENT OF RECEIPT**

I acknowledge receipt of a copy of Financial Professional's Disclosure of Compensation describing the arrangements between Financial Professional and The Pacific Financial Group, Inc. (Advisor)

Client Signature	Date	Co-Client Signature	Date
X		X	
Name (please print)		Name (please print)	

**2. FINANCIAL PROFESSIONAL MUST COMPLETE AND SIGN BELOW**

Financial Professional Signature	Date	Name (please print)
X		





## SCHEDULE B AMENDMENT TO DISCRETIONARY INVESTMENT ADVISORY AGREEMENT

### DISCLOSURE STATEMENT REGARDING 12b-1 FEES

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Pacific Financial Group, LLC ("PFG"), an affiliate of the Advisor, serves as investment advisor to the Pacific Financial Group Mutual Funds ("New Pacific Funds"), which are open end mutual funds registered under the Investment Company Act of 1940. The New Pacific Funds are not marketed to the general public, but are used by the Advisor as building blocks for their Managed Strategists Program and Customized Portfolios available to Advisor's clients.

The New Pacific Funds have adopted a distribution plan under Investment Company Act Rule 12b-1 that allows the Funds to pay distribution and service fees of up to 0.25% annually, out of the Funds' assets. "Distribution fees" include fees paid for marketing and selling Fund shares, including compensating brokers and others who sell Fund shares. Northern Lights Distributors, LLC ("NLD"), the distributor of the New Pacific Funds, may participate in 12b-1 distribution fees paid by the Funds. Brokers and others may also receive 12b-1 fees from the Funds in exchange for providing a number of shareholder services, such as:

- Answering customer inquiries of a general nature regarding the Funds
- Facilitating the on-boarding process, including the completion of new account paperwork
- Maintaining ongoing contact with shareholders, (i) to identify changes in the shareholder's Risk Profile; and (ii) to assist in determining whether the Funds in which the shareholder is invested remain suitable

If Client is investing in the Funds, through Managed Strategists Program or Customized Portfolios that consist solely of the Funds, and is introduced to the Advisor by a Financial Professional that is affiliated with a Broker/Dealer Firm, the Financial Professional receives compensation in the form of 12b-1 fees, which are paid directly to the Financial Professional's Broker/Dealer Firm by NLD.

The expenses related to 12b-1 fees increase the expenses of the New Pacific Funds, as compared to mutual funds that do not have any 12b-1 fees. The prospectus for the New Pacific Funds (available at [www.tpfg.com](http://www.tpfg.com)) describes all of the fees and expenses paid by the Funds.





# DISCRETIONARY INVESTMENT ADVISORY AGREEMENT

## **CLIENT COPY – PLEASE RETAIN FOR YOUR FILES**

These terms are part of the Investment Advisory Agreement between the Client and The Pacific Financial Group, Inc.

This is an agreement (the “Agreement”) between (i) The Pacific Financial Group, Inc., a Washington corporation and a registered investment advisor (“Advisor” or “TPFG”); (ii) the Financial Professional identified on Schedule A, a registered investment advisor (“Financial Professional”); and (iii) the Client (“Client”) whose identity and signature are set forth on the Client Profile. By this agreement, Client retains Advisor and Financial Professional to provide services to Client, in accordance with the terms and conditions set forth below:

### **1. Role of Advisor**

A. **Investment Management Services.** Advisor will direct, in Advisor’s sole discretion and without first consulting Client, the investment and reinvestment of the assets in Client’s accounts (the “Account”) in securities and cash or cash equivalents. Initial Account assets may be one or a combination of the following forms: A deposit from the Client made payable to the custodian selected by the Client (the “Custodian”), and/or transferred assets as evidenced by account statements provided by the Client. **Any special instructions or limitations that Client wishes Advisor to follow in managing the Account are described in the Investment Restrictions section of the Investment Election Form. Client agrees to notify Advisor or Financial Professional promptly of any significant change in Client’s financial circumstances, investment objectives or information noted in Restrictions that might affect the manner in which Client’s Account should be managed.** Client also agrees to provide Advisor or Financial Professional with such additional information as Advisor or Financial Professional may request from time to time to assist it in managing the Account. After Advisor is in receipt of this fully executed Agreement and is provided access to a Variable Annuity or Self-Directed Retirement Account, there may be an “evaluation period” not to exceed 30 days to determine whether or not Advisor can effectively manage the assets. Client will not be charged any management or other fees if Advisor determines Client’s Account cannot be effectively managed. Advisor’s authority under this Agreement will remain in effect until changed or terminated by Client in writing.

B. **Execution of Investment Account Transactions.** Advisor will arrange for the execution of securities transactions for the Account through brokers or dealers that Advisor reasonably believes will provide best execution. In selecting a broker or dealer, Advisor may consider, among other things, the broker or dealer’s execution capabilities, reputation and access to the markets for the securities being traded. Advisor generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions for the Account.

Consistent with obtaining best execution, transactions for Client’s Account may be directed to brokers in return for research services furnished by them to Advisor. Such research generally will be used to service all of Advisor’s clients, but brokerage commissions paid by Client may be used to pay for research that is not used in managing Client’s Account. Advisor may, in its discretion, cause the Account to pay brokers a commission greater than another qualified broker might charge to effect the same transaction where Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Transactions for each client account may be effected independently or “batched,” should the Advisor decide to purchase or sell the same securities for several clients at approximately the same time. Circumstances of the situation will determine which method is used. Advisor may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Advisor’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among Advisor’s clients in a manner Advisor considers equitable (for example, in proportion to the purchase and sale orders placed for each client account on any given day).

Instead of allowing Advisor to select brokers or dealers for the Account, Client may direct Advisor in writing to use a particular broker or dealer to execute all transactions for Client’s Account. Advisor reserves the right to decline use of any broker or dealer if (i) the Advisor believes that broker or dealer exercises practices that are not in the best interest of the Client, (ii) the Advisor does not have a working relationship with the broker or dealer, or (iii) the broker or dealer is not compatible with Advisor’s systems. If Advisor uses a particular broker or dealer at Client’s discretion, Client will negotiate terms and arrangements for the Account with that broker or dealer, and Advisor will not seek better execution services or prices from other brokers or dealers or be able to “batch” Client transactions for execution through other brokers or dealers with orders for other accounts managed by Advisor. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the Account than would otherwise be the case.

Client authorizes and directs Advisor to instruct all brokers and dealers executing orders for Client to forward confirmations of those transactions to Custodian and Advisor. Per the Custodian’s account application, Client elects preference regarding delivery of confirmations. Advisor may give a copy of this Agreement to any broker, dealer or other party to a transaction for the Account, or the Custodian, as evidence of Advisor’s authority to act for Client.

For annuity accounts, the individual insurance companies that issue the annuity contracts may have trading restrictions relating to the frequency of trading and the size of the trades. The trading restrictions are specific to each insurance company. As third party investment advisor, Advisor is required to adhere to these trading restrictions. Upon request, Advisor will provide an explanation of the restrictions, based on its understanding.





- C. Custodial Arrangements. Custody of Account assets will be maintained with the independent Custodian selected by the Client, as evidenced by the appropriate custodial agreement for the type of account held by Client. This includes insurance companies and their trusts or custodians, in the case of annuities. Client will be solely responsible for paying all fees or charges of the Custodian. Client authorizes Advisor to give Custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the Account. Client also authorizes and directs Advisor to instruct Custodian on Client's behalf to (i) send Client a monthly or quarterly statement showing all transactions occurring in the Account during the period covered by the account statement, and the funds, securities and other property in the Account at the end of the period; and (ii) provide Advisor copies of all periodic statements and other reports for the Account that Custodian sends to Client. Client instructs Custodian that, for those investments for which Client agreed to pay fees directly to Advisor or Financial Professional for services provided, Client authorizes the Custodian to deduct from the Account and pay to Advisor and Financial Professional such fees as may be due for each calendar year quarter. Advisor will send to the Custodian and the Client a statement showing the fees owed by Client to Advisor and to Financial Professional. The statement sent to Client will also include the account value on which the fees were based and how the fees were calculated. It is the responsibility of Client to verify the accuracy of the fee calculations when Client receives the statement. The Custodian will send Client a monthly or quarterly statement (depending on the Custodian) showing all amounts paid from the Account, including all fees paid by Custodian to Advisor and to Financial Professional. **Advisor will not have custody of any assets in the Account;** provided, however, that Advisor will be deemed a custodian solely to the extent of authorizing Client's Custodian to deduct from Client's Account fees owed to Advisor and Financial Professional.
- D. Manager Reports. Advisor will provide Client quarterly and annual written statements of the assets in Client's Account including the purchase date, cost, current market value, and performance data for the period. The Advisor does not track or report performance data on Client's Account until the first full calendar quarter of investment under the Advisor's management.
- E. Proxy Voting. The Client agrees that Advisor will vote proxies for securities held in the Account, unless otherwise directed by Client on the Custodian's account application. Advisor will not vote proxies for Client if Client has directed custodian to send proxies to Client. If the Account is for a pension or other employee benefit plan governed by ERISA, Client directs Advisor to vote proxies for securities held in the Account as noted on the Custodian's account application.
- F. Other Investment Accounts. Client understands that Advisor serves as investment manager for other clients and will continue to do so. Client also understands that Advisor, its personnel and affiliates ("Advisor's Affiliated Persons") may give advice or take action in performing their duties for other clients, or for their own accounts, that differ from advice given to or action taken for Client. Advisor is not obligated to buy, sell or recommend for Client any security or other investment that Advisor or Advisor's Affiliated Persons may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way Advisor or Advisor's Affiliated Persons from buying, selling or trading in any securities or other investments for their own accounts.
- Advisor or Advisor's Affiliated Persons may provide services for, or solicit business from, various companies, including issuers of securities that Advisor may recommend or purchase or sell for Client accounts. In providing these services, Advisor or Advisor's Affiliated Persons may obtain material, nonpublic or other confidential information that, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Advisor and Advisor's Affiliated Persons cannot improperly disclose or use this information for their personal benefit or for the benefit of any person, including clients of Advisor. If Advisor or Advisor's Affiliated Persons obtain nonpublic or other confidential information about any issuer, Advisor will have no obligation to disclose the information to Client or use it for Client's benefit.
- G. Insider Trading. Advisor does not indulge in "insider trading." Should Advisor become privy to information which is non-public ("insider"), Advisor will immediately disqualify itself from trading that security or related securities until the information is fully published. Additionally, if Advisor becomes privy to "insider" information, then Advisor is required by law not to use that information for advice or recommendation.
- H. Potential Conflicts of Interest. Please review Section 5 of the Agreement.



## 2. Role of Financial Professional

- A. Introduction To, and Recommendation Of, Advisor. Financial Professional shall be responsible to introduce Client to Advisor, and to recommend the services of Advisor, as consistent with the Client's best interests.
- B. Primary Relationship. Financial Professional shall serve as the primary relationship contact with the Client.
- C. Risk Profile. Financial Professional shall assist the Client in determining the Client's initial and ongoing Risk Profile, and shall provide Advisor with the necessary information to support Client's selection of a Risk Profile. As part of the process, Financial Professional shall interview the Client to determine the Client's financial situation, investment objectives, risk tolerance and other relevant characteristics. Financial Professional shall be responsible to retain all appropriate information as may be required to support Client's selection of a Risk Profile.
- D. Use of RiskPro. In assisting Client in determining their initial and ongoing Risk Profile, Financial Professional shall utilize either: (i) a Risk Profile Questionnaire, provided by Advisor, together with RiskPro, a web-based, risk profiling, software tool created by Advisor's affiliate; or (ii) an alternative approach, acceptable to Advisor, to help determine each Client's Risk Profile. Under all circumstances, Financial Professional shall obtain the written consent of the Client, with respect to Client's Risk Profile, and shall provide a copy of Client's written consent to Advisor.
- E. Client On-Boarding. Financial Professional shall facilitate the on-boarding process for Client, including supporting the Client in completing the new account opening paperwork (Client Profile and Risk Profile; this Agreement; Investment Election Form; and Custodial Forms). Financial Professional certifies that he or she has verified the identity of the Client whose signature(s) appear in this Agreement by reviewing appropriate identifying documentation.
- F. On-Going Contact. Subject to Advisor's regulatory requirements, and as otherwise required by this Agreement, Financial Professional shall have sole responsibility for: (i) maintaining ongoing contact with Client; (ii) obtaining updated information regarding Client's financial situation, investment objectives, risk tolerance and other relevant characteristics; and (iii) determining whether the investment programs and investment strategies ("Investment Products") in which the Client is invested are, and remain, suitable for the Client.
- G. Review of Investment Products. Financial Professional shall (i) review with Client the Investment Products held in Client's Account, (ii) respond to Client questions about such Investment Products, and (iii) in some circumstances, recommend Investment Products for the Client to consider; provided, however, that the Financial Professional shall not be authorized to provide the Client with discretionary investment management services.
- H. Client Communications. Financial Professional shall assist with receiving and responding to ongoing communications from Advisor to Client, including providing Client with all required documentation received from Advisor. Financial Professional shall be responsible for communicating to Advisor any changes in the Client's Risk Profile, including any changes to Client's financial situation, investment objectives, and/or tolerance for investment risk.
- I. Financial Professional Authorization. Unless Client declines in writing to provide Financial Professional with authorization to act on Client's behalf, Financial Professional shall be authorized, by Client, to take any or all of the following actions, on behalf of Client: (i) establish and change Client's investment allocations, Investment Products or Client's Risk Profile on each Account; (ii) request disbursements of funds on any non-qualified Account; (iii) receive any and all information regarding each Account; and (iv) implement the instructions of the Client with respect to these matters. In acting on Client's behalf, Financial Professional shall (i) not take any action relating to any Client Account unless authorized by Client; (ii) not engage in market timing or frequent trading activities; and (iii) indemnify, defend and hold harmless Advisor, its affiliates, and each of their respective officers, agents, members and employees ("Advisor and Affiliates"), against any and all losses, claims, damages, liabilities, actions, proceedings, judgments or costs, including attorneys' fees, which any of those parties may incur by relying upon the instructions of Financial Professional.
- J. Potential Conflicts of Interest. Please review Section 5 of the Agreement.

## 3. Representations and Undertakings by Client

- A. Client Authority. If Client is an individual, Client represents that he or she is of the age of majority. If Client is a corporation, a limited liability company or other entity, the person signing this Agreement for the Client represents that he or she has been authorized to do so by appropriate corporate or other action. If this Agreement is entered into by a trustee or other fiduciary, the trustee or fiduciary represents that Advisor's investment management strategies, allocation procedures, Investment Products and investment management services are authorized under the applicable plan, trust, or law, and that the person signing this Agreement has the authority to negotiate and enter into this Agreement. Client will inform Advisor or Financial Professional of any event that might affect this authority or the propriety of this Agreement.
- B. Risk Profile. Client acknowledges that (i) Client completed a Client Profile and Risk Profile Questionnaire, as provided by Advisor or Financial Professional, and that Client's Profile, the Questionnaire, and RiskPro, a web-based, risk profiling, software tool created by Advisor's affiliate, were used by Client in Client's selection of a Risk Profile that matched Client's investment objectives and risk tolerance; or (ii) Client completed a Client Profile and an alternative risk profiling document, as provided by Financial Professional, in order for Client to select a Risk Profile that matched Client's investment objectives and risk tolerance. Client shall be solely responsible for the completeness and accuracy of the data and information provided to Advisor or Financial Professional in Client's selection of a Risk Profile. Further, Client acknowledges Client's responsibility for promptly advising Advisor or Financial Professional of any changes or modifications to Client's investment objectives, risk tolerance, financial circumstances or any other information provided to Advisor or Financial Professional, in connection with Client's selection of a Risk Profile. Client shall also advise Advisor or Financial Professional of any additions or withdrawals of assets from Client's Account.
- C. Risk Acknowledgment. Neither Advisor nor Financial Professional guarantees (i) the future performance of the Account or any specific level of performance, (ii) the success of any investment decision, strategy or Investment Product that Advisor may use, or that Financial Professional may recommend, or (iii) the success of the overall management of the Account. Past performance is not necessarily indicative of future results. Client understands that investment decisions made for Client's Account by Advisor, or recommended by Financial Professional, are subject to various market, currency, economic, political and



business risks, and that Advisor's investment decisions, and Financial Professional's investment recommendations, will not always be profitable. Advisor will manage, and Financial Professional will review, only the securities, cash and other investments held in Client's Account, and in making investment decisions or investment recommendations for the Account, neither Advisor nor Financial Professional will consider any other securities, cash or other investments owned by Client. Except as may otherwise be provided by law, neither Advisor and Affiliates, nor Financial Professional, will be liable to Client for (i) any loss that Client may suffer by reason of any investment decision made by Advisor, investment recommendation made by Financial Professional, or other action taken or omitted in good faith by Advisor or Financial Professional, provided that Advisor and Financial Professional (as applicable) acted with that degree of care, skill, prudence, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use (or, if not acting as a fiduciary, in a capacity similar to that of Advisor or Financial Professional); (ii) any loss arising from Advisor's or Financial Professional's adherence to Client's instructions; or (iii) any act or failure to act by the Custodian, any broker or dealer to which Advisor directs transactions for the Account, or by any other third party. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will waive or limit any rights that Client may have under those laws.

- D. **Advisor Authority.** Client acknowledges that Advisor is authorized to direct, in Advisor's sole discretion and without first consulting Client, the investment and reinvestment of the assets in Client's Account in securities and cash or cash equivalents, including in any Investment Products. Client further acknowledges that Advisor is authorized to act on Client's behalf, in accordance with the terms of this Agreement. In addition, Client authorizes the release of any and all information about the Account to the Advisor.
- E. **Financial Professional Authority.** Client acknowledges that Financial Professional is authorized to act on Client's behalf, in providing Advisor with instructions regarding the Account, in accordance with the terms of this Agreement and as directed by Client. In addition, Client authorizes the release of any and all information about the Account to the Financial Professional.
- F. **Reliance on Service Providers.** Client acknowledges that Advisor relies on services, systems, information, platforms and data provided by third parties including, without limitation, broker/dealers, registered representatives, insurance agents, investment advisers, custodians, insurance companies, transfer agents, solicitors, and the employees and agents of each of them (all of such third parties referred to as "Service Providers"). The Service Providers are believed to be reliable but such reliability cannot be guaranteed. Advisor is not responsible for any Service Provider's failure or delay in performance of its responsibilities. This limitation applies to any action or inaction on the part of any Service Provider however caused, including delays, failures, or inaccuracies in any electronic system, computer system, software application or communication system. Client understands the scope of Advisor's responsibility as so limited, and covenants with Advisor that Client will not attempt to hold Advisor liable for any loss or expense attributable in whole or in part to any Service Provider's failure or delay.
- G. **Other Legal Actions.** The Client agrees that neither Advisor nor Financial Professional will advise, recommend or act for Client in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities. Client also agrees that neither Advisor nor Financial Professional is responsible or liable for knowing, noticing or advising Client on any legal, tax, insurance or other such matters.

H. **Potential Conflicts of Interest.** Please review Section 5 of the Agreement.

#### 4. Retirement or Employee Benefit Plan Accounts

- A. Applicability. This Section applies if the Account is for a (i) pension or other employee benefit plan (including a 401(k) plan) governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) tax-qualified retirement plan (including a Keogh plan) under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and not covered by ERISA; or (iii) an individual retirement account ("IRA") under Section 408 of the Code (in each instance, a "Retirement Account").
- B. Role of Advisor. If the Account is a Retirement Account, Client appoints Advisor, and Advisor accepts its appointment, as an "investment manager" for purposes of ERISA and the Code, and Advisor acknowledges that it is a "fiduciary" within the meaning of Section 3(21) of ERISA and Section 4975(e)(3) of the Code (but only with respect to the provision of services described in Section 1 (A) of this Agreement). Advisor represents that it is registered as an investment advisor under the Investment Advisers Act of 1940, as amended (the "Advisers Act").
- C. Role of Financial Professional. If the Account is a Retirement Account, in the event Financial Professional recommends Advisor's investment management services to the Client, or in the event that Financial Professional recommends Investment Products for the Client to consider, Financial Professional may be acting as a "fiduciary" with respect to the Client, as that term is defined under ERISA Regulation Section 2510.3-21(a), but solely to the extent that Financial Professional: (i) introduced Client to Advisor and recommended that Advisor's services are in Client's best interests; or (ii) recommended Investment Products for Client to consider.
- D. Client Information. Client represents that Advisor or Financial Professional has been furnished true and complete copies of all documents establishing and governing the plan and evidencing Client's authority to enter into this Agreement. Client will furnish promptly to Advisor or Financial Professional any amendments to the plan, and Client agrees that, if any amendment affects the rights or obligations of Advisor or Financial Professional, such amendment will be binding on Advisor or Financial Professional only when agreed to by Advisor and Financial Professional in writing. If the Account contains only a part of the assets of the plan, Client understands that neither Advisor nor Financial Professional will have any responsibility for the diversification of all of the plan's investments, and that neither Advisor nor Financial Professional will have any duty, responsibility or liability for Client assets that are not in the Account. If ERISA or other applicable law requires bonding with respect to the assets in the Account, Advisor will obtain and maintain at its expense bonding that satisfies this requirement and covers Advisor and Advisor's Affiliated Persons.
- E. Potential Conflicts of Interest. Please review Section 5 of the Agreement.

#### 5. Potential Conflicts of Interest

- A. **Advisor.** Advisor shall receive fees, in an amount and from sources disclosed in this Agreement, as a result of Client entering into this Agreement. For "Managed Strategists Program," or for Portfolios customized by Financial Professional ("Customized Portfolios"), which, in either instance, may include Self-Directed Retirement Accounts or other Retirement Accounts, Advisor (or, Financial Professional) shall select (or recommend) investment solutions for Client's Account that are limited to one or more mutual funds that are part of the Pacific Financial Group Mutual Funds ("New Pacific Funds"), a new Group of mutual funds managed by Advisor's affiliate, Pacific Financial Group, LLC ("PFG"). As investment advisor to the New Pacific Funds, PFG receives investment



management fees paid by the New Pacific Funds for managing the assets of the Funds. The limitation of available investment solutions, for Managed Strategists Program and for Customized Portfolios, to the New Pacific Funds that are managed by an affiliate of the Advisor, may give rise to potential conflicts of interest for the Advisor. To mitigate the potential conflicts, neither the Advisor nor PFG charges the Client a separate fee for advisory services provided to the Client under this Agreement, for Client assets invested in the New Pacific Funds. The only fees received by Advisor or PFG, for assets invested in the New Pacific Funds, are the investment management fees paid by the Funds to PFG, for investment advisory services provided by PFG to the Funds.

B. **Financial Professional.** For services provided by Financial Professional under this Agreement, Financial Professional shall receive fees, which may give rise to potential conflicts of interest for Financial Professional. To mitigate the potential conflicts, Financial Professional shall disclose the amount and sources of all fees, in this Agreement and on Schedule A to this Agreement. Further, for Managed Strategists Program and Customized Portfolios, Client's obligation to pay fees to Financial Professional shall be offset in its entirety by fees paid by the New Pacific Funds or by Advisor.

C. **Client Acknowledgement.** Client acknowledges that Client has received and read this Agreement, including the description of the services to be provided by, and the fees to be paid to, Advisor and Financial Professional, prior to entering into, renewing or extending this Agreement, and that Client has determined that the terms of the Agreement, and fees payable pursuant to this Agreement, are fair and reasonable. Client also acknowledges that Client is solely responsible for determining whether to enter into this Agreement with Advisor and Financial Professional.

#### 6. Fees Paid to Advisor and Financial Professional

A. **Managed Strategists Program or Customized Portfolios.** Client agrees to pay Advisor a fee for its investment management and other services, which will be determined and assessed as follows:

Managed Strategists Program or Customized Portfolios		
Assets Under Management	Service	Amount
\$0 and Up	Management Fee	1.25%
	Shareholder Services Fee	0.25%
	12b-1 Plan Fee	0.25%

A Client Account that invests in Managed Strategists Program or Customized Portfolios is investing in Portfolios that consist solely of the Pacific Financial Group Mutual Funds ("New Pacific Funds"), a new Group of mutual funds managed by the Advisor's affiliate, Pacific Financial Group, LLC ("PFG"). As investment advisor to the New Pacific Funds, PFG receives investment management fees of up to 1.25% per year, paid by the Funds, for managing the investments of the Funds. Neither the Advisor nor PFG receives any fees directly from the Client, for providing investment management services under this Agreement to the Client.

The management fees paid by the New Pacific Funds to the Advisor's affiliate, PFG, are accrued daily and paid monthly in arrears. The management fees paid to PFG for managing the investments of the New Pacific Funds' may not include direct trading costs or the cost of custodial services. For custodial platforms that offer and engage PFG in a no-transaction fee (NTF) relationship, up to 0.50% cost is paid exclusively by PFG and the New Pacific Funds. Prior to investing in any of the New Pacific Funds, the Client should consider carefully the investment objectives, risks, and charges and expenses of each of the New Pacific Funds. The Prospectus for the New Pacific Funds contains this and other important information, and should be read carefully before investing. To obtain a copy of the New Pacific Funds' Prospectus, please contact the Advisor at (800) 735-7199 or visit [www.tpfg.com](http://www.tpfg.com).

For the services provided by a Financial Professional that is affiliated with a Broker/Dealer Firm, the Client is obligated to pay Financial Professional 0.75% annually, for Client assets invested in Managed Strategists Program or Customized Portfolios. The Client's obligation, however, shall be offset entirely by payments

to the Financial Professional as follows:

- Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- Annual fee of up to 0.25% paid by the New Pacific Funds, from the New Pacific Funds' 12b-1 Plan, for distribution and other services. The 12b-1 fee is paid directly to Financial Professional's Broker/Dealer Firm by the distributor of the New Pacific Funds. Please refer to Schedule B Amendment to this Agreement for additional information regarding 12b-1 fees.
- Annual fee of up to 0.25% paid by TPFG out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

For services provided by a Financial Professional that is not affiliated with a Broker/Dealer Firm, the Client is obligated to pay the Financial Professional 0.75% annually, for Client assets invested in Managed Strategists Program or Customized Portfolios. The Client's obligation, however, shall be offset entirely by payments to the Financial Professional as follows:

- Annual fee of 0.25% paid by the New Pacific Funds, as a Shareholder Services Fee.
- Annual fee of 0.50% paid by TPFG out of its own resources, so that the total annual amount paid to the Financial Professional is 0.75%.

B. **Variable Annuity, Variable Universal Life, Core Retirement Management and Separately Managed Accounts.** For Variable Annuity, Variable Universal Life, Core Retirement Management and Separately Managed Accounts, Client agrees to pay Advisor and Financial Professional a fee for services provided, which will be determined and assessed as follows:

Variable Annuity, Variable Universal Life ("VUL"), Core Retirement Management and Separately Managed Accounts		
Maximum Annual Fees: Paid by Client		
Assets Under Management:	Fees Paid to Financial Professional	Fees Paid to Advisor
\$0 to \$500,000	1.00%	1.00%
\$500,001 to \$3,000,000	0.75%	0.75%
\$3,000,001 to \$5,000,000	0.50%	0.50%
\$5,000,001 to \$10,000,000	0.40%	0.40%
\$10,000,001 and up	SUBJECT TO NEGOTIATION	SUBJECT TO NEGOTIATION



For Variable Annuity, VUL, Core Retirement Management and Separately Managed Accounts, Client pays fees to the Advisor and to the Financial Professional directly out of the Account that the Advisor is managing, or from an unmanaged source such as a credit card or payment by check. Client will pay Advisor a fee for its investment management and other services, and Client will pay Financial Professional a fee for services provided by Financial Professional, both of which will be a percentage of the market value of all assets in the Account on the last trading day of each calendar quarter, per the fee schedule noted above, and billed in advance. All fees are calculated on a graduated basis; e.g. an account of \$1,000,000 would pay on an annualized basis a total fee, to the Advisor and Financial Professional, of 2.00% of the first \$500,000, and 1.50% of the second \$500,000. Advisor assesses a \$40.00 annual administrative fee (deducted at the rate of \$10.00 per quarter) on all Separately Managed and Variable Annuity Accounts. The above fee schedule may change and can be adjusted for any specific Client of Advisor and Financial Professional. However, it will never be adjusted in such a way that requires any Client to pay an additional amount in fees to cover the services provided by the Financial Professional, including any referral or solicitation fees. Withdrawal of fees from a variable annuity may constitute a taxable event, and a penalty may be imposed on fees withdrawn from Accounts where the Account holder is under 59 ½ years of age. The fees paid by Client to the Advisor and Financial Professional, as listed above, may not include trading costs or the cost of custodial services. If applicable and approved by Advisor and Financial Professional, please indicate any reduced fees in the Custom Fee Arrangement section of the Schedule A Amendment.

In any partial calendar quarter, the fees paid by the Client to the Advisor and Financial Professional will be prorated based on the number of calendar days that the Account was open during the quarter. Client understands that all Account assets not deemed “unsupervised” on Advisor’s quarterly published “Portfolio Appraisal” will be included in calculating the value of the Account for purposes of computing the Advisor’s and Financial Professional’s fees. The same assets will also be subject to additional advisory and other fees and expenses, as set forth in the prospectuses of the funds and variable annuities held in Client’s Account. These fees and expenses charged by funds and variable annuities in Client’s Account are ultimately borne, indirectly, by the Client.

## 7. Additional Provisions

- A. **Valuation.** Advisor will value securities in the Account that are listed on a national securities exchange or on NASDAQ at the closing price, on the valuation date, on the principal market where the securities are traded. Other securities or investments in the Account will be valued in a manner determined in good faith by Advisor to reflect fair market value.
- B. **Privacy and Confidentiality.** Advisor and Financial Professional will keep confidential all information concerning Client’s identity, financial affairs or investments, except as required by law or as Advisor or Financial Professional receives in advance verbal or written authorization from Client to discuss such matters with specific other persons. Advisor has adopted a Privacy Policy, which states how Client’s personal information that is collected is handled and protected. This policy is stated in its entirety on Advisor’s website at [www.tpfg.com](http://www.tpfg.com). In addition, a copy may be requested at any time by contacting the Advisor.
- C. **Termination of Advisor.** This Agreement will continue in effect until terminated by either Client or Advisor by written notice to the other. Termination will only take effect upon the receipt of written notice of termination at Advisor’s corporate offices, located at 777 108<sup>th</sup> Avenue NE, Suite 2100, Bellevue, Washington 98004. Termination of this Agreement will not affect (i) the validity of any action previously taken by Advisor or Financial Professional under this Agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (iii) Client’s obligation to pay Advisory or Financial Professional fees (pro-rated through the date of termination). Upon the termination of this Agreement, neither Advisor nor Financial Professional will have any obligation to recommend or take any action with regard to the securities, cash or other investments in the Account, and any investment activity in the Client’s account after receipt of the rescission notice will be at the sole risk of the Client. The Client has the right, notwithstanding the foregoing provisions of this agreement, to terminate this agreement, without penalty, within ten (10) days of the date set below. If the Client terminates the relationship within the first 10 days of the relationship, all fees charged for the quarter will be refunded. If the Client terminates the relationship after ten (10) days but before the quarter is complete, a pro rata refund based upon the ratio of the number of days assets were under management to days in the quarter will be made to the Client for any unearned fees.
- D. **Termination of Financial Professional.** It is the Client’s right to direct which third-party will receive compensation, for the services provided. Should the Client direct a firm other than Financial Professional as the Client contact for Advisor, then Financial Professional shall not be entitled to continue to receive compensation with respect to Client’s account, effective on the date that Advisor is notified in writing by the Client. In addition, Advisor and Financial Professional have the right to terminate the Selling Agreement between Advisor and Financial Professional, in accordance with the terms of the Selling Agreement.
- E. **Assignment.** This contract cannot be assigned by Advisor to any other party without the consent of the Client. Client shall be presumed to have given such consent if Advisor gives written notice of its intention to assign this Agreement specifying the name of the proposed assignee, and Client shall not have objected in writing to such assignment within thirty (30) days after the giving of such notice by Advisor.
- F. **Death or Disability.** If Client is a natural person, the death, disability or incompetence 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 as set forth in Section 6 above to Advisor.
- G. **Binding Agreement.** This Agreement will bind and be for the benefit of the parties to the Agreement and their successors and permitted assigns.
- H. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Washington without giving effect to any conflict or choice of law provisions of that State, provided that nothing in this Agreement will be construed in any manner inconsistent with the Advisers Act, any rule or order of the Securities and Exchange Commission under the Advisers Act and, if applicable to the Account, ERISA and any rule or order of the Department of Labor under ERISA.
- I. **Arbitration.** Any claim, controversy or dispute arising out of or relating to the Account(s) or to any transactions, negotiation, performance, or breach of this Agreement, or any dispute with Advisor and Affiliates or Financial Professional acting on behalf of the Account, shall be decided by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then in effect. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Venue for the arbitration proceeding shall be in the jurisdiction closest to the party against whom action is being taken. Discovery shall not be permitted except as required by the rules of AAA. The arbitration award shall not include factual findings or conclusions of law. The parties understand that any party’s right to appeal or to seek modification of any ruling or award of





the arbitrator is severely limited pursuant to the rules of the AAA and state and federal arbitration law. The parties will share equally the costs of the arbitration panel. Reasonable attorney's fees and costs will be awarded to the substantially prevailing party.

- J. **Waiver of Jury Trial.** EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING, DIRECTLY OR INDIRECTLY, ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
- K. **CLASS ACTION WAIVER. ARBITRATION MUST BE ON AN INDIVIDUAL BASIS. THIS MEANS NEITHER CLIENT, ADVISOR NOR FINANCIAL PROFESSIONAL MAY JOIN OR CONSOLIDATE CLAIMS IN ARBITRATION BY OR AGAINST OTHER CLIENTS, OR LITIGATE IN COURT OR ARBITRATE ANY CLAIMS AS A REPRESENTATIVE OR MEMBER OF A CLASS OR IN A PRIVATE ATTORNEY GENERAL CAPACITY.**
- L. **Financial Professional Arrangements.** Client acknowledges that Advisor and Affiliates will receive fees, as a result of Client entering into this Agreement. Disclosure of any fees received by a Financial Professional is disclosed in this Agreement and on the Schedule A Amendment to this Agreement.
- M. **Notices.** Any notice, advice or report to be given to Advisor under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Advisor at 777 108th Avenue NE, Suite 2100, Bellevue, WA 98004, Attention: Megan Meade or at such other address as Advisor may designate in writing. Any notice, advice or report given to Client under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Client at the address set forth above or at such other address as Client may designate in writing. Any notice, advice or report given to Financial Professional under this Agreement will be delivered in person, by U.S. mail or overnight courier (postage prepaid) or sent by facsimile or email transmission (with a hard copy sent by U.S. mail) to Financial Professional at the address set forth below or at such other address as Financial Professional may designate in writing.
- N. **Miscellaneous.** If any provision of this Agreement is or should become inconsistent with any law or rule of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed to be rescinded or modified in accordance with any such law or rule. In all other respects, this Agreement will continue and remain in full force and effect. No term or provision of this Agreement may be waived or changed except in writing signed by the party against whom such waiver or change is sought to be enforced. Advisor's or Financial Professional's failure to insist at any time upon strict compliance with this Agreement or with any of the terms of the Agreement or any continued course of such conduct on its part will not constitute or be considered a waiver by Advisor or Financial Professional of any of their respective rights or privileges.
- O. **Entire Agreement.** This Agreement constitutes the entire Agreement among the Client, Advisor and Financial Professional, and supersedes all prior or contemporaneous agreements, representations and understandings of the parties; provided, however, that Advisor and Financial Professional acknowledge that they entered into a Selling Agreement that provides for certain rights and obligations as between Advisor and Financial Professional, with respect to services provided to Client under this Agreement. The parties acknowledge and agree that none of them has made any representation with respect to the subject matter of this Agreement or any representations including its execution and delivery, except those specifically set forth herein. Each of the parties acknowledges that such party has relied on its own judgment in entering into this Agreement.

