



## **Red Hawk Prosperity Partners**

### **Investment Advisory Agreement**

#### **Agreement**

This Investment Advisory Agreement (IAA) sets forth the terms and conditions upon which Client engages Red Hawk Prosperity Partners (RHPP) as a financial and investment advisor, and the services to be rendered by RHPP. The undersigned Client(s) hereby engages RHPP, subject to our acceptance, to provide financial and investment advisory services with respect to Client's assets described in Attachment A.

#### **Advisory Services**

RHPP shall review and analyze Client's account(s) and current financial situation based upon information provided by Client. RHPP will ask Client for clear guidance regarding investment objectives and for an understanding of the relationship of Client's account to their overall financial situation. RHPP shall make recommendations while fully considering Client's general financial condition, goals, time horizons, and amount of capital to be invested in various financial assets, including but not limited to ETFs, mutual funds, individual securities, certificates of deposit, annuities, cash or cash equivalents, or other investment instruments. Client acknowledges that RHPP provides the same or similar services for other clients and may give other clients advice of the same or similar nature as that given to Client. It also is understood and agreed that RHPP may give advice and recommend action to other clients that may differ from advice given to Client with respect to the nature and/or timing of actions.

#### **Fees and Compensation**

RHPP does not ask for advance payment of fees. Our discovery discussion is a no-charge, 30-minute session to identify client needs, goals, expectations, resources, and experience involving wealth management. Subsequent consultation and service fees are \$90 per hour billed in half-hour increments @ \$45 each. All fees are non-refundable. Discretionarily managed accounts are subject to an assets under management (AUM) fee of 0.5% annually which is not assessed until account value exceeds \$25,000. AUM fees of 0.125% of total account value will be calculated and deducted from accounts on the last business day of each quarter, ( $4 \times 0.125\% = 0.5\%$  annually.) If the account value falls below the \$25,000 threshold after it has reached that level, the AUM fee will continue to be assessed. Clients with discretionarily managed accounts will not be charged consultation fees for incidental advice related directly to their account. Advice sought and provided on different topics may be subject to hourly consultation fees. There are no account maintenance and service fees, or investment sales charges if accounts and investments are maintained and transacted through Fidelity Investments which does not charge such fees, or sales charges on most investments. Client also understands that all professionally managed investment fund products have some internal operating expenses that are deducted from the fund assets and are not borne directly by Client. Accounts maintained somewhere other than Fidelity can negatively impact investment returns and fees. Contrarily, similar services may be available elsewhere at a lower rate.

#### **Information Accuracy and Privacy**

Client recognizes that the work of RHPP on Client's behalf depends upon the information that RHPP has concerning Client's situation. Client agrees to furnish all information regarding their current and future financial condition as well as financial goals and objectives, required by RHPP to perform the services described herein. All analyses and recommendations will be based on the information provided. RHPP

shall not be required to verify any information obtained from Client or from Client's other advisors (e.g., accountant, attorney). RHPP is authorized to rely on such information as accurate and truthful, and Client agrees to inform RHPP on a timely basis of any changes in Client's financial condition. All information will be held confidential in accordance with RHPP's *Privacy Policy (Attachment B)* and not disclosed to third parties, except as agreed upon in writing or as required by law. Upon IAA termination, Client's documents will be returned upon request. Copies of documents, papers and other information may be retained by RHPP for regulatory compliance purposes.

### **RHPP Discretionary Authority**

Subject to Client's approval and direction, RHPP, as Client's agent and attorney-in-fact with respect to Client's account, RHPP is provided authority from Client to determine account asset allocation, selection of securities, amount to be bought or sold and when to effect these actions. When selecting securities, RHPP will adhere to any client limitations or restrictions regarding certain types of securities for social responsibility investing purposes, or for other reasons deemed important to Client. In all cases, such discretion will be exercised in a fiduciary manner consistent with the information regarding Client's investment goals and objectives provided to the principal advisor during Client's intake interview, and as delineated in this IAA. RHPP may not withdraw any assets or funds from Client's account except for payment of fees due pursuant to this IAA and in accordance with the terms herein. RHPP will notify Client each time AUM or hourly fees are deducted with an explanation of how they were calculated. This discretionary authority and authorization to deduct fees from Client's account will remain in effect until revoked by Client in writing. By initialing below, Client agrees to provide such discretionary authority as described above to RHPP.

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

### **Client Retained Transaction Authority and Hourly Services**

Client will have no obligation to accept any recommendations made by RHPP and shall retain sole control and authority over Client's account and shall be entitled to determine, in Client's sole discretion, whether to accept, reject or implement any recommendation made by RHPP. Client understands, however, that RHPP's recommendations are integrated and interdependent; and that implementing a recommendation in isolation should first be discussed with RHPP as it may not meet Client's objectives. Advisory time spent transacting recommendations on Client's behalf under Client Retained Authority is subject to hourly fees. If client chooses to retain all transaction authority and receive service only on an hourly fee basis, **please read and circle any/all services you are agreeing to receive and initial below.**

**Goal setting; Financial and retirement planning; Traditional, Roth , SEP, SIMPLE, and Rollover IRAs; 401 (K) plans; Health Savings Accounts (HSAs); College funding strategies and accounts; Social Security benefit analysis; Family budgeting and debt management; Home, auto, and life Insurance cost analysis; Portfolio analysis and/or construction; Non-discretionary investment account management.**

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

### **Implementation of Recommendations**

Should Client decide to implement the recommendations of RHPP, the securities transactions will be effected by RHPP in its capacity as agent and attorney-in-fact through Fidelity Investments or a broker-dealer designated by Client or, by Client through their designated broker-dealer. All cash and securities will be maintained in the custody of such broker-dealer(s).

### **Liability and Sources of Information**

Client acknowledges that RHPP obtains information from a wide variety of publicly available sources. The recommendations made by RHPP will be based upon its professional judgment and neither RHPP nor its principal advisor guarantee positive results of any recommendation or any level of return. RHPP shall not be liable and shall be indemnified and held harmless by Client for any act or failure to act except for negligence, willful misconduct, or bad faith. RHPP also shall not be liable to and shall be indemnified and held harmless by Client from any act or failure to act by any agent acting on Client's behalf, any broker-dealer (whether chosen or not chosen by RHPP), or custodian of securities for Client's account.

RHPP assumes no responsibility under this IAA other than to exercise its best efforts and judgment to render in good faith the services called for in this IAA.

### **Legal & Tax Advice**

Client expressly understands and agrees that RHPP is not qualified to render any legal advice or to prepare any legal documents, or income tax returns. RHPP may discuss or explain the tax implications of specific investments; however, Client agrees to rely on their tax attorney or accountant for final tax advice or tax preparation.

### **Potential Conflicts of Interest**

RHPP permits its principal advisor to engage in personal securities transactions; however, the advisor is prohibited from owning or selling individual securities that are being recommended to or are owned by Client.

### **Client Representations**

Client represents and confirms that the IAA of RHPP is authorized by the governing documents relating to Client's account and that the terms hereof do not violate any obligation by which Client is bound, whether arising by contract, operation of law or otherwise, and, if Client is a corporation, trust, partnership or other entity, that this IAA has been duly authorized by appropriate action and when executed and delivered will be binding upon Client in accordance with its terms, and if so requested by RHPP, Client will provide such evidence of authority by certified board resolution or other legal authorization.

### **Termination**

Client is entitled to receive the *Advisor's Brochure* at least 48 hours before entering into the IAA and may terminate the IAA without penalty within the first five (5) business days after it was effected if the *Advisor's Brochure* was not provided in advance. This IAA may also be terminated immediately at any time by either party giving to the other written notice of such termination. Notice shall be effective upon receipt or upon the date specified in the notice. Any transaction that was approved or directed by Client pursuant to the terms of this IAA prior to termination and for which orders to execute have been placed prior to termination shall be completed unless the parties mutually agree otherwise.

### **Assignment**

No assignment (as that term is defined in the Investment Advisors Act of 1940) of this IAA or any rights hereunder may be made by Client or RHPP without written consent of the other.

### **Multiple Clients**

If this IAA is executed by more than one person, RHPP may accept directions from either person in connection with the handling of Client's account and termination of this IAA.

### **Amendment**

This IAA and its provisions may only be amended by mutual written consent.

### **Arbitration**

Should a dispute arise out of this IAA, the Advisor prefers that such dispute be submitted by the parties to arbitration. Client may agree to participate in arbitration or may pursue resolution through judicial court proceedings. If arbitration is mutually agreed to, proceedings may be commenced by either party after giving the other party notice thereof and proceeding thereafter in accordance with the Securities Arbitration rules of the American Arbitration Association (AAA). Any such arbitration will be governed by and subject to prevailing rules of the AAA. The arbitrator's award will be final and binding, and judgment upon such award may be enforced by any court of competent jurisdiction.

### **Consent to Electronic Delivery**

Client consents to the delivery of all communications and documents by e-mail to (*Client e-mail address*) and understands that consent may be revoked at any time by providing written notice to the Advisor. Advisor is authorized to send notices or other communications required under this IAA or by law (such as the Advisor's Brochure and Privacy Policy) by e-mail, by web site or by other Internet postings. Client will promptly notify Advisor if Client's e-mail address changes. Client retains the right to request information required to be provided by law in hardcopy and such request would not be a revocation of the authorization to receive information electronically. Advisor may rely on any electronic notice or other communication from any person reasonably believed to be genuine and authorized by Client to act on their behalf.

### **Receipt of the Disclosure Brochure**

Client acknowledges receipt at least 48 hours in advance of effecting this IAA, a copy of RHPP's latest Form ADV Part II ("*Investment Advisor's Brochure*").

### **Severability**

If any provision of this IAA is held invalid or unenforceable, the remainder of this IAA shall remain in full force and effect. If any provision is held invalid or unenforceable with respect to particular circumstances, it shall remain in full force and effect in all other circumstances. If any provision of this IAA is unenforceable under the law prevailing on the date hereof but is enforceable under the law prevailing at a subsequent time, then such originally unenforceable provision shall be deemed to take effect at the time when it becomes enforceable. As used herein, the term "unenforceable" is used in its broadest and most comprehensive sense and includes the concepts of void and voidable.

### **Miscellaneous**

This IAA shall be binding upon the parties hereto and their heirs, personal representative, successors in interest, successor in trust, and permitted assignees, and shall be governed by the laws of the State of New Mexico.

### **Understandings**

This IAA, including Attachments A (*Client Assets*) and B, (*Privacy Policy*) embodies all understandings between Client and RHPP and the terms may only be amended by mutual consent, in writing. If this correctly states the entire IAA between the parties, please sign below, return original copy to RHPP and maintain a copy for your records.

## **Signature Page**

By: \_\_\_\_\_  
RHPP Advisor Date

### **Agreed and Accepted:**

By signing below, Client acknowledges receipt of RHPP's Brochure, a copy of this IAA, and understands, accepts, and agrees to all terms and conditions in this IAA.

\_\_\_\_\_  
Client's name (please print) Signature Date

\_\_\_\_\_  
2<sup>nd</sup> Client's name (please print) Signature Date

Signed at (City, State) \_\_\_\_\_

**Attachment A**  
**Client Accounts**

As of the date of this IAA, Client assets listed below are subject to the provisions of this IAA.

Account Title/Name	
Account Number	
Broker-Dealer	
Amount (approximately)	
Account Title/Name	
Account Number	
Broker-Dealer	
Amount (approximately)	
Account Title/Name	
Account Number	
Broker-Dealer	
Amount (approximately)	
Account Title/Name	
Account Number	
Broker-Dealer	
Amount (approximately)	
Account Title/Name	
Account Number	
Broker-Dealer	
Amount (approximately)	

By: \_\_\_\_\_  
 RHPP Advisor Date

By signing below, Client certifies that this is a true and accurate accounting of accounts and assets.

Client's name (please print)	Signature	Date
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**2<sup>nd</sup> Client's name (please print)** \_\_\_\_\_ **Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

## **Attachment B**

### **Client Privacy Policy**

Red Hawk Prosperity Partners (RHPP) considers the privacy of its clients to be of fundamental importance and has established a policy to maintain the confidentiality of the information you share with us. In providing financial advisory services to you, we collect certain nonpublic information about you. Our policy is to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to you, or as permitted or required by law. This policy applies to information for current and former clients.

The personal information we collect directly from you includes information required to communicate with you and assist us in effectively addressing your financial needs. This information includes:

- Your Name, Address, E-Mail, and Phone Numbers
- Investment Goals, Objectives, and Experience
- Financial Circumstances
- Account Balance and Transactions
- Social Security Number
- Employment Information

We may also collect personal information from outside sources such as account custodians, broker-dealers, tax professionals and attorneys. We use this information to provide the most appropriate and highly tailored advisory services to you.

All financial companies need to share some client information to operate their everyday business. We may disclose the information to third parties as permitted by law, including the broker-dealers, account custodians, tax professionals, attorneys or others who provide services to you. From time to time, we may be required to provide information about our business to regulatory authorities and that information may include personal information about you. We do not sell your personal information to anyone.

Your information is accessible only to RHPP's principal advisor and our practices to protect the security and confidentiality of your information include the use of high-quality anti-virus/anti-malware protection; a *Virtual Private Network* (VPN) that encrypts all online client-related data and communications to protect against intruders or hackers; electronic client computer file password protection on our server. All hard copy information is stored in a secure location, accessible only to the Principal Advisor.

If you have any questions, concerns, or comments about our privacy policy, you may contact the Principal Advisor at 916-385-8462.