

## STOCK & MUTUAL FUND SERVICE AGREEMENT

This agreement is entered into by and between **B & A Sector Watch** and \_\_\_\_\_ (“Investor”), whereby Investor will be more particularly described below. Such stock and/or mutual fund service shall be performed by **B & A Sector Watch** or employees of **B & A Sector Watch**.

- 1) The service consists of a mutual fund management service using mutual funds and investment company shares in families of funds such as Guggenheim Funds, LLC, Pro Funds, or other mutual fund shares and/or stock investing and trading through other custodians. Our investment advisor shall have a limited power of attorney in the language required by the custodian, to buy, sell, or redeem each stock or fund holding for the Investor’s benefit and shall have full discretion and authority to transfer Investor’s monies from one fund to another without prior notification or consultation to Investor. The mutual fund account registration(s) shall at all times be in a name or entity specified by the Investor and at no time shall be in the name of **B & A Sector Watch**. Only the investor shall have ownership of stock or mutual fund shares or monies and **B & A Sector Watch** shall only have authority to transfer assets from entity to entity within the family of stocks, sectors or mutual funds designated by the Investor.
- 2) The Investor shall open an account to be traded by **B & A Sector Watch**. The Investor shall appoint **B & A Sector Watch** as their limited power of attorney and notify the mutual fund or brokerage of such appointment either in formal signed writing or in a signed stock and/or mutual fund application under the “Appointment of Agent” section. Investor hereby grants **B & A Sector Watch** authority to transfer monies from entity to entity within the mutual fund family, or from stock to stock, or from stock to fund or fund to stock at its discretion for the Investor.
- 3) All monies placed with the mutual fund(s) or stock(s) and all subsequent profits therefrom will be the ownership of Investor. The mutual fund or brokerage chosen will be the custodian of such funds. **B & A Sector Watch** will only have the trading authority to transfer such monies, with full discretion, from fund to fund for the best interests of the Investor’s profits and preservation of capital.
- 4) The Investor will receive notices of such transfer transactions, by **B & A Sector Watch**, directly from the mutual fund or from the brokerage we are trading with at the time. This way the Investor will have full knowledge of all transfers, the date of such transfers, the profit or loss of such transfers, and the current account balance.
- 5) The Investor must immediately notify **B & A Sector Watch** of all additional investment monies placed into the investment account as well as all investment monies taken out of their account. This notice will provide **B & A Sector Watch** with the knowledge of the current size of the Investor’s account with the particular investment entity. This will enable **B & A Sector Watch** to optimize the Investor’s account with full resources for each potential transfer or trade.
- 6) Because gains as well as losses can result, Investor understands the risks inherent in a timing method that switches monies from one entity to another. **B & A Sector Watch** cannot guarantee the performance of its investment and/or its timing program in the future, based on prior performance.
- 7) Investor agrees that **B & A Sector Watch** shall not be liable for acts or their omission to act as long as **B & A Sector Watch** shall not have acted fraudulently, in bad faith or willful misconduct.
- 8) Investor also understands that timing stocks and mutual funds involves a frequent transfer of monies from stock to stock and from fund to fund. This constitutes the sale and purchase of securities and, as such, may result in either a gain or loss which is subject to applicable federal and state tax laws regarding short-term capital gains and losses.

- 9) **Non-exclusivity Clause.** **B & A Sector Watch**’s services are not to be deemed to be exclusive for the

Investor, and **B & A Sector Watch** shall be free to render the same or other services to others. The Investor does hereby acknowledge that **B & A Sector Watch** may make trades in other accounts, including accounts owned by **B & A Sector Watch**, its employees, and its agents.

- 10) **Termination.** **B & A Sector Watch** may terminate this agreement when the account balance falls below the minimum standard amount required by the mutual fund family, due to withdrawal of funds by the Investor. Such prevention of performance by the Investor will excuse all duties owed under this agreement by **B & A Sector Watch**; but this will not excuse the payment for services rendered by **B & A Sector Watch** for the benefit of the Investor. This agreement shall remain in effect until either party terminates this agreement by providing the other party written notice of its intent to do so at least 10 days prior to doing so. However, **B & A Sector Watch** agrees that he will not enter into any new trades beginning the day after it receives written notice of the Investor's intention to terminate this agreement. Upon receipt of such written notice by **B & A Sector Watch**, it will transfer all monies at risk into a money market account, unless instructed to do otherwise.
- 11) **Assignment.** This agreement may not be assigned in whole or in part by either party without the prior written consent of the other party.
- 12) **Governing Law.** This agreement is subject to and will be performed in accordance with the provisions of arbitration law and the appropriate statutes of the State of Nevada in an effort to resolve any disputes. The Investor is free to pursue other courses of action available under the law.
- 13) **Management Fee Agreement.** **B & A Sector Watch** shall be compensated by Investor for its services in trading and administering their account with the investment entity selected.
  - 13.1) **Quarterly paid management fee.** Such compensation shall be paid quarterly after the rendering of performance by **B & A Sector Watch**. If a full quarter has not elapsed since the beginning of **B & A Sector Watch**'s performance, then the performance rendered up to the quarter's end will be pro-rated. This is to provide for new accounts, starting this agreement, or the closing of existing accounts, ending this agreement, after the quarter has begun. "Quarterly" is defined herein as the period of three months ending with March 31, June 30, September 30 and December 31 of each calendar year.
  - 13.2) **Manner of management fee payment.** There are two ways such fees can be paid:
    - (A) Full and direct payment from the Investor to **B & A Sector Watch** in a timely manner, or
    - (B) Authorized payment of fees from the Investor's account. This is made possible by the Investor signing a written statement of instructions to the entity or the signed authorization on the entity's application form.
  - 13.3) **The Investor's account value and management fee.** All management fees are calculated on the basis of the Investor's account total dollar value at the end of each quarter. The total dollar value will equal the number of shares owned in the account multiplied by the net asset value of the fund. The Investor's total dollar value of account shall also be defined as the beginning account dollar value, plus any account additions of money, minus any withdrawals by the Investor, plus the total realized and unrealized gains and losses, minus the mutual funds management fees, if any.
  - 13.4) **The management fee.** The management fee is competitive and equal to the amounts shown in the table below. Management fees are based on a percentage of assets under management and may be negotiable under certain circumstances. The maximum management fee will be 0.25% of the account total dollar value each quarter. The larger the amount of money under management, the less percent amount is required. But in no event will any management fee be less than 0.125% of the account's total dollar value. **Management fees are assessed after the end of each calendar quarter. All fees are negotiable. They may even be waived in light of other considerations.**

**Total dollar value of account**

**Management fee**

Minimum to \$1,249,999.99	0.25% per quarter
\$1,250,000 to \$1,499,999.99	0.21875% per quarter
\$1,500,000 to \$1,749,999.99	0.1875% per quarter
\$1,750,000 to \$1,999,999.99	0.15625% per quarter
\$2,000,000 and over	0.125% per quarter

14) **General and/or specific investment advice besides stock market and timing advice** may be obtained from **B & A Sector Watch**. Any agreement for a fee for this kind of service will depend on the nature of the advice, the time commitment, account size, and other considerations. Such fees are negotiable. They may even be waived in light of other considerations. Understandings can be verbal or in writing if any kind of fee or compensation is involved.

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THE PARTIES WHOSE TRUE AND CORRECT SIGNATURES APPEAR BELOW HAVE EXECUTED THIS AGREEMENT AS OF THE DATES SPECIFIED BELOW.

**B & A Sector Watch**  
**P.O. Box 629**  
**Virginia City, Nevada 89440**  
**Phone (775) 847-0774**

\_\_\_\_\_  
**Investor (print name)**

By \_\_\_\_\_  
**Bob Benkovich,**  
Investment Advisor for  
**B & A Sector Watch**

\_\_\_\_\_  
**Investor (signature)**

\_\_\_\_\_  
Additional signature (if joint account)

Date \_\_\_\_\_

\_\_\_\_\_  
Title (if partnership or corporation)

Date \_\_\_\_\_  
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