ATG TRUST
COMPANY

Research Report

Prepared by Feldman Securities Group, LLC

October 2008

Contents

The Markets	Current 9/30/2008	3-Month Values	3-Month Change	Year-Ago Values	12-Month Change
Cash					
Taxable MMF Yield	1.93%	1.86%	7bp	4.68%	-275bp
Tax-Exempt MMF Yield	1.37%	1.37%	0bp	3.21%	-184bp
Fixed Income					
Federal Funds Rate	2.00%	2.00%	0bp	4.75%	-275bp
5-Yr US Treasury note	2.97%	3.36%	-39bp	4.28%	-131bp
10-Yr US Treasury bond	3.83%	3.98%	-15bp	4.57%	-74bp
5-Yr Aaa Muni Bond Index	3.30%	3.40%	-10bp	3.72%	-42bp
30-Year Conv. Mortgage	6.02%	6.36%	-34bp	6.34%	-32bp
Equities					
S&P 500	1,166	1,280	-8.9%	1,527	-23.6%
S&P LargeCap 100	545	581	-6.3%	714	-23.8%
S&P MidCap 400	727	819	-11.2%	885	-17.8%
S&P SmallCap 600	361	365	-1.2%	423	-14.8%
EAFA Foreign Index	56	69	-18.0%	83	-31.8%
S&P 500 PE Ratio	13	13.6	-4.4%	16.1	-19.3%
S&P 500 Dividend Yield	2.5%	2.2%	30bp	1.7%	80bp
Misc.					
Inflation Rate (CPI, last 12 mo.)	5.37%	4.18%	119bp	2.76%	261bp
CRB Index (Commodities)	346	463	-25.3%	334	3.5%
London Gold / oz.	874	930	-6.0%	743	17.7%
Crude Oil / bbl.	101	140	-28.1%	81	24.8%

Recent Economic Data			
Real GDP – 1st Quarter	2.80%	Personal Income	0.1%
ISM Manufacturing Index	43.50	Personal Spending	0.0%
Industrial Capacity Utilization	78.70	Retail Sales	-0.3%
Productivity – 1st Quarter	4.30%	New Home Sales	-11.5%
Unemployment Rate	6.1%	Consumer Confidence	59.8%

*Stock index performance excludes dividends — bp = basis point (1/100th of one percent)

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Economic Forecasts*

	2007	08:1Qe	08:2Qe	08:3Qe	08:4Qe	09:1Qe
Real GDP	2.0%	0.9%	3.3%	1.3%	-0.7%	1.7%
GDP Price Deflator	2.7%	2.6%	1.2%	1.0%	2.9%	2.5%
10-Year Treasury Bond	4.63%	3.63%	3.88%	3.83%a	3.75%	4.00%
Fed Funds Rate	5.00%	3.13%	2.25%	2.00%a	2.00%	2.00%

*Mesirow Financial estimates e = estimated

Quote of the Month:

"Our purchase of Wells Fargo...was helped by a chaotic market in bank stocks. The disarray was appropriate: Month by month the foolish loan decisions of once well-regarded banks were put on public display. As one huge loss after another was unveiled – often on the heels of managerial assurances that all was well – investors understandably concluded that no bank's numbers were to be trusted."

- Warren Buffett in his 1990 annual letter to shareholders, written during the Savings and Loan Crisis of that era.

The Economy: The Great Deleveraging

If we are lucky, and the private and public sectors manage to get the balance right, then economic textbooks of the future will mark the current period as an important turning point in U.S. economic history; an apt name would be the Great Deleveraging. The names Fannie Mae, Freddie Mac, American International Group (taken over by the government), Bear Stearns, Merrill Lynch, Wachovia Bank, Washington Mutual (acquired by private sector companies), and Lehman Brothers (filed bankruptcy rather than accept assistance) could become historical memory markers of the return to sensibility in finance.

The current turmoil in the securities markets is a direct result of the deleveraging process. Securities prices are adjusting to massive losses on sub-prime loans and the securities that package them. An estimated $1.5 trillion of the estimated $2 trillion of such loans and securities originally created remains on the balance sheets of U.S. financial institutions, with even more held at overseas institutions. Because so much potential danger continues to lurk on banks' balance sheets, bankers are hesitant to lend to one another as they are concerned about the value of collateral as asset prices adjust lower. This is causing the credit markets to simply seize up.

The Economy Starts to Feel the Pressure of the Credit Freeze

At this time, we are starting to see the lending freeze trickle down into all aspects of the economy. Businesses from automobile dealerships to fertilizer companies are finding it increasingly difficult to obtain the short-term financing they need to run their operations, making it exceedingly difficult to make economic and corporate earnings forecasts. The Institute for Supply Management reported that the manufacturing sector fell to recessionary production levels in its latest report, and the new-orders index registered a dismal 38, well below the contractionary threshold of 50. More of this can be expected as long as the credit market remains frozen.

The U.S. Treasury plan: The U.S. Treasury Department has reacted to the financial crisis by proposing the creation of a $700 billion fund that would be used to buy distressed mortgage securities from banks in order to help thaw the credit freeze by strengthening their balance sheets and restoring bankers' confidence in lending and borrowing.

Whether or not the Treasury plan will work, or if it is even an appropriate alternative in our free market society, is currently subject to a debate that has polarized politicians and the public alike. An amended version of the original plan was finally approved by congress. Now the real work will begin, as the Treasury will begin buying up mortgage assets in an attempt to return the markets to normal.

Basic principles of American capitalism. At issue currently may be how Americans are grappling with the most basic principles of our national identity, the role of government and the merits of a free-market system. Over the past couple of decades, our country has gotten out of balance with regard to the two and we can only hope that cool heads and considered judgments, grounded in these principles, will prevail. In this sense the financial fiasco has the potential to serve a great long-term national purpose, which is encouraging.

Lack of Transparency Destroys Trust

Making banks work again does not seem to be as much an issue of liquidity (because the Federal Reserve has made plenty of that available) as it is a fear of the unknown. Banks simply don't know what other banks own and they won't lend on collateral that can't be quantified.

The stumbling block therefore appears to be a lack of transparency, and following the losses incurred by lending and investing blindly in the past, most banks have decided to sit tight. No amount of liquidity is likely to make them move under these circumstances.

The Treasury plan makes no provision for asking banks to open their books and make it clear what they own. However, it does promote price discovery of some of these toxic assets, which will be a start. Leading investors such as Bill Gross of PIMCO and Warren Buffett of Berkshire Hathaway endorse the plan as a crucial first step in making the credit markets begin to function again.

Smaller Solutions

The current financial problems are occurring in an extremely complex global marketplace where the law of unintended consequences is always lurking, ready to hamper attempts to control the system, especially big attempts, which have an inherently larger margin of error. Markets are driven daily by millions of informed private decisions, so why ignore the power inherent in this system that has consistently driven standards of living higher since the advent of the industrial age? Smaller solutions driven by the private market can and should contribute to the solution.

The Private Market Rides to the Rescue with the FDIC

So much emphasis has been placed on the importance of passing a government bailout plan that it seems as if recent private market actions, which have contributed to resolving the financial crisis, have been overlooked. Berkshire Hathaway invested up to $7.5 billion in Goldman Sachs and $3 billion in General Electric and JP Morgan acquired failed Washington Mutual., Citigroup and Wells Fargo have both made bids to acquire Wachovia. The last two deals, in which the FDIC has been involved, appear to be well thought-out and could provide a model for future deals. You can bet that each of these investors was provided with a good look – i.e., transparency – at the balance sheets of their investments, enabling them to price the transactions accordingly and make the deals work. The stock market appears to like these transactions as well, having driven up the price of financial giants JP Morgan, Citigroup, and Goldman Sachs amid the carnage in other financial stocks. Smart decisions are being rewarded and opening the books of the financial institutions shouldmight encourage more intelligent decisions that may be rewarded.

Speaking of the FDIC – While Congress debated last week and investors fretted, the FDIC, under the pragmatic leadership of Chairman Sheila C. Bair, took the initiative and has been working diligently in an attempt to facilitate the smooth acquisition of failing banks such as Wachovia and Washington Mutual. Bravo. In a further effort to calm depositors' nerves, Congress raised the level of deposits the agency insures, from $100,000 per account to $250,000. Even though the premium banks pay will increase, this is another small solution that can help restore confidence in the financial system.

Private-equity capital growing. Private enterprise might be down but it is not out and we would expect to see more private deals as time goes by – more small solutions, if you will. Private-equity firms, which have called for looser restrictions on investing in banks, raised a record $324.4 billion in the first half of the year earmarked for investments in banks and/or their distressed assets.

Capital Recreations Proceeding at Financial Institutions

Now that a deal for Wachovia, in one form or another, looks like it will happen, the most troubled of the nation's largest financial institutions are being dealt with. The FDIC estimated there were 117 banks and thrifts in trouble during the second quarter, the highest level since 2003, and that number is likely to have increased during the third quarter. To date, 13 banks have failed across the country and have been seized by federal authorities. Deposits were placed in stronger hands to protect depositors.

At press time (near the end of the third quarter), 100 of the world's largest banks and securities firms incurred asset writedowns and credit losses of $590.8 billion, and they raised new capital of $434.2 billion. The following table, compiled by Bloomberg, shows the 20 firms with the largest losses and new capital they have raised to date:

Firm	Writedown & Loss	Capital Raised
Citigroup Inc.	60.8	71.1
Wachovia Corporation	52.7	11.0
Merrill Lynch & Co.	52.2	29.9
Washington Mutual Inc.	45.6	12.1
UBS AG	44.2	28.0
HSBC Holdings Plc	27.4	5.1
Bank of America Corp.	21.2	20.7
JPMorgan Chase & Co.	18.8	19.7
Morgan Stanley	15.7	14.6
IKB Deutsche Industriebank AG	14.8	12.2
Royal Bank of Scotland Group Plc	14.1	23.1
Lehman Brothers Holdings Inc.	13.8	13.9
Credit Suisse Group AG	10.4	3.0
Deutsche Bank AG	10.4	6.1
Wells Fargo & Company	10.0	5.8
Credit Agricole S.A.	8.8	8.5
Barclays Plc	7.6	17.9
Canadian Imperial Bank of Commerce	7.2	2.8
Fortis (Netherlands)	7.1	23.1
Bayerische Landesbank	6.9	0.0
Totals:	$449.7	$328.6
Notable other firms:		
Goldman Sachs Group Inc.	4.9	10.6
U.S. Bancorp	1.3	0.0

Source: Bloomberg

How Big Was the Problem?

The problem is big, and its genesis is becoming more clearer by the day. The seeds of disaster may have been unintentionally sowed by Congress when it enacted the Fair Housing Act in 1977, which required banks to accept more risk on a certain percentage of their assets in order to get more people into homes. This risk appeared to be manageable under the right economic conditions and with prudent government oversight. The rub began when:

- The easy-money policy of the Federal Reserve, during the period surrounding the turn of the century, encouraged risk-taking, which gained momentum as huge and growing profits numbed the senses of financiers and investors alike.

- The greed eventually spilled over into the housing market, creating a bulging and ultimately unsustainable bubble in home building and home prices as loans were granted to borrowers with unworthy credit.

- The entire process was accelerated by the addition of significant levels of leverage through various means, sometimes at ratios as high as 30 to 1, much of it on unsound collateral, and with risky standards (such as zero-down-payment and mortgage rates that eventually adjust higher). Mortgages were granted not on the borrowers' ability to repay, but on Wall Street's ability to package and sell the loans, which was substantial, so the money eventually lent on risky mortgages may have reached as high as $2 trillion, or approximately 4 percent of the total value of the entire U.S. housing stock.

- This is where government oversight failed, as those on the House Banking Committeethe Department of Housing and Urban Development, which is responsible for making sure that Fannie Mae and Freddie Mac conduct business prudently and in the national interest, allowed the two huge government-sponsored mortgage lenders to join the irresponsible lending party and load up on more poor debt than they could handle.

- The housing price bubble burst in 2007, causing home prices to fall below the value of the mortgages and run headlong into a freight train called the "mark-to-market" rule, creating a financial train wreck of monumental proportions.

The "mark-to-market" rule requires financial institutions to value their assets for accounting purposes on the prevailing market value of those assets. This process creates a mirage in that it works fine when asset values are rising, but it comes unglued when they are falling. This is what has occurred. The market value of mortgage securities, if there is a true market value at this time, has fallen so low that it has pushed the value of many financial institutions' assets dangerously close to, or below, the cost of their liabilities. This is why Lehman Brothers failed, and it is why the likes of Merrill Lynch, Washington Mutual, and Wachovia were forced into stronger hands.

The Securities and Exchange Commission has it in its power to contribute to a solution by adjusting the "mark-to-market" rule. This would relieve banks of substantial short-term liquidity pressures and give delinquent mortgages a greater chance to mature, while at the same time giving other businesses more realistic inventory accounting rules that would smooth out their inventory financing. Not all sub-prime borrowers will default on their mortgages. We do know that they would be helped by an economic environment where they can hold jobs to make the income they need to make their mortgage payments.

Here is how big the problem got:

- In 1994, the gross domestic product of the U.S. economy was $7 trillion.

- The dollar value of derivatives contracts (leverage on assets) held by U.S. banks that year was about double that, or $14 trillion.

- In 2007, the GDP of the U.S. economy was $13 trillion, about twice as high as the 1994 level, representing an average annual growth rate of 5 percent

- The dollar value of derivatives contracts held by U.S. banks in 2007 was $152 trillion, 12 times higher than GDP and almost three times higher than total U.S. household net worth of $59 trillion. Growth in derivatives held by banks grew at an average annual rate of 20 percent between 1994 and 2007. Much of this leverage was tied to sub-prime mortgage assets, and no one was regulating it. Naturally, this massive amount of leverage made everybody happy as long as asset values were rising. Warren Buffett recognized the danger inherent in this massive leveraging. In his "2002 Annual Letter to Shareholders," several observations turned out to be prescient:

> *"The derivatives genie is now well out of the bottle, and these instruments will almost certainly multiply in variety and number until some event makes their toxicity clear. Central banks and governments have so far found no effective way to control, or even monitor, the risks posed by these contracts. In my view, derivatives are financial weapons of mass destruction, carrying dangers that, while now latent, are potentially lethal."*

The "event that makes their toxicity clear" was the collapse of the price bubble in the residential mortgage market.

"No effective way to control…" represented regulators' (a) lack of understanding, (b) laissez-faire attitude, (c) willingness to turn a blind eye or unwillingness to work effectively with other regulatory agencies, or (d) some combination of a. through c. Reason a must carry a heavy weight because the near collapse of Long Term Capital Management in 1998 was precipitated by soured derivatives contracts. So the causes of the current financial mess are nothing new, but perhaps in the end they were just too complicated to comprehend.

"Potentially lethal" should be well known to all of us now, and in particular the now-unemployed previous CEOs of Bear Stearns and Lehman Brothers.

Interest Rates: The Federal Reserve Floods the Global Financial System with Liquidity

In a massive effort to loosen the paralysis that continued to grip the credit markets, the Federal Reserve pumped $630 billion into the global financial system on Sept. 29, flooding banks with cash to encourage them to keep lending to one another and their customers. The Fed's expansion of liquidity, the biggest since the credit markets began to seize up last year, came hours before the U.S. House of Representatives rejected the Treasury's original bailout plan. The liquidity infusion did virtually nothing to thaw the credit markets, underscoring our thesis that transparency, and not liquidity, is the central issue.

Inflationary Pressures Ease

The Fed, which had been prevented from providing more liquidity to the credit market previously by the inflationary threat posed by demand for commodities from emerging economies, now apparently has a free hand as demand from the likes of China and India has fallen, relieving inflationary pressures. The current economic environment is characterized not by inflation, but by deflation, as asset classes from stocks to real estate to commodities continue to sink.

The Stock Market: Maintain Your Investment Discipline

Is the downturn in the stock market due to:

a) Frozen credit markets?

b) A slowing economy?

c) The Great Deleveraging?

d) Difficulty in valuing many stocks in the current financial environment?

e) Emotions?

f) A combination of all of the above?

We pick f. Benjamin Graham said that in the short term, the stock market is a voting machine, and in the longterm, it is a weighing machine. Given that the markets are self-correcting mechanisms, we are confident that values will be sorted out accordingly over the next several weeks, and this is why it is so important to invest in a diversified portfolio of high-quality stocks. High quality is always the friend of the long-term investor, so we council our clients to remain calm and to stay on their investment course. This is not the first nor will it be the last financial crisis that we will experience in our investing lifetimes.

Maintain investment discipline. We are comfortable with our current asset-allocation strategies for the various investment objectives and also with the sector allocations and stocks selected for our Model Stock Portfolio. Experience has taught us to build a house that is strong enough to survive the market's inevitable hurricanes, and we believe our current portfolio has that strength. We don't believe that attempting a structural change during any hurricane is the right thing to do.

Bear raid reprise. Students of financial history and investors alike were witness to the resurrection of a previously thought-to-be-extinct species – real bear raids – the culmination of which recently nearly ruined two of the strongest investment banks in the world: Goldman Sachs and Morgan Stanley. Students of financial history who have heretofore only been able to read about this archaic species in textbooks can now say that they have seen the real thing. Visceral vs. vicarious experience has taught at least this student that bear raids represent the dark side of capitalism: They are viscous, self-serving, and they were hobbled by regulation in the 1930s for a very good reason. Bear raids were rightly categorized as being against the public interest because they crushed stocks without mercy and often without adequate reason, forcing many companies into bankruptcy that otherwise would have remained solvent and might even still be in business today. Bear raids returned because:

Securities and Exchange Commission press release, Washington, D.C., June 13, 2007 – "The Securities and Exchange Commission today voted to take additional steps to better safeguard investors and protect the integrity of the markets (our italics) during short-selling transactions by closing loopholes in Regulation SHO (elimination of the uptick rule for short selling) and further reducing persistent failures to deliver stock by the end of the standard three-day settlement period for trades (enabling naked short selling, or selling before stock has been borrowed)." We can only hope that the SEC decides to reinstate the uptick rule on short selling, another small but important solution.

Corporate Earnings

We've reached Last week markedthe end of the third-quarter accounting period, and earnings reports will start to flow.this Corporate earnings are expected to fall 15 percent in the aggregate for the third quarter.

Final Comments

Poor government policy (easy money) and poor regulation (by banking regulators, the House Banking Committee and the SEC) enabled greed on Wall Street to run amok and overpower the financial system with high-risk leverage. In his seminal treatise on capitalism, "Free to Choose," Milton Friedman said that somebody ultimately bears the cost of government actions. The deleveraging of America will exact a cost on the American public, the body which elected those who let this happen. We don't know how high the ultimate cost will be, but whatever it will be there is no way around it. We can only take solace in the fact that anybody who has bet against America since 1776 has lost, and we hope our leaders can get it right this time.

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FSG reserves the right to change a stock rating at any time.

The Feldman Securities Stock Rating System is a relative ranking system based on valuation - the more attractive a stock in terms of total return potential, the higher the rating. Once a stock has qualified under our Financial Strength and Earning Power criteria, Valuation is the primary determining factor, meaning that the stock price is of critical importance. Significant changes in estimated valuation can trigger a change in our rating. Feldman Securities Group, LLC's Stock Ratings are defined as:

BUY – The current price suggests that the stock is likely to produce a total return that is greater than the relevant benchmark over the next 12 to 24 months.

HOLD – The current price suggests that the stock is likely to produce a total return that is about the same as the relevant benchmark over the next 12 to 24 months.

SELL – The current price suggests that the stock is likely to produce a total return that is less than the relevant benchmark over the next 12 to 24 months.

Over the past calendar quarter, the ratings breakdowns of stocks actively followed by FSG were:

BUY: 62.5%
HOLD: 30.0%
SELL: 7.5%

Research Analyst Bradley W. Young and Household invest in common stocks, some of which are on FSG's approved list of stocks.

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The S&P Quality Ranking System assesses in a single symbol the growth and stability of a company's earnings and dividends history. Rankings are generated using a computerized system based on earnings per share and dividend records over the past 10 years. The following is a list of Quality Rankings with letter classifications and a brief description:

Letter	Description
A+	Highest
A	High
A-	Above Average
B+	Average
B	Below Average
B-	Lower
C	Lowest
D	In Reorganization
LIQ	Liquidation

The following is a list of fundamental research metrics listed on the stock profile and their definitions:

Metric	Definition
2008e EPS	Mean estimated earnings for the company's current fiscal year 2008.
2008e P/E	Price to Estimated Earnings ratio for Fiscal 2008. Formula: Current Price / Sum of quarterly earnings and earnings estimates for fiscal year 2008.
2009e EPS	Mean estimated earnings for the company's next fiscal year 2009.
2009e P/E	Price to Estimated Earnings ratio for Fiscal 2008. Formula: Current Price / Sum of quarterly earnings and earnings estimates for fiscal year 2009.
5-Year Est EPS Growth	The Long Term Secular Growth Rate estimated for a period of five years.
Div.	The sum of regular dividends paid for the last four quarters.
Yield	The dollar amount of the latest 12 months of dividends / closing price shown.
Market Cap ($ mil.)	The dollar amount at which the public values all the shares outstanding of a publicly traded company. Formula: Shares Outstanding x Price.
Profit Margin	A measure of profitability; it answers the question of how much a company retains from each dollar of revenue after deducting all operating, interest, & tax expenses. Formula: Net Income / Revenue.
5-Year ROE	Avg. of last 5 yrs ROE. ROE = after tax profits earned for all the shareholders expressed as a percentage. Formula: Latest 4 Quarter EPS / (((Latest quarterly total Stockholders Equity from the Balance Sheet + Stockholders Equity 4 quarters ago from the Balance Sheet) / 2) / Shares Outstanding).
Debt/Capital	Debt with a maturity of a 1 year or greater expressed as a percent of total capitalization. Formula: LT Debt / (LT Debt + Stockholders Equity).

Historical company rating changes by the Feldman Securities Group The last rating change is provided for all stocks that have been on FSG's Approved List over the last 12 months. Also, if a company's rating changed more than once in the previous 12 months, all ratings over the last 12 months are shown.

Company	Ticker	Rating	Date of Rating Change	Price at Rating Change	Price on 9/30/08
ABBOTT LABORATORIES	ABT	Buy	1/10/06	39.46	57.58
ACCENTURE	ACN	Hold	9/18/06	28.64	38.00
ADOBE SYSTEMS	ADBE	Hold	2/2/07	38.97	39.47
ADOBE SYSTEMS	ADBE	Buy	5/12/08	40.44	39.47
AUTODESK	ADSK	Buy	1/19/07	42.23	33.55
AFLAC	AFL	Hold	10/26/06	44.00	58.75
AFLAC	AFL	Buy	7/9/08	61.08	58.75
AMER INT'L GROUP	AIG	Buy	3/28/05	57.02	3.33
AMER INT'L GROUP	AIG	Hold	2/12/08	44.74	3.33
AMER INT'L GROUP	AIG	Sell	3/17/08	39.80	3.33
AMGEN	AMGN	Hold	10/26/06	75.98	59.27
BED BATH & BEYOND	BBBY	Buy	7/24/02	31.39	31.41
BED BATH & BEYOND	BBBY	Hold	5/19/08	32.68	31.41
BEST BUY	BBY	Buy	6/15/05	45.08	37.50
BURGER KING HOLDINGS	BKC	Buy	5/19/08	30.23	24.56
ANHEUSER-BUSCH	BUD	Hold	10/26/06	48.22	64.88
ANHEUSER-BUSCH	BUD	Sell	12/11/07	52.58	64.88
CAPITAL ONE FIN'L	COF	Buy	1/19/07	77.62	51.00
CAPITAL ONE FIN'L	COF	Hold	7/22/08	42.08	51.00
CAPITAL ONE FIN'L	COF	Sell	7/25/08	39.27	51.00
COACH	COH	Buy	5/19/08	36.44	25.04
CONOCOPHILLIPS	COP	Buy	11/17/00	25.81	73.25
CISCO SYSTEMS	CSCO	Buy	7/17/07	29.73	22.56
CITRIX SYSTEMS	CTXS	Buy	2/2/07	31.90	25.26
CVS/CAREMARK	CVS	Buy	10/26/06	31.05	33.66
CHEVRON	CVX	Buy	5/3/06	57.96	82.48
DANAHER	DHR	Buy	5/8/01	28.66	69.40
DISNEY	DIS	Buy	8/6/08	31.31	30.69
DEVON ENERGY	DVN	Buy	5/3/06	62.19	91.20
EBAY	EBAY	Buy	10/6/06	29.36	22.38
EBAY	EBAY	SELL	9/23/08	21.48	22.38
LAUDER (ESTEE)	EL	Buy	11/10/05	32.63	49.91
EMERSON ELECTRIC	EMR	Buy	6/13/07	47.15	40.79
EATON	ETN	Buy	11/15/07	87.42	56.18
FISERV	FISV	Buy	5/19/04	37.13	47.32
FISERV	FISV	Hold	11/14/07	52.88	47.32
GENERAL ELECTRIC	GE	Hold	10/26/06	33.97	25.50
GOLDMAN SACHS GROUP	GS	Hold	10/26/06	193.38	128.00
GOLDMAN SACHS GROUP	GS	Buy	5/2/08	200.27	128.00
GOLDMAN SACHS GROUP	GS	Hold	9/22/08	120.78	128.00
HEWLETT-PACKARD	HPQ	Buy	11/14/07	48.91	46.24
INT'L BUSINESS MACH	IBM	Buy	11/14/07	102.63	116.96
ILLINOIS TOOL WORKS	ITW	Buy	10/5/05	38.22	44.45
JOHNSON & JOHNSON	JNJ	Buy	2/16/00	34.38	69.28
JPMORGAN CHASE & CO	JPM	Buy	10/3/07	46.21	46.70
COCA-COLA	KO	Hold	10/26/06	45.36	52.88
KOHL'S	KSS	Buy	3/17/08	39.97	46.08
L-3 COMM TITAN	LLL	Buy	3/21/05	68.19	98.32
LINEAR TECHNOLOGY	LLTC	Buy	2/1/06	37.51	30.66
LINEAR TECHNOLOGY	LLTC	Hold	11/19/07	30.35	30.66
LINEAR TECHNOLOGY	LLTC	Sell	7/24/08	30.63	30.66
LOWE'S COMPANIES	LOW	Buy	2/20/04	29.19	23.69

Continued on next page

Company	Ticker	Rating	Date of Rating Change	Price at Rating Change	Price on 9/30/08
LOWE'S COMPANIES	LOW	Hold	5/19/08	24.25	23.69
MCDONALD'S	MCD	Hold	10/26/06	39.78	61.70
MEDTRONIC	MDT	Buy	9/18/06	45.77	50.10
ALTRIA GROUP	MO	Hold	4/2/07	21.04	19.84
ALTRIA GROUP	MO	Buy	3/17/08	21.58	19.84
ALTRIA GROUP	MO	Hold	5/2/08	20.43	19.84
MORGAN STANLEY	MS	Buy	5/3/06	52.65	23.00
MORGAN STANLEY	MS	Hold	3/17/08	36.17	23.00
MICROSOFT	MSFT	Buy	9/15/06	26.20	26.69
NOBLE	NE	Buy	6/6/07	46.15	43.90
NORTHERN TRUST CORP.	NTRS	Buy	7/25/08	77.07	72.20
ORACLE	ORCL	Buy	7/17/07	20.38	20.31
PEPSICO	PEP	Buy	7/1/02	44.31	71.27
PFIZER	PFE	Hold	10/26/06	25.07	18.44
PROCTER & GAMBLE	PG	Buy	10/26/06	61.53	69.69
PHILIP MORRIS INTL	PM	Buy	4/4/08	51.37	48.10
TRANSOCEAN	RIG	Buy	5/23/08	152.01	109.84
STARBUCKS	SBUX	Buy	3/31/06	37.63	14.87
STARBUCKS	SBUX	Sell	8/6/08	14.52	14.87
SLM	SLM	Hold	1/19/07	45.17	12.34
SLM	SLM	Sell	7/9/08	16.33	12.34
STAPLES	SPLS	Buy	3/17/08	20.77	22.50
SUPERVALU	SVU	Buy	9/23/08	22.52	21.70
STRYKER	SYK	Buy	2/3/05	50.84	62.30
TARGET	TGT	Hold	10/26/06	58.32	49.05
THERMO FISHER SCI	TMO	Buy	5/20/08	58.35	55.00
TEXAS INSTRUMENTS	TXN	Buy	10/3/07	35.76	21.50
U.S. BANCORP	USB	Buy	8/5/04	24.14	36.02
UNITED TECHNOLOGIES	UTX	Buy	8/20/08	75.63	60.06
VISA	V	Buy	4/28/08	75.63	61.39
VANGUARD TELECOM ETF	VOX	Buy	4/16/07	76.68	53.35
WALGREEN	WAG	Hold	9/18/06	48.68	30.96
WELLS FARGO	WFC	Buy	7/24/02	18.75	37.53
WELLPOINT	WLP	Buy	1/24/07	76.00	46.77
WELLPOINT	WLP	Hold	3/11/08	47.26	46.77
WAL-MART STORES	WMT	Hold	10/26/06	50.14	59.89
WILLIAMS-SONOMA	WSM	Buy	12/26/06	32.07	16.18
WILLIAMS-SONOMA	WSM	Hold	3/17/08	22.91	16.18
WESTERN UNION	WU	Buy	10/26/06	22.34	24.67
WESTERN UNION	WU	Hold	10/2/07	20.97	24.67
WRIGLEY (WM) JR	WWY	Buy	12/31/99	33.18	79.40
WRIGLEY (WM) JR	WWY	Hold	4/29/08	76.91	79.40
WRIGLEY (WM) JR	WWY	Sell	8/27/08	76.91	79.40
SPDR MATERIALS SELCT	XLB	Buy	4/16/07	38.56	33.40
SPDR UTILITIES INDEX	XLU	Buy	4/16/07	39.80	33.23
EXXON MOBIL	XOM	Hold	5/3/06	61.32	77.66

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S&P 500	SPX	–	$1,166.36	$89.62	13.0	$96.46	12.1	–	$28.76	2.5%	8.5%	18%	32%	$86,804	–
CONSUMER DISCRETIONARY															
Best Buy	BBY	Buy	$37.50	$3.18	11.8	$3.25	11.5	12%	$0.53	1.4%	3.5%	25%	19%	$15,447	B+
Burger King Holdings, Inc.	BKC	Buy	$24.56	$1.38	17.8	$1.57	15.6	16%	$0.25	1.0%	7.7%	13%	53%	$3,311	NR
Coach	COH	Buy	$25.04	$2.06	12.2	$2.27	11.0	15%	–	0.0%	24.6%	44%	0%	$8,436	NR
Kohl's	KSS	Buy	$46.08	$3.10	14.9	$3.42	13.5	15%	–	0.0%	6.6%	17%	25%	$14,034	B+
Staples	SPLS	Buy	$22.50	$1.44	15.6	$1.73	13.0	14%	$0.33	1.5%	5.1%	19%	13%	$15,998	B+
Walt Disney Co.	DIS	Buy	$30.69	$2.33	13.2	$2.47	12.4	12%	$0.35	1.1%	13.2%	10%	26%	$57,587	A-
Bed Bath & Beyond	BBBY	Hold	$31.41	$2.06	15.2	$1.81	17.4	13%	–	0.0%	8.0%	24%	0%	$8,180	A-
Lowe's	LOW	Hold	$23.69	$1.53	15.5	$1.53	15.5	14%	$0.33	1.4%	5.8%	20%	22%	$34,722	A+
McDonald's	MCD	Hold	$61.70	$3.54	17.4	$3.82	16.2	10%	$1.63	2.6%	10.2%	17%	42%	$69,393	A-
Target	TGT	Hold	$49.05	$3.42	14.3	$3.84	12.8	14%	$0.60	1.2%	4.5%	18%	57%	$37,016	A+
Williams-Sonoma	WSM	Hold	$16.18	$0.97	16.7	$1.08	15.0	15%	$0.48	2.9%	5.0%	20%	1%	$1,708	B+
CONSUMER STAPLES															
CVS	CVS	Buy	$33.66	$2.47	13.6	$2.88	11.7	15%	$0.26	0.8%	3.5%	15%	20%	$48,308	A
Estee Lauder	EL	Buy	$49.91	$2.41	20.7	$2.67	18.7	11%	$0.55	1.1%	6.0%	26%	39%	$9,713	A-
Pepsico	PEP	Buy	$71.27	$3.74	19.1	$4.13	17.3	11%	$1.60	2.2%	14.3%	34%	27%	$111,575	A+
Philip Morris Int'l	PM	Buy	$48.10	$3.36	14.3	$3.71	13.0	13%	$1.00	2.1%	10.9%	48%	31%	$99,144	NR
Proctor & Gamble	PG	Buy	$69.69	$3.50	19.9	$4.25	16.4	10%	$1.50	2.2%	14.5%	27%	25%	$211,461	A+
SUPERVALU	SVU	Buy	$21.70	$2.97	7.3	$2.95	7.4	8%	$0.68	3.1%	1.3%	12%	58%	$4,609	A-
Altria Group	MO	Hold	$19.84	$1.67	11.9	$1.87	10.6	10%	$2.11	10.6%	24.1%	34%	13%	$40,865	A
Coca-Cola	KO	Hold	$52.88	$3.08	17.2	$3.36	15.7	10%	$1.48	2.8%	20.7%	32%	11%	$122,232	A
Walgreen	WAG	Hold	$30.96	$2.18	14.2	$2.45	12.6	14%	$0.40	1.3%	3.8%	18%	0%	$30,647	A+
Walmart	WMT	Hold	$59.89	$3.50	17.1	$3.86	15.5	11%	$0.95	1.6%	3.4%	21%	36%	$235,606	A+
ENERGY															
Chevron	CVX	Buy	$82.48	$11.71	7.0	$11.96	6.9	10%	$2.46	3.0%	9.2%	26%	7%	$169,453	A-
ConocoPhillips	COP	Buy	$73.25	$12.51	5.9	$12.35	5.9	12%	$1.82	2.5%	6.9%	20%	19%	$111,326	B+
Devon Energy	DVN	Buy	$91.20	$12.19	7.5	$12.38	7.4	6%	$0.62	0.7%	27.7%	19%	17%	$40,292	A-
Noble	NE	Buy	$43.90	$5.76	7.6	$7.30	6.0	20%	$0.16	0.4%	40.3%	17%	13%	$11,815	B
Transocean	RIG	Buy	$109.84	$14.39	7.6	$16.37	6.7	11%	$0.12	0.0%	49.1%	13%	47%	$35,042	NR
Exxon Mobil	XOM	Hold	$77.66	$9.04	8.6	$9.33	8.3	9%	$1.50	1.9%	11.3%	31%	6%	$403,366	A+
FINANCIAL															
JP Morgan	JPM	Buy	$46.70	$1.79	26.1	$3.42	13.7	8%	$1.52	3.3%	21.5%	11%	68%	$172,041	B
U.S. Bancorp	USB	Buy	$36.02	$2.22	16.2	$2.40	15.0	7%	$1.70	4.7%	31.2%	22%	65%	$62,749	A-
Northern Trust	NTRS	Buy	$72.20	$4.08	17.7	$4.71	15.3	12%	$1.12	1.6%	20.7%	16%	43%	$15,960	A-
Wells Fargo	WFC	Buy	$37.53	$2.07	18.1	$2.30	16.3	9%	$1.27	3.4%	20.5%	19%	68%	$124,185	A
Aflac	AFL	Buy	$58.75	$3.98	14.8	$4.51	13.0	15%	$0.93	1.6%	10.6%	17%	16%	$27,977	A
Goldman Sachs	GS	Hold	$128.00	$12.55	10.2	$13.95	9.2	13%	$1.40	1.1%	13.2%	23%	80%	$55,610	A-
Morgan Stanley	MS	Hold	$23.00	$4.58	5.0	$4.77	4.8	12%	$1.08	4.7%	3.0%	17%	86%	$25,507	B+

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HEALTH CARE															
Abbott Labs	ABT	Buy	$57.58	$3.28	17.6	$3.66	15.7	13%	$1.41	2.4%	13.9%	21%	31%	$88,762	A-
Johnson & Johnson	JNJ	Buy	$69.28	$4.51	15.4	$4.72	14.7	8%	$1.75	2.5%	17.3%	28%	16%	$193,603	A+
Medtronic	MDT	Buy	$50.10	$2.61	19.2	$3.00	16.7	13%	$0.63	1.2%	16.5%	23%	31%	$56,528	A-
Stryker	SYK	Buy	$62.30	$2.88	21.6	$3.42	18.2	18%	$0.33	0.5%	16.4%	22%	0%	$25,687	A+
Thermo Fisher Scientific	TMO	Buy	$55.00	$3.17	17.4	$3.67	15.0	16%	–	0.0%	8.0%	6%	12%	$23,046	B-
Wellpoint	WLP	Hold	$46.77	$5.50	8.5	$6.14	7.6	13%	–	0.0%	5.5%	12%	31%	$23,915	NR
Amgen	AMGN	Hold	$59.27	$4.38	13.5	$4.56	13.0	9%	–	0.0%	21.4%	15%	35%	$62,710	B+
Pfizer	PFE	Hold	$18.44	$2.37	7.8	$2.51	7.3	3%	$1.25	6.8%	17.0%	12%	10%	$124,304	B+
INDUSTRIALS															
Danaher	DHR	Buy	$69.40	$4.39	15.8	$4.90	14.2	13%	$0.12	0.2%	11.0%	18%	21%	$22,134	A+
Emerson Electic	EMR	Buy	$40.79	$3.10	13.2	$3.37	12.1	14%	$1.20	2.9%	9.5%	21%	25%	$31,651	A
Eaton Corp	ETN	Buy	$56.18	$7.75	7.2	$8.55	6.6	12%	$1.93	3.4%	7.4%	20%	30%	$9,337	B+
Illinois Tool Works	ITW	Buy	$44.45	$3.66	12.1	$3.97	11.2	11%	$1.15	2.6%	11.3%	18%	13%	$23,086	A+
L-3 Communications	LLL	Buy	$98.32	$7.22	13.6	$7.57	13.0	11%	$1.15	1.2%	5.4%	12%	43%	$11,938	A-
United Technologies	UTX	Buy	$60.06	$4.95	12.1	$5.47	11.0	10%	$1.28	2.1%	7.8%	22%	27%	$57,919	A+
General Electric	GE	Hold	$25.50	$2.06	12.4	$2.05	12.4	11%	$1.24	4.9%	13.2%	19%	75%	$253,675	A+
INFORMATION TECHNOLOGY															
Autodesk	ADSK	Buy	$33.55	$2.28	14.7	$2.63	12.8	15%	$0.06	0.0%	16.4%	32%	0%	$7,547	B
Adobe Systems	ADBE	Buy	$39.47	$2.00	19.7	$2.22	17.8	15%	$0.03	0.0%	22.9%	26%	7%	$20,937	B+
Cisco Systems	CSCO	Buy	$22.56	$1.56	14.5	$1.67	13.5	15%	–	0.0%	20.4%	23%	16%	$133,265	B+
Citrix Systems	CTXS	Buy	$25.26	$1.57	16.1	$1.86	13.6	16%	–	0.0%	15.4%	16%	0%	$4,607	B+
Hewlett-Packard	HPQ	Buy	$46.24	$3.61	12.8	$4.16	11.1	12%	$0.32	0.7%	7.0%	12%	15%	$113,247	B+
Int'l Business Mach	IBM	Buy	$116.96	$8.80	13.3	$9.69	12.1	11%	$1.80	1.5%	10.5%	30%	43%	$158,462	A
Microsoft	MSFT	Buy	$26.69	$1.88	14.2	$2.14	12.5	12%	$0.46	1.7%	29.3%	31%	0%	$243,688	B+
Oracle	ORCL	Buy	$20.31	$1.30	15.6	$1.52	13.4	15%	–	0.0%	24.6%	30%	30%	$104,715	B
Texas Instruments	TXN	Buy	$21.50	$1.80	11.9	$1.89	11.4	15%	$0.41	1.9%	19.1%	18%	0%	$28,184	B+
Visa	V	Buy	$61.39	$2.23	27.5	$2.77	22.2	20%	$0.21	0.3%	–	N/A	0%	$66,543	NR
Accenture	ACN	Hold	$38.00	$2.65	14.3	$2.90	13.1	12%	$0.50	1.3%	6.7%	62%	0%	$28,988	NR
Fiserv	FISV	Hold	$47.32	$3.34	14.2	$3.97	11.9	15%	–	0.0%	10.4%	18%	60%	$7,762	B+
Western Union	WU	Hold	$24.67	$1.33	18.5	$1.55	15.9	14%	$0.04	0.2%	17.5%	N/A	99%	$17,988	NR
MATERIALS															
Materials SPDR	XLB	Buy	$36.91	$2.77	13.3	$3.19	11.6	18%	$0.93	2.8%	–	N/A	N/A	$1,325	NR
TELECOMMUNICATIONS															
Vanguard ETF	VOX	Buy	$53.35	$1.48	36.0	$2.23	23.9	10%	$2.00	3.7%	–	N/A	N/A	$123	NR
UTILITIES															
Utilities SPDR	XLU	Buy	$33.54	$2.54	13.2	$2.78	12.1	9%	$1.20	3.6%	–	N/A	N/A	$2,187	NR