

## Fee Summary

We offer two options.

### 1% Annual or

**Performance based** if you invest more than \$1,000,000.

### 1% Annual

Under this option, our fee is charged at the end of each quarter and based on account balances at quarter end calculated as follows:  $0.25\% \times$  account balance at end of quarter.

Partial quarters are pro-rated based on the number of days your account is open.

$0.25\%$  per Quarter  $\times$  Four Quarters =  $1\%$  per year.

The fee shown above is an annual fee. The fee will not be increased without your prior written consent.

We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

### Performance Based

The Investment Advisors Act of 1940 permits our fee to be based on account performance if you invest at least \$1,000,000.

There is no fee unless you earn more than 5% in a calendar year measured January 1 to December 31.

If you earn more than 5%, our fee is 25% of the return over 5%.

If the period you are a client is less than a calendar year, the fee is calculated in the same manner with no proration.

Examples:

You earn 4%                      No Fee.

You earn 9%                      Starting with \$1,000,000 and ending with \$1,090,000, the excess return over 5% is \$40,000, so the fee is  $25\% \times \$40,000 = \$10,000$ .

The performance fee will be calculated in January for the preceding year and will be deducted from your account shortly thereafter.

Switching between the above options is permitted prospectively in January and must be done by signing a new Advisory Agreement in which you elect a new fee option for the year. Switching at any other time is not permitted.

In addition to our annual investment management fee, you may incur trading costs assessed by the custodian (TD Ameritrade). Stock Trades are currently \$5.00 per trade.