



**What you should know about your Pearson Capital, Inc. management fee.
CHECK YOUR TD AMERITRADE STATEMENTS for your specific management fee.**

If assets under management exceed \$25,000, our management fee is one percent annually.

Smaller accounts below \$25,000 are assessed a fee of 2% annually.

We do not have any additional entry or exit fees (loads) penalties, or service charges.

Our fee is extracted quarterly from the account at 25% of one percent by TD Ameritrade. Immediately following any quarterly management fee extraction, it is posted within your account's history information available on line. It is also posted in your TD Ameritrade monthly statement.

- First Quarter January-February-March
- Second Quarter April-May-June
- Third Quarter July-August-September
- Fourth Quarter October-November-December

The fee extracted for each quarter, will be assessed by the amount of assets under management on the closing of the last day of the preceding quarter. Accounts opening during the quarter will have their fee prorated. The fee taken will be reflected on the TD Ameritrade statement. Arrangements can also be made to send a check quarterly, rather than have the management fee extracted from the account. For those with two or more accounts, all management fees can be extracted from one account. Please call for additional information to learn more about these services.

(Example: \$100,000 under management on March 31, 2nd quarter accessed at 1% fee/year: \$1,000 divided into 4 quarterly billing periods, at .25%, quarterly fee would be \$250.00.)

A trading fee of \$9.95 is charged to your account and paid to TD Ameritrade when a buy or sell occurs within your account. Pearson Capital, Inc. does not receive any part of the trading fee. Every time a trade is made within your account you'll also receive written notification by mail arriving within three business days. For those requesting on-line account access, this service will be provided to you immediately by PCI. You can view your account history or performance at any time. TD Ameritrade also provides monthly statements recapping current holdings and all account activity.

2007 - IMPORTANT UPDATES

(This information is also accessible on our web site www.pearsoncapitalinc.com)

Keeping our clients well informed with updates, changes and improvements within our company is paramount. We are including these important updates in our Investment Letter.

PRIVACY POLICY

On November 13, 2000 the SEC adopted Regulation S-P, privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act, which requires the Advisor to protect "nonpublic personal information" about their customers from being distributed to nonaffiliated third parties unless consent has been specifically granted by the Client. Therefore, Client hereby acknowledges delivery and receipt of the Advisor's Privacy Notice at the time they opened their account. Such notice reflects the Advisor's privacy policies and practices, and the options the Client has to "opt out" of any nonpublic information about them that may be distributed to a nonaffiliated third party.

Form ADV Part II

If you would like to have our updated Form ADV Part II, or our Privacy Policy please notify us at any time, and we will email or send a copy to you immediately.

Proxy Voting

Advisor will not be required to take any action or render any advice with respect to the voting of securities in the Account, and Advisor is specifically precluded from doing so. The Advisor is hereby expressly precluded from voting proxies. Client understands and agrees that Client retains the right to vote all proxies, which are solicited for securities held in the Portfolio.

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