

**CITY CLERK  
ORIGINAL**

C-8357  
02/12/2013

**CONTRACT FOR ADVISORY SERVICES**  
**WITH GALLOWAY ASSET MANAGEMENT, LLC**

This INVESTMENT ADVISORY SERVICES AGREEMENT ("Agreement") is made and entered into as of this 12<sup>th</sup> day of February, 2013 ("Effective Date") by and between (i) the City of Glendale, an Arizona municipal corporation ("Client"), and (ii) Galloway Asset Management, LLC, an Arizona limited liability company and its affiliates and agents (hereafter referenced, collectively, as "Galloway"). Any reference in this Agreement to the "Parties" is a reference to both Client and Galloway. Any reference in this Agreement to a "Party" is a reference to either Client or Galloway, as appropriate in the circumstances.

**RECITALS**

WHEREAS, Client has established governmental retirement and savings plans ("Plans") qualified as exempt from taxation under certain provisions of the Internal Revenue Code (the "Code");

WHEREAS Client has contracted with Great-West Life & Annuity Insurance Company ("Plan Provider"), to administer the Plans;

WHEREAS, Galloway is an investment advisor, unaffiliated with Plan Provider, that is registered as an Investment Advisor with the United States Securities and Exchange Commission ("SEC").

WHEREAS Plan Provider has specified various investment options as suitable for investment by Plan participants (the "Investments"), and Galloway has represented it is competent to advise Plan participants about which of these Investments they should buy or sell within their individual Plan portfolios, as well as the amount of such buy or sell allocations.

WHEREAS Galloway wishes to be retained by Client to provide investment advice to Plan participants as to the investment choices available to them under the Plans;

WHEREAS Client desires to retain Galloway to provide investment advice to the Plans and their participants under the terms and conditions set forth herein;

NOW THEREFORE, Client and Galloway agree as follows:

1. **SCOPE OF SERVICES.** Galloway shall provide the services specified in Exhibit A to this Agreement (the "Services").

2. **AGREEMENT DOCUMENTS EXHIBITS AND RECITALS.**

- a. The following documents are hereby incorporated into this Agreement by this reference ("Agreement Documents"). In the event of any conflict among the Agreement Documents, the Agreement Documents will control in the following order:
  - 1. This Agreement, including the cover page and Parts I through IV.
  - 2. Exhibit A - Scope of Services
- b. All exhibits, attachments, and recitals to this Agreement are hereby incorporated into this Agreement by this reference.

3. **TERM OF THE AGREEMENT.**

- a. **Initial Term.** The initial term of this Agreement ("Initial Term") shall begin on the Effective Date and shall continue in full force and effect for a period of five (5) years unless earlier terminated as set forth in this Agreement. At the end of the Initial Term, Client is empowered, at its sole election, to extend or renew the Agreement as set forth in this Section.
- b. **Extensions Beyond Additional Term.** Any extension and renewal of this Agreement beyond the Additional Term shall require the mutual consent of the Parties, and shall be subject to the conditions mutually acceptable to the Parties, which conditions shall be set forth in a separate writing between the Parties.

4. **INSURANCE.** At its sole expense, Galloway shall purchase and maintain the minimum insurance coverage required by law. Each insurance policy required under this Agreement must be in effect at or prior to the commencement of Services under this Agreement and remain in effect for the duration of this Agreement, including any warranty periods. Galloway shall provide evidence thereof to client at or prior to the commencement of Service under this Agreement.

5. **REPRESENTATIONS.**

- a. Galloway Representations. Galloway makes the following representations, which are agreed to be material to and form a part of the inducement for this Agreement:
  - 1. Galloway has the expertise, support staff and facilities necessary to provide the Services described in this Agreement and the attached Exhibit A;
  - 2. To the best of Galloway's knowledge, Galloway does not have any actual or potential interests adverse to Client or the participants in

the Plans nor does Galloway represent a person or firm with an interest adverse to the Client or Plan participants with reference to the subject of this Agreement. Galloway has procedures in place to disclose any actual or potential conflicts as set forth in the separate Galloway Asset Management Registered Investment Advisory Form ADV Disclosure Brochure provided to Client and available to all participants of the Plans. The Client acknowledges having received a copy of Part 2 of Galloway's Form ADV, attached Exhibit B;

3. Galloway shall diligently provide all required Services in a timely, ethical and professional manner and in accordance with the terms and conditions stated in this Agreement and as otherwise required by SEC registered investment advisers;
4. Galloway is duly registered with the SEC as an investment adviser under the Investment Advisers Act of 1940, as amended, and agrees to notify Client promptly of any change in this status. Company shall take all steps necessary to maintain such registration during the Initial Term or any Additional Term of this Agreement;
5. Galloway has the requisite legal capacity and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by Galloway and is the legal, valid and binding agreement of Galloway, enforceable against Galloway in accordance with its terms. Galloway's execution of this Agreement and the performance of its obligations hereunder do not conflict with or violate any provisions of Galloway's governing documents or any obligations by which Galloway is bound, whether arising by contract, operation of law or otherwise. Galloway will deliver to Client evidence of Galloway's authority and compliance with its governing documents upon Client's request;
6. Galloway has obtained all licenses and registrations required to enable Galloway to lawfully provide the Services in accordance with the terms and conditions of this Agreement;
7. Galloway shall make available for Client's review its most current policies concerning insider trading, ethics and compliance matters;
8. Galloway shall provide access to any information provided by Client or any participants in the Plans only to those of its employees who are subject to Galloway's Code of Ethics, or as otherwise permitted by Plan participants as to their own personal information. Each person employed by Galloway with access to the confidential information of Client or any participants in the Plans shall refrain from disclosing such information to third parties, unless disclosure is otherwise required by law;

9. Galloway shall allocate such personnel and devote such efforts as are necessary for it to carry out its duties under this Agreement;
10. Galloway shall never borrow money from Client or any participants in the Plans, nor use their funds or deposits, except as authorized by law, the Plan Provider Agreement and this Agreement;
11. Galloway shall never be an endorser, surety or obligor of the assets of the Plans;
12. In performing its Services hereunder, Galloway shall be a fiduciary to the Client and all participants in the Plan and accordingly, shall have a duty of loyalty to make recommendations and act in the best interests of the Client and all participants in the Plans. As a fiduciary, Galloway is obligated to exercise scrupulous good faith and candor in the performance of the Services, and refrain from self-dealing.

b. Client Representations. To the best of its knowledge, Client makes the following representations, which are agreed to be material to and form a part of the inducement for this agreement.

1. Client is empowered and has taken all action necessary to enter into and perform this Agreement and the person executing this Agreement on Client's behalf is duly authorized and empowered to do so and deliver this Agreement for Client;
2. This Agreement constitutes a legal, valid and binding obligation of Client, enforceable against Client in accordance with its terms, and
3. Client's execution, performance and delivery of this Agreement shall not result in Client violating any applicable law or breaching or otherwise impairing any of its contractual obligations.

6. **SUBCONTRACTING.** Galloway may not subcontract work (or the performance of Services) under this Agreement to third parties without Client's express written consent. If Galloway has received authorization to subcontract work to third parties, it is agreed that all subcontractors performing work under the Agreement shall comply with its provisions and shall be bound by all terms of this Agreement. Further, all agreements between Galloway and its permitted subcontractors shall provide that the terms and conditions of this Agreement shall be incorporated therein.

7. **INDEPENDENT CONTRACTOR.** In the performance of all Services under this Agreement, Galloway shall be, and acknowledges that Galloway is, in fact and law, an independent contractor and not an agent or employee of the Client or any participant in the Plans. Galloway has and retains the right to exercise full supervision and control of the manner and methods of providing Services to the Client and all participants in the Plans under this Agreement. Galloway retains full supervision and control over the employment, direction, compensation and

discharge of all persons assisting Galloway in the provision of Services under this Agreement. With respect to Galloway's employees, if any, Galloway shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employee taxes, of whatever nature, and compliance with any and all other laws regulating employment.

8. **SUCCESSORS AND ASSIGNS, BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and assigns.

9. **COMPLIANCE WITH APPLICABLE LAWS.**

a. **General.** Galloway shall procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of its business and its performance of the Services. Galloway must stay fully informed of existing and future Federal, State and local laws, ordinances, and regulations that in any manner affect the fulfillment of this Agreement and shall comply with the same at its own expense. Galloway bears full responsibility for training, safety, and providing necessary equipment for all of its personnel to achieve compliance prior to the Effective Date. Upon request, Galloway shall demonstrate to Client's satisfaction any programs, procedures, and other activities used to ensure compliance.

b. **Drug-Free Workplace.** Client has adopted a policy establishing a drug-free workplace for itself and those doing business on City property to ensure the safety and health of all persons working on City contracts and projects. Galloway agrees to prohibit the use of intoxicating substances and the use or possession of illegal drugs by all of its personnel while in the course of performing their duties for Client and any participants of the Plans under this Agreement, but this prohibition shall not preclude Galloway from attending receptions with Plan participants where alcohol is served.

c. **Federal and State Immigration Laws.** Galloway shall comply with the Immigration Reform and Control Act of 1986 (IRCA) in connection with its performance of the Services under this Agreement and to permit Client or its agents to inspect applicable personnel records to verify such compliance. Galloway shall ensure and keep appropriate records to demonstrate that all of its personnel performing the Services in Arizona have a legal right to live and work in the United States.

(i) Under the provisions of A.R.S. § 41-4401, Galloway hereby warrants to Client that Galloway and each of its authorized subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").

- (ii) A breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement and shall subject Galloway to penalties up to and including immediate termination of this Agreement at Client's sole election.
  - (iii) Client retains the right to inspect the papers of all of Galloway's personnel who provides Services under this Agreement to ensure that Galloway or its authorized subcontractors are complying with the Contractor Immigration Warranty. Galloway agrees to assist Client with respect to any such inspections.
  - (iv) Client may, at its sole election, conduct random verification of the employment records of Galloway and any of its authorized subcontractors to ensure compliance with the Contractor Immigration Warranty. Galloway agrees to assist Client in regard to any random verification.
  - (v) Neither Galloway nor any of its authorized subcontractors shall be deemed to have materially breached the Contractor Immigration Warranty if Galloway (or any of its authorized subcontractors) establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, subsection A.
- d. **Nondiscrimination.** Galloway represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and represents and warrants that it complies with all applicable Federal, State and local laws and executive orders regarding employment. Galloway and its personnel will comply with applicable provisions of Title VII of the U.S. Civil Rights Act of 1964, as amended, section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this Agreement.
- e. **No Scrutinized Business Operations in Sudan or Iran.** During the Initial Term and any applicable Additional Term of this Agreement, Galloway shall be in compliance with A.R.S. §§ 35-391 and 35-393, which prohibit Galloway from having "scrutinized business operations" in Sudan or Iran as those terms are defined in the aforesaid statutes. Galloway confirms that as of this date, it conducts no scrutinized business operations in the nations of Iran or Sudan, and shall conduct none during the Initial Term or any Additional Term. In the event Galloway conducts scrutinized business operations in Iran or Sudan during any term of this Agreement, Client may elect to terminate this Agreement immediately.

10. **SERVICES TO OTHER CLIENTS.** Client understands Galloway and its affiliates perform, among other things, research, brokerage, and investment advisory services for clients similar to Client and plans similar to the Plans. Client recognizes that Galloway and its affiliates may give, recommend, or provide advice and take action in the performance of their duties to others which may differ from recommendations or advice given, or in the timing and nature of action taken, with respect to the Client or Plan participants. Nothing in this Agreement shall impose on Galloway any obligation to recommend for purchase or sale by or for the Client or any Plan participant any security that Galloway may recommend for another of its clients. By reason of its investment banking or other activities, Galloway and its affiliates may from time to time acquire confidential or material non-public information. Client understands and accepts that Galloway will not be free to divulge, nor act upon, such information with respect to Galloway's activities under this Agreement.
11. **BASIS OF ADVICE.** Client acknowledges that Galloway obtains information from a wide variety of publicly available sources and certain private sources. The advice provided by Galloway to Client or any Plan participants is based upon its reasonable analysis of such information and Galloway cannot guarantee the accuracy or validity of the data upon which its analysis, policy recommendations, or studies are based. With respect to previous investment performance information, Client acknowledges that such information is not necessarily indicative of future results.
12. **LEGAL, ACCOUNTING AND ACTUARIAL SERVICES.** Galloway is not engaged in the business of rendering legal, accounting or actuarial advice or services and Client acknowledges that Galloway has suggested that competent lawyers, accountants or actuaries be retained to render legal, accounting or actuarial services with respect to the Plans.
13. **AUDITS AND RECORDS.** Galloway shall preserve its records related to this Agreement for a minimum of 5 years after the expiration of the Agreement. The Client or its authorized agent reserves the right to inspect any records related to the performance of work specified herein, subject to the preservation of client confidentiality as required by law. In addition, Client may inspect any and all relevant records kept by Galloway in relation to the Agreement. Galloway shall permit such inspections and audits during normal business hours and upon reasonable notice by Client or its auditors or representatives. The audit of records may occur at Galloway's place of business or at Client's offices, as determined by Client.
14. **BACKGROUND CHECK.** Client may conduct criminal, driver history, and all other requested background checks of Galloway's personnel responsible for performing Services under the Agreement or who might have access to Client's (or any Plan participant) information, data, or facilities in accordance with the City's current background check policies. Client may request that any officer, employee, or agent of Galloway that the background check reveals a criminal history that represents a concern to Client be removed from working with Client or any Plan participants.

15. **PUBLIC RECORDS.** Galloway acknowledges that Client is a public entity, subject to Arizona's public records laws (A.R.S. § 39-121 et. seq.) and that any documents related to this Agreement may be subject to disclosure pursuant to State law in response to a public records request or to subpoena or other judicial process.

16. **AMENDMENTS.** There shall be no oral changes to this Agreement. This Agreement shall only be modified in a writing signed by both Parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by Client.

17. **DEFAULT.**

a. A Party shall be in default if that Party:

(i) Is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects its capability to perform under the Agreement;

(ii) Is the subject of a petition for involuntary bankruptcy not removed within 60 Days;

(iii) Conducts business in an unethical or illegal manner; or

(iv) Fails to carry out any term, promise, or condition of the Agreement.

b. Whenever any Party in good faith has identified any defects or otherwise has reason to question the other's intent or ability to perform under Subsection 19(a), the former Party may demand that the other Party give a written assurance of its intent to perform and cure any defects in performance. In the event that such demand is made and no written assurance is given within 5 business days, and any defects are not cured within 10 business days, the demanding Party may treat this failure as an anticipatory repudiation of the Agreement and may then immediately terminate this Agreement without having to issue a 30 Day Notice of Termination as otherwise specified in Section 6.

18. **REMEDIES.** The remedies set forth in this Agreement are not exclusive, and each Party shall have resort to any remedy allowed by law. Election of one remedy shall not preclude the use of other remedies. In the event of any Party's default in its obligations hereunder:

a. The non-defaulting Party may terminate the Agreement after providing notice and an opportunity for the defaulting Party to provide written notice of assurance and to cure any defects if required in accordance with Section 19(b), and the termination shall be effective immediately or at such other date as specified by the non-defaulting, terminating Party.

- b. To the extent permitted by applicable law, neither Party to this Agreement, including their respective officers, officials, directors, managers, employees, shareholders, lawyers, trustees, agents, successors or permitted assigns, shall be liable to the other for any amounts other than those expressly described as payable herein, except for losses resulting from a Party's misconduct, gross negligence or bad faith breach of contract or fiduciary duty. Neither Party shall be liable for incidental, special, or consequential damages.
  - c. The prevailing Party in any litigation arising out of or concerning this Agreement shall be awarded its reasonable attorneys' fees and all costs and expenses of collection and litigation, whether those fees and costs are incurred at trial or on appeal or in connection with any mediation or court-ordered arbitration. Such an award shall be made for the prevailing Party and against the non-prevailing Party by the court or arbitrator adjudicating the litigation and not a jury.
  - d. As required by A.R.S. § 12-1518(B), the Parties agree that they will use non-binding arbitration in all disputes arising out of this Agreement which are subject to mandatory arbitration pursuant to rules adopted under A.R.S. § 12-133.
19. **NON-WAIVER OF RIGHTS.** There shall be no waiver of any provision of this Agreement unless approved in writing and signed by the waiving Party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any Services hereunder, shall not release the other Party of any of the warranties or other obligations of the Agreement and shall not be deemed a waiver of any such rights or remedies.
20. **EXCLUSIVITY.** Galloway's performance of the Services is on a non-exclusive basis, and Galloway may act as investment adviser for persons other than Client. This Agreement does not confer upon Galloway the right to provide or perform Services for persons other than Client or other departments or instrumentalities of the City, although for the term of this Agreement, Client shall use Galloway as its exclusive provider of the Services for participants in the Plans, and for the Plan Provider.
21. **CONTINUATION DURING DISPUTES.** Galloway agrees that during any dispute between the Parties, Galloway will continue to perform its obligations until the dispute is settled, until Galloway is instructed to cease performance by Client, or enjoined or prohibited by judicial action from performing the Services or is otherwise required or obligated to cease performance by other provisions in this Agreement.
22. **TERMINATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511).** Pursuant to A.R.S. § 38-511, Client may cancel this Agreement within 3 years after its execution, without penalty or further obligation, if any person significantly

involved in initiating, securing, drafting, or creating the Agreement for Client becomes an employee or agent of Galloway.

23. **INDEMNIFICATION/LIABILITY.**

- a. **Indemnification, General.** To the fullest extent permitted by Law, each Party shall defend, indemnify, and hold the other Party and its respective officers, officials, managers, agents, attorneys and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys', witnesses', and expert witnesses' fees, and expenses incident thereto, relating to, arising out of, or resulting from that Party's negligent or intentionally wrongful acts, errors, mistakes or omissions (or that of its authorized subcontractors) in connection with its performance of its obligations under, (or its failure to perform its obligations under) this Agreement.
- b. **No City Liability For Plan Advice.** Client assumes no liability for any advice provided by Galloway to any participant in the Plans under and pursuant to this Agreement.

24. **WARRANTY.** Galloway warrants that all Services will be performed in a professional manner. If any Services are performed in a substandard or unsatisfactory manner, as determined by Client, Galloway will re-perform the Services until they comply with the standards set forth in this Agreement and otherwise comply with Client's reasonable expectations.

25. **THE CITY'S RIGHT TO RECOVER AGAINST THIRD PARTIES.** Galloway shall do nothing to prejudice Client's right to recover against third parties for any loss, destruction, or damage to Client's property (or that of any participant in the Plan) as a result of Galloway's performance of Services hereunder. At Client's request and expense, Galloway shall assist Client to prosecute or defend lawsuits and execute instruments of assignment to obtain recoveries against any third parties causing Client or any participants in the Plan damage.

26. **SALES/USE TAX, OTHER TAXES.**

- a. Galloway shall be responsible for payment of all taxes including Federal, State, and local taxes related to or arising out of Galloway's Services under this Agreement, including by way of illustration but not limitation, Federal and State income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fees as required.
- b. Client is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request. Client is not exempt from State and local sales/use taxes.

27. **OWNERSHIP.** All documents, pamphlets, brochures, books, data compilations, reports, materials and films, analyses, web presentations, recordings,

broadcasts, and promotional materials of every form and description, whether in written, analog, digital, film or electronic form, prepared by Galloway (or its agents) pursuant to this Agreement or in connection with the performance of the Services and delivered to Client or any participants in the Plans (collectively, the "Materials") are and shall remain the property of Galloway, but Client shall have a perpetual license, without fee, to retain and use the Materials as it see fit, and Client shall have no obligation to return the originals or copies of the Materials to Galloway upon termination of this Agreement. Notwithstanding the foregoing, except as required by law or authorized by Galloway, or except as required for use by Plan Provider or Client's custodians, counsel, auditors, actuaries, or other representatives, or as demanded by regulatory authorities, Client shall not disseminate or disclose the Materials to third parties unless required by law to do so.

28. **USE OF NAME.** This Agreement does not authorize use or reference by Galloway of the name or logo of the City or the Committee in any public advertising or publicity announcement or other marketing materials. Any such authorization must be obtained in advance by separate written agreement.
29. **NO THIRD PARTY BENEFICIARIES.** This Agreement is intended for the exclusive benefit of Galloway, Client and, to the extent (and only to the extent) desired by Client, the participants in the Plans. Nothing set forth in this Agreement is intended to create, or shall create, any benefits, rights, or responsibilities in any third parties.
30. **SEVERABILITY.** If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. The Parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
31. **PROVISIONS REQUIRED BY LAW.** Any provision required by law to be in this Agreement is a part of this Agreement as if fully restated therein.
32. **INTEGRATION CLAUSE.** This Agreement, including all attachments and exhibits hereto, shall supersede all prior oral or written agreements, if any, between the Parties, and shall constitute the entire agreement between the Parties with respect to the Services to be performed.
33. **TIME OF THE ESSENCE.** Time is of the essence to the performance of the Parties' obligations under this Agreement.
34. **NOTICES.** All notices to be given pursuant to this Agreement shall be delivered to the Parties at their respective addresses identified. Notices may be (i) personally delivered; (ii) sent via certified or registered mail, postage prepaid; (iii) sent via overnight courier. If provided by personal delivery, receipt shall be deemed effective upon delivery. If sent via certified or registered mail, receipt shall be deemed effective 3 business days after being deposited in the United

States mail. If sent via overnight courier, receipt shall be deemed effective 2 business days after the sending thereof.

**TO GALLOWAY:**

Galloway Asset Management, LLC  
1930 North Arboleda, Suite 117  
Mesa, AZ 85213  
Attn: Michael Galloway  
(480) 325-8668  
(480) 325-1664

**TO CITY:**

City of Glendale  
5850 West Glendale Avenue  
Glendale, AZ 85301  
Attn: Jim Brown, Interim Executive Director-HR and Risk Management  
(623) 930-2277

With a copy to:  
City Attorney  
City of Glendale  
5850 West Glendale Avenue  
Glendale, AZ 85301  
(623) 930-2930

35. **GOVERNING LAW, FORUM.** This Agreement shall be governed by the laws of the State of Arizona. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Agreement shall be Maricopa County, Arizona.
36. **AUTHORITY TO BIND CLIENT.** Except as otherwise authorized herein, it is understood that in Galloway's performance of any and all duties under this Agreement, Galloway has no authority to bind Client to any agreements or undertakings.
37. **SURVIVING PROVISIONS.** Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of this Agreement, shall survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, termination, or other expiration of this Agreement shall not release any party from any liability or obligation arising prior to the date of termination.
38. **CONFIDENTIALITY.** All information supplied to and all work or Services processed or completed by Galloway shall be kept confidential and will not be disclosed except as required by law or as directed by Client or any participant in the Plans, as applicable.

39. **LOANS AND WITHDRAWALS.** Galloway shall not process loans or hardship withdrawals for participants in the Plans. Participant payroll functions and court orders are processed directly by the City or Plan Provider.
40. **CITY COORDINATION WITH PLAN PROVIDER.** In order for Galloway to provide the Services, City shall coordinate with Plan Provider to provide Galloway with read-only access to participant account systems.
41. **CITY ACKNOWLEDGEMENTS.** City acknowledges that Plan Provider is not responsible for the investment advice provided by Galloway pursuant to this Agreement, and shall not be responsible for the training or supervision of any Galloway personnel responsible for providing Services to the Plans and/or their participants.
42. **AUTHORITY.** The Parties and their representatives signing this Agreement are duly authorized agents of the Parties hereto and have full authority to enter into this Agreement on behalf of the Parties for whom they are signing.

**THIS AGREEMENT** shall be in full force and effect only after it has been approved and executed by the duly authorized City officials.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**CITY OF GLENDALE**

An Arizona Municipal Corporation

By: Horatio Skuto

Its: Acting City Manager

**GALLOWAY ASSET MANAGEMENT, LLC**

An Arizona Limited Liability Company

By: Michael Galloway

Michael Galloway  
Managing Member

**ATTESTED:**

By: Darce McLaughlin  
City Clerk (SEAL)

**APPROVED AS TO FORM:**

By: [Signature]  
City Attorney

## **EXHIBIT A – SCOPE OF SERVICES**

Galloway shall provide the following services in connection with the Agreement:

- A. Participant-level advice. Upon the request of any participant in the Plans, Galloway shall advise such participants concerning their investment allocations within the Plans. Upon request of participants with assets in the (SDBO) Self Directed Brokerage Option, Galloway may provide such participants with advisory services concerning their investments through the SDBO.
- B. Marketing, Enrollment, Education. Galloway will supplement Plan Provider personnel in the area of marketing enrollment, and education. Galloway may provide Plan marketing services to Client or other departments or subdivisions of the City, as well as provide enrollment and education services to participants in the Plans. Such services shall include face-to-face meetings with Client as well as with participants upon request; small, group meetings for City departments or work areas that request such meetings; and counseling and education for eligible Plan participants concerning the Arizona Public Safety Personnel Retirement System. Galloway will also supplement the Plan Provider's counseling and education on the Arizona State Retirement System.
- C. Client Benefits Include. Galloway will provide to Client's plan participants; Financial Planning and analysis, assistance and support to the members of the deferred compensation board, counseling and guidance on pension system plans, face-to-face meetings with an investment advisor, customized worksite education seminars and classes, specific investment recommendations on core fund lineup selection, electronic newsletters and investment alerts when applicable.

**EXHIBIT B - Galloway Asset Management, ADV Part II**

See Attached

**Part 2A of Form ADV - Firm Brochure**



**GALLOWAY ASSET MANAGEMENT, LLC**

**Registered Investment Advisor Disclosure Brochure  
March 27, 2012**

**Corporate Office:**

1930 North Arboleda, Suite 117  
Mesa, AZ 85213  
480-325-8668  
1-877-778-2351 (Toll Free)  
480-325-1664 (Fax)  
[www.Galloway911.com](http://www.Galloway911.com)

**Other Office Locations:**

Scottsdale, Arizona Office  
8111 E Thomas Rd, Suite 120  
Scottsdale, AZ 85251  
480-471-2331  
480-471-2283 (Fax)

Phoenix, Arizona Office (By Appointment Only):

8821 North 7<sup>th</sup> Street, Suite 210  
Phoenix, AZ 85020  
480-325-8668

Newport Beach, California Office (By Appointment Only):

4695 MacArthur Court, 11<sup>th</sup> Floor  
Newport Beach, CA 92660  
949-798-5768

This brochure provides information about the qualifications and business practices of Galloway Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 480-325-8668 or [Cindy@Galloway911.com](mailto:Cindy@Galloway911.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Galloway Asset Management, LLC ("GAM", "Advisor" or "Firm") is an investment advisor registered with the Securities and Exchange Commission (SEC). Registration does not imply any level of skill or training. Additional information about Galloway Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 - Material Changes

This Form ADV Part 2A Firm Brochure has been created to comply with new requirements adopted by the SEC on July 28, 2010. Each update of the brochure must now include a summary of all material changes since the last annual update. The following are material changes since GAM's last brochure update on May, 16, 2011:

- Item 4 – Advisory Business: The amount of client assets GAM manages as of March 26, 2012 on a discretionary basis is \$164,411,084.00 and on a Non-Discretionary basis is \$953,506 00.

### Item 3 - Table of Contents

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## Item 4 - Advisory Business

GAM is an investment advisor registered with the Securities and Exchange Commission (SEC) and has been in business since June 26, 2006. The principal owner of GAM is Public Safety Financial, LLC.

GAM is a registered investment advisor firm providing investment advice and portfolio management.

GAM offers asset allocation services known as GAM Portfolios. GAM Portfolios are model portfolios made designed to meet differing investment objectives. Upon assessment of the client's risk tolerance and consideration of the client's investment objectives and financial information, GAM may recommend a model portfolio or customized strategy that is appropriate for the client. GAM shall be granted discretionary authority by the client to select and invest the client's portfolio in specific investments in accordance with the model portfolio or customized portfolio. Part of GAM's services involves elements of financial planning in which there is no charge.

Client has the ability to place reasonable limitations and restrictions on the types of investments made on its behalf by GAM. Client must request those reasonable restrictions in writing, if any, to GAM. GAM's Clients are advised to promptly notify GAM if there are any changes to all relevant information, including financial condition, net worth, or investment objections.

GAM may provide services to the participants of municipal deferred compensation plans. GAM, upon participant's request, offers investment allocation advice within the plan, may provide advisory services with participant's investments thru a Self Directed Brokerage Option, enrollment and education services.

The amount of client assets GAM manages as of March 26, 2012 on a discretionary basis is \$164,411,084.00 and on a Non-Discretionary basis is \$953,506.00.

## ***Item 5 - Fees and Compensation***

### **GAM Portfolios**

The annual asset-based fee for advisory services is charged as a percentage of assets under management. For directly managed accounts, the fee is a standard 1.25% per year, paid quarterly, in arrears for the initial quarter and in advance for subsequent quarters. All fees due are established in each client's Investment Advisory Agreement.

In rare circumstances, all fees may be negotiable. In addition, certain affiliated persons of GAM and family members and personal acquaintances of GAM's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

Advisory fees will be directly debited from a client account, with the client's prior required written authorization. The account is held by an independent custodian and the custodian agrees to disburse these fees quarterly. The authorization will be made in writing in the form of a limited power of attorney provided by the client's custodian. The client will receive a statement from GAM, as well as reports from the account's custodian. GAM will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated.

Assets that are deposited into or withdrawn from an account after the beginning of a quarter will result in a pro-rate fee.

Clients may terminate at any time. If a client cancels, all prepaid fees will be promptly refunded on a pro-rated basis, upon client signing a termination form. In cases where clients were not provided this disclosure brochure at least 48 hours prior to entering into an advisory agreement with GAM, the client shall have the right to terminate their agreement within five business days after entering into the agreement with a full refund of advisory fees paid (if any).

### **Implementation of Recommendations Outside of GAM Portfolios**

While GAM's services are provided with the intention of the client implementing recommendations within the GAM Portfolios, clients are not obligated to do so. If clients elect to have an IAR implement the client's recommendations outside of the GAM Portfolios, implementation will be made through the IAR in the IAR's capacity as a registered representative or insurance agent of Cambridge Investment Research, Inc. (Cambridge). When clients implement recommendations through the IAR in one these separate capacities, the IAR will receive commissions and related compensation, such as 12b-1 or trail fees, resulting from the client's purchase of recommended securities or insurance products. While GAM has procedures in place that endeavor to at all time to put the interest of the clients first as a part of the GAM's fiduciary duty, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest and gives the IAR an incentive to recommend investment and insurance products based on the compensation received rather than on the client's needs.

Investment advisory clients are under no obligation to purchase from their GAM IAR any securities or insurance products that he or she recommends and may purchase recommended products from the broker-dealer or insurance company of their choice. GAM may waive or reduce the amount of the investment advisory fee as a result of the additional fees and/or commissions being earned. Any adjustment to the investment advisory fee is at the discretion of GAM and will be disclosed to the client prior to implementing transactions.

Commissions may be higher or lower at Cambridge than at other broker/dealers. Registered representatives are restricted to only offering those products and services that have been reviewed and approved for offering to the public by Cambridge and for which Cambridge has obtained a selling agreement.

#### Services to Municipal Deferred Compensation Plans and Participants

GAM may provide services to the participants of municipal deferred compensation plans. GAM, upon participant's request, offers investment allocation advice within the plan, may provide advisory services with participant's investments thru a Self Directed Brokerage Option, enrollment and education services. Compensation to GAM for these services varies and is set forth through contracts with GAM and the municipality.

#### GAM is a Fiduciary to the City of Tempe's (Arizona) DC Plan

GAM serves as a fiduciary to the City of Tempe's governmental defined contributions plans. GAM does not receive any compensation for these services; however, individual plan participants can hire GAM to manage accounts.

### **Additional Fees and Expenses**

#### Mutual Fund and Other Internal Investment Charges

When GAM recommends mutual funds in its GAM Portfolios, GAM generally recommends only no-load or load-waived mutual funds. However, all mutual funds, exchange traded funds and other investment company securities (Funds) incur certain types of charges and expenses, which are paid from the value of the mutual funds' shares. These charges and expenses include investment management, transaction, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees. If your account holds any such Fund shares, you will be indirectly paying these expenses of the respective Funds, which are in addition to your GAM investment advisory fee. You are encouraged to read the prospectuses of any Funds which are purchased in your account for a more complete explanation of these fees and expenses.

#### Investments Available without GAM's Services

Clients may invest in mutual funds or other investments without the services of GAM. In that case, the client would not receive the services provided by GAM which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to the client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by GAM to fully understand the total amount of fees

to be paid by the client and be able to evaluate the value of the advisory services being provided.

While GAM believes its fees are competitive with fees charges by other investment advisors for comparable services, comparable services may be available from other sources for lower fees than those charged by GAM. Tax Consequences of Transactions - No Legal or Tax Advice

GAM does not hold itself to be and is not an estate planning attorney, a certified public accountant (CPA) or a tax consultant. Referrals to other professionals are given to clients seeking answers to questions relating to such matters.

Clients are advised that any redemptions and exchanges between Funds and other securities transactions in the clients Portfolio Management and Review account might have tax consequences, which clients should discuss with their independent tax advisor.

#### Brokerage and Custodial Charges

In addition to GAM's Portfolio Management and Review fee, clients will also pay any brokerage or custodial costs associated with their account. For more information about GAM's brokerage recommendations and arrangements, please refer to Item 12, Brokerage Practices, of this brochure.

## **Item 6 - Performance-Based Fees and Side-By-Side Management**

GAM does not charge any performance-based fees. Performance based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. All fees charged by GAM are disclosed in Item # 5, Fees and Compensation.

## Item 7 - Types of Clients

GAM provides services to individuals, trusts, estates, charitable organizations, corporations and business entities.

There is no minimum investment required to invest in GAM Portfolios.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of Analysis

In advising clients investing in GAM Portfolios, GAM develops model portfolio investment recommendations using reports from third-party sources, including Morningstar.

The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Each client's individual needs and circumstances will determine portfolio weighting between funds and market sectors.

### Investment Strategies

The following GAM Portfolios are currently available:

All-Inclusive Portfolios (may include mutual funds, equities, closed end funds, exchange traded funds, and real estate investment trusts (REITs))

High Risk

Medium High Risk

Medium Risk

Medium Low Risk

Low Risk

### Risk of Loss

All investments, including mutual funds, ETFs, and annuity and life insurance sub-accounts involve investment risk and may lose value.

Clients should note that if the firm effects short-term transactions on behalf of client accounts, such transactions may result in short term gains or losses for federal and state tax purposes. Clients should review the treatment of such tax consequences with their accountant or tax counsel.

All investments and investment programs have certain risks that are associated with them and which the investor must bear. Following are the types of risk that may arise to clients due to the types of securities that are recommended to or purchased for clients or that relate to the firm's investment strategies:

**Business Risk** – the risk that the price of an investment will change due to factors unique to that company, investment or market segment and not the market in general.

**Liquidity Risk** – the risk associated with the ease of being able to quickly convert the value of a security into an equivalent amount of cash. For example, money market funds are readily convertible (liquid) while certain limited partnership units or real estate are not.

**Financial Risk** – the risk to specific companies' future earnings due to their use of debt. Companies that borrow money must pay it back at some future date, plus the interest charges. This increases the uncertainty about the company because it must have enough income to pay back this amount at some time in the future.

Exchange Rate (Currency) Risk – the risk that investors in foreign investments may be subject to different exchange rates at the time they wish to convert investment proceeds back to their home currency. If exchange rate risk is high, even though substantial profits may have been made in the foreign markets, a less favorable exchange rate may reduce or eliminate these profits.

Country (Political) Risk – the risk that a major change in the political or economic environment of a foreign country may devalue investments made in that country. This risk is usually restricted to emerging or developing countries that do not have stable economic or political environments.

Market Risk – the risk that the price of a particular investment will change as a result of overall market conditions that are not specific to that particular company or investment

Interest Rate Risk – the risk that interest rate changes will affect the price of a particular investment. For example, when interest rates rise, the price of bonds generally fall.

Global Risk – the risk that events in one part of the world can affect investments across the globe.

## **Item 9 - Disciplinary Information**

GAM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

At this time, GAM does not have any disciplinary information to report.

## **Item 10 - Other Financial Industry Activities and Affiliations**

GAM's management, Michael Galloway and Christopher Hoerchler are also Registered Representatives with a broker/dealer, Cambridge Investment Research, Inc. When placing securities transactions through Cambridge, they earn normal and customary commissions. Please refer to Item 5, Fees and Compensation, Implementation of Recommendations Outside of GAM Portfolios.

GAM IARs may be licensed life insurance agents with various insurance companies and may sell insurance products to GAM advisory clients. IARs as a licensed life agent, may be able to implement insurance recommendations for advisory clients. In this event, the IAR will receive customary commissions for insurance and/or annuity sales. Please refer to Item 5, Fees and Compensation. Clients of GAM are not obligated in any manner to use the insurance services provided by GAM IARs.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

GAM's Code establishes that no person employed by the Firm shall prefer their own interests to those of advisory clients and, among other things, prohibits the use of material public information. Further, the Code requires that certain associated persons submit annual securities holdings reports and quarterly securities transaction reports to the firm's designated officer who is responsible for reviewing them for compliance with the Code. Additionally, the Firm's Code also requires the pre-approval of any acquisition of securities in a limited offering or initial public offering. Clients and prospective clients may obtain a copy of the Firm's Code upon request by contacting Cindy Lance at the Firm's principal office address.

### **Participation or Interest in Client Transactions and Personal Trading**

On occasion, representatives of GAM may buy or sell for their own accounts securities that they recommend to clients. As these situations may present a conflict of interest, GAM has adopted a Code of Ethics (Code) that sets forth standards of business conduct, including compliance with applicable state and federal securities laws that it requires of its associated persons.

## **Item 12 - Brokerage Practices**

### **Recommendation of Cambridge Investment Research, Inc. for Commission-based Transactions**

Some of GAM IARs are also registered representatives (RRs) of Cambridge Investment Research, Inc.(Cambridge) and are required by Cambridge to place any commissionable transactions through Cambridge. Therefore, If commission clients want GAM to implement the advice outside of the GAM Portfolios, Cambridge will be recommended to the clients. As registered representatives of Cambridge Investment Research, Inc , the IARs of GAM will also receive sales commissions and other related compensation, such as 12B-1 service fees or trail fees, on any products purchased, including insurance policies.

Cambridge has a wide range of approved securities products for which Cambridge performs due diligence prior to selection. Cambridge's RRs are required to adhere to these products when implementing securities transactions through Cambridge. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. In addition, certain back-office, operational, technology and other administrative support that Cambridge provides GAM's IARs also benefit GAM.

Additionally, product sponsors such as variable and investment companies and limited partnerships which are recommended to clients may provide support to GAM. Such support includes research, educational information, and monetary support for due diligence trips and client events.

NOTE: The value of products, research and services given to GAM is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions. Clients should be aware that a conflict exists between the interests of GAM and the interests of the clients; and the client is under no obligation to act upon GAM's recommendations; and if the client elects to follow any of the recommendations, the client is under no obligation to effect the transaction through GAM or its associated persons in their individual capacities.

### **Recommendation of Broker/Dealers for GAM Portfolios**

Because Michael Galloway is a RR with Cambridge, he (and, therefore, GAM) is subject to certain Cambridge restrictions concerning his use of other custodians and broker-dealers. To fulfill certain FINRA requirements, Cambridge has established a list of custodian and brokerage firms which may be utilized for custody and trade execution in client accounts by its registered representatives who are also affiliated with an investment advisor.

GAM participates in both Charles Schwab's (Schwab) and TD Ameritrade's (TDA's) institutional customer programs and requires clients who wish to use GAM Portfolios to direct us to use Schwab or TDA (Recommended Brokers). Both Schwab and TDA are on the list of broker-dealer/custodians that are acceptable to Cambridge

Cambridge will retain a portion of GAM's investment management fee as a charge to GAM (not the client) for the above-referenced functions Cambridge is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay GAM pursuant to the client's advisory agreement.

Clients should be aware of the following important facts regarding GAMs exclusive use of Schwab and TDA:

- This limitation on the use of broker-dealers may affect GAM's ability to achieve most favorable execution of client transactions, and therefore may cost clients more money; and
- Not all investment advisors require clients to use specified broker-dealers.

Recommended Brokers provide GAM with access to its institutional trading and custody services, which are typically not available to the Recommended Brokers retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them for Schwab accounts, there is no charge so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab and is not otherwise contingent upon GAM committing to Schwab any specific amount of business (assets in custody or trading)]. Recommended Brokers' services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For GAM clients' accounts maintained in their custody, Recommended Brokers generally do not charge separately for custody but are compensated by the account holder through commissions or other transaction-related fees for securities trades that are executed through the Recommended Brokers or that settle into Recommended Brokers' accounts. Recommended Brokers may also receive SEC Rule 12-(b)-1 and/or other fees from mutual fund companies.

Recommended Brokers also make available to GAM other products and services that benefit GAM but may not benefit its clients' accounts. Some of these other products and services assist GAM in managing and administering clients' accounts. For example, these may include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of GAM's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of GAM accounts, including accounts not maintained at the Recommended Brokers.

Schwab also makes available to GAM other services intended to help GAM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to GAM by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to GAM.

GAM's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to GAM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. The benefits received from Schwab do not depend upon the amount of transactions directed to Schwab.

TD AMERITRADE may also pay for business consulting and professional services received by GAM's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for its personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally.

Some services made available by TD AMERITRADE are intended to help GAM manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE.

As part of its fiduciary duties to clients, GAM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GAM or its related persons in and of itself creates a potential conflict of interest. Clients are advised there is an incentive for GAM and its IARs to recommend a broker/dealer over another based on the products and services that will be received rather than the client's best interest.

## **Item 13 - Review of Accounts**

### **GAM Portfolios**

#### Reviews:

Michael Galloway, President of GAM, regularly monitors the underlying securities within the accounts and he reviews the portfolios at least annually.

Clients are requested to meet either in person or by telephone at least annually with their GAM representative to review their accounts. The client may request additional meetings at any time. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

#### Reports:

Portfolio Management clients will receive statements at least quarterly and confirmations of transactions from their broker dealer/custodian. GAM provides an additional statement unless contracted for at the inception of the advisory relationship.

### **Financial Planning**

#### Reviews:

While reviews may occur at different stages depending on the nature and terms of the specific engagement of GAM, typically no formal reviews will be conducted for financial planning or consulting clients, except as contracted for at the inception of the financial planning or consulting engagement.

#### Reports:

Clients will receive reports as contracted for at the inception of the client relationship or as may be requested by a client.

## **Item 14 - Client Referrals and Other Compensation**

GAM has an arrangement with Cambridge Investment Research, Inc where certain investment advisor representatives (IARs) of Cambridge's affiliated RIA, Cambridge Investment Research Advisors, Inc (CIRA) refer business to GAM. Those IARs are paid a percentage of the advisory fee by GAM on the accounts they refer to GAM.

## Item 15 - Custody

Except for the direct billing of account fees (as authorized by clients in writing), GAM does not have any arrangements by which it accepts or undertakes custody of client funds or securities. Client funds and securities are always held with a qualified custodian, such as Schwab or TDA, who will provide the client with an account statement at least each calendar quarter. The account statement shows the amount of GAM's management fees that are deducted from the client's account during the period covered by the statement. Clients should review the account statements provided by their custodian carefully for accuracy.

## **Item 16 - Investment Discretion**

GAM manages client accounts on a discretionary basis in which the client grants GAM authority in the Investment Advisory Agreement. GAM takes discretion over the following activities: the securities to be purchased or sold, the amount of securities to be purchased or sold, and when transactions are made.

## **Item 17 - Voting Client Securities**

As a matter of firm policy and practice, GAM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, upon Client's request, GAM may provide advice to clients regarding the Client's voting of proxies.

## **Item 18 - Financial Information**

GAM does not require or solicit the prepayment of more than \$1,200 in fees, six months or more in advance. In addition, GAM does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

