



## SOLICITING INDIVIDUAL AGREEMENT

*Please note that you must be registered as an Investment Adviser Representative (or exempt from registration) in order to act as a Soliciting Individual on behalf of Q3 Asset Management. Furthermore, Q3 Asset Management must have a selling agreement in place with your Investment Advisory Firm prior to executing this Agreement.*

This Agreement is made and entered into by and between Q3 Asset Management Corporation ("Q3") and the undersigned Soliciting Individual and Soliciting Firm.

Whereas, Q3 is engaged in the business of providing investment advice to clients for a fee and is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "1940 Act") and applicable state laws, rules and regulations; and

Whereas, Soliciting Individual is not an employee, agent or officer of Q3, but is an independent contractor that desires to refer investment advisory clients to Q3 through their Soliciting Firm, under the terms and conditions set forth herein; and

Whereas, Soliciting Individual is not a person subject to a Securities and Exchange Commission ("SEC") order, judgment or decree and has not been convicted within the previous ten (10) years of any felony or misdemeanor or been found to have engaged in conduct prohibited under the 1940 Act or Rule 206(4)-3 thereunder.

Now therefore, in consideration of the foregoing and the mutual promises set forth herein, Q3 and the Soliciting Individual agree as follows:

**1. SOLICITING INDIVIDUAL.** The Soliciting Individual will provide the client with an ongoing, third-party evaluation of Q3's services, along with additional services and activities as outlined in section 2 of this agreement. Many Solicitors that act as a Soliciting Individual on behalf of Q3 are retained as the Primary Adviser and/or Primary Representative to the client referred (however, it is not mandatory to do so). In such a case, the Soliciting Individual will maintain a separate agreement with the client defining their services. Q3's role does not change in situations where the Solicitor has a separate agreement in place with the client. Both Q3 and the Soliciting Individual are responsible to meet certain fiduciary obligations to the client. In some cases, the Primary Representative may have a contractual agreement in place with the client through their Broker/Dealer affiliation. In such a case, the Primary Representative is responsible for full disclosure to the client in relation to any Broker/Dealer activities that may impact their account with Q3. Under most circumstances, Q3's efforts will be focused upon a variety of services including management of assets, suitability reviews, best execution, portfolio reporting, client communication, fee deduction, and trade error correction.

**2. SCOPE OF SOLICITING INDIVIDUAL SERVICES & ACTIVITIES.** Soliciting Individual agrees to recommend Q3's investment management services to potential clients and agrees to solicit for and refer to Q3 potential investment advisory clients. Soliciting Individual shall use its best efforts to solicit and refer as clients to Q3 those individuals and entities it believes are suitable and appropriate for the investment management services offered by Q3. The Soliciting Individual shall make periodic contact with referred clients, at least annually, to assist

referred clients in understanding the investment management services of Q3 and to obtain and/or to update client information and forward the same to Q3. Solicitation activities shall include assisting clients in selecting an appropriate Q3 service, determining a final fee schedule and the gathering of certain client financial information, however, the Soliciting Individual is not authorized to and shall not make any investment recommendations on behalf of Q3, give any investment advice on behalf of Q3, nor accept any client on behalf of Q3. The Soliciting Individual may, however, make recommendations to the client in acting as the client's Primary Representative, if applicable, through their own agreement with the client. No investment advisory agreement or suitability assessment will become effective until it is accepted by Q3. Q3 may reject recommendations that they determine to be unsuitable. Soliciting Individual will bear all expenses incurred in the soliciting of prospects under this Agreement, except in those limited instances where Q3 specifically agrees in writing to reimburse for certain expenses. Soliciting Individual agrees to act in accordance with the instructions given by Q3, this Agreement, the provisions of the 1940 Act, the SEC and the rules and regulations promulgated thereunder, and applicable federal, state or local law. It is agreed that Soliciting Individual is an independent contractor hereunder and that nothing contained in this Agreement shall be construed to create a relationship of employer-employee, agency, representative, partnership, joint venture or any other relationship other than that of an independent contractor.

**3. DOCUMENT DELIVERY:** Pursuant to the 1940 Act, at the time of any solicitation activities hereunder, the Soliciting Individual shall provide each client with current copies of the following: (i) the Solicitor's disclosure document required by the 1940 Act under Rule 206(4)-3, (ii) Part 2A of Q3's Form ADV as the same may be amended from time to time (or such other written disclosure statement meeting the requirements of Rule 204-3 as Q3 may designate from time to time), and (iii) such other disclosures as may be required by applicable federal or state laws, rules and regulations. Solicitor shall obtain each such client's signed and dated Acknowledgment of Receipt of the foregoing documents and shall promptly forward a copy of the same to Q3.

**4. SOLICITOR COMPENSATION.** In consideration for client referrals and other requested or required Soliciting Individual activities, Q3 shall pay the Soliciting Firm an ongoing referral fee as full compensation for services provided hereunder. Such payment shall be made in accordance with any applicable federal or state laws, rules or regulations to which Q3 and Solicitor are subject. The referral fee shall be in an amount equal to the referral percentage as referenced in the investment management agreement signed by the client. Unless otherwise agreed to in writing, the referral fees will be paid to the registered investment adviser and/or broker/dealer responsible for supervision of Soliciting Individuals activities at the time the referral fee becomes due and payable by Q3.

**5.** For purposes of this Section, "referral percentage rate" shall mean the portion of the total client advisory fee authorized by Q3 for payment to solicitors. All referral fees will continue to be paid as long as the client remains with Q3 and as long as the Solicitor remains eligible and qualified to receive such fees. Ongoing payment of referral fees is contingent upon the Solicitor and/or Soliciting Individual continuing to provide ongoing services to the client as outlined in this agreement. Notwithstanding any provision of this Agreement to the contrary, Q3 will not be obligated to pay any referral fee if, in the opinion of Q3's legal counsel, such payment would violate any law, rule or regulation to which Q3 is subject.

**6. CLIENT TERMINATION / REFUNDS.** No compensation will be paid to Solicitor on any client rejected by Q3 for any reason, or with respect to which client fees have been refunded by Q3 for any reason, or with respect to any fees not collected by Q3 for any reason. Solicitor agrees to refund to Q3 within thirty (30) days of receipt of written notice, any fee paid to Solicitor with respect to which advisory fees have been refunded to any client. Notwithstanding the foregoing, Q3 may offset any such amounts owed by Solicitor to Q3 against future compensation owed to Solicitor.

**7. SOLICITING INDIVIDUAL REPRESENTATIONS, WARRANTIES, AND COVENANTS.** Soliciting Individual makes the following representations, warranties and covenants:

- (A) Soliciting Individual is either: (i) a registered investment adviser with the SEC or applicable state in which Solicitor maintains a place of business, or (ii) an investment adviser representative of a registered investment adviser, or (iii) validly exempt or excluded from such registration as advised by competent legal counsel.
- (B) Soliciting Individual is not a person: (i) subject to any SEC order issued under Section 203(f) of the 1940 Act, or (ii) convicted within the previous ten years of any felony or misdemeanor involving conduct described in Section 203(e)(2)(A) through (D) of the 1940 Act, or (iii) who has been found by the SEC to have engaged, or has been convicted of engaging, in any of the conduct specified in paragraphs (1), (5) or (6) of Section 203(e) of the 1940 Act, or (iv) is subject to an order, judgment or decree described in Section 203(e)(4) of the 1940 Act.
- (C) With respect to any prospective client that is a state or municipal entity, Soliciting Individual: (i) has not within the past 2 years, been a civil servant or an elected official of such entity or has been retained to provide professional services to such entity, or (ii) will not share any part of the referral fee paid pursuant to this Agreement with any person who is, or within the past 2 years has been, a civil servant or an elected official of such entity or a person who has been retained to provide professional services to such entity.
- (D) With respect to any prospective client that is a Retirement Plan (as defined below), neither the Soliciting Individual nor the Solicitor is a fiduciary, trustee or administrator of such prospect or an employer of any employee covered by such Retirement Plan. For purposes of this Agreement, "Retirement Plan" means any pension plan (including 401(k) plan) or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974 ("ERISA"), an account for a tax-qualified retirement plan (including a Keogh plan) under Section 401(a) of the Internal Revenue Code of 1986 (the "Code") and not covered by ERISA, or an individual retirement account under Section 408 of the Code.
- (E) Soliciting Individual is properly registered or licensed under applicable federal and state laws, rules and regulations and is qualified to act as a representative under the 1940 Act. Soliciting Individual and Solicitor warrants and agrees that such registrations, licenses and qualifications shall be maintained throughout the term of this Agreement and that Solicitor will comply with all applicable regulations of the SEC, the Financial Industry Regulatory Authority, Inc. ("FINRA") and any other applicable federal, state or local laws, rules and regulations. Soliciting Individual and Solicitor hereby undertakes to perform its duties hereunder in a manner consistent with the provisions of the 1940 Act, the rules and regulations promulgated thereunder, all applicable state laws, rules and regulations and the terms of this Agreement.
- (F) Soliciting Individual is familiar with the investment advisory services offered by Q3 and will use only approved materials when recommending Q3's services. Soliciting Individual will make an effort to maintain communication with Q3 in order to stay up to date on the services recommended. Solicitor will communicate such information to their client when necessary. When discussing or presenting Q3 to clients and prospective clients, Soliciting Individual will only use approved material. When utilizing research reports, Solicitor will only use in one on one presentations where they have the ability to explain the limitations associated with hypothetical data.

Soliciting Individual and Solicitor shall promptly notify Q3 if any of the representations or warranties above ceases to be true and correct.

**8. TERMINATION OF AGREEMENT.** This Agreement shall remain in force until such time as terminated by either party by notification to the other party in writing. This Agreement shall terminate if any representation or warranty by Solicitor contained above ceases to be true and correct in all respects.

**9. NOTICES.** All notices required to be delivered under this Agreement will be delivered in person or by U.S. mail, overnight courier, or facsimile (or to such other addresses as the parties may specify to one another in writing).

**10. INDEMNIFICATION.** Soliciting Individual and Solicitor will indemnify Q3 and its directors, managers, officers and employees, and hold them harmless against any loss, liability or expense incurred by any of them arising out of or in connection with any breach by Solicitor of this Agreement or any act, omission or violation of law by Solicitor, as well as the costs and expenses, including attorney fees, of investigating and defending against any claim, suit, action or proceeding in which such loss, liability or expense is asserted against Q3 or its directors, managers, officers or employees.

**11. GOVERNING LAW / MODIFICATION / ENTIRE AGREEMENT.** This Agreement is made and will be governed by and construed in accordance with the laws of the state of Michigan. This agreement shall inure to the benefit of Q3 Asset Management and any successor firm or firms and to the benefit of the affiliates and assigns of Q3 Asset Management or any successor firm. You understand that this agreement will be binding upon your successors, assignees, heirs, executors and administrators. If any provision of this Agreement is or becomes inconsistent with any present or future law, rule or regulation of any governmental or regulatory body having jurisdiction over the subject matter of this Agreement, the provision will be deemed rescinded or modified in accordance with any such law, rule or regulation. In all other respects, this Agreement will continue in full force and effect. No provision of this Agreement may be waived or modified unless in writing and signed by the party against whom such waiver or modification is sought to be enforced. Either party's failure to insist on strict compliance with this Agreement or any continued course of conduct on its part will in no event constitute or be considered a waiver by such party of any right or privilege. This Agreement contains the entire understanding between the parties concerning the subject matter of this Agreement. This Agreement may be signed in one or more counterparts, all of which will be considered one and the same agreement, and will become effective when one or more of such counterparts have been signed by each party and delivered to the other party. This Agreement may be executed by facsimile or email which shall be deemed an original valid and binding agreement.

**12. ARBITRATION.** Any dispute relating to the validity, enforcement or interpretation of this Agreement shall be determined by final and binding arbitration. Such arbitration shall be conducted in Michigan according to the Securities Arbitration Rules then in effect of the American Arbitration Association. Both parties acknowledge that: (i) such arbitration will be final and binding on the parties, (ii) the parties are hereby waiving their rights to seek remedies in court, including the right to a jury trial, (iii) pre-arbitration discovery is generally more limited than and different from discovery conducted in connection with litigation, (iv) the arbitrator's award is not required to include factual findings or legal reasoning, and (v) a party's right to appeal or seek modification of rulings by the arbitrator will be strictly limited. Judgment upon arbitration awards may be entered in any court, state or federal, having jurisdiction. The prevailing party in any arbitration and other legal proceeding authorized by this Paragraph will be entitled to its reasonable attorney's fees and other reasonable legal costs and expenses.

**13. CONFIDENTIALITY.** Except as may be reasonably necessary in the ordinary course of business to carry out the activities to be performed by either party under this Agreement or as may be required by law or legal process, neither Solicitor nor Q3 will disclose any non-public personal information obtained pursuant to this Agreement. Solicitor and Q3 both agree to comply with all applicable federal and state laws, rules and regulations pertaining to the confidentiality of client information and will take reasonable measures to safeguard any non-public personal information maintained or shared under this Agreement.

**14. COMMUNICATIONS BETWEEN Q3 AND SOLICITING INDIVIDUAL.** Soliciting Individual agrees and consents to receive correspondence and information regarding Q3's services via mail, electronic mail, telephone, or facsimile. Q3 may require the Soliciting Individual to complete a questionnaire from time to time in order to confirm that they continue to meet the qualifications required to act as a Soliciting Individual on behalf of Q3.

**15. COMMUNICATIONS BETWEEN Q3 AND CLIENT.** As previously noted, Q3's efforts will be focused upon a variety of services including management of assets, suitability reviews, best execution, portfolio reporting, fee deduction, and trade error correction. At least quarterly, Q3 will contact the client in writing to find out if there have been any changes to their financial situation or investment objections, or if the client wishes to impose any reasonable restrictions on the management of their account or modify existing restrictions. At least annually, Q3 will contact the client in writing to find out if there have been any changes to their financial situation or investment objections and provide the client with a suitability questionnaire to submit such a request. Additionally, Q3 will ask if the client wishes to impose any reasonable restrictions on the management of their account or modify existing restrictions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the date accepted by Q3 as indicated below.

**Soliciting Individual's Name:** \_\_\_\_\_

**Soliciting Individual's Firm Name:** \_\_\_\_\_

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

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

**E-mail Address:** \_\_\_\_\_

**Business phone:** \_\_\_\_\_ **Fax number:** \_\_\_\_\_

**Soliciting Individual's Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Soliciting Firm Home Office Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Accepted By:

**Q3 Asset Management Corporation**

**By:** \_\_\_\_\_  
(Signature) (Print Name)

**Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Please Return Completed Agreements To:**

**Q3 Asset Management  
2175 Cole Street  
Birmingham, MI 48009  
Fax: 888-439-2572  
Email: info@q3tactical.com**