

# Succession Planning Agreement



**AGREEMENT** made this \_\_\_\_th day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_, an individual with an address of \_\_\_\_\_ (the "Seller") and \_\_\_\_\_ ("GVA")("Buyer"), with an address of \_\_\_\_\_.

**WHEREAS**, the Seller is an investment adviser representative of GVA, a Registered Investment Advisor and/or registered representative of LPL Financial.

**WHEREAS**, the Seller's CRD Number is \_\_\_\_\_; and

**WHEREAS**, the Seller owns all of the assets of the Business, including without limitation, its list of clients (each a "Seller's Client" and collectively, "Seller's Clients"), the right to receive all of the advisory fees generated from Seller's Clients, including, but not limited to, the advisory fees charged for asset management of Seller's Client's accounts ("Advisory Fees"), and commissions generated from the outside sales of fixed insurance commissions (collectively "Commissions") to Seller's Clients; and

**WHEREAS**, GVA deducts all Advisory Fees and Commissions due from Seller's Clients from the respective Seller's Clients' accounts with GVA and pays to the Seller and Seller's supervisor; and

**WHEREAS**, the Seller and GVA desire to provide a succession plan for the orderly transfer of Seller's Business in the event of the death or retirement of the Seller ("Triggering Event"); and

**WHEREAS**, GVA has offered to purchase the Seller's rights and interests associated with a portion of Seller's client accounts, assign and/or transfer the servicing and/or ownership of the Business to a designated person registered with GVA ("Designated Person"), and the Seller has agreed to assign his or her rights and interests as to such clients to \_\_\_\_\_ and/or \_\_\_\_\_ Designated Person(s) (the "Purchase") all on the terms and conditions set forth herein; and

**WHEREAS**, the Seller shall designate a beneficiary (the "Designated Beneficiary"), below and may update such Designated Beneficiary from time to time either personally by Seller or through Seller's heirs or beneficiaries upon notice to GVA, and at the time of this agreement; and

**WHEREAS**, Seller retains the right to enter into a succession agreement with another party and/or \_\_\_\_\_, and that any such agreement will have priority over this Agreement.

In the event, the Assignee under such other succession agreement has died prior to or simultaneously with this Seller, then to the extent such provision is made in that other succession agreement, this Agreement shall be operative and such other Agreement shall be void and have no legal effect.

NOW, THEREFORE, in consideration of the sums set forth hereinafter and other valuable consideration, it is mutually agreed as follows:

1. Purchase and Assignment of Client List and Seller's Fees:

The Seller agrees on his or her own behalf and on behalf of his or her estate to assign and sell to GVA effective as of the date of the closing of the transaction contemplated hereunder (the "Closing Date") (as hereafter defined) subject to the terms and conditions of this Agreement all of Seller's right, title and interest in the following:

- a. The Seller's list of Clients and such Clients' accounts (which such list shall include client names, addresses and account numbers) shall reflect all of the Seller's Clients (the "Assigned Clients") as agreed upon.
- b. Subject to amounts payable to the Seller hereunder, Seller's Fees payable which accrue from and after the Closing Date in connection with the Assigned Clients.
- c. Within forty-five (45) days after the Closing Date, all relevant books and records in Seller's possession associated with the Assigned Clients. (a, b, and c, collectively, the "Designated Business Assets")



Seller hereby acknowledges and agrees that GVA assumes no liabilities or obligations of Seller including, without limitation, payment of registration fees and/or any obligations to Seller's employees.

2. Purchase Price.

The Purchase Price of Seller's Book of Business shall be equal to the BOB Value, as determined by AdvisorBOB™, as of the month end immediately prior to the Triggering Event. The Purchase Price shall be payable to Seller's Designated Beneficiary as follows:

- i. Thirty percent (30%) paid to the Seller or by Seller's Legal Representative by bank or certified check or wire transfer at closing;
- ii. Advisory Fees that are paid to Seller prior to services being performed by Seller or after the Triggering Event shall be credited towards the Purchase Price on a prorated basis. Likewise, any fees for services performed by Seller prior to closing shall be paid to Buyer after closing and shall be added to the first payment by Buyer under (iii) of this Article.
- iii. The balance of the purchase price shall be paid in 12 substantially equal quarterly installment payments together starting one year from the Closing Date. The note shall be in a form satisfactory to the parties and shall provide for acceleration upon default and reasonable attorney's fees. Buyer may prepay in whole or part at any time without penalty or premium; and
- iv. The quarterly installment payments shall be paid to Seller, within twenty-five days of the last day of each Calendar Quarter.
- v. The Seller's Designated Beneficiary is declared to be (choose one):

Seller's Estate: \_\_\_\_\_,

Seller's Spouse: \_\_\_\_\_,

Other: \_\_\_\_\_



H.Y 'GY'Yf'a Umi dXUH' h.Y'8Yg][ bUH'X'6YbYZ]UfmZ'ca 'h]a Y' h' h]a Y' Y']h.Yf'dYfgc bU'mVmG'Y'f'c'f' h'fc i [ \ 'GY'Yf'h] \ Y']fg'cfVYbYZ]Uf]Ygi dcb'bc'h]W' h'c' ; J 5"

; J 5'a UmUgg][ b'U'c'f'Ubmd'c'h]c'bc'ZGY'Yf'h]g'f][ \h'h]h'Y' UbX' ]b'h'f'Y'g'h]b' h.Y'5'gg][ bYX'7 'Y'b'g' UbX'Ubmic'f'U'c'v'] [Uh]c'bgi bXY'f'h.]g'5[ fYYa Ybh'h'c' U'8Yg][ bUH'X'DY'fgc' b' h' h.Y'Y'j Ybh'c'ZU' 8Yg][ bUH'X'DY'fgc'b]g'X'Y'Uh' U'Z'h'f'h.Y'7'c'g]b[ '8UH'Y'Vi hd'f'c'f'h'c'dUma Ybh]b'Z' c'Z'h.Y'Di f'W'U'g'Y'Df]W' UbX'd'fc]j]YX'h.Uh; J 5'UbX'#c'f']g'8Yg][ bUH'X'DY'fgc'b]g'g'\U'g'U'gg][ bYX' ]h'g'f][ \h'g'\Y'f'Y' bXY'f'di fg' Ubh' h'c' h.]g'5[ fYYa Ybh'z'h.Y'dUma Ybh'c'v'] [Uh]c'b'g'f'c' GY'Yf'\Y'f'Y' bXY'f'k' ]'W'c'b'h]b'i Y' ]b'Z' 'Z'c'f'W' 'UbX' Y'ZY'W'h'UbX'; J 5'c'f']h'g'g' V'g'Y'e'i Ybh'8Yg][ bUH'X'DY'fgc'b]g'g' VVW'gg'f'g'U'VY'g' V'g'h'i h'X'Z'f' SSSSSSSSSSSSSSSSSSSSSSSSSSSSSSS'c'f'h.Y'8Yg][ bUH'X'DY'fgc'b' "

' " F Y g d c b g ] v ] h'Y'g'

H.Y'8Yg][ bUH'X'DY'fgc'b]g'g'U'VY'X'i'mU'f'Y[ ]g'h'Y'X' ]b'j'Y'g'a Ybh'UX'j ]g'f'f'Y'd'f'Y'g'Y'b'h]h] Y'k' \c' U'f'Y'U'd'c'c]b'h'X'Z'c'f'g'f'j ]M]b[ 'h.Y'GY'Yf'h]g'7'Y'bh'U'W'W'c'i' b'h'g'G'W'f'Y[ ]g'h'Y'X' ]b'j'Y'g'a Ybh'UX'j ]g'f' f'Y'd'f'Y'g'Y'b'h]h] Y'g'h'U'h'U'f'Y'U'gg][ bYX'h'c'g'f'j ]W'h.Y'GY'Yf'h]g'7'Y'bh'U'W'W'c'i' b'h'g'g'U'U'W'h'U'g' î'f'Y'd'f'Y'g'Y'b'h]h] Y'c'Z'f'Y'W'c'f'X'î'Z'c'f'h.Y'U'W'W'c'i' b'h'g'UbX'g'U'VY'f'Y'g'd'c'b]g'V'Y'Z'c'f'Y'b]g'f]b[ 'h.U'h'U'U'b'Y'W'g'U'f'm' U'W'W'c'i' b'h'X'c'W' a Y'b'h]h]c'b']g'W'c'a d'Y'h'X'U'g'b'Y'W'g'U'f'm'z'c'f'f'Y'e'i ]f'Y'X'z' ]b'c'f'X'Y'f'c'g'f'j ]W'g'W'W']Y'b'h]g' UbX'U'W'W'c'i' b'h'g' "

(" C V ] ] U h ] c b g ] c Z h . Y ' G Y ' Y f "

H.Y'GY'Yf'U'W' \_b'c'k'Y'X[ Y'g'UbX'U[ f'Y'g'h'U'h'z'Y'ZY'W'h] Y'U'g'c'Z'h.Y'7'c'g]b[ '8UH'Y.

- a. H.Y'GY'Yf']g'h.Y'g'c'Y'c'k' bY'f'c'Z'h.Y'6'i' g]b'Y'g'g'UbX'h.Y'8Yg][ bUH'X'6'i' g]b'Y'g'g'5'g'Y'h'z'Z'Y'Y'UbX'W'Y'U'f' c'ZU'Y'b'W' a V'f'U'b'W'g'
- b. There are no judgments, liens, actions or proceedings pending or, to the Seller's best knowledge, threatened against the Seller in any court or before any administrative agency.
- c. The Seller has the authority to consummate the transactions contemplated by this Agreement.

D'Y'U'g'Y' b'c'h' h'U'h'h.]g'X'c'W' a Y'b'h'UbX'U' ]b'Z'c'f'a U'h]c'b']b'W'i' X'Y'X' ]g'd'f'c'd'Y'f'm'c'Z; f'Y'U'h'J'U'Y'm'5'X'j ]g'c'f'; f'c'i' d'' h'W'c'b'h] ]g' ]b'Z'c'f'a U'h]c'b'UbX'a U'h'f'U'g'h'U'h'U'f'Y'W'c'g]X'Y'f'Y' h'c'V'Y'W'c'b'Z'X'Y'b'h]U'UbX'd'f]j ]Y[ ]Y'X' h'g]b'h'Y'b'X'Y'X'c'b'm'Z'c'f'h.Y'f'Y'j'k'U'b'X'i'g'Y' c'Z'h.Y']X'Y'b'h]Z'Y'X' ]b'X'j ]X'i'U'f'g' '5'b'm'f'Y'd'f'c'X'i' W'h]c'b'z'W'c'd'm'b] z'c'f'Z'c'f'k' U'f'X' ]b[ 'c'Z'h.]g] ]b'Z'c'f'a U'h]c'b'g'U'VY'g' h' ]b'Y[ U'U'W'h]c'b' "

- d. The Seller is in compliance with all governmental laws, rules and regulations applicable to Seller's conduct of the Business and has received no notice of his or her violation thereof.
- e. No liability exists for Seller with respect to the Assigned Clients and Retained Clients and no claims have been brought or are pending against Seller by any of the Assigned Clients or Retained Clients.
- f. The Seller shall be able to demonstrate to GVA that he/she has conducted himself/herself in a manner exhibiting appropriate standards of professional and ethical conduct, as determined by GVA in its discretion.
- g. The Seller is not subject to a statutory disqualification resulting from any action of, or proceeding brought by, the Securities and Exchange Commission or any self-regulatory organization for which the sanction is currently in effect (or was in effect during any part of the three years prior to the Closing Date).
- h. The Seller shall not contact former clients for the purposes of (i) soliciting new business from such former clients, (ii) discussing any past, present, or future transactions with such former clients, or (iii) otherwise providing securities related services or advice to the extent the services or advice relates to transactions in securities.
- i. The Seller agrees to comply with, to the extent applicable, federal and state securities statutes and regulations, all policies, procedures and rules of relevant regulatory and self-regulatory bodies, including, without limitation, the Securities and Exchange Commission, and FINRA.
- j. The Seller shall not associate with any other broker, dealer, municipal securities dealer, government securities dealer, investment adviser, investment company, bank, insurance company or insurance agency.
- k. The Seller shall certify at least annually to GVA that he/she has adhered to the requirements and conditions of this Agreement.
- l. The above representations and warranties shall be true in all material respect as of the Closing Date.

n. Except in the case of death, the Seller will have been continuously employed by or otherwise associated with GVA for at least three years.

5. Obligations of Great Valley Advisor Group.

GVA acknowledges and agrees that, effective as of the Closing Date:

- a. GVA is a Registered Investment Adviser.
- b. The Designated Person(s) is an investment advisor representative and/or registered representative.
- c. There are no judgments, liens, actions or proceedings pending or, to GVA's best knowledge, threatened against GVA in any court or before any administrative agency.
- d. The Designated Person(s) is in compliance with all governmental laws, rules and regulations applicable to Seller's conduct of the Business and has received no notice of his or her violation thereof.
- e. The Designated Person(s) has the authority and necessary licenses and registrations to be the registered representative or investment advisor representative of record for the customer accounts and to consummate the transactions contemplated by this Agreement.
- f. The Designated Person(s) is not subject to a statutory disqualification resulting from any action of, or proceeding brought by, the Securities and Exchange Commission or any self-regulatory organization for which the sanction is currently in effect (or was in effect during any part of the three years prior to the Closing Date).
- g. The Designated Person(s) will have been (i) employed in the securities industry in a registered capacity for at least three (3) years, and (ii) except in the case of death.
- h. GVA shall contact a representative sample of the account holders (including a significant set of high grossing customer accounts) subject to this Agreement at least annually to confirm that the Seller has not provided investment advice or solicited trades in securities in any way.
- i. GVA shall inform the account holders in writing of the Seller's departure and of the transfer of the applicable accounts to the Designated Person(s).

6. Conduct of Business.

The Seller will continue to conduct the Business in the normal, ordinary and regular course and in a business-like manner until the Closing Date. Following the Closing Date, GVA and the Designated Person will continue to conduct and preserve the Business with respect to the Retained Clients. To the extent possible, Seller shall cooperate to establish the Designated Person(s) as the new representative of record on the Seller's Clients and shall assist with the transition of the accounts to the Designated Person(s).

If, prior to Seller's death or retirement, the Seller ceases to be an investment advisor representative of GVA, then this Agreement shall immediately become void and have no legal effect. In the event there exists another succession agreement between Seller and a financial advisor and such financial advisor has died prior to or simultaneously with the Seller, then to the extent such provision is made in such other succession agreement, this Agreement shall be operative and such other succession agreement shall be void and have no legal effect.

7. Default.

If the Buyer closes this transaction as required under this Agreement and subsequently defaults in the performance of any of the obligations under this Agreement, the Seller shall have the right to exercise any or all remedies available to the Seller at law or in equity for such default.

If the Seller closes this transaction as required under this Agreement and subsequently defaults in any material respect in the performance of any of Seller's obligations under this Agreement, GVA and/or the Designated Person shall have the right to exercise any or all remedies available to GVA and/or the Designated Person at law or in equity for such default.

8. Due Diligence.

Seller and Buyer shall have 30 days from death or retirement of seller to perform due diligence. If, for whatever reason, Seller or Buyer does not wish to move forward with the agreement, the declining party should inform other party, in writing, before scheduled close is to take place.

9. Closing.

The Closing shall take place within forty-five (45) days after the death or retirement of Seller or at such other reasonable date and time as the parties may agree (the "Closing Date"), at the offices of GVA, or at such other place as the parties may agree. Each of the parties will execute and deliver at the Closing all documents reasonably required to carry out the terms and intent of this Agreement.

10. Management of Seller's Clients.

Following the date of Closing, the GVA's CCO shall supervise the Seller's Business and the Retained Clients.

11. Opportunity to Consult Counsel.

Both GVA and the Seller represent and confirm that they have had the opportunity to consult counsel regarding this Agreement and the transaction contemplated hereby.

12. Captions.

The captions of this Agreement are inserted for reference only, do not constitute a part of this Agreement and may not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

13. Arbitration.

Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute under this Agreement that cannot be resolved by



mediation, both parties agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. The parties understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both parties are waiving their respective rights to seek remedies in court, including the right to a jury trial. Seller acknowledges that Seller has had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this Agreement. In any action to enforce this Agreement, the prevailing party shall be entitled to all costs, including reasonable attorneys' fees.

14. Governing Law.

This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Delaware (not including its choice of law provisions). If any court or regulatory body for any reason deems this Agreement to be in violation of any statute, rule or regulation in any respect, the enforceability of the provision in any other respect and of the remaining provisions of this Agreement will not be impaired. The parties, for themselves and their respective heirs, beneficiaries, successors and assigns, agree to indemnify and hold harmless Great Valley Advisor Group, its affiliated entities, officers, directors and employees from and against any and all cost, loss or damage arising out of or in any way relating to payments of the Purchase Price under this Agreement.

15. Entire Agreement.

This Agreement sets forth the entire understanding of the parties and may not be amended or changed or terminated except in a writing signed by both parties.

16. Successors.

This Agreement shall bind the parties, their legal representatives, successors and assigns.



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the day and year first above written, but on the dates of signature shown below.

**Seller:**

**Buyer:** GREAT VALLEY ADVISOR GROUP

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date