

Advisory Services and Fees

Advisory Services

TERMINUS, LLC. (TERMINUS) provides investment supervisory services to clients on a fee basis. These services are offered through: (1) **general investment consulting**, and (2) **a managed account program**, wherein TERMINUS manages each client's account on an individual basis.

TERMINUS provides **general investment consulting** services to clients regarding the investment marketplace and its relationship to clients' investment processes and systems. These services are provided on a fee basis and are negotiated by the client and TERMINUS depending on the services rendered.

INTRODUCTORY MEETING & PLANNING CONFERENCES: There will be no fee charged for an introductory, no obligation, get acquainted consultation. This includes an initial conference and a closing conference. A fee of \$250/hour will be charged for any additional conferences required to complete the engagement.

HOURLY CONSULTATION:

\$250/HR

All fees are payable upon completion of the engagement, unless otherwise agreed.

Managed Account Programs

TERMINUS offers a couple of different **managed account programs**, wherein the firm manages client accounts on a full discretionary basis. Within each program, the client's individual financial situation is analyzed and their individual investment goals are determined. Based on his or her individual goals, needs, and risk tolerance, the firm is allowed to select the optimum asset mix for each client. The programs offered are:

- 1) Balanced Investment Program
- 2) Concentrated Investment Program

TERMINUS's management program has three steps generally applicable to each Program:

Step 1: Asset Allocation – determine the appropriate asset class allocation weightings based on each client's specific goals, objectives, and risk tolerance.

Step 2: Investment Selection – review client's current investments to determine if they fit into the new asset allocation as well as the selection of other investments through a proprietary quantitative and qualitative screening process, which determines specific investment options and their use within the context of the new asset allocation.

Step 3: Portfolio Monitoring & Reporting – consistent portfolio monitoring and evaluation is done on a daily basis and portfolio rebalancing is performed on an as needed basis.

Balanced Investment Program

The Balanced Investment Program is designed to meet the investment needs of individual, high net worth individuals, trusts, retirement plans, and institutions and incorporates the three steps mentioned above. The program is designed to emphasize personal attention through each phase of the investment process from the determination of the client's investment goals and risk tolerances, through the investment selection phase, and on an on-going basis through quarterly performance reporting and daily portfolio monitoring. Accounts in the Balanced Investment Program will typically invest in equity securities, such as common and preferred stocks, and

fixed income securities such as government bonds, notes, and bills, as well as corporate bonds. However, accounts in the Balanced Investment Program may also invest in other types of securities, including, but not limited to, convertible stocks, municipal bonds, mortgage backed securities, mutual funds, exchanged traded funds (“ETFs”), warrants, rights, and options. These investments will be tailored to each individual client.

TERMINUS is compensated by an annual fee (paid quarterly in advance as described in the section “Fee Calculation and Collection” below) based on the asset value of the account as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$250,000 to \$1,000,000	1.25%
\$1,000,000 to \$3,000,000	1.00%
\$3,000,000+	0.75%
Minimum account size:	\$250,000
Minimum annual fee:	\$3125

Concentrated Position Program

The Concentrated Position Program is designed for individuals and institutions that have a concentrated position in one or multiple securities. A concentrated position would be defined as a security which represents 30% or more of the client’s overall financial portfolio. TERMINUS will develop, implement, and monitor a plan which is designed to meet each individual client’s needs such as create liquidity, hedge, diversify, defer taxes, transfer wealth, or a combination of each. This can be accomplished through the use of multiple option strategies.

TERMINUS is compensated by an annual fee (paid quarterly in advance as described in the section “Fee Calculation and Collection” below) based on the asset value of the concentrated position as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$750,000+	0.75%
Minimum account size:	\$750,000
Minimum annual fee:	\$5625

Custody of Assets

TERMINUS has custodial relationships with various firms where client accounts are held for safekeeping. No assets or accounts are held by TERMINUS.

Fee Calculation and Collection

Upon execution of the Investment Advisory Agreement, the client shall pay TERMINUS an initial fee based upon the assets deposited into the Managed Account. The initial fee will be calculated based on the value of the initial assets in the client’s account and will be prorated based on the date of the initial deposit. Fees are paid quarterly in advance and will either be deducted directly from the Managed Account by TERMINUS within seven (7) calendar days following the end of the quarter or paid directly by the client. Fees are computed quarterly as a percentage of the assets under management, based on the account statement issued for the last day of the preceding billing quarter. Clients are required to acknowledge that the custodian will not verify TERMINUS’s fee calculation and that it is the client’s responsibility to review TERMINUS’s bills to ensure that fees were calculated accurately. The client is responsible for other fees, which may or may not apply including, but not limited to: brokerage fees, mutual fund management fees, and custodial fees.

Termination of Agreement

Each Investment Advisory Agreement provides that the agreement between client and Advisor shall be continuous until one party to the agreement terminates it. Each agreement provides that the client may terminate the

agreement within five business days of its effective date without paying any fees or penalties. The agreement also provides that once the initial five-day period has passed, either party to the agreement may terminate the agreement at any time by providing a 30 day written notice to the other party. Upon termination, it is the client's responsibility to monitor the securities in the account, and **TERMINUS will have no further obligation to act, advise or trade with respect to those assets. It shall be the Client's sole responsibility to liquidate any and all positions after Advisor receives notice of termination.** If the agreement is terminated partway through a calendar quarter, fees collected in advance will be refunded to the client, pro-rata, based on the number of days remaining in the calendar quarter, following the effective date of termination.

Proxy Voting

TERMINUS will vote at all times in the best interest of our clients as shareholders. We will generally vote with the board of directors if we feel they are acting in the best interest of shareholders. However, we do pay special attention to management compensation issues, stock option issuances, takeover defenses, social responsibility, and any other corporate governance issues. We will vote against management if we determine it is in the best interests of our clients as shareholders. We generally do not report our proxy voting to clients on routine issues but we would notify them in unusual cases (i.e. hostile takeovers).

Education and Business Standards

TERMINUS requires that each investment advisory agent has a minimum of a four (4) year college education and five (5) years business experience. All employees are also required to complete a rigorous TERMINUS internal education program.

Education and Business Background

Education and Background of Key Personnel

Michael D. Rollins

Born: 10/11/1972

Educational Background:

Southeastern Louisiana University – Hammond, LA	1997	BA, Marketing
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Business Background:

TERMINUS	2010 to Present
Frontier Investment Management Company, Managing Director/Partner	2003 to 2009
Charles Schwab Corporation, Investment Specialist	1999 to 2003
Fidelity Investments, Investment Sales	1997 to 1999

David Cordell Rollins

Born: 01/23/1969

Educational Background:

Duke University, - Durham, NC	1991	BS, Economics
Harvard University, Cambridge, MA	1998	Economics

Business Background:

TERMINUS	2010 to Present
Credit Suisse, IT Delivery Manager	2002 to 2009
IBM Rational, Consultant	2001

Merrill Lynch, Consultant
Fidelity Investments, Consultant

2000 to 2001
2000

Devin Espindle, CFA

Born: 05/04/1973

Educational Background:

United States Naval Academy – Annapolis, MD
Southern Methodist University – Dallas, TX
Chartered Financial Analyst

1995 BS, Electrical Engineering
2003 MBA, Finance

Business Background:

TERMINUS
Espindle Investment Management, Chief Investment Officer
Frontier Investment Management Company, Portfolio Manager/Analyst/Partner

2010 to Present
2008 to 2010
2001 to 2008

Participation or Interest in Client Transactions

Code of Ethics

TERMINUS has adopted a Code of Ethics to govern the conduct of its personnel to ensure that all acts, practices and courses of business engaged in by access persons of TERMINUS reflect high standards and comply with the requirements of the Investment Advisors Act of 1940 and any and all requirements necessary to comply with state and federal securities laws. An access person is defined as a supervised person who has access to non-public information regarding clients' purchase or sale of securities, is involved in making recommendations to clients, or has access to such recommendations that are non-public. The Code of Ethics is designed to prohibit an access person from misappropriating an investment opportunity from a client for one's personal benefit.

TERMINUS's Code of Ethics requires each access person to acknowledge that he or she has received a copy of the Code of Ethics, has read it, understands it, and will fully comply with the Code. The Code of Ethics requires personal trading reports from all access persons on a quarterly basis, as well as signing an annual securities holding report. These reports are reviewed by the Chief Compliance Officer. The Code of Ethics requires prompt reporting of any violations to the Chief Compliance Officer. A copy of TERMINUS's Code of Ethics will be furnished to clients upon request.

Employees' Personal Securities Transactions

The code sets forth specific rules relating to personal securities trading. The Code's restrictions on trading activity by employees of TERMINUS are designed to ensure that no trading activity by an employee in any security that is the subject of a client portfolio purchase or sale shall disadvantage or appear to disadvantage such client transaction. TERMINUS requires that all employees and related persons who have access to the firm's investment advice provide complete records of all trading activity no later than 30 days following the end of each calendar quarter. TERMINUS's Chief Compliance Officer reviews these trading records quarterly to ensure compliance with the firm's policies.

TERMINUS and its agents will seek to ensure that they do not personally benefit from the short-term market effects of the Investment Manager's recommendations. TERMINUS does not advise directly any advisory client to purchase interests in securities owned by TERMINUS or any person affiliated with the firm. From time to time, however, a Managed Account may have an ownership position in a security, which a related person owns or, conversely, a related person may purchase a security that is owned by a Managed Account.

Conditions for Managing Accounts

In general, the following minimum dollar amounts are required to open an account for each Program that TERMINUS offers; however, under circumstances deemed appropriate by TERMINUS, these minimum amounts may be waived or modified.

<u>TERMINUS Program</u>	<u>Minimum Account Size</u>
Balanced Investment Program	\$250,000
Concentrated Position Program	\$750,000

Additionally, the following minimum annual fees and initial setup fees generally apply to each program. However, these fees may be modified in certain situations, such as when the minimum fee may be deemed excessive under Federal Law, or when a different fee has been negotiated with the client.

<u>TERMINUS Program</u>	<u>Minimum Annual Fee</u>
Balanced Investment Program	\$3125
Concentrated Position Program	\$5625

Review of Accounts

TERMINUS's managed accounts are monitored on a systematic basis and each account is reviewed at least quarterly by its designated investment consultant and the account owner. Quarterly reviews focus on asset mix (to insure compliance with the account's stated allocation according to its Investment Policy), securities transactions over the previous quarter, and account performance. Each consultant is responsible for approximately 50 accounts or approximately 25 individual relationships to ensure quality service.

Every month, each client will receive account statements from the custodian detailing all account activity as well as the current positions held and the current market value of the client's account. TERMINUS can also provide quarterly performance reports which are the basis of the quarterly review that is conducted between the Consultant and each individual client.

Investment or Brokerage Discretion

Investment Discretion

TERMINUS offers investment advice and counseling on a discretionary basis. TERMINUS's clients give it investment discretion over the assets managed by TERMINUS. When TERMINUS has investment discretion, it is authorized to make all investment decisions and to direct the execution of all transactions for the client's accounts without consulting with the client in connection with each transaction as long as it falls within the guidelines of the investment objectives of the client. While accounts are handled on a discretionary basis, the client retains the right to direct TERMINUS, in writing, to purchase and/or not purchase certain types of securities for its account. When this is done, the transactions will be excluded from TERMINUS's quarterly performance reporting.

Brokerage Discretion

TERMINUS's clients give it full discretion to choose brokers or dealers where transactions may be executed. Some clients may request TERMINUS to use a specific broker or dealer and others may request using a specific broker or dealer subject to TERMINUS's ability to obtain best execution.

Broker-Dealer Selection

When TERMINUS has full discretion choosing a specific broker or dealer to execute a transaction for a client, the broker or dealer is chosen by being able to obtain the best possible execution for a client's account after considering all relevant factors. The cost is only one of these factors. Some of the other factors considered are the size of the transaction, the timing of the trade, the activity existing and expected in the market for that particular security, price, execution capability and confidentiality, promptness and accuracy executing orders, clearing and settlement capabilities, and the financial stability of the broker or dealer selected. None of these factors by themselves can determine the best execution but all of them as a whole will determine best execution.

Soft Dollars

TERMINUS may recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to affect trades for their accounts. Although TERMINUS may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. TERMINUS is independently owned and operated and not affiliated with Schwab. There are times when a client wishes to use a broker-dealer other than Schwab. In most cases, we can accommodate the client's request.

Schwab provides TERMINUS with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment Advisors on an unsolicited basis and are not otherwise contingent upon TERMINUS committing to Schwab any specific amount of business (assets in custody or trading). These services may include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Client accounts custodied at Schwab are not generally charged a separate fee for custody of the assets. Instead, Schwab is compensated by account holders through commissions on a per transaction basis or via asset-based fee that is calculated as a percentage of the account value either on a monthly or quarterly basis. TERMINUS does NOT share or participate in the fees or revenues charged to clients by these firms. TERMINUS's advisory and consulting fees are in addition to these fees mentioned above.

Schwab also makes available to TERMINUS other products and services that benefit TERMINUS but may not benefit its clients' accounts. Some of these other products and services assist TERMINUS in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of TERMINUS's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. The non-execution services received from Schwab are used to serve only those clients whose accounts are held at Schwab.

Additional Compensation

We receive no cash benefit, including commissions, from any party in connection with our clients' accounts. TERMINUS participates in the institutional services programs maintained by Schwab. While there is not a direct link between the investment advice given and our participation in these programs, we receive economic benefits that would not be available to us if our clients' accounts were not maintained at the firms. These benefits include:

- Our receipt of duplicate client confirmations and bundled duplicate statements
- Our access to a trading desk serving exclusively institutional clients

- Our access to block trading which provides us with the ability to aggregate securities transactions and then allocate the appropriate shares to clients' accounts
- The ability to have our investment advisory fees deducted directly from our clients' accounts
- Our access, for a fee, to an electronic communications network for client order entry and account information
- Receipt of compliance publications and access to continuing education seminars
- Access to mutual funds which generally require significantly higher minimum initial investments are generally available only to institutional investors

TERMINUS has arrangements with various third parties, 'Solicitors' or 'Referrers', regarding paid compensation for client referrals. All individuals who receive compensation must be properly registered under applicable state securities laws. There must be a written solicitation and referral agreement between TERMINUS and the Solicitor. Clients and prospects must be provided with a copy of our most recent Disclosure Brochure or ADV Part II and receive full disclosure, in advance, of the terms of the solicitation agreement and must sign an acknowledgment of receipt of the disclosure. The disclosure includes a provision informing the clients that they will not pay higher fees to TERMINUS than fees paid by our clients who are not the subject of a referral fee arrangement. The disclosure also provides that TERMINUS and the Solicitor have no affiliation other than as provided in the solicitation and referral agreement. TERMINUS is required to provide instructions to the Solicitor concerning its solicitation and referral activities under the agreement, but otherwise we have no supervisory responsibility for the Solicitor. TERMINUS has no authority or responsibility to approve or supervise any financial planning, investment advice, asset allocation advice, or any other services the Solicitor may provide to the Solicitor's clients.