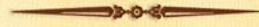


Lighthouse Financial

"Your Beacon to Financial Security"



Premier Stock Rotation Strategy

We filter then rank all Russell 3000 stocks every night on our proprietary blend of common criteria such as Return on Assets, Return on Equity, Relative Strength, and Price to Earnings. For an asset to be included it must meet a specific list of requirements that we have created for your overall success.

Uses a basket of the top 20 Stocks.

Stocks traded as a group by percentage.

A proprietary list of indicators tells us when to be in the market and when to be out.

Indicators we look at to get into the Market:

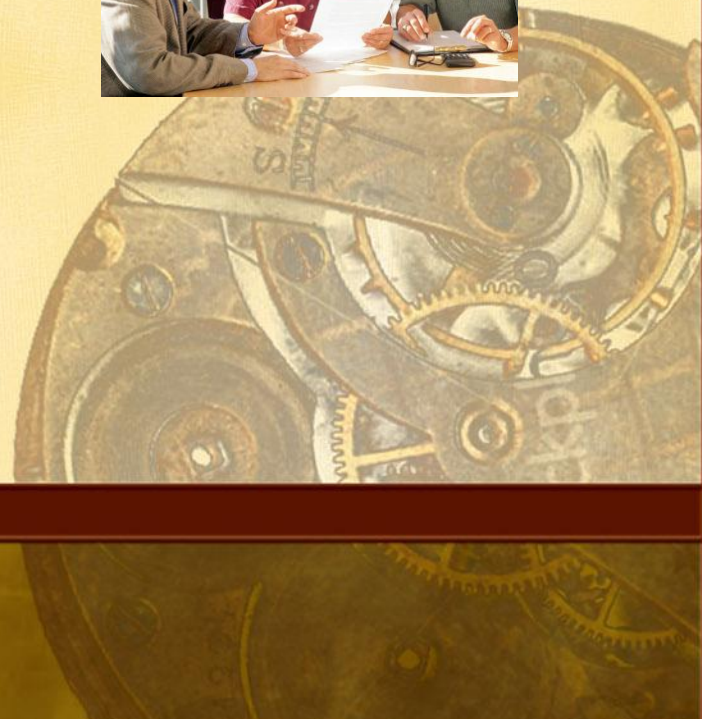
Current Labor Reports from the Treasury Department (most accurate and current source available).

Average hold time on Calls versus Puts from the Option Clearing House.

Addressing the Needs of Individual Investors



Helping you Achieve Your Financial Goals



Getting The Most From Our Research Analysis.

The brokerage firms on Wall Street have worked hard to convince us that passive asset allocation is the best way to grow your investments. Over the last decade, however, a growing body of academic research has been piling up to the contrary.

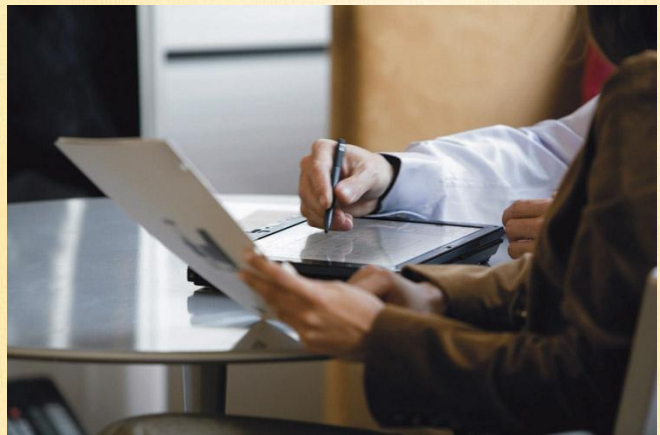
Additionally, we scan the macro-economic environment to see if we should even be in stock. These 5 macro-economic indicators that we use have given us the ability to sit out negative market moves in the last 3 years. This strategy is unique in that we do not have to buy and hold and wait years to recover from market downturns.

Many are rightfully disillusioned with the shortcomings of traditional asset allocation. Although we share long-term growth as the ultimate goal, our core beliefs are very different from those of passive investors. We are holding to the belief (successfully) that active management has vastly outperformed the passive “buy and hold” approach.

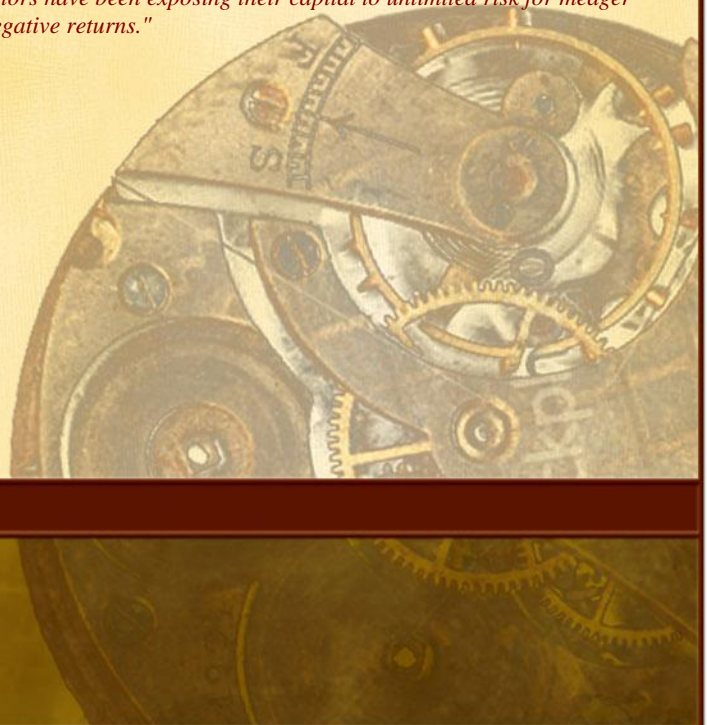
We believe that a proper reading of today’s academic research points to two key conclusions. That securities markets are predictable to some degree, and that active asset allocation allows for the use of essential risk management tools that traditional asset allocation cannot provide. These findings are an indictment of Modern Portfolio Theory and its supporting theories. If these conclusions are correct, those who have promoted these flawed principles have a lot of explaining to do in light of the current financial and economic crisis.



At Lighthouse Financial we use computerized algorithms and our trade process is not subjective in its core.



“The risks of buy-and-hold are now much too high and the returns over the last 10 years have been less than zero. Buy-and-hold investors have been exposing their capital to unlimited risk for meager or negative returns.”



Smarter Investing Using . . . a Disciplined Approach

Passive investors tend to ignore certain events in stock market history. That's not a good idea, according to Nobel Laureate **Paul A. Samuelson**, who said, "*The longer you own stocks, the greater the risk of a devastating loss.*" Just as the risk of crashing your car increases with each additional trip to the store, the risk of damaging losses in the stock market increases with every moment you own stocks in a "buy and hold" strategy.

How to Make Money in the Market

Know thyself . . . *Understand your safety preference. "If you don't know who you are, Wall Street is an expensive place to find out.*

Manage risk . . . *Professional investors ask, "How much can I lose?" Amateurs ask, "How much can I make?" In the long run, controlling risk distinguishes superior portfolio managers.*

Study market and economic history . . .
The history of the stock markets has led many people to conclude, possibly wrongly, that US stocks will always eventually make new highs. And yet, every country, civilization, currency, and market has ultimately gone to zero with enough

Chuck LeBeau, co-author of *Computer Analysis of the Futures Markets* (McGraw-Hill, 1991), says, "Buy-and-hold is not only the riskiest possible strategy; it doesn't even qualify to be called a strategy. Buy-and-hold is actually the absence of any intelligent exit strategy and is mostly adopted by default. Buy-and-hold is only recommended by unknowing pundits who are out of touch with the modern marketplace and are willing to advise their followers that taking unlimited risk and being in the market 100% of the time is a good idea. Obviously, that mistaken advice has proved to be very costly.