

February 23, 2009

To Whom It May Concern:

As you may be aware, we recently did a workshop on “Bear Markets.” It was so well received by the attendees, we would like to recap some of the items discussed. It is our hope that this information will ease your mind and put things in perspective. We would like to tell you what the media is NOT telling you. Remember that magazines and television stations are selling HEADLINES. They have to keep your attention, so they dramatize things to get your emotions going.

**Take a guess at what year these headlines were in the news....**

**“Wall Streets Season of Misery; Many Worry That Worst is Yet to Come”**

**“Banks Bad Real Estate Loans Spurs Rising Worry of Failures”**

**“Bank Stocks, Real Estate May Be In For a Bashing”**

Do any of these headlines seem familiar? Surprisingly, these headlines came from 1989 (when over 500 financial institutions failed. As a point of reference, in 2008, 24 financial institutions failed). As you can see, these headlines were from long ago, but they could be the headlines of today. For all of those people who feel like the sky is falling and it has never been this bad, please realize that we have been here before. It is not the end of the world as we know it, and we can recover.

**Dramatic headlines tend to indicate a great buying opportunity.**

Let’s take a look at the Great Depression since this recent downturn in the market is being compared to that period of time.

**1928**-\$10,000 invested at the highest point in the market

**1932**-reached investment low of \$2,200

**1936**-initial investment reached \$10,700

\*if you invested an additional \$10,000 at the bottom of the market, all losses would have been recovered within 3 months.

When the market bottomed in 1932, it took 4 years and 4 months to recover that money if you did not touch it. If the money was pulled out of the market, a 78% loss was realized. If you added money to the market, you recovered much more quickly. Let this be a lesson to us all. Now is not the time to sell. However, it is possibly the best time to buy. Let’s learn from the past and try not to overreact to the market volatility that is present today.

Finally, if you are wondering if we are putting a bottom in the market, here are a few statistics of which you should be aware...

**October 10<sup>th</sup>, 2008**

2901 new lows were made on the NYSE

**November 20, 2008**

1894 new lows were made on the NYSE

**February 20, 2009**

555 new lows were made on the NYSE

As you can see, fewer and fewer stocks are participating in the drop indicating that the market may be nearing the bottom.

I encourage you to set an appointment to discuss your individual concerns. Please call our office today 540-943-4311.

Sincerely,

Scott A. Koehn

P.S. Do you have friends or family who are concerned about the market? If so, please refer them to us for a free consultation.