



- d. Client understands that decisions to purchase or sell mutual fund shares shall be made by CLH and not by Client. However, CLH acknowledges and agrees that Client retains the unfettered right to withdraw assets out of the Account, subject to payment of CLH's fees as provided hereunder.

## **2. Reliance on Client Information; Investment Restrictions; and Retention of Voting Rights.**

- a. CLH's investment decisions for the Client will be made in accordance with the Client's personal and financial circumstances as well as Client's stated investment objectives, as well as any restrictions the Client may impose in any investment guidelines or instructions which the Client may from time to time furnish to CLH in writing.
- b. CLH is entitled to rely on all financial and other information supplied or completed by the Client, his or her agents and delivered to CLH, including, without limitation, Schedule A.
- c. Client agrees to inform CLH immediately, in writing, of any material change in Client's circumstances which might affect the manner in which Client's assets should be invested and to provide CLH with any such information as it shall reasonably request.
- d. Client expressly retains any and all rights under federal and state securities laws, as well as the rules promulgated thereunder, to proceed directly against the issuers of any underlying security held in the Account, and is not obligated to join CLH or anyone who may have introduced Client to CLH as a condition precedent to proceeding against any issuer.
- e. Client expressly retains the absolute right to hypothecate, pledge and vote (subject to applicable ERISA voting restrictions) the securities held in the Account.

**3. Deposit of Assets and Possible Assessment Against the Account of Other Non-CLH related Charges.** Client will arrange immediately for the deposit of the assets to be managed by CLH into the Account. Client understands that if he or she transfers into the Account mutual fund shares which carry a contingent deferred sales charge ("CDSC"), such CDSC will follow the shares (with the same schedule) and will likely be assessed, if sold by CLH before such CDSC has been extinguished.

## **4. Compensation Payable to CLH<sup>1</sup>.**

- a. As compensation for providing to Client its CLH Timing Services under this Agreement, CLH shall receive an annual advisory fee equal to 2.5% of the aggregate market value of the assets held in the Account, payable in quarterly installments. In computing the market value of the assets of any investment held in the Account, the securities will be valued by the Custodian carrying the Account. Client acknowledges that all dividends and distributions paid by the issuers of the securities held in the Account will be reinvested which, in turn, may increase the value of the Account and, therefore, the fee payable to CLH. Client further acknowledges that transactions effected by CLH on Client's behalf, as well as the reinvestment of dividends and distributions, may cause the Client to incur Federal, State and local tax liabilities.
- b. CLH's fees are payable in arrears, on or about the 21st day of the month following the end of the calendar quarter on which such fees are predicated. The initial fee will be calculated on the basis of the market value of the Account as of the last business day of the calendar quarter in which the Client deposited his or her assets in to the Account multiplied by 0.625% (or 1/4 of 2.5%) divided by 90 days and multiplied by the number of days during the quarter for which the assets were under management. Thereafter, the fee will be calculated based on the then market value of the Account as of the last business day of each calendar quarter. Client retains the right to make a partial withdrawal of the assets then held in the Account. CLH will however, be entitled to the prorated portion of its advisory fees based upon the number of days such withdrawn assets were under CLH management, computed as specified above. This *pro-rated* fee will be paid to CLH at the same time CLH is entitled to the balance of its advisory fee.
- c. Client hereby authorizes the Custodian to deduct each quarterly installment due to CLH hereunder directly from Account and to remit the same directly to CLH, provided, however, that CLH first provides at least seven days prior written notice to Client of the calculation of such fee in order to afford Client the opportunity to verify such fee calculation. If CLH does not receive any written objection from Client by the end of such seven day period, Custodian may remit such calculated fee directly to CLH.

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<sup>1</sup> Client acknowledges and understands that the fee described hereinabove does not include: (i) the costs, charges or commissions, whether fixed or contingent, associated with securities transactions, (ii) the advisory fee payable by each mutual fund to its respective investment adviser, or (iii) any other fees or expenses paid directly by such mutual funds out of their assets, such as so-called Rule 12b-1 fees. Client also acknowledges that each of the principals of CLH are concurrently acting as registered representatives of The Investment Center Inc. ("TIC"), an independent, unaffiliated broker-dealer. Accordingly, one or more of CLH's principals may receive **additional** compensation (above and beyond the advisory fee provided herein) arising out of transactions effected by CLH on behalf of Client through TIC. Client is directed to Part II of CLH's Form ADV, in particular, CLH's response to Items 1.C.(1) and 1.C.(6) on Schedule F thereof for a complete description of such additional fees and other important information.

- d. If the Custodian requires a specific letter of authorization with respect to CLH's management of the Account, Client agrees to promptly execute and deliver such letter to the Custodian.
- e. Client agrees to indemnify and hold harmless the Custodian, its shareholders, partners, directors, officers, employees and agents (collectively, the "Custodial Indemnitees") from and against all losses, claims, damages, liabilities and expenses (including, but not limited to, all counsel fees and costs arising out of the defense and/or investigation of such matters) to which one or more of such Custodial Indemnities may become subject with respect to the handling of the Account, except insofar as such losses, claims, damages, liabilities and expenses arise out of, or are based upon, the willful misconduct of the Custodial Indemnitees; provided, however, that this shall not relieve the Custodial Indemnitees from any liability imposed by federal or state securities laws or other applicable laws which cannot be waived.

**5. Non-Exclusive Services and Allocation of Opportunities.** Client understands that CLH offers its CLH Timing Service to various clients and Client agrees that CLH may take actions with respect to any of its other clients which may differ from the timing or nature of CLH's actions taken on behalf of the Client with respect to the Account, so long as it is CLH's policy, to the extent practical, to allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other clients. The Client further understands that CLH shall not have any obligation to purchase or sell for the Account shares of any mutual fund or other securities which CLH or its shareholders, directors, officers, employees or agents, etc. may purchase.

**6. Client Representations and Warranties.** Client hereby represents and warrants to CLH that:

- a. the information provided by the Client on Schedule A is accurate and complete in all respects;
- b. the Social Security number or Federal Tax Identification number provided at the end hereof is correct; and
- c. there are no, and except as the Client may advise CLH in writing, there will be no, restrictions on the ownership by the Client, or the transferability, of any securities in the Account, and any securities or other property held in the Account are free of any other encumbrances, including constructive liens.
- d. if this Agreement is entered into on behalf of Client, by a trustee or other fiduciary, such trustee or fiduciary represents that the advisor arrangement provided for herein is permitted within the scope of the investment authorized pursuant to the plan, trust and/or applicable law and that he or she is duly authorized to negotiate the terms of this Agreement, including fees, and to enter into and renew this Agreement, on behalf of the Client.
- e. if Client is a corporation, partnership or limited liability company, the signatory on behalf of such Client represents that the execution of this Agreement has been duly authorized by appropriate corporate, partnership or limited liability company action.
- f. it will undertake to advise CLH of any event which might affect its authority to act on Client's behalf or that of its agent or the propriety of this Agreement.
- g. if Client is a corporation, partnership or limited liability company, it is an entity which is not primarily engaged in the business of investing in securities and less than forty (40%) percent of its assets consist of investment securities.

**7. Tax-Qualified Retirement Plans Subject to ERISA (other than IRA Accounts).** If Client is a tax-qualified retirement plan (a "Plan") subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or other applicable law, Client agrees to obtain and maintain for the period of this Agreement any bond required pursuant to the provisions of ERISA and to include within the coverage of such bond CLH, its shareholders, directors, officers, employees and agents whose inclusion is required by law. Client agrees to provide CLH promptly with appropriate documents evidencing such coverage upon request.

**8. Notification.** Written notice and communications to the Client shall be addressed as indicated at the end of this Agreement and written notices and communications to CLH shall be addressed as indicated at the head of this Agreement, unless either the Client or CLH has notified the other of a change. Notification of a change of address, which must be in writing, shall be effective upon receipt.

**9. Termination.** Client has up to five (5) business days after signing this Agreement to terminate the same without penalty or recourse. Thereafter, this Agreement may be terminated by either CLH or the Client upon ten (10) days prior written notice from either party to the other, or at such time as they may otherwise mutually agree upon in writing. Termination by either the client or CLH shall not have the effect of canceling orders to deposit or invest cash or to purchase or sell securities or other property placed prior to actual receipt of the notice of termination in accordance with the provisions of this Section 9. CLH retains the right, however, to complete any transactions not settled as of the termination date and to retain amounts in the Account sufficient to effect such completion. Upon termination, it shall be Client's exclusive responsibility to issue instructions in writing regarding any assets held in the Account, subject to CLH's entitlement to its *pro-rata* portion of its advisory fee based upon the number of days it managed the Account during the then calendar quarter.

**10. No Assignment.** This Agreement shall not be assigned by either party, without the written consent of the other.

**11. Receipt of Part II of CLH's Form ADV.** Client hereby acknowledges that he or she has received and read a copy of Part II of CLH's Form ADV, including, without limitation, Schedule F thereto, which explains, among other matters, the additional fees and expenses which may be incurred by the Client; entitlement by one or more of CLH's principals to additional compensation payable by certain mutual funds and/or their advisers or share distributors; potential conflicts of interest; and other relevant information about CLH, its personnel and policies, which disclosure is hereby incorporated into the terms of this Agreement.

**12. Notification of Material Changes.** CLH shall notify Client in writing of any material change in CLH or the affiliation of its principals, employees or agents with another broker-dealer.

**13. Arbitration.**

**ARBITRATION DISCLOSURES.**

- **ARBITRATION IS FINAL AND BINDING ON ALL PARTIES**
- **THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT OF JURY TRIAL**
- **PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS.**
- **THE ARBITRATORS' AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED.**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

Any controversy between CLH and Client arising out of or relating to this Agreement shall be settled by arbitration before and in accordance with the rules then in effect of the American Arbitration Association (the "AAA") in the venue selected by the AAA. Any arbitration hereunder shall be before at least three arbitrators and the award of the arbitrators, or of a majority of them, shall be final, and judgment upon the award rendered may be entered in any court, state or federal, having jurisdiction. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class until: (i) the class certification is denied; (ii) the class action is decertified; or (iii) Client is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this Agreement, except to the extent stated herein.

**14. Severability.** If any provision of this Agreement shall be held or made invalid by a statute, rule, regulation, decision of a tribunal or otherwise, the remainder of this Agreement shall not be affected thereby and, to this extent, the provisions of this Agreement shall be deemed to be severable.

**15. Tax Withholding.** Client acknowledges that the Custodian may withhold any tax to the extent required by law, and may remit such taxes to the appropriate governmental authority.

**16. Effective Date of Agreement.** For the purpose of referring to this Agreement, the date of this Agreement shall be the date of acceptance by CLH. Client understands that CLH may choose not to accept this Agreement until such time as Client delivers the cash, securities and other investments that will comprise the Account.

**17. Gender.** As used herein, references to persons in the masculine gender shall include persons of the feminine gender. References in the singular shall, and if appropriate, include the plural.

**18. No Waiver.** No waiver of any provision of this Agreement shall be binding upon either party unless such waiver is in writing signed by both parties. No waiver of any right, power or remedy of a party shall be deemed to be a waiver of any other right, power or remedy of such party or shall, except to the extent so waived, impair, limit or restrict the exercise of such right, power or remedy. In addition, a waiver by CLH of any term of any other agreement CLH may have with another client shall not constitute a waiver by CLH of any term of this Agreement.

**19. Entire Agreement.** This Agreement, including Schedule A, represents the entire agreement between the parties with regard to the services described herein, and may not be modified or amended, except by a writing signed by the party to be charged specifically referring to this Agreement and referencing the Section number and provision to be modified or amended. This Agreement supersedes all previous and contemporaneous agreements and understandings between the parties hereto with respect to the subject matter hereof.

**20. Governing Law.** This Agreement shall be construed and interpreted under the laws of the State of Illinois, without giving affect to any conflict of law principles thereunder.

**21. Receipt of Part II of Form ADV.** By signing this agreement, acknowledgement is made for having received Part II of Form ADV.

AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 200\_\_.

By: \_\_\_\_\_ By: \_\_\_\_\_  
(Client Signature) (Client Signature, if joint account)

\_\_\_\_\_  
(Client Printed Name) (Client Printed Name, if joint account)

Capacity of Signatory, if Client is a Qualified Tax Retirement Plan, Corporation, Partnership, Limited Liability Company, or Other Non-Individual Account:

\_\_\_\_\_

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

Telephone #: \_\_\_\_\_ Fed Tax ID# or SS# \_\_\_\_\_

Accepted: Cooper Linse Hallman Capital Management, Inc.

By: \_\_\_\_\_ Title: \_\_\_\_\_

This account will be established as follows:

By depositing a check for \$ \_\_\_\_\_ made payable to "Rydex Series Funds".

By wiring funds in the amount of \$ \_\_\_\_\_ to Rydex Series Funds via Firststar Bank. (Please note that CLH must be notified of all wire transfers. CLH will not be responsible for non-investment of funds without prior notification.)

By selling existing securities in Client's portfolio and depositing the proceeds with Rydex Series Funds. (Please send a statement of the securities to be sold to CLH.)

