

2009 was one of those years that reminds us what a roller coaster the stock market can be—and also of the dangers of conventional thinking. After the collapse in global financial markets in late 2008 and the resulting pummeling taken by stock markets around the world, the consensus in January was that the worst was behind us. That was a sharp reminder of the danger of conventional thinking—by early March, the market was down by 25%.

At this point, the consensus shifted and there was growing sentiment that we might be entering a long period of economic stagnation; we heard respected economic forecasters talk about a one in five chance of another depression. It was precisely at this point that the coordinated stimulus spending by governments around the world finally had an impact and we began seeing signs of an economic recovery. From the market's bottom on March 9 to the end of December, global and U.S. markets were up by 50% to 65%.

Thus, 2009 proved what we should always remember: that it's impossible to predict short-term market movements.

Instead we need to focus on three key questions:

1. First, what do the prospects for economic and profit growth look like in the midterm—12 to 18 months and beyond?
2. Second, to what extent are these prospects for growth accurately reflected in today's prices of stocks and bonds?
3. Finally, how will my allocations stand up to market volatility?

A complete list of our predictions of 2010 can be found in the Centurion Counselor. In summary, we believe the next 18 months will be a period of rising interest rates, rising inflation and a period of slow or little growth in the domestic economy. We are confident that the unexpected will become commonplace. 2010 will also bring the mid-term elections and all the drama that goes with elections.

In designing portfolios, we use a strategic asset allocation approach, which is based upon the idea that in different years, diverse asset classes are the best-performing. It is difficult to predict which asset will perform best in a given year. Although many managers try to predict the "best" asset class each year, we believe this approach is unduly risky. An investor who "jumps" from the one asset to another, according to whim, most often will end up with worse results than someone following a consistent plan. The tortoise always beats the hare in the long run. Diversification among different non-correlated asset classes has been described as "the only free lunch you will find in the investment game".

Noted British historian Paul Johnson has written that at every given point in time, you can always point to good news and bad news—the only difference is the balance between the two and how it is treated by the media. In early 2000, at the height of the tech bubble, and in the beginning of 2008, at the top of the real estate and finance bubble, all we read was good news—almost no attention was paid to any offsetting concerns. By contrast, during market bottoms at the end of 2003 and early 2009, all we saw was the bad news—it's as if there were no positives on the horizon. (See fourth quarter 2008 counselor)

Despite the recovery in the global economy and markets since the early part of this year, the general sentiment and confidence level among many people today is quite negative. Much of that is driven by concerns about our economy—still the engine of global growth. And certainly there are lots of things to worry about in the U.S., including stubbornly high unemployment, a housing market that is still depressed (although no longer in decline), and government deficits on the Federal, state and local level.

We look forward to continuing to work with you in 2010 to ensure you have the portfolio that is right for you, and thank you again for the opportunity to work with you.

We are always available to talk about any of your questions. In the meantime, best wishes for a prosperous 2010!!

Advance Billing Notice

This is to provide you with notice that Centurion Counsel will charge your account for the **first quarter 2010** management fee. Your management fee for this quarter will be **\$ 1,134.14**. 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 **February 15, 2010**. 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.

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 Counsel, Inc., we may share information with other Centurion Counsel, 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 Counsel, 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

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.

Sincerely,

Jack K. Heilbron
Chairman

Jack K. Heilbron

January 1, 2010

Dennis and Patricia Sannes
34-591 Calle Tobará
Cathedral City, CA 92234

Statement of Services Rendered:

PERIOD: January 1, 2010 through March 31, 2010

December 31, 2009 Portfolio value was: \$226,827.00

The following calculation determined your management fee:

<i>Quarter Ending Value</i>	<i>Annual Rate</i>	<i>Fee</i>
\$226,827.00	2.0% FLAT	\$ 1,134.14

For your convenience, your fee will be deducted from your account unless we are notified within 10 days. Please verify the accuracy of the management fee and contact us if there are any discrepancies.

NOTE: If monies were received during the previous quarter, fee is prorated based on the number of days account was managed.