

A little over eighteen months ago, the market was characterized by rampant optimism. Most of the major indexes had hit new highs the previous fall, and for many on Wall Street, concerns were set aside as minor annoyances. By contrast, a mere six months ago (March 09) markets were overwhelmed by absolute pessimism, with no sign of hope anywhere. Today, investors are somewhere between those two extremes, and many investors can be characterized as extremely nervous.

As a general rule, we feel a certain level of healthy anxiety is positive. What gets investors in trouble is an excess of either optimism or pessimism. While today's mood may be erring on the side of being a bit too pessimistic, we think being cautious in the current market makes sense, provided prudent caution doesn't cross the line into panicked inertia.

The good news is that there are still excellent opportunities, but one must be prepared for short-term volatility. In August, Business Week ran a cover story called "The Case for Optimism." The premise was simple: beyond the issues facing the global economy, there are many underlying positives that give cause for optimism if we look out two or three years and beyond.

It is easy to only focus on such economic challenges as; inflation, the deficit, rising taxes etc. However, there are things happening under the surface that will drive economic growth, and with that economic growth should come growth in equity prices. Examples include the positive impact of technology, the recovering housing market, the revitalization of the American economy currently taking place, and the incredible energy from the developing world's educated youth and emerging middle class.

According to legend, in 1907 financier J. Pierpoint Morgan singlehandedly averted a banking panic. Later in life, someone asked him his best guess on the direction of the markets. His answer: "They will go up and they will go down." One hundred years later, that's still the best answer for anyone looking for a short-term market forecast. No one can predict market movements, all we can do is understand clearly how much short-term volatility we can live with, adjust our portfolios accordingly, and stay focused on the horizon as we deal with the rough waters. No one likes volatility, but for most of us, it's the necessary price for arriving at our ultimate destination.

We here at Centurion design all portfolios to give clients the best trade-off between risk and return. Given the current uncertainty and volatility, we are continuing to focus on higher-quality companies in both stock and bond portfolios, and we are maintaining healthy cash positions where feasible.

Over the past twelve months we have talked to most clients about their portfolios. If we missed you for some reason, or if you would like to discuss your investments in more detail, we are always delighted to have that conversation. Thank you for the continued opportunity to work together; we appreciate the trust you have placed in our hands.

## Advance Billing Notice

This is to provide you with notice that Centurion Counsel will charge your account for the **fourth quarter 2009** management fee. Your management fee for this quarter will be \$ **393.26**. 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, 2009**. 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

## FINRA – SIPC Information Rule 2342

FINRA Conduct Rule 2342 requires us to inform clients of registered broker-dealers of their rights under the Securities Investor Protection Corporation (SIPC). SIPC, created under the Securities Investor Protection Act of 1970, protects customers of registered securities broker-dealers from certain losses if a SIPC member fails financially and is unable to meet obligations of its securities customers. SIPC does not, however, protect clients against losses from changes in market value of their securities. For further information regarding your rights under SIPC, including a brochure, you can contact SIPC directly by phone at 202-371-8300 or at their website address, [www.sipc.org](http://www.sipc.org).

## **Information About Our Company**

Please take a moment to read the following information regarding our privacy policies. Information regarding the public disclosure program of the Financial Regulatory Authority (“FINRA”) is also included. Since you are a customer of our advisory services, information about obtaining a current copy of our Summary Disclosure Statement in lieu of Form ADV Part II is provided. Thank you for the opportunity to meet your financial services needs.

## **Privacy Guidelines**

At Centurion Counsel, we are committed to safeguarding your personal information. Please read this notice to learn more about our privacy policies.

This notice describes the privacy policies of Centurion Counsel. Other companies and business that are affiliated with Centurion Counsel may have their own policies and you will receive their policies separately. These privacy policies apply to individuals who obtain or apply for a financial product or service for personal, family, or household purposes, or have done so in the past.

### **I. Information That We Collect**

As part of providing you with our service, we obtain nonpublic personal information about you which may include the following:

- Information we receive from you on applications, questionnaires, or other forms including name, address, social security number, assets and income, and other information we may receive from your financial advisor.
- Information about your transactions with us, our affiliates, or others, such as balances, payment history, parties to transactions and account usage.
- We may verify this information or get additional information from customer reporting agencies or other sources.

### **II. Information That We Share**

We share your information in order to complete transactions quickly and efficiently, identify and protect you against fraud, enable us to determine the right services to meet your needs and to provide you with proper customer service. Examples of customer information that we may share include:

- Information we receive from you, such as your name, address, social security number, email address, assets, and income, as provided, for example, on account applications.
- Information about your transactions with us, our affiliates and others, such as balances, payment history, parties to transaction, and account usage.

Depending on your type of relationship with Centurion Institutional Services, Inc., we may share information with other Centurion Institutional Services, Inc. affiliates, as well as with nonaffiliated third parties as set forth below.

#### **A. Sharing Information With Centurion Institutional Services, Inc.**

We share information about you with other Centurion Institutional Services, Inc. affiliates as permitted by law in order to provide you with other financial tools and services. Our affiliates provide a wide range of financial services and include broker-dealers, investment advisers, financial planners and insurance brokers, among others.

#### **B. Sharing Information With Third Parties Not Affiliated With Centurion Institutional Services, Inc.**

We do not disclose information to unaffiliated third parties except in limited circumstances and only in accordance with applicable law. Please be assured that whatever the reason for sharing personal information, we take steps to assure that those parties respect your privacy by limiting the use of the information to the purpose for which it was disclosed. These unaffiliated third parties may include:

- Companies that perform services for your account that we do not provide ourselves. Such services include account valuation, preparation of account statements, determination of fees and printing services.
- Companies that will help protect your account from fraud.
- Companies that provide services and products necessary to effect a transaction that you request or to service your account such as clearing firms, mutual fund companies and insurance companies.
- Government agencies, courts, parties to lawsuits in response to subpoenas or otherwise as required by law. In such cases, we share only the information that we are required or authorized to share.

**We do not share information with nonaffiliated companies who intend to market their products to you. For example, we will not sell names to a catalog company or telemarketer.**

### **III. Confidentiality and Security**

The security of your account information is important to us. Only those persons who need your information to perform their job have access to it. Additionally, we maintain physical, electronic and procedural safeguards to protect information, which comply with all applicable laws.

## **FINRA Public Disclosure Program**

FINRA Conduct Rule 2280 requires us to provide you with the following information:  
**The FINRA Regulation Public Disclosure Program Address, Hotline Number and Facsimile Telephone number are:**

Public Disclosure  
FINRA Regulation, Inc.  
PO Box 9401  
Gaithersburg, MD 20898-9401  
Telephone: 800-289-9999  
Fax: 301-212-8137  
Website address is: [www.FINRA.org](http://www.FINRA.org)

The FINRA Regulation Public Disclosure Program publishes an investor brochure that is available by contacting Public Disclosure at the above telephone number or address. If you have any questions or concerns regarding your account, please feel free to contact your financial advisor or our offices at 760-471-8536.

## **Summary Disclosure Statement Offer**

Rule 204-3(a)(2) of the Investment Advisers Act of 1940 requires an investment adviser to offer annually, without charge, a copy of its disclosure document, Form ADV, Part II. To request a copy of this document, please contact us at 760-471-8536.