

**FORM ADV**

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

Name of Investment Adviser: <b>Pearson Capital, Inc.</b>				
Address: (Number and Street) <b>6431 Rubia Circle</b>	(City) <b>Apollo Beach</b>	(State) <b>FL</b>	(Zip Code) <b>33572</b>	Area Code: Telephone Number: <b>( 813) 641-7575</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Applicant: <b>Pearson Capital, Inc.</b>	SEC File Number: <b>801-64879</b>	Date: <b>January 1, 2008</b>
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Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:		
<input checked="" type="checkbox"/>	(1) Provides investment supervisory services . . . . .	100%
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services . . . . .	_____ %
<input type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above . . . . .	_____ %
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription . . . . .	_____ %
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above . . . . .	_____ %
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities . . . . .	_____ %
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	_____ %
<input type="checkbox"/>	(8) Provides a timing service . . . . .	_____ %
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above . . . . .	_____ %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

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B. Does the applicant call any of the services it checked above financial planning or some similar term? . . . . .

	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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C. Applicant offers investment advisory services for: (check all that apply):

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other

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D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

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2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input checked="" type="checkbox"/> D. Pension and profit sharing plans	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Equity Securities<br>(1) exchange-listed securities<br><input checked="" type="checkbox"/> (2) securities traded over-the-counter<br><input checked="" type="checkbox"/> (3) foreign issues | <input type="checkbox"/> H. United States government securities   |
| <input checked="" type="checkbox"/> B. Warrants  | <input type="checkbox"/> I. Options contracts on:<br>(1) securities<br><input type="checkbox"/> (2) commodities   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper)  | <input type="checkbox"/> J. Futures contracts on:<br>(1) tangibles<br><input type="checkbox"/> (2) intangibles  |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> K. Interests in partnerships investing in:<br>(1) real estate<br><input checked="" type="checkbox"/> (2) oil and gas interests<br><input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> E. Certificates of deposit   | <input type="checkbox"/> L. Other (explain on Schedule F)   |
| <input checked="" type="checkbox"/> F. Municipal securities  |   |
| <input type="checkbox"/> G. Investment company securities<br>(1) variable life insurance<br><input type="checkbox"/> (2) variable annuities<br><input checked="" type="checkbox"/> (3) mutual fund shares                          |   |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input type="checkbox"/> Charting               | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical              |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes  No   
 (If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes  No

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**Level and Frequency:** Each account will be reviewed at least quarterly to determine if the client's needs and objectives are being met by the current Investment Advisor selected by the client. General guidelines, market conditions, and cash needs are adjusted as necessary.

**Triggering Factors:** Specific goals and objectives, as indicated by the client through personal interviews, are established for portfolio positioning and diversification, and monitored periodically and revised as needs dictate. Significant changes in the client's personal circumstances, the general economy, or tax law changes can trigger more frequent reviews.

**Reviewers:** Mr. Donald E. Pearson will conduct the investment review of all client accounts.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**Investment results are provided to client on a quarterly basis. Each quarterly statement will summarize the specific investments currently held and the value of client's portfolio. Client will also receive monthly reports from the investment company and/or brokerage firm managing their accounts.**

Applicant: <b>Pearson Capital, Inc.</b>	SEC File Number: <b>801-64879</b>	Date: <b>January 1, 2008</b>
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**12. Investment or Brokerage Discretion.**

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- |  |  |   |
|--|--|---|
| (1) securities to be bought or sold? .....               | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | Yes<br><input type="checkbox"/>            | No<br><input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                         | Yes<br><input type="checkbox"/>            | No<br><input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? ..... Yes  No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... Yes  No
- B. directly or indirectly compensates any person for client referrals? ..... Yes  No

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... Yes  No

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Pearson Capital, Inc.</b>	IRS Empl. Ident. No.: 59-3529779
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Item of Form (identify)	Answer
Item 1.D.	<p><u>EXECUTIVE SUMMARY:</u></p> <p><u>Business Focus</u></p> <p>Pearson Capital provides objective, innovative and personalized solutions - on a broad range of investment products and services - to affluent individuals, qualified pension/profit sharing plans, trusts, estates, charitable organizations, corporations, and small businesses who desire a high degree of personalized and professional service. Services are provided on a fee-only basis.</p> <p><u>Mission Statement</u></p> <p>Pearson Capital's objective is to enhance investment performance while reducing portfolio volatility by simplifying the vast complicated web of financial investments with one overall objective in mind - to structure and implement strategies designed to assist the client in retaining maximum control over their wealth in a manner appropriate with their given level of risk.</p> <p><u>Preparation for Investment Services</u></p> <p>Pearson Capital conducts a pre-advisory one-on-one consultation with a client to better understand their individual financial make-up and objectives. Through this consultation Pearson Capital discusses a client's liquidity needs, risk tolerances, and other variables relevant to understanding his or her unique investment circumstances.</p> <p>Successful investment management and asset allocation can be difficult to achieve if the client cannot project a clear picture of his or her financial needs and time horizons; and with today's global markets this can be very critical. Therefore to eliminate any potential miscommunication, Pearson Capital requires every client to complete a Confidential Client Profile prior to conducting investment advisory services. This Profile will assist Pearson Capital in clarifying the clients overall personal finances and objectives.</p> <p>A Confidential Client Profile for a client can simplify and determine financial alternatives by:</p> <ol style="list-style-type: none"> <li>1. Defining and narrowing a client's objectives and investment options;</li> <li>2. Forcing creative thinking;</li> <li>3. Identifying areas of greatest concern;</li> <li>4. Creating a unique picture of the client's overall financial personality; and,</li> <li>5. Providing an effective and efficient way for Pearson Capital to address a client's unique financial needs and objectives.</li> </ol> <p>Once a Confidential Client Profile has been completed, each client will receive a written assessment of Pearson Capital's understanding of that client's investment objectives, needs, and risk tolerance and include a proposed investment strategy.</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Pearson Capital, Inc.	SEC File Number: 801-64879	Date: January 1, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Pearson Capital, Inc.</b>	IRS Empl. Ident. No.: 59-3529779
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Item of Form (identify)	Answer						
1.A.(1)	<p>The services Pearson Capital offers are described in greater detail below along with its fee schedule, management requirements, refund and termination provisions:</p> <p><b>INVESTMENT SERVICES -</b></p> <p>Pearson Capital provides investment management services on a discretionary basis for respective clients by designing and managing tailored investment portfolios.</p> <p><u>Fee Structure for Investment Services</u></p> <p>The standardized fee structure for these services is based on an annual percentage of assets under management according to the following schedule:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Assets under Management</u></th> <th style="text-align: center;"><u>Annual Fee Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">\$ 0 - \$25,000</td> <td style="text-align: center;">2.00%</td> </tr> <tr> <td style="text-align: center;">\$25,000 and up</td> <td style="text-align: center;">1.00%</td> </tr> </tbody> </table> <p>Pearson Capital retains the right to modify the minimum account size and the above fee structure depending on the size, complexity, and nature of the services provided for the account. The fees may be negotiable on a client to client basis. The above fees are exclusive any fees, trading commissions, service or account charges, and load or redemption charges that may be imposed by a fund company, custodian or broker/dealer.</p> <p>The initial fee for implementation of a new investment service account will be based upon the portfolio value proportionate to the remaining days left in the quarter, and is due at the time account is opened. Thereafter, client will be billed quarterly in advance based on the clients assets under management and in accordance with the above fee schedule. The minimum annual fee billed quarterly for all investment management consulting services is \$250.00.</p> <p>At the beginning of every quarter, Pearson Capital shall send an invoice for that quarter's management fee to the custodian of the client's account. Client's agreement with custodian will have authorized such management fee payments from the account to Pearson Capital. A duplicate of the invoice will be sent to the client.</p> <p><u>Termination Provisions for Investment Services</u></p> <p>Client has five (5) full business days after entering into the written agreement for investment services in which to cancel without penalty. After the five (5) day grace period offered to client has expired, services may be terminated by either party at anytime upon receipt of 30 days written notice. This allows Pearson Capital sufficient time to finalize transactions and enable the delivery of final statements and release of documents. Upon termination, Pearson Capital shall be paid their</p>	<u>Assets under Management</u>	<u>Annual Fee Rate</u>	\$ 0 - \$25,000	2.00%	\$25,000 and up	1.00%
<u>Assets under Management</u>	<u>Annual Fee Rate</u>						
\$ 0 - \$25,000	2.00%						
\$25,000 and up	1.00%						

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Pearson Capital, Inc.	SEC File Number: 801-64879	Date: January 1, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Pearson Capital, Inc.</b>	IRS Empl. Ident. No.: 59-3529779
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Item of Form (identify)	Answer
Item 5.	<p align="center"><i>- Continuation of Termination Provisions for Investment Services -</i></p> <p>fee through the date of termination, and includes any unpaid fees, expenses, or account charges. Any balance of the management fee paid but not used shall be refunded on a pro-rata basis.</p> <p><b><u>EDUCATION AND BUSINESS STANDARDS:</u></b></p> <p>Any Investment Advisory Representatives retained by Pearson Capital will be required to have suitable investment experience in fields directly related to investment management; and/or have the required examinations and qualifications to act as such representative.</p>
Item 6.	<p><b><u>EDUCATION AND BACKGROUND:</u></b></p> <p>Donald E. Pearson <span style="float: right;"><i>Date of Birth:</i> April 10, 1944</span></p> <p><i>Education:</i> NASD Exams: Series 65 - Uniform Investment Advisor Law Examination</p> <p><i>Business:</i> 12/98 - Present Pearson Capital, Inc. 11/63 - 04/99 Coca-Cola Bottling Company of N.E.</p> <p style="text-align: right;"><i>Position:</i> President, CEO &amp; CCO <i>Position:</i> Sales &amp; Marketing</p>
Item 8.	<p><b><u>OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS:</u></b></p>
8.C.(1)	<p><b>BROKER/DEALER -</b></p> <p>Pearson Capital has custodial and brokerage relations with Waterhouse Securities, Inc. an NYSE licensed broker/dealer (member NYSE/SIPC), through its Waterhouse Institutional Services division for investment advisors.</p> <p>Unless specified otherwise, all managed accounts of Pearson Capital will be serviced through Waterhouse. Pearson Capital is solely responsible for investment advice rendered, and advisory services are provided separately and independently of the broker/dealer.</p>
Item 9.	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS:</u></b></p>
9.E.	<p>Owners, officers, directors and employees of Pearson Capital are permitted to personally invest their own monies in mutual funds and/or other similar vehicles which may also be, from time to time, recommended to clients. Such investment purchases are independent of, and are not connected in any way to, investment decisions made on behalf of Pearson Capital's clients. Personal trading activities</p>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant: Pearson Capital, Inc.	SEC File Number: 801-64879	Date: January 1, 2008
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Pearson Capital, Inc.</b>	IRS Empl. Ident. No.: 59-3529779
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Item of Form (identify)	Answer
	<p><i>- Continuation of Participation or Interest in Client Transactions -</i></p> <p>conducted by Pearson Capital and its owners, officers, directors and employees are monitored by Mr. Pearson to ensure that such activities do not impact upon client security or create conflicts of interest.</p> <p>Pearson Capital does not permit insider trading. All employee's personal securities transaction records will be maintained separately and independently from that of clients.</p>
Item 12.	<p><u>INVESTMENT OR BROKERAGE DISCRETION:</u></p>
12.A.(1)&(2)	<p>SECURITIES AND AMOUNT BOUGHT OR SOLD -</p> <p>Pearson Capital executes an agreement with each client which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the client.</p>
Item 13.	<p><u>ADDITIONAL COMPENSATION:</u></p>
13.B.	<p>REFERRAL COMPENSATION -</p> <p>Pearson Capital may directly compensate persons for client referrals, provided that those persons are qualified and have entered a solicitation agreement with Pearson Capital. Under such arrangements, the client will be provided full disclosure of the compensation paid to the solicitor and whether such referral will result in higher management fees.</p>
	<p>END OF DOCUMENT</p>