

# Office of Supervisory Jurisdiction Agreement

## Between

# NICOL INVESTORS CORPORATION

## And

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(Print name)

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The following agreement pertains to all activities performed by the undersigned Registered Principal (RP) in his/her capacity as a Nicol Investors Corporation (NIC) Office of Supervisory Jurisdiction (OSJ) Principal.

The business address at which the OSJ Principal will supervise securities transactions will be an NIC OSJ as defined in Rule 3010(g)(1) of the NASD Conduct Rules. The OSJ Principal states and affirms that he/she is knowledgeable concerning his/her duties, responsibilities, and obligations pursuant to his/her place of business being designated and filed with the NASD as an OSJ.

If not already holding an appropriate NASD Securities Principal's registration, the OSJ Principal will obtain the appropriate registration prior to appointment as an OSJ Principal for the express purpose of performing all supervisory and compliance acts, actions, and functions as are required and may from time to time be modified by NIC, the NASD, and various state or other applicable securities regulatory agencies. At its sole discretion, NIC will determine the NASD Securities Principal registration required at the OSJ.

The OSJ Principal agrees that any and all costs and expenses incurred, in order to establish an OSJ office, including, but not limited to, office rent or lease, utilities, office improvement, furniture, fixtures or equipment, signage, office supplies, employee wages, taxes, or employee benefits, shall be the OSJ Principal's responsibility and liability, unless expressly assumed by NIC.

The OSJ Principal acknowledges that the NIC Compliance Department will establish a reasonable span of control for supervision of registered representatives. NIC's rule of thumb is generally one day's driving distance from the OSJ's office (i.e. the OSJ Principal will be able to drive to the RR's office, conduct an office visit and return within one day by automobile.).

The OSJ Principal acknowledges that the NIC minimum production requirement of fifty thousand dollars (\$50,000) Gross Dealer's Concession (GDC) must be achieved annually to maintain status as an OSJ. This production may be modified from time to time by approval of the NIC Compliance Department and Executive Committee (EC).

The OSJ Principal acknowledges receipt of the NIC Supervisory Procedures Manual (WSP), which sets forth the compliance and operational duties, obligations, and procedures to be undertaken and performed by the OSJ Principal to supervise all registered representatives assigned to the OSJ. NIC may, from time to time, add, delete, or modify the OSJ duties, obligations, and responsibilities. The OSJ Principal hereby agrees to perform all duties and responsibilities set forth in the NIC SPM.

Upon termination of this Agreement, the OSJ Principal, at his/her expense, agrees to expeditiously deliver to NIC all originals or copies, if originals are not available, of documents including, but not limited to, files, forms, schedules, lists, logs, manuals, log books, New Account Records, copies of subscription documents, trade or order tickets, memos, Client Files, Customer Complaint file(s), Advertising/Sales literature File(s), Licensing Files, Securities Blotters, and any other items requested by NIC that relate to the activities set forth herein.

NIC agrees to cooperate to its fullest extent, as reasonably requested by the OSJ Principal, in order for the OSJ Principal to completely fulfill his/her duties and obligations as a registered principal. Likewise, the OSJ Principal agrees to cooperate to his/her fullest extent, as requested by NIC, to fulfill his/her duties, responsibilities, and obligations as a Registered Principal responsible for the OSJ operations of his/her OSJ office. NIC shall have complete authority to audit and/or review the records of the OSJ at any time and will be provided full access to any and all files.

The OSJ Principal and NIC agree that the override to be paid to the OSJ Principal is inclusive and in part consideration for the services the OSJ Principal is performing as an OSJ. The OSJ Principal will set the commission payout for new RRs in their OSJ. The override payout is the difference between the OSJ Principal's commission payout and the percentage set for the new representative.

If a RR from the OSJ Principal's OSJ leaves NIC with indebtedness to NIC or any of its affiliates, the OSJ Principal will be liable for the indebtedness.

The OSJ Principal acknowledges the understanding of the requirements and duties to be performed as an OSJ Principal including, but not limited to:

1. Review for appropriateness, approve and accept on behalf of NIC, and maintain appropriate records for:
  - New Accounts;
  - Form U-4 and all other licensing requirements;
  - All securities sales activities of each RR assigned to the OSJ Principal's supervision;
  - All incoming and outgoing correspondence, including electronic correspondence;
  - The suitability of all investments;
  - Letterhead and business cards;
  - Securities Blotters, Client Logs, Securities Logs, and Client Files; and
  - Advertising/Sales Literature.
2. Periodically audit offices of RRs assigned to his/her OSJ in accordance with NASD regulations.
3. Notify the Compliance Department of any customer complaints and inquiries.
4. Cooperate with the Compliance Department on all customer complaints and inquiries.
5. Ensure that the annual compliance and continuing education training is completed by each RR assigned to the OSJ.
6. Monitor outside business activities of each RR assigned to the OSJ.
7. Ensure each RR assigned to the OSJ is following the appropriate compliance procedures.
8. Coordinate all OSJ/Branch Office Training.

The OSJ Principal acknowledges that any impropriety will be reported immediately to the NIC Compliance Department, and copies of all transactions, and compliance related materials will be forwarded minimally on a weekly basis to the Home Office.

Either party with seven (7) days written notice may terminate this agreement with or without cause. Upon termination of the management responsibilities as OSJ Principal, overrides will cease and the OSJ Principal's commission rate and contract will revert to the RR level achieved.

By signing below, the OSJ Principal hereby accepts the terms and conditions of the Agreement including, but not limited to, the supervisory responsibilities described herein.

This Office of Supervisory Jurisdiction Agreement is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, and shall be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**OSJ PRINCIPAL**

**NICOL INVESTORS CORPORATION**

**Signature:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

# NICOL INVESTORS CORPORATION

## SERVING REPRESENTATIVE/RETIREMENT AGREEMENT

### **PURPOSE:**

1. To allow a Registered Representative (RR) the opportunity to continue to receive compensation for accounts that were established while active or through referral while inactive.
2. To comply with NASD regulation requiring all clients accounts to be actively monitored. Also, as a practical matter, unless a survivor, retiree, disability, or inactive representative is licensed with NIC and actively servicing accounts, the “trails” would soon be carried to competitive representatives due to lack of servicing.
3. To waive the RR’s minimum production requirement.

### **DEFINITIONS:**

AGENCY: Kevin G. Nicol & Associates, Inc./Nicol Financial Services.

BROKER/DEALER: Nicol Investors Corporation (NIC)

SERVICING REPRESENTATIVE: A full-time Agency RR personally producing a minimum of \$25,000 in Gross Dealer’s Concession (GDC) annually, matured as a producing RR at least three years, and approved by the Branch Manager/Principal/OSJ and the home office of NIC.

REFERRING REPRESENTATIVE: An inactive, disabled, or retired RR or beneficiary of a “vested” RR serving as a center of influence, providing referrals and a client base to a Servicing Representative.

### **SERVICING REPRESENTATIVE’S RESPONSIBILITIES**

1. To protect the “good” name of the Referring Representative, Agency and NIC, and give “best efforts” toward promptly, properly, legally and ethically serving all clientele.
2. To promptly report all activities to the Referring Representative, Agency, and NIC, and make available to the Referring Representative all appropriate records for audit.
3. To comply with all NASD, NIC, and Agency regulations, guidelines and “code of ethics.”
4. The Servicing Representative shall list as “agent of record” on all referred accounts as a split account between themselves and the Referring Representative. The Servicing Representative should be listed first for continuity. No new accounts shall be established with the Referring Representative’s clientele by the Servicing Representative solely in their name.

### **REFERRING REPRESENTATIVE’S RESPONSIBILITIES**

1. To protect the “good” name of the Servicing Representative, Agency, and NIC, and give “best efforts” toward promptly, properly, legally and ethically serving all clientele.
2. To give “best efforts” in promoting and giving quality referrals.
3. To comply with all NASD, NIC, and Agency regulations, guidelines and “code of ethics.”

### **AGENCY RESPONSIBILITIES**

1. To protect the “good” name of the Referring Representative, Servicing Representative, and NIC, and give “best efforts” toward promptly, properly, legally and ethically serving all clientele.
2. To provide supervision (due diligence), processing and training to all RRs within the Branch/Agency.
3. To comply with all NASD, NIC, and Agency regulations, guidelines and “code of ethics.”

### **BROKER/DEALER RESPONSIBILITIES**

1. To protect the “good” name of the Referring Representative, Agency, and NIC, and give “best efforts” toward promptly, properly, legally and ethically serving all clientele.
2. To provide supervision (due diligence), processing and training to all RRs within NIC.
3. To comply with all NASD, NIC, and Agency regulations, guidelines and “code of ethics.”

Non-compliance by any party for any item above is subject to termination.

IN CONSIDERATION for the mutual promises herein contained, \_\_\_\_\_ a Registered Representative (hereinafter referred to as Referring Representative) with Nicol Investors Corporation (the Broker/Dealer) hereby assigns to \_\_\_\_\_ (hereinafter referred to as Servicing Representative), also a Registered Representative with Nicol Investors Corporation, the right to receive \_\_\_\_\_% of all payments of continuing commissions (Gross Dealers Concession) as generated from the sales of securities, insurance, and trails beginning on \_\_\_\_\_ for those accounts attached to and hereby made a part of this agreement. Any remaining trail payments shall hereby be paid to Referring Representative's surviving spouse, estate or other designated beneficiary, as per Registered Representative/Associate Agreement. This agreement shall terminate with non-compliance or registration with the Agency or Nicol Investors Corporation for any reason other than disability/retirement/death with due notice to the Agency and Nicol Investors Corporation.

Should the Referring Representative or beneficiary decide to become active, any prior split accounts, shall remain split. Any deviation must be approved by all parties including Servicing Representative, B/D, Branch Manager, Principal/OSJ, and home office of Nicol Investors Corporation.

Should the Referring Representative or beneficiary decide to become active and transfer to another Agency or Broker/Dealer, those accounts shall not be transferred without approval of the Servicing Representative, B/D, Branch Manager, Principal/OSJ, and home office of Nicol Investors Corporation.

IN WITNESS WHEREOF, we execute this agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

REFERRING REPRESENTATIVE

SERVICING REPRESENTATIVE

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

BRANCH MANAGER/PRINCIPAL

NICOL INVESTORS CORPORATION

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

# Nicol Investors Corporation

## BLOCK TRANSFER AUTHORIZATION



Sponsor Company Name and Address

Date: \_\_\_\_\_

**Please consider this your authority to execute a block transfer of all accounts for which the Registered Representative listed in the "From" section is the representative of record. Please be assured that a disclosure letter has been mailed to each client explaining the change of BD/Representative.**

FROM:

Rep Name: \_\_\_\_\_

Rep #: \_\_\_\_\_

Branch #: \_\_\_\_\_

TO: **Nicol Investors Corporation** Branch  
**#1 Executive Park, P. O. Box 907** Office:  
**Granite City, IL 62040-0907** (If different)  
**Phone: 618-931-3267**  
**FAX: 618-797-3239**

Rep Name: \_\_\_\_\_ Rep #: \_\_\_\_\_ Branch #: \_\_\_\_\_

**Releasing Firm:**

**Accepting Firm:**

By: \_\_\_\_\_  
Print Name

By: \_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Releasing Firm Name

**Nicol Investors Corporation**  
\_\_\_\_\_  
Accepting Firm

SIGNATURE GUARANTEE:

SIGNATURE GUARANTEE:

**Dear Sponsor:** Please sign and fax this form to (618)797-3239 once you have completed this transfer. Thank you very much for your prompt action.

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_