Financial Advisory Service Agreement Between Nick Cemenenkoff and Dernis Financial LLC

# Preamble

This Financial Advisory Service Agreement *(“Agreement”)* is entered into as of April 13, 2025 *(the “Effective Date”)*, by and between:  
  
Client:  
Nicholas Cemenenkoff  
7012 S Foreset Ridge Dr  
Spokane, WA, 99224  
  
*(Hereinafter referred to as the “Client”)*  
and  
  
Advisor:  
Samuel Dernis *(operating as* ***Dernis Financial LLC****, hereinafter referred to as “Advisor”)*  
[Advisor's Street Address]  
[City, State, Zip Code]  
  
*(Collectively, the “Parties”)*

# Recitals

WHEREAS, Advisor desires to provide certain personal financial advisory services to the Client;  
  
WHEREAS, Advisor intends to formally create Dernis Financial LLC, a financial advisory company, but currently operates in an individual capacity;  
  
WHEREAS, Client desires to engage Advisor's services, to become Advisor's first client, and assist Advisor in beginning professional financial advisory activities; and  
  
WHEREAS, the Parties wish to set forth clearly and in writing the terms and conditions of their engagement.  
  
NOW THEREFORE, in consideration of the mutual covenants herein, the Parties hereby agree as follows:

# 1. Scope of Services

Advisor will provide the following financial advisory services *("Services")* to Client, as specified below:  
  
**In Scope:**

***Portfolio Management***

* Monitoring, analyzing, and advising the Client regarding asset allocation, investment selection, and periodic portfolio rebalancing recommendations.

***Risk Assessment***

* Assessment and reporting of the risk profile of the Client's investment portfolio and financial strategy.

***Financial Goal Planning***

* Assisting Client with establishing financial objectives and providing strategic plans for achieving stated financial goals.

***Retirement Planning Advice***

* Reviewing and advising Client on appropriate retirement savings vehicles and strategies, given Client's stated retirement goals.

***Budgeting and Financial Planning***

* General advice regarding cash flow management, debt management, saving strategies, and spending adjustments based upon Client's provided budget and balance sheet.

***Strategic Clarity***

* Advisor agrees to regularly communicate and clearly explain the rationale and strategic reasoning behind all financial and investment recommendations provided.

**Frequency of Services:**

* At minimum monthly consultations or performance reviews.

**Explicitly Out of Scope:**

* Direct investment transactions
* Legal advice
* Tax preparation
* Estate planning documentation

# 2. Compensation and Payment Terms

The Advisor shall be compensated a total annual fee of **$1,000 USD**, payable in **twelve (12) equal monthly installments** of **$83.33 USD**.

Payments shall commence on the **1st day of the month immediately following the Effective Date** of this Agreement and continue on the 1st of each subsequent month until the full amount is paid.

All payments shall be made by the Client via **electronic transfer** using a mutually agreed-upon payment platform, such as **Venmo, PayPal, or CashApp**. The Advisor shall provide the necessary payment handle or account details in writing prior to the first scheduled payment.

The Client agrees to ensure timely payments each month. A late payment grace period of five (5) business days will be provided. Failure to make a payment after this grace period without prior written agreement may constitute a breach of this Agreement.

# 3. Performance Measurement and Benchmarking

The Advisor’s investment recommendations and portfolio strategies shall be benchmarked against the following standard financial performance indices, based on the Client’s risk profile and asset allocation:

* For portfolios primarily invested in U.S. equities: the **S&P 500 Total Return Index (SPXTR)**
* For portfolios with a blend of equities and fixed income: a **60/40 blended benchmark**, consisting of **60% S&P 500 Total Return Index and 40% Bloomberg U.S. Aggregate Bond Index (AGG)**
* For portfolios primarily composed of bonds or conservative assets: the **Bloomberg U.S. Aggregate Bond Index (AGG)**
* For international exposure: the **MSCI ACWI ex USA Index**

Performance shall be measured **quarterly**, and reviewed with the Client as part of the standard advising cadence. At each quarterly review, the Advisor shall present:

* Portfolio performance vs. the appropriate benchmark
* Commentary on underperformance or outperformance
* Strategic rationale for any recent or upcoming changes

Performance metrics will be calculated on a **time-weighted return (TWR)** basis, unless otherwise agreed in writing. The benchmarks above may be adjusted only upon mutual written agreement between the Parties, to reflect substantial changes in asset allocation or financial goals.

# 4. Duties and Responsibilities of Advisor

The Advisor shall perform all Services under this Agreement with a high standard of professional care, competence, and diligence consistent with the ethical obligations of a CFA charterholder and the fiduciary duty owed to the Client. Specifically, the Advisor shall:

* Act in the best interest of the Client at all times, placing the Client’s interests above their own;
* Disclose any actual, potential, or perceived conflicts of interest promptly and transparently;
* Provide clear, reasoned justifications for all recommendations and strategic decisions made on behalf of the Client;
* Maintain the confidentiality of all non-public Client information and financial data, except where disclosure is required by law or authorized in writing by the Client;
* Refrain from making any financial decisions or transactions on behalf of the Client unless explicitly authorized in writing to do so.

The Advisor shall comply with all applicable federal and state laws, regulations, and professional codes of conduct relating to financial advisory services.

# 5. Client Responsibilities

The Client agrees to provide the Advisor with accurate, complete, and up-to-date financial information necessary for the delivery of Services under this Agreement. This includes, but is not limited to:

* Personal and household budgets
* Income and expense statements
* Asset and liability balances
* Investment account statements
* Retirement account details
* Relevant tax documents, if necessary for planning purposes

The Client further agrees to:

* Promptly inform the Advisor of any material changes in financial circumstances, including but not limited to changes in income, employment, family status, investment goals, risk tolerance, or liquidity needs;
* Cooperate reasonably with the Advisor in the implementation of financial strategies and the scheduling of review meetings;
* Review and consider the Advisor’s recommendations in a timely manner and remain solely responsible for the final decision-making and execution of any financial actions.

Failure to provide necessary information or cooperation in a timely manner may limit the Advisor’s ability to deliver effective and accurate advice.

# 6. Liability and Indemnification

The Advisor shall indemnify, defend, and hold harmless the Client from and against any and all claims, losses, liabilities, damages, costs, or expenses (including reasonable attorney’s fees) arising directly from the Advisor’s:

* Gross negligence in the performance of Services under this Agreement;
* Willful misconduct or intentional violation of applicable law;
* Breach of fiduciary duties owed to the Client under applicable law or professional standards, including but not limited to the CFA Institute Code of Ethics and Standards of Professional Conduct.

This indemnification obligation shall not extend to losses resulting from normal market risks, investment volatility, or decisions made in good faith based on accurate information provided by the Client.

Furthermore, under no circumstances shall the Advisor be liable for any indirect, incidental, special, consequential, or punitive damages, including loss of profits or investment opportunity, arising out of or related to this Agreement, except where such damages result directly from the Advisor’s gross negligence or willful misconduct.

# 7. Duration, Termination, and Renegotiation

This Agreement shall commence on the Effective Date and shall remain in effect for a period of **one (1) year**, unless earlier terminated in accordance with the provisions below.

Either Party may terminate this Agreement **at any time** upon providing **thirty (30) days’ written notice** to the other Party. In the event of termination, the Client shall be responsible only for payment of services rendered up to the effective date of termination, calculated on a prorated monthly basis.

Within the final thirty (30) days of the Agreement term, the Parties shall engage in a good faith review of the Advisor’s performance, services delivered, and the Client’s evolving financial needs. At that time, the Parties may elect to:

* Renew the Agreement under the same terms;
* Renegotiate and enter into a new agreement with updated terms; or
* Allow the Agreement to expire without renewal.

Any renewal or renegotiation must be documented in writing and signed by both Parties to be valid and enforceable.

# 8. Independent Contractor

The Advisor shall perform all Services under this Agreement as an **independent contractor**, and nothing in this Agreement shall be construed to create a partnership, joint venture, employer-employee, or agency relationship between the Parties.

The Advisor shall have **no authority to act on behalf of, represent, or legally bind the Client** in any capacity, unless expressly authorized in writing by the Client in advance. All decisions regarding the implementation of financial recommendations shall remain solely with the Client.

The Advisor shall be solely responsible for all federal, state, and local taxes, insurance, licenses, and permits required to operate in their independent capacity. The Client shall have no obligation to provide benefits, withhold taxes, or otherwise treat the Advisor as an employee.

# 9. Entire Agreement

This Agreement constitutes the **entire understanding** between the Parties with respect to the subject matter herein and **supersedes all prior discussions, representations, negotiations, or agreements**, whether oral or written.

No amendment, modification, or waiver of any provision of this Agreement shall be valid or binding unless made in **writing and signed by both Parties**.

Each Party acknowledges that they have not relied on any representation or promise not expressly set forth in this Agreement.

# 10. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, the current state of residence of the Client, without regard to its conflict of law provisions.

# 11. Dispute Resolution

In the event of any dispute arising under or relating to this Agreement, the Parties agree to first attempt to resolve the matter through good faith negotiations. If such efforts fail, the dispute shall be submitted to mediation. If mediation is unsuccessful, the dispute shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association (AAA), and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

# Signatures and Date

Client:  
Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_  
  
Advisor:  
Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_