Hermes ECONOMETRICS
Client Agreement

Investor agrees to use the services of Advisor in an investment program using the mutual fund/annuity group designated in the Account Information. Investor authorizes Advisor to effect exchanges between selected funds in accordance with Advisor's Buy/Sell indicators. Investor recognizes that Advisor will implement exchanges between equity or bond funds and money markets on a best-efforts basis, subject to the procedures and limitations established by the mutual fund or annuity company and/or its transfer agent. Hermes assumes no liability or responsibility for policies and procedures of fund and annuity companies, including denied or delayed exchanges. Investor recognizes that there is no assurance as to the accuracy of the Advisor's indicators and that any market losses resulting from the use of such indicators are normal market risks and the risks of the Investor. Investor agrees not to make or permit any exchange in their account contradictory to Hermes' positions. Any such act will relieve Hermes of any liability.

Limited Power of Attorney: This authorization includes the right of Advisor to make exchanges without notice to Investor, and Investor hereby appoints Advisor as his true and lawful limited Attorney-in-Fact to have complete discretionary authority over such fund exchanges. Upon such exchange, a transfer fee may be charged by the mutual fund or custodian bank, which will be deducted from the proceeds of liquidation before reinvestment.

Management fees: Investor shall pay Advisor for services rendered pursuant to this agreement calculated in accordance with the schedule below. Fees shall be payable for the first quarter upon signing this Agreement, for additional amounts when deposited and as agreed upon by contract. Multiple contracts in the same ownership may be combined to take advantage of breakpoint fee reductions. Fees are paid in advance by check or liquidation from the fund or variable annuity at the option of the client. There may be additional fees imposed by the mutual fund or variable annuity used, and these fees will effect performance. Hermes Econometrics does not participate in any additional fees, other than the advisory fee.

Fees will be refunded in full if termination agreement is requested within five business days of contract acceptance. Accounts will be managed for the period paid. Comparable services may be available from other sources for higher or lower fees. A $50 service charge will be incurred by a client who converts from one Investor agreement with Advisor to another (except at renewal) and the fee schedule below will apply to the balance of the contract period.

Fee schedule:	Amount Invested	Annual Fee	Billing period
	$ 25,000 - $100, 000	2.40%	Quarterly
	$ 100,000-$500,000	2.0%	Quarterly
	$500,000 - $999,999	1.50%	Quarterly
	Over $1,000,000	1.00%	Quarterly

Advisor reserves the right to make exceptions to the account minimums. Unless otherwise precluded by state statute, this Agreement will remain in effect until canceled in writing either by Advisor or Investor. Unless the Advisory fee is received within 15 days of the anniversary date, the Agreement will automatically cancel. Either party may terminate this Agreement by giving written notice to the other at any time during the term of this Agreement.
Disputes: This agreement is accepted in, and shall be governed by and construed in accordance with the laws of the State of California. Any and all disputes to this Agreement or its breach shall be settled by arbitration, by a single arbitrator, in San Francisco, California, in accordance with the then-current rules of the American Arbitration Association ("AAA"), and judgment upon the award entered by the arbitrator may be entered in any Court having jurisdiction hereof. Costs of arbitration, including reasonable attorney's fees incurred in arbitration, as determined by the arbitrator, together with any reasonable attorney's fees incurred by prevailing Party in Court enforcement of the arbitration award after it is rendered by the arbitrator, must be paid to the prevailing Party by the Party designated by the Arbitrator or Court. Said arbitration shall be conducted in the English language and the award rendered in U.S. dollars. Service of the Petition to Confirm Arbitration and written notice of the time and place of hearing on the Petition to Confirm the Award of the Arbitrator shall be made in the manner provided herein for all notice. Such service shall be complete on personal delivery or the deposit of the Petition and notice in the US mail.

Hermes econometrics
An SEC Registered Investment Advisor
1299 Fourth Street, Suite 200 • San Rafael CA 94901
800.488.1781 • 415.454.4184 • Fax 415.454.4195
www.econ101.com • marketing@econ101.com

Account Information

__100% of account is in money market fund: ____. Invest account
Fund family/account number
as indicated below (must be a fund family/annuity company on Advisor's approved list).

Or

__Account is currently invested as indicated below:

A COPY OF THE MOST RECENT MUTUAL FUND STATEMENT OR THE ANNUITY APPLICATION PAGE MUST ACCOMPANY THIS FORM. Corporate accounts must include a corporate resolution or equivalent document. Trust accounts must include pertinent sections of the trust (see instructions). New accounts received in between exchanges may remain in the money market/or be invested at any time at the Advisor's discretion.

Fund Family/Annuity Name	Fund/Contract Account #	Apprx Account Value	% of total
____________________________________	______________________	___________________________	______________
____________________________________	______________________	___________________________	______________
____________________________________	______________________	___________________________	______________
____________________________________	______________________	___________________________	______________
TOTALS		___________________________	100%

Registrations must be the same on all accounts listed above. Use a separate sheet for each fund/annuity family. Advisor may participate in the selection of an investment program in conjunction with registered representative. Advisor reserves the right to use any fund (other than specified) within the fund/annuity family if, in Advisor's opinion, it is more appropriate, or if required by the fund/annuity. No assignment of this contract shall be made without prior written consent of the investor. Hermes reserves the right to refuse a contract with any investor for any reason.

Account Registration: ____

Address: ____

City/State/Zip: ____

Telephone (include area code) ______________________Tax ID __________________________ Date of birth ______________

Fax (optional) ____ Email (optional) _____________________________________

Indicate type of account: _____ Individual _____ Joint _____ IRA _____ IRA Rollover ______ Other __________________

Systematic Withdrawals/Investment Amount $_____________Monthly _____ Quarterly _____ Other_____________

Representative: __________________________________ Telephone: _________________

B/D or RIA: ____

Acknowledgements: I/we give authorization to Advisor to make exchanges via telephone, fax or Internet. Hermes Econometrics is our third party investment advisor and is herein granted authorization to obtain any and all information on the accounts above or to request payment of management fees. I/we have received a copy of the Advisory Disclosure and Compliance Statement, pursuant to SEC Rule 204-3, which includes disclosures regarding Hermes compensation arrangement with the person or firm who solicited or referred me/us to Hermes Econometrics. I/we have read and agree to abide by both sides of this agreement.

____ ____
Investor signature Date Joint investor signature Date

Accepted by Hermes econometrics:

By: ____ Title: ___________________________________Date: ____________________

Management Fee for Third Party Advisor

To: ____
Custodian

___ I authorize ongoing automatic fee deductions.
___ I authorize you to only liquidate for the current fee below.

If both boxes above are blank and the option is available, Hermes will process as an ongoing authorization, until cancelled. Client understands that this transaction may result in a 1099 from the fund/annuity at the end of the year.

Account Title: ____

Fund /Account #:____

Money Market Fund/Account# :____

Qualified accounts:

__ I am under 59 1/2 and understand that I may be subject to IRS penalties

__ I am over 59 1/2 and therefore not subject to IRS penalties

__ I am over 70 1/2 and wish to include this liquidation as part of my required minimum distribution for the year

Non-Qualified accounts: This liquidation represents payment of the advisor's fees.

Payment instructions: Please liquidate $______________(not more than 2.4%, net of any applicable fees).
Check is to be payable to and sent to:
Hermes Econometrics
FBO: _____________
1299 Fourth Street, Suite 200
San Rafael, CA 94901
415.454.4184

This is a management fee not subject to withholding. Do not withhold taxes. Code as a non-taxable redemption.

Disclosure for Automatic Fee Deductions: I (we) understand that Hermes Econometrics will calculate the amount of the advisory fee periodically and I (we) authorize the fund or annuity company, at the written request of Hermes Econometrics, to redeem the appropriate number of shares to pay advisory fees to them.

Signatures

Please sign exactly as registered at the fund/annuity company. Include legal title if signing for a corporation, trust, custodial account, etc.

_______________________________________ _______________________________________
Client /Authorized signature Date Print name

_______________________________________ _______________________________________
Joint client signature Date Print name

_______________________________ _______________________________
Representative signature Date Print name

Signature Guarantee:

To: Client(s)

You are being provided this disclosure statement as required by Rule 206(4)-3 of the Investment Advisers Act of 1940. A copy of this statement will be retained by the Investment Advisor as required by Rule 204-2(a)(15).

Solicitor (Representative) ____

Please print

Solicitor's Broker/Dealer or
Registered Investment Advisor ____

Please print

Investment Advisor: Hermes Econometrics

_____The Solicitor is not related to the Investment Advisor in any way other than to solicit clients for the management services provided by the Investment Advisor.

____ The Solicitor is affiliated to the Investment Advisor (explain) ______________________________

The Solicitor will be compensated for solicitation services by the Investment Advisor. The Investment Advisor will pay the Solicitor's broker/dealer up to 50% of the management fee received by the Investment Advisor. There may be other fees associated with the investment that Investment Advisor does not participate in .No person or organization solicited by the Solicitor on behalf of Investment Advisor, who subsequently becomes a client of Investment Advisor, will be charged for the solicitation activities of the Solicitor. All referral fees paid to the Solicitor represent a portion of the fees actually charged by Investment Advisor for investment advisory services on behalf of the client. There is no differential between the amount or level of investment advisory fees which Investment Advisor will charge for managing your account in excess of that which it would customarily charge for managing any other new client with similar assets and which was not referred to Investment Advisor by the Solicitor.

Other fees to the client associated with the Investment Advisor obtaining the account are (if any):

____

I (we) have read, understand and acknowledge receiving a copy of the above Advisor's disclosure.

______________________________ ______________________________

Client signature Date Print name

______________________________ ______________________________

Client signature Date Print name

____

Registered Representative signature Date

Send a copy form to:
Hermes econometrics
1299 Fourth Street, Suite 200
San Rafael CA 94901
Please contact us if you have any questions: 1.415.454.4184 1.800.488.1781