

April 1, 2010

Equities continued their high-flying ways in the first quarter, as the economy appeared to improve. The rally that began over 4,000 points and 12 months ago has pushed up the Standard and Poor's 500-stock index up 75% since the bottom and 4.9% for this quarter.

The question now is, are stocks ahead of themselves? The recovery has been spotty, unemployment stubbornly high, housing still scraping the bottom and the stimulus nowhere to be found. There has been some economic growth but most of the improvement has come not from gains in corporate revenue but from cost cutting. We believe the current market is overbought and over bullish with an unfavorable yield curve.

Treasury bond yields remained steady all quarter with the ten-year Treasury yield at 3.81%. That appears to be ready to change this quarter as a supply of new debt may overwhelm buyers.

Officially, the beginning and end of a recession is determined by the National Bureau of Economic Research (NBER). Although the NBER has not declared the recession over, the Federal Reserve Bank of St. Louis is using July of 2009 as its unofficial end date. Historically, there has been a tight correlation between housing and the economy. The housing industry has led the economy into both booms and busts. The slight improvement in housing that started last year with the help of the first time buyer tax credit appears to have run its course. In the last three months new home sales have reached their lowest levels since 1963. Does this mean a double dip recession? We believe the odds are near 50/50, unless the large supply of vacant and foreclosed housing is reduced.

We read a number of articles regarding behavioral finance and recently came across this interesting tidbit. In December of 2008, Stephen Greenspan, a developmental psychologist, published *Annals of Gullibility*, the first comprehensive academic treatment of why people are gullible. A few days later Bernie Madoff's Ponzi scheme was revealed, a crime for which he is now serving a 150-year prison sentence.

Unrelated? Not quite. Greenspan was one of Madoff's victims. He had a third of his retirement savings invested with Madoff.

Advance Billing Notice

This is to provide you with notice that Centurion Counsel will charge your account for the **second quarter 2010** management fee. Your management fee for this quarter will be . 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 **May 20, 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 Institutional Orders</i>	<i>Market Orders</i>	<i>Limit Orders</i>	<i>Material Aspects Relationship</i>
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

Jack K. Heilbron
Chairman