



Stanton & Castleton, Inc.

An independent firm

Let's Review: Our Monthly Newsletter.....07/01/08

This month:

If you have been reading the newsletters you know we have been expecting the markets to be more volatile in the first half of 2008. We have seen the S&P 500 index fall at times up to 12% this year. You also know our view is that the second half of 2008 will begin to realize some positive benefits from lower rates and the government stimulus package. The unexpected has been how far energy prices have climbed in such a short period. This added expense for everyone along with the dramatic decline in real estate values have been the major factors slowing our economy.

While we are not able to predict the future, we can make reasonable observations based on our past experience and understanding of market forces. In that light we are reminded that in our experience we can expect a “regression to the mean” for all things over time. This is why we approach managing your assets using a portfolio design process that focuses on spreading risk and lowering volatility thru diverse asset allocation.

You need only to look at the extremes to understand why we take this approach. If you worked for General Motors Corp. (NYSE: GM) and had chosen to allocate your 401k assets half in an S&P 500 index and half in GM stock.....the S&P side would be down approximately 12%, however the GM side would be down 60% (period thru 12-31-2007 – 07-02-2008). On the other hand had you worked for Alpha Natural Resources, Inc. (NYSE: ANR), a leading coal producer, your stock side of this hypothetical 401k would be up 170% so far in 2008!

When investing, great concentration can lead to extreme losses or great reward. In our experience it is very hard to know which and when...so we chose risk management and diversification to help achieve reasonable returns over time. We continue to see the second half of 2008 improving, so.... consider investing more!

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*

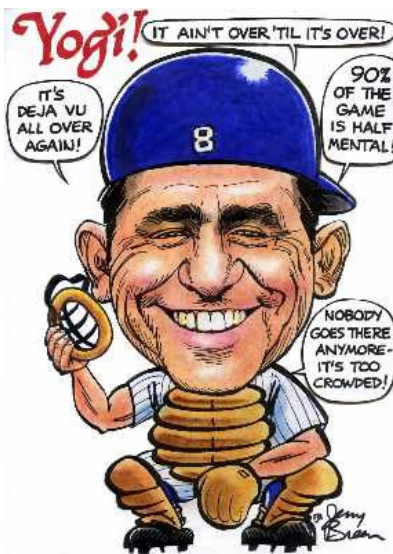
Surprisingly, stocks are 25% "cheaper" following a 65% run in stock prices (83% including dividends).



Trailing P/E ratios for the S&P 500 Index are top-down values which reflect the index month-end price divided by the last twelve months' earnings, as provided by Compustat/Standard & Poor's, which is calculated by summing four quarters of available earnings data. There is an inherent lag in the reporting of this data by companies to S&P. As such, historical data can change as new information becomes available.

Bob:

Sports...Cole's team took second in our league tournament earning a berth to the local Tournament Of Champions! Unfortunately for the boys I have limited manager skills and we lost 1-0 in a fun game. Many of you will be happy to hear that I have officially retired from coaching. I will still continue to advise and train (beg the boys to have a catch with me once in a while) but no more coaching (no kidding Joyce!) I am so ready to watch from a far!



Ron:

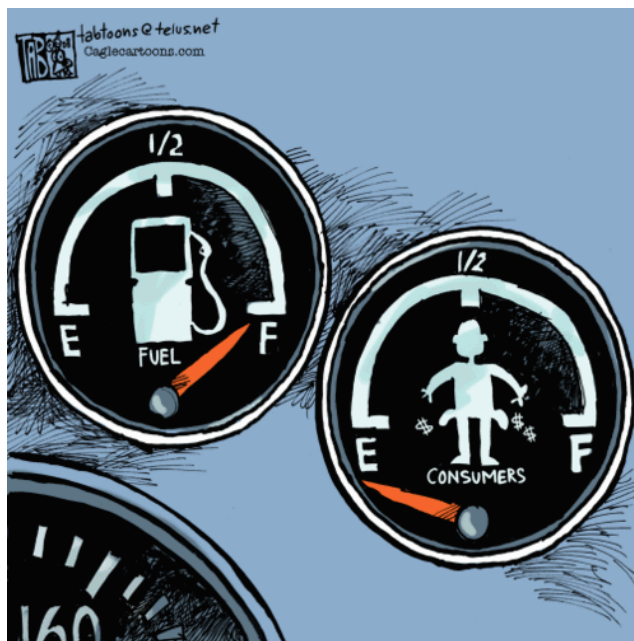
Our crews have all hit the home front for summer...good times! Sunny and I had gotten use to the relaxed quite during the evenings, but no more. It is back to the full house, sons and friends of sons, forging in packs for food drink and entertainment. I think I will install a stairwell side entrance to our bedroom upstairs to avoid the sights and smells of the pack hunting...

Charity:

Summer is great as long as we avoid those really hot days and nights. I do not have air conditioning in my apartment and for a few days last month it was Hot! Still, I am working or a good tan so I like the sun.

Bye

This month "Financial Topic": One more cartoon!



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

**Benjamin Graham
The Intelligent Investor**

The Numbers:

Closing Values / 06-30-2008

DOLLAR	weaker	NASDAQ	2,292.98	-22.65
10-YR YIELD	3.97%	S&P 500	1,280.00	+1.62
VOLUME	1,608,185,984	DJIA	11,350.01	+3.50

Numbers 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. 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. 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. You should discuss any tax or legal matters with the appropriate professional. The Dow Jones Industrial Average (DJIA) is a price weighted index of 30 actively traded blue-chip held stocks. Diversification and asset allocation does not assure a profit or protect against loss.

(Referral Hotline: 877-975-0955)

M³

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

For a more in depth discussion on our services and approach to asset management...or if you would like to read past issues of our newsletter just click this link:

<http://tinyurl.com/65vypu>