

ASSET MANAGEMENT AGREEMENT

Focused Wealth Management, Inc.
216 Route 299, Suite 5
Highland, NY 12528
(845) 691-4035

This Agreement (hereinafter referred to as Agreement) is made and entered into by and between Focused Wealth Management, Inc. (hereinafter referred to as Advisor) and _____ (hereinafter referred to as Client). By this Agreement, Client retains Advisor to provide the services described in this Agreement.

SERVICES

Based upon information furnished by Client, Advisor shall provide asset management services, including giving continuous advice to Client based on Client's individual needs. Investment Advisor Representative (IAR) will provide investment advisory services and assist Client in executing transactions for which the specified fee (or fees) is not based directly upon transactions in the account. IAR will assist Client in establishing an account (Account) with National Financial Services, TD Ameritrade, Charles Schwab & Company, Inc. and/or variable annuity companies. Neither Advisor nor IAR will act as a custodian for the Account at any time nor will Advisor and/or IAR have direct access to Client's funds and/or securities. IAR will implement securities transactions in the Account in IAR's separate capacity as a registered representative and/or independent insurance agent.

FEES

Client will pay Advisor an annual fee of 1.5% of assets under management. Fees will be billed quarterly in advance based on the market value of Account assets under management at the end of the previous calendar quarter. For National Financial Services Accounts, fees will be billed monthly in advance based on the market value of account assets under management at the end of the previous calendar month. For TD Ameritrade Accounts, fees will be billed monthly based on the market value of account assets under management at the end of the previous calendar month. An Account that is opened mid-period will be charged a prorated fee based upon the number of days the Account is open in the first period.

Client will pay fees in the following manner:

_____ Client will pay Advisor directly upon receipt of billing notice from Advisor.

_____ Fees will be automatically deducted from Client's Account by the custodian and paid directly to Advisor.

If fees will be automatically deducted from Client Account, Client will provide Account custodian with written authorization to deduct fees from Account and pay them to Advisor and/or IAR. Client will receive notice of the amount of fees to be deducted, the manner in which fees were calculated, any adjustment to the fee, and an explanation of any adjustments prior to fees being deducted from Account. In addition, any fees deducted from Account will appear on Account statement from Account custodian. At no time will Advisor have direct access to Client's funds and/or securities.

Brokerage commissions are waived in the Account. Transaction ticket charges (the actual cost of each trade plus exchange fees) may be passed on to Client at the IAR's discretion. Fees and charges will be noted on Client's statements and confirmations. Clients may incur certain charges imposed by third parties other than Advisor or custodian in connection with investments made in Client's Account, including, but not limited to: mutual funds sales loads, 12(b)-1 fees and surrender charges, variable annuity commissions and surrender charges and IRA and qualified retirement plan fees.

In IAR's capacity as a registered representative, IAR may retain a portion of the mutual fund sales loads and 12(b)-1 fees and variable annuity commissions. Management fees charged are separate and distinct from the fees and expenses charged by mutual funds and variable annuities that may be recommended to clients. A description of these fees and expenses is available in each fund and annuity's prospectus.

Fees set forth herein are for asset management services and do not include any other professional services which may be required by Client to implement the recommendations made by Advisor. Advisor will not provide accounting or legal advice nor prepare any accounting or legal documents for implementation of Client's plan. Client is urged to work closely with his/her attorney and/or accountant in implementing the recommendations contained in the consultations. Advisor will not be responsible for the acts of omissions or insolvency of any other agent, broker or independent contractor selected to take any action or to negotiate or consummate any transaction for Client's account.

PROXY VOTING

Advisor and IAR will not vote proxies on Client's behalf. Client is instructed to read through the information provided with the proxy-voting document and make a determination based on the information provided. In some instances, upon request from Client, IAR may give recommendations or clarifications based upon his understanding of issues presented in the proxy voting materials. Advisor and IAR may also do additional research on the issue if they feel it is warranted. However, Client will be solely responsible for all proxy voting decisions.

CLIENT OTHER THAN INDIVIDUAL

If this Agreement is entered into by a trustee or other fiduciary, including, but not limited to someone meeting the definition of "fiduciary" under the *Employee Retirement Income Security Act of 1974* (ERISA) and/or the *Pension Protection Act of 2006* (PPA), such trustee or other fiduciary represents and warrants that Client's participation is permitted by the relevant governing instrument of such plan. It is also represented that Client is duly authorized to enter in this Agreement and Client agrees to furnish Advisor with such documents as Advisor shall reasonably request with respect to the foregoing. Client further agrees to inform Advisor of any event which might affect this authority or the validity of this Agreement. Client additionally represents and warrants that: (1) the governing instruments provide that an investment manager as defined under ERISA may be appointed and (2) the person executing and delivering this Agreement on behalf of Client is a named fiduciary (as defined under ERISA), who has the power under the plan to appoint an investment manager. If Client is a corporation, the party executing this Agreement on behalf of Client represents that execution of this Agreement has been duly authorized by appropriate corporate action.

CONFIDENTIALITY

Except as otherwise agreed in writing or as required by law, Advisor and/or IAR will keep confidential all information concerning Client's identity, financial affairs or investments.

CUSTOMER PRIVACY NOTICE

This section will serve as Advisor's initial Privacy Notice to Client. Advisor is a registered investment advisor firm in the business of providing investment advisory services to customers.

Advisor is committed to safeguarding the confidential information of its clients. Advisor holds all personal information provided to it in the strictest confidence. Advisor's representatives may also be registered representatives of Securities America, Inc. (SAI), a registered broker/dealer that is not affiliated with Advisor. Advisor may also have relationships with other non-affiliated investment advisor firms, such as Securities America Advisors, Inc. (SAA), an affiliate of SAI, insurance companies, trust companies, custodians and other financial institution entities. Except as required or permitted by law, Advisor does not share confidential information about Client with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of Client's confidential information, Advisor will provide written notice to Client, and Client will be given an opportunity to direct Advisor as to whether such disclosure is permissible.

An Important Notice Concerning Customer Privacy

Customer Information Advisor Collects. Advisor collects and develops personal information about Client, and some of that information is non-public personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the financial products and services Client obtains from Advisor. The categories of Customer Information collected by Advisor depend upon the scope of the engagement with Advisor and are generally described below. As an investment advisor, Advisor collects and develops Customer Information about Client in order to provide investment advisory services. Customer Information collected includes:

- Information Advisor receives from Client on financial inventories through consultation with Advisor's representatives. This Customer Information may include personal and household information, such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning Client's financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Information developed as part of financial plans, analyses or investment advisory services.
- Information concerning investment advisory account transactions, such as wrap account transactions.
- Information about Client's financial products and services transactions with Advisor.

Data Security. Advisor restricts access to Customer Information to those representatives and employees who need the information to perform their job responsibilities with Advisor. Advisor maintains agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard Customer Information about Client.

Use and Disclosure of Customer Information to Provide Customer Service for Client Accounts. To administer, manage and service customer accounts, process transactions and provide related services for Client accounts, it is necessary for Advisor to provide access to Customer Information to Advisor's representatives and to non-affiliated companies such as SAI, SAA, other investment advisors, other broker/dealers, trust companies, custodians and insurance companies. Advisor may also provide Customer Information as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

Former Clients. If Client closes an account with Advisor, Advisor will continue to operate in accordance with the principles stated in the Notice.

Requirements of Federal Law. In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act (GLBA)*. The GLBA requires certain financial institutions, including broker/dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties other than as permitted or required by law, customers must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that Advisor does not disclose Customer Information to non-affiliated third parties, except as permitted or required by law (e.g., disclosures to service Client's account or to respond to subpoenas).

CLIENT'S RESPONSIBILITIES

Client recognizes that the value and usefulness of the asset management services of Advisor will depend upon information that he/she provides and upon his/her active participation in the formulation of financial objectives and in the implementation of Advisor and IAR's advice to attain those objectives. Client will provide Advisor and/or IAR all requested information and required documents as Advisor and/or IAR may reasonably request in order to permit complete evaluation and preparation of recommendations for Client.

OTHER INVESTMENT ACCOUNTS

Client understands that Advisor serves as an investment advisor and IAR serves as an investment advisor representative for other clients and will continue to do so. Client also understands that Advisor and/or IAR may give advice or take action in performing their duties to other clients, or for their own accounts, that differ from advice given to or action taken for Client. Neither Advisor, nor IAR are obligated to buy, sell or recommend for Client any security or other investment that Advisor and/or IAR may buy, sell or recommend for any other client or for their own accounts. This Agreement does not limit or restrict in any way Advisor and/or IAR from buying, selling or trading in any securities or other investments for their own accounts.

BASIS OF ADVICE

Client acknowledges that Advisor and IAR obtain information from a wide variety of publicly available sources. Neither Advisor nor IAR has, nor do they claim to have, sources of inside or private information. The recommendations developed by Advisor and/or IAR are based upon the professional judgment of Advisor and/or IAR. Neither Advisor nor IAR can

guarantee the results of any of their recommendations. Client at all times shall elect unilaterally to follow or ignore completely, or in part, any information, recommendation or advice given by Advisor and/or IAR under this Agreement.

LIABILITY OF ADVISOR

Client understands that there are risks inherent in all financial decisions and transactions and that there is no guarantee that Client's investment objectives will be achieved. Client agrees that Advisor will not be liable for any loss incurred with respect to the Account, except where such loss directly results from such party's negligence or malfeasance. Nothing in this Section is intended to be a waiver of any right of action Client may have under applicable securities laws or Client's rights in the event Advisor breaches any fiduciary duty owed to Client.

ARBITRATION

Client agrees that all controversies that may arise between parties concerning performance or breach of this Agreement, or any other agreement between parties, whether entered into before, on or after the date the account is opened shall be determined by arbitration before a panel of independent arbitrators set up by the American Arbitration Association or any other industry forum only to the extent expressly provided as an alternative under the securities laws of the Client's state of residence. If Client does not notify the other parties in writing of their alternative designation within five days after Client's written demand for arbitration, then Client authorizes Advisor to make such designation on his/her behalf. Client understands that judgment upon any arbitration award may be entered in any court of competent jurisdiction. Client is aware of the following:

- (a) Arbitration is final and binding on the parties.
- (b) The parties are waiving their right to seek remedies in court, including the right to a jury trial.
- (c) Pre-Arbitration discovery is generally more limited than and different from court proceedings.
- (d) 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.
- (e) The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action or who is a member of a putative class, who has not opted out of the class with respect to any claims encompassed by the putative class action until:

- (a) The class certification is denied;
- (b) The class is decertified; or
- (c) The customer is excluded from the class by the court.

Such forbearance to enforce this arbitrate provision shall not constitute a waiver of any rights under this Agreement, except to the extent stated herein. **Nothing in this provision is intended to be a waiver of any right of action the Client may have under applicable federal or securities law.** This provision is not enforceable in any state that does not legally allow binding arbitration.

TERMINATION

This Agreement remains in effect until terminated by one or more of the parties executing this agreement. Either party may terminate services at any time by providing written notification to all appropriate parties. Termination will be effective upon receipt of such notice. If services are terminated within five business days of Client executing this Agreement, services will be terminated without penalty. After the initial five business days, services will be terminated on a prorated basis based upon the number of days of services provided prior to receipt of notice of termination.

CONFLICT OF INTEREST DISCLOSURE STATEMENTS

Advisor is an investment advisor registered with the Securities and Exchange Commission in accordance with the rules and regulations of the *Investment Advisers Act of 1940*. The following disclosures are provided regarding IAR's background and business practices:

- (a) IAR is a Registered Representative of Securities America, Inc., a broker/dealer, member of the FINRA/SIPC. IAR is licensed with at least one insurance carrier.
- (b) In the course of services to Client, IAR may recommend to Client the purchase of securities, managed accounts and/or the purchase of products underwritten by insurance carriers. In each instance, IAR would be entitled to receive a commission (in IAR's capacity as a registered representative and/or independent insurance agent) or fee on the sale or purchase of any of those products. Under such circumstances, IAR would have a financial interest in the transaction and may therefore have a conflict of interest in furnishing financial planning advice to the extent that such recommendations are implemented.
- (c) Client hereby consents and agrees that IAR is also a registered representative and/or independent insurance agent. When acting in this capacity, IAR may receive commissions, in addition to the fees earned by Advisor and/or IAR, on any transactions in securities, managed accounts and/or insurance products, if and when implemented by IAR in his separate capacity for the Client.
- (d) Client hereby acknowledges that Client is under no obligation to implement any investment or insurance transactions through IAR or Securities America, Inc.

SEVERABILITY

It is understood by the parties that if any term, provision, duty or obligation under Agreement is held by the courts to be unenforceable, illegal or in conflict with applicable state law, the validity of the remaining portions shall not be affected. The rights and obligations of the parties shall be construed and enforced as if such invalidity or unenforceable provision was not contained in this Agreement.

GOVERNING LAW

This Agreement shall be construed under the laws of the State of New York in a manner consistent with the rules and regulations of the State of New York.

ASSIGNMENT

This Agreement may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder. Written consent will be obtained when required by applicable law, rule or regulation.

MISCELLANEOUS PROVISIONS

- (a) This Agreement shall not become effective until acceptance by Advisor as evidenced by a signature of a member of Focused Wealth Management, Inc. No modification or amendment to this Agreement shall be effective unless made in writing and signed by Client and Advisor.
- (b) The parties hereto acknowledge and agree that this Agreement alone constitutes the final written expression of the parties with respect to all matters contained herein. The parties further acknowledge and agree that there are no prior or contemporaneous agreements or, if any, such prior agreements are merged herein. This Agreement alone constitutes the final understanding between the parties.

ACKNOWLEDGMENT OF RECEIPT

Client acknowledges receipt of the Advisor’s Form ADV Part II or a similar Disclosure Document containing at least the information contained in the Advisor's Form ADV Part II as required by Rule 204-3 under the *Investment Advisers Act of 1940*. Client also acknowledges receipt of Advisor’s Privacy Policy Notice as required by the *Gramm-Leach-Bliley Act of 1999*.

DISCRETIONARY AUTHORITY

(Initial to indicate whether or not discretionary authority will be given to IAR)



Discretionary Authority. Client grants IAR discretionary authority when managing assets. By granting this authority, IAR is authorized to implement securities transactions in Client’s Account without obtaining the prior consent of Client. Discretionary authority is limited, because IAR will not have the authority to withdraw funds and/or securities from Client’s Account. Discretionary authority will also be limited to transactions in no-load funds, load funds at NAV (Net Asset Value) and exchanges in variable annuity sub-accounts.

Non-Discretionary Authority. Client does not grant IAR discretionary authority when managing assets. All transactions will be implemented only with prior consent being obtained from Client.

ENTIRE AGREEMENT

This Agreement represents the entire Agreement between the parties with respect to the subject matter contained herein. This Agreement may not be changed orally but only by an Agreement in writing signed by all parties.

Dated: _____

Client Signature: _____

Dated: _____

Client Signature: _____

ACCEPTED BY FOCUSED WEALTH MANAGEMENT, INC.

Dated: _____

By: _____
Member of Focused Wealth Management, Inc.

Investment Advisor Representative assigned to account