



October 17, 2008

“Buy America. I am.”

“The financial world is a mess, both in the United States and abroad. Its problems, moreover, have been leaking into the general economy, and the leaks are now turning into a gusher. In the near term, unemployment will rise, business activity will falter and headlines will continue to be scary.

So ... I've been buying American stocks. This is my personal account I'm talking about, in which I previously owned nothing but United States government bonds. (This description leaves aside my Berkshire Hathaway holdings, which are all committed to philanthropy.) If prices keep looking attractive, my non-Berkshire net worth will soon be 100 percent in United States equities.” Warren E. Buffet from The New York Times October 17, 2008

How's the Oracle of Omaha done before with his market calls?

This is the fourth such declaration from Warren E. Buffet, two prior buys and one sell. He was first quoted in The New York Times on November 1, 1974 giving a strong “buy” recommendation just prior to the bottom of the second worst bear market in modern history. If you had heeded his advice you were greatly rewarded. Again, he put out a “buy” call on August 6, 1979 just months before the largest bull run in modern history that lasted 20 years. On November 22, 1999 Buffet was in print saying stocks were significantly overvalued just four months prior to the “tech bubble” burst.

“Be fearful when others are greedy, and be greedy when others are fearful.” Warren E. Buffet October 17, 2008

Of course, there are never any guarantees in investing, but with that said, when we get to the other side of the current volatility and negative news flow, I feel confident we will have all survived the most challenging investment environment of our lifetimes. Warren may be a little early again, but years from now we'll look back at this time as probably the best buying opportunity offered up during our lifetime.

continued...page 2

“In short, bad news is an investor’s best friend.” Warren E. Buffet October 17, 2008

By the time the economic news turned positive in March of 1933 the market had already rallied 30 percent. And as the economy was continuing to be ravaged by all time high inflation and interest rates in the mid 70’s the market rallied for several years.

Rest assured, we will survive and thrive once again.