

Hermes ECONOMETRICS

Register Investment Advisor 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 custodian, fund or variable annuity at the option of the client. There may be additional fees imposed by the custodian (platform, mutual fund or variable annuity), and these fees will effect performance. Hermes Econometrics does not participate in any additional fees, other than the advisory fee. Please also see Solicitor' disclosures.

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	1.2%	Quarterly
	\$ 100,000-\$500,000	1.0%	Quarterly
	\$500,000 - \$999,999	.75%	Quarterly
	Over \$1,000,000	.5%	Quarterly

Independent Registered Investment Advisor will be charging up to 1% annually for individual advice. Hermes Econometrics will not participate in those fees. 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 he 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
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