



**Confidential**  
**Investment Management**  
**Application and Agreement**

Stack Financial Management, Inc.  
625 Wisconsin Avenue  
Whitefish, Montana 59937-2138  
(800) 790-5001 ♦ (406) 862-8000  
FAX: (800) 798-6889  
[sfm@StackFinancialManagement.com](mailto:sfm@StackFinancialManagement.com)

## INSTRUCTIONS:

**Please complete a separate application for each account to be managed by Stack Financial Management (SFM).** This application form may also be printed from our website at [www.StackFinancialManagement.com](http://www.StackFinancialManagement.com) under the "Getting Started" tab.

- ☐ Complete PART I – Account Owner(s).
- ☐ Complete PART II – Account Information.
- ☐ Complete PART III – Investment Objective.
- ☐ Read PART IV – Investment Advisory Agreement.
- ☐ Sign and date PART IV– Investment Advisory Agreement on page 8.
  - ☐ For joint accounts, all account holders must sign.
  - ☐ For institutional accounts, all trustees, officers or partners must sign.
- ☐ Return the completed Application to SFM in the enclosed postage-paid return envelope. For faster service, you may fax the application to 800-798-6889 and then mail the original to SFM as the original signed application is required for our records.
  - ☐ If transferring an existing brokerage account, please include a copy of your latest brokerage statement.
  - ☐ If an institutional account, please include plan documents which verify your authority to sign for the account (corporate papers, trust documents, or retirement plan instruments).

***Do not send a check or stock certificates to Stack Financial Management.***

We will process your account application within 48 hours after receipt and priority mail your Schwab brokerage account application for completion as the final step to establishing your account with Stack Financial Management.

If you have questions about how to complete this form, please call our office at 800-790-5001.

**PART I – Account Owner(s)**

SFM Acct #: \_\_\_\_\_

Schwab Acct #: \_\_\_\_\_

Please complete this section for the Account Owner(s) only. Account, Corporation, Organization and/or Plan information will be collected in **PART II – Account Information** on page 5.

**PRIMARY ACCOUNT OWNER/TRUSTEE:**

Name: \_\_\_\_\_ Spouse's Name: \_\_\_\_\_

SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_ State of Legal Residence: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Physical Address (if different from mailing address): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Business Phone: \_\_\_\_\_ FAX: \_\_\_\_\_

Cell Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

I prefer to be contacted: ☐ Home ☐ Business ☐ Cell ☐ Email Best time to call: \_\_\_\_\_

Retired (Y/N): \_\_\_\_ If No, Occupation: \_\_\_\_\_ Business Name: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

SFM Quarterly Report Delivery Preference: ☐ Paper ☐ Email (documents are encrypted and password protected)

SFM Security Password: \_\_\_\_\_

(please provide one case-sensitive password per household)**ADDITIONAL ACCOUNT OWNER/TRUSTEE:**

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

Date of Birth: \_\_\_\_\_ Retired (Y/N): \_\_\_\_ If No, Occupation: \_\_\_\_\_

Business Name: \_\_\_\_\_ Business Phone: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

**ADDITIONAL ACCOUNT OWNER/TRUSTEE:**

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

Date of Birth: \_\_\_\_\_ Retired (Y/N): \_\_\_\_ If No, Occupation: \_\_\_\_\_

Business Name: \_\_\_\_\_ Business Phone: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

## PART I – Account Owner(s) *continued*

### RELEASE OF INFORMATION:

*This is a release of information authorization only. Please inform SFM if someone needs Power of Attorney on this account. Other than Account Owner(s), SFM may release information about this account to (e.g., spouse, accountant, attorney, child):*

Name: \_\_\_\_\_ Relationship: \_\_\_\_\_

Name: \_\_\_\_\_ Relationship: \_\_\_\_\_

Name: \_\_\_\_\_ Relationship: \_\_\_\_\_

Name: \_\_\_\_\_ Relationship: \_\_\_\_\_

### CLIENT PROFILE:

*Please help us understand your investment needs and objectives by answering the following questions:*

1. What is the estimated value of your Current Investment Assets (including retirement accounts): \$ \_\_\_\_\_
2. What portion of your total Current Investment Assets will be managed by SFM: \_\_\_\_\_%
3. When do you anticipate taking regular withdrawals from the account managed by SFM?  
☐ Within the next year    ☐ 1-5 years from now    ☐ 6-10 years from now    ☐ 11+ years from now  
☐ I do not plan to make regular withdrawals from the portfolio managed by SFM.
4. If you will be making regular withdrawals from the account now or in the future, what portion of this portfolio do you anticipate withdrawing on an annual basis? \_\_\_\_\_%    or    \$ \_\_\_\_\_
5. Do you have any large one-time expenditures planned for assets managed by SFM within the next 5 years?:    Yes    No  
If yes, please estimate the withdrawal amount and timing:

### WITHDRAWAL OPTIONS:

*Please check any of the following that apply.*

☐ I/We wish to make withdrawals of \$ \_\_\_\_\_ from the account.

☐ Monthly

☐ Quarterly

☐ Annually

☐ I/We wish to withdraw cash dividends and interest on a monthly basis.

☐ I/We may wish to withdraw funds on a periodic basis and would like a standing authorization on file to:

☐ Journal to another Schwab account

☐ MoneyLink from Schwab account to bank account

## PART II – Account Information

ACCOUNT TITLE: \_\_\_\_\_

Approximate Account Size: \$ \_\_\_\_\_

Tax Status of Account: ☐ Taxable ☐ Tax-deferred ☐ Tax-exempt

ACCOUNT TYPE (choose only one):

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Individual                        | <input type="checkbox"/> Traditional IRA | <input type="checkbox"/> Trust           |
| <input type="checkbox"/> Joint with Rights of Survivorship | <input type="checkbox"/> IRA Rollover    | <input type="checkbox"/> Partnership     |
| <input type="checkbox"/> Tenants in Common                 | <input type="checkbox"/> Roth IRA        | <input type="checkbox"/> Retirement Plan |
| <input type="checkbox"/> Custodial Account                 | <input type="checkbox"/> SEP-IRA         | <input type="checkbox"/> Corporation     |
| <input type="checkbox"/> Other (please specify): _____     |  |  |

If IRA, please provide the names and corresponding share percentages for the beneficiaries:

Primary Beneficiary(ies): \_\_\_\_\_

Contingent Beneficiary(ies): \_\_\_\_\_

If Trust, please provide the following information:

Type of Trust: ☐ Revocable ☐ Irrevocable ☐ Other: \_\_\_\_\_

Dated: \_\_\_\_\_ Governed by the State of: \_\_\_\_\_ Trust Tax ID#: \_\_\_\_\_

If Retirement Plan or Corporation, please provide the following information:

Retirement Plan Name: \_\_\_\_\_ Tax ID#: \_\_\_\_\_

Corporation Name: \_\_\_\_\_ Tax ID#: \_\_\_\_\_

### ACCOUNT FUNDING:

*Accounts may be funded by check, wire, transferred securities, or by transferring an existing brokerage account. Please note that all securities transferred to your account with SFM are subject to sale at any time without notice, and that not all securities are eligible for transfer into a SFM managed account. If you would like to transfer securities, please include a copy of your latest brokerage statement. We will review the current holdings and inform you which are eligible for transfer.*

How do you plan to fund your account?

- ☐ Existing Schwab Account #: \_\_\_\_\_
- ☐ By check.  
*We will provide mailing instructions. Do NOT include a check with this application.*
- ☐ By wire.  
*We will provide wire instructions when the account is open.*
- ☐ Securities transferred from another brokerage firm.  
*Please include a copy of your most recent account statement(s), as well as cost basis for assets in taxable accounts.*

## PART III – Investment Objective

*Please select the portfolio category which most closely fits your investment objectives for this account:*

### ☐ **Capital Appreciation Portfolio**

Designed for investors whose primary objective is conservative growth. Income is not a primary consideration. This portfolio is particularly well suited for value-oriented investors seeking to maximize their retirement or long-term savings, and who have over 10 years until retirement or anticipated capital withdrawals. This strategy selects companies with strong internal growth characteristics and a history of success. These firms are typically market leaders in their core business. While valuation is important, the emphasis is on growth at a reasonable price. Investments in this objective tend to have a smaller market capitalization and higher beta than those in the Value & Dividend objective.

### ☐ **Value & Dividend Portfolio**

Designed for those who want a consistent and relatively high level of dividend income, as well as capital appreciation potential. This option is most suitable for conservative clients who want more stable returns and a lower level of price volatility, or retired investors seeking current income from their portfolio. This strategy identifies quality companies that are undervalued, but offer solid earnings and attractive dividend yields. Stocks purchased for this objective typically have a higher than average dividend yield and/or exhibit strong historical dividend growth. Investments in this objective tend to have a larger market capitalization than those purchased for Capital Appreciation portfolios.

Investments in both Capital Appreciation and Value & Dividend Portfolios may include:

- Predominantly large-cap and mid-cap stocks, with some small-cap stocks.
- Exchange-traded funds (ETFs), sector funds or mutual funds.
- International stocks (ADRs) or funds, including emerging markets.
- Defensive positions in bear market exchange-traded funds (ETFs) or bear market mutual funds if conditions warrant.
- Limited positions in bonds or bond funds under special circumstances.
- Money market funds, certificates of deposit or T-bills.

**Please list any securities in which the investment activity in this account is limited by legal or SEC restrictions:**

**Please list any restrictions to be placed on the account or other important information:**

**Please Note:** Unless you indicate to the contrary in the spaces provided above, we will assume that there are no restrictions on our services, other than to manage the account in accordance with your designated investment objective chosen above. **It remains your responsibility to advise Stack Financial Management, Inc., in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our recommendations and/or services, or if you would like to impose, add, or modify any reasonable restrictions to our investment advisory services.**

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Stack Financial Management, Inc.) will be profitable.

## PART IV – Investment Advisory Agreement

This agreement made between the undersigned party ("Client") and STACK FINANCIAL MANAGEMENT, INC., a registered investment adviser, whose principal mailing address is 625 Wisconsin Avenue, Whitefish, Montana 59937, ("Adviser") is effective as of the date of acceptance by Stack Financial Management.

### 1. **Scope of Engagement:**

- (a) Client hereby appoints Adviser as an Investment Adviser to perform the services hereinafter described, and Adviser accepts such appointment. Adviser shall be responsible for the investment and reinvestment of those assets (herein referred to as "Assets" or "Account") designated by Client to be subject to Adviser's management;
- (b) Client delegates to Adviser all decisions with regard to the investment and reinvestment of the Assets and appoints Adviser as Client's agent and attorney-in-fact with full authority to buy, sell, or otherwise effect investment transactions involving the Assets in Client's name for the Account. Adviser is authorized, without prior consultation with Client, to buy, sell, trade and allocate in and among stocks, bonds, mutual funds and/or exchange-traded funds;
- (c) Adviser shall discharge its investment management responsibilities consistent with the Client's designated investment objectives. Unless the Client has advised the Adviser to the contrary, in writing, there are no restrictions that the Client has imposed upon the Adviser with respect to the management of the Assets;
- (d) Client authorizes Adviser to respond to inquiries from, and communicate and share information with those persons listed under "Release of Information" on page 4 of this Account Application. Client may make changes to "Release of Information" authorizations at any time by notifying Adviser in writing;
- (e) The Client acknowledges and understands that the services to be provided by Adviser 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.

**2. Adviser Compensation:** The Adviser'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 below:

<u>Total Value of Account(s)</u>	<u>Annual Fee</u>
less than \$1,250,000	1.20%
\$1,250,000 - \$2,999,999	1.00%
\$3,000,000 - \$4,999,999	0.85%
\$5,000,000 - \$10,000,000	0.75%

Fees are payable in advance on a quarterly basis and are due within 30 days after the start of the quarter. Fees are based on the market value of the Account(s) under management at the close of the last business day of the preceding quarter. For a new account, the initial quarterly fee is due beginning with the first full quarter following acceptance of this Agreement and establishment of the Account. Client authorizes the Custodian of the Assets to charge the Account for the amount of Adviser's fee and to remit such fee to Adviser in compliance with regulatory procedures. No portion of Adviser Compensation shall be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisers Act of 1940. In addition to Adviser's annual investment management fee, the Client shall also incur, relative to all mutual fund and exchange-traded fund purchases, charges imposed directly at the fund level (e.g., management fees and other fund expenses). Client shall also incur brokerage commissions and/or transaction fees for securities bought and sold in the Account. These brokerage fees are in addition to, and exclusive of, Adviser Compensation.

**3. Non-Exclusive Management:** Adviser, 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 Adviser does for the Assets. Client expressly acknowledges and understands that Adviser shall be free to render investment advice to others and that Adviser does not make its investment management services available exclusively to Client. Nothing in this Agreement shall impose upon Adviser any obligation to purchase or sell for the Account any security which Adviser, 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 Adviser such investment would be unsuitable for the Account or if Adviser determines in the best interest of the Account it would be impractical or undesirable. Investment decisions for the Account will be based on a variety of factors and will not necessarily be made in accordance with any model portfolio, printed information or investment newsletter edited by James B. Stack.

**4. Assignment:** This Agreement may not be assigned by either Client or Adviser without the prior consent of the other party. Should there be a change in control of the Adviser resulting in an assignment of this Agreement (as that term is 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 Adviser. If the Client continues to accept such services provided by the Successor without written objection during the 60 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.

**5. Risk Acknowledgment/Adviser Liability:** Adviser does not guarantee the future performance of the Account or any specific level of performance, the success of any investment recommendation or strategy that Adviser may take or recommend for the Account, or the success of Adviser's overall management of the Account. Client understands that investment recommendations for the Account by Adviser are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The Adviser, acting in good faith, shall not be liable for any action, omission, investment recommendation/decision, or loss in connection with this Agreement including, but not limited to, the investment of the Assets, or the acts and/or omissions of other professionals.

**6. 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 Adviser's services under this Agreement that cannot be resolved by mediation, both Adviser 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. Adviser and Client understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both Adviser 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, Adviser, 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.

**7. 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 Montana. In addition, to the extent not inconsistent with applicable law, the location for the resolution of any dispute or controversy between Adviser and Client shall be the County of Flathead, State of Montana.

**8. Death or Disability:** The death, disability or legally-declared 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 Adviser. Client recognizes that the Custodian may not permit any further Account transactions until such time as any documentation required is provided to the Custodian.

**9. Proxies:** The Adviser (unless provided otherwise in writing) shall be responsible for directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted. However, the Client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the Assets, including, but not limited to, class action lawsuits.

**10. Disclosure Statement, Customer Relationship Form and Privacy Notice:** Client hereby acknowledges prior receipt of the Adviser's Disclosure Statement as set forth on Part 2A of Form ADV and the Adviser's Client Relationship Form (Form CRS). These documents discuss the scope of the Adviser's services, fees, and any corresponding conflicts of interest. Client further acknowledges that Client has had a reasonable opportunity to review the said Disclosure Statement and the Client Relationship Form, and to discuss the contents of same with professionals of Client's choosing, prior to the execution of this Agreement. Client acknowledges prior receipt of Adviser's Privacy Notice.

**11. Electronic Delivery:** The Client authorizes the Adviser to deliver, and the Client agrees to accept, all required regulatory notices and disclosures via electronic mail and/or the Adviser's Internet website, as well as all other correspondence from the Adviser. Adviser 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 Adviser's website).

**12. Reports and Website Acknowledgement:** Adviser and Account Custodian shall provide Client with periodic reports for the Account. Also, both the Adviser and Custodian maintain websites which the Client may choose to access free of charge. If the Client elects to participate in the password-protected portions of the Adviser's website, Client understands that Client will be issued an individual password. Client agrees to not share the password with any other person. Client releases and holds Adviser harmless from any adverse consequences relative to any failure by Client to keep the password secure.

**13. Entire Agreement and Amendments:** This Agreement represents the entire agreement between the parties, and supersedes and replaces, in its entirety, all previous agreements regarding the Account between the Client and the Adviser. The Adviser may amend this Agreement upon written notification to the Client. Unless the Client notifies the Adviser to the contrary, in writing, the amendment shall become effective thirty (30) days from the date of mailing.

**14. 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.

**15. Authority:** Client acknowledges that Client has all requisite legal authority to execute this Agreement, and that there are no encumbrances on the Assets. Client correspondingly agrees to immediately notify Adviser, in writing, in the event that either of these representations should change. 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 and the Adviser represents that it is an investment fiduciary registered under The Investment Advisers Act of 1940. The Plan further represents that it has the authority to retain Adviser and there are no restrictions on investments other than those listed on page 6. The Plan will furnish promptly to Adviser any amendments which affect the rights or obligations of Adviser, and such amendment will not be binding on Adviser until agreed to by Adviser in writing. If the Assets contain only a part of the investments of the Plan's assets, the Plan understands that Adviser will have no responsibility for the diversification of all of the Plan's assets, and that Adviser will have no duty, responsibility or liability for Plan investments that are not part of the Assets. The only source of compensation to Adviser under this Agreement shall be the fee paid to Adviser by the Plan as described in paragraph 2 above. The Adviser is responsible for voting all Proxies per paragraph 9 above.

**16. Termination:** This Agreement will remain in force until termination, which may be effected by either party in writing. Adviser will provide 30 days advance notice of termination. The Client may terminate the agreement at any time and will be entitled to a prorated refund of the unused portion of any prepaid management fees extending beyond the termination date. The Client understands that this agreement may be rescinded within 5 business days of its execution without incurring any fees.

***If joint account, all joint owners must sign. If trust account, retirement plan or partnership, all trustees, officers or partners must sign.***

Client Name(s): \_\_\_\_\_

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

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

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

SFM, Accepted By: \_\_\_\_\_ Title: \_\_\_\_\_

Effective Date of Agreement (*date accepted by SFM*): \_\_\_\_\_