

Item 1 - Cover Page

Vermillion Financial Advisors, Inc.

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Brochure

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This brochure provides information about the qualifications and business practices of the Registrant “Vermillion Financial Advisors, Inc.”(VFA). If you have any questions about the contents of this brochure, please contact us at (847) 382-9999 or mlaspisa@vermillionfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Vermillion Financial Advisors, Inc. is also available on the SEC’s Website at www.sec.gov/investor/brokers.htm

References herein to Vermillion Financial Advisors, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 - Material Changes

This is a revised Brochure referencing following change(s):

- Firm's Assets Under Management (AUM)
- Firms Service Fee's - All Service Agreements

Item 3 - Table of Contents

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Item 4 - Advisory Business

1. The Registrant “Vermillion Financial Advisors, Inc.” (VFA) is a corporation formed on August 2, 1988 in the State of Illinois. VFA became registered as an Investment Adviser in September 1988. VFA is owned by Mark S. La Spisa, VFA’s President.
2. VFA provides two services to our clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) as set forth below.
 - Financial Planning and Consulting Services
 - Personal Financial Inventory and Initial Financial Planning
 - Maintenance Financial Planning and Consulting
 - Investment Advisory Services

Please note: When providing “Financial Planning and Consulting Services” VFA is herein referred to as “**PLANNER**”. When providing “Investment Advisory Service” VFA is herein referred to as “**ADVISOR**”.

FINANCIAL PLANNING AND CONSULTING SERVICES

PERSONAL FINANCIAL PLANNING AND INITIAL FINANCIAL PLANNING

Initial Consultation

VFA will begin by providing the CLIENT a free initial consultation. VFA uses the initial consultation to introduce the CLIENT to VFA’s firm, its services, and staff. At the conclusion of the initial consultation and to the extent specifically requested by a CLIENT, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, such as retirement planning, estate planning, income tax planning, etc.) on a stand-alone separate fee basis as set forth below.

SERVICE A - Hourly Consultation

CLIENT may select to pay PLANNER for services on an hourly rate for services rendered. PLANNER charges a different fee structure for each financial PLANNER level as listed under “Item 5” of brochure. If none of the below service plans have been accepted the default service plan for service rendered shall be hourly.

SERVICE B - Personal Financial Inventory

The PLANNER shall provide CLIENT with the personal inventory and/or financial planning services as designated by the CLIENT below.

PLANNER shall prepare a personal financial inventory (PFI) of CLIENT’s finances. The PFI is designed to document CLIENT’s current financial picture and therefore will be as accurate as the information provided by CLIENT. The PFI will generally include, but is not limited to the following:

1. **Personal Data:** A listing of CLIENT’s personal information, such as addresses, phone numbers and other important data for the family unit. The family unit would include client, spouse, children, and parents (as dependents). Also included will be a comprehensive list of applicable outside professional PLANNERS, such as insurance agents, accountants, attorneys and the like.
2. **Statement of Net Worth:** PLANNER will create a personal balance sheet; this will document the market value of all CLIENT’s assets less outstanding liabilities, resulting in the CLIENT’s net worth.
3. **Projected Cash Flow Statement:** PLANNER will create a personal income statement, this document CLIENT’s household income and expenses, tax withholdings, savings/investments, resulting in available discretionary income (if any).
4. **Tax Return Comparison and Preliminary Projection:** CLIENT will receive a side-by-side comparison of CLIENT’s last three federal and state tax returns. This comparison is designed to exhibit tax trends and habits, which will aid in calculating future tax projections and tax planning strategies. This is not a tax audit or a verification of the accuracy of the returns. Note: Tax filing mistakes may be discovered during this process and if so, appropriate recommendations will be provided. PLANNER will provide a preliminary projection of CLIENT’s current year’s income tax path based on current known factors and assumptions. A more formal analyses is available as part of service plan C.
5. **Insurance Review:** PLANNER will review CLIENT’s existing personal policies and group insurance coverage. Each policy/coverage will be presented for simple interpretation and understanding of the benefits and specific policy key features. The review will highlight any current or possible future insurance exposures.
6. **Investment Holdings:** PLANNER will document CLIENT’s current investment positions by asset category. This will provide insight into CLIENT’s overall current investment mixture.

7. **Retirement Preliminary Projection:** The inventory will provide a preliminary projection of CLIENT's current retirement path based on current known factors and PLANNER's default assumptions. It will allow CLIENT to preview their projected retirement picture for a better understanding of their retirement funding challenges and level of financial security. A more formal analyses is available as part of service plan C.
8. **Education Preliminary Projection:** If applicable, CLIENT will receive a projection of CLIENT's current path toward funding the cost of education based on current known factors and PLANNER's default assumptions. It will allow CLIENT to preview their projected educational cost for a better understanding of their education funding challenges and level of financial security. A more formal analyses is available as part of service plan C.
9. **Estate Planning Review:** PLANNER will gather CLIENT's estate planning documents and review key provisions of the CLIENT's current documents for an understanding of CLIENT's current plan design. This review will provide CLIENT with a summary of issues and exposures discovered in need of attention. A formal estate plan review and planning is available as part of service plan C.
10. **General Recommendations:** PLANNER will provide a summary of key exposures and preliminary considerations discovered during the preparation of CLIENT's Personal Financial Inventory. (Note: Specific recommendations are provided as the result of the financial planning and analyses service plans as described in service plan C.)

SERVICE C - Initial Financial Planning

After the completion of a Personal Financial Inventory, CLIENT can choose to engage PLANNER to provide Initial Financial Planning on a "Monthly Service" or "Modular Service". VFA shall prepare, design and implement financial plans for individuals and business owners interested in the documentation of their current financial status and possible limitations to financial goals and objectives.

VFA provides various financial analyses such as:

Cash Flow Planning

Education Planning

Insurance Analysis

Retirement Planning

- *Pre-Retirement Analysis*
- *Post-Retirement Analysis*

Investment Planning

- *Investment Policy Statement*

Estate Planning

Tax Planning

- *Tax Return Review*
- *Tax Projection*

C1 - "Monthly" Service Plan

If CLIENT selects "Monthly Service", all items listed under "Initial Financial Planning Description" will be performed unless marked otherwise. "Monthly Service" carries a minimum commitment of 12 months of service. Services requested beyond those listed under "Initial Financial Planning Descriptions" will be performed on an hourly basis, subject to minimum fees listed under "Item 5" of brochure.

C2 - "Module" Service Plan

If CLIENT is selecting "Module Service" (Financial Planning A' la Carte - pick and choose) services, please check box of desired service(s) under the following section "Initial Financial Planning Description". Additional "Module Service" services beyond those selected will be performed on an hourly basis, subject to minimum fees listed under "Item 5" of brochure.

MAINTENANCE FINANCIAL PLANNING AND CONSULTING

These alternative programs are for those CLIENT's who have completed the initial financial planning process. The original analyses and action plans implemented in the initial planning stage will be monitored in comparison to the CLIENT's current financial status and the probability of reaching long-term financial goals.

The PLANNER shall provide CLIENT with the financial planning and/or consulting services selected and described below by the CLIENT. Any service requested by CLIENT not covered by below selected service CLIENT agrees will be provided on an hourly basis. Upon completion of the services set forth/within or failure to renew such agreement, CLIENT acknowledges, PLANNER's engagement and corresponding responsibilities/obligations shall be concluded. Following any termination of services or in the event CLIENT's financial situation or objectives change, CLIENT may engage PLANNER to review previous services and/or recommendations, and/or to provide other consulting services. CLIENT agrees that any such additional services shall be provided at PLANNER's then current hourly rate or some other mutually agreeable fee arrangement.

SERVICE A - Hourly Consultation

CLIENT may select to pay PLANNER for services on an hourly rate for services rendered subject to PLANNER minimums listed in Schedule A. PLANNER charges a different fee structure for each financial PLANNER level as listed under "Item 5" of brochure. If none of the below service plans have been accepted below the default service plan for service rendered shall be hourly.

SERVICE B - “Module Update”

Each of these discipline updates will be subject to a minimum of 3 hours of billable time at the CLIENT’s primary advisor’s hourly rate. This minimum would apply to CLIENT’s on an hourly service or to CLIENT’s on maintenance program requesting more than the standard appointments covered under such maintenance program.

-Cash Flow-Major Purchase/Event Planning (Education planning, purchase a second home, etc.) -Investment Planning
 -Education Planning -Retirement Planning
 -Estate Planning -Tax Planning
 -Insurance Planning

SERVICE C - Maintenance Plans

PLANNER offers Maintenance Plans for CLIENTS that have completed the initial planning stage. These maintenance programs are designed to monitor the applicable disciplines of financial planning as they pertain to the CLIENT. Please Note: For CLIENTS transitioning from inactive or hourly status, VFA requires that a CLIENT’s Personal Financial Inventory be updated prior to being accepted into a maintenance program.

SERVICE C1 - “Monthly” Maintenance

“Monthly” Maintenance offers CLIENT an opportunity to schedule one-appointment per month. Any appointments scheduled in compliance of this maintain plan (such as updating a CLIENT’s existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. PLANNER is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by CLIENT. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of PLANNER.

SERVICE C2 - “Quarterly” Maintenance

“Quarterly” Maintenance offers CLIENT an opportunity to schedule one-appointment per calendar quarter. Any appointments scheduled in compliance of this maintain plan (such as updating a CLIENT’s existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. PLANNER is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by CLIENT. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of PLANNER.

SERVICE C3 - “Semi-Annual” Maintenance

“Semi-Annual” Maintenance offers CLIENT an opportunity to schedule two-appointment per calendar year. Appointments are recommended to be at least 6 months apart but are not required. Any appointments scheduled in compliance of this maintain plan (such as updating a CLIENT’s existing personal inventory, financial analyses or action plans) shall not incur additional hourly charges. PLANNER is not obligated to provide make up appointments for cancelled meeting or meeting not scheduled by CLIENT. Appointments for the month of December are generally not available due to year end planning activity volume and are used to complete client service plans for the upcoming year. December appointments are only offered at the discretion of PLANNER.

SERVICE C4 - Additional Scheduled Appointments

“Additional Scheduled Appointments” In order to allow for flexibility in our maintenance programs PLANNER offers the opportunity to customize any above maintenance program by adding additional appointments if determined beneficial. CLIENT and PLANNER have agreed to enhance one of the above maintenance programs by adding one or more additional appointments to one of the above maintenance programs. The number of and cost for additional appointments as listed under “Item 5” of brochure.

For CLIENTS transitioning from inactive or hourly status, VFA requires that a CLIENT’s Personal Financial Inventory be completed prior to being accepted into a Maintenance Agreement.

INVESTMENT ADVISORY SERVICES

INVESTMENT ADVISORY

Initial Consultation

VFA will provide an Initial Investment Advisory consultation to gather information about the CLIENT's investment objectives, financial condition, and risk tolerance, which VFA uses in forming its investment advice. At the conclusion of the initial consultation and to the extent specifically requested by a CLIENT, VFA *may* determine to provide Investment Advisory Services as set forth below.

VFA offers several Investment Advisory services for a CLIENT to choose from depending on what a CLIENT determines will best meet that CLIENT's specific needs and long-term goals. A CLIENT has the option to choose one or more of such services and/or is free to switch among these services as the CLIENT's needs or economics change over time.

SERVICE A - Hourly Consultation

CLIENT default payment selection for services rendered by ADVISOR that ADVISOR deems as not part of one of the below service plans: such as financial planning services or unique investment services not listed under a below service plan shall default to a prevailing hourly rate service plan subject (if applicable) to ADVISORS minimum fee for such service(s). ADVISOR charges a different fee structure for each financial ADVISOR level as listed under "Item 5" of brochure. If a "Service B plan" has not been accepted below by CLIENT and is later requested, the CLIENT will be charged for services based on prevailing hourly rates subject to ADVISORS minimum fee for such services Note: Service Plans C through E are not available on an hourly basis.

SERVICE B - Risk Assessment, Investment Analysis and/or Creation of an Investment Policy Statement

Investment Analysis: In order for ADVISOR to determine future investment objectives, ADVISOR will complete an Investment Questionnaire (IQ) to review CLIENT's historical experiences and clarify long-term investment goals/needs. Additionally, ADVISOR will utilize a risk tolerance assessment to benchmark current/desired risk tolerance. Through the use of the IQ and risk assessment, ADVISOR will be able to identify investment education beneficial to CLIENT and appropriate investment service(s). Upon completion of an IQ (if deemed beneficial to CLIENT by ADVISOR), ADVISOR will back-test current investment holdings for performance to determine appropriate cost structure. ADVISOR will design an appropriate portfolio asset allocation target. The asset allocation target will be provided in the form of a Target Investment Portfolio (TIP) recommendation or an IPS depending which is determined to be appropriate by ADVISOR for CLIENT. Specific product recommendations, investment management and on-going investment monitoring are not provided as part of this service. CLIENT's who desire specific recommendations will need to engage services found in Services C, D, E, F or G. CLIENT is under no obligation to execute ADVISOR's additional services.

SERVICE B1 - Risk Assessment

For clients who choose a starter program or a model portfolio hereafter referred to as a Target Investment Portfolio (TIP). If deemed beneficial by ADVISOR, ADVISOR will utilize a risk tolerance assessment to benchmark current and acceptable CLIENT risk tolerance (RA). ADVISOR will use the RA to determine which of the TIP models designs and asset allocation models are suitable toward meeting a CLIENT's long-term goals and objectives. Specific product recommendations, investment management and on-going investment monitoring are not provided as part of this service. CLIENTs who desire specific investment recommendations and on-going investment management and monitoring services will need to engage services found in services, C, D, E, F or G. CLIENT is under no obligation to execute ADVISOR's additional services. Next step in this process is to determine appropriate investment service(s).

SERVICE B2 - Investment Analysis and Creation of an Investment Policy Statement

An Investment Analysis and Investment Policy Statement (IPS) are required for CLIENTs who prefer a customized design portfolio.

Investment Analysis: To help ADVISOR determine CLIENT's future investment objectives, ADVISOR will utilize a process that begins with the usage of an investment questionnaire (IQ) to conduct a thorough interview of CLIENT's historical experiences, current investment holding decisions, to help clarify long-term investment goals/needs and to determine investment exposures and conflicts. This is generally followed by ADVISOR utilizing a risk tolerance assessment to benchmark current and acceptable risk tolerance (RA). Through the use of the IQ and RA, ADVISOR's goal is to be able to identify and present areas of investment education beneficial to CLIENT. Upon completion of an IQ, RA and client education (if deemed beneficial to CLIENT by ADVISOR), ADVISOR will back-test current investment holdings for historical average performance and volatility factor as well as provide an analysis on the cost structure of current investment holdings to determine the initial, current and annual on-going cost of owning current portfolio investment holdings. ADVISOR will determine an appropriate portfolio asset allocation target. The asset allocation target will be provided in the form of a customized portfolio and a personal asset allocation recommendation. On-going investment monitoring is not provided as part of this service. CLIENT's who desire on-going investment management and monitoring services

will need to engage services found in services, C, D, E, F or G. CLIENT is under no obligation to execute ADVISOR's additional services.

Investment Policy Statement (IPS): Is an investment blueprint drafted between ADVISOR and CLIENT that outlines general investment guidelines for the CLIENT's current and target investment portfolio including recommended changes. This statement outlines key investment provisions to evaluating, managing and monitoring an investment portfolio, it includes the general investment goals and objectives of CLIENT and describes the strategies and parameters that ADVISOR should employ to meet these objectives. Specific information on matters such as asset allocation policy, risk tolerance, investment selection and replacement guidelines, portfolio distribution plans, income tax considerations, monitoring benchmarks, principal preservation strategies, portfolio liquidity requirements, and more will also be included as part of an IPS.

Next step in this process is to determine appropriate investment service(s).

SERVICE C - Specific Asset Selection and Investment Recommendation Service

SERVICE C1 - Do It Yourself

CLIENTs who do not desire to transfer their investment assets to a new custodian or have their current account monitored and managed by ADVISOR., does not desire any future or "On-Going" services and does want to benefit from the investment experience and research of ADVISOR. CLIENT may engage ADVISOR to provide specific "One-Time" investment recommendations for any investment account. CLIENT is not required to engage ADVISOR to provide any other service. VFA's On-going investment management and monitoring are not provided as part of this service.

Reoccurring Reports included in service: *None*

SERVICE C2 - Foundation Program

This service plan is an entry level service toward investing. It allows a novice investor to begin investing with the assistance of a professional advisor that would otherwise be unavailable or cost prohibited. The service provides an initial investment consultation including selection of appropriate type of account, specific mutual fund, the establishment of monthly investment plan and initial portfolio goal setting.

Reoccurring Reports included in service (subject to change):

-Position Comparison Report (Quarterly)

-Asset Index Report (Annually)

SERVICE D - Portfolio Implementation and Monitoring Services

CLIENTs who transfer assets to one of several independent custodians available to ADVISOR when acting as an independent registered investment advisor on behalf of a client and desires to benefit from the experience and research of ADVISOR may engage ADVISOR to provide specific "Portfolio Implementation and Monitoring Services" for such investment account(s).

Specific portfolio recommendations, on-going monitoring and portfolio maintenance can be provided either as a Target Investment Portfolio or Customized Portfolio solution.

SERVICE D1 - Target Investment Portfolio

Target Investment Portfolio's (TIPs) are pre-designed model portfolios intended to meet a target return and level of risk when compared to the S&P 500. TIPs are recommended to those clients with investment accounts that are in excess of \$125,000. TIPs are most appropriate for clients whose circumstances do not warrant a customized portfolio due to size, simplicity or lack of potential benefit to those clients. TIPs may not be used in conjunction with assets held at an outside custodian (e.g. employer sponsored retirement plan, insurance company, outside brokerage firm, held in certificate form, etc.). All TIPs carry VFAs standards relating to portfolio design, rebalancing and asset replacement.

Reports included in service (subject to change):

ADVISOR shall provide CLIENT the following reports as described below (ADVISOR reserves to change the frequency of any report at any time or to stop sending any report if ADVISOR believes the report provides little value.):

- | | |
|---|---|
| - <i>TIP Highlight Report (Quarterly)</i> | - <i>Position Comparison Report (Quarterly)</i> |
| - <i>Asset Allocation Report (Quarterly)</i> | - <i>Asset Index Report (Annually)</i> |
| - <i>Portfolio Investment Recommendations Trade Sheet (As needed)</i> | |

SERVICE D2 - Custom Portfolio

Custom portfolios hereafter referred to as "CPs" are custom-designed and personalized portfolios for those CLIENTs that do not desire a one-size fits all solution or model portfolio. CPs are offered to CLIENTS whose circumstances warrant the individual design due to increased size, complexity or need. CPs are designed to meet a

CLIENT's personal return target, risk tolerance and long-term goals such as retirement needs. CPs consider all assets held by a CLIENT regardless of the custodian where held. CLIENTS who select a CPS is required to have completed a risk assessment, investment analysis and an investment policy statement. CLIENT will receive a quarterly position comparison reporting, a quarterly asset allocation report, a trade sheet (when necessary) showing any rebalancing recommendations and an annual evaluation of investment holdings versus their peer group. CLIENT is strongly recommended to select one of the Service Plan E options. However CLIENT is not required to engage ADVISOR to provide any other service.

Reports included in service (subject to change):

- | | |
|---|---|
| -Asset Allocation Report (Quarterly) | -Asset Index Report (Annually) |
| -Position Comparison Report (Quarterly) | -Portfolio Investment Recommendations Trade Sheet (As needed) |

SERVICE E - Investment Portfolio Reporting and Monitoring Services

Custom portfolios are personalized and custom-designed portfolios hereafter referred to as "portfolios" that are designed to meet a CLIENT's personal return target, risk tolerance and retirement needs. Portfolios consider all assets held by a CLIENT regardless of custodian. Portfolios are offered to CLIENTS whose circumstances warrant the individual design due to increased size, complexity or need. ADVISOR will provide its IPRAMS report service to CLIENT to monitor CLIENT's investments, as agreed to by ADVISOR and the CLIENT.

Reports included in service (subject to change):

- | | |
|---|---|
| - Portfolio Summary | - Asset Projected Income Report |
| - Portfolio Performance Returns | - Dividend and Interest Received Report (Schedule B) |
| - Investment Activity for Period | - Tax Basis Report |
| - Portfolio History | - Distributions for Qualified/Annuity Accounts (1099R) Report |
| - Current Portfolio Values | - Reposition Portfolio Report - By Owner and By Asset |
| - Asset Allocation Report | - Capital Gain/Loss Report (Schedule D) |
| - Consolidated Position and Asset Cash Flow Report | - Tax Withholding Report |
| - Internal Rate of Return - Quarter, 1 year, 3 year and Inception | - Invoice and Report Fee Calculation |

Investment Portfolio and Monitoring Services (IPRAMS) includes a quarterly report; that address the following information:

Portfolio Asset Ownership:

IPRAMS will show in dollars and percentages how much of the CLIENT's portfolio is owned jointly, individually, in trust, etc. This will benefit a CLIENT who has concerns regarding estate taxes and distribution.

Qualified/Non-Qualified Assets:

IPRAMS will display the amount and percentage of the CLIENT's tax-qualified retirement and non-qualified assets. This is beneficial in retirement, tax, and major purchase and major event planning (e.g. college planning).

Portfolio Allocation:

IPRAMS will illustrate the CLIENT's current portfolio allocation by asset type (e.g. income, growth, etc.) and compare this to the targeted allocation for each CLIENT. This will allow the CLIENT to determine if reallocation of investments is needed for risk reduction and return maximization.

Investment Selection/Mix:

IPRAMS will compare the proportion of each of these specific investment selections to the entire portfolio. This allows the CLIENT to identify any additional risk in the portfolio.

Positions Statement:

This report will allow the CLIENT to evaluate the total return and performance of each investment tracked. In addition, this report will keep the CLIENT's tax cost basis current.

Cash Flow:

IPRAMS will allow the CLIENT to see both the current and potential income from the portfolio. It will also indicate if distributions are being received in cash or reinvested, and whether or not they are taxable.

Tax Liability:

IPRAMS's tax reports will inform the CLIENT as to the taxable consequences in the portfolio as they become known to VFA. IPRAMS will provide a running total of current tax schedules "B", "D", and 1099R throughout the year making tax reporting easier to verify and complete for those transactions that are reported to VFA.

IPRAMS Report Review Worksheet:

As part of each IPRAMS report, CLIENT's will be provided an ADVISOR review documenting variances in the portfolio against standard parameters established in the CLIENT's Investment Policy Statement (only if the CLIENT has determined to engage VFA to provide an Investment Policy Statement). In addition to all other data provided quarterly,

this report will verify cash reserves, status, portfolio volatility (standard deviation) and portfolio stated objectives. The worksheet will provide a simple format for the CLIENT to compare their current portfolio to their targeted portfolio.

Report Review Consultations:

The CLIENT is entitled to a review meeting for up to one hour following receipt of each IPRAMS report. The objective of these meetings is to review past performance and discuss the future direction of the portfolio. These meetings are in addition to all other meetings as stated in the CLIENT's service/maintenance agreement with VFA.

SERVICE E1 - IPRAMS Quarterly

"IPRAMS-Quarterly": This service provides CLIENT with quarterly IPRAMS reports, quarterly reports are created on a calendar quarter basis. "Quarterly" reporting is subject to the "Quarterly" fee schedule found listed under "Item 5" of brochure.

Reports included in service (subject to change):

| | |
|--|--|
| -Portfolio Summary | -Asset Projected Income Report |
| -Internal Rate of Return - Quarter, 1 Year, 3 Year and Inception | -Dividend and Interest Received Report (Schedule B) |
| -Portfolio Performance Returns | -Tax Basis Report |
| -Investment Activity for Period | -Distributions for Qualified/Annuity Accounts (1099R) Report |
| -Portfolio History | -Reposition Portfolio Report - By Owner and By Asset |
| -Current Portfolio Values | -Capital Gain/Loss Report (Schedule D) |
| -Asset Allocation Report | -Tax Withholding report |
| -Consolidated Position and Asset Cash Flow Report | -Invoice and Report Fee Calculations |

SERVICE E2 - IPRAMS On-Demand

IPRAMS-On Demand": CLIENTs may elect to have an IPRAMS report created on an "On Demand" basis but not less than annually. All reports shall be created as of the end of a calendar quarter of the client's choosing. "On Demand" reporting is subject to the "On Demand" fee schedule listed under "Item 5" of brochure.

INVESTMENT ADVISORY for OPTIONS SERVICES

CLIENT may like to include OPTION(s) as an investment vehicle alternative within CLIENTs portfolio. The ADVISOR shall provide to CLIENT as part of an agreement the investment advisory services designated by the CLIENT below, subject to the terms and provisions of VFA's Investment Advisory Agreement and this amendment as described below.

SERVICE A - Hourly Consultation

CLIENT may select to pay ADVISOR for services on an hourly rate for services rendered under "Service B" only. ADVISOR charges a different fee structure for each financial ADVISOR level as set forth under Schedule A of the agreement. If "Service B" has not been accepted below the default "Service B" plan for service rendered shall be hourly.

SERVICE B - Advance Investment Strategies Utilizing OPTIONS

An option is a contract that establishes all key attributes of an obligation to buy or sell an investment. An option gives the right to buy or sell at a fixed price (the strike price) a particular stock or exchange traded fund (ETF) (officially known as the option's underlying instrument or interest) at a certain price for a limited period of time (the date the contract is bought or sold through the expiration date). When an option expires, it no longer has value and no longer exists. A "CALL" option gives the owner the right to buy, while the "PUT" option gives the owner the right to sell a targeted investment.

Option usage in retirement accounts: In the event that the **Account** is a retirement plan (IRA, 401k, Simple, etc.), **CLIENT** acknowledges that **ADVISOR's** option strategies may be limited to the investment alternatives allowed by IRS regulations and by the custodian of such assets.

SERVICE B1 - Portfolio Hedging

HEDGE is the process whereby ADVISOR designs a strategy (sell to open PUT contract(s)) to limit an investments potential drop in value for an underlying investment position or entire asset class from declining in value beyond a targeted share price (or percentage decline) for a predetermined time period.

SERVICE B2 - Investment Replication

REP is a multiple option strategy that allows CLIENT to buy to open and/or sell to open two or more option contracts with the goal to replicate a targeted upside profit on a specific investment or an entire asset class for a pre-determined time period while allowing CLIENT to identify in advance the downside risk exposure acceptable to client at time of strategy establishment when compared to the alternative of an outright purchase of the specific investment.

SERVICE B3 - Portfolio Income Enhancement on Existing Investment Holdings

INCOME is a strategy of enhancing portfolio income by selling options and collecting a premium. The strategy to generate additional income consist of selling on existing investment positions CALL options (the right for another investor to buy their stock from them at a target price) or PUT options on an investment position CLIENT desires to own in portfolio if market value share price drops in future. This strategy is not free of risk and does possess the risk of buying a security from cash or selling an existing security unintentionally and creating a capital gain.

Option Contracts Trade Approval: When a CLIENT decides to utilize options in their portfolio, ADVISOR is not authorized to effect any new/initial option transactions for the Account without prior authorization from the CLIENT. However, the CLIENT hereby authorizes the ADVISOR, without granting ADVISOR discretionary authority, to take the following actions on all option contracts in CLIENT's portfolio without prior consultation for the CLIENT: (1) to roll forward and reset an existing option position consistent with the previously agreed upon option strategy and preexisting security positions within 45 days of expiration; (2) to avoid the option contract from falling into a negative value position beyond an amount predetermined by client as result of a market movement; (3) to close out an existing option contract to avoid assignment of an underlying security once notice of assignment has been received or within 45 days of expiration (17).

Please remember that it remains CLIENT's responsibility to advise Vermillion Financial Advisors, Inc., in writing, if there are any changes in their personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if they would like to impose, add, or to modify any reasonable restrictions to our investment advisory services.

INVESTMENT ADVISORY for Employer Sponsored Retirement Plans

SERVICE A - HOURLY CONSULTATION - Default service option if no other service is selected

PLAN SPONSOR default payment selection for services rendered by ADVISOR that ADVISOR deems as not part of one of the below service plans: such as financial planning services or unique investment services not listed under a below service plan shall default to a prevailing hourly rate service plan subject (if applicable) to ADVISORS minimum fee for such service(s). ADVISOR charges a different fee structure for each financial ADVISOR level as listed under "Item 5" of brochure. If a "Service B plan" has not been accepted below by CLIENT and is later requested, the CLIENT will be charged for services based on prevailing hourly rates subject to ADVISORS minimum fee for such services Note: Service Plans found under section C are not available on an hourly basis.

SERVICE B - Retirement Plan Analysis, Design (Initial or Existing Plans) and Investment Policy Statement

Each type of qualified retirement plan typically meets certain planning objectives better than others. Plan analysis consists of analyzing existing plans to identify weaknesses or needs for revisions. Plan design consists of getting the right match between employer objectives and customizing the right qualified plan. The following services are available to PLAN SPONSORS seeking a fresh perspective on a company sponsored retirement plan.

SERVICE B1 - Retirement Plan Inventory and Analysis:

Retirement Plan Analysis (RPA): A plan analysis consists of analyzing existing plan(s) to identify weaknesses or needs for revisions. The RPA includes (if applicable and beneficial to PLAN SPONSOR as determined by ADVISOR) but is not limited to: a compliance review of existing plan documents, plan investment policy statement (if in existence), the evaluation of PLAN SPONSOR's processes to determine exposures toward meeting current trustees fiduciary responsibilities, a participant census analysis, a retirement plan cost analysis, an investment menu analysis and the evaluation of current services from all current service providers. Through the use of the RPA, ADVISOR will identify plan exposures and provide solutions necessary to improve plan performance to meeting long-term goals.

SERVICE B2 - Retirement Plan Design:

Retirement Plan Design (RPD): RPD design consists of getting the right QRP match between employer objectives and customizing the right QRP. In order for ADVISOR to determine future plan objectives, ADVISOR will complete an Employer Provided Retirement Plan Questionnaire (RPQ). This will document PLAN SPONSOR's historical experiences (if any) and clarify retirement plan's long-term goals/needs. Upon completion of an RPQ, ADVISOR will design and propose an appropriate QRP. RPD will include but is not limited to: the appropriate type of plan, the evaluation of tax benefits, pros and cons of potential service providers and platform available to be used, service processes required by PLAN

SPONSORS to meet compliance requirements, appropriate investment funding options and generic investment menu line-up. *Specific investment product recommendation and on-going investment monitoring are not provided as part of this service. PLAN SPONSOR's who desire specific recommendations will need to engage services found in "Service D". PLAN SPONSOR is under no obligation to execute ADVISOR's "Service D".*

SERVICE B3 - Investment Policy Statement:

Investment Policy Statement (IPS): The drafting of an IPS can be one of the most important steps a QRP fiduciary can take to protect themselves from personal liability. The Employee Retirement Income Security Act of 1974 (ERISA), as amended, mandates that plan fiduciaries act in the best interest of QRP participants at all times. This means that all QRP decisions must be made considering QRP participant interest. QRP processes and procedures must be established and followed by plan fiduciaries showing how the QRP is monitored and evaluated for the benefit of plan participants.

CEOs and CFOs, boards of directors, plan administrators, members of QRP committees, services providers and human resources personnel, among others can all be considered fiduciaries under ERISA. Fiduciary breach claims can cast a wide net, snaring many PLAN SPONSORS and their key personal for failure to meet fiduciary responsibilities. Since ERISA allows plan fiduciaries to be held personally responsible for losses resulting from a breach of fiduciary duty, there is no better time than the present to take a close look at your plan's policies, procedures, and documentation, with special attention given to your investment policy statement. While an investment policy statement is not required under ERISA, it is in the best interest of plan fiduciaries to create a written investment policy statement.

An IPS is a QRP document that outlines QRP trustee processes and procedures covering administration of QRP cost, service providers, participant participation standards and general investment evaluation/replacement guidelines. The IPS provides the PLAN SPONSOR with the strategies and parameters that ADVISOR and PLAN SPONSOR should deploy to meet QRP objectives.

SERVICE C - Retirement Plan Selection

Most private-sector retirement vehicles are either Individual Retirement Arrangements (IRAs), defined contribution plans, or defined benefit plans. Small businesses may choose to offer IRAs, defined contribution plans, or defined benefit plans. Many PLAN SPONSORS make available one or more of these retirement plans that have been pre-approved by the IRS.

SERVICE C1 - Retirement Plan - Initiator Program - Payroll Deducted IRAs (Traditional/Roth/Simple or SEP IRA's)

Description: Employees tend to think of an IRA as something that they need to establish on their own, but an employer can help its employees set up and fund their IRAs. With an IRA, the amount that an individual receives at retirement depends on the funding of the IRA and the return on those funds. Retirement Plan "Initiator Program" is an entry level retirement service to employers interested in starting an employer sponsored retirement plan for their employees. It allows a PLAN SPONSOR to begin offering a pre-tax retirement savings with the assistance of an investment professional. This retirement plan is recommended to be offered to all company employees (but is not required by law). This service provides initial retirement plan services including: evaluating the appropriate type of IRA account platform, mutual fund selection menu and the establishment of a monthly investment plans for all participating plan participants. "Retirement Plan Support and Maintenance Services" found in service "E" of the agreement are available only as an add-on service.

Reports included in service (subject to change):

| | |
|---|--|
| -Position Comparison Report (Quarterly) | -Asset Index Report (Annually) |
| | -Investment Menu Update (Annually & if applicable) |

SERVICE C2 - Retirement Plan - Defined Contribution Plans - 401k, Profit Sharing, etc.

Description: A Defined Contribution Plan (DC) is a retirement plan which is commonly referred to as a 401k, 403b or a profit sharing plan. The DC plan offers all qualified employees, employer, or both the opportunity to contribute to an employee's individual account on a regular basis. Retirement benefits are available at normal retirement and are greatly impacted by the contributions into participant's accounts from each employee and/or employer, the amount of time available to compound investment returns, the amount of investment gains (or losses) experienced, and the expenses associated with the assets held in the participants account.

Reports included in service (subject to change):

| | |
|---|--|
| -Position Comparison Report (Quarterly) | -Asset Index Report (Annually) |
| | -Investment Menu Update (Annually & if applicable) |

SERVICE C3 - Retirement Plan - Defined Benefit Plans - Pension, Cash Balance, etc.

Description: A Defined Benefits plan (DB) is a retirement plan which is commonly referred to a "Pension" plan. This plan is structured to deliver a specified monthly benefit at normal retirement age based on a formula that usually includes the "years of services" with a company and "average annual compensation". The benefit(s) promised by this plan can either be in a lump sum or a monthly annuity payout (similar to social security payments) that can be paid out over a predetermined amount of time or over life expectancy.

Reports included in service (subject to change):

-Position Comparison Report

-Asset Index Report (Annually)

SERVICE C4- Investment Services:

A PLAN SPONSOR has a duty to diversify the investments of the plan so as to minimize the risk of large losses. This means that the selection of investments must be ample as to allow plan participants to be able to diversify their account holdings. ADVISOR will work with PLAN SPONSOR to determine the appropriate investment platform (individual brokerage, virtual, or single combined omnibus accounts), the appropriate investment menu to meet PLAN SPONSORS goals including but not limited to individual investment choices, model portfolios or a customized designed portfolio and the appropriate quantity of investment choices to properly diversify the investment portfolio/account(s) to fund retirement plan assets for participant accounts.

SERVICE C4a - Investment Menu Line-Up / Specific Investment Recommendation:

Investment Menu Line-Up: ADVISOR will provide PLAN SPONSOR with specific investment recommendations in the form of an investment menu line-up available suitable to fund each plan participant's retirement plan goals. The selection of appropriate investments for the retirement plan and participants is a critical responsibility of PLAN SPONSOR. The retirement plan's investment selection menu will include determining the appropriate investment type of investment holdings (mutual funds, exchange traded funds, individual securities, model portfolios, etc.), setting the initial investment menu and evaluating the cost associated with the each individual investment.

Recommended for Service C1, "The Initiator" IRA Plans or C2, "Defined Contribution Plans".

SERVICE C4b - Model Portfolios

Model Portfolios: Model portfolios are custom-designed investment portfolios that are designed to meet the retirement plan's rate of return target and/or risk tolerance to properly fund employee retirement needs. Portfolios are recommended to PLAN SPONSOR whose employees warrant model portfolios due to their lack of investment knowledge, experience or the time necessary to properly select and monitor investments to fund their personal retirement needs/goals. Model portfolios help to reduce the common mistakes made by novice investors.

Recommended for Service C2, larger "Defined Contributions Plans" or C3, smaller "Defined Benefit Plans".

SERVICE C4c - Custom Designed Portfolios

Custom Portfolios: Custom portfolios are individually designed investment portfolios that are assembled to meet a target rate of return while trying to maintain specific risk tolerance level. A customized portfolios are best suited for plan participants with large account sizes or retirement plans whereby the retirement plan assets are managed as a single portfolio.

Recommended for Service C2, solo "Defined Contribution Plans" or C3, larger "Defined Benefit Plans".

Note: When customized portfolios are selected the creation of an IPS is required.

SERVICE D - Retirement Plan Support and Maintenance Services

The key to maintaining a properly designed and cost effect retirement plan is a properly documented maintenance program. Maintenance programs are designed to provide each PLAN SPONSOR with the amount of service required to meet the appropriate size of the plan, the needs of the participants and the responsibility of the PLAN SPONSOR.

SERVICE D1 - Trustee Plan Review Meeting

Fiduciary Responsibility: A fiduciary duty is a legal duty to act solely in another party's best interests. Retirement plan trustees are considered fiduciaries and have an obligation to act for the benefit of plan participants. Plan participants are considered by the DOL and IRS to have placed the utmost trust and confidence in plan trustees to properly manage and protect their money. A plan trustee has a duty to manage the plan "in accordance with the plan documents" and must be able to demonstrate they are fulfilling these responsibility and duties.

ERISA the IRS regulations relating to retirement plans requires a PLAN SPONSOR to act "with the care, skill and prudence". This means that the plan trustees are considered to be an "*EXPERT*" when making decisions about the plan even if ill-suited to do so. Ignorance is not a viable excuse for a fiduciary. If a fiduciary lacks the necessary time, skill and knowledge, they have the right (as well as the duty) to hire prudent experts who can help meet their responsibilities.

The key to meeting the standard for fiduciary responsibility is to follow a proactive approach of monitoring and reviewing the key financial metrics associated with the plan such as employee participation, plan cost, service provider, and plan design. Regularly scheduled trustee meetings are central to a proactive approach.

Trustee Meeting: The objective of trustee meeting is to review all retirement plan reports and discuss key plan benchmarking factors such as employee participation ratios, plan objectives, plan performance, plan cost and future changes required to keep the plan within compliance standards of Internal Revenue Service (IRS) and Department of Labor (DOL).

Trustee Meetings are provided to PLAN SPONSORS based on plan size parameters at the discretion of ADVISOR. Guidelines used by ADVISOR include but are not limited to: plan assets, plan complexity and number of plan participants.

Cost containment: The regular review of plan expenses to verify that the plan cost are “reasonable” for services received. These expenses fall into two types “Investments” and “Support Services”

Investment Cost Containment is the review of the plans investment line up to verify annual costs as defined by IRS code 408B(2) are in-line with industry standards. They included but are not limited to:

- | | |
|----------------------------|--|
| -Trading Fees | -Asset Replacement Fees |
| -Investment Expense Ratios | -Misc. Fees: Finders, 12b-1, SSF, Sub-TA |
| -Investment Commissions | |

ADVISOR will prepare its retirement plan report service for PLAN SPONSORS to monitor the below key financial metrics associated with the plan, on a frequency as agreed to by ADVISOR and the PLAN SPONSOR. Retirement plan reports are created on a “Calendar Quarterly” basis for those retirement plans which warrant a report.

Retirement Plan Reports included in service (subject to change):

| | |
|--|--|
| Review of Fiduciary Responsibilities | Portfolio Performance Returns |
| Review of Plan Financials | <i>-Internal rate of Return - Quarter, 1 Year, 3 Year, and Inception</i> |
| <i>-Review of Plan Costs</i> | Portfolio History |
| <i>-408B(2)</i> | <i>-Investment Activity for Period</i> |
| <i>-Revenue Sharing (Sub-TA, 12b-1, SSF, Finders Fees)</i> | Current Portfolio Values |
| Participant Evaluation | Investment Performance |
| <i>-Active Employee Status</i> | <i>-Underperforming Assets</i> |
| <i>-Account Holder Status</i> | <i>-Asset Replacement triggers</i> |
| <i>-Eligible Non-Enrolled or Non-contributing</i> | <i>- Asset Allocation Report</i> |
| <i>-Employee key Success Ratios</i> | Portfolio Recommended Changes |
| Employees | <i>-Asset Replacement Recommendations</i> |
| <i>-Former Employees with Remaining Plan Balances</i> | Model Portfolio Review (if applicable) |
| <i>-Asset Transfers Out of Plan</i> | <i>-Performance</i> |
| <i>-Review of New Hire Enrollment Dates</i> | <i>-Risk</i> |
| Investment Holdings Cost Analysis | <i>-Portfolio Recommended Changes</i> |
| | Invoice and Report Fee Calculation |

SERVICE D2 - Supplemental Retirement Plan Trustee Meeting

This service option allows PLAN SPONSOR to select one or more additional trustee meeting when deemed necessary by PLAN SPONSOR for an ADVISOR/PLAN SPONSOR meeting that is not part of an existing maintenance program.

SERVICE D3 - Participant Services

Available to all plans sizes:

Rollovers in from other Employer Retirement Plans and IRA's

Plans over \$500,000:

New Employee Plan Introduction, Enrollment and Initial Investment Selection

Special Request Processing and Monitoring

- *Qualified Domestic Relation Orders (QDRO)*
- *Plan Loans (if applicable)*

- *Hardship withdrawals*

- *Employee Account Termination/Distribution Services*

Plans over \$1,000,000:

Employee Surveys

Employee Investment Selection Error Review

Plans over \$2,500,000:

Employee/Plan Participant Educational meetings, workshops or seminars

Plans over \$5,000,000:

Employee Retirement Planning and Retirement Income Projections

MISCELLANEOUS

Non-Investment Consulting/Implementation Services: To the extent requested by the CLIENT, VFA *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither VFA, nor any of its representatives, serves as an attorney or accountant, and no portion of VFA's services should be construed as same. To the extent requested by a CLIENT, VFA may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of VFA in their separate licensed capacities as discussed below. The CLIENT is under no obligation to engage the services of any such recommended professional. The CLIENT retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the VFA. Please Note: If the CLIENT engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the CLIENT agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the CLIENT's responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

Please Also Note: Valuation: In the event that VFA references private investment funds owned by the CLIENT on any supplemental account reports prepared by the VFA, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s), (to the extent ascertainable), could be significantly more or less than the original purchase price.

- a) **Trade Approval:** ADVISOR is not authorized to effect transactions for the Account without prior authorization from the CLIENT. However, the CLIENT hereby authorizes the ADVISOR, without granting ADVISOR discretionary authority, to take the following actions without prior consultation with the CLIENT:
- When "stop orders" are selected, to maintain target ratio for all stops as a percentage of market value, not more often than quarterly.
 - For clients with distribution/contribution plans (including required minimum distributions), to adjust existing instructions on file with custodian to meet any necessary adjustment.
 - To lock in capital losses/gains on any asset that meets client's tax harvesting target and switching proceeds to either cash for 31 days then reversed or if otherwise agreed upon, the ETF index for such asset. ⁽²⁾
 - To repurchase after 31 days any investments previously sold resulting from locking in capital losses to comply with IRS regulations relating to wash sale rules. ⁽⁸⁾
 - Owners of mutual funds, to switch any existing shares class of the same fund into a lower cost share class alternative, if allowed by mutual fund distributor/custodian. ⁽⁹⁾
 - Client Contribution to Portfolio. ⁽¹¹⁾
 - Requests for funds from portfolio (e.g. purchase new car, gift, college cost, down payment, etc.) authorizes the liquidation of any position(s) from any account(s) necessary to raise such funds. ⁽¹²⁾
 - Avoidance of any **Account** falling into a negative cash position as result of an upcoming designated transaction (e.g. monthly distribution, advisory fee, insurance premium, request for funds, etc.). ⁽¹³⁾
 - To rebalance portfolio consistent with existing security positions to maintain the agreed upon asset allocation. ⁽¹⁴⁾
 - To add to existing securities positions in order to maintain the agreed asset allocation upon the deposit of new funds. ⁽¹⁵⁾
 - To liquidate assets upon client passing away. ⁽¹⁶⁾
 - To close out any option contract strategy prior to the expiration date to lock in a profit/loss or to avoid an assignment. ⁽¹⁷⁾
 - To Substitute a proportional blend assets for a 50/50 split between growth and value of the same asset class. ⁽¹⁸⁾
 - To sell necessary asset(s) to raise cash to meet Required Minimum Distribution. ⁽¹⁹⁾
 - Owners with after-tax mutual fund **Asset(s)** projected to receive a larger capital gain or dividend distributions than the current unrealized gain may have their current **Asset(s)** sold. This may occur when the projected taxable distribution is deemed to result in a larger taxable distribution, than if the mutual fund assets were continued to be held. ⁽²¹⁾

When multiple CLIENTs engage ADVISOR as a "couple", they do so with the intent of doing so in the best interest of both parties. CLIENT's who are a couple authorize ADVISOR to accept investment instructions from one of the multiple parties regardless of registration of investment accounts.

Please Note: Inverse/Enhanced Market Strategies. VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these

enhanced risks/rewards, a CLIENT may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Please Note: Non-Discretionary Service Limitations. CLIENT's that determine to engage VFA on a non-discretionary investment advisory basis must be willing to accept that VFA 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, VFA will be unable to effect any account transactions (as it would for its discretionary CLIENT's) without first obtaining the CLIENT's verbal consent.

Trade Error Policy: It is VFA's policy that trade errors be resolved in the CLIENT's favor. CLIENT accounts that experience a loss resulting from VFA's trade errors shall be reimbursed. CLIENT accounts that experience a gain resulting from VFA's trade errors shall not experience the benefit of those gains; rather, any such gains will be donated to the charity of VFA's choice. No CLIENT will bear the cost of the trade error, and the firm may not permit one CLIENT's account to be used to correct an error made on behalf of another CLIENT.

Any VFA representative who identifies a potential trade error shall immediately report such potential trade error to the Chief Compliance Officer. The CCO shall be responsible for promptly investigating the alleged error, and, if the CCO determines that an actual trade error occurred, for correcting the actual trade error. The CCO may determine to inform VFA's errors and omissions carrier of the trade error and any claims arising out of the trade error.

The Chief Compliance Officer shall maintain all relevant information about the trade error, including information about the discovery, cause, and resolution thereof."

CLIENT Obligations: In performing its services, VFA shall not be required to verify any information received from the CLIENT or from the CLIENT's other professionals, and is expressly authorized to rely thereon. Moreover, each CLIENT is advised that it remains his/her/its responsibility to promptly notify VFA if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising VFA's previous recommendations and/or services.

Disclosure Statement: A copy of this written Brochure is provided to each CLIENT prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*, and thereafter on an annual basis within 120 days after then of VFA's fiscal year. Any CLIENT who has not received a copy of VFA's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement or Financial Planning and Consulting Agreement* shall have five business days subsequent to executing the agreement to terminate the VFA's services without penalty.

VFA shall provide investment advisory services specific to the needs of each CLIENT. Prior to providing investment advisory services, an investment adviser representative will ascertain each CLIENT's investment objective(s). Thereafter, VFA shall allocate and/or recommend that the CLIENT allocate investment assets consistent with the designated investment objective(s). The CLIENT may, at any time, impose reasonable restrictions, in writing, on the VFA's services.

1. VFA does not participate in a wrap fee program.

As of **December 31, 2019** VFA had **\$171,586,333** in assets under management (AUM) on a non-discretionary basis and **\$162,000,000** under advisement (Non-managed real estate and business interest).

Item 5 - Fees and Compensation

CLIENT can determine to engage VFA to provide non-discretionary investment advisory services on a *fee* basis.

FINANCIAL PLANNING AND CONSULTING SERVICE

To the extent specifically requested by a CLIENT, VFA *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. VFA's planning and consulting fees are as follows:

PERSONAL FINANCIAL INVENTORY AND INITIAL FINANCIAL PLANNING (FP)

SERVICE A - Hourly Consultation

All service agreements are subject to hourly fees for service requests that are not covered by Service plan B or C below. PLANNER hourly rates apply to all requests for services not otherwise covered by this or any other executed PLANNER agreement, is subject to change and are not guaranteed through the entire period of this service agreement. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by CLIENT, which are not covered by any flat fee, as described previously, will also be billed at the prevailing hourly rates subject to minimum fees (see Modular Service below). The fee for services rendered will be due and payable in full at the time of the appointment. Any ad hoc CLIENT service request carries a minimum fee of one-half hour which applies to all preparation done by a PLANNER employee as indicated below. The below indicates the level of primary advisor. Should another advisor be required or consulted their fee level will apply. Advisor reserves the right to request a retainer in advance of any hourly work.

| <u>Advising Staff</u> | <u>Fee</u> | <u>Admin/Support Staff</u> | <u>Fee</u> |
|------------------------------|--------------|----------------------------|--------------|
| Personal Financial Counselor | \$240 | Administration | \$145 |
| Personal financial Advisor | \$280 | Technicians | \$185 |
| Senior Financial Advisor | \$330 | Accounting | \$185 |
| Managing Advisor | \$390 | | |

SERVICE B - Personal Financial Inventory

CLIENT agrees to pay PLANNER the below checked flat fee to prepare a Personal Financial Inventory. An initial payment of fifty percent of the applicable inventory fee is due upon engagement with the balance due at the time the personal inventory is presented.

| <u>Advisory Staff</u> | <u>Flat Fee</u> | <u>Advisory Staff</u> | <u>Flat Fee</u> |
|------------------------------|-----------------|----------------------------|-----------------|
| Personal Financial Counselor | \$2,925 | Personal Financial Advisor | \$3,425 |
| Senior Financial Advisor | \$4,050 | Managing Advisor | \$4,750 |

SERVICE C1 - "Monthly" Service

CLIENT accepts the "Monthly Retainer Service" under "Service C" of this agreement, then CLIENT agrees to pay PLANNER the below fee to provide Initial Financial Planning Consultation Services as described in agreement.

Personal Financial Counselor: The flat monthly fee is the greater of **\$470** per month or 1.75% of gross income, or .0020 of net worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with incomes in excess of **\$350,000** or Net Worth in excess of **\$2,850,000**). *,**

Personal Financial Advisor: The flat monthly fee is the greater of **\$550** per month or 2.00% of gross income, or .0025 of net worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$350,000** or Net Worth in excess of **\$2,650,000**). *,**

Senior Financial Advisor: The flat monthly fee is the greater of **\$650** per month or 2.25% of gross income, or .0030 of net worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$350,000** or Net Worth in excess of **\$2,650,000**). *,**

Managing Advisor: The flat monthly fee is the greater of **\$765** per month or 2.50% of gross income, or .0035 of net worth as determined from the Personal Financial Inventory (The gross income and net worth alternative calculation only applies to clients with gross incomes in excess of **\$375,000** or Net Worth in excess of **\$2,650,000**). *,**

**If CLIENT has previously engaged VFA through the Investment Advisory Agreement and has paid fees for an Investment Analysis and Investment Policy Statement (IPS) to be created, the CLIENT will receive a credit to their financial consulting fee for such fees paid should the CLIENT later engage VFA to provide planning services.*

*** If following the initial period of 12 months, planner deems it beneficial to client to switch to a maintenance service plan; planner reserves the right at planner's discretion to lower clients above monthly fee to the appropriate current prevailing maintenance program fee schedule.*

SERVICE C2 - Module Service

CLIENT selects disciplines on a Modular (A' la Carte - pick and choose) to be completed on an hourly basis subject to a **minimum of 3 hours of CLIENT's primary PLANNER's time**. All staff member's time will be added to this total.

| <u>Advising Staff</u> | <u>Fee (3 Hours)</u> | <u>Admin/Support Staff</u> | <u>Fee (Hourly)</u> |
|------------------------------|----------------------|----------------------------|---------------------|
| Personal Financial Counselor | \$720 | Administration | \$145 |
| Personal financial Advisor | \$840 | Technicians | \$185 |
| Senior Financial Advisor | \$990 | Accounting | \$185 |
| Managing Advisor | \$1,170 | | |

MAINTENANCE FINANCIAL PLANNING AND CONSULTING (FP-MNT)

SERVICE A - Hourly Consultation

All service agreements are subject to hourly fees for service requests that are not covered by Service Plan B or C below. In addition to, or independently of any personal inventory updates and financial discipline recalculations or update

appointments, CLIENT may request further meetings or services with PLANNER. If additional meetings are requested during a service plan year or if a matter is not a covered service as outlined in this agreement, CLIENT will be charged at the hourly rates in effect at the time such appointment or service is provided. Services not covered by a Maintenance program: PLANNER hourly rates apply to all requests for services not otherwise covered by this or any other executed PLANNER agreement is subject to change and are not guaranteed through the entire period of this service agreement. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by CLIENT, which are not covered by any flat fee, as described previously, will also be billed at the prevailing hourly rates subject to minimum fees (see Module Service below). The fee for services rendered will be due and payable in full at the time of the appointment. Any ad hoc CLIENT service request carries a minimum fee of one-half hour which applies to all preparation done by a PLANNER employee as indicated below. Any hourly request for a Module Service or Analysis is subject to 3 hours minimum at PLANNER's hourly fee. The below indicates the level of primary advisor. Should another advisor be required or consulted their fee level will apply. Advisor reserves the right to request a retainer in advance of any hourly work.

| <u>Advising Staff</u> | <u>Fee</u> | <u>Admin/Support Staff</u> | <u>Fee</u> |
|------------------------------|-------------------|-----------------------------------|-------------------|
| Personal Financial Counselor | \$240 | Administration | \$145 |
| Personal financial Advisor | \$280 | Technicians | \$185 |
| Senior Financial Advisor | \$330 | Accounting | \$185 |
| Managing Advisor | \$390 | | |

SERVICE B - Module Update

Each of these discipline updates will be subject to a minimum of 3 hours of billable time at the CLIENT's primary ADVISOR's hourly rate listed above. This minimum would apply to CLIENT's on an hourly service or to CLIENT's on Limited Maintenance requesting more than the standard two appointments covered under the Limited Maintenance Agreement.

| <u>Advising Staff</u> | <u>Fee</u> |
|------------------------------|-------------------|
| Personal Financial Counselor | \$720 |
| Personal financial Advisor | \$840 |
| Senior Financial Advisor | \$990 |
| Managing Advisor | \$1,170 |

SERVICE C - Maintenance Plans

SERVICE C1 - Monthly Maintenance

The appropriate financial ADVISOR level as set forth below determines the "Monthly" maintenance fee.

Personal Financial Counselor:

CLIENT fee is the greater of **\$470** per month minimum fee or per month (50% discount off the flat full service fee (greater of 1.75% of current gross income or .0020 of current net worth) (The gross income and net worth alternative calculation only applies to CLIENTs with gross incomes in excess of **\$350,000** or Net Worth in excess of **\$2,850,000**)

Personal Financial Advisor:

CLIENT fee is the greater of **\$550** per month minimum fee or per month (50% discount off the flat full service fee (greater of 2.00% of current gross income or .0025 of current net worth) (The gross income and net worth alternative calculation only applies to CLIENTs with gross incomes in excess of **\$350,000** or Net Worth in excess of **\$2,650,000**).

Senior Financial Advisor:

CLIENT fee is the greater of **\$650** per month minimum fee or per month (50% discount off the flat full service fee (greater of 2.25% of current gross income or .0030 of current net worth) (The gross income and net worth alternative calculation only applies to CLIENTs with gross incomes in excess of **\$350,000** or Net Worth in excess of **\$2,650,000**).

Managing Advisor:

CLIENT fee is the greater of **\$765** per month minimum fee or per month (50% discount off the flat full service fee (greater of 2.50% of current gross income or .0035 of current net worth) (The gross income and net worth alternative calculation only applies to CLIENTs with gross incomes in excess of **\$375,000** or Net Worth in excess of **\$2,650,000**).

SERVICE C2 - Quarterly Maintenance

The appropriate financial advisor level as set forth below determines the “Quarterly” maintenance fee.

| <u>Advisory Staff</u> | <u>Mo. Fee</u> | <u>Advisory Staff</u> | <u>Mo. Fee</u> |
|------------------------------|----------------|----------------------------|----------------|
| Personal Financial Counselor | \$315 | Personal Financial Advisor | \$370 |
| Senior Financial Advisor | \$435 | Managing Advisor | \$510 |

SERVICE C3 - Semi-Annual Maintenance

The appropriate financial advisor level as set forth below determines the “Semi-Annual” maintenance fee.

| <u>Advisory Staff</u> | <u>Mo. Fee</u> | <u>Advisory Staff</u> | <u>Mo. Fee</u> |
|------------------------------|----------------|----------------------------|----------------|
| Personal Financial Counselor | \$215 | Personal Financial Advisor | \$250 |
| Senior Financial Advisor | \$290 | Managing Advisor | \$335 |

SERVICE C4 - Additional Scheduled Maintenance

The appropriate financial advisor level as set forth below determines the “Additional Scheduled” maintenance fee.

Personal Financial Counselor = **\$60** per month/per additional appt.

Personal Financial Advisor = **\$70** per month/per additional appt.

Senior Financial Advisor = **\$85** per month/per additional appt.

Managing Advisor = **\$95** per month/per additional appt.

INVESTMENT ADVISORY SERVICES**INVESTMENT ADVISORY AGREEMENT**

If a CLIENT determines to engage VFA to provide non-discretionary investment advisory services on a fee basis, the VFA’s annual investment advisory fee shall be as follows:

SERVICE A - Hourly Consultation and New Account Fee

Hourly Rates: All service agreements are subject to hourly fees for service requests that are not covered by Service Plans B, C, D, or E below. ADVISOR hourly rates are subject to change and are not guaranteed through the entire period of this Agreement. Note: Hourly rate changes will commence upon receipt of written notification advising the amount and date certain of said change. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by CLIENT will also be billed at the prevailing hourly rates subject to minimum fees. Any ad hoc CLIENT service request carries a minimum fee of one-half hour which applies to all preparation done by ADVISOR and/or ADVISOR’s staff member.

| | | | |
|------------------------------|--------------|----------------|--------------|
| Personal Financial Counselor | \$240 | Administration | \$145 |
| Personal Financial Advisor | \$280 | Technicians | \$185 |
| Senior Financial Advisor | \$330 | Accounting | \$185 |
| Managing Advisor | \$390 | | |

New Account Fee(s): All investment accounts that required to be established are subject to a new account fee per account.

- Set-Up Fee per account opened: **\$100**

SERVICE B - Risk Assessment, Investment Analysis and/or Creation of an Investment Policy Statement**SERVICE B1 - Risk Assessment**

For clients who choose a starter program or a model portfolio hereafter referred to as a Target investment portfolio or TIP. If deemed beneficial by ADVISOR, ADVISOR will utilize a risk tolerance assessment to benchmark current and acceptable CLIENT risk tolerance (RA).

Risk Assessment Fee - per Assessment: **\$100**

SERVICE B2 - Investment Analysis and/or Creation of an Investment Policy Statement

For CLIENTs who have not had an investment analysis completed previously under a separate Initial Financial Planning agreement, an investment analysis can be completed under Agreement on an hourly basis, subject to the ADVISOR’s “Hourly Consultation” rate. All services for an investment analysis are not considered as part of services B or C under this Agreement. The investment analysis and/or Creation of an Investment Policy Statement (IPS) is/are subject to a minimum of 8 hours of CLIENTs primary PLANNERS time. All staff member’s time will be added to this total. Minimum Fee required to be paid in advance:

| | | | |
|------------------------------|----------------|----------------------------|----------------|
| Personal Financial Counselor | \$1,920 | Personal Financial Advisor | \$2,240 |
| Senior Financial Advisor | \$2,640 | Managing Advisor | \$3,120 |

SERVICE C - Specific Asset Selection and Investment Recommendation Service

SERVICE C1 - Do it Your-self

The “Do It Yourself” minimum fee is an asset based fee of 4% and is charged on a one-time basis to the CLIENT’s entire investment portfolio which carries a minimum fee.

| | | | |
|------------------------------|----------------|----------------------------|----------------|
| Personal Financial Counselor | \$775 | Personal Financial Advisor | \$850 |
| Senior Financial Advisor | \$1,100 | Managing Advisor | \$1,300 |

SERVICE C2 - Foundation Program

“Foundation Program” Suggested Minimum Portfolio Size: \$30,000

The “Foundation Program” fees schedule is set forth below. The fee schedule below is intended to cover ADVISOR’s services and limited investment review, specific asset selection and investment recommendations. When unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

| Market Value of Assets | Annualized Fee as a Percentage of Assets | Aggregate Amount |
|---|--|------------------|
| First \$1,000,000 | 1.000 % | \$10,000 |
| Amounts over \$1,000,000 are subject to “Fee Table A” below | | |

“Foundation Program” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

| <u>Advising Staff</u> | <u>Mo. Fee</u> | <u>Min. Portfolio Size</u> |
|------------------------------|----------------|----------------------------|
| Personal Financial Counselor | \$100 | \$120,000 |
| Personal Financial Advisor | \$145 | \$175,000 |
| Senior Financial Advisor | \$170 | \$225,000 |
| Managing Advisor | \$230 | \$275,000 |

At the discretion of ADVISOR, portfolios below the above minimum portfolio size may qualify for courtesy account status. For any account granted courtesy account status, once suggested portfolio size has been reached the above Fee schedule will apply. Courtesy accounts do not receive any ADVISOR reporting or review services while under COURTESY status. All courtesy accounts are still subjected to any and all account set-up fees.

SERVICE D - Portfolio Implementation and Monitoring Services

“Target Investment Portfolio” (TIP) and “Custom Portfolio” (Custom) services under section D are subject to “Fee Table A” below:

| Market Value of Assets in “Target Investment Portfolio” | “Target Investment Portfolio” Annualized Fee as a Percentage of Assets | Aggregate Amount |
|--|--|---------------------|
| First \$1,000,000 | 1.000 % | \$10,000 |
| Next \$1,000,000 | 0.875 % | \$18,750 |
| Next \$1,000,000 | 0.750 % | \$26,250 |
| Next \$2,000,000 | 0.625 % | \$38,750 |
| Over \$5,000,001 | 0.500 % | |

SERVICE D1 - Target Investment Portfolio

“Target Investment Portfolio” Suggested Minimum Portfolio Size: \$125,000

In addition to the annual fee set forth below, when unusually duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

Target Investment Portfolio” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

| <u>Advising Staff</u> | <u>Mo. Fee</u> | <u>Min. Portfolio Size</u> |
|------------------------------|-----------------------|-----------------------------------|
| Personal Financial Counselor | \$130 | \$175,000 |
| Personal Financial Advisor | \$245 | \$300,000 |
| Senior Financial Advisor | \$325 | \$400,000 |
| Managing Advisor | \$430 | \$525,000 |

SERVICE D2 - Custom Portfolio**“Custom Portfolio” Suggested Minimum Portfolio Size: \$250,000**

In addition to the “Custom Portfolio” fee set forth below, if the initial set up requires more than seven hours, the CLIENT will be billed hourly after that point at the going technician hourly rate.

“Custom Portfolio” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

| <u>Advising Staff</u> | <u>Mo. Fee</u> | <u>Min. Portfolio Size</u> |
|------------------------------|-----------------------|-----------------------------------|
| Personal Financial Counselor | \$275 | \$350,000 |
| Personal Financial Advisor | \$540 | \$650,000 |
| Senior Financial Advisor | \$720 | \$875,000 |
| Managing Advisor | \$930 | \$1,200,000 |

SERVICE E - Investment Portfolio Reporting and Monitoring Services (IPRAMS)**SERVICE E1- IPRAMS Quarterly****“IPRAMS Quarterly” Recommended for portfolios in excess of \$500,000**

In addition to the monthly minimum fee set forth below, the CLIENT agrees to pay ADVISOR a one-time set-up fee for initial set-up and research below. If this initial set up requires more than seven hours, the CLIENT will be billed hourly after that point at the going technician hourly rate.

“IPRAMS Quarterly” Set-Up Fee: \$1,440

“IPRAMS Quarterly” Monthly Minimum Fee and Suggested Minimum Portfolio Size:

| <u>Advising Staff</u> | <u>Min. Fee</u> | <u>Min. Portfolio Size</u> |
|------------------------------|------------------------|-----------------------------------|
| Personal Financial Counselor | \$700 | \$600,000 |
| Personal financial Advisor | \$1,130 | \$900,000 |
| Senior Financial Advisor | \$1,330 | \$1,100,000 |
| Managing Advisor | \$1,600 | \$1,300,000 |

The fee schedule below is intended to cover ADVISOR’s IPRAMS service. When unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action lawsuit applications, cost basis research, manual entry of historical transaction history, etc.). (For example: After initial set-up, any investment monitored under IPRAMS which requires ADVISOR to manually enter transaction data and market values will be subject additional hourly fees to cover the additional time/cost of manual entry.

| Market Value of Assets on “IPRAMS Quarterly” Portfolio Reporting and Monitoring | “IPRAMS Quarterly” Portfolio Reporting and Monitoring Annualized Fee as a Percentage of Assets | Aggregate Amount |
|--|---|-------------------------|
| First \$1,000,000 | 1.5000 % | \$15,000 |
| Next \$1,000,000 | 1.3125 % | \$28,125 |
| Next \$1,000,000 | 1.1250 % | \$39,375 |
| Next \$2,000,000 | .9375 % | \$58,125 |
| Over \$5,000,001 | .7500 % | |

SERVICE E2 - “IPRAMS On-Demand”**“IPRAMS On-Demand” Recommended for portfolios in excess of \$500,000**

In addition to the annual fee set forth below, the CLIENT agrees to pay ADVISOR a one-time set-up fee for initial set-up and research. On Demand IPRAMS fees are the greater of below minimum reporting fee or a fee determined by the following fee schedule. (Note: If an On Demand report has not been created in more than four consecutive quarter’s additional hourly fees will apply for the data input to bring the investment data current.)

“IPRAMS - On-Demand” Set-Up Fee: \$1,440

“IPRAMS - On-Demand” Minimum Reporting Fee and Suggested Minimum Portfolio Fee:

| <u>Advising Staff</u> | <u>Min. Reporting Fee</u> | <u>Min. Portfolio Size</u> |
|------------------------------|----------------------------------|-----------------------------------|
| Personal Financial Counselor | \$1,200 | \$600,000 |
| Personal financial Advisor | \$1,620 | \$900,000 |
| Senior Financial Advisor | \$1,920 | \$1,100,000 |
| Managing Advisor | \$2,550 | \$1,300,000 |

| Fee Schedule for Assets Monitored with a Market Value in Excess of Suggested Minimum | | |
|---|--|------------------|
| Market Value of Assets Monitored “IPRAMS On Demand” Portfolio Reporting and Monitoring | “IPRAMS On Demand” Portfolio Reporting and Monitoring individual report fee as a Percentage of Assets | Aggregate Amount |
| First \$1,000,000 | .20% | \$2,000 |
| Next \$1,000,000 | .175% | \$3,750 |
| Next \$1,000,000 | .15% | \$5,250 |
| Next \$2,000,000 | .125% | \$7,750 |
| Over \$5,000,001 | .10 % | |

INVESTMENT ADVISORY for OPTIONS**SERVICE A - HOURLY CONSULTATION** - Default service if no other service is selected

Hourly Rates: All requests for services are subject to hourly fees for service requests that are not covered by an existing service plan(s). ADVISOR hourly rates are subject to change. Note: Hourly rate changes will commence upon receipt of written notification advising the amount and date certain of said change. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by CLIENT will also be billed at the prevailing hourly rates subject to minimum fees. Any ad hoc CLIENT service request carries a minimum fee of one-half hour which applies to all preparation done by ADVISOR and/or ADVISOR’s staff member.

| <u>Advising Staff</u> | <u>Fee</u> | <u>Admin/Support Staff</u> | <u>Fee</u> |
|------------------------------|-------------------|-----------------------------------|-------------------|
| Personal Financial Counselor | \$240 | Administration | \$145 |
| Personal financial Advisor | \$280 | Technicians | \$185 |
| Senior Financial Advisor | \$330 | Accounting | \$185 |
| Managing Advisor | \$390 | | |

New Account Fee(s): All investment accounts that required to be established are subject to a new account fee per account.

- Set-Up Fee per account opened: **\$100**

SERVICE B - Advanced Investment Strategies Utilizing “Options”**SERVICE B1 - Portfolio Hedging****SERVICE B2 - Investment Replication****SERVICE B3 - Portfolio Income Enhancement on Existing Investment Holdings**

The transaction fee to establish each HEDGE, REP and INCOME strategy shall be the greater of 1 hour of ADVISOR’s current Hourly rate indicated above or ½ of 1% (.005) of the notional value of the option contracts used to process the HEDGE, REP and INCOME strategy. Spreads (two transactions executed on the same underlying security at the same time to create a single objective) or Strings (three transactions executed on the same underlying security at the same time to create a single objective) will only need to satisfy the notional value of the main option trade.

Examples of HEDGE, REP and INCOME Fees:

| <u>Description</u> | <u>Notional Value</u> |
|--|------------------------------|
| REP: BUY 10 CALL contracts of XYZ@145 | \$145,000 |
| HEDGE: BUY 10 CALL contracts of XYZ@45 (MAIN in the money contract) | \$45,000 |
| SELL 10 CALL contracts of XYZ@65 | N/A |
| BUY 10 PUT contracts of XYZ@30 | N/A |
| INCOME: SELL 10 CALL contracts of XYZ@45 | \$45,000 |

INVESTMENT ADVISORY for Employer Sponsored Retirement Plans**SERVICE A - Hourly Consultation and New Account Fee**

Hourly Rates: All service agreements are subject to hourly fees for service requests that are not covered by Service Plans B, C, D, or E below. ADVISOR hourly rates are subject to change and are not guaranteed through the entire period of this Agreement. Note: Hourly rate changes will commence upon receipt of written notification advising the amount and date certain of said change. Hourly rate changes are expected to occur at the start of each new calendar year. Preparation required for services requested by PLAN SPONSOR will also be billed at the prevailing hourly rates subject to minimum fees. Any ad hoc PLAN SPONSOR service request carries a minimum fee of one-half hour which applies to all preparation done by ADVISOR and/or ADVISOR's staff member.

| <u>Advising Staff</u> | <u>Fee</u> | <u>Admin/Support Staff</u> | <u>Fee</u> |
|------------------------------|-------------------|-----------------------------------|-------------------|
| Personal Financial Counselor | \$240 | Administration | \$145 |
| Personal financial Advisor | \$280 | Technicians | \$185 |
| Senior Financial Advisor | \$330 | Accounting | \$185 |
| Managing Advisor | \$390 | | |

New Account Fee(s): All investment accounts required to be established are subject to a "New Account Fee" per account opened.

- Set-Up Fee per account opened: **\$100**

SERVICE B - Retirement Plan Analysis, Design (Initial or Existing Plans) and Investment Policy Statement

Minimum Fee for each of the following "B" services: All Fees for "B" services are required to be paid at time of engagement:

| | | | |
|------------------------------|----------------|----------------------------|----------------|
| Personal Financial Counselor | \$1,800 | Personal Financial Advisor | \$2,200 |
| Senior Financial Advisor | \$2,500 | Managing Advisor | \$3,000 |

SERVICE B1 - Retirement Plan Analysis:

Retirement Plans that have not had an investment analysis, or plan design evaluation completed previously under a separate Initial Financial Planning agreement, an investment analysis or plan design evaluation can be completed under this Agreement on an hourly basis, subject to the above hourly rates. All services for an investment analysis or plan design evaluation are not considered as part of services C through F under this Agreement. The investment analysis, plan design evaluation and/or Creation of an Investment Policy Statement (IPS) is/are subject to a minimum of 8 hours of PLAN SPONSOR's primary ADVISOR's time. All staff member's time will be added to this total.

SERVICE B2 - Retirement Plan Design:

Retirement Plans that have not had an investment analysis, or plan design evaluation completed previously under a separate Initial Financial Planning agreement, an investment analysis or plan design evaluation can be completed under this Agreement on an hourly basis, subject to the above hourly rates. All services for an investment analysis or plan design evaluation are not considered as part of services C through F under this Agreement. The investment analysis, plan design evaluation and/or Creation of an Investment Policy Statement (IPS) is/are subject to a minimum of 8 hours of PLAN SPONSOR's primary ADVISOR's time. All staff member's time will be added to this total.

SERVICE B3 - Investment Policy Statement:

For those CLIENTs who have not had an investment analysis completed previously under a separate Initial Financial Planning agreement, an investment analysis can be completed under this Agreement on an hourly basis, subject to the above rates. All services for an investment analysis are not considered as part of services B or C under this Agreement. The investment analysis and/or Creation of an Investment Policy Statement (IPS) is/are subject to a minimum of 8 hours of PLAN SPONSOR's primary ADVISOR's time. All staff member's time will be added to this total.

SERVICE C - Retirement Plan Selection

Retirement plan services change over time based on the plan assets size and the need for customization. The following services provide PLAN SPONSORS with the flexibility to receive a more complex or simpler service(s) as their retirement plan needs change over time.

SERVICE C1 - Retirement Plan - Initiator Program - Payroll Deducted IRAs (Traditional/Roth/Simple or SEP IRA's)

The Retirement Plan "Initiator Program" fee schedule is set forth below. The fee schedule below is intended to cover ADVISOR's services and limited investment review, specific asset selection and investment recommendations. When unusual duties are involved additional charges will apply depending on the additional

services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

| Market Value of Assets in Retirement Plan “Initiator Program” | Retirement Plan “Initiator Program” Annualized Fee as a Percentage of Assets | Aggregate Amount |
|---|--|------------------|
| First \$1,000,000 | 1.000 % | \$10,000 |
| Amounts over \$1,000,000 are subject to “Fee Table A” below | | |

Set-Up Fee - **Minimum 1 hour of Advisor Hourly Fee** listed above in Service “A”:

| Advising Staff | Set-up Fee |
|------------------------------|-------------------|
| Personal Financial Counselor | \$240 |
| Personal Financial Advisor | \$280 |
| Senior Financial Advisor | \$330 |
| Managing Advisor | \$390 |

Retirement Plan “Initiator Program” - Monthly Minimum Fee and Suggested Minimum Portfolio Size and/or Annual Contributions:

| Advising Staff | Min. Mo Fee | Min. Portfolio Size | Annual Contributions |
|------------------------------|--------------------|----------------------------|-----------------------------|
| Personal Financial Counselor | \$75 | \$90,000 | \$13,500 |
| Personal Financial Advisor | \$100 | \$120,000 | \$27,000 |
| Senior Financial Advisor | \$125 | \$150,000 | \$40,500 |
| Managing Advisor | \$150 | \$180,000 | \$54,000 |

At the discretion of ADVISOR, portfolios below the above minimum portfolio size may qualify for courtesy account status. For any account granted courtesy account status, once targeted or suggested portfolio size has been reached the above Fee schedule will apply. Courtesy accounts do not receive any ADVISOR reporting or review services while under COURTESY status. All courtesy accounts are still subjected to any and all account set-up fees.

SERVICE C2 - Retirement Plan - Defined Contribution Plans - 401k, Profit Sharing, etc.

Set-Up Fee - **Minimum 3 hours of Advisor Hourly Fee** listed above in Service “A”:

| Advising Staff | Set-up Fee |
|------------------------------|-------------------|
| Personal Financial Counselor | \$720 |
| Personal Financial Advisor | \$840 |
| Senior Financial Advisor | \$990 |
| Managing Advisor | \$1,170 |

Retirement Plan “Defined Contribution Plans” service under service “C” are subject to the larger of the “Fee Table A” below or the monthly minimum fee.

| Market Value of Assets in Retirement Plan “Defined Contribution Plans” | Retirement Plan “Defined Contribution Plans” Annualized Fee as a Percentage of Assets | Aggregate Amount |
|--|---|------------------|
| First \$1,000,000 | 1.000 % | \$10,000 |
| Next \$2,000,000 | 0.750 % | \$25,000 |
| Next \$2,000,000 | 0.625 % | \$37,500 |
| Over \$5,000,001 | 0.500 % | |

Retirement Plan - “Define Contribution Plans” - Monthly Minimum Fee, Suggested Minimum Portfolio Size and Annual Contribution Rate:

| Advising Staff | Min. Monthly Fee | Min. Portfolio Size | Annual Contribution Rate |
|------------------------------|-------------------------|----------------------------|---------------------------------|
| Personal Financial Counselor | \$90 | \$120,000 | \$19,000 |
| Personal Financial Advisor | \$110 | \$140,000 | \$38,000 |
| Senior Financial Advisor | \$130 | \$160,000 | \$57,000 |
| Managing Advisor | \$150 | \$180,000 | \$76,000 |

In addition to the annual fee set forth above, when unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

SERVICE C3 - Retirement Plan - Defined Benefit Plans - Pension, Cash Balance, etc.

Retirement Plan “Defined Benefit Plans” under service “C” are subject to the larger of the “Fee Table A” below or the monthly minimum fee.

| Market Value of Assets in Retirement Plan “Defined Benefit Plans” | Retirement Plan “Defined Benefit Plans” Annualized Fee as a Percentage of Assets | Aggregate Amount |
|--|---|------------------|
| First \$1,000,000 | 1.000 % | \$10,000 |
| Next \$2,000,000 | 0.750 % | \$25,000 |
| Next \$2,000,000 | 0.625 % | \$37,500 |
| Over \$5,000,001 | 0.500 % | |

In addition to the annual fee set forth below, when unusual duties are involved additional charges will apply depending on the additional services (investment holdings related class action law-suit applications, cost basis research, manual entry of historical transaction history, etc.).

Set-up Fee: Minimum 6 hours of Advisor Hourly Fee listed above in Service “A”.

| <u>Advising Staff</u> | <u>Set-up Fee</u> |
|------------------------------|-------------------|
| Personal Financial Counselor | \$1,440 |
| Personal Financial Advisor | \$1,680 |
| Senior Financial Advisor | \$1,980 |
| Managing Advisor | \$2,340 |

Retirement Plan - “Define Benefit Plans” - Monthly Minimum Fee, Suggested Minimum Portfolio Size and Annual Contribution Rate:

| <u>Advising Staff</u> | <u>Min. Mo. Fee</u> | <u>Min. Portfolio Size</u> | <u>Annual Contribution</u> |
|------------------------------|---------------------|----------------------------|----------------------------|
| Personal Financial Counselor | \$90 | \$120,000 | \$19,000 |
| Personal Financial Advisor | \$110 | \$140,000 | \$38,000 |
| Senior Financial Advisor | \$130 | \$160,000 | \$57,000 |
| Managing Advisor | \$150 | \$180,000 | \$76,000 |

SERVICE C4 - Investment Services:

Investment services are included as part of the retirement plan of “Fee Table A” listed in Service “C” above.

SERVICE C4a - Investment Menu Line-Up/Specific Investment Recommendation:

Recommended for Service C1, “The Initiator” IRA Plans or C2, “Defined Contribution Plans”. Fee is a Minimum **3 hours** of Advisor Hourly Fee listed above in Service “A”.

| <u>Advising Staff</u> | <u>Min. Fee</u> |
|------------------------------|-----------------|
| Personal Financial Counselor | \$720 |
| Personal Financial Advisor | \$840 |
| Senior Financial Advisor | \$990 |
| Managing Advisor | \$1,170 |

SERVICE C4b - Model Portfolios:

Recommended for Service C2, larger “Defined Contributions Plans” or C3, smaller “Defined Benefit Plans”.
+25bpts

SERVICE C4c- Custom Designed Portfolios:

Recommended for Service C2, solo “Defined Contribution Plans” or C3, larger “Defined Benefit Plans”.
+50bpts

Note: When customized portfolios are selected the creation of an IPS is required.

SERVICE D - Retirement Plan Support and Maintenance Services**SERVICE D1 - Trustee Plan Review Meeting:**

Number of meetings annually included with initial agreement: 0 - 1 - 2 - 3 - 4 (Default equals “none” if selected but not indicated)

SERVICE D2 - Supplemental Retirement Plan Trustee Meeting:

Retirement Plan Trustee Plan Review and Supplemental Trustee Meeting Fees include: Meeting preparation, reports and staff time.

| <u>Advising Staff</u> | <u>Min. Fee</u> |
|------------------------------|-----------------|
| Personal Financial Counselor | \$2,400 |
| Personal Financial Advisor | \$2,800 |
| Senior Financial Advisor | \$3,330 |
| Managing Advisor | \$3,900 |

Appointment Frequency Selection: Regularly scheduled review meetings are necessary for those plan trustees and PLAN SPONSORS who desire to properly maintain a retirement plan. These meetings are essential in providing plan trustees with current plan data thus allowing them to make informed decisions regarding the plan and to meet their responsibilities as plan fiduciaries. As the number of plan participants and plan assets grow, it is recommended that the frequency of “Trustee Plan Review Meetings” increase.

Review Frequency Schedule is Quarterly, Semi-Annual or Annual (*NOTE: Default equals annually if none selected*)

SERVICE D3 - Participant Services:

Helping plan participants meet their retirement goal of accumulating retirement assets sufficient enough to support themselves throughout retirement requires effective communication and personalized services from the plans ADVISOR. No matter how well designed a retirement plan may be, it will fail to serve plan participants if the plan features and benefits are not communicated effectively. PLAN SPONSOR may engage ADVISOR to provide the services desired in service D3. For plans with assets below minimum levels who request any Participant Services will be charged the ADVISOR and/or ADVISOR’s staff member’s hourly fee listed above in Service “A”.

CLIENT’s may elect to have VFA’s advisory fees deducted from their custodial account. Both VFA's *Investment Advisory Agreement* and the custodial / clearing agreement may authorize the custodian to debit the account for the amount of VFA's investment advisory fee and to directly remit that management fee to VFA in compliance with regulatory procedures. In the limited event that VFA bills the CLIENT directly, payment is due upon receipt of VFA’s invoice. VFA shall deduct fees and/or bill CLIENT’s monthly in arrears, based upon the market value of the assets on the last business day of the previous month.

As discussed below, unless the CLIENT directs otherwise or an individual CLIENT’s circumstances require, VFA shall generally recommend that *TD Ameritrade, Schwab*, or any other broker-dealers / custodians for CLIENT investment management assets. Broker-dealers / custodians such as *TD Ameritrade, Schwab*, or any other broker-dealers / custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to VFA’s investment management fee, brokerage commissions and/or transaction fees, CLIENT’s will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

VFA's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the market value of the assets on the last business day of the previous month. In addition, VFA generally requires a \$minimum monthly fee for investment advisory services. VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with CLIENT, etc.).

The *Investment Advisory Agreement* between VFA and the CLIENT will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

Compensation for the Sale of Insurance Products: As stated in the disclosure to Item 10 of this brochure, VFA and certain of its personnel also maintain insurance licenses that enable them to recommend the purchase of certain insurance products where it and/or they will receive a share of insurance revenue. This represent a conflict of interest and gives VFA and such VFA personnel an incentive to recommend the purchase of insurance products for a CLIENT account based on VFA and/or VFA’s personnel’s ability to receive compensation from such a purchase, rather than based on a CLIENT’s need. However, we believe that we have addressed this conflict by (a) neither requiring nor expecting that a

CLIENT will purchase any such insurance product from or through VFA or any VFA personnel, and (b) reminding CLIENT's that they may purchase such insurance products through other, non-affiliated insurance agents. In addition, VFA and such VFA personnel must maintain compliance with applicable rules and regulations that govern the sale of such products. CLIENT's have the option to purchase insurance products recommended by VFA or VFA personnel through other agents that are not affiliated with VFA. VFA's advisory fee is in addition to any compensation VFA and VFA personnel may receive as a result of such insurance-related services and VFA will not reduce its advisory fee to offset such compensation.

Item 6 - Performance-Based Fees and Side-by-Side Management

Neither VFA nor any supervised person of VFA accepts performance based fees.

Item 7 - Types of CLIENT's

VFA's CLIENT's shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. VFA generally requires a **\$500** minimum monthly fee for investment advisory services. The VFA, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum monthly fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with CLIENT, etc.).

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

1. VFA may utilize the following methods of security analysis:
 - a. Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - b. Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - c. Cyclical - (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)
2. VFA may utilize the following investment strategies when implementing investment advice given to CLIENT's:
 - a. Long Term Purchases (securities held at least a year)
 - b. Short Term Purchases (securities sold within a year)
 - c. Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
 - d. Margin Transactions (use of borrowed assets to purchase financial instruments)
 - e. Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
 - f. **Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by VFA) will be profitable or equal any specific performance level(s).
3. VFA's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis VFA must have access to current/new market information. VFA has no control over the dissemination rate of market information; therefore, unbeknownst to VFA, certain analyses may be compiled with outdated market information, severely limiting the value of VFA's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

VFA's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, VFA may also implement and/or recommend - short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets. Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed

assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. Please Note: To the extent that a CLIENT authorizes the use of margin, and margin is thereafter employed by VFA in the management of the CLIENT's investment portfolio, the market value of the CLIENT's account and corresponding fee payable by the CLIENT to VFA may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, CLIENT's authorizing margin are advised of the potential *conflict of interest* whereby the CLIENT's decision to employ margin *may* correspondingly increase the management fee payable to the VFA. Accordingly, the decision as to whether to employ margin is left totally to the discretion of CLIENT. The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by VFA shall be with the intent of offsetting/"hedging" a potential market risk in a CLIENT's portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by VFA is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a CLIENT must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, CLIENT may direct the VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

4. Currently, VFA recommends that CLIENT's allocate CLIENT investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the CLIENT's designated investment objective(s).

As disclosed above, VFA may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a CLIENT may direct VFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Investing in securities involves a risk of loss that each investor must be prepared to bear.

Item 9 - Disciplinary Information

VFA has not been the subject of any disciplinary actions.

Item 10 - Other Financial Industry Activities and Affiliations

1. Neither VFA, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
2. Neither VFA, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading ADVISOR, or a representative of the foregoing.
3. **Licensed Insurance Agents.** VFA and certain of VFA's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 5.B above, CLIENT's can engage VFA and/or its representatives to purchase insurance products on a commission basis.
 - a. **Conflict of Interest:** The recommendation by VFA or its representatives that a CLIENT purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular CLIENT's need. During the last 10 years revenue generated by commissions earned on the sale of insurance products represent less than 2% of the firm's revenue. This reasonably indicates but does not guarantee that insurance sales are more of an accommodation than a primary focus of VFA. No CLIENT is under any obligation to purchase any commission products from VFA's representatives. CLIENT's are reminded that they may purchase insurance products recommended by VFA through other, non-affiliated insurance agents. VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above conflict of interest.
4. VFA does not receive, directly or indirectly, compensation from investment ADVISORS that it recommends or selects for its CLIENT's.

Item 11 - Code of Ethics, Participation or Interest in CLIENT Transactions and Personal Trading

1. VFA maintains an investment policy relative to personal securities transactions. This investment policy is part of VFA's overall Code of Ethics, which serves to establish a standard of business conduct for all of VFA's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, VFA also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by VFA or any person associated with the VFA.

2. Neither VFA nor any related person of VFA recommends, buys, or sells for CLIENT accounts, securities in which VFA or any related person of VFA has a material financial interest.
3. VFA and/or representatives of VFA *may* buy or sell securities that are also recommended to CLIENT's. This practice may create a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if VFA did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the VFA's CLIENT's) and other potentially abusive practices.

VFA has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the VFA's "Access Persons". The VFA's securities transaction policy requires that an Access Person of VFA must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date VFA selects; provided, however that at any time that VFA has only one Access Person, he or she shall not be required to submit any securities report described above.

4. VFA and/or representatives of VFA *may* buy or sell securities, at or around the same time as those securities are recommended to CLIENT's. This practice creates a situation where VFA and/or representatives of VFA are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11-3.

VFA has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of VFA's Access Persons.

Item 12 - Brokerage Practices

1. In the event that the CLIENT requests that VFA recommend a broker dealer/ custodian for execution and/or custodial services (exclusive of those CLIENT's that may direct VFA to use a specific broker-dealer/custodian), VFA generally recommends that investment management accounts be maintained at *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians. Prior to engaging VFA to provide investment management services, the CLIENT will be required to enter into a formal *Investment Advisory Agreement* with VFA setting forth the terms and conditions under which VFA shall manage the CLIENT's assets and a separate custodial/clearing agreement with each designated broker dealer/ custodian.
2. Factors that VFA considers in recommending *TD Ameritrade*, *Schwab*, or any other broker-dealers / custodians to CLIENT's include historical relationship with VFA, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by VFA's CLIENT's shall comply with the VFA's duty to obtain best execution, a CLIENT may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where VFA determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although VFA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for CLIENT account transactions. The brokerage commissions or transaction fees charged by the designated broker dealer/ custodian are exclusive of, and in addition to,

VFA's investment management fee. The VFA's best execution responsibility is qualified if securities that it purchases for CLIENT accounts are mutual funds that trade at net asset value as determined at the daily market close.

a. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a CLIENT utilize the services of a particular broker-dealer/custodian, VFA may receive from *TD Ameritrade, Schwab*, or any other broker-dealers / custodians without cost (and/or at a discount) support services and/or products, certain of which assist VFA to better monitor and service CLIENT accounts maintained at such institutions.

Included within the support services that may be obtained by VFA may be investment-related research, pricing information and market data, software and other technology that provide access to CLIENT account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by VFA in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist VFA in managing and administering CLIENT accounts. Others do not directly provide such assistance, but rather assist VFA to manage and further develop its business enterprise.

VFA's CLIENT's do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade, Schwab*, or any other broker-dealers / custodians as a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade, Schwab*, or any other broker-dealers / custodians or any other entity to invest any specific amount or percentage of CLIENT assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

b. VFA does not receive referrals from broker-dealers.

c. VFA does not generally accept directed brokerage arrangements (when a CLIENT requires that account transactions be effected through a specific broker-dealer). In such CLIENT directed arrangements, the CLIENT will negotiate terms and arrangements for their account with that broker-dealer, and VFA will not seek better execution services or prices from other broker-dealers or be able to "batch" the CLIENT's transactions for execution through other broker-dealers with orders for other accounts managed by VFA. 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.

Please Note: In the event that the CLIENT directs VFA to effect securities transactions for the CLIENT's accounts through a specific broker-dealer, the CLIENT correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the CLIENT determined to effect account transactions through alternative clearing arrangements that may be available through VFA.

VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement.

3. To the extent that VFA provides investment management services to its CLIENT's, the transactions for each CLIENT account generally will be effected independently, unless VFA decides to purchase or sell the same securities for several CLIENT's at approximately the same time. VFA will generally (but is not obligated to) aggregate orders where it determines that such aggregation will result in obtaining best execution, to negotiate more favorable commission rates or to allocate equitably among the VFA's CLIENT's 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 will be allocated among CLIENT's in proportion to the purchase and sale orders placed for each CLIENT account on any given day. VFA shall not receive any additional compensation or remuneration as a result of such aggregation. Where VFA has the opportunity to aggregate orders but elects not to do so, the CLIENT may incur higher costs of execution.

Item 13 - Review of Accounts

1. For those CLIENT's to whom VFA provides investment supervisory services, account reviews are conducted on an ongoing basis by the VFA's Principals and/or representatives. All investment supervisory CLIENT's are advised that it remains their responsibility to advise VFA of any changes in their investment objectives and/or financial situation. All CLIENT's (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with VFA on an annual basis.
2. VFA *may* conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in CLIENT investment objectives and/or financial situation, market corrections and CLIENT request.

3. CLIENT's are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the CLIENT accounts. VFA may also provide a written periodic report summarizing account activity and performance.

Item 14 - CLIENT Referrals and Other Compensation

1. As referenced in Item 12.A.1 above, VFA may receive an indirect economic benefit from *TD Ameritrade, Schwab*, or any other broker-dealers / custodians. VFA, without cost (and/or at a discount), may receive support services and/or products from *TD Ameritrade, Schwab*, or any other broker-dealers / custodians.

VFA's CLIENT's do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade, Schwab*, or any other broker-dealers / custodians as a result of this arrangement. There is no corresponding commitment made by VFA to *TD Ameritrade, Schwab*, or any other broker-dealers / custodians.

TD Ameritrade, Schwab, or any other broker-dealers / custodians, or any other entity to invest any specific amount or percentage of CLIENT assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

VFA's Chief Compliance Officer, Mark S. La Spisa remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

2. VFA does not compensate, directly or indirectly, any person, other than its representatives, for CLIENT referrals.

Item 15 - Custody

VFA shall have the ability to have its advisory fee for each CLIENT debited by the custodian on a quarterly basis. CLIENT's are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the CLIENT accounts. VFA may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that VFA provides CLIENT's with periodic account statements or reports, the CLIENT is urged to compare any statement or report provided by VFA with the account statements received from the account custodian. Please Also Note: The account custodian does not verify the accuracy of the VFA's advisory fee calculation.

Item 16 - Investment Discretion

VFA does not manage CLIENT assets on a discretionary basis.

Item 17 - Voting CLIENT Securities

1. VFA does not vote CLIENT proxies. CLIENT's maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the 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 CLIENT's investment assets.
2. CLIENT's will receive their proxies or other solicitations directly from their custodian. CLIENT's may contact VFA to discuss any questions they may have with a particular solicitation.

Item 18 - Financial Information

1. VFA does not solicit fees of more than \$500 per CLIENT, six months or more in advance.
2. VFA does not manage CLIENT assets on a discretionary basis.
3. VFA has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The VFA's Chief Compliance Officer, Mark S. La Spisa, remains available to address any questions that a CLIENT or prospective CLIENT may have regarding the above disclosures and arrangements.