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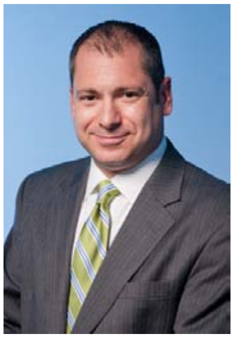

Written by Mitchell O. Goldberg, January 22, 2008.
ClientFirst Strategy, Inc.
For immediate release.

Here's what's really happening, a useful interpretation, and what it means to you….

All day Monday (January 22, 2008) and yesterday morning it was well publicized, a global market crash was unfolding and the only thing defending our shores was the fact that the U.S. markets were closed Monday to honor the late, great Martin Luther King, Jr. A tsunami of sell orders, it seemed, was destined to hit our shores from both sides (Asia & Europe). The futures market indicated this much before the opening bell today.

Let me make a few points to tie everything together:

1. The U.S. equity indices were already down substantially from their highs (about 15% for the Dow and S&P 500, 18% for NASDAQ, 20%+ for the small cap Russell 2000). The rest of the world stock averages simply caught up to us. If you think the Asian markets got hit harder, you're correct. These Asian economies do not have a developed domestic side to their economies quite like ours. Therefore, their growth rates are magnified both on the way up and down based on much smaller changes to our own internal domestic growth rate. In other words, a GDP of only 1%, or even -1%, could mean a 10% or greater contraction to some Asian economy's growth rates. The European bourses recovered a fair amount near the end of their trading day on Tuesday – a positive reaction to **the Fed's decision to cut rates by 0.75%.** It is noteworthy that most of what we import from China is actually engineered here, Europe, or Japan. China and most of Asia has simply become a low cost producer and when we cut back a little on our aggregate spending, they simply do not have the internal spending (shopping☺) power that we have.
2. A market correction (10% drops from a high point) and a bear market (20% drops from a high point) is simply part of the endless series of ups and downs that the equity market has always had.
3. **Rule 48** – This is a rarely used rule that allows the NYSE to suspend the requirement to disseminate price indications at the open of trading. It was invoked Tuesday! It gives the specialists on the NYSE lots of wiggle room by allowing them to drop the price of a stock at or before the open of trading in order to open trading of particular stocks at the opening. This is a little spoken about rule that played a big part in yesterday's big drop on the open. This new rule was approved by the SEC on December 6, 2007.
4. ***The important thing is that the ongoing creative destruction in the market is necessary to separate the quality form the junk. Who would have thought that important U.S financial services companies were heading for such trouble? Our high quality money managers use this opportunity to dump the newly exposed***

junk and add to the reaffirmed quality. Then, the quality recovers first and goes on to make new highs. And there it is folks; this is how it all works!

5. My client portfolios are designed to potentially help mitigate declines in value so that they may recover quicker and reach fresh new highs in value. Our funds (all 15+ year track records) have all been through this before and are actively pursuing their time tested strategies as I write this.
6. The media is not focusing on the good news; blue chips like IBM and DuPont raised guidance for 2008, GM reaffirmed that they are on track for 2008 to meet their financial goals, mergers and acquisitions are on the upswing (Oracle & BEA Systems) and most important, companies that emerge from tough economic climates historically emerge in better financial shape then they were before the tough times. All we hear is how equities are down, but what you're not hearing so much is how fixed income is doing relatively very well. Our advisory portfolios were positioned anywhere from 20% to 80% in fixed income before any of this sub prime mess occurred. This has been a big help in holding up portfolio valuations and this is why my clients' portfolios are holding up so well compared to the market averages.
7. What about going into cash? Let's take the last bear market of 2000/2003. The equity market bottomed in Q1 '03. Yet, many equity portfolios were up 25% or more for the entire year of '03. Meaning, if you went into cash to "wait" for the market to calm down, you would have missed the all important beginning of a new recovery which made up a very big chunk of all of the returns in the bull market of the last 5 years. So, cash (panic selling) is not the best answer unless you need your money right away; in which you shouldn't have been invested in the first place! If you haven't already (and this is what I do every day for my clients), you should take a fresh and objective look at what you currently own and eliminate the junk and replace it with quality. Our fund managers built impressive track records doing just this, so if you're not sure of what you have, please give me the opportunity (and your opportunity as well!) to objectively evaluate it.
8. Individual stocks? I recommend using Stop loss orders of 15%. Even in bear market drops, the best stocks should hold up better than the over all market. If your individual stock is down more than that, that may be an indication of more negative things to come that you simply are not privy to. If your individual stock is up more than that, than move the Stop price higher and let the "Stop chase" take you out.

To conclude, here is your action plan.

1. Dump the junk. The good news is that the quality is now a lot cheaper for you to buy. So, combine a potential tax loss with the potential upside from the quality and I think you'll be very happy; regardless of how you feel today! As a client of ClientFirst Strategy, Inc., you know that I'm already watching out for you!

This is solely my opinion, so don't blame anyone else if you disagree or lose money due to this note! If you don't like it, you can call me and tell me! If you do like it, then let me know and forward this to a friend! Have a great day!

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