

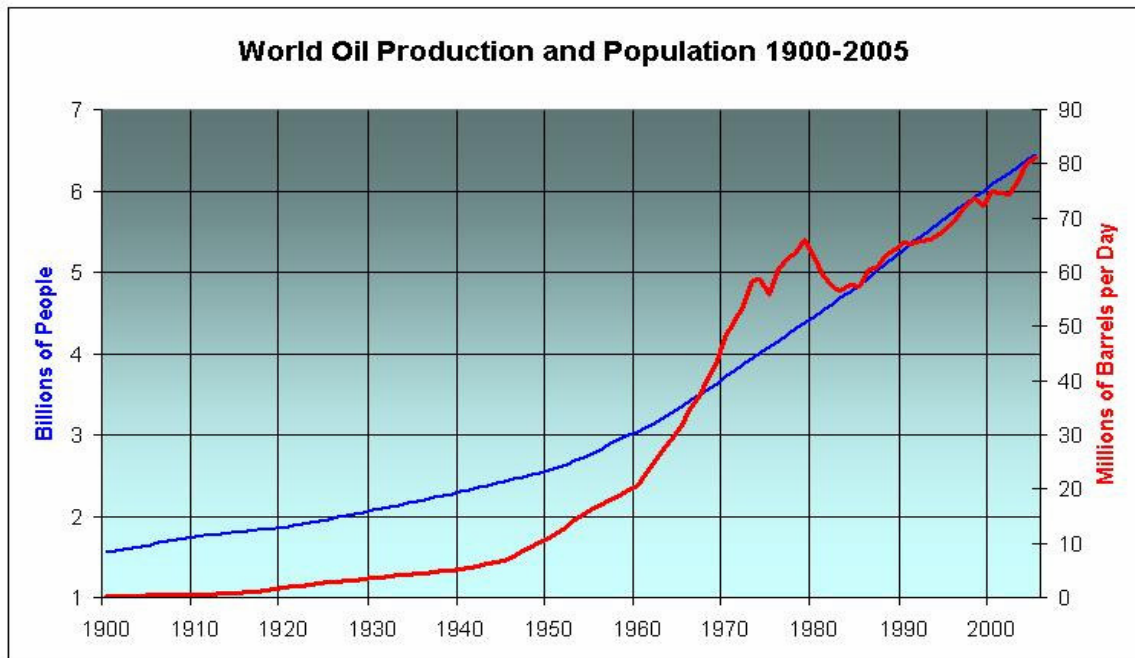


Stanton & Castleton, Inc.

An independent firm

Let's Review: Our Monthly Newsletter.....06/01/08

This month:

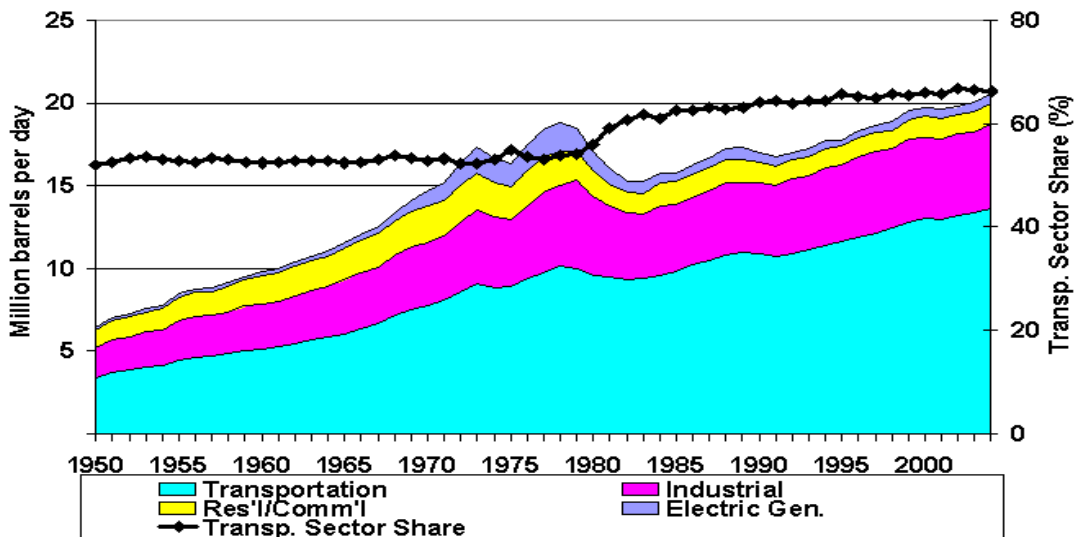


Why this graph? We have been reading a lot of recent and past studies on the outlook for energy cost and how that will impact our future growth. If you allow yourself to get carried away you can quickly come to the conclusion that without oil (red line falls) you can not sustain our world population (blue line rises). Are we at an important crossroads in the world that will lead us into a prolong period of collapse. We can see how it is in our nature to be pessimistic and take the worst outcome to be the most probable. In fact, this is evident by looking to media...bad news sells, so issues that have the worst conclusions get the most hype. (Search “Peak Oil” in Google)

It is actually a good thing that we have this “pessimistic” inclination, because it motivates us to always be watchful and innovative, collectively anticipating worst outcomes and actively developing solutions. What is our point? In such a short space we have to leave out a lot of “detail” however

we can say that things are not always as they seem. If you look at how we use oil in the U.S. we see that transportation (gas!) accounts for about 2/3 of our use. While oil and gas have been plentiful and the least cost energy source this makes perfect sense. If we add other petroleum products commonly used for transportation include diesel fuel (used for trucks, buses, railroads, some vessels, and a few passenger autos), jet fuel, and residual fuel oil (used for tankers and other large vessels) oil accounts for 95% of all energy used for transportation.

U.S. Oil Demand by Sector, 1950-2004



In the “sky is falling” and the end of oil is the end of global economic prosperity camp, the assumption is that things will not change. We have to ignore innovation and our ability to adapt; i.e....Hybrid cars, synthetic fuels (coal gasification accounted for much of Germany’s fuel in WWII) and any number of replacements or complements for oil that are already rapidly expanding. Look no further than Toyota and the Prius hybrid car that gets 45-50 MPG. When first introduced in the US (2000) sales were expected to grow to a modest 15,000 per year. Through April 2008 total sales world wide have been 1.03 million and in 2007 sales in the US alone were 181,000! Our position is that the “transition phase” into new energy sources and efficiencies will take time and cause some pain; however the process started a long time ago...you’re just beginning to notice.

As the old adage says “sometimes you can’t see the forest for the trees”.

Bob:

This has been a very busy time for the Stanton tribe....I just can not remember what it is we have been doing! With school drawing to a close for the boys, Jordan finishes high school and Cole is moving on to Jr. High we have two graduations...still involved in sports (I will spare you). The summer looms with the prospects of lots of boys home “bored” and trying to entertain themselves. Sounds like it is time to check the home owners, car and medical insurance...just in case.

Ron:

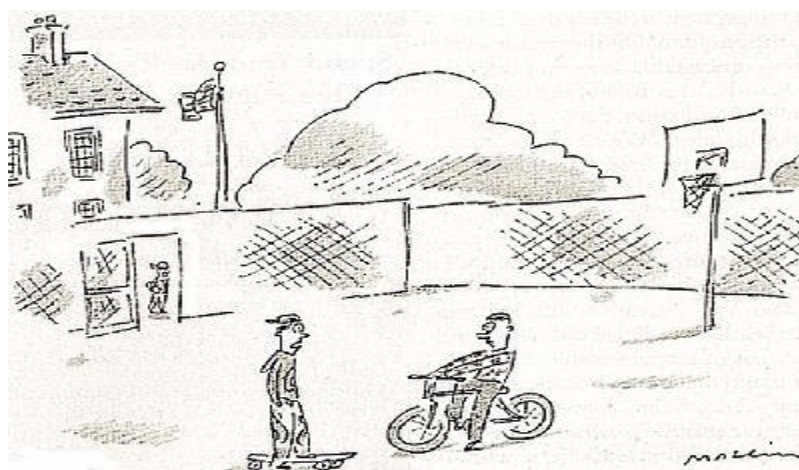
Its official we have made it to our 22nd year of marriage...or as Sunny likes to say “the happiest five years of her life”. I am still amazed that time has flown by so quickly...however one glance in a mirror lets me know it is true...or a call from the “college” boys about \$\$\$ shortages!

Charity:

While anyone who stayed in OC for the long weekend had the gloomy rain to deal with...I just spent a wonderful four days in Palm Springs! Sunny, not to hot and most important, no phone or work...even got a bit of a tan!

Bye

This month “Financial Topic”: One more cartoon!



***Oh yeah? Well my dad looted a bigger
hedge fund than your dad***

“In the end, how your investments behave is much less important than how you behave.”

**Benjamin Graham
The Intelligent Investor**

The Numbers:

Closing Values / 05-31-2008

DOLLAR	stronger	NASDAQ	2,522.66	+14.34
10-YR YIELD	4.04%	S&P 500	1,400.38	+2.12
VOLUME	1,425,513,984	DJIA	12,638.32	-7.90

B Provided by Standard & Poor's

© 2006 Raymond James Financial Services, Inc. Member FINRA/SIPC

This newsletter is published for residents of the United States only. Raymond James' financial advisors may only conduct business with residents of the states and/or jurisdictions for which they are properly registered. Therefore, a response to a request for information may be delayed. Please note that not all of the investments and services mentioned are available in every state. Investors outside of the United States are subject to securities and tax regulations within their applicable jurisdictions that are not addressed on this site. Contact your local Raymond James office for information and availability. Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Gold is subject to special risks associated with investing in precious metals, including but not limited to; the market is relatively limited; the sources are concentrated in countries that have potential for instability; the market is unregulated. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the U.S. stock market. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system. *The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Any opinions are those of Robert Stanton, Ronald Castleton and not necessarily those of RJFS or Raymond James. Expressions of opinion are as of this date and are subject to change without notice. This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. Investments mentioned may not be suitable for all investors. Past performance may not be indicative of future results. You should discuss any tax or legal matters with the appropriate professional*

(Referral Hotline: 877-975-0955)

M³

Manage.....Monitor.....Maintain

Stanton & Castleton, Inc. / an independent firm

*1151 Dove St., Suite #115, Newport Beach, CA 92660 / 949.975.0955 / 877.975.0955 / www.stantoncastleton.com
Securities & investment advisory services offered through Raymond James Financial Services, Inc. Member FINRA/SIPC*