

## J.B. Capital LLC Asset Management Agreement

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This Asset Management Agreement (“Agreement”) is entered into between and agreed to by the client as described below (“Client”) and J.B. Capital LLC (“JB Capital”), a registered investment adviser located at 100 Great Meadow Road, Suite 502, Wethersfield, CT 06109. By executing this Agreement, Client retains JB Capital to provide the services described in this Agreement.

1. **Asset Management Services.** The asset management services of JB Capital are provided to the account(s) of Client (collectively, the “Account”). The asset management services involve JB Capital providing Client with continuous and ongoing supervision over the Account. JB Capital will assign and/or re-assign, at its discretion, an investment adviser representative of record to provide asset management services on behalf of JB Capital under this Agreement to Client.

Client will appoint JB Capital as its investment adviser of record of the Account. The Account will consist only of separate account(s) held by qualified custodian(s) under the name of Client. The qualified custodian(s) will maintain physical custody of all funds and securities of the Account, and Client will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account. Client’s beneficial interest in a security does not represent an undivided interest in all the securities held by the qualified custodian(s), but rather represents a direct and beneficial interest in the securities which comprise the Account. At least quarterly, Client will receive an account statement from the qualified custodian of the Account detailing transactions in the Account.

Upon appointment as an investment adviser of the Account, JB Capital will obtain from Client information to determine Client’s financial situation, investment objectives and risk tolerance. A specific investment strategy and investment policy is crafted for Client and focuses on Client’s specific goals and objectives. The Account will be managed by JB Capital, in accordance with the instructions listed below, on the basis of Client’s financial situation, investment objectives and risk tolerance. JB Capital will actively monitor the Account and provide advice to Client regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

Client will timely notify JB Capital of any changes to Client’s financial situation or investment objectives. Client accounts are reviewed on an as needed basis when JB Capital is informed by the client of a material change in client circumstances. JB Capital will be reasonably available to consult with Client relative to the status of the Account.

2. **Service Providers.** Client understands that JB Capital may contract with outside service providers to provide services including involving administrative and back-office functions. Currently, JB Capital has contracted with Focus Point Solutions, Inc., an SEC registered investment advisor (referred to as “FPS”). Client understands that FPS provides services as follows:

a. As described earlier in this Agreement, JB Capital shall maintain trading authorization over Client's Account. Client understands that JB Capital may direct and implement trades in Client's Account directly with the custodian or with the assistance of FPS' order entry staff. FPS will not trade, rebalance, reallocate, or make other investment changes to Client's Account without explicit instruction from JB Capital.

b. Client understands that JB Capital assigns the authorization to deduct management fees directly from Client's Account to FPS. FPS shall therefore deduct management fees directly from Client's Account on behalf of JB Capital.

c. FPS, on behalf of JB Capital, will value the securities in the Account that are listed on a national securities exchange or on NASDAQ at the closing price, on the valuation date, on the principal market where the securities are traded. FPS will value other securities or investments in the Account in a good faith manner that reflects their fair market value.

d. FPS may provide other services to JB Capital that include, but are not necessarily limited to, the following: access to model portfolios developed and maintained by service provider, due diligence assistance, performance and/or position reports, training and presentation materials, arrangements with third-party custodians, and other back-office support.

FPS shall not have direct contact with Client. FPS will not enter into an advisory agreement with Client. However, FPS will charge JB Capital a fee for providing services to JB Capital, which will be based upon the total assets held within Client's Account.

JB Capital's use of a service provider does not result in an increase to Client's overall management fee.

- 3. Investment Discretion & Trading Authority.** Client grants JB Capital discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the Account in the sole discretion of JB Capital without first consulting with Client. Client also grants JB Capital the power and authority to carry out these decisions by giving instructions, on behalf of Client, to brokers and dealers and the qualified custodian(s) of the Account. Client authorizes JB Capital to provide a copy of this Agreement to the qualified custodian(s) or any broker or dealer, through which transactions will be implemented on behalf of Client, as evidence of JB Capital's authority under this Agreement.

4. **Fees.** Investment advisory fees of JB Capital are charged based on a percentage of assets under management. Fees are billed in arrears (at the end of the billing period) on a monthly calendar basis and calculated based upon the fair market value of the Account as of the last business day of the current billing period. Fees for accounts closed during the billing period will be prorated based on the number of days service is provided during the billing period.

The following is our annual fee schedule:

| <u>Assets Under Management</u> | <u>Annual Fees</u> |
|--------------------------------|--------------------|
| FIRST \$250,000                | 1.6%               |
| NEXT \$750,000                 | 1.5%               |
| NEXT \$1,000,000               | 1.2%               |
| NEXT \$1,000,000               | 1.0%               |
| NEXT \$1,000,000 or greater    | 0.8%               |
| Amounts over \$5 million       | Negotiable         |

***If the fee charged to client will vary from the fee schedule listed above, Client and JB Capital will initial below:***

\_\_\_\_\_ Client's fee will vary from the standard annual fee schedule above, please provide an explanation here: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Fees charged by JB Capital under this Agreement will not be based on the capital gains or the capital appreciation of Client's Account.

JB Capital believes that its annual fee is reasonable in relation to: (1) services provided under this Agreement and (2) the fees charged by other investment advisers offering similar services/programs. However, JB Capital's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to compensation of JB Capital, Client may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

Client grants JB Capital the authority to have fees automatically deducted from the Account by the qualified custodian(s) upon receipt of a billing invoice from JB Capital. Upon receipt of the billing invoice from JB Capital, the qualified custodian(s) will pay the fees directly to JB Capital. At least quarterly, Client will receive account statements from the qualified custodian(s) of Account detailing transactions in Account, including investment advisory fees charged. Client should review the Account statements received from the qualified custodian(s) and verify that

appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian will be billed directly to the Client by the qualified custodian.

JB Capital will not receive any portion of such commissions or fees from the qualified custodian or Client. In addition, Client may incur certain charges imposed by third parties other than JB Capital in connection with investments made through the Account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of the Account. Management fees charged by JB Capital are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to Client. A description of these fees and expenses are available in each investment company security's prospectus.

5. **Block Trading Policy.** JB Capital is authorized in its discretion (but is not obligated) to aggregate, batch or to combine purchases and sales and other transactions made for the Account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of JB Capital. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. JB Capital will endeavor to process all Account transactions in a timely manner, but JB Capital neither represents nor warrants that any such transaction will be processed or effected by the qualified custodian(s) or broker-dealer(s) on the same day as requested. Block trading, when performed, is conducted at the custodial level.
6. **Reports.** Client will receive statements of Account from the qualified custodian(s) at least quarterly.
7. **Sub-Advisors.** JB Capital may use unaffiliated sub-advisors to help manage all or a portion of Client's Account. JB Capital fees incurred by Client do not increase when JB Capital elects to use subadvisors. Client may be required to enter into an agreement directly with the unaffiliated subadvisor. If the sub-advisor is registered as an investment adviser, a complete description of the sub-advisor's services, fee schedule and account minimums will be disclosed in that sub-advisor's Form ADV Part 2A or Part 2A Appendix 1 (the "Brochure"). The sub-advisor's Brochure and Client Relationship Summary will be provided to Client at the time any agreement for services is signed and an account is established. JB Capital is available to answer questions Client may have regarding any portion of Client's Account managed by a sub-advisor and will act as the communication conduit between Client and the sub-advisor.

8. **Account Valuation.** For purposes of calculating investment advisory fees, securities in the Account that are listed on a national securities exchange or on NASDAQ at the closing price will be valued on the valuation date, on the principal market where the securities are traded. Other securities or investments in the Account will be valued in a manner that JB Capital believes in good faith reflects the fair market value.
9. **ERISA Accounts.** If the services under this Agreement involve JB Capital providing advice about securities to an account that is maintained on behalf of a plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or similar government regulation, JB Capital acknowledges that this advice would constitute investment advice to a retirement plan or to retirement plan assets for compensation and, as a consequence, JB Capital would be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA. JB Capital will act in good faith and with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances.

If Client grants JB Capital discretion to select securities in an ERISA account pursuant to this Agreement, JB Capital would be considered an "investment manager" as defined in Section 3(38) of ERISA. If Client does not grant discretionary authority pursuant to this Agreement, JB Capital is not considered an investment manager and does not have the power to manage, acquire or dispose of any plan assets. JB Capital is not the "Administrator" of Client's retirement plan as defined in ERISA.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

10. **Client's Responsibilities.** Client recognizes that the value and usefulness of the services of JB Capital will depend upon the accuracy and completeness of the information that Client provides to JB Capital, upon Client's active participation in the formulation of the objectives and in the implementation of the advice to attain those objectives. Client will provide JB Capital all

requested information and required documents that JB Capital may reasonably request in order to permit a complete evaluation and preparation of the recommendations for Client. JB Capital will not be responsible for the verification of the information and documentation provided by Client.

Client will notify JB Capital in writing of any material change to Client's financial circumstances or investment objectives.

- 11. Non-Exclusive Relationship.** Client acknowledges and agrees that JB Capital may manage investments for other clients and may give other clients advice or take actions for them, for JB Capital's accounts or for accounts of persons related to JB Capital that is different from the advice JB Capital gives Client or actions JB Capital takes for Client. JB Capital is not obligated to buy, sell or recommend for Client any security or other investment that JB Capital may buy, sell or recommend for any other clients, for JB Capital's accounts or for the accounts of persons related to JB Capital.

Conflicts may arise in the allocation of investment opportunities among accounts that JB Capital manages. JB Capital will seek to allocate investment opportunities believed appropriate for Client's account(s) and other accounts advised by JB Capital among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to JB Capital's attention will be allocated in any particular manner.

If JB Capital obtains material, non-public information about a security or its issuer that JB Capital may not lawfully use or disclose, JB Capital will have no obligation to disclose the information to Client or to use it for Client's benefit.

- 12. Basis of Advice.** Client acknowledges that JB Capital obtains information from a wide variety of publicly available sources. JB Capital does not have, nor does it claim to have, sources of inside or private information. The recommendations developed by JB Capital are based upon the judgment of JB Capital. JB Capital cannot guarantee the results of its recommendations.

- 13. Risk.** JB Capital cannot guarantee the future performance of the Account, promise any specific level of performance or promise that JB Capital's investment decisions, strategies or overall management of the Account will be successful.

Client acknowledges that the Account is designed for long-term investments and that asset withdrawals may impair achievement of Client's investment objectives.

The investment recommendations and any decisions of JB Capital on behalf of the Client are subject to various market, currency, economic, political and business risks, and will not necessarily be profitable. In supervising the Account, JB Capital will not consider any other securities, cash

or other investments of Client unless Client has told JB Capital to do so in Client's written instructions to JB Capital.

Except as may otherwise be provided by law, JB Capital will not be liable to Client for any loss (i) caused by following Client's instructions, or (ii) caused by the qualified custodian(s), any broker or dealer to which JB Capital directs transactions for the Account or by any other person. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith, and this Agreement does not waive or limit Client's rights under those laws.

- 14. Conflicts of Interest.** The following disclosures are provided regarding the background and business practices of JB Capital:

In a capacity separate from JB Capital, the individuals serving as investment adviser representatives of JB Capital are also licensed as insurance agents. Client is not obligated in any manner to purchase insurance or annuity products through such individuals. If Client elects to purchase an insurance or annuity product through such individual in his or her separate capacity as an insurance agent, this individual will receive a commission. Consequently, the objectivity of the advice rendered to Client could be biased.

- 15. Proxy Voting.** JB Capital does not vote proxies on behalf of Client. Client is instructed to read through the information provided with the proxy-voting documents and make a determination based on the information provided. If requested, JB Capital may provide limited clarifications of the issues presented in the proxy voting materials based on JB Capital's understanding of issues presented in the proxy-voting materials. However, Client will have the ultimate responsibility for making all proxy-voting decisions.

- 16. Assignment.** This Agreement cannot be assigned or transferred in any manner by any party without the consent of all parties receiving or rendering services under this Agreement.

- 17. Client Conflicts.** If this Agreement is between JB Capital and related or joint clients (i.e. husband and wife, life partners, etc.), JB Capital's services will be based upon the joint goals communicated by Client to JB Capital. JB Capital will be permitted to rely upon instructions from either party with respect to the disposition of the Account, unless and until such reliance is revoked in writing to JB Capital. JB Capital will not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients.

- 18. Client Death or Disability.** Client's death, disability or incompetency will not automatically terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact or other authorized representative may terminate this Agreement by giving written notice to JB Capital.

19. **Termination.** The services will terminate upon either party providing written notice of termination to the other party.
20. **Notice.** Any notice or other communication required or permitted to be given pursuant to this Agreement will be deemed to have been duly given when delivered in person, or sent by telecopy or e-mail, sent by overnight courier, or three days after mailing by registered mail (postage prepaid). All notices or communications to JB Capital should be sent to the main address of JB Capital. All notices or communications to Client will be sent to the address last provided by Client.
21. **Applicable Law.** This Agreement will be construed under the laws of the State of Connecticut. Nothing in this Agreement will be construed contrary to the Investment Advisers Act of 1940 or any rule thereunder.
22. **Entire Agreement.** This Agreement represents the entire understanding between the parties with regard to the matters specified herein. No other agreements, covenants, representations, or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter of this Agreement.
23. **Validity.** If any part of this Agreement is found to be invalid or unenforceable, it will not affect the validity or enforceability of the remainder of this Agreement.
24. **Amendments.** JB Capital will have the right to amend this Agreement by modifying or rescinding any of its existing provisions or by adding new provisions. Any such amendment will be effective upon Client's mutual agreement.
25. **Representations.** JB Capital represents that it is registered as an investment adviser and is authorized and empowered to enter into this Agreement. Client represents that he or she is authorized and empowered to enter into this Agreement. If this Agreement is being signed on behalf of a corporation, partnership, trust or other business or legal entity, Client represents that applicable law and governing documents authorize and permit this Agreement.
26. **Acknowledgement of Receipt of Disclosure Documents and Privacy Policy Notice.** Client acknowledges receipt of the Form ADV Part 2A Disclosure Brochure and Client Relationship Summary of JB Capital and any engaged sub-advisors as well as the Form ADV Part 2B Brochure Supplement(s) for any investment adviser representatives who will provide advisory services to Client. Client also acknowledges receipt of the Privacy Policy Notice of JB Capital as required by the Gramm-Leach-Bliley Act of 1999.
27. **Electronic Delivery.** Client authorizes JB Capital to deliver, and Client agrees to accept, all required regulatory notices and disclosures, as well as all other correspondence from JB Capital, via electronic mail. Information and documents provided by JB Capital will include, but are not



necessarily limited to, Form ADV updates and offers, account reports prepared by JB Capital, JB Capital's annual Privacy Policy Notice, disclosures required under section 408(b)(2) of ERISA, and other written communications from JB Capital. JB Capital may receive, via electronic means, Client's consent to assignment of this Agreement. When using electronic delivery, JB Capital will have completed all delivery requirements upon the forwarding of such document, disclosure, notice and/or correspondence to Client's last provided email address. Client may notify JB Capital in the event Client does not want electronic delivery of information. Client has the right to withdraw its consent to electronic delivery without the imposition of any fee or condition.

**28. Arbitration Provision.** To the extent permitted by law, any controversy or dispute which may arise between Client and JB Capital concerning any transaction or the construction, performance or breach of this Agreement will be settled by arbitration. Any arbitration will be pursuant to the rules, then applying, of the American Arbitration Association, except to the extent set forth herein. The arbitration panel will consist of at least three individuals, with at least one panelist having knowledge of investment advisory activities. The parties agree that any arbitration proceeding pursuant to this provision will be held in a location as determined by the rules of the American Arbitration Association. The award of the arbitrators will be final and binding on the parties, and judgment upon the award rendered may be entered into in any court, state or federal, having jurisdiction. Client notes the following provisions of arbitration:

- Arbitration is final and binding on all parties;
- The parties are waiving their right to seek remedies in court, including the right to jury trial, except to the extent such a waiver would violate applicable law;
- Pre-arbitration discovery is generally more limited than and different from court proceedings;
- The arbitrators' award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited; and
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

The agreement to arbitrate does not entitle Client to obtain arbitration of claims that would be barred by the relevant statute of limitations if such claims were brought in a court of competent jurisdiction. If at the time a demand for arbitration is made or an election or notice of intention to arbitrate is served, the claims sought to be arbitrated would have been barred by the relevant statute of limitations or other time bar, any party to this agreement may assert the limitations as a bar to the arbitration by applying to any court of competent jurisdiction, and Client expressly agrees that any issues relating to the application of a statute of limitations or other time bar, are referable to such a court. The failure to assert such bar by application to a court, however, will not preclude its assertion before the arbitrators. The client understands that this agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such waiver would be void under the federal securities laws.

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If more than one, all principals to the account must sign. If any signatory is a fiduciary, the capacity in which he or she is acting should be indicated.

**NOTE: THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE.**

Client Name: \_\_\_\_\_

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

Client Name: \_\_\_\_\_

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

**ACCEPTED BY J.B. Capital LLC**

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

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

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

**Addendum I**

**ACKNOWLEDGEMENT OF ASSIGNED INVESTMENT ADVISER REPRESENTATIVE**

The following investment adviser representative acknowledges his or her assignment by JB Capital as investment adviser representative of record for the Account under this Agreement and understands the terms of this Agreement.

\_\_\_\_\_  
Investment Adviser Rep. Name Printed

\_\_\_\_\_  
Investment Adviser Rep. Signature

\_\_\_\_\_  
Date

CLIENT PROFILE QUESTIONNAIRE

Client(s) Name: \_\_\_\_\_ Date: \_\_\_\_\_

Account Household: \_\_\_\_\_ Custodian: \_\_\_\_\_

Client Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home phone # (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Business phone # (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Cell phone # (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

US Citizen          Non-Resident Alien          Resident Alien

Client: Date of Birth \_\_\_\_\_ Date of Birth \_\_\_\_\_

Drivers License # \_\_\_\_\_ OR Passport# \_\_\_\_\_ Country \_\_\_\_\_

Annual Income \_\_\_\_\_ Net Worth \_\_\_\_\_ Liquid Net Worth \_\_\_\_\_

Tax Bracket \_\_\_\_\_

Investment Knowledge (Choose one):          Limited          Good          Excellent

Risk Tolerance (Choose one):          Low          Moderate          Aggressive          Speculation

Investment Objective (Choose one):          Current Income          Balanced          Growth & Income

                                         Growth          Maximum Growth

Investment Experience:

None          Mutual Funds          Stocks          Bonds          Variable Products          Other  
                 # yrs \_\_\_\_\_          # yrs \_\_\_\_\_          # yrs \_\_\_\_\_          # yrs \_\_\_\_\_          # yrs \_\_\_\_\_

Describe Other Investment Experience & # yrs: \_\_\_\_\_

What types of investments may be included in this account?

Bonds     Mutual Funds     ETF's     Common Stock     Variable Annuities

Unit Investment Trust     Alternative Investments     Closed End Funds

Other- Please describe: \_\_\_\_\_

What time horizon is most appropriate for this investment account? (Circle one)

10+ years      6-10 years      3-5 years      Less than 3 years

Investing is a long-term commitment and account valuations may fluctuate. Thus, it is important to know if and when you may need any of the assets in your investment account especially in the first 10 years. Please list below.

Less than 3 years      \$ \_\_\_\_\_

3 to 5 years      \$ \_\_\_\_\_

5 to 10 years      \$ \_\_\_\_\_

More than 10 years      \$ \_\_\_\_\_

Are there any legal or tax constraints on your account that we need to consider?    Yes    No

If yes, please describe the constraints here: \_\_\_\_\_

Trusted Contact Person \_\_\_\_\_

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Client Name: \_\_\_\_\_

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

Client Name: \_\_\_\_\_

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