

We're Moving!

Centurion Counsel is moving! Effective November 10, 2008, our new address will be:

Centurion Counsel
1282 Pacific Oaks Place
Escondido, CA 92029

Email addresses, phone and fax numbers will all remain the same.

Q3 2008 Economic Review

We have seen many bear markets and one thing we have learned over the years is that the small investor buys high and sells low. It appears that once again their timing is perfect. Mutual Fund investors pulled almost \$ 200 billion from stock funds this year with half of that coming in October during the recent market lows. Inflows to mutual funds had been positive since 2002 (the last bear market).

In November 1980, at the top of a bull market investors poured into mutual funds and then pulled all of that out and more in September 1982 just as the biggest bull market in history started. Will history prove once again that going against the small investor is the wise move? We believe so!

All of the below companies are cheaper than they were in 1999 but have substantially increased their earnings since then. The 5-year Treasury currently yields 2.83%. We feel confident in saying that these companies should outperform the 5-year Treasury over the next five years. Most of the companies have a higher yield than the treasury and all have a history of increasing dividends. All of them with the exception of Cisco have increased their dividend every year since 1999 (Qualcomm every year since 2003, Costco since 2004 Microsoft 2003). All have great cash flow, strong balance sheets and are not dependent on short-term debt. These firms represent a cross-section of America from tech to banking to consumer defensive companies.

This is a list of stocks that you can own and still sleep at night. Yes, they may go lower but they have a compelling investment story. **These may not be suitable for all accounts.**

10/31/2008

1999

1999

2008

<u>Name</u>	<u>Price</u>	<u>Yield</u>	<u>Price</u>	<u>EPS</u>	<u>EPS</u>
Microsoft	\$22.62	2.17%	\$60.00	\$0.70	\$1.87
Wal-Mart	\$55.81	1.77%	\$69.00	\$1.28	\$3.50
Costco	\$57.01	1.10%	\$60.50	\$1.18	\$2.90
Coca-Cola	\$44.06	3.44%	\$71.00	\$1.30	\$3.00
Clorox	\$60.81	3.14%	\$66.50	\$1.41	\$3.24
Colgate-Palmolive	\$62.76	2.57%	\$66.80	\$1.47	\$3.85
Qualcomm	\$38.26	1.61%	\$92.50	\$0.30	\$2.05
Cisco	\$17.77	nil	\$82.00	\$0.38	\$1.31
U.S. Bancorp	\$29.81	5.60%	\$35.30	\$1.25	\$2.50
Johnson & Johnson	\$61.34	2.90%	\$65.00	\$1.49	\$4.70

Advance Billing Notice

This is to provide you with notice that Centurion Counsel will charge your account for the **fourth quarter 2008** management fee. Your management fee for this quarter will be **\$ 2,233.21**. This was calculated by multiplying your account value as of the end of the previous quarter by 1/4 of your annual fee rate, as stated in your client agreement. If assets are deposited into your account during the quarter, a pro-rata share of the quarterly fee will be charged. If you are currently paying your management fee by check, your check should be received by **December 1, 2008**. All checks should be made payable to **Centurion Counsel**. Please direct any questions regarding this advance billing notice to your registered representative.

SEC Rule 11Ac1-6: Quarterly Report on Routing of Customer Orders

SEC Rule 11Ac1-6 requires all brokerage firms to make publicly available quarterly reports on the order routing practices. This report provides information on the routing of “non-directed orders” – any order that the customer has not specifically instructed to be routed to a particular venue for execution.

<i>Total Centurion</i>	<i>Market</i>	<i>Limit</i>	<i>Material Aspects</i>
<u><i>Institutional Orders</i></u>	<u><i>Orders</i></u>	<u><i>Orders</i></u>	<u><i>Relationship</i></u>
NYSE, NASDAQ, AMEX, Options	>1%	+99%	Clearing Broker/Dealer

Privacy Policy

Centurion Counsel's privacy policy is consistent with that of our clearing firm, Bear Stearns.

We do not disclose non-public, personal information to anyone, except as permitted by law. In general, the law permits us to disclose information to our affiliates, or to non-affiliates if the information is required in the ordinary course of business. Additionally, safeguards are taken within the firm to insure that access to your information is limited to those employees that are involved in administrating your account.

Administrative Update

Our updated Form ADV, as filed with the Securities and Exchange Commission, describing Centurion Counsel and its methodology will be mailed to you without charge upon receipt of a written request. If you would like a copy, mail your request to: 1282 Pacific Oaks Place, Escondido, CA 92029.