



Financial Planning Engagement Agreement

This Engagement Agreement sets forth the Financial Planning contract entered into by and between Lighthouse Financial Planning, LLC, a duly registered Investment Advisor with the State of Maryland, whose principal office is located in Potomac, Maryland, (“Advisor”) and _____ (“Client”) with residence or place of business at _____

Advisor is in the business of providing financial planning and investment consulting services and Client desires Advisor to provide such services. Therefore, in consideration of the premises and mutual promises contained in this Engagement Agreement, the parties agree as follows:

1) **Advisor’s Services.**

Advisor shall provide Client with the financial planning and investment management services(s) indicated below (Client to initial desired service(s)):

- Bundled Financial Planning Service (Stand-alone): LFP will, as requested by and in consultation with client, determine: client’s primary personal goals, needs and priorities; collect pertinent quantitative information and documents; analyze and evaluate client’s information; identify and evaluate financial planning alternatives; develop, present and discuss financial planning recommendations and or advice; provide limit support for implementing financial planning service recommendations. This service includes three, 1+-hour meetings at Advisor’s office and at Client’s request up to two hours of consultations (either face to face in Advisors office, by e-mail or by phone, at Client’s discretion) on planning issues and or implementation of recommendations. During the period it takes to complete this initial planning exercise (typically 3 to 8 months), this service includes client education sessions and, at advisors sole discretion limited support to clients in addressing new financial planning issues that may arise. Topic areas to be covered as requested by client initialing below are:
 - cash flow analysis
 - asset and liability analysis
 - goal setting
 - life and disability insurance needs analysis
 - annuity exchange analyses
 - long term care analysis
 - income tax analysis to facilitate planning
 - estate analysis to facilitate planning
 - education funding analysis
 - risk tolerance assessment
 - special needs planning
 - gifting programs
 - small business pension plan design
 - long term/retirement financial projections (with Monte Carlo analysis)
 - consulting on investments including review of current allocation and identification of possible modifications/revisions
 - other (specify) _____
- Unbundled (Individual) Financial Planning Services (Stand-alone): LFP will provide advice and or recommendations (without implementation support) resulting from specific, individual financial planning analyses/services to the extent requested by client. A Financial Snapshot or Check-up is also available. Topic areas to be covered as requested by client initialing below are _____

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- Hourly or Special Services: Stand-alone services other than the bundled, unbundled or ongoing Financial Planning and Investment Management Services described herein as requested by client. This may include hourly fees for tracking down basis when setting up new accounts, hourly fees for consulting or consultants, hourly work for a court or lawyer or pre-specified and contracted for project fees for special services. Special hourly services to be provided as requested by client initialing below are:
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- Ongoing Financial Planning Service (Stand-alone) (generally available only upon completion of LFP's Bundled Financial Planning Service): LFP, as requested by client and agreed to by LFP may review and update selected financial planning and investment consulting recommendations each year, provide up to four hours of consultations (either face to face in Advisor's office, by e-mail or by phone, at Client's discretion), address selected new financial planning issues and provide limited implementation support such as suggestions for client's portfolio rebalancing. Client may request that consultations be in the form of quarterly or semi-annual face to face meetings at Advisor's office. These services do not include investment management services.

2) Advisor's Fee

- a) For the Bundled, Unbundled, Financial Planning Service(s) selected by Client,
 - i) Client shall pay a total fee of \$ _____ at time of execution of this engagement agreement by Client, Client shall pay a deposit of \$ _____.
 - ii) The Bundled Financial Planning Service fee is payable on a bi-monthly basis in advance, 25% on engagement (the deposit) and 25% every two months thereafter, on the bi-monthly anniversary of the execution of this engagement agreement by Client, until paid in full. Advisor may complete the Comprehensive Financial Planning Service before or after the final payment is due depending on time required to collect data, conduct analyses, and prepare and present recommendations.
 - iii) The fee for Unbundled Financial Planning Services is payable one-half in advance (the deposit) and one-half three months later or on delivery of final recommendations (completion of the service(s)) whichever occurs first, unless alternative arrangements are made.
- b) For Hourly services listed above, Client will pay \$ _____ per hour. Charges shall be billed and payable monthly. There is no initial deposit.
- c) For Ongoing Financial Services selected by Client,
 - i) Client shall pay a flat, pre-negotiated retainer fee of \$ _____ per year. At time of execution of this engagement agreement by Client, Client shall pay a deposit of \$ _____ representing the pro rated fee due until the beginning of the next calendar quarter – calendar quarters begin January 1, April 1, July 1 and October 1.
 - ii) Client shall pay the fee for Ongoing Financial Planning services in advance, a deposit on engagement as described above, and 25% of the annual fee at the beginning of each succeeding quarter. Fees remain due and payable even if Advisor is late in invoicing or collecting fee or Client is late in paying the fee.
 - iii) Fee may be recomputed based on increases in the consumer price and wage index and or changes in Advisor's then current Fee Schedule as specified in Advisor's latest Form ADV, Part II. Client will be notified at least 60 days in advance of any change in Client's fee.
- d) Advisor's Bundled, Unbundled Financial Planning and Hourly Service obligations, including planning, recommendation discussion and implementation consulting if any, shall end (be completed) no later than 45 days after delivery of the final recommendations/products.

3) Confidentiality and Information Disclosure Provisions.

- a) Advisor shall treat all information furnished by Client, including Client's agents and employees, as confidential and shall not disclose any such information to third parties except as required by law, as authorized by Client, or as provided for below.
- b) Client authorizes Advisor to contact, consult with and share information with Client's accountants, attorneys, consultants, relatives and agents as deemed necessary by Advisor in the

- performance of contracted services, in support of implementing recommendations, or if advisor notices a possible deterioration in client's capacities..
- c) Client acknowledges that Advisor shall not be required to verify any information so obtained and is expressly authorized to rely on the information received.
 - d) Client authorizes Advisor to contact, consult with and share information with Advisor's professional counterparts, consultants, related parties and employees in the performance of contracted services or in support of implementing recommendations providing Advisor has no reason to believe that such individuals will not treat all such information appropriately.
 - e) Client understands that all information, recommendations and advice furnished by Advisor to Client under this agreement shall be treated as confidential by Client and shall not be disclosed to any third party without the prior written consent of Advisor or as provided for below. Any financial statements prepared or recommendations made by Advisor are dependent on Client's input, objectives, and other considerations, are solely for the purpose of determining the most appropriate means of meeting Client's goals and objectives and are not for any other use, such as loan applications.
- 4) **Limits on Advisor's Responsibilities and Liabilities.** Client acknowledges that:
- a) All directions, instructions and or notices from Client to Advisor shall be in writing and that advisor may rely on said instructions until provided with new instructions in writing by the client.
 - b) Any and all advice, analyses and recommendations made by Advisor constitute an expression of opinion based upon information obtained only from public sources. Advisor does not have access to private sources of information, nor does it survey all sources of public information, which would be impractical, but uses those sources which it has found to be accurate and reliable.
 - c) All analyses, projections, and graphs used to support advice and recommendations are only estimates and illustrations; and that all model results are at best approximations as it is impossible to capture all variables or to predict the future.
 - d) Advisor offers no guarantees as to results, positive outcomes from financial planning recommendations or transactions, or attainment of Client's goals; Advisor's only responsibility hereunder, is to render the services contemplated herein in good faith, and that Advisor shall have no liability for losses, reductions in the value of investments recommended by Advisor, or missed opportunities (of any nature or for whatever cause including Client's failure to act or Advisor's failure to identify such opportunities); provided, however, that nothing herein shall be deemed to protect Advisor against any liability to Client for reason of bad faith or gross negligence in the performance of its duties and further, that nothing herein shall constitute a waiver or limitation of rights Client may have under federal and state securities law, which may impose liability even for acts undertaken in good faith.
 - e) Client acknowledges that Advisor shall not be responsible for any adverse financial consequences occurring during the financial planning process or the account transition/transfer process for reasons including but not limited to: time delays; charges by previous broker/dealer/custodian; charges related to losses associated with securities previously owned by the Client; failure to acquire/modify insurance policies; or undertake or modify tax, estate, or retirement planning efforts.
 - f) Advisor does not provide legal opinions or legal documents; tax return preparation services; accounting services; actuarial services; retirement plan accounting or administrative services; or real estate services. With respect to such arenas Advisor's role shall be that of a facilitator between the Client and his/her corresponding professional advisor(s) and the Client should defer to subject professionals.
 - g) Advisor is not responsible for the acts, omissions, or solvency of any lawyer, broker, agent, custodian or independent contractor, consultant or professional who is selected by or referred by Advisor in good faith to take action or provide counsel or to negotiate or consummate transactions for Client.
 - h) Advisor does not provide advice on personal or investment tangibles including but not limited to gold, collectables, and real estate.
 - i) Advisor does not provide advice on property and casualty insurance, including vehicular insurance.
 - j) Advisor will not take any action or render any advice with respect to voting proxies. Client is responsible for voting all proxies and making all elections (e.g., on mergers, acquisitions, tender offers, etc.) with respect to all securities beneficially owned by client.

- k) Advisor offers the same or similar services to other clients (including owners and employees), and Advisor may undertake analyses, explore options or opportunities, give advice, perform services and take action with respect to these other clients that may differ from analyses provided, advice given, services performed or action taken with respect to Client in extent, nature, type, comprehensiveness, time invested and or timing. Further, advisor can not address every potential financial risk or decision that may affect clientj)All specific, actionable advice and or recommendations will be rendered in written form, through e-mail, correspondence, financial exhibits, graphs, outlines and or other textual material.
- l) All specific, actionable advice and or recommendations shall be rendered in written form, through e-mail, correspondence, financial exhibits, graphs, outlines and or other textual material. Non-written communications are provided only for educational and or informational purposes and should not be relied upon as specific advice.

5) Responsibilities of Client.

- a) Client shall fully disclose all matters pertinent to Client's financial affairs, including, but not limited to, information regarding Client's financial objectives, income, expenses, assets, liabilities, investments, insurance, taxes, and estate planning programs, retirement plans, and any personal matters which may have a bearing on Client's current or prospective financial status. Client shall make available copies of such documents or other information as Advisor may reasonably request. Client acknowledges that Advisor cannot adequately perform its services on Client's behalf unless Client provides necessary information, that it is not Advisor's responsibility to discover facts or changes in facts, circumstances or objectives which are not made readily available to Advisor and that Advisor's analyses and recommendations are based on the information provided by Client.
- b) Client understands and acknowledges that Client is free at all times to accept or reject any recommendations of Advisor, and that Client has sole authority with regard to the implementation, acceptance or rejection of any recommendations or advice from Advisor. Further, Client shall implement, or engage Advisor to implement or help implement, accepted recommendations in a timely manner.
- c) Client assumes responsibility to review all legal and tax implications of Advisor's recommendations with an attorney and or accountant or other appropriate professional and acknowledges that Advisor has no liability or responsibility for legal or tax consequences.
- d) In accordance with Internal Revenue Service Circular 230, Client is hereby advised that any tax advice provide is not intended or written to be used, and it cannot be used, by any Client for the purpose of avoiding penalties that may be imposed on the taxpayer by the Internal Revenue Service.
- e) Client is responsible for any supplementary legal, investment transaction, Custodial, mutual fund, insurance or accounting fees, charges, or costs which might be incurred by Client as a result of Client or Advisor (if so engaged) implementing recommendations. These costs are exclusive of and in addition to Advisor's fees.
- f) Client acknowledges that Advisor's recommendations will place Client under some risk, and that this risk can result, among other risks, in Client losing investment capital, investment income, tax benefits and/or purchasing power.
- g) Client acknowledges that financial planning and/or hourly service(s) recommendations and advice provided by Advisor are constrained by the limited nature of the engagement and can not by the engagement's nature consider all impacts on a Client's overall financial picture or even all factors that may effect the subject of the engagement.
- h) Client acknowledges that due to the limited nature of this engagement, Advisor is under no obligation to contact Client after completion of the service regarding changes, for example, in the economy, financial markets, or tax law that may have an impact on the client.
- i) In the event Client consists of two or more individuals, Client acknowledges that any information, instructions or authorizations received from or provided to one individual will be deemed to have been received from or provided to all individuals constituting Client, unless Client has clearly indicated in writing that all individuals constituting Client must concur and or be informed.

6) Advisor's Fees and Additional Hourly Billings.

- a) Advisor usually charges flat fees for its services. Advisor's fees may be higher or lower than those normally charged for similar or significantly different services.

- b) Ordinarily, brief unanticipated tasks related to Bundled Financial Planning are covered by the phone and face to face consulting time included in the description of this service. As financial planning is a discovery process, however, situations may occur wherein Client is unaware of certain financial exposures or other relevant information. For this reason, Advisor reserves the right, with advance notice to the Client, to adjust the fee should the nature of the engagement materially change (for example, due to new information relevant to the Client's assets or financial affairs) or if Advisor's workload is increased because of delays or special requests by the Client.
- c) Should Client request services that are outside the scope of contracted services, Advisor may elect to charge an hourly fee for such work. Hourly work will be undertaken and fees will be incurred only with Client's prior authorization.

7) Termination.

- a) This agreement may be terminated by either Client or Advisor without penalty upon written notice delivered to the other party. If this agreement is terminated within five business days after its execution, then all fees paid in advance by Client shall be refunded. If this agreement is terminated more than five business days after its execution, then any fees paid in advance will be refunded on a proportionate basis based upon work completed by Advisor as of the date notice is delivered to, or sent by Advisor (the "Notice Date"). In such circumstances, Advisor shall deliver to Client all written work and recommendations developed prior to the Notice Date.

8) Miscellaneous Provisions

a) Notices.

- i) Unless otherwise provide for herein, all notices, requests, demands, and other communications required or permitted pursuant to this agreement ("Notice") shall be in writing and either delivered personally or sent by overnight delivery or certified mail, postage prepaid, return receipt requested.
 - ii) If sent by mail or overnight delivery, a Notice shall be addressed to Advisor c/o Barry R. Korb at 1515 Allview Drive, Potomac, Maryland 20854, or to Client at _____.
 - iii) A Notice delivered personally shall be effective when personally delivered. A Notice that is properly addressed and sent by overnight delivery or express mail shall be effective 24 hours after having been sent. A Notice that is properly addressed and sent by certified mail with postage fully prepaid shall be effective 48 hours after it is deposited in the U.S. Mail.
 - iv) Either party may designate by Notice to the other party substitute addressees or addresses for Notices and copies and, thereafter, Notices and copies are to be directed to those substitute addressees or addresses.
 - v) Electronic Delivery. Client authorizes Advisor to deliver, and the Client agrees to accept, all required notices and disclosures via electronic mail, 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 e-mail address..
- b) **Force Majeure.** Neither party shall be liable or deemed to be in default for any delay or failure in performance under this agreement or interruption of service resulting directly or indirectly from acts of God, civil or military authority, acts of the public enemy, war, riots, civil disturbances, insurrections, accidents, fire, explosions, earthquakes, floods, the elements, strikes, labor disputes, power shortages, shortages of suitable parts, materials, technology, labor or transportation or any causes beyond the reasonable control of such party.
- c) **Governing Law.** The laws of the State of Maryland shall govern the validity and construction of this agreement, without regard to the principles of conflicts of laws.
- d) **Consent to Jurisdiction.** The parties hereby submit to the jurisdiction and venue of the courts of the State of Maryland.
- e) **Severability.** A ruling by any court that one or more of the provisions contained in this agreement is invalid, illegal or unenforceable in any respect shall not affect any other provision of this agreement. Thereafter, this agreement shall be construed as if the invalid, illegal, or unenforceable provision had been amended to the extent necessary to be enforceable within the jurisdiction of the court making the ruling.

- f) **Word Forms.** Whenever used herein, the singular shall include the plural, and the plural shall include the singular. The use of any gender, tense, or conjugation shall include all genders, tenses, and conjugations.
 - g) **Counterparts.** This agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original. In that event, in proving this Agreement it shall only be necessary to produce or account for the counterpart signed by the party against whom the proof is being presented.
 - h) **Headings.** The Section headings have been included to convenience only, are not part of this agreement and shall not be taken as an interpretation of any provision hereof.
 - i) **Assignments, Amendments, Modifications and Binding effect.** This agreement may not be assigned by any party or amended, waived, changed, modified or discharged except by an agreement in writing signed by all of the parties, except that Advisor may assign this agreement to a subsidiary, parent, or other affiliate or in conjunction with a merger, reorganization, consolidation, or sale of all or substantially all of the stock or assets of Advisor. Subject to this provision, this agreement shall inure to the benefit of, and shall be binding on the parties, their respective heirs, successors, executors, administrators, personal representatives, legal representatives, successors, and assigns of the respective parties.
 - j) **Integration.** This agreement represents the parties' final and complete understanding as to all matters included herein, and supersedes all prior written or oral agreements of the parties concerning matters covered herein.
 - k) **Waiver of Breaches.** Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of that term, covenant or condition or of any other term, covenant or condition of this agreement. Any waiver or relinquishment of any right or power hereunder at any one or more times shall not be deemed a waiver or relinquishment of that right or power at any other time.
 - l) **Arbitration.** Any controversy or claim arising out of or relating to this agreement, or any breach thereof, including the arbitrability thereof, shall be resolved in accordance with the rules of the American Arbitration Association, with hearing locale in metropolitan Washington, D.C. Judgment upon the award may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, each party shall be at liberty to apply to any court having jurisdiction for injunctive, interim or conservatory relief from any threatened or continuing breach by the other party of its obligations under this Agreement. Further, nothing herein shall constitute a waiver by Client of any rights provided under federal or state securities law to pursue a remedy by other means.
- 9) **Advisor's Disclosure and Privacy Statement.**
By signing below Client acknowledges receipt of Advisor's Privacy and Disclosure Statement (ADV Part II). If the Disclosure statement was not received more than 48 hours prior to the date of execution of this Engagement Agreement Client understands that s/he has the right to terminate this agreement within 5 business days with out penalty.

THE UNDERSIGNED HAVE CAREFULLY READ THIS ENTIRE DOCUMENT AND THE UNDERSIGNED AGREE TO ALL THE TERMS AND CONDITIONS HEREIN AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS DOCUMENT.

CLIENT:

Name: _____

Date: _____

Name: _____

Date: _____

ADVISOR:

LIGHTHOUSE FINANCIAL PLANNING, LLC

By: _____

Barry R. Korb, CFP®

Date: _____