

October 14, 2009

Dear,

We have been blanketed with media coverage of the one year anniversary of the great financial crisis of 2008. It would be impossible to miss the numerous commentaries and analysis in both print and electronic media. The aftereffects of the financial meltdown have left us all wondering what we have learned from this experience and what changes in government regulation and market oversight will come from all this. One thing that we all may agree on is the inevitability of asset bubbles and financial panics.

We have learned that in the face of a severe global panic, governments are forced to move beyond the typical monetary and fiscal policies that come into play during a garden variety slowdown. Governments worldwide used stimulus programs, loan guarantees and direct payments regardless of the ideological underpinning of their political systems. As bank credit and commercial paper markets evaporated, governments from Japan to France to China stepped in with low interest loans and loan guarantees to automakers and other major industries. We learned that some programs were more successful than others.

We have also learned that regulators do not appear up to the task of improving the oversight of derivatives, swaps, securitized debt and all the other exotica. Most of the proposals that have surfaced to date have focused on executive pay practices. No proposals dealing with disclosure, clearing and valuing these trades have even made it out of a congressional committee. Rating agencies similarly have escaped any serious scrutiny.

Given the tremendous level of government intervention in the past year, the important question going forward is the pace of the withdrawal of government support of markets. Unwind programs too fast and risk a return to a credit freeze, unwind too slowly and inflation and reckless lending may follow.

We continue to focus on governmental policy actions in addition to the traditional measures of economic and market activity. We expect that some countries and currencies will rebound more quickly than others. We continue to position investment portfolios more conservatively to protect against policy missteps. We welcome the opportunity to discuss the markets and the economy and to hear your thoughts.

With only two months left in the year it is a good time to be thinking about charitable giving. If you are making charitable gifts to a 501 (c)(3) non-profit organization, giving appreciated stock or other assets can be a great, tax efficient way to accomplish your goal. Please let us know if you want to use any of the assets in your taxable accounts that we manage for you. Also, this is the time of year when we make final adjustments to your realized gains and losses. If you have any questions on where you stand for gains and losses year-to-date, please give us a call.

Enclosed you will find your quarterly reports and an information copy of our fees for the fourth quarter of 2009. Please call us if you have any questions. We hope you enjoyed some of our great fall weather and hope to see you soon.

Sincerely,

Kathryn Dion

Barbara Moran

Larry Pelletier

Gary Robinson