Investment Advisory Representative Training - Outline of Procedures

BEFORE YOU BEGIN OFFERING ADVISORY SERVICES THROUGH KCD FINANCIAL:

1. Contact KCD's home office to confirm registration requirements and your registration status in the state(s) in which you plan to provide advisory services.

2. Review Part V of KCD's Supervisory Policies and Procedures Manual and the contents of this folder to ensure you are aware of the appropriate course of action in providing advisory services. Complete and return the "Verification of Review" form to KCD when you have reviewed these documents.

3. Review KCD's Form ADV Part 2A which details the various types of fee structures you can use in agreements with customers. This document is used like a 'prospectus' for investment advisory services.

INVOICING CLIENTS:

All advisory fee billing must fall within the guidelines found in KCD's Form ADV Part 2A, Schedule F and will be processed in one of three ways.

1. DIRECT BILLING**:**
   A. KCD provides IAR's with an invoice form for direct billing to clients for investment advisory services. Billing schedules are established in the Investment Advisory Services Agreement with each client and must correspond to the billing periods approved in Form ADV Part 2A.

   B. IAR's are responsible for producing and mailing invoices to clients. **All payments must be made out to and processed through KCD Financial, Inc.**

2. WITHDRAWAL BILLING FROM BROKERAGE ACCOUNTS:
   A. KCD provides IAR's with a form to use to request advisory fee withdrawals from a client's HTS brokerage account. When the fully completed form is submitted to KCD and principal approved, we will authorize HTS to withdraw the funds as indicated on the form.

   B. Certain states may require prior notification to be sent to clients regarding withdrawals from brokerage accounts. It is the IAR's responsibility to fulfill this requirement and send KCD a copy of the notices for correspondence review.

3. THIRD PARTY BILLING:
   The third party will withdraw fees from the accounts and pay them through KCD Financial, Inc. according to the agreements signed upon account opening.