



Conference Call Summary

Announced: 7/8/2009 Completed: 7/10/2009

Downward Spiral

CALL SUMMARY

- Strong Dollar – Flight to quality and the fed to raise interest rates
- Dow will retest and break lows by October 2009
- U.S. Government will be forced to provide second stimulus
- Proprietary *Cost of Capital Model* indicates negative income for consumer and corporations
- Spiral down of prices on all good services will put America back in competitive position
- Continue to avoid Muni's as California is only tip of iceberg
- Put money in short end of curve – Best since 1980
- 2012 will begin bull market that will last through 2018
- Inverted Curve Projection (chart)

REITERATE

- DJIA will hit 4200-4500 by second quarter 2011
- Unemployment rate which will reach 14-16%
- Negative GDP which will be app. - 5.9% for 2009 and -8% for 2010
- Oil will hit \$28-30/barrel
- Gold \$700/ounce
- Spiral down in all goods and services except ...cost of "money" rises
- 30 year Treasury 2.90% by end 2010

We appreciate your business and we will continue to have conference calls that are timely and will assist you in growing your business.