



Brokerage and Custody Services
Exclusively for Independent Advisors
Member FINRA/ SIPC/ Reg'd MSRB

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FEE CHOICE BROKERAGE AGREEMENT

AGREEMENT by and between Shareholders Service Group, Inc., (“SSG”) and the undersigned, (“Client,” and/or “you”).

1. Terms and Conditions

This Agreement sets forth the terms and conditions governing *Fee Choice* (“the Program”) and the relationship of SSG and Client concerning certain transactions in securities account(s) with SSG and assets in such account(s) that are held on behalf of Client by SSG or its affiliates, as described below. Securities account(s) subject to this Agreement are referred to individually as the “Fee-Based Account” and collectively as the “Fee-Based Account Group.” The provisions in this agreement are in addition to any other agreements, such as the New Account Agreement and Customer Agreement, you have entered into with SSG to establish a brokerage account.

2. Services

***Fee Choice* is a brokerage account service and not an investment advisory service. SSG is not an investment advisor nor a fiduciary advisor. SSG will not provide investment advice or advisory services. SSG does not solicit orders or make securities recommendations or give investment, financial or tax advice. SSG’s interests may not always be the same as Client’s. There may be instances where SSG may be paid both by Client and by products that compensate SSG based on what Client buys. Client is encouraged to ask SSG questions to understand client’s rights and SSG’s obligations to Client, including the extent of SSG’s obligations to disclose conflicts of interest and to act in Client’s best interest. The *Fee Choice* service may not be the most cost-effective way for you to pay for trades. SSG’s compensation may vary by product and over time.**

Fee Choice is a securities brokerage service that provides an asset-based fee alternative to commission-based or transaction fee compensation for brokerage execution, clearing and custody services. SSG agrees to provide its customary brokerage services (“Transaction Services”) and charge asset-based fees (or “Program Fees”) rather than transaction fees or commissions on each trade. Program fees are calculated as a percentage of Assets (as defined in Section 3, Eligibility and Eligible Assets) in the account, not on a per trade basis.

If Client is not reasonably active in the market or if client does not prefer consistency of costs, accessing the brokerage services through a commission based account may be a preferable or more cost-effective option. *Fee Choice* is not designed to encourage frequent trading, nor will it necessarily reduce the average cost of trades. It is designed to control and limit the trading costs and to provide a regular and planned way to pay for the costs of trading.

3. Eligibility and Eligible Assets

A. Eligible Assets means assets subject to the asset-based brokerage fee. They include the following types of assets: stocks, listed bonds, mutual funds, options, cash and money funds. These assets, with the few exceptions noted below, will be subject to the asset-based fee.

Any security or other asset that does not come within the definition of Eligible Assets as described above is an Ineligible Asset. Ineligible Assets are not subject to the Program Fees. Ineligible Assets are subject to normal and customary commissions or transaction fees. Ineligible Assets include, but may not be limited to, the following: certificates of deposit, precious metals, annuities, and other securities that cannot be transacted without fees or sales charges.

- B. SSG may add or delete types of assets from the definitions of Eligible and Ineligible Assets upon written notice to Client. Any such addition or deletion will not affect the calculation of Client's Program Fees for the (calendar) quarterly payment period in which the notice is given, but will be effective for the (calendar) quarterly payment periods that follow immediately after the notice is given.

4. Fees

- A. Client will pay a quarterly asset-based fee at an annual rate ("the Program Fee"), which is payable quarterly in advance according to the schedule hereafter in this agreement.

The Program Fee charged to each Fee-Based Account is based on the market value of Eligible Assets held in the account. The Program Fee for each billing period is calculated as follows:

- i. Add the total market value of Eligible Assets in the account (or accounts in a household group) at quarter-end to determine the corresponding breakpoint
 - ii. Calculate the quarterly fee based on the applicable annual breakpoint fee rate.
 - iii. Prorate the total quarterly fee, if applicable, based on the actual number of days the account is active in the billing quarter.
- B. The minimum annual Program Fee is \$350 per account, which is applied to each account separately. Because of the minimum annual fee, for smaller accounts, Client may pay an effective rate that is greater than the rate specified in the Annual Program Fee schedule. Client acknowledges that the minimum Program Fee or a greater fee amount for larger accounts will be assessed regardless of the number of trades.
- C. For the purpose of computing the Program Fee, the value of Eligible Assets shall be determined in good faith by SSG to reflect their estimated fair market value, based on the value of Eligible Assets on the last business day of the prior month,. Any such valuation will not be considered a guarantee of any kind with respect to the liquidation value of assets in the account. Short market positions (if any) among Eligible Assets will be valued by determining the equivalent long market position (for instance, the number of shares sold short and the price per share). The Program Fee will be based on the value of Eligible Assets, including any Eligible Assets purchased on margin. Interest due on any margin debt incurred by Client is in addition to the Program Fee.
- D. The initial Program Fee ("Inception Fee") will be based on the value of Eligible Assets of the account on the day the total account assets enter the Program. The Inception Fee will be prorated according to the number of days remaining in the calendar quarter and will be charged to the account after the account enters the Program. Thereafter, the Program Fee will be paid every calendar quarter in advance and it will be due and typically charged within the first 20 business days of the calendar quarter.
- E. Client authorizes SSG to charge the Program Fee and any other fee due hereunder on or after the applicable date by debiting the account(s). Payment of the Program Fee will be reflected on Client's statement(s). The asset-based pricing will not be effective until SSG has received this

agreement and updated the account pricing service. Client account(s) will be on standard transaction based pricing until the asset-based pricing is effective.

- F. Accounts that belong to the same household may be grouped for the purpose of determining the value of the assets in the Program and the applicable Program Fee. Clients must notify SSG of accounts that should be placed into a household group for the asset-based pricing. Household accounts must share the same tax ID number or the same address, as instructed by Client and accepted by SSG. Eligible Assets of accounts belonging to a group will be included in the Program Fee calculation regardless of the accounts' level of trading. The minimum annual program fee of \$350.00 per year applies to each account in a household group.
- G. The Program Fee does not cover any fees for products or services other than trades. Incidental fees, including but not limited to SEC fees, wire fees, transfer fees, delivery fees, taxes, currency charges, account maintenance fees, alternative investment fees, and account closing fees, are in addition to the Program Fee. Client acknowledges that certain brokerage or custodial services, (for example certain bonds or options that are not allowed in retirement accounts) may not be available to some accounts due to regulatory, operational or legal limitations, but there will be no reduction in annual Program Fees.
- H. Mutual Fund Transactions
Certain Mutual Funds are offered generally to the public without a sales charge (no-load Mutual Funds or load waived), and payment of the Program Fee may be avoided if Client were to purchase such Fund shares directly from the issuing mutual fund company or its distributor. Charges and fees imposed by mutual funds still apply. As a deterrent to short term mutual fund trading, many mutual fund companies may impose redemption fees and such fees will still apply even after the asset-based rate is in effect. In addition, short term redemption fees will apply on funds included in SSG's No Transaction Fee program (NTF funds) according to SSG's NTF trading policies and the prevailing fee schedule.

Certain mutual funds are subject to a \$10 per trade surcharge that will be incurred for trades even in accounts in the Program. Some funds and fund families subject to the surcharge include DFA Funds, Dodge & Cox, Vanguard, American F-3 shares, Alpine, T Rowe Price Investors (not including T Row Price Advisors Funds), Meridian, Sequoia, Bridgeway, CGM, Fairholme, Longleaf, Pimco Institutional, New Alternatives, Aegis, Ashport, Northeast Investors, Pacific Capital, Oberweis, Schneider and Stratton. The \$10 per trade surcharge will be applied to each trade in this limited group of mutual funds. Please contact SSG for a complete list of funds currently subject to the surcharge, which is subject to change.

5. Additional Understandings

Client understands and agrees to the following:

A. No Investment Advice

SSG will not determine whether or not the Program is appropriate for you. Neither SSG nor any of its employees or representatives will act or is acting as an investment manager or investment advisor, as defined in the Investment Advisers Act of 1940, or in a discretionary capacity with respect to Client or Account. SSG is not an investment advisor, and the provisions of the Advisers Act will not be applicable to the relationship between SSG and Client regarding the Account. Neither SSG nor any of its employees or representatives will provide investment advice as a result of the Client's participation in the Program. SSG has no authority or responsibility to act as fiduciary. The fees charged in the Program are separate from your Advisor's fees.

B. Appropriate Account Types

The Program is designed for clients who plan to hold and trade a portfolio of securities. The Program is not appropriate for clients who i.) anticipate little or no trading; ii.) maintain consistently high levels of cash, money market funds, or fixed income securities, or invest primarily in securities which are not likely to be traded; iii.) experience unusually high turnover of their portfolio holdings or substantial options trading or trading in securities based on market timing. In deciding whether the Program is appropriate, Client should consider carefully all relevant factors, which may include: Client's past and anticipated trading practices and holdings of Eligible Assets and past and anticipated use of products or services available in this account; Client's knowledge of securities markets and financial capabilities; costs and potential benefits of the Program as compared to paying commissions on a per-trade basis; and Client's investment objectives and goals.

Client understands and acknowledges that the costs of this service may be more or less than that of a commission-based brokerage account. Client should consider such factors as the amount of the asset-based fee, comparable trading charges, the investment's anticipated performance, and how long the Client intends to hold Eligible Assets.

Client and Client's investment Advisor should periodically reevaluate whether the ongoing use of the Program is appropriate under the then-current circumstances. Clients requiring assistance in making such determinations should consult Client's investment Advisor.

- C. There is no limit on the number of trades allowed in a Fee-Based Account. However, a Fee-Based Account with an excessive number of trades based on SSG's determination may be subject to termination from the Program pursuant to agreement duration and termination (see Duration and Termination of Agreement section). SSG reserves the right to terminate or convert a Fee-Based Account to a commission-based account. Although fees are paid quarterly in advance, any pre-paid asset-based fees will *not* be refunded if service is terminated prior to quarter-end.
- D. SSG or its affiliates may receive other fees on Eligible Assets held in the Fee-Based Account or from investment product sponsors, such as fees pursuant to a Rule 12b-1 distribution arrangement or other arrangements, as compensation for distribution, shareholder services, record keeping, or administrative services. Such compensation is paid by product sponsors and will not be used to reduce the asset-based fees charged in the Program.
- E. Although SSG acts only as agent for most trades, principal trades may also occur, for example for fixed price new issues. For principal trades in Eligible Assets, Client will normally pay the Program Fee in lieu of mark-ups and mark-downs on a trade-by-trade basis. However, SSG may on occasion profit by a "dealer spread" or receive other income in principal trades, in addition to the Program Fee. The Program Fee will be applied to any new issues of equity and fixed income securities held in the Fee-Based Account. Most new issues can only be purchased at the public offering price. SSG may receive, in addition to the Program Fees payable hereunder, a selling concession or other compensation, as described in the relevant prospectus or offering circular for the new issue.
- F. Tax Implications
Client acknowledges that the payment by Client of the Program Fees for Transaction Services based upon the value of Eligible Assets may produce income tax results different from those resulting from the payment by Client of brokerage and transaction-related charges on a per-trade basis or by the payment of separate fees for other services. SSG does not and will not offer advice

to Client with respect to cost basis or taxation issues. For additional information, Client is encouraged to consult Client's tax adviser or other qualified professional.

G. Right of Refusal

SSG reserves the right to refuse to accept this Agreement for an account for any reason and determine which securities accounts may be participate in the Program.

6. Duration and Termination of Agreement

Client may terminate the *Fee Choice* Agreement upon written notification of termination to SSG no less than 5 business days prior to the effective date of such termination. Upon termination, Client may choose to liquidate securities or transfer securities held in the account to another account. After terminating the *Fee Choice* Agreement, transaction charges for purchases or liquidation of securities will apply. If the Client terminates or converts the Fee-Based Account to a commission account within one (1) year from inception, the account may be subject to the minimum annual fee.

7. Risk Acknowledgement

Client understands and acknowledges the risks inherent in making investments. Client also understands and acknowledges that the value of Eligible Assets may fluctuate and client's assets may decline in value due to market conditions.

8. Deposits and Withdrawals

Client may make deposits and withdrawals at any time, subject to account termination and transfer conditions described above. Any deposits and withdrawals of securities or other assets placed into the account will become part of the account valuation and will be subject to the account Program Fees according to the Eligible Asset description above. If assets are removed from the account after the asset based fee has been charged, fees are not refundable.

FEE CHOICE BROKERAGE - FEE SCHEDULE and SIGNATURE

Client Considerations for Entering this Agreement

Fee Choice is not designed to encourage frequent trading, nor will it necessarily reduce the average cost of each trade compared to standard brokerage charges on a per trade basis. It is designed to provide a regular and planned way to pay for transactions. Please consider the following questions.

1. How many trades have you done in your account in the past 12 months?
2. How many trades do you expect in the next 12 months?
3. What is the amount of Eligible Assets to be maintained in your account?
4. What is the estimated annual Program Fee for the next year? (Minimum \$350 annually)
5. What would the estimated annual cost be if you were charged for each trade?

FEE SCHEDULE— ASSET BASED BROKERAGE	
VALUE OF ELIGIBLE ASSETS AT QUARTER END	ANNUAL PROGRAM FEE
\$0 TO \$1,000,000	.30% (30 basis points)
\$1,000,001 TO \$5,000,000	.25% (25 basis points)
\$5,000,001 TO \$10,000,000	.20% (20 basis points)
Over \$10,000,000	.15% (15 basis points)

Example of Fee Choice Billing

1. Add total Eligible Assets to determine the breakpoint. Breakpoints are retroactive to the first dollar.
Sample Calculation: \$2,500,001 x .25% = \$6250
2. The total annual fee is divided by 4 or prorated at inception based on the number of days in the billing quarter.
3. Minimum fee is \$350.00 per year. Fees are charged quarterly in advance.

Acknowledgement By signing this Agreement, I acknowledge and agree to the following:

- A. I have received, read and agree to be bound by this Agreement;
- B. I have discussed my trading history with my Advisor and determined that the Program is appropriate for my needs;
- C. *Fee Choice* is a brokerage account service, and SSG is not an investment advisor or fiduciary.

Please note: Asset-based pricing is not effective until SSG has received your agreement and updated the pricing system for your account. All trades in your account will be charged our standard transaction-based prices until the asset-based pricing is effective. Before placing trades, contact your Advisor or SSG to verify that asset-based pricing is effective. To convert an existing account to a *Fee Choice* account, indicate the account number:

Current Account Number New Account Number (if any)

Account Registration

Client Signature Date

Client Signature Date

Advisor Name Advisor Number Advisor Signature Date

For Shareholders Service Group Use-PP3 Rec'd _____ FDate _____ Init _____	2021 1
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