



Investment Advisory Agreement / Solicitor New Account Application

280 S. Mangum Street | 550 Diamond View II | Durham, NC 27701
Phone: (800) 247-6717 | Fax: (919) 489-8939

Owner / Custodian: _____ SSN/TIN: _____ DOB: _____

Address: _____

E-mail: _____ Home Phone: _____ Other: _____

Identification: ☐ Driver's License ☐ # _____ Issue Date: _____ Expiration: _____

Witnessed by	Exception	Non-Documentary Verification	Date
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Employer: _____ Work Phone: _____ Income: _____ Tax Bracket: _____

Address (required): _____ Occupation*: _____

Value of Existing Portfolio: ☐ < \$50,000 ☐ \$50,000 - \$100,000 ☐ \$100,000 - \$250,000 ☐ \$250,000 - \$500,000 ☐ \$500,000 - \$1,000,000 ☐ > \$1,000,000Current Net Worth: ☐ < \$50,000 ☐ \$50,000 - \$100,000 ☐ \$100,000 - \$250,000 ☐ \$250,000 - \$500,000 ☐ \$500,000 - \$1,000,000 ☐ > \$1,000,000

Liquidity Needs (college expenses, medical, income, etc): _____

Joint / Minor: _____ SSN/TIN: _____ DOB: _____

E-mail: _____ Other Phone: _____ Relation: _____

Identification: ☐ Driver's License ☐ # _____ Issue Date: _____ Expiration: _____

Witnessed by	Exception	Non-Documentary Verification	Date
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Employer: _____ Work Phone: _____ Income: _____

Address (required): _____ Occupation*: _____

Value of Existing Portfolio: ☐ < \$50,000 ☐ \$50,000 - \$100,000 ☐ \$100,000 - \$250,000 ☐ \$250,000 - \$500,000 ☐ \$500,000 - \$1,000,000 ☐ > \$1,000,000Current Net Worth: ☐ < \$50,000 ☐ \$50,000 - \$100,000 ☐ \$100,000 - \$250,000 ☐ \$250,000 - \$500,000 ☐ \$500,000 - \$1,000,000 ☐ > \$1,000,000* Is either account registrant employed by another broker/dealer or investment adviser? ☐ Yes ☐ No If yes, please state: _____

Please review the information we have collected about you as reflected on this document. Should you find that any of this information is incorrect, or if anything changes in the future (such as address, phone number, investment objectives, income, risk tolerance, employment, etc.), please make corrections and return to Verity Asset Management.

Account ☐ Voluntary ☐ Joint ☐ Traditional IRA ☐ Roth IRA ☐ SEP IRA ☐ SIMPLE ☐ 403(b)(7) ☐ Other: _____Overall Risk Tolerance: ☐ Aggressive ☐ Moderately Aggressive ☐ Moderate ☐ Moderately Conservative ☐ ConservativeTime Horizon: ☐ Less than 3 years ☐ 3 - 5 years ☐ 5 - 7 years ☐ 7 - 15 years ☐ More than 15 yearsAccount Objective: ☐ (1) Aggressive Growth ☐ (2) Growth ☐ (3) Growth/Income ☐ (4) Income ☐ (5) Preservation of Capital

Investment / Model Portfolio	(1)	(2)	(3)	(4)	(5)	<input type="radio"/> Check Rcv'd: \$ _____
_____ %	0	0	0	0	0	<input type="radio"/> Transfer (1) Estimate: \$ _____
_____ %	0	0	0	0	0	<input type="radio"/> Transfer (2) Estimate: \$ _____
_____ %	0	0	0	0	0	<input type="radio"/> Transfer (3) Estimate: \$ _____
_____ %	0	0	0	0	0	<input type="radio"/> Monthly SRA/PAC: \$ _____

Account LinksYour personal accounts; spouse's accounts; accounts of children under the age 21 who share your residential address; trust accounts established by you, your spouse, or children under age 21; solely controlled business accounts; and single-participant retirement plans, all may be linked for the purpose of fee calculation. ☐ Apply Fee Links with: _____

I elect to link all accounts in my household for consolidated on-line account access and combined statement mailings.

☐ Apply Statement Links to all accounts in my Fee group**I (WE) HAVE READ AND UNDERSTAND THE INVESTMENT ADVISORY AGREEMENT, INCLUDING THE PREDISPUTE ARBITRATION AGREEMENT, TO WHICH I (WE) AGREE.**

Owner/Custodian Signature _____

Date _____

Print Solicitor Agent's Name _____

Phone Number: _____

Joint Owner Signature _____

Date _____

Print Solicitor Firm Name _____

Accepted by Verity Asset Management
Review
Principal: _____

This Agreement describes the relationship between VERITY ASSET MANAGEMENT, INC.(hereinafter "Firm") and

_____ (hereinafter "Client") entered into on _____, 20_____.

1. ADVISORY SERVICE

The Firm provides investment management services to individuals and firms on a discretionary basis. The Firm may invest the assets held in the Client's portfolios in securities of any kind, cash, or cash equivalents. Investments are based on (among other factors) the Client's investment objectives, financial status, tax status, and risk tolerance that have been communicated to the Firm by the Client in writing. The Firm will have limited power of attorney to execute transactions on behalf of the Client without obtaining specific Client consent prior to every transaction. This authority is limited to securities contained in the Client's account.

2. INVESTMENT ADVISORY FEES

The Firm may deduct fees directly from the Client's accounts based upon the schedule below. Fees are paid quarterly in arrears, on the first day of the calendar quarter, based on the account's pro-rated average daily balance. Accounts holding unmanaged individual securities only will not be charged an investment advisory fee.

In addition to the investment advisory fee, accounts may incur transaction costs, custody fees, retirement plan administration fees, various internal expense ratios and other expenses associated with mutual funds and exchange trade funds, and/or externally managed strategies.

				Additional Model Level Management Fees	
Assets Under Management		Annual Advisory Fee		Specialty Models†	Opportunistic Income Model
First	\$	50,000	1.50%	0.45%	0.35%
Next	\$	50,000	1.50%	0.40%	0.35%
Next	\$	50,000	1.20%	0.35%	0.30%
Next	\$	100,000	1.15%	0.35%	0.30%
Next	\$	250,000	0.95%	0.35%	0.30%
Next	\$	250,000	0.75%	0.35%	0.30%
Next	\$	250,000	0.60%	0.35%	0.30%
Next	\$	1,500,000	0.50%	0.35%	0.30%
Above	\$	2,500,000	0.45%	0.35%	0.30%
Enhanced Income Strategy				Assets in this strategy are excluded from the above tiered Advisory Fee schedule	
†Specialty Models			Specialty Models are described in Form ADV Part 2.		

3. ACCOUNT SERVICING AUTHORITY

Where permitted, the Firm may instruct the qualified custodian that maintains any of the Client's accounts to remit funds or securities from the account to the Client at his or her address of record. Additionally, the Firm may, as a service to the Client, provide the Client's change of address information to the qualified custodian, so long as the Firm has a reasonable belief that the qualified custodian, upon receiving the instructions for the change of address, sends a notice of such change to the Client at both the Client's old and new addresses of record.

4. AGREEMENT TO ARBITRATE CONTROVERSIES

It is agreed that any controversy between the Firm and the Client arising out of Firm business or this Agreement shall be submitted to arbitration conducted under the provisions of the commercial arbitration rules of the American Arbitration Association. Arbitration must be commenced by service upon the other party of a written demand for arbitration or a written notice of intention to arbitrate, therein electing the arbitration tribunal. In the event the Client does not make such election within five (5) days of such demand or notice, then the Client authorizes the Firm to do so on the Client's behalf. Judgment upon any award rendered by the arbitrators shall be final and may be entered in any court having jurisdiction thereof. The laws of the State of North Carolina shall govern this Agreement in all respects, including but not limited to the construction and enforcement thereof. All disputes, actions or controversies arising out of or related to this Agreement or any relationship created hereby between the parties shall be settled by binding arbitration in Durham, North Carolina. This clause does not constitute a waiver of any right, including the right to choose the forum, whether arbitration or adjudication, in which to seek resolution of disputes.

5. VALUATION

For purposes of this agreement, the value of fully marketable securities contained in the Client's account shall be deemed to be the closing bid prices as furnished by Interactive Data Systems, Inc. or similar vendors. Securities not fully marketable will be valued according to the Firms' written pricing policy as disclosed in Form ADV, Part 2.

6. LIABILITY

The Client agrees that the Firm shall not be liable for anything done or omitted by it under this Agreement, or for anything done or omitted by any custodian, bank, or brokerage firm, so long as the Firm shall have acted in good faith, and negligence, willful or reckless misconduct or violation of applicable law is not involved. The federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this agreement will waive or limit any rights that a Client may have under federal and state securities law.

7. PROXIES It is the policy of the Firm not to vote proxies on behalf of Clients. Custodians are directed to forward all shareholder related materials to the owner of the account. Employee benefit plans governed by ERISA acknowledge that the Firm is covered as fiduciary by the bond maintained for the plan and will provide proof of such coverage. Proxy voting for plans governed by ERISA must conform to the plan document in effect. In cases where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the plan document.

8. TERMINATION Upon termination, Clients will receive a refund of any unearned fees. The initial term of this Agreement shall extend from the date of acceptance by the Firm through the end of the Client's first billing period and shall thereafter automatically be extended for additional three-month terms unless terminated prior thereto as hereinafter provided. An Advisory Client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full waiver of all fees. Thereafter, the Client may terminate the investment advisory agreement by providing the Firm with thirty (30) days written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the Client.

If this Agreement is terminated prior to the end of the quarter, fees will be prorated for services performed. If the Client is an individual person, this Agreement shall terminate upon receipt by the Firm of written notice of the death or mental disability of the Client. Termination of this Agreement shall not, in any case, affect or preclude the consummation of any prior transaction.

9. FORM ADV PART 2 & PRIVACY POLICY The Form ADV contains important disclosures about the advisory process, the Adviser's fees, and the background and experience of advisory associates. Additional information about the Adviser is publicly available and may be viewed at <http://www.adviserinfo.sec.gov/>. Clients are encouraged to review this information. By signing this Agreement, the Client agrees to its provisions and acknowledges receipt of the Adviser's:

(1) Form ADV Part 2: (Provided separately).

(2) Privacy Policy: (Provided separately).

(3) Business Continuity Notice: Verity Asset Management maintains a plan designed to assure continuation of business in the event of disruptions of varying severity. Client account records are maintained by the issuers (such as the respective mutual fund companies, annuity companies, etc.), and/or custodians. Thus, account records and customer funds should be accessible in the normal manner from those sources. All internal electronic records, including financial records, are backed up in a secure manner off-site.

Should any disruption occur, whether it is confined to our home office or is citywide or regional in scope, Verity intends to resume operations within twenty-four hours. Inbound phone lines will be forwarded to alternate numbers, and e-mail correspondence will be monitored from an alternate location. (You may contact us at compliance@verityinvest.com.) Updated status and contact information will be posted on our web site at www.verityinvest.com. Updates to this summary will be posted on our web site and are available by mail upon request.

Notwithstanding the foregoing, neither party shall be held responsible for the delay or failure to perform services or obligations under this Agreement when such delay or failure is due to fire, flood, epidemic, strikes, acts of God or any public enemy, unusually severe weather, failure or malfunction of any electronic, electric or mechanical equipment, legislative or regulatory acts of any public authority, delays or defaults caused by any public carriers, or other circumstances which cannot reasonably be forecast or provided against.

(4) Notice of Identity Verification: In order to combat the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. To comply with these regulations, we may ask to see a driver's license or other identifying documents at the time you open an account, or may use other non-documentary means of verifying your identity.

10. GENERAL PROVISIONS

If any one or more of the provisions of this Agreement (other than the provisions of Section 3 and 5) shall, for any reason, be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement and this Agreement shall be enforced as if such illegal or invalid provision had not been contained herein.

This Agreement may be modified by a written agreement signed by the parties. The Agreement may also be modified, including without limitation the services to be provided by the Firm or the fees charged by the Firm, in the manner set forth herein and consistent with the procedure described in Department of Labor Advisory Opinion 97-16A.

The Firm may propose to increase or otherwise change the fees charged, to change the services provided or otherwise modify this Agreement by giving Client reasonable advance notice of the proposed change. The notice shall be given in the manner described in this Agreement. The notice will (1) explain the proposed modification of the fees, services or other provisions; (2) fully disclose any resulting changes in the fees to be charged as a result of any proposed change in the services or other changes to this Agreement; (3) identify the effective date of the change; (4) explain Client's right to reject the change or terminate this Agreement; and (5) state that pursuant to the provisions of this Agreement, if Client fails to object to the proposed change(s) before the date on which the change(s) become effective, Client will be deemed to have consented to the proposed change(s).

If Client objects to any change to this Agreement proposed by the Firm, the Firm shall not be authorized to make the proposed change. In that event Client shall have an additional 60 days from the proposed effective date (or such additional time beyond 60 days as may be agreed by the Firm) to locate a service provider in place and instead of the Firm. If at the end of such additional 60 day period (or such additional time period as agreed by the Firm) the parties have not reached Agreement on the proposed changes, this Agreement shall automatically terminate.

11. CLIENT COMMUNICATION

The parties acknowledge that the services and information related to the Client may be provided through electronic means. Client represents that any electronic mail address ("E-Mail Address") provided by Client to the Firm in writing is a valid E-Mail Address and that Client consents to having communication between Client and the Firm sent to that E-Mail Address ("Advisor Communications"), except to the extent otherwise required by law. Client represents to the Firm that his/her E-Mail Address allows him/her to read and print Advisor Communications. Client agrees that such electronic delivery shall be deemed by the Firm as effective delivery to Client whether or not Client accesses or reviews the Advisor Communications. To receive electronic delivery of Advisor Communications, Client represents to the Firm that it has a computer with Internet access and an E-Mail Address. Client also represents to the Firm that he/she can download and save or download and print Advisor Communications so as to retain the Advisor Communication for his/her records. Client may withdraw or revoke this consent to receiving Advisor Communications electronically at any time by notifying the Firm. However, by doing so, Client understands that it may affect its ability to use the Firm's services.

12. ASSIGNMENT

This agreement may not be amended, transferred, or assigned by either party without the prior written consent of the other party.

Investment Policy Statement

With due consideration for my (our) personal financial circumstances, risk tolerance, time horizon, and account objective, as specified on the Investment Advisory Agreement / New Account Application provided in conjunction with this agreement, the Investment Policy for this account will be based upon the parameters of the Model Portfolio(s) that we have selected, along with any other Investment selections or restrictions, as recorded on the New Account Application document.

Complete descriptions of Model Portfolios, investment strategy, allocation parameters, and monitoring of accounts is available on Verity Form ADV Part 2A, particularly Items 4, 8, and 13, all of which is hereby included by reference in this statement of Investment Policy.

In signing below, I (we) acknowledge and accept this Investment Policy as consistent with our objectives.

Owner/Participant Signature

Date

Joint Owner

Date

Print Name

Print Name

Accepted By:

Verity Asset Management Principal Signature

Date

Principal's Name (Print)

Version 3/2013

SOLICITOR DISCLOSURE STATEMENT AND ACKNOWLEDGEMENT

Name of Solicitor: _____ (**“Solicitor”**)

Name of Investment Advisory Representative (**“IAR”**):

_____ (**“Solicitor Agent”**)

To Client:

Solicitor and our Investment Advisory Representative (IAR) are introducing you to Verity Asset Management (**“Verity”**) for the purpose of opening an investment advisory account. We are acting in a referral capacity, and under this arrangement the Solicitor will receive a referral fee from Verity consisting of 67% of the Annual Advisory Fees received by Verity on accounts from clients referred by us. The total advisory fees you pay to Verity are not increased by the payment to the Solicitor.

As a Solicitor, neither we nor our Investment Adviser Representatives are affiliated with Verity, and we are not authorized to provide investment advice on behalf of Verity or to act for or bind Verity. Your investment advisory agreement with Verity will not become effective until accepted by Verity at its offices in Durham, North Carolina.

In connection with our participation in this process, Solicitor and/or our Investment Advisory Representative will receive access to account statements and/or other account information which permits us to monitor your account. In addition, we may provide other ministerial types of services on behalf of your account as may be requested by Verity to assist in providing direct client services to you regarding your account.

Client Acknowledgment of Receipt

I acknowledge receipt of Verity’s Form ADV Part 2 and the Solicitor’s Form ADV Part 2, in addition to a copy of this Disclosure Statement describing the arrangements between the Solicitor, its Investment Advisor Representative and Verity Asset Management.

Client Signature: _____

Joint Signature: _____

Date: _____

Printed Name: _____

Signed in (City, State): _____