



## Workplace Savings / Solicitor Account Registration

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

Owner / Participant: \_\_\_\_\_ 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\*: \_\_\_\_\_

Overall Risk Tolerance: ☐ Aggressive ☐ Moderately Aggressive ☐ Moderate ☐ Moderately Conservative ☐ Conservative

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

Current 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): \_\_\_\_\_

\* Is 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 Registration

Please provide a current account statement for each account.

Managed Strategy: ☐ Moderate Allocation ☐ Core Allocation ☐ Aggressive Allocation Estimated Account Value: \$ \_\_\_\_\_

Employer: \_\_\_\_\_ Plan Number: \_\_\_\_\_ ☐ 401(a)

Custodian: \_\_\_\_\_ Account Number: \_\_\_\_\_ ☐ 403(b)(7)

Time Horizon: ☐ Less than 3 years ☐ 3 - 5 years ☐ 5 - 7 years ☐ 7 - 15 years ☐ More than 15 years ☐ Other: \_\_\_\_\_

Fee Collection Method: ☐ Direct Debit from account ☐ Bank Draft via ACH

Managed Strategy: ☐ Moderate Allocation ☐ Core Allocation ☐ Aggressive Allocation Estimated Account Value: \$ \_\_\_\_\_

Employer: \_\_\_\_\_ Plan Number: \_\_\_\_\_ ☐ 401(a)

Custodian: \_\_\_\_\_ Account Number: \_\_\_\_\_ ☐ 403(b)(7)

Time Horizon: ☐ Less than 3 years ☐ 3 - 5 years ☐ 5 - 7 years ☐ 7 - 15 years ☐ More than 15 years ☐ Other: \_\_\_\_\_

Fee Collection Method: ☐ Direct Debit from account ☐ Bank Draft via ACH

Managed Strategy: ☐ Moderate Allocation ☐ Core Allocation ☐ Aggressive Allocation Estimated Account Value: \$ \_\_\_\_\_

Employer: \_\_\_\_\_ Plan Number: \_\_\_\_\_ ☐ 401(a)

Custodian: \_\_\_\_\_ Account Number: \_\_\_\_\_ ☐ 403(b)(7)

Time Horizon: ☐ Less than 3 years ☐ 3 - 5 years ☐ 5 - 7 years ☐ 7 - 15 years ☐ More than 15 years ☐ Other: \_\_\_\_\_

Fee Collection Method: ☐ Direct Debit from account ☐ Bank Draft via ACH

### Apply Fee Links

Certain accounts held by you and by your spouse may be linked together for purposes of household fee calculation.

Please indicate if accounts are held by another qualifying individual.

Accountholder Name: \_\_\_\_\_ SSN: \_\_\_\_\_

I HAVE REVIEWED AND UNDERSTAND THE NOTIFICATIONS APPEARING ON THE INVESTMENT ADVISORY AGREEMENT, INCLUDING THE PREDISPUTE ARBITRATION AGREEMENT TO WHICH I AGREE. I ALSO UNDERSTAND THAT VERITY MAY RELEASE INFORMATION ABOUT ME AND/OR MY ACCOUNT TO THE SOLICITOR INVOLVED IN THIS REFERRAL.

This application was completed with the assistance of:

Participant Signature

Date

Accepted by:

Print Solicitor Agent's Name

Solicitor Firm Name

Phone: \_\_\_\_\_

Trade Review Principal, Verity Asset Management

Date



## Investment Advisory Agreement / Workplace Savings

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

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

\_\_\_\_\_ (hereinafter "Client") entered into on \_\_\_\_\_, 20\_\_\_\_.

### 1. ADVISORY SERVICE

Where proper authorizations have been provided by the Client and any applicable third parties, the Firm will manage the Client's securities portfolios on a discretionary basis and have limited power of attorney to execute transactions on behalf of the Client without obtaining specific Client consent prior to every transaction. This limited power of attorney will only apply to investment allocations within the authorized account(s) and among the investment options permitted by the applicable plan sponsor(s) in order to implement the model strategy employed in managing the Client's account(s). 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. Termination of any applicable third party authorizations with the custodian can adversely impact the Firm's ability to monitor the account and/or execute transactions in the account, and therefore could suspend the provision of the services outlined in these agreements.

Procedural safeguards exist to monitor excessive trading policies when present at the custodian level. Please be advised that personal trading initiated by the Client may conflict with these monitoring procedures and could have unintended consequences in the account. The Firm is not responsible for any trading restrictions or other actions that a custodian may take as a result of trading activity initiated by the Client.

In providing the services hereunder, the Firm is acting as a fiduciary under the Investment Advisers Act of 1940, and to the extent applicable, a fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA).

### 2. INVESTMENT ADVISORY FEES

Verity will collect fees for this service in accordance with the below schedule. Fees are paid quarterly in arrears based on the account's average daily balance over the prior quarter. Fees will be deducted directly from the account(s) under management where proper authorizations exist, or billed directly if such deductions are not administratively feasible. Fees are payable on the first day of the calendar quarter. In addition to an investment advisory fee, accounts may incur additional charges imposed by the selected custodian. The Firm does not share in any amounts paid to the selected custodian, unless contracted directly with the plan sponsor under separate agreement for the provision of additional services. In such cases, the custodian may collect and remit fees to the Firm as specified in any such written agreement.

Annualized Investment Management Fees			
Assets Under Management		Annual Fee	
First	\$ 250,000	1.25%	
Next	\$ 250,000	1.10%	
Next	\$ 250,000	0.95%	
Amounts Above	\$ 750,000	0.80%	

### 3. 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.

### 4. VALUATION

For purposes of this agreement, the value of securities contained in the Client's account(s) shall be deemed to be the closing bid prices as furnished by the applicable custodian.

## 5. 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 or under ERISA. The Client also acknowledges that the Firm is able to make investment allocations only among the available options and is not responsible for any losses that may arise that are caused by the choice(s) made by the applicable plan sponsor(s).

6. **PROXIES** It is the policy of the Firm not to vote proxies on behalf of Clients.

## 7. TERMINATION

The term of this Agreement shall extend from the date of acceptance by the Firm and continues until terminated by either party on thirty (30) days written notice. 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. 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 and the Firm reserves the right to invoice the Client directly for any fees due, regardless of the fee collection method specified in this Agreement. 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.

## 8. 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, to include the Schedule F:** (Provided separately).
- (2) **Privacy Policy:** (Provided separately)
- (3) **Business Continuity Notice:**

The Firm 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, the Firm will use every reasonable effort 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](mailto:compliance@verityinvest.com).) Updated status and contact information will be posted on our web site at [www.verityinvest.com](http://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.

## 9. 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.

#### 10. 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.

#### 11. 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

\_\_\_\_\_  
Print Name

Accepted By:

\_\_\_\_\_  
Verity Asset Management Principal Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Principal's Name (Print)

## 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 we will receive a referral fee from Verity consisting of 60% of the fees received by Verity on workplace savings 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: \_\_\_\_\_

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

Printed Name: \_\_\_\_\_

Signed in (City, State): \_\_\_\_\_



Choosing an investment strategy requires careful consideration of your personal time frames and your individual desire to accept or avoid risk. This questionnaire is designed to assist you with this process. As you answer the following questions, indicate the point value for each answer, then tally all questions to arrive at your overall Risk Tolerance Score.

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

1. In general, would you describe yourself as an investor who is:

- 1 pt – Conservative
- 2 pts – Moderate
- 3 pts – Moderately Aggressive
- 4 pts – Aggressive

Points: \_\_\_\_\_

2. Your investment objective for this account is:

- 1 pt – To keep my principal investment stable, even if my returns are very low
- 2 pts – To assume moderate risk in return for the potential of better, though not spectacular, long-term growth
- 3 pts – To grow my principal at a long-term rate comparable to the broad stock market; I am willing to accept typical market risk
- 4 pts – To grow my principal at a rate greater than the broad stock market; I am willing to accept significant volatility and greater risk of loss

Points: \_\_\_\_\_

3. If this account dropped 20% in value, how would you be most likely to respond?

- 1 pt – Move the investment to a guaranteed fixed account to avoid further losses
- 2 pts – Move half of the investment to a more conservative or guaranteed account
- 3 pts – Stay the course; I'm willing to accept market fluctuation
- 4 pts – See opportunity, and invest more if possible

Points: \_\_\_\_\_

4. Your current investments are:

- 1 pt – Primarily money market funds, bank certificates of deposit, savings accounts, and/or other very low risk instruments
- 2 pts – Primarily bonds and/or bond funds, with perhaps a small allocation to stocks
- 3 pts – Greater than 50% stocks, with some diversification into bonds; the stocks are primarily U.S. large company stocks and/or mutual funds that invest primarily in large U.S. companies
- 4 pts – Predominantly stocks, including small company stocks and emerging market stocks; may also include commodities and other higher risk investments

Points: \_\_\_\_\_

5. Understanding that inflation erodes the purchasing power of your investments, your goal is to:

- 1 pt – Avoid losses, but possibly earn a stable rate of return even if it means losing purchasing power over time
- 2 pts – Take some market risk to keep pace with inflation, but still avoid significant loss of principal
- 3 pts – Keep pace with or exceed inflation by taking on typical market risk
- 4 pts – Significantly outpace inflation and increase the purchasing power of my investments by taking a more aggressive approach to my portfolio

Points: \_\_\_\_\_

6. If the market climbs 50%, how important is it to you for your investments to grow by a similar amount?

- 1 pt – Not important; I don't want to take the market risk
- 2 pts – Would want to capture 25-50% of that gain, understanding I must take some risk to do so
- 3 pts – Would like to capture 70-100% of that gain, understanding I will experience significant swings in value
- 4 pts – Would seek gains in excess of the broad market, and am willing to risk the greater uncertainty associated with that objective

Points: \_\_\_\_\_

7. When considering a significant investment decision, which is most likely to occupy your thoughts?

- 1 pt – The potential for loss
- 2 pts – Primarily the potential for loss, with some thought of potential gains
- 3 pts – Primarily the potential for gain, with some thought of potential losses
- 4 pts – The potential gains

Points: \_\_\_\_\_

8. Of the following scenarios, which most closely identifies your attitude relating to this account:

- 1 pt – This account is of primary importance for my future needs. Loss of value is my main concern
- 2 pts – My primary needs should be covered by other sources. Therefore, I have no need to take significant market risk in this account
- 3 pts – This account is important for my future needs. I am seeking growth and am willing to accept reasonable market risk
- 4 pts – This is a long term investment. I am willing to accept more significant risk in search of aggressive growth
- 4 pts – My primary needs should be covered by other sources. Therefore, I am comfortable seeking aggressive growth in this account

Points: \_\_\_\_\_

**Risk Tolerance Score:**

Please add the point scores together and enter the total here:

Point Total:



Time Frame: How soon do you anticipate a withdrawal from this account? \_\_\_\_\_ Years

Intended Use: Do you intend to use this account:

\_\_\_\_\_ In a Lump Sum (or over a relatively short period of time)

\_\_\_\_\_ To provide an Income Stream (such as retirement income)

(1) Select the table below corresponding to your Intended Use (Lump Sum or Income Stream)

(2) Find the line corresponding to your Time Frame to identify the Strategy which corresponds to your Risk Tolerance Score.

	Intended Use: Lump Sum Distribution				Intended Use: Begin an Income Stream			
Time Frame	Conservative		Balanced Growth	Dynamic Growth Focused Growth	Conservative		Balanced Growth	Dynamic Growth Focused Growth
Less than 2 years	8 - 32				8 - 11	12 - 24	25 - 32	
2 - 5 Years	8 - 18	19 - 24	25 - 30	31 - 32	8 - 10	11 - 22	23 - 32	
5 - 10 Years	8 - 13	14 - 20	21 - 29	30 - 32	8 - 10	11 - 19	20 - 29	30 - 32
More than 10 Years	8 - 10	11 - 16	17 - 27	28 - 32	8 - 10	9 - 16	17 - 25	26 - 32

Note: Scores in the left hand column may suggest that the account should be in money market or stable value funds.

This questionnaire provides general guidance to assist you in selecting an appropriate strategy. However, each investor's objectives are affected by many other personal factors. In some situations, an investor may for very good reasons elect a strategy different from the one suggested by this guide. Taking into account your personal information as provided on the New Account Registration form, and the result from the Strategy Selection Guide above, please indicate which strategy you have selected for this account:

- \_\_\_\_\_ Conservative: The Conservative Strategy is designed to seek stable growth with limited risk. The first priority is management of risk.
- \_\_\_\_\_ Balanced Growth: The primary objective of the Balanced Growth Strategy is to balance opportunity for growth with management of risk.
- \_\_\_\_\_ Dynamic Growth: The Dynamic Growth Strategy seeks growth of capital. Greater potential for loss and higher volatility are to be expected.
- \_\_\_\_\_ Focused Growth: The Focused Growth Strategy seeks very aggressive growth of capital. It is expected to remain close to fully invested at all times, and assumes a risk of significant loss.

If you selected a Strategy different from the one suggested by your Risk Tolerance Score, please describe the reason for your choice here:

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I acknowledge that I have read the full Strategy descriptions in the Verity Asset Management Form ADV, Part 2, Item 4.

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

Print Name: \_\_\_\_\_

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

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Independent Thinking.  
Meaningful Results.