



*Investment Management Consultants*

## **Message to Our Clients and Colleagues**

**September 26, 2008**

The financial services industry and turbulent financial markets have drawn many headlines in recent weeks. Very few financial services companies have been immune to these issues and we understand they may have created concern. I am writing to provide you with information about the safety of your assets and the soundness of brokerage accounts held at First Clearing LLC through our firm.

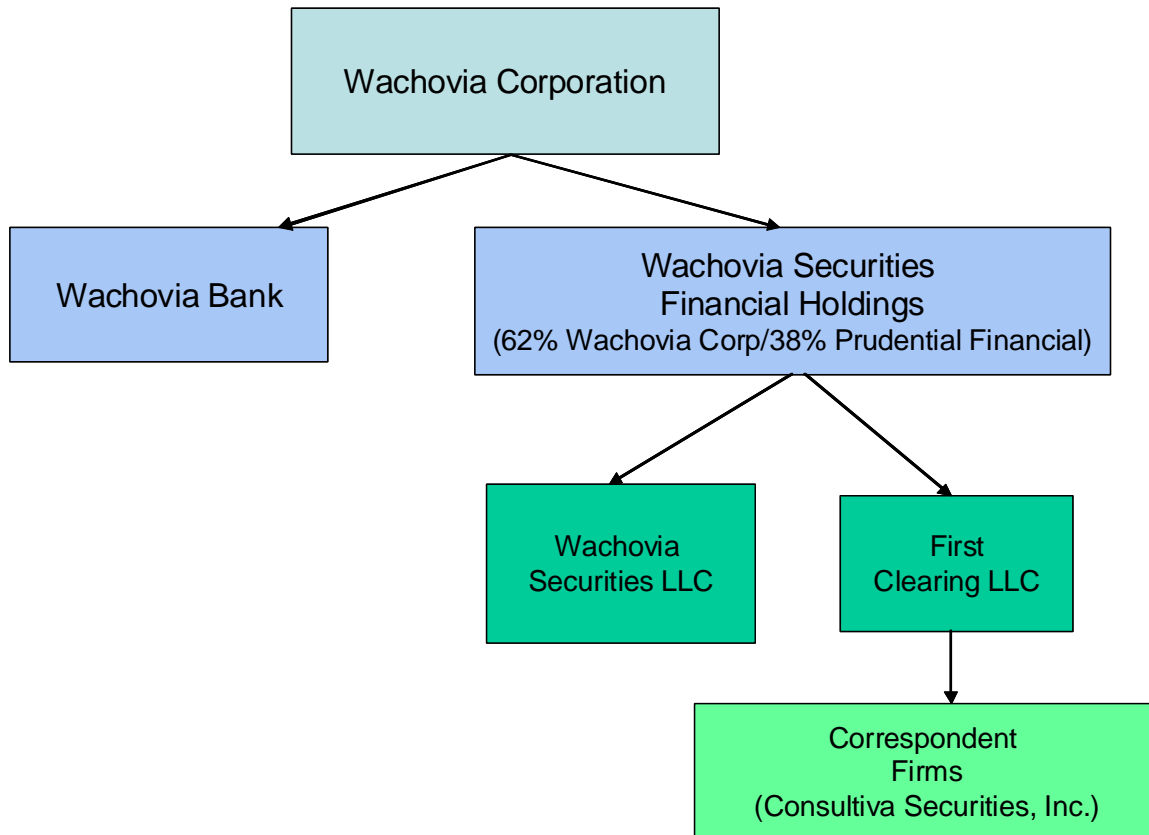
**Wachovia Securities LLC and First Clearing LLC are strong, successful and profitable brokerage firms.**

- Wachovia Securities LLC and First Clearing LLC are broker-dealers registered with the SEC. They are 100% owned by Wachovia Securities Financial Holdings LLC, which is a *joint venture between Wachovia Corporation and Prudential Financial, Inc.*
- As of year end 2007, Wachovia Corporation owns 62% and Prudential Financial Inc. owns 38%.
- A board of managers includes representatives from Wachovia Corporation, Prudential Financial Inc. and Wachovia Securities LLC.
- Wachovia Securities LLC and First Clearing LLC are headquartered in St. Louis and have experienced management teams.
- Wachovia Securities LLC and First Clearing LLC are well capitalized, substantially in excess of required capital.

**Wachovia Securities and First Clearing are affiliated with Wachovia Bank, N.A. – the third largest bank in terms of deposits, and one of the largest financial services firms in the country.**

- Wachovia Corporation, headquartered in Charlotte, North Carolina, is the fourth largest financial services company in America and has a diverse mix of businesses including banking, brokerage, asset management, capital markets, trust services and others.
- Wachovia Corporation has a core deposit base of \$230 billion, one of the largest in America.

- Wachovia Bank N.A. has been recognized for seven consecutive years as Number One in customer service by the prestigious American Customer Satisfaction Index.



**Wachovia Securities and First Clearing are financially sound and client assets are protected against insolvency risks.**

- In addition to the financial soundness of Wachovia Securities and First Clearing, the Securities Investor Protection Corporation (SIPC) helps protect clients against the risk of any brokerage firm becoming insolvent.
- SIPC protects each client's securities and cash in a client's brokerage account at an insolvent firm by replacing missing securities and cash of up to \$500,000 per client, including \$100,000 for claims for cash. This coverage does not protect against losses from any change in the market value of investments. An explanatory brochure is available on request or at [www.sipc.org](http://www.sipc.org).
- Above and beyond SIPC coverage, Wachovia Securities and First Clearing have obtained, at no cost to clients, protection for any cash and securities that may be missing in brokerage accounts above the \$500,000 SIPC threshold.

- The additional protection is provided through Customer Asset Protection Company (CAPCO), which Wachovia Securities and 13 other securities firms formed in 2003. Of course, SIPC and the additional protection do not insure the quality of investments or protect against losses from fluctuating market value.
- Un-invested cash balances (including principal and interest) held in the bank sweep program are covered by FDIC insurance up to \$100,000 (\$250,000 for IRA accounts) per depositor per bank in accordance with the rules of the Federal Deposit Insurance Corporation. These balances are not covered by either SIPC or excess SIPC coverage mentioned above.
- In addition to these protections, the SEC requires First Clearing to segregate fully paid client assets, not allowing these assets to support our borrowings or operations.

We hope this information is helpful. If we can provide any other information or answer your questions, please do not hesitate to contact us. We value our relationship and look forward to advising and serving you for many years to come.

WHILE THE INFORMATION HEREIN HAS BEEN OBTAINED FROM SOURCES WE BELIEVE TO BE RELIABLE, ITS ACCURACY AND COMPLETENESS IS NOT GUARANTEED.