

## Tesoro Capital Management Client Agreement

THIS AGREEMENT is entered into by *Tesoro Capital Management, LLC* (“TCM”) and \_\_\_\_\_ (“Client”). In consideration of the mutual benefits to be derived from this Agreement, it is understood and agreed as follows:

**SERVICES:** Based upon information furnished by Client, TCM shall provide the following services (*initial as applicable*)

\_\_\_\_\_ a). **Asset Management:** Investment supervisory services, which is the daily monitoring for portfolios on a **discretionary basis**. Client receives Quarterly Performance Report.

\_\_\_\_\_ b). **Current Portfolio Analysis: Fee \$500 for 30 or less positions for 31 or more positions \$750.**

**TRADING AUTHORIZATION:**

**If Asset Management initialed:** Client hereby constitutes and appoints TCM as its true and lawful agent and attorney-in-fact for client in his or her name, place and stead to purchase, sell or trade securities for Client’s account and risk, and to take all actions to the same extent as Client could do on its own behalf except as limited herein. TCM is hereby authorized to select securities to be bought and sold and the amount of securities to be bought and sold that TCM deems, in its sole and unrestricted discretion and judgment, to be consistent with Client’s investment objectives and to take all actions necessary to the execution of any purchase, sale or trade of securities. TCM is not granted authority, and shall have no power, to withdraw funds from Client’s account or to take custody of Client’s funds or securities. Client retains the right to make deposits or withdrawals from his or her account at any time, however, Client is advised to notify TCM of each withdrawal or deposit **before it occurs**. The term “securities” herein means stocks, bonds, notes, or any other types of instruments defined as a security under the federal securities laws.

**FEE PAYMENT AUTHORIZATION:** Client authorizes the custodian holding Client funds and securities to deduct fees due TCM under this agreement directly from Client’s account in accordance with invoices prepared and submitted to Client by TCM.

**CLIENTS RESPONSIBILITIES:** Client recognizes that the value and usefulness of the financial advisory services provided by HAF will be dependent upon the provision of truthful, accurate and complete information that he/she provides and upon his/her active participation in the formulation of financial planning objectives and in the implementation of plans to attain those objectives. Client agrees to provide complete and truthful responses to all client questionnaires provided by TCM.

**TERM:** Client may terminate the Agreement without penalty within five business days of signature and receive a refund of any advisory fees paid by client less any transaction fees incurred by TCM on Client’s behalf. All unpaid fees for services will become immediately due and payable upon termination of the agreement. After the first five days, AM services will continue until either party terminates the agreement on two business days written notice. If termination occurs prior to the end of a calendar quarter, a *pro rata* refund of unearned advisory fees will be made to Client less any transaction costs that have been incurred in Client’s account that are due and payable to TCM at the time of termination.

Fees for Asset Management (“AM”) are computed at a percentage of assets:

PORTFOLIO SIZE \$	ANNUAL % ASSET MGT. “AM”
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5,000,000 Plus	1.20 %
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The fees for AM will be payable six months in advance. The first payment is due and payable upon execution of the Agreement for AM, and will be assessed *pro rata* in the event the Agreement is executed other than the first day of the new calendar quarter. TCM may also collect the fee for the next quarter if multiple asset transfers are expected. Fees for subsequent quarters are due and will be assessed on the first day of each calendar quarter (i.e. January 1, April 1, July 1 and October 1) based on the average daily balance of the portfolio the previous calendar quarter. Clients will receive an invoice each quarter reflecting calculations used to determine their management fees as well as fees due TCM.

TCM shall be compensated on the basis of the schedule of fees set forth above and **not** based on capital gains or capital appreciation of Client’s funds or on any portion of Client’s funds. The fees set forth herein are for financial analysis and investment advisory services only and do not include any other transaction fees or professional services which may be required by Client to implement the recommendations made by TCM.

**CONFLICT OF INTEREST DISCLOSURE STATEMENTS:** TCM is an Investment Advisor registered with the Florida Department of Financial Services and eventually the Securities & Exchange Commission under the Investment Advisors Act of 1940 once assets under management (AUM) \$100,000,000. The following disclosures are provided regarding TCM’s background and business practices. TCM believes there are little or no conflicts of interest at this particular time. The Client is aware of the Soft Dollar arrangements with asset custodian(s), for investment research and related investment research or trading tools as mentioned in the ADV II as well as the fact that Patrick Horan has invested personally in Persimmon Research Partners, Inc and AdvisorPort, and serves as a board member..

**BASIS OF ADVICE:** Client acknowledges that TCM obtains information from a wide variety of publicly available sources. The advisor and its affiliates do not have, nor do they claim to have, sources of inside or private information. The recommendations developed by TCM are based upon the professional judgment of TCM and its individual advisory affiliates and on information received from Client and neither TCM nor its affiliates can guarantee the results of any of their recommendations. Client at all times shall elect unilaterally to follow or ignore completely, or in part, any information, recommendation, or advice given by TCM under this agreement. TCM is not responsible for tax reporting gains and losses. Client should keep trade confirmations, account statements or other correspondence supplied by the custodian for this purpose.

**MISCELLANEOUS PROVISIONS:** The Agreement shall be governed by the laws of the State of Florida, and in compliance with the Federal Securities Laws, including the Investment Advisors Act of 1940 and any regulations promulgated thereunder. The agreement shall insure to the benefit of any successor of TCM and shall be binding upon the successors and assigns of Client. TCM shall not assign this agreement without the written consent of the Client. TCM will notify Client of any change in the legal partnership of Advisor within a reasonable time after such change. This Agreement shall not become effective until acceptance by TCM as evidenced by the signature of an authorized representative below. No modification or amendment to this Agreement shall be effective unless made in writing and signed by Client and an authorized representative of TCM. The parties hereto acknowledge and agree that this Agreement alone constitutes the final written expression of the parties with respect to all matters contained herein, and the parties further acknowledge and agree that there are no prior or contemporaneous Agreements different or distinct from those contained herein, and all such prior and contemporaneous Agreements, if any, are merged herein, and this Agreement alone constitutes the final understanding between parties. Client certifies that he or she has read this Agreement in its entirety before executing it and understands its terms.

**CLIENT INVESTMENT OBJECTIVES: Please initial and write in objective for each account.**

Initial below:	Name of Account	Investment Objective
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

MY INVESTMENT HORIZON IS (NUMBER OF YEARS) \_\_\_\_\_

**CLIENT HEREBY ACKNOWLEDGES RECEIPT OF SEC FORM ADV PART II**

Dated \_\_\_\_\_ Print Name \_\_\_\_\_ Signature \_\_\_\_\_

Dated \_\_\_\_\_ Print Name \_\_\_\_\_ Signature \_\_\_\_\_

Accepted by Tesoro Capital Management, LLC.

Dated \_\_\_\_\_ Advisor \_\_\_\_\_ Signature \_\_\_\_\_

**Bank Information (Wire/ACH/Direct Deposit)**

**Wells Fargo Bank**

**Wire Information – Routing #121000248 Account #6243668974**

**Direct Deposit / ACH – Routing #528700390 Account #6243668974**

Patrick J. Horan – (561) 772-6815

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