

# Grossman Financial Management

*Independent Financial Planning & Asset Management Services*

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## LETTER OF ENGAGEMENT

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This Letter of Engagement sets forth the terms upon which you engage Grossman Financial Management (hereafter "GFM") as a financial and investment advisor.

### Services

With regard to the areas checked below, GFM will:

1. perform detailed data-gathering, relying primarily upon your data;
2. discuss with you your financial goals and concerns in order to determine the financial objectives to be planned for;
3. evaluate your current situation in light of stated objectives;
4. present, with analysis, alternative strategies to improve the attainment of your objectives;
5. recommend a specific course of action designed to optimize your situation; and
6. provide a written report documenting the plan.

\_\_\_ Statement of Financial Position.

GFM will prepare current Balance Sheet and Cashflow statements to establish your current financial position.

\_\_\_ Financial Forecasting

GFM will prepare a forecast of your financial situation in light of pre-retirement and retirement goals.

\_\_\_ Investment Planning

GFM will consider your investment portfolio in light of such considerations as your goals, expected volatility and return, taxation, diversification, implementation costs, management and types of securities. GFM will educate you about these various issues and recommend an investment strategy that is suitable for you. GFM will prepare a financial forecast for each situation considered.

\_\_\_ Risk Management

GFM will consider risk exposures regarding disability, death and the need for long-term custodial care. GFM will prepare a financial forecast for each situation considered.

\_\_\_ Income Tax Planning

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GFM will review your income tax situation with primary concerns being the areas of financial forecasting, investments, insurance benefits and estate planning.

\_\_\_ Estate Planning

GFM will review your financial goals for the disposition of your estate with primary emphases being on strategies to attain those goals while minimizing the costs and practical complexities of settling an estate. GFM will prepare a financial forecast for each situation considered.

\_\_\_ Business Planning

GFM will work with you to advance the attainment of your business goals in the areas of succession planning and employee benefits. GFM will prepare a financial forecast for each situation considered.

\_\_\_ Other – See Amendment

\_\_\_ Periodic Review

In \_\_\_\_\_ months, GFM will conduct a review meeting with you to assess your plan in light of the then current situation as well as steps that have been taken to implement the plan.

Information and Privacy

You recognize that the work of GFM on your behalf depends upon the information which GFM has concerning your situation and upon your participation in formulating an appropriate financial strategy for you.

You agree to furnish all current information, regarding your current and future financial condition as well as your financial goals, required by us to perform the above services. All analyses and recommendations will be based on the information submitted. GFM shall not be required to verify any information obtained from you or from your other advisors (e.g., accountant, attorney). GFM is expressly authorized to rely on such information. GFM will also utilize assumptions about the future, such as rates of return on investments and inflation, that you will select and that GFM will rely upon in preparing your plan.

When the Engagement has been completed, your papers and documents will be returned. Copies of documents, papers and other information may be retained by us in your file for compliance purposes. All information will be held confidential and not disclosed to third parties, except as agreed upon in writing or required by law.

Fees

The fee for the services described herein will be set by the billing option checked below.

\_\_\_ Fixed Fee.

The fee will be \$\_\_\_\_\_. GFM will not change the fee in light of the time devoted to this Engagement.

\_\_\_ Hourly Fee with Cap.

The fee will be determined by the time devoted to the Engagement employing an hourly rate of \$\_\_\_\_\_, provided, however, that the fee will not exceed a Cap Fee of \$\_\_\_\_\_ .

\_\_\_ Hourly Fee.

The fee will be determined by the time devoted to the Engagement employing an hourly rate of \$\_\_\_\_\_.

A deposit is required at the beginning of the Engagement for 50% of the Fixed Fee, 50% of the Hourly Fee with Cap, and/or 50% of the (estimated) Hourly Fee. The balance of the Fee is due when the written plan is presented.

### Service Guarantee

You retain the right, for any reason, to terminate our services and this Letter of Engagement at any stage upon written notice, subject to the following:

- If termination is because of dissatisfaction with our services, then, further to a written notice which includes a statement of the reasons for your dissatisfaction, no fee shall be due and the deposit will be fully and promptly returned.
- If termination is for reasons other than dissatisfaction with our services, and in the event that the billing option is the Fixed Fee, then the amount billable will be \_\_\_% of the Fixed Fee for each meeting held with the client, not including the initial consultation; any deposit in excess of billed time will be promptly returned and any amount billable in excess of the deposit will be due at the time of termination.
- If termination is for reasons other than dissatisfaction with our services, and in the event that the billing option is the Hourly Fee with Cap, then time will be billed through the termination date, exclusive of the initial consultation; any deposit in excess of billed time will be promptly returned and any amount billable in excess of the deposit will be due at the time of termination.
- If termination is for reasons other than dissatisfaction with our services, and in the event that the billing option is the Hourly Fee, then time will be billed through the termination date, exclusive of the initial consultation; any deposit in excess of billed time will be promptly returned and any amount billable in excess of the deposit will be due at the time of termination.
- Notwithstanding anything herein to the contrary, within the first five (5) business days after you have entered this Engagement, you may terminate this Engagement without payment of any fee or penalty. The deposit will be fully and promptly returned.

GFM retains the right, for any reason, to terminate our Engagement. If GFM does so prior to completion of the Engagement, no fee shall be due and the deposit will be fully refunded.

### Implementation

After the presentation of the plan, GFM will be pleased to discuss with you an ongoing relationship regarding the implementation of the plan.

You are under no obligation to follow any recommendation made by us. However, you understand that recommendations made may be integrated and interdependent; carrying out a recommendation in isolation may not meet with your objectives and should be discussed with us in advance.

#### Possible Conflict of Interest

GFM is a California business registered as an Investment Advisor with the Department of Corporations of the State of California. Lawrence I. Grossman is the sole owner. In compliance with the Investment Advisors Act of 1940, Rule 204-3, GFM will provide herewith a copy of our latest Form ADV Part II (“Application for Registration as an Investment Advisor”).

GFM and/or its associated persons may have an investment position in securities which are the subject of recommendations by GFM. You acknowledge this and authorize GFM to engage in such transactions.

#### Legal & Tax Advice

You expressly understand and agree that GFM is not qualified to render any legal advice or to prepare any legal documents and that this Letter of Engagement does not provide for such services. Similarly, you agree to rely on your tax attorney or accountant for tax advice or tax preparation.

#### Future Service

The services contracted for herein apply to your financial situation at the time of the Letter of Engagement. GFM generally recommends that clients review their plans periodically. Such reviews are not included in this Engagement beyond that which is provided for above under the heading of “Services.”

#### Miscellaneous

Advice given will be based on economic and tax factors and your personal circumstances at the time the services were rendered.

You understand that neither GFM nor any of its employees can guarantee the result of any recommendation.

No assignment of this Letter of Engagement shall be made by either party without the other’s express written consent.

This Letter of Engagement shall be applicable only to financial advice contained in the written financial plan prepared for you.

Services similar to those described in this Letter of Engagement may be available from other sources at a lesser cost.

The validity of this Letter of Engagement shall be governed by the laws of the State of California.

