

I N V E S T M E N T A D V I S O R Y A G R E E M E N T

AGREEMENT, made this _____ day of _____, 20____ between the undersigned party, _____, whose mailing address is _____ (hereinafter referred to as the “**CLIENT**”), and BILLS ASSET MANAGEMENT, a registered investment adviser, whose principal mailing address is 3001 Flagstone Drive, Franklin, Tennessee 37069 (hereinafter referred to as the “**ADVISER**”).

1. Scope of Engagement.

(a) The **CLIENT** hereby appoints the **ADVISER** as an Investment Adviser to perform the services hereinafter described, and the **ADVISER** accepts such appointment. The **ADVISER** shall be responsible for the investment and reinvestment of those assets designated by the **CLIENT** to be subject to the **ADVISER**'s management (which assets, together with all additions, substitutions and/or alterations thereto are hereinafter referred to as the “**Assets**” or “**Account**”);

(b) The **CLIENT** delegates to the **ADVISER** all of its powers with regard to the investment and reinvestment of the **Assets** and appoints the **ADVISER** as the **CLIENT**'s attorney and agent in fact with full authority to buy, sell, or otherwise effect investment transactions involving the **Assets** in the **CLIENT**'s name for the **Account**;

(c) The **ADVISER** is authorized, without prior consultation with the **CLIENT**, to buy, sell, and trade in stocks, bonds, mutual funds, and other securities and/or contracts relating to the same, on margin (only if written authorization has been granted) or otherwise, and to give instructions in furtherance of such authority to the registered broker-dealer and the Custodian of the **Assets**;

(d) The **CLIENT** acknowledges that the **ADVISER** shall, consistent with the **CLIENT**'s investment objective(s), primarily allocate the **Assets** among various individual mutual funds, exchange traded funds, and/or investment subdivisions within a variable investment product in accordance with one or more asset allocation programs (the “**Programs**”);

(e) **The Programs** - The following disclosure is specifically applicable to the *Programs*:

1. ***Initial Interview*** – at the opening of the **Account**, the **ADVISER** shall obtain from the **CLIENT** information sufficient to determine the **CLIENT**'s financial situation and investment objectives;

2. ***Individual Treatment*** - the **Account** is managed on the basis of the **CLIENT**'s financial situation and investment objectives;

3. ***Quarterly Notice*** – at least quarterly the **ADVISER** shall notify the **CLIENT** to advise the **ADVISER** whether the **CLIENT**'s financial situation or investment objectives have changed, or if the **CLIENT** wants to impose and/or modify any reasonable restrictions on the management of his/her/its **Account**;

4. ***Annual Contact*** – at least annually, the **ADVISER** shall contact the **CLIENT** to determine whether the **CLIENT**'s financial situation or investment objectives have changed, or if the **CLIENT** wants to impose and/or modify any reasonable restrictions on the management of the **Account**. In the event that the **CLIENT** is referred to the **ADVISER** by the **CLIENT**'s primary financial services professional, the **ADVISER** shall request such professional to make the contact;

5. ***Consultation Available*** – the **ADVISER** (and/or the **CLIENT**'s primary financial services professional) shall be reasonably available to consult with the **CLIENT** relative to the status of the **Account**;

6. ***Quarterly Statement*** - the **CLIENT** shall be provided with a quarterly report for the **Account** for the preceding period;

7. ***Ability to Impose Restrictions*** – the **CLIENT** shall have the ability to impose reasonable restrictions on the management of the **Account**, including the ability to instruct the **ADVISER** not to purchase certain funds;

8. ***No Pooling*** - the **CLIENT**'s beneficial interest in a security does not represent an undivided interest in all the securities held by the Custodian, but rather represents a direct and beneficial interest in the securities which comprise the **Account**;

9. ***Separate Account*** - a separate account is maintained for the **CLIENT** with the Custodian;

10. **Ownership** - each **CLIENT** retains indicia of ownership of the **Account** (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations);

11. **Adviser's Fee** - the **ADVISER** believes that its annual fee is reasonable in relation to: (1) the advisory services provided under this **Agreement**; and (2) the fees charged by other investment advisers offering similar services/programs. *However*, **ADVISER's** annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to *Adviser Compensation* (see paragraph 2 below), the **CLIENT** will also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) and charges imposed by the **Account** custodian; and

12. **Tax Efficiency** - **CLIENT** acknowledges and understands that **ADVISER's** mutual fund asset management programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by the **CLIENT** in non-qualified accounts.

(f) The **CLIENT** engages the **ADVISER** for each of the *Programs* designated in the space(s) provided on the execution page of this **Agreement**. A description of each *Programs* is set forth in the **ADVISER's** written disclosure statement (see paragraph 14) and on Schedule "A", a copy of which schedule is annexed hereto and made a part hereof;

(g) The **CLIENT** agrees to provide information and/or documentation requested by **ADVISER** in furtherance of this **Agreement** as pertains to **CLIENT's** objectives, needs and goals, **and acknowledges his/her/their/its responsibility to keep ADVISER informed of any changes regarding same**. The **CLIENT** acknowledges that **ADVISER** can not adequately perform its services for the **CLIENT** unless the **CLIENT** diligently performs his responsibilities under this **Agreement**. **ADVISER** shall not be required to verify any information obtained from the **CLIENT**, **CLIENT's** attorney, accountant or other professionals, and is expressly authorized to rely thereon;

(h) In the event that the **Account** is a retirement plan sponsored by **CLIENT's** employer or a variable investment product, **CLIENT** acknowledges that **ADVISER's** investment selection shall be limited to the investment alternatives provided by the retirement plan or the variable investment product. In the event that the **Account** sponsor or custodian will not permit **ADVISER** direct access to the **Account**, and the **CLIENT** provides the **ADVISER** with the **CLIENT's** password (and log-in information. If the **CLIENT** has not established a log-in identification, the **ADVISER** is authorized to do so on the **CLIENT's** behalf) to effect **Account** transactions, the **CLIENT** acknowledges and understands that: (1) the **ADVISER** will not receive any communications from the **Account** sponsor or custodian, and it shall remain the **CLIENT's** exclusive obligation to notify the **ADVISER** of any changes in investment alternatives, restrictions, etc pertaining to the **Account**; and, (2) the **ADVISER** shall not be responsible for any costs, damages, penalties, or otherwise, resulting from the **CLIENT's** failure to so notify the **ADVISER**;

(i) **CLIENT** authorizes **ADVISER** to respond to inquiries from, and communicate and share information with, **CLIENT's** attorney, accountant and other professionals to the extent necessary in furtherance of **ADVISER's** services under this **Agreement**; and,

(j) **CLIENT** acknowledges and understands that the service to be provided by **ADVISER** under this **Agreement** is limited to the management of the **Assets** and **does not** include financial planning or any other related or unrelated services

2. Adviser Compensation

(a) The **ADVISER's** annual fee for investment management services provided under this **Agreement** shall be based upon a percentage (%) of the market value of the **Assets** under management in accordance with the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to \$500,000	2.00%
Next \$500,000	1.50%
Amounts over \$1,000,000	Negotiable

This annual fee shall be prorated (giving effect to the number of days in the quarter that the **Account** was under **ADVISER's** management) and paid quarterly, in advance, based upon the market value of the **Assets** on the last day

of the previous quarter (or on the day **Assets** substantially transferred to **ADVISER's** management, if a new **Account**). No increase in the annual fee shall be effective without prior written notification to the **CLIENT**;

(b) Unless the **CLIENT** otherwise indicates on the execution page of this **Agreement**, the **CLIENT** authorizes the Custodian of the **Assets** to charge the **Account** for the amount of the **ADVISER's** fee and to remit such fee to the **ADVISER** in accordance with required SEC procedures;

(c) In addition to **ADVISER's** annual investment management fee, the **CLIENT** shall also incur, relative to all mutual funds, exchange traded funds, and/or variable investment products, charges imposed directly at the fund and/or variable investment product level (e.g. advisory fees and other fund expenses). Although not a material consideration in determining whether to recommend the purchase of a particular mutual fund, the broker-dealer, custodian, **ADVISER** and/or its affiliates, relative to commission mutual fund purchases, *may* also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment; and

(d) No portion of *Adviser Compensation* shall be based on capital gains or capital appreciation of the **Assets** except as provided for under the Investment Advisers Act of 1940.

3. **Custodian.** The **Assets** shall be held by an independent custodian (i.e., clearing firm, trust company, mutual fund company, or the variable investment product sponsor), not the **ADVISER**. The **ADVISER** is authorized to give instructions to the custodian with respect to all investment decisions regarding the **Assets** and the custodian is hereby authorized and directed to effect transactions, deliver securities, and otherwise take such actions as the **ADVISER** shall direct in connection with the performance of the **ADVISER's** obligations in respect of the **Assets**.

4. **Risk Acknowledgment.** **ADVISER** does not guarantee the future performance of the **Account** or any specific level of performance, the success of any investment recommendation or strategy that **ADVISER** may take or recommend for the **Account**, or the success of **ADVISER's** overall management of the **Account**. **CLIENT** understands that investment recommendations for the **Account** by **ADVISER** are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The **CLIENT** further acknowledges that past performance may not be indicative of future results, and understands that the future performance of any specific investment or investment strategy (**including** the investments and/or investment strategies recommended by the **ADVISER**) may not be profitable or equal any corresponding historical performance level(s). For the above reasons, the **CLIENT**: (1) understands and accepts that the *Programs* are intended to be a long-term investment (i.e. at least 5 years), and, as such, (2) agrees that a fair assessment of **Account** investment performance can not be made on a short-term basis.

5. **Directions to the Adviser.** All directions, instructions and/or notices from the **CLIENT** to the **ADVISER** shall be in writing, including notification of a change in the **CLIENT's** investment objective(s). The **ADVISER** shall be fully protected in relying upon any direction, notice, or instruction until it has been duly advised in writing of changes therein.

6. **Adviser Liability.** Except as otherwise provided by federal or state securities laws, the **ADVISER**, acting in good faith, shall not be liable for any action, omission, investment recommendation/decision, or loss in connection with this **Agreement** including, but not limited to, the investment of the **Assets**, or the acts and/or omissions of other professionals or third party service providers recommended to the **CLIENT** by the **ADVISER**, including a broker-dealer and/or custodian. The federal 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** may have under any federal securities laws. If the **Account** contains only a portion of the **CLIENT's** total assets, **ADVISER** shall only be responsible for those assets of the **CLIENT** under **ADVISER's** investment management services under this Agreement without consideration to those additional assets not so designated by the **CLIENT**.

7. **Proxies.** The **CLIENT** shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the **CLIENT** shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the **Assets**. **ADVISER** is authorized to instruct the Custodian to forward to the **CLIENT** copies of all proxies and shareholder communications relating to the **Assets**.

8. Reports. The **ADVISER** and/or **Account** custodian shall provide the **CLIENT** with periodic reports for the **Account**. In the event that the **ADVISER** provides supplemental **Account** reports which include assets for which the **ADVISER** does not have discretionary investment management authority, the **CLIENT** acknowledges the reporting is provided as an accommodation only, and **does not** include investment management, review, or monitoring services, nor investment recommendations or advice. As such, the **CLIENT**, and not the **ADVISER**, shall be exclusively responsible for the investment performance of any such assets or accounts. In the event the **CLIENT** desires that the **ADVISER** provide investment management services with respect to any such assets or accounts, the **CLIENT** may engage the **ADVISER** to do so for a separate and additional fee.

9. Termination. This **Agreement** will continue in effect until terminated by either party by written notice to the other (**email notice will not suffice. Telefax may be accepted in the sole discretion of the ADVISER**), which written notice must be signed by the terminating party. Termination of this **Agreement** will not affect (i) the validity of any action previously taken by **ADVISER** under this **Agreement**; (ii) liabilities or obligations of the parties from transactions initiated before termination of this **Agreement**; or (iii) **CLIENT**'s obligation to pay advisory fees (prorated through the date that **ADVISER** receives a **written** termination notice from the **CLIENT**, unless the termination date is a mutually agreed upon date subsequent to the **ADVISER**'s receipt of the written termination notice). Upon the termination of this **Agreement**, **ADVISER** will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the **Account**. **In the event that the CLIENT withdraws any portion of the Account without prior or simultaneous notification to the ADVISER, the CLIENT acknowledges and agrees that the Account shall incur, in addition to and together with the quarterly investment management fee due to the ADVISER, an administrative fee of .05% of the withdrawn amount (subject to a minimum administrative fee of \$50.00).**

10. Assignment. This **Agreement** may not be assigned (within the meaning of the Investment Advisers Act of 1940) by either the **CLIENT** or the **ADVISER** without the prior written consent of the other party. The **CLIENT** acknowledges and agrees that transactions that do not result in a change of actual control or management of the **ADVISER** shall not be considered an assignment pursuant to Rule 202(a)(1)-1 under the Investment Advisers Act of 1940.

11. Non-Exclusive Management. **ADVISER**, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts, or for the accounts of other clients, as the **ADVISER** does for the **Assets**. **CLIENT** expressly acknowledges and understands that **ADVISER** shall be free to render investment advice to others and that **ADVISER** does not make its investment management services available exclusively to **CLIENT**. Nothing in this **Agreement** shall impose upon the **ADVISER** any obligation to purchase or sell, or to recommend for purchase or sale, for the **Account** any security which the **ADVISER**, its principals, affiliates or employees, may purchase or sell for their own accounts or for the account of any other client, if in the reasonable opinion of the **ADVISER** such investment would be unsuitable for the **Account** or if the **ADVISER** determines in the best interest of the **Account** it would be impractical or undesirable.

12. Death or Disability. The death, disability or incompetency of **CLIENT** will not 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 **ADVISER**, and providing corresponding evidence of such appointment or position. The **CLIENT** recognizes that the Custodian may not permit any further **Account** transactions until such time as corresponding documentation is provided to the Custodian.

13. Arbitration. To the extent that the parties do not agree to initially submit the dispute to non-binding mediation, subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to **ADVISER**'s services under this **Agreement**, both **ADVISER** and **CLIENT** agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association ("AAA"), provided that the AAA accepts jurisdiction. **ADVISER and CLIENT understand that such arbitration shall be final and binding, and that by agreeing to arbitration, both ADVISER and CLIENT are waiving their respective rights to seek remedies in court, including the right to a jury trial.** **CLIENT** acknowledges that he/she/it has had a reasonable opportunity to review and consider this arbitration provision prior to the execution of this **Agreement**. **CLIENT** acknowledges and agrees that in the specific event of non-payment

of any portion of *Adviser Compensation* pursuant to paragraph 2 of this **Agreement**, **ADVISER**, in addition to the aforementioned arbitration remedy, shall be free to pursue all other legal remedies available to it under law, and shall be entitled to reimbursement of reasonable attorneys fees and other costs of collection.

14. Disclosure Statement. The **CLIENT** hereby acknowledges prior receipt of a copy of the Disclosure Statement of the **ADVISER** as same is set forth on Part II of Form ADV (Uniform Application for Investment Adviser Registration). **CLIENT** further acknowledges that he has had a reasonable opportunity (i.e. at least 48 hours) to review said Disclosure Statement, and to discuss the contents of same with professionals of his choosing, prior to the execution of this **Agreement**. If the **CLIENT** has not received a copy of the **ADVISER's** Disclosure Statement at least 48 hours prior to execution of this **Agreement**, the **CLIENT** shall have 5 business days from the date of execution of this **Agreement** to terminate **ADVISER's** services without penalty.

15. Trade Errors. All **Account** trades are placed electronically or telephonically by **ADVISER**. **ADVISER** assumes responsibility for any **Account** losses for trading errors directly resulting from **ADVISER's** failure to follow **ADVISER's** trading procedures or from a lapse in **ADVISER's** internal communications. In such instances, the **Account(s)** will be compensated for any such corresponding losses. However, the **CLIENT** acknowledges that **ADVISER** cannot and will not be responsible for **Account** errors and/or losses that occur where **ADVISER** has used its best efforts (without direct failure on the part of **ADVISER**) to execute trades in a timely and efficient manner. If a trade or some portion of a trade is not effected or an electronic "glitch" occurs which results in the **Account** not being traded at the same time or at the same price as others, and such occurrence is not a result of **ADVISER's** failure to execute or follow its trade procedures, the resulting loss will not be considered a trading error for which **ADVISER** is responsible. In addition, virtually all mutual funds, as disclosed in their prospectuses, reserve the right to refuse to execute trades if, in a fund's sole judgment, the trade(s) would jeopardize the value of the fund. **ADVISER** has no authority to change, alter, amend, or negotiate any provision set forth in a mutual fund prospectus. The **CLIENT** further acknowledges that **ADVISER** cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by the **ADVISER**. Finally, **ADVISER** cannot be responsible for a unilateral adverse decision by a mutual fund or insurance company to restrict and/or prohibit mutual fund asset management programs.

16. ADVISER's Proprietary Interest. The **CLIENT** acknowledges that the **ADVISER's Programs** are proprietary, and the **CLIENT** shall not share any information regarding the programs, including but not limited to trade signals, investment algorithms, or **Account** composition, with any non-client of **ADVISER**.

17. Severability. Any term or provision of this **Agreement** which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this **Agreement** or affecting the validity or enforceability of any of the terms or provisions of this **Agreement** in any other jurisdiction.

18. Client Conflicts. If this **Agreement** is between the **ADVISER** and related clients (i.e. husband and wife, life partners, etc.), **ADVISER's** services shall be based upon the joint goals communicated to the **ADVISER**. **ADVISER** shall be permitted to rely upon instructions from either party with respect to disposition of the **Assets**, unless and until such reliance is revoked in writing to the **ADVISER**. The **ADVISER** shall 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.

19. Referral Fees. If the **CLIENT** was introduced to the **ADVISER** through a **Solicitor**, the **ADVISER** may pay that **Solicitor** a referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral fee shall be paid solely from Adviser Compensation as defined in this **Agreement**, and shall not result in any additional charge to the **CLIENT**. The **CLIENT** acknowledges receipt of the written disclosure statement disclosing the terms of the solicitation arrangement between the **ADVISER** and the **Solicitor**, including the compensation to be received by the **Solicitor** from the **ADVISER**.

20. Privacy Notice. The **CLIENT** acknowledges prior receipt of the **ADVISER's Privacy Notice**.

21. Amendments. The **ADVISER (via certified mail to the CLIENT)** may amend this **Agreement** upon written notification to the **CLIENT**, which amendment, unless the **CLIENT** notifies the **ADVISER** to the contrary, in writing, shall become effective thirty (30) days from the date of mailing.

22. Applicable Law. This **Agreement** supersedes and replaces, in its entirety, all previous investment advisory agreement(s) between the parties. To the extent not inconsistent with applicable law, this **Agreement** shall be governed by and construed in accordance with the laws of the State of Tennessee. In addition, to the extent not inconsistent with applicable law, the venue (i.e. location) for the resolution of any dispute or controversy between **ADVISER** and **CLIENT** shall be the County of Williamson, State of Tennessee.

23. Authority. The **CLIENT** acknowledges that he/she/they/it has (have) all requisite legal authority to execute this **Agreement**, and that there are no encumbrances on the **Assets**. The **CLIENT** correspondingly agrees to immediately notify the **ADVISER**, in writing, in the event that either of these representations should change.

IN WITNESS WHEREOF, the **CLIENT** and **ADVISER** have each executed this **Agreement** on the day, month and year first above written.

, Client

, Client

BILLS ASSET MANAGEMENT

By: _____

BILLS ASSET MANAGEMENT

Investing with Managed Risk

- Confidential Client Profile -

The purpose of this questionnaire is to assist us in working with you to determine which of our investment portfolios best fits your needs and objectives. We feel that it is essential for us to know how much risk you are comfortable taking in order to reach your financial goals. Your responses will form the basis of our discussions. The information you provide will be held in strict confidence.

General Information

Name: _____ DOB: _____

Spouse: _____ DOB: _____

Telephone: (H) _____ (W) _____

(W) _____ (Cell) _____

SS# _____ SS# _____

Address: _____

Email Address: _____

Children's DOB (if any): _____

Investment Objectives

- Investment assets will be used to:
 - Build wealth for retirement
 - Fund children's education
 - Maintain a current standard of living
- Which of the following best describes your overall investment attitude?
 - I am primarily concerned with capital preservation but would like to see the value of my portfolio increase slowly over time factoring in inflation and taxes.
 - I am interested in capital growth and am willing to accept moderate changes in portfolio value in the pursuit of this goal.
 - My primary goal is capital growth. I am only modestly concerned with portfolio value fluctuation.
 - My only goal is aggressive capital growth over time. I am willing to accept substantial short-term fluctuation in my portfolio's value in the pursuit of that goal.

- At this time, what percentage of your entire investment portfolio are you considering for our management service?
 - Less than 20%
 - 20% - 50%
 - 51% - 75%
 - 76% - 100%
- What period of time will you use to evaluate performance?
 - One year or less
 - 1-3 years
 - 4 years or more

Attitude Toward Risk/Return

Which of the following statements best describes your philosophy toward risk and return?

- I expect to earn returns that match the performance of the general market (in both up and down markets).
- I would like to earn returns in a more consistent manner than the general market without substantially comprising performance.
- I am interested mainly in the stable growth of my portfolio without regard to the performance of the general market.

Additions/Withdrawals

- If you plan to make withdrawals, how frequently and approximately how much do you plan to withdraw?
 - Monthly
 - Quarterly
 - AnnuallyApproximate amount: \$ _____
- If you plan to make additions (contributions) to this portfolio, approximately how much do you intend to add annually? \$ _____