

Financial Investments, Inc.

ASSET MANAGEMENT AGREEMENT

- 1) PARTIES. This Agreement is made this _____ day of _____ 20 ____ between _____ (“Client”), whose principal residence is located at _____, and Financial Investments, Inc, (“FII”), whose principal office is located at 462 Herndon Parkway, Suite 205, Herndon, Virginia 20170.
- 2) DISCRETION. The Client agrees to maintain this account on either a Discretionary or Non-Discretionary basis.
- 3) APPOINTMENT. Client agrees to retain FII to provide Client with the investment advisory services for the compensation specified in this agreement. Both Client and FII intend to be legally bound by this contract.
- 4) TERM. The term of this Agreement is for an initial period of _____ years, and it will continue thereafter unless either party terminates the Agreement on five calendar days’ written notice.

TERMINATION BY FIVE DAYS’ WRITTEN NOTICE. Client may terminate this Agreement by giving written notice within five calendar days from the date of this Agreement, and Client may receive a full refund of all fees paid to FII, if any. FII agrees to furnish Client with all written work completed as of the date of termination.

- 5) CONFIDENTIALITY. All information furnished by Client to FII, including Client’s identity, shall be treated as confidential (“Confidential Information”). FII agrees that no Confidential Information will be disclosed without the prior consent of the Client (unless required by law, Court Order or agency directive, or unless FII expects, in its reasonable opinion, that FII will be compelled by a court or government agency, to make such disclosure or unless such Confidential Information becomes publicly available or known other than as a result of actions of FII). In the event that FII is compelled to disclose confidential information by legal process, FII will use its best efforts to give written notice to Client prior to such disclosure.
- 6) FEES. The annual fees for the portfolio management services described above are billed quarterly in arrears based on the market value of the assets on the last day of the quarter. Clients will either be invoiced directly for portfolio management services, or payment of fees will be made by the custodian holding clients’ funds and securities via a direct debit from each client’s respective account. Fees will be assessed pro rata in the event that the portfolio management agreement is executed at any time other than the first day of a calendar quarter. On an annualized basis FII’s fees for portfolio management services are based on the following negotiable tiered fee schedule:

<u>Assets under Management</u>	<u>Annualized Fee</u>
Less than \$500,000	2.00%
Greater than or equal to \$500,000 but less than \$750,000	1.75%
Greater than or equal to \$750,000 but less than \$1,000,000	1.50%
Greater than or equal to \$1,000,000 but less than \$2,500,000	1.25%
Greater than or equal to \$2,500,000	1.00%

This fee schedule includes portfolio management. _____ will provide custody of securities, collection and distribution of interest and dividends, daily cash investment,

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transaction statements, as well as monthly statements. The investment manager will provide portfolio reviews on a periodic basis.

The minimum account size is \$250,000; however, *FII* may lower this requirement as it deems appropriate in its sole discretion.

The advisory fee for the period from the date Client deposits funds with *FII* to the end of such month shall be prorated according to the proportion that such period bears to the full month (i.e., for the period from the deposit of funds to the end of the then current calendar month), and shall be paid upon execution of this Agreement. Upon any termination of this Agreement before the end of a calendar month, the fee for such part of the calendar month that the assets remain under management shall be prorated according to the proportion that such period bears to the full calendar month period. It is further agreed by and between the parties hereto that Client will bear the cost of all securities purchased for the Client as well as taxes, interest (if any), brokerage fees and commissions and custodial charges (if any).

7) DUTIES OF CLIENT.

Client agrees to:

- a. Complete the data gathering form provided by *FII* initially and from time to time as requested by *FII*.
- b. Provide all documents and information requested by *FII*.
- c. Authorize third parties to disclose Client's confidential information to *FII*.
- d. Provide *FII* with written authorization whenever Client wishes *FII* to disclose Client's confidential information to third parties.
- e. Inform *FII* promptly of changes in Client's personal financial situation.

8) SERVICES AND OBLIGATIONS OF *FII*.

FII agrees to:

- a. Consult with Client to help Client decide upon a reasonable set of personal financial objectives.
- b. Consult with Client to help client decide upon a reasonable set of planning assumptions and financial forecasts.
- c. Estimate Client's current financial situation using quantitative measures (i.e. cash flows, assets and liabilities, income taxes).
- d. Estimate Client's current financial situation using qualitative measures (i.e. risk tolerance levels, emotional issues, time horizon).
- e. Consult with Client to help Client decide upon a reasonable implementation schedule.
- f. Assist Client with implementation. This will include consolidating portfolios, selecting new investments, transferring assets to *FII*'s custodian.
- g. Provide Client with ongoing periodic investment reports (i.e. market values, rates of return, interest and dividends, asset allocation, maturity and expiration alerts, contributions, withdrawals and expenses, commissions, capital gains and losses).
- h. Provide Client with ongoing periodic review of investment policy.

9) BEST EFFORTS. *FII* agrees to use its best efforts to match Client's investments to Client's own risk profile and Client's own personal financial objectives, as described in Client's investment policy statement.

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- 10) **PERSONAL SECURITIES TRANSACTIONS.** *FII* will make securities transactions for its own accounts. Client acknowledges that this may cause a conflict of interest, since both Client and *FII* may be buying and/or selling the same financial product at the same time. To address this potential conflict of interest, *FII* agrees, to the extent that it is within its control, not to favor itself to Client's financial detriment. *FII* agrees to maintain complete records of all such securities transactions, as required by SEC and/or state regulation.

FII receives research services, computer software, technical advice and publications, electronic database updates, marketing materials and services, and referrals of prospective new clients from financial product vendors and from financial services professionals. This may influence *FII's* Client recommendation in favor of doing business with these financial product vendors and financial service professionals. *FII* agrees to use its best efforts to continue to act in Client's best interest. The investment advisory services furnished by *FII* are deemed non-exclusive, and *FII* shall be free to furnish similar investment advisory services to others, as well as trading on its own account, as long as the investment advisory services rendered under this Agreement are not impaired or adversely affected, in the opinion of *FII*.

- 11) **INDEMNITIES.** *FII* is relying upon information provided to *FII* by the Client, and the Client is solely responsible for the accuracy of the information.

Client acknowledges that *FII* makes judgmental evaluations before recommending specific investment opportunities to Client. Client acknowledges that *FII's* judgmental evaluations depend upon information from publicly available sources, and that *FII* does not have any sources of non-publicly available information.

Client acknowledges that *FII's* investment recommendations will place the Client under some risk, and that this risk can result in Client losing investment capital and/or investment income and/or tax benefits and/or purchasing power.

THE FEDERAL AND STATE SECURITIES LAWS IMPOSE LIABILITIES UNDER CERTAIN CIRCUMSTANCES ON PERSONS WHO ACT IN GOOD FAITH, AND THEREFORE NOTHING HEREIN SHALL IN ANY WAY CONSTITUTE A WAIVER OR LIMITATION OF ANY RIGHTS WHICH THE CLIENT OF *FII* MAY HAVE UNDER ANY FEDERAL OR STATE SECURITIES LAWS.

- 12) **CLIENT'S OTHER PROFESSIONALS.** Client should retain separately Client's own attorneys, accountants, and other financial services professionals. Client agrees that Client's own attorneys, accountants and other financial services professionals shall be solely responsible for the preparation and accuracy of legal advice, legal opinions, legal documents, accounting documents, tax opinions and tax returns.

Client acknowledges that *FII* cannot provide legal advice, legal opinions or legal documents. Client further acknowledges that *FII* does not prepare or provide audit documents, tax opinions or tax returns, and that *FII* cannot represent Client before the IRS.

Client agrees, at their discretion, to direct Client's other professionals to provide to *FII* documents, opinions, information and research requested by *FII* and to cooperate fully with *FII* at Client's expense.

- 13) **ASSIGNMENT.** This Agreement is not assignable without the prior written consent of Client.

462 Herndon Parkway – Suite 205 – Herndon, Virginia 20170

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- 14) STATE SECURITIES COMMISSION REQUIREMENTS. Client acknowledges that *FII* is an investment adviser registered with the necessary state securities commissions in accordance with applicable state law. Client acknowledges receipt of *FII*'s current Form ADV, Part II.
- 15) NOTICE. Any and all notices, designations, consents, offers, acceptances, or any other communications provided for herein shall be given in writing and shall be deemed to have been duly given if done so by means of one of the following methods: (A) delivered personally; (B) transmitted by prepaid facsimile, telegram or telex, if confirmed within twenty-four (24) hours thereafter by a signed original; (C) sent by a nationally recognized express courier service, postage or delivery charges prepaid, then such item shall be presumed delivered within on (1) business day thereafter; or (D) sent by certified mail, return receipt requested.
- 16) NON-WAIVER. Failure of either party to object to or take other action with respect to any conduct of the other party that may be a breach of this Agreement shall not be deemed a waiver of any breach or of any future breach of wrongful conduct.
- 17) DISCLOSURE. *FII* shall offer to deliver the disclose document to the Client annually, within ninety (90) days of *FII*'s fiscal year end, which ends on December 31st. In addition, *FII* upon request of the Client or the Division of Securities of the State of Virginia in accordance with Rule 21 VAC 5-80-160 A 14 will maintain a record of the dates that each written statement, and each amendment or revision thereof, was given, or offered to be given to any Client or prospective client.
- 18) SEPARABILITY. If any provision of this Agreement or its application to any person or circumstance is found to be invalid or unenforceable, the remainder of this Agreement or the application of that provision to other persons or circumstances shall not be affected and shall remain in full force and effect.
- 19) GOVERNING LAW. The validity, interpretation, and performance of this Agreement shall be governed by and construed under the laws of the State of Virginia.
- 20) ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties. Any oral understandings are incorporated and merged in this Agreement. No representations were made or relied upon by either party except as set forth. This Agreement may not be changed unless both Client and *FII* agree to the change in writing.

Financial Investments, Inc.

(Client Signature)

(Authorized Representative Signature)

(Print Name)

(Print Name)

(Date)

(Date)

Financial Investments, Inc.

Questionnaire

Name: _____

Address: _____

City, State, Zip: _____

Home Phone Number: _____

Office Phone Number: _____

Email Address: _____

Approximate Net Worth:

Less than \$50,000 _____

\$50,000-\$100,000 _____

\$100,000-\$250,000 _____

\$250,000-\$500,000 _____

\$500,000-\$1,000,000 _____

\$1,000,000-\$2,000,000 _____

Over \$2,000,000 _____

Place a check next to the answer that best describes you and your situation:

How long do you think you will retain your investment portfolio?

____ 3 to 5 years

____ 5 to 10 years

____ 10 years or more

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My feelings about investing can best be summed up as:

____ I would accept a moderate long-term rate of return rather than worry about my account losing money.

____ I can accept fluctuations in my account value if it means a higher potential return over the long run.

____ I want the maximum opportunity for long-term growth in my account and I am willing to accept significant year to year fluctuations in the value of my account.

Six months after you make a \$100,000 investment, it decreases in value by \$10,000 in a down stock market period. How would you feel?

____ Very uncomfortable. I would consider selling my investment.

____ Uncomfortable, yet I will stay with the investment if my financial advisor and I agree to keep it.

____ I would buy more of the investment, since this is a good investing opportunity.

My investment experience is best described as:

____ I have never invested in stocks, either directly or through a mutual fund.

____ I have some experience investing in stocks or stock mutual funds.

____ I have a great deal of experience investing in stocks, stock mutual funds and other types of investments.

Below is a table showing 5 years of hypothetical returns and the resulting average annual return for four hypothetical portfolios, A to D. With which hypothetical portfolio do you feel most comfortable?

____	Portfolio	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Avg Annual Return
____	A	4%	4%	4%	4%	4%	4%
____	B	12%	-2%	9%	1%	15%	6%
____	C	16%	-6%	13%	2%	20%	9%
____	D	19	-10%	16%	4%	26%	11%

How many years have you been investing in the stock market? _____ years

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Please describe your specific goals for the capital in this account (i.e., fund retirement, educate children, major expenditures, etc):

Please supply any additional information which we should be aware of in managing this portfolio:

What percent of total investment assets will be placed under management with Financial Investments Inc.?

- > 75% _____
- 50-75% _____
- 25-50% _____
- < 25% _____

How many years until retirement?

- Currently retired** _____
- 1-10 years _____
- 10-20 years _____
- > 20 years) _____

Signature

Date

Signature

Date