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Market conditions are rapidly deteriorating. With each passing day, our Federal Government is being forced to assume the role of the private sector as the financial losses stemming from systemic greed and corruption are now too heavy for the private sector to bear. We can look back and say that the Category 3 warning that we issued in last week's Bulletin ("Manic Recession") was accurate. We trust that some of you heeded the warning.

Our intent is to issue Bulletins with increasing frequency until this unprecedented financial meltdown subsides. With this commentary, we once again vigorously encourage you to open your eyes to the realities of the current situation and take the actions necessary to get yourself out of harm's way.

SEEN ENOUGH?

As we peer out from our foxholes at the raging battles for survival of once-esteemed financial institutions, we come away with one thought. When the casualty count includes 4-star and 5-star generals such as Bear Stearns, Fannie Mae, Freddie Mac, Lehman Brothers and Merrill Lynch, the war most likely is being lost and we better have a Plan B.

This sense of urgency has been further underscored by an explosion within the money market fund industry. Reserve Primary Fund, the nation's oldest money market fund, has reduced the value of its shares from \$1.00 to \$0.97. This is only the second time in history that a pure money market fund has "broken the buck". In this particular case, it was the fund's 1.2% allocation to Lehman Brothers debt, which is now worth zero. According to the S&P ratings agency, there could be other money market funds in similar danger.

For 18 months, *DocOnomics* has steadfastly focused on economic and political conditions that will affect your ability to build and preserve wealth. We have commented on causes and effects, offered historical perspectives and even given a movie review as a rationale for employing the "AARP" methodology (Accumulate, Allocate, React and Protect) as a launch pad for action.

Perhaps taking a deep breath is all we can do to counteract the constant barrage of political rhetoric, skyrocketing national deficits, Wall Street and Washington con jobs, the Baby Boomer tidal wave, healthcare in upheaval, economic and military threats from Russia, etc. A steady diet of this stuff becomes pretty oppressive and the human tendency is to shut down receptors and completely tune out.

So right now, what can we do to turn a box of lemons into a pitcher of lemonade? We suggest the following approach.

From a personal financial perspective, take stock of your positives, enjoy knowing about them and focus on turning your weaknesses into strengths. Here is a simple list of items that can and should be addressed.

- Promptly take all necessary steps to determine if your investments are headed south. If so, grab the bull by the horns (before the bull turns into a full-fledged bear) and head for

safety. The “safe harbors” are out there and are absolutely critical to the success of your wealth management efforts.

- Resolve to not outlive your retirement assets.
- Ensure that your assets are protected from judgments and creditors.
- Think about your legacy.
- Review your estate plan for errors, omissions or changes in circumstances. Ensure that your wealth passes according to your wishes.
- Review your cash flows and balance sheet. Ensure that you are not vulnerable to a loss of income, a loss of financing or as a personal guarantor.

We have developed a straightforward and inexpensive way to help you through this list. Ask us about our plan of action.

For those who fail to take heed of the warning signs and blaring sirens, there are sure to be difficult times and sleepless nights ahead. Maybe some out-of-work hedge fund guys are developing the *Sealy Posturepedic Fund* for sleep-deprived investors wishing to put their money under a mattress. Until that happens, you should be carving out your own path to safety.