



142 W 57<sup>th</sup> Street, 11<sup>th</sup> Floor, New York, NY 10019

## Investment Advisory Agreement

**Proposal:** Investment Advisory Proposal between Paul Barrett and Southern Trust Company.

Alpha Group Capital LLC (“Advisor”) and Southern Trust Company (“Client”) enter into this Investment Advisory Agreement (“Agreement”) as of 18<sup>th</sup> September 2017 (the “Effective Date”). This Agreement sets forth the terms and conditions with regard to the investment management services Advisor will provide Client and the responsibilities of the parties.

The content herein shall form the basis of the 2-year agreement whereby Client will hire Alpha Group Capital to manage money for Client and his various legal entities.

Alpha Group Capital is a New York City based multifamily office.

### Advisory Agreement

- Two-year guaranteed Advisory Agreement in the form of the following:
  - Year 1 - \$500,000 annual advisory fee. Payment will be paid quarterly in advance.
  - Year 2 - \$500,000 annual advisory fee. Payment will be paid quarterly in advance.

### Power of Attorney

- Alpha Group Capital to have Limited POA on relevant accounts. This will include trading authority, corporate actions, exercise of options, all IPO and secondary trading activity. All trading authority limited to a notional value of \$5MM per bond and per equity position, \$10MM notional for FX and \$10MM for Swaps (excludes long options).



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- Client authorizes Alpha Group Capital to respond to inquiries from, communicate and share information with Client's accountants, attorneys, advisors and other consultants or professionals as deemed necessary by Advisor to provide its services to Client and/or as requested by Client.

#### **Matters Requiring Client/Investor Consent**

- Positions larger than the abovementioned amounts require Client's prior approval.
- Investments that are illiquid such as Hedge Funds, Private Investments, Private Equity etc. will require prior approval from Client.

#### **Counterparties**

- If any of Client's entities lose counter-party access, this will not impact the 2-year advisory agreement with Alpha Group Capital. We will collectively look for and select other trading relationships that can satisfy our respective investing needs.

#### **Reporting & Information Rights**

- HBRK Associates will provide all the accounting and performance reporting for all Client entities.
- Alpha Group Capital will get copies of the brokerage statements and performance reports from HBRK on a monthly basis. In addition, HBRK agrees to give any relevant performance information to Alpha Group Capital upon request.

#### **Legal, Tax and Accounting Advice**

- Client expressly understands and agrees that Advisor is not qualified to, and does not purport to provide, any legal, accounting, estate, actuary, or tax advice or to prepare any legal, accounting or tax documents. Nothing in this Agreement shall be construed as providing for such services. Client will rely on his or her tax attorney or accountant for tax advice or tax preparation.



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### **Compliance**

- Paul Barrett will be the Chief Compliance Officer of the Alpha Group Capital. We will also work with an outside Compliance Consultant on an ongoing basis to ensure the LLC is current with all compliance requirements.
- SEC registration requires Alpha Group Capital disclose the number of clients as well as AUM. Only upon an audit will Alpha Group Capital be required to disclose client lists.

### **Roles & Responsibilities**

- Any trades recommended and implemented by Client will be excluded from performance attributed to PB.
- Trade ideas and recommendations coming from other clients of Alpha Group Capital will not be disclosed to Client until after that client has decided to proceed or declined to proceed with that investment.
- Client acknowledges that Alpha Group Capital may provide similar services for other clients and he explicitly consents to Alpha Group Capital's right to service other clients.
- Client understands that investments made for Client's account are subject to general market, currency, economic, political and business risks, as well as the risk associated with investments in individual securities and agrees to accept those risks.

### **Confidentiality & Non-Disclosure**

- Alpha Group Capital (including any of its employees) will not disclose the nature of the Advisory Agreement with Client other than what is reasonable and necessary in the course of day-to-day business.

### **Disclosure Obligations**

- In compliance with Rule 204-3 under the Advisers Act, Alpha Group Capital will deliver to Client a Form ADV Part 2A (brochure) and Part 2B (brochure supplement) describing Alpha Group Capital's business practices, conflicts of interest and professional background of Paul Barrett and his advisory personnel. Over the course of doing



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business, any material changes to this brochure will be updated in writing and shared with Client.

**Anti-Fraud Provisions & Breach of Contract**

- In compliance with Section 206 of the SEC’s Advisers Act, Paul Barrett agrees not to make misstatements or misleading omissions of material facts and other fraudulent acts and practices in connection with the conduct of his investment advisory business. As a fiduciary representing Alpha Group Capital, he will provide Client with undivided loyalty, and will not engage in activity that conflicts with Client’s interest without the Client’s consent.

**Contingency**

- If Paul Barrett is incapacitated impairing his ability to carry out his duties as Investment Advisor at Alpha Group Capital then Investment responsibilities for all Client’s entities will revert back to Client.

Signed:

\_\_\_\_\_

Paul Barrett

Alpha Group Capital LLC

Date:

\_\_\_\_\_

Signed on behalf of Southern Trust Company

Date: