

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



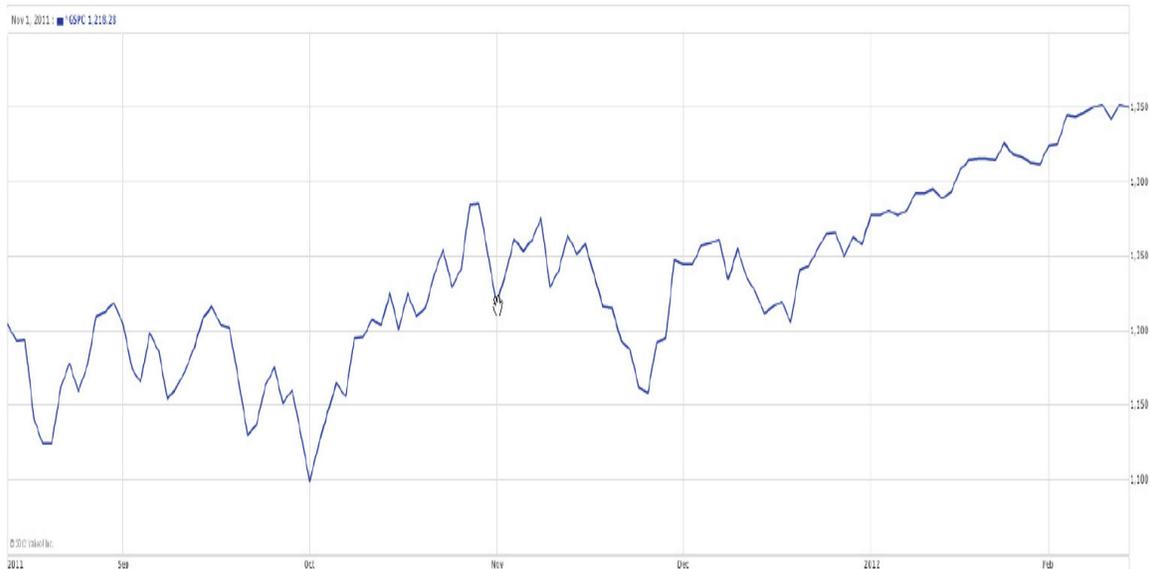
Stanton & Castleton, Inc.

An independent firm

Let's Review: Our Monthly Newsletter.....02/01/2012

This Month:

We do not want to break the “never look a gift horse in the mouth” rule because its origins remind us to just be grateful and kind in accepting gifts ... its rude to question the reason or source. However, when managing money and risk it is also wise to be careful not to be a lemming! Since a closing low of 1099.23 on October 3 2011, the S&P 500 has risen almost 23%! During this time we have seen Europe fall into recession, China’s growth rate is still 35% below its second quarter 2007 peak and the US posts a 1.7% real GDP growth rate in 2011 (down from 3% in 2010).



While we have made great strides in shoring up the US banking systems and avoided a second depression, it would be a mistake to assume its “all good” now. We only have to say aloud the following: “the US Federal Reserve has announced our current zero interest rate policy will be in effect for at least three more years” and “in adding two million jobs this past year unemployment is still 8.3% and total federal tax revenue are down 1.5%? A recent parody on the old Abbott & Costello baseball sketch tells the story:

Stanton & Castleton, Inc. / an independent firm

*1401 Dove St., Suite #420, Newport Beach, CA 92660 / 949.975.0955 / 877.975.0955 / www.stantoncastleton.com
Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC*

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

COSTELLO: *I want to talk about the unemployment rate in America.*

ABBOTT: *Good Subject. Terrible Times. It's 9%.*

COSTELLO: *That many people are out of work?*

ABBOTT: *No, that's 16%.*

COSTELLO: *You just said 9%.*

ABBOTT: *9% Unemployed.*

COSTELLO: *Right 9% out of work.*

ABBOTT: *No, that's 16%.*

COSTELLO: *Okay, so it's 16% unemployed.*

ABBOTT: *No, that's 9%...*

COSTELLO: *WAIT A MINUTE. Is it 9% or 16%?*

ABBOTT: *9% are unemployed. 16% are out of work.*

COSTELLO: *IF you are out of work you are unemployed.*

ABBOTT: *No, you can't count the "Out of Work" as the unemployed. You have to look for work to be unemployed.*

COSTELLO: *BUT THEY ARE OUT OF WORK!!!*

ABBOTT: *No, you miss my point.*

COSTELLO: *What point?*

ABBOTT: *Someone who doesn't look for work, can't be counted with those who look for work. It wouldn't be fair.*

COSTELLO: *To who?*

ABBOTT: *The unemployed.*

COSTELLO: *But they are ALL out of work.*

ABBOTT: *No, the unemployed are actively looking for work... Those who are out of work stopped looking. They gave up. And, if you give up, you are no longer in the ranks of the unemployed.*

COSTELLO: *So if you're off the unemployment roles, that would count as less unemployment?*

ABBOTT: *Unemployment would go down. Absolutely!*

COSTELLO: *The unemployment just goes down because you don't look for work?*

ABBOTT: *Absolutely it goes down. That's how you get to 9%. Otherwise, it would be 16%. You don't want to read about 16% unemployment do ya?*

COSTELLO: *That would be frightening.*

ABBOTT: *Absolutely.*

COSTELLO: *Wait, I got a question for you. That means they're two ways to bring down the unemployment number?*

ABBOTT: *Two ways is correct.*

COSTELLO: *Unemployment can go down if someone gets a job?*

ABBOTT: *Correct.*

COSTELLO: *And unemployment can also go down if you stop looking for a job?*

ABBOTT: *Bingo.*

COSTELLO: *So there are two ways to bring unemployment down, and the easier of the two is to just stop looking for work.*

ABBOTT: *Now you're thinking like an economist.*

COSTELLO: *I don't even know what the hell I just said*

(<http://www.jsmineset.com/2012/02/04/in-the-news-today-1092/>)

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

Bob Stanton (registered principal):

Almost spring in California.... And that is baseball season! Best of luck to my nephews Andrew and Austin....this could be the year they both play more in the “big” than the minors! Go Angles & Yankees!

Ron Castleton (registered principal):

With the boys all self sufficient (that’s really a funny joke) – Sunny & I have decided it time for a romantic Road Trip...just the two of us...all alone...on the wide, open road!!!! Our initial thoughts were a fly/drive trip to the Pacific Northwest since neither one of us has spent any time up there...but thinking about that, there’s a whole slew of places we have never seen....Anybody care to offer up a suggestion or two!?!?!?

Amy Duranso (administrative assistant):

This is why I moved to California...the winter weather! Ok, maybe Ryan had something to do with it too ;) 7 months til I’m the Mrs! Have I mentioned how fun wedding planning is?!

Kevin Kraus (Business Development):

Heading to Maryland to watch Knute play lacrosse soon and am pretty excited for him....then it’s back to work developing business... know anyone I should be speaking to?

This month “Financial Topic”: One more cartoon!



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

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

**Benjamin Graham
The Intelligent Investor**

The Numbers:

Monthly Closing Values and Changes / 01-31-2011

DOLLAR	stronger	NASDAQ	2,813.84	+226.69
10-YR YIELD	1.79%	S&P 500	1,312.41	+54.81
VOLUME NYSE	4,235,549,952	DJIA	12,632.91	+415.35

Provided by Standard & Poor's

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 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. Diversification and asset allocation does not assure a profit or protect against loss. The Dow Jones Industrial Average is an unmanaged index of 30 actively traded blue-chip stocks. The NASDAQ is an unmanaged index of stocks listed on the NASDAQ National Stock Market. Rebalancing a non-retirement account could be a taxable event.

(Referral Hotline: 877-975-0955)



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