

PASI Fees and Compensation

We work strictly on a fee for service basis calculated on dollars under management. Our fee begins at 1% annually, with a declining rate structure beyond the first \$500,000. As a fee-based adviser, our interests are completely aligned with our clients – the growth of the account values. To achieve a beneficial reduction in fees, related accounts are aggregated to calculate billable asset value.

BILLABLE ASSET VALUE

ANNUAL FEE SCHEDULE

First	\$500,000	1.0% of Asset Value
Additional	\$500,000	0.9% of Asset Value
Additional	\$1,000,000	0.8% of Asset Value
Additional	\$1,500,000	0.7 % of Asset Value
Additional	\$1,500,000	0.6% of Asset Value
All Additional		0.5% of Asset Value

Fees above are expressed on an annual basis. Billing is calculated on the accrued account value at the end of the quarter and billed at 1/4th the rate shown above. Our billing is submitted to the client within thirty days after the end of the quarter in which our services were provided. Clients may elect to have fees deducted by signing a fee deduction authorization. If fees are deducted from an account, we will send a copy of the invoice along with a statement specifying the information is for their records only and that the fee has been deducted. New or terminating accounts managed less than a full quarter will be billed a prorated amount.

Our bills are due and payable within a reasonable length of time; there is no service, maintenance, penalty or interest charge for late payment.

We have a written agreement containing our standard fee schedule as outlined above which serves as a contract between our company and its clients. The agreement contains the provision that we will not assign the agreement without the client's consent. Either party can terminate the agreement at any time upon written notice. Any deviation resulting in a nonstandard agreement must be negotiated.

Clients sign a separate agreement with an unrelated third-party custodian which includes their custodial fee agreement. PASI does not receive any commissions or fees from custodians or broker/dealers.

A Bloomberg System has been installed in our office providing interactive financial information including direct electronic trading. Currently, Bloomberg charges a nominal commission of \$0.025 per share of stock bought or sold.

Some accounts are housed at brokerage firms or other banks per the client's direction. We monitor broker execution and commissions closely for accounts housed outside our primary custodian, consulting with the broker and client if costs are found to be outside acceptable norms for similar size trades.