

VERSION 6.23.15



QFA NON-DISCRETIONARY IA AGREEMENT (DC)

QUANTUM FINANCIAL ADVISORS

**NON DISCRETIONARY INVESTMENT ADVISORY
AGREEMENT**

THIS AGREEMENT, made this ____ day of _____, 20__ between the undersigned party, _____, whose mailing address is _____ (hereinafter referred to as the “**CLIENT**”), and **QUANTUM FINANCIAL ADVISORS, INC.**, a registered investment adviser, whose principal mailing address is 51 Monroe Street, Plaza West 06, Rockville, MD, 20850 (hereinafter referred to as the “**ADVISER**”).

1. Scope of Engagement.

(a) **CLIENT** hereby appoints **ADVISER** as an Investment Adviser to perform the services hereinafter described, and **ADVISER** accepts such appointment. **ADVISER** shall be responsible for the investment and reinvestment of those assets designated by **CLIENT** to be subject to **ADVISER**'s management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the “**Assets**” or “**Account**”);

(b) The **CLIENT** acknowledges that the **ADVISER** shall primarily recommend that the **CLIENT** allocate all or a portion of the **Assets** among various individual mutual funds, individual equity and/or fixed income securities, and/or independent investment managers and/or programs and other securities and/or contracts relating to the same, on margin (only if written authorization has been granted) or otherwise in accordance with the **CLIENT**'s designated investment objective(s). Unless the **CLIENT** has advised the **ADVISER** to the contrary, in writing, there are no restrictions that the **CLIENT** has imposed upon the **ADVISER** with respect to the management of the **Assets**;

(c) **Non-Discretionary Service Limitations.** As a non-discretionary engagement, the **CLIENT** must be willing to accept that the **ADVISER** cannot effect any **Account** transactions without obtaining prior verbal consent to any such transaction(s) from the **CLIENT**. Thus, in the event of a market correction, during which the **CLIENT** is unavailable, the **ADVISER** will be unable to effect any **Account** transactions without first obtaining the **CLIENT**'s verbal consent;

(d) The **CLIENT** agrees to provide information and/or documentation requested by **ADVISER** in furtherance of this **Agreement** as it pertains to **CLIENT**'s objectives, needs and goals, and maintains exclusive responsibility to keep **ADVISER** informed of any changes regarding same. **CLIENT** acknowledges that **ADVISER** cannot adequately perform its services for **CLIENT** unless **CLIENT** diligently performs his responsibilities under this **Agreement**. **ADVISER** shall not be required to verify any information obtained from **CLIENT**, **CLIENT**'s attorney, accountant or other professionals, and is expressly authorized to rely thereon;

(e) In the event that the **Account** is a retirement plan sponsored by **CLIENT**'s employer, **CLIENT** acknowledges that **ADVISER**'s investment selection shall be limited to the investment alternatives provided by the retirement plan. In the event that the plan sponsor or custodian will not permit **ADVISER** direct access to the **Account**, and the **CLIENT** provides the **ADVISER** with the **CLIENT**'s password and/or log-in information to effect **Account** transactions, the **CLIENT** acknowledges and understands that: (1) the **ADVISER** will not receive any communications from the plan sponsor or custodian, and it shall remain the **CLIENT**'s exclusive obligation to notify the **ADVISER** of any changes in investment alternatives, restrictions, etc pertaining to the **Account**; (2) the **ADVISER** shall not be responsible for any costs, damages, penalties, or otherwise, resulting from the failure to so notify the **ADVISER**; and (3) the **ADVISER**'s authority shall be limited to the allocation of the **Assets** among the investment alternatives available through the plan, and, as such, **ADVISER will not have, nor will it accept,** any authority to effect any other type of transactions or changes via the plan web site, including but not limited to changing beneficiaries or effecting **Account** disbursements or transfers to any individual or entity; and,

(f) **CLIENT** authorizes **ADVISER** to respond to inquiries from, and communicate and share information with, **CLIENT**'s attorney, accountant, and other professionals to the extent necessary in furtherance of **ADVISER**'s services under this **Agreement**; and

(g) The **CLIENT** acknowledges and understands that the services to be provided by **ADVISER** under this **Agreement** are limited to the management of the **Assets** and **do not** include financial planning or any other related or unrelated consulting services.

2. Adviser Compensation.

(a) Unless otherwise set forth on the annexed Schedule “A”, the **ADVISER**'s annual fee for investment management services provided under this **Agreement** shall be based upon a percentage (%) of the market value of the **Assets** under management in accordance with the fee schedule enclosed herewith as Schedule “A”. This annual fee shall be prorated and paid quarterly, in advance, based upon the market value of the **Assets** on the last business day of the previous quarter. No increase in the annual fee percentage shall be effective without prior written notification to the **CLIENT**;

(b) **CLIENT** authorizes the custodian of the **Assets** to charge the **Account** for the amount of **ADVISER**'s fee and to remit such fee to **ADVISER** in accordance with required regulatory procedures;

(c) In the event that there is insufficient cash in the **Account**, the **ADVISER** is authorized to determine, without prior consultation with the **CLIENT**, which positions within the **Account** shall be liquidated to pay **ADVISER**'s fee;

(d) In addition to **ADVISER**'s annual investment management fee, **CLIENT** shall also incur, relative to: [1] all mutual fund and exchange traded fund purchases, charges imposed directly at the fund level (e.g. management fees and other fund expenses); and [2] independent investment managers, the fees charged by each separate manager who is engaged to manage the **Assets**; and

(e) No portion of **ADVISER**'s compensation shall be based on capital gains or capital appreciation of the **Assets**, except as provided for under the Investment Advisers Act of 1940.

3. Custodian. The **Assets** shall be held by an independent custodian, not **ADVISER**. **ADVISER** is authorized to give instructions to the custodian with respect to all investment decisions regarding the **Assets** and the custodian is hereby authorized and directed to effect transactions, deliver securities, and otherwise take such actions as **ADVISER** shall direct in connection with the performance of **ADVISER**'s obligations in respect of the **Assets**.

4. Account Transactions.

(a) **CLIENT** recognizes and agrees that in order for **ADVISER** to discharge its responsibilities, it must engage in securities brokerage transactions described in paragraph 1 herein;

(b) Commissions and/or transaction fees are generally charged for effecting securities transactions; and

(c) The brokerage commissions and/or transaction fees charged to **CLIENT** for securities brokerage transactions are exclusive of, and in addition to, **ADVISER** Compensation as defined in paragraph 2 hereof.

5. Risk Acknowledgment. **ADVISER** does not guarantee the future performance of the **Account** or any specific level of performance, the success of any investment recommendation or strategy that **ADVISER** may take or recommend for the **Account**, or the success of **ADVISER**'s overall management of the **Account**. **CLIENT** understands that investment recommendations for the **Account** by **ADVISER** are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

6. Directions to the Adviser. Except for approval of **Account** transactions (which can be verbal), all directions, instructions and/or notices from the **CLIENT** to **ADVISER** shall be in writing. **ADVISER** shall be fully protected in relying upon any direction, notice, or instruction until it has been duly advised in writing of changes therein. **ADVISER** shall endeavor to process all **Account** transactions in a timely manner, but does not warrant or represent that any such transaction shall be effected on the same day as discussed.

7. Adviser Liability. The **ADVISER**, acting in good faith, shall not be liable for any action, omission, investment recommendation/decision, or loss in connection the acts and/or omissions of other professionals or third party service providers recommended to the **CLIENT** by the **ADVISER**, including a broker-dealer and/or custodian, attorney, accountant, insurance agent, or any other professional. If the **Account** contains only a portion of the **CLIENT**'s total assets, **ADVISER** shall only be responsible for those assets that the **CLIENT** has designated to be the subject of the **ADVISER**'s investment management services under this **Agreement** without consideration to those additional assets not so designated by the **CLIENT**.

If, during the term of this **Agreement**, the **ADVISER** purchases specific individual securities for the **Account** at the direction of the **CLIENT** (i.e. the request to purchase was initiated solely by the **CLIENT**), the **CLIENT** acknowledges that the **ADVISER** shall do so as an accommodation only, and that the **CLIENT** shall maintain exclusive ongoing responsibility for monitoring any and all such individual securities, and the disposition thereof. Correspondingly, the **CLIENT** further acknowledges and agrees that the **ADVISER** shall not have any responsibility for the performance of any and all such securities, regardless of whether any such security is reflected on any quarterly **Account** reports prepared by **ADVISER**. In addition, with respect to any and all accounts maintained by the **CLIENT** with other investment professionals or at custodians for which the **ADVISER** does not maintain trading authority, the **CLIENT**, and not the **ADVISER**, shall be exclusively responsible for the investment performance of any such assets or accounts. In the event the **CLIENT** desires that the **ADVISER** provide investment management services with respect to any such assets or accounts, the **CLIENT** may engage the **ADVISER** to do so for a separate and additional fee.

The **CLIENT** acknowledges that investments have varying degrees of financial risk, and that **ADVISER**

shall not be responsible for any adverse financial consequences to the **Account** resulting from any investment that, at the time made, was consistent with the **CLIENT**'s investment objectives.

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

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

8. **Proxies.** The **ADVISER** does not vote proxies. The **CLIENT** shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by **CLIENT** shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the **Assets**.

9. **Reports.** **ADVISER** and/or the **Account** custodian shall provide **CLIENT** with periodic reports for the **Account**. In the event that the **ADVISER** provides supplemental **Account** reports which include assets for which the **ADVISER** does not have investment management authority, the **CLIENT** acknowledges the reporting is provided as an accommodation only, and **does not** include investment management, review, or monitoring services, nor investment recommendations or advice.

10. **Termination.** This **Agreement** will continue in effect until terminated by either party by written notice to the other (**email notice will not suffice**), which written notice must be signed by the terminating party. Termination of this **Agreement** will not affect (i) the validity of any action previously taken by **ADVISER** 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 fees (prorated through the date of termination). Upon the termination of this **Agreement**, **ADVISER** will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the **Account** and will refund any unearned advisory fees.

11. **Assignment.** This **Agreement** may not be assigned (within the meaning of the Investment Advisers Act of 1940) by either **CLIENT** or **ADVISER** without the prior consent of the other party. **CLIENT** acknowledges and agrees that transactions that do not result in a change of actual control or management of **ADVISER** shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940. Should there be a change in control of the **ADVISER** resulting in an assignment of this **Agreement** (as that term is defined under the Advisers Act), the successor **ADVISER** will notify the **CLIENT** and will continue to provide the services previously provided to the **CLIENT** by the **ADVISER**. If the **CLIENT** continues to accept such services provided by the Successor without written objection during the 60 day period subsequent to receipt of the written notice, the Successor will assume that the client has consented to the assignment and the Successor will become the adviser to the client under the terms and conditions of this **Agreement**.

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

13. **Death / Disability / Incompetency.** The death, disability or incompetency of **CLIENT** will not terminate or change the terms of this **Agreement**. However, **CLIENT**'s executor, guardian, attorney-in-fact or other authorized representative may terminate this **Agreement** by giving written notice to **ADVISER**. **CLIENT** recognizes that the custodian may not permit any further **Account** transactions until such time as any documentation required is provided to the custodian.

14. Arbitration. Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to **ADVISER's** services under this **Agreement** cannot be resolved by mediation, both **ADVISER** and **CLIENT** may agree to submit the dispute to arbitration upon mutual written consent, in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. **ADVISER and CLIENT understand that if they consent to arbitrate the dispute, such arbitration shall be final and binding, and that by agreeing to arbitration, both ADVISER and CLIENT are waiving their respective rights to seek remedies in court, including the right to a jury trial.** **CLIENT** acknowledges and agrees that in the specific event of non-payment of any portion of **ADVISER** Compensation pursuant to paragraph 2 of this **Agreement**, **ADVISER**, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys fees and other costs of collection.

15. Disclosure Statement. **CLIENT** hereby acknowledges prior receipt of a copy of the **ADVISER's** written Disclosure Statement as set forth on Part 2A and 2B of Form ADV. **CLIENT** further acknowledges that **CLIENT** has had a reasonable opportunity to review said Disclosure Statement, and to discuss the contents of same with professionals of **CLIENT's** choosing, prior to the execution of this **Agreement**.

16. Severability. Any term or provision of this **Agreement** which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this **Agreement** or affecting the validity or enforceability of any of the terms or provisions of this **Agreement** in any other jurisdiction.

17. Client Conflicts. If this **Agreement** is between **ADVISER** and related clients (i.e. spouse, life partners, etc.), **ADVISER's** services shall be based upon the joint goals communicated to the **ADVISER**. **ADVISER** shall be permitted to rely upon instructions from either party with respect to disposition of the **Assets**, unless and until such reliance is revoked in writing to **ADVISER**. **ADVISER** shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients.

18. Privacy Notice. **CLIENT** acknowledges prior receipt of **ADVISER's Privacy Notice**.

19. Entire Agreement. This **Agreement** represents the entire agreement between the parties and supersedes and replaces, in its entirety, all previous investment advisory agreement(s) between the parties.

20. Amendments. The **ADVISER** may amend this **Agreement** upon written notification to the **CLIENT**. Unless the **CLIENT** notifies the **ADVISER** to the contrary, in writing, the amendment shall become effective thirty (30) days from the date of mailing.

21. Applicable Law/Venue. To the extent not inconsistent with applicable law, this **Agreement** shall be governed by and construed in accordance with the laws of the District of Columbia. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy between **ADVISER** and **CLIENT** shall be the District of Columbia. .

22. Electronic Delivery. The **CLIENT** authorizes the **ADVISER** to deliver, and the **CLIENT** agrees to accept, all required regulatory notices and disclosures via electronic mail and/or via the **ADVISER's** internet web site, as well as all other correspondence from the **ADVISER**. **ADVISER** shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to the **CLIENT's** last provided email address (or upon advising the **CLIENT** via email that such document is available on the **ADVISER's** web site).

23. Authority. **CLIENT** acknowledges that he/she/they/it has (have) all requisite legal authority to execute this **Agreement**, and that there are no encumbrances on the **Assets**. **CLIENT** correspondingly agrees to immediately notify **ADVISER**, in writing, in the event that either of these representations should change. The **CLIENT** specifically represents as follows:

(a) If **CLIENT** is an individual, he/she: (1) is of legal age and capacity, (2) has full authority and power to retain **ADVISER**, (3) the execution of this **Agreement** will not violate any law or obligation applicable to the **CLIENT**, and, (4) the **CLIENT** owns the **Assets**, without restriction;

(b) If **CLIENT** is an entity, it: (1) is validly organized under the laws of applicable jurisdictions, (2) has full authority and power to retain **ADVISER**, (3) the execution of this **Agreement** will not violate any law or obligation applicable to the **CLIENT**, and, (4) the **CLIENT** owns the **Assets** without restriction; and

(c) If **CLIENT** is a retirement plan ("**Plan**") organized under the Employment Retirement Income Security Act of 1974 ("ERISA"), the **ADVISER** represents that it is an investment fiduciary registered under The Investment Advisers Act of 1940 and the **Plan** represents that it is validly organized and is the beneficial owner of the **Assets**. Unless otherwise reflected on Schedule "A", the only source of compensation to **ADVISER** under this **Agreement** shall be the fee paid to **ADVISER** by the **Plan**. The **Plan** further represents that **ADVISER** has been furnished true and complete copies of all documents establishing and governing the **Plan** and evidencing **Plan**'s authority to retain **ADVISER**. The **Plan** will furnish promptly to **ADVISER** any amendments and further agrees that, if any amendment affects the rights or obligations of **ADVISER**, such amendment will not be binding on **ADVISER** until agreed to by **ADVISER** in writing. If the **Assets** contain only a part of the investments of the **Plan**'s assets, the **Plan** understands that **ADVISER** will have no responsibility for the diversification of all of the **Plan**'s assets, and that **ADVISER** will have no duty, responsibility or liability for **Plan** investments that are not part of the **Assets**. The **Plan** is responsible for voting all Proxies per paragraph 8 above.

IN WITNESS WHEREOF, the **CLIENT** and **ADVISER** have each executed this **Agreement** on the day, month and year first above written.

, Client

, Client

QUANTUM FINANCIAL ADVISORS, INC.,

By:

—

Exhibit A

Included Accounts

Asset Values

Total Asset Value _____

Excluded Accounts

ADVISER's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management (between Negotiable and 1.50 %) as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$100,000 to \$250,000	2.00
\$250,001 to \$500,000	1.75%
\$500,001 to \$750,000	1.50%
\$750,001 to \$1,000,000	1.25%
\$1,000,001 to \$5,000,000	1.00%
\$5,000,001 to \$10,000,000	0.75%
\$10,000,001 plus	0.60%

Annual fee based upon client asset value at the time of signing this agreement \$_____.