



August 16, 2007

Dear Client:

The recent sub-prime losses have created a liquidity crisis which has had an adverse impact on the financial markets. In light of this, I would like to share my thoughts with you on the market and my investment strategy.

The stock market has experienced a significant pullback in several areas including the financial, real estate and commodity sectors. The impact of this pullback has reverberated throughout the global markets.

I have been reducing our equity exposure since the beginning of the year by selling/reducing individual equity positions which I considered fairly valued. I have used these proceeds to reduce margin, rebalance the portfolio, invest in additional undervalued stocks and bonds, and where appropriate I have added a hedge position to the portfolio.

My investment strategy remains the same "value and growth at a reasonable price". The cash/fixed income portion of our portfolio is diversified and conservative by design. The equity mutual fund position gives us adequate equity diversification. The individual stock portfolio creates the opportunity to drive our performance.

I will continue to adhere to my overall investment strategy while remaining cautious during this volatile period.

Very truly yours,

Stuart M. Berson  
Berson & Corrado  
Financial Planners, LLC