



## Investment Advisory Agreement

Date: \_\_\_\_\_

Financial professional name (first, middle, last): \_\_\_\_\_

THIS AGREEMENT is made between:

**COASTAL INVESTMENT ADVISORS, Inc.**, a registered investment adviser, whose principal place of business is 1201 North Orange Street, Suite 729, Wilmington, Delaware 19801 (hereinafter referred to as the "Advisor"); and \_\_\_\_\_, whose mailing address is \_\_\_\_\_

(hereinafter referred to as the "Client").

### 1. Scope of Engagement.

- 1.1. Client hereby appoints Advisor as an Investment Adviser to perform the services hereinafter described, and Advisor accepts such appointment. Advisor shall be responsible for the investment and reinvestment of those assets designated in Exhibits A and B by Client to be subject to Advisor's management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the "Assets" or "Account");
- 1.2. Client appoints Advisor attorney-in-fact and delegates to Advisor limited power-of-attorney with discretionary trading authority over the Assets to buy, sell and otherwise effect investment transactions related to the Assets. You authorize us, without prior consultation or approval to (a) implement transactions for your Assets; (b) buy, sell and trade stocks, bonds, mutual funds, index funds, exchange traded funds, short-term money-market instruments and other securities and contracts, including on margin if you have signed a separate margin authorization; (c) give instructions to the broker-dealer and the custodian of your Assets; and (d) delegate the management of all or part of the Assets to one or more independent investment managers or independent investment management programs ("Independent Managers"). To the extent utilized, Independent Managers will have limited power-of-attorney and trading authority over those Assets we direct to them for management. They will be authorized to buy, sell and trade in accordance with your Investment Needs and to give instructions, related to their authority, to the broker-dealer and the custodian of your Assets. We will supervise the Independent Managers and monitor and review Asset allocation, and Asset performance. We may terminate or change Independent Managers when, in our sole discretion, we believe such termination or change is in your best interest. Notwithstanding anything herein to the contrary, this limited power-of-attorney shall not (a) give us the discretionary authority to withdraw cash or wire transfer money order payments to Coastal or any third-party, (b) give us the authority to pay or receive funds of any client except in connection with securities transactions, or (c) give us access to or the right to convey any assets of Client except in connection with securities transactions;
- 1.3. Advisor is authorized, without prior consultation with Client, to buy, sell, trade and allocate in and among stocks, bonds, mutual funds, sub-advisers, independent investment managers and/or programs (with or without discretion, depending upon the independent investment manager or program) and other securities and/or contracts relating to the same, on margin (only if written authorization has been granted) or otherwise, and to give in \_\_\_\_\_structions in furtherance of such authority to the registered broker dealer and the custodian of the Assets;
- 1.4. Advisor shall discharge its investment management responsibilities consistent with the Client's designated investment objectives. Unless the Client has advised the Advisor to the contrary, in writing, there are no restrictions that the Client has imposed upon the Advisor with respect to the management of the Assets. The Client agrees to provide information and/or documentation requested by Advisor in furtherance of this Agreement as pertains to Client's objectives, needs and goals, and maintains exclusive responsibility to keep Advisor informed of any changes regarding same. Client acknowledges that Advisor cannot adequately perform its services for Client unless Client diligently performs his responsibilities under this Agreement. Advisor shall not be required to verify any information obtained from Client, Client's attorney, accountant or other professionals, and is expressly authorized to rely thereon;

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- 1.5. You agree that Advisor is permitted, but not required, to effect securities trades through its affiliated Broker-Dealer, Coastal Equities, Inc. ("CEI"),. Advisor may also effect trades in securities on a principal basis through CEI, pursuant to the constraints of SEC Rule 206(3.)
- 1.6. In the event that the Account is a retirement plan sponsored by Client's employer, Client acknowledges that Advisor's investment selection shall be limited to the investment alternatives provided by the retirement plan. In the event that the plan sponsor or custodian will not permit Advisor direct access to the Account, and the Client provides the Advisor with the Client's password and/or log-in information to effect Account transactions, the Client acknowledges and understands that:
  - 1.6.1.the Advisor will not receive any communications from the plan sponsor or custodian, and it shall remain the Client's exclusive obligation to notify the Advisor of any changes in investment alternatives, restrictions, etc. pertaining to the Account;
  - 1.6.2.the Advisor shall not be responsible for any costs, damages, penalties, or otherwise, resulting from the failure to so notify the Advisor; and
  - 1.6.3.the Advisor's authority shall be limited to the allocation of the Assets among the investment alternatives available through the plan, and, as such, Advisor will not have, nor will it accept, any authority to effect any other type of transactions or changes via the plan web site, including but not limited to changing beneficiaries or effecting Account disbursements or transfers to any individual or entity;
- 1.7. Client authorizes Advisor to respond to inquiries from, and communicate and share information with, Client's attorney, accountant, and other professionals to the extent necessary in furtherance of Advisor's services under this Agreement; and
- 1.8. The Client acknowledges and understands that the services to be provided by Advisor under this Agreement are limited to the management of the Assets and do not include financial planning or any other related or unrelated consulting services.
- 1.9. If the Advisor uses a sub-advisor, the Client hereby delegates Coastal to receive the sub-advisor's ADV and supplements on behalf of the Client.
- 1.10.The client acknowledges and consents to the Advisor aggregating certain trades. Aggregation is designed to promote fairness among client accounts managed by Coastal and to conform to applicable laws and regulatory principles.
- 1.11.Some third-party management programs are non-discretionary. Should one or more of your accounts be placed in such a program, Advisor shall not have discretion to trade your account as described above. Instead, you will be provided recommendations by your Advisor to be accepted or rejected as you see fit. You will execute another advisory agreement specific to the program whose terms will govern the advisory relationship, and will supersede the terms of this Agreement where there is a conflict.

### 2. Advisor Compensation.

- 2.1 The Advisor's annual fee for investment management services provided under this Agreement shall be based upon a percentage (%) of the market value of the Assets under management in accordance with the fee schedule enclosed herewith as Exhibit "A". This annual fee shall be prorated and paid monthly, in advance, based upon the market value of the Assets on the last business day of the previous month. No increase in the annual fee percentage shall be effective without prior written notification to the Client;
- 2.2. Client authorizes the Custodian of the Assets to charge the Account for the amount of Advisor's fee and to remit such fee to Advisor in compliance with regulatory procedures;
- 2.3. In the event that the Assets include any "Held Away Investments," as defined in Exhibit B, Advisor compensation attributable to "Held Away Investments" shall be charged in the manner described in Exhibit B.

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- 2.4. In addition to Advisor's annual investment management fee, the Client shall also incur, relative to:
- 2.41. all mutual fund and exchange traded fund purchases, charges imposed directly at the fund level (e.g. management fees and other fund expenses); and
  - 2.42. independent investment managers, the fees charged by each separate manager who is engaged to manage the Assets; and
  - 2.42. custodial account fees service charges including, but not limited to, annual account fees, account closing fees, NSF fees, wire fees, and the like.
- 2.5 No portion of Advisor Compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940.
3. Custodian. The Assets shall be held by an independent custodian, not Advisor. Advisor is authorized to give instructions to the custodian with respect to all investment decisions regarding the Assets and the custodian is hereby authorized and directed to effect transactions, deliver securities, and otherwise take such actions as Advisor shall direct in connection with the performance of Advisor's obligations in respect of the Assets.
4. Account Transactions.
- 4.1. Client recognizes and agrees that in order for Advisor to discharge its responsibilities, it must engage in securities brokerage transactions described in paragraph 1 herein;
  - 4.2. Commissions and/or transaction fees are generally charged for effecting securities transactions; and
  - 4.3. The brokerage commissions and/or transaction fees charged to Client for securities brokerage transactions are exclusive of, and in addition to, Adviser Compensation as defined in paragraph 2 hereof.
5. Risk Acknowledgment. Advisor does not guarantee the future performance of the Account or any specific level of performance, the success of any investment recommendation or strategy that Advisor may take or recommend for the Account, or the success of Advisor's overall management of the Account. Client understands that investment recommendations for the Account by Advisor are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.
6. Directions to the Adviser. All directions, instructions and/or notices from the Client to Advisor shall be in writing. Advisor shall be fully protected in relying upon any direction, notice, or instruction until it has been duly advised in writing of changes therein.
7. Proxies. Unless agreed to in writing to the contrary, the Client shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.
8. Reports. Advisor and/or Account custodian shall provide Client with periodic reports for the Account. In the event that the Advisor provides supplemental Account reports which include assets for which the Advisor does not have discretionary investment management authority, the Client acknowledges the reporting is provided as an accommodation only, and does not include investment management, review, or monitoring services, nor investment recommendations or advice.
9. Termination. This Agreement will continue in effect until terminated by either party by written notice to the other (email notice will not suffice), which written notice must be signed by the terminating party. Termination of this Agreement will not affect:
- 9.1. the validity of any action previously taken by Advisor under this Agreement;
  - 9.2. liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or
  - 9.3 Client's obligation to pay advisory fees (prorated through the date of termination). Upon the termination of this Agreement, Advisor will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account.
10. Assignment. This Agreement may not be assigned (within the meaning of the Investment Advisers Act of 1940) by either Client or Advisor without the prior consent of the other party. Client acknowledges and agrees that transactions that do not result in a change of actual control or management of Advisor shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940. Should there be a change in control of the Advisor resulting in an assignment of this Agreement (as that term is

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defined under the Advisers Act), the successor adviser will notify the Client and will continue to provide the services previously provided to the Client by the Advisor. If the Client continues to accept such services provided by the Successor without written objection during the 30 day period subsequent to receipt of the written notice from the Successor, the Successor will assume that the client has consented to the assignment and the Successor will become the adviser to the client under the terms and conditions of this Agreement.

11. Non-Exclusive Management. Advisor, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other clients, as the Advisor does for the Assets. Client expressly acknowledges and understands that Advisor shall be free to render investment advice to others and that Advisor does not make its investment management services available exclusively to Client. Nothing in this Agreement shall impose upon Advisor any obligation to purchase or sell, or to recommend for purchase or sale, for the Account any security which Advisor, its principals, affiliates or employees, may purchase or sell for their own accounts or for the account of any other client, if in the reasonable opinion of Advisor such investment would be unsuitable for the Account or if Advisor determines in the best interest of the Account it would be impractical or undesirable.
12. Death or Disability. The death, disability or incompetency of Client will not terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement by giving written notice to Advisor. Client recognizes that the custodian may not permit any further Account transactions until such time as any documentation required is provided to the custodian.
13. Arbitration. Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to Advisor's services under this Agreement that cannot be resolved by mediation, both Advisor and Client agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. Advisor and Client understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both Advisor and Client are waiving their respective rights to seek remedies in court, including the right to a jury trial. Client acknowledges that Client has had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this Agreement. Client acknowledges and agrees that in the specific event of non-payment of any portion of Adviser Compensation pursuant to paragraph 2 of this Agreement, Advisor, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys' fees and other costs of collection.  
Notwithstanding anything herein to the contrary, the above shall not constitute a waiver or limitation of any of the rights the client may have under the Advisers Act, any other federal securities laws, and any state securities laws.
14. Disclosure Statement. initial here Client hereby acknowledges prior receipt of a copy of the Disclosure Statement (ADV II), Client Relationship Summary, and supplements (if any), which describe, among other things, the brokerage practices of the firm and material conflicts of interest. Client further acknowledges that Client has had a reasonable opportunity (i.e. at least 48 hours) to review said Disclosure Statement, and to discuss the contents of same with professionals of Client's choosing, prior to the execution of this Agreement. If Client has not received a copy of Advisor's Disclosure Statement at least forty-eight (48) hours prior to execution of this Agreement, Client shall have five (5) business days from the date of execution of this Agreement to terminate Advisor's services without penalty. Advisor incorporates herein by reference the sections of ADV II concerning: brokerage practices, use of soft dollars, agency cross trades, directed brokerage arrangements, aggregation (bunching) of trades, and allocation of trades.
15. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

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16. Client Conflicts. If this Agreement is between Advisor and related clients (i.e. husband and wife, life partners, etc.), Advisor's services shall be based upon the joint goals communicated to the Advisor. Advisor shall be permitted to rely upon instructions from either party with respect to the Assets, unless and until such reliance is revoked in writing to Advisor. Advisor shall not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients.
17. Privacy Notice. [REDACTED] initial here Client acknowledges prior receipt of Advisor's Privacy Notice.
18. Referral Fees. If the Client was introduced to the Advisor through a Solicitor, the Advisor may pay that Solicitor a referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral fee shall be paid solely from Adviser Compensation as defined in this Agreement, and shall not result in any additional charge to the Client. The Client acknowledges receipt of the written disclosure statement disclosing the terms of the solicitation arrangement between the Advisor and the Solicitor, including the compensation to be received by the Solicitor from the Advisor.
19. Entire Agreement. This Agreement represents the entire agreement between the parties, and supersedes and replaces, in its entirety, all previous agreements regarding the Account(s) between the Client and the Advisor.
20. Amendments. The Advisor may amend this Agreement upon written notification to the Client. Unless the Client notifies the Advisor to the contrary, in writing, the amendment shall become effective thirty (30) days from the date of mailing.
21. Applicable Law/Venue. To the extent not inconsistent with applicable law, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy between Advisor and Client shall be the County of New Castle, State of Delaware.
22. Electronic Delivery. The Client authorizes the Advisor to deliver, and the Client agrees to accept, all required regulatory notices and disclosures via electronic mail and/or via the Advisor's internet web site, without paper copies, as well as all other correspondence from the Advisor. Advisor shall have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to the Client's last provided email address (or upon advising the Client via email that such document is available on the Advisor's web site). By sending or receiving sensitive or confidential electronic communications, you accept the risks and possible lack of confidentiality of communicating over the Internet. You agree to hold us and our affiliates, successors, and assigns free from any damages related to or arising from the delivery of electronic communications. Client can at any time and at no cost withdraw this consent by sending notice in writing to Advisor at the address herein above. Client may request a paper copy of any document delivered electronically at no cost by contacting Advisor. Client agrees to notify Advisor immediately if Client changes email addresses.

Your election to receive communications under this agreement is limited to the delivery of Coastal communications only. You are responsible for electing paperless delivery from your account custodians, transfer agents, and product sponsors. Although Coastal will make best efforts to go paperless at your election, you agree that Coastal may, in its sole discretion and notwithstanding your election to receive electronic delivery, deliver paper documents to your address of record.
23. Authority. Client acknowledges that he/she/they/it has (have) all requisite legal authority to execute this Agreement, and that there are no encumbrances on the Assets. Client correspondingly agrees to immediately notify Advisor, in writing, in the event that either of these representations should change. The Client specifically represents as follows:
  - 23.1. If Client is an individual, he/she: (1) is of legal age and capacity, (2) has full authority and power to retain Advisor, (3) the execution of this Agreement will not violate any law or obligation applicable to the Client, and, (4) the Client owns the Assets, without restriction;
  - 23.2. If Client is an entity, it: (1) is validly organized under the laws of applicable jurisdictions, (2) has full authority and power to retain Advisor, (3) the execution of this Agreement will not violate any law or obligation applicable to the Client, and, (4) the Client owns the Assets without restriction; and



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23.3. If Client is a retirement plan ("Plan") organized under the Employment Retirement Income Security Act of 1974 ("ERISA"), the Plan represents that it is validly organized and is the beneficial owner of the Assets. The Plan further represents that Advisor has been furnished true and complete copies of all documents establishing and governing the Plan and evidencing Plan's authority to retain Advisor. The Plan will furnish promptly to Advisor any amendments and further agrees that, if any amendment affects the rights or obligations of Advisor, such amendment will not be binding on Advisor until agreed to by Advisor in writing. If the Assets contain only a part of the investments of the Plan's assets, the Plan understands that Advisor will have no responsibility for the diversification of all of the Plan's assets, and that Advisor will have no duty, responsibility or liability for Plan investments that are not part of the Assets. The Plan is responsible for voting all Proxies per paragraph 8 above. If Advisor accepts this Agreement, it acknowledges that it is a fiduciary and investment manager for purposes of ERISA and the applicable portions of the Internal Revenue Code.

IN WITNESS WHEREOF, Client and Advisor have each executed this Agreement on the day, month and year first above written.

\_\_\_\_\_  
Client Name:

\_\_\_\_\_  
Client Name:

**Electronic Delivery: Provide your email address below to accept electronic delivery. Refer to paragraph 22 above for terms and conditions.**

**Email Address:** \_\_\_\_\_

**COASTAL INVESTMENT ADVISORS, INC.**

\_\_\_\_\_  
Financial Professional's Name

\_\_\_\_\_  
Approved by:

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## Exhibit A—Investment Management Fee Schedule<sup>1</sup>

Acct No.	Acct Name	Custodian	Advisory Program	Fee or Fee Schedule

Schedule 1	Fee
Schedule 2	Fee
Schedule 3	Fee
Schedule 4	Fee

**Notes:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Effective Date:** \_\_\_\_\_

Client Signature: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Supervisory Approval: \_\_\_\_\_

Date: \_\_\_\_\_

*This Exhibit A amends and supersedes all prior Exhibits A to the Advisory Agreement. All prior Exhibits A are no longer effective.*

**Note: If account numbers are unavailable for certain accounts, please identify accounts by account title on this form. This agreement will not be effective as to those accounts unless and until the client(s) has/have updated and signed a new Exhibit A identifying the account numbers.**

<sup>1</sup>Management Fee is expressed as an annual percentage of value on Assets Under Management (AUM) in the account (s) on a monthly or quarterly basis depending upon the program. AUM may include assets purchased on margin and cash depending on the program. Please review your Agreement for the program and Form ADV Brochure (Part II) for more detail in this regard.

<sup>2</sup>This Fee is the Advisor’s Fee and does not include the fee of a third-party money manager, if any. Third-Party Money managers’ fees are identified in the Notes section above and in the TPM’s advisory agreement or Form ADV brochure.

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## **Exhibit B—Held Away Investments**

Client hereby grants Advisor, to the extent feasible for each Held Away Investment, discretionary trading authority as provided in the Agreement. Client understands that advisory services related to the Held Away Investments will be provided within the limitations on those assets imposed by the structures where or within such assets are held, including but not limited to those of a third party fiduciary, insurance contract or any other investment arrangements (for example, retirement investment plans, salary deferral investment plans, and variable annuity contracts). "Held Away Investments" may be modified by written notice to the Advisor by the Client and by executing a revised Exhibit B, which shall amend and become part of the Advisory Contract. In some cases, Held Away Investments may be traded or chosen by the Client upon advice of Advisor and not traded or chosen for the Client directly by the Advisor.

Unless otherwise noted next to the description of the applicable type of Held Away Asset listed below, Advisor Fee will include, following the execution of this Addendum, the most recent value(s) known to the Advisor of all Held Away Assets immediately prior to the Advisor's next billing cycle, as such billing cycle is described in the Agreement, and where such valuations are believed to be in good faith by the Advisor to be materially accurate based on information provided periodically by the Client or a third party authorized by the Client to provide such valuation information to the Advisor. The Client agrees to periodically provide the Advisor updated valuation information on such Held Away Investments on a quarterly or more frequent basis if feasible, but no less frequently than annually.

Billing held away account fees to an existing tax deferred or tax exempt account may be treated as a taxable distribution. To avoid tax liability including early withdrawal penalties, please provide the reference information of the taxable account to be billed. If a taxable account is not available for billing, the firm may agree to invoice you for its fee, in the firm's sole discretion. The firm reserves the right to reject Held Away assets for any reason whatsoever, including, but not limited to, the inability to charge fee to a custody account.

Acct No. (If any)	Investment Description	Value	Custodian	Advisory Fee	Payment Method (Custody Acct. No. or Invoice)

Effective Date: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Client Signature: \_\_\_\_\_

Supervisory Approval: \_\_\_\_\_ Date: \_\_\_\_\_

*This Exhibit B amends and supersedes all prior Exhibits B to the Advisory Agreement.*