The Options Revolution

Empowering Individual Investors

"WOW!" Not another "FREE Report!" They are <u>so</u> hard to come by these days!

First off, **"Thanks for opting to receive and read our FREE Report."**

<u>Free Ranging Free Report Preamble</u>

Most people tend be of the opinion that *if advice is free it cannot be of any real value.* We beg differ but that is what we always seem to do. In fact, we have "**differed**" so frequently and consistently with the dominant thoughts of the times that we actually feel uncomfortable *when we are not* at odds with the majority or prevailing opinion. We are not sure if we were natural born "**contrarians**" but we do know that it did not take us long to realize that <u>Wall St.'s business</u> is not one of markets but rather of **<u>MARKETING</u>**. And truly, we would characterize it more as **PROPAGANDA** as opposed to marketing. This "revelation" is not really "news" to professionals and long-time market watchers. It may not even be news to the nonprofessional at this point because the last 2 years have succeeded at exposing Wall St. and federal government corruption and incompetence more so than any other period in the last half century. Yet, this characterization of Wall St. is only ignored to one's peril.

Before we go any further, we want to try to ensure you that it is worth your time to fully read this report and to give our current and future offerings some consideration. **<u>If you have received this report, it is likely that you are a friend of a friend or family member that is related to the founders of</u>** The Options Revolution. If that were the case, we would encourage you to inquire as to our sincerity and discernment with relation to markets and macroeconomic forecasting over the last 20 years. If you are not able to go that route then please send us an email and we will provide you with personal testimonials from clients that can speak to the veracity and value of our "***free advice***".

However, please keep in mind that we did not write this report to gloat or take credit for forecasting significant and various trend changes well in advance. **We**

wrote this to communicate to our friends and family and by extension to potential clients that *there is a better way, a much better way* to approach investing. We know from experience that we can guide people to the point at which they are effectively and practically applying alternative investing methods to their great benefit. In short, we are very excited about our new businesses and if possible, we only want to assist motivated, open-to-new-ideas people in their journey to investing self-reliance.

If someone is content with "**buy and hold**" and is fine with sitting, idly as their portfolio needlessly plummets, in excess of 50% then we are probably not the right solution for them anyway.

We want to delve into the heart of our report but we need to cover our backgrounds briefly first so that the reader has perspective on where we are "**coming from**". We are going to keep it general as that's all it really needs to be and "**NO**" we're not going to cite every accomplishment and how special at "*this or that*" we are or what incredible qualifications we have etc. **NO**, this report is about **YOU** and us. **It is about what experience and knowledge we have accumulated in *the very real world of the markets* and how we believe that we can help you to help yourself.**

Here is the key information, point-blank style: for the most part, we are a group of veteran professional equity options traders that got started in the early 1990's. We've traded both on and off-floor on various exchanges but have mainly focused on stocks, options, futures and more recently FOREX trading. Collectively we have also launched and managed trading operations, both electronic and floor-based, over the years. We have spent a great deal of time studying and enhancing technical and fundamental analysis after having studied finance and economics at

our respective universities. We have developed equities and options risk management systems and order execution platforms along with trading systems, indicators, market intelligence data, and electronic execution operations. We have served as internal instructors for our own options trading firms and for leading options education companies in addition to writing and developing our own educational materials and services. We have also spent a good deal of time on the "***other side of the business***" as **financial advisors**. It is that recent experience that ***really*** provided the requisite *perspective* to produce our current and planned offering along with this report.

But back to YOU... **Our goal is to get the word out through you that we can help people like you.** Yes, we are going a little "**old school**" in that we believe that "**word-of-mouth**" and **referrals**, and **testimonials** from friends, friends of friends and family are of much greater lasting and positive value to our firm than what is driven by the current fads of Internet marketing gimmickry, chicanery, and yes, trickery. "*Pushing psychological buttons*" may be an effective technique for all we know **but we still hold old-fashioned values in high regard**. We **still** believe that CAPITALISM can work. And what that means to us is the philosophy of ENLIGHTENED SELF-INTEREST. **We believe in the principles that made America the great country** that it was in the not so distant past. That is, ***we believe that we can provide great value to our clients in exchange for fair compensation***. We believe that we are offering a "**fair value**" proposition and in all honesty, we will feel bad if we do not believe that our clients ultimately get the better end of the deal. **No**, it is not because we were born saints it is simply because that is how we were raised in a better time than present and additionally, **that is good business!**

So that's it. You can choose to believe that we expressed ourselves sincerely in the paragraphs above or you can speculate that we paid a team of vapid marketing zombies to "focus group" this issue to near-death and to then provide us with the latest, greatest, and essentially the silliest sales campaign of the moment. We really would not blame a person if they opted to remain skeptical because, just like the rest of our decaying society, marketing and sales methods have devolved to a similarly low state of existence. **However, if you are of the opinion that *it may be worth giving this report a chance* then please read on...**

Free Ranging Free Report Contents

Why, in some ways, we are not so special…

This is the beginning of the actual content of this report but staying true to our "***respect our clients and prospective clients***" philosophy we are cutting right to the proverbial chase. That's right, there isn't a long, sophisticated exposition but merely this non-rhetorical question: ***How is it that we were able to see and appreciate risk and great trend changes well in advance of the overwhelming majority of money managers and Wall St. types etc.?*** We want to be clear, we don't claim to have any special abilities or "secrets" or supernatural intelligence, but there are **several reasons** why we have been able to consistently see the looming disasters in the distance when most "sophisticated observers" saw only "clear skies and tranquility" on the horizon. We will tick off the most pertinent reasons as quickly as possible out of respect for time.

Our not so super-sophisticated "Secrets" to the markets…

Relying on what was once known as "*common sense*" was one of the top reasons. Figuratively keeping our "*eye on the ball*" was another reason. Having more than sufficient motivation derived from our families' well being actually depending upon us successfully navigating the markets was an important reason as well. Relying on historical and "*heart of the matter*" metrics and ratios was another. Having a natural distrust of the federal government and corporations was yet another reason. Possessing an understanding of elementary statistics and probability theory certainly helped as well. **Being well versed in basic fundamental, technical and sentiment analysis was also of great aid to us**. We could add more to this list but we would hope that you "*get the idea*" at this point. *Our higher education was focused mainly on finance and economics and our practical experience is nearly entirely markets related so we've quite simply spent a good deal of time learning first-hand what is important in the long run and what's essentially amounts to* ***"misdirection"***.

Ours and ***Your real advantage*** *over Wall St.*

Hint: ***It's not what you may think!*** *…*

Our **natural desire to seek the truth** was probably the **most important** in terms of motivation and perseverance. This motivation to seek the truth is the difference-maker when compared to Wall St. at-large. **Here is the truth**: Wall St. holds the advantage, almost an unfathomably superior advantage in relation to us in nearly every way. They have ***teams*** of full-time highly-educated and experienced personnel that are devoted to nearly every critical area of finance, economics and geopolitics not to mention advanced systems and practically unmatched brain power. This represents the proverbial "*tip of the iceberg*" but even more importantly and unquestionably, they are ***CONNECTED***. They are immeasurably more connected to every "situation" and especially the ones that matter most than we are, us being a small group of options traders. Just to prove the point, even many non-investors learned through the media that key management from nearly all of the major brokerage and financial companies were in attendance during the key meetings that have been held as the credit markets crisis evolved. **Were you invited?** **We know that we were not**. Even **true believers** have to admit that sitting in on those meetings would have given those firms a true sense of the scope and magnitude of the crisis. We had to learn about it in "*drips and drabs*" over time, time in which those firms could have repositioned their portfolios for what was around the bend. Why else have their "*trading profits*" bounced back so strongly during these times? Lucky streak? Or are they just getting back to being the "*best and the brightest*" as they were ***sold*** to us as.

The REAL "Tell"…

The real "tell" is their motivation. Many people will say that **to find the truth** about what is going on or about what has happened, one needs to follow the money or the money trail. This holds true in this case as well. **The truth is that Wall St. is motivated to hold onto your money.** They are paid based on how much of your money they have under management. They make money on your money just as a bank makes money by loaning the deposits of savers to borrowers and pockets the differential in interest rates. **Wall St. and the complicit mainstream media** have done a tremendous job of convincing most passive investors to turn their capital over to the trusting hands of "the Street" and to tap these investments only for emergencies or after retirement. Wonderful outcomes were promised to all of these "long-term investors" that had the patience, wisdom, discipline and intelligence to simply "**buy and hold**".

Our Differing Perspective…

We view this much differently than they do. We look at the market as a source of opportunity not as something that we are required to be patriotic about. As options traders we know that **we can make money in any type of market environment**: bull, bear, consolidation, volatile, stagnant etc. The thing you have to remember is that if you are willing to buy something from Wall St., **they will happily sell it to you.** **It doesn't matter what IT is**, they will find a way to **sell it to you.** So, if you want to sign onto being a patriotic long-term investor that believes in Corporate America's prospects then they will provide you with a fancy ink plume with which to do it. **Wall St. is about making money for Wall St.** because money is power. We are not going to go off on a psychological tangent but that is the truth of the matter. Nearly everything else is propaganda or a propaganda channel that they have designed with an end goal of having you turn your investment proceeds over to **those that know better**, all for your betterment of course. **However, do they know better? Is that even the right question?**

Actually, they do know better but they do not put that knowledge to work on your behalf unless it meshes well with their objectives. Here is a question to ponder: For what does Wall St. pay their analysts, economists, technicians, managers, and client representatives? Here is a hint: It's not to perform their job duties or to assist you, their clients, in some way that helps you to make money. Rather it's to further the cause, their cause, which is to profit for themselves mainly during bull markets because that is when most of the investing public is most vulnerable to *suggestions* to get into the markets.

If you think we sound too cynical…

Here is something to consider; we consider ourselves experienced technical analysts (aka chartists) because we have been using and researching this form of analysis for nearly 20 years. However, **we are not privy to what is considered to be some of the best information** on which to chart. That information is classified as "internal measures" which is another way of saying "analyzing our client accounts to see what the little guy is doing". Why is this so valuable? Why do the firm's technicians chart this data? The answer is because they have found it to be a great ***contrary*** indicator over time. Put another way, the firms long ago realized that they could pass this information along to their trading desks because it helps the desk traders profit from market reversals. They know that historically when the "little guy" either panics to "buy in" for fear of missing the next leg of the rally or panics to "get out" for fear of losing even more of their capital in a bear market that the reversal point isn't too far in the future. **Still sounding too cynical?** Read on…

Recent examples they would like us to forget about…

Let's look briefly at some recent examples of Wall St. performing their *fiduciary* duties. Enron and Worldcom are two company names that are synonymous with complete collapse and corporate fraud. These were some of the largest companies and most widely followed stocks of their era. ***One would think*** that with Wall St. staffing armies of analysts assigned to covering these companies from top to bottom, day-in-day-out, that they'd be the first to spot irregularities with accounting or other "**red flags**" and of course they'd fulfill their **fiduciary responsibility to their clients by warning them first, right?** Well a reality check on how these episodes were handled reveals that many **Wall St. analysts actually maintained "buy ratings" all the way down to $ZERO** while other firms advised clients to "average down" which means to **buy more shares as the stocks were in free fall** to lower the overall "entry" price.

Now let us look at another example that is more recent. We will omit the specifics for the moment but we will ask that you try to recall this type of language that was deployed in the not so distant past: "The subprime issue is ***contained***." This type of nonsense was bandied about at every level starting with a parade of clueless business channel "personalities" to firm analysts to Wall St. CEOs, CFOs, and yes all the way up to the last two heads of the Federal Reserve. We were assured all would be well and that we were not to worry. After nearly 5 years of a bull market run, which is historically on the aged side, that in turn was fueled by artificial money supply manipulation that centered mainly on and around the housing market bubble, very few analysts or advisors saw it fit to even slightly reduce the exposure that clients had to the equity markets ***despite*** the fact that countless warning signs were flashing all around them!

In particular, we are providing comments attributed to "*expert*" Mr. Donald Luskin. He was a very frequent guest on financial TV before, just as, and during the meltdown in the markets that was made possible via the housing market boondoggles. Behold:

This came from Mr. Luskin on 8/24/07 just as it was finally becoming clear to even lagging market watchers that things were very shaky:

"*Everyone's saying that the financial system is "broken" thanks to losses in subprime mortgages, and the collapse of exotic loan securitization structures like collateralized debt obligations, or CDOs. So how come the financial sector of the S&P 500 has performed better than the overall market during this alleged meltdown?*

Guys and gals, take a stress pill and count to 10. This is nothing. At least for most investors. ..."

Mr. Luskin continued:

"This is like Hurricane Katrina. If you lived in New Orleans when it hit, then it was a profound personal tragedy. Thousands of such personal tragedies added up to lots of money, call it $100 billion plus. ***But in the grand scheme of things in the overall economy, it doesn't even register on the radar.*** *To paraphrase Humphrey Bogart in "Casablanca,"* ***the troubles of a few thousand little people don't amount to a hill of beans in this crazy economy****."*

Mr. Luskin concluded with this gem:

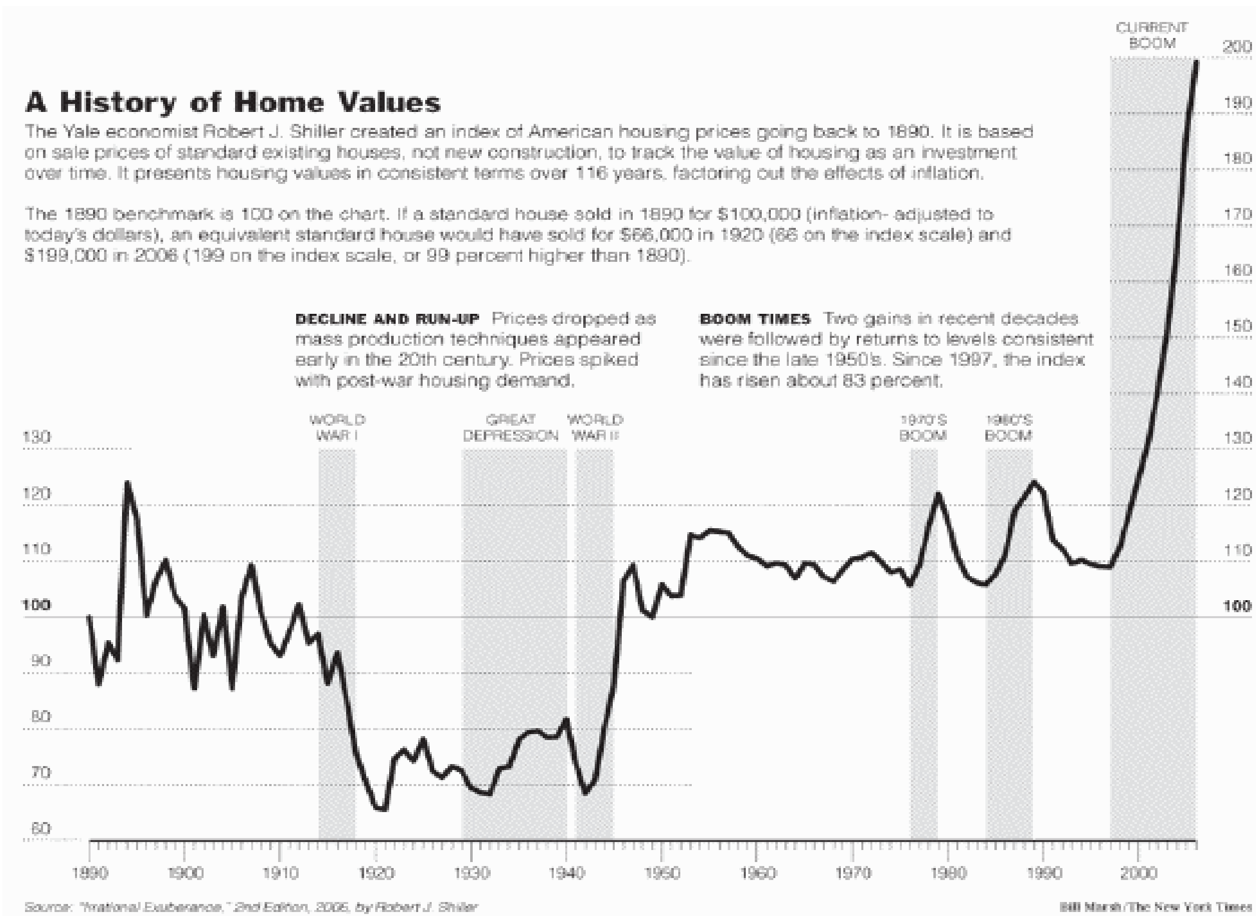
"So here's the play: Buy stocks on dips. There will plenty of dips while the panic plays itself out. But the bottom is in, and I think you can buy with confidence now."

Could you have done better than this *expert could*?

But how can We beat the experts? ***What experts?...***

Remember! Most of these people may have some sort of expertise but they are not being employed to help you! They are being used, unwittingly or otherwise, for propaganda distribution!

Look, what if you had information like this at your disposal?:



Does that look even remotely close to normal or sustainable to you? Even when compared to prior and more legitimately fueled housing booms the most recent boom is still nearly beyond comparison. Did Wall St. possess this information? Why weren't they "concerned" for their clients, investors or the economy? Why did they parade expert after expert onto financial TV to proclaim that all was well? The short answer is that their hypocrisy would have been too obvious to other institutional investors that they hoodwinked into buying securities whose values were based upon the health of the housing market. In other words, it was in their interest to keep quiet and sit on the ill-gotten windfall profits that they made by bundling and selling extremely risky yet marketed as highly rated mortgage-backed securities. By the way, there were many other free metrics that we followed and provided to clients via commentaries that illustrated the imminent danger even more effectively than this graph from Professor Robert Shiller and The New York Times. **Even just a little perspective would have gone a long way towards helping investors to, at the very least, reduce their exposure or to hedge at least a portion of their portfolios.** **How many advisors with Wall St. firms put this type of information into the hands of clients?** "Very few" is the answer. Are we attacking financial advisors, brokers and representatives here? Surprisingly "**No**"! You may recall that we have spent several years on that "**side of the business**" as well. Therefore, we appreciate what the reality of that side of the business is as a result. Here is the bottom line on this situation: Advisors have their "hands" figuratively tied by the government, the legal system, and their backing firms to various degrees. It's somewhat complicated to explain but it's very important and if you comprehend and believe what you're about to read you'll understand that you need to take command of your investment portfolio as soon as you feel competent enough to do so.

The "Nuts & Bolts" of Why YOU Must Take Control…

Here is the breakdown… Most so-called advisors are 9 parts Salesman and 1 part actual advisor but here is the "rub", "It's not their fault" so do not blame them! That is what the firms require of them to maintain their positions. In fact, if a rep. in their early years spends less than 3/4ths of their time trying to acquire new clients then there is a very strong chance that rep. will be looking for other forms of employment in the future. The firms put intense pressure on reps. to SELL products. You may be thinking "Why was the word product just used, I thought we were talking about securities?" We were and we still are but it is all about perspective. The public investor thinks in terms of securities but the firms in reality think of various assets as **products to be sold** to the investing public. Here is what happened…Long ago, with large thanks to government intervention, the brokerage industry completely changed its focus from one that was transaction-based to one that aims to keep and add to money under management. That is why clients that retain traditional advisors see their capital placed via asset allocation models as opposed to the old days where a broker would personally research suitable opportunities for clients and then contact them to discuss the client's interest in entering the proposed investment. Asset allocation models require far fewer transactions and they accomplish several other things on behalf of the firm and the advisor that are noteworthy:

1. Transaction frequency is very low so that keeps costs down for the firm. Greatly reduced transactions produce economies for firms; this is sold as a benefit to the client however.

2. This is safer from a legal perspective. This model has been adopted by "the Street" and "blessed" by the FEDS. This means that the firm will face far less legal trouble than they would if brokers were still "churning" clients as they did in the old days.

3. By investing client assets into certain vehicles, mainly mutual funds of some kind, the rep. and her firm are able to receive a "commission" for placing business with the mutual fund company. Cynical readers might detect a hint of ***conflict of interest*** at this point mainly because this sounds very similar to what a "kickback" is. Do not worry too much; investors are normally not aware that THEY are actually charged this commission by the fund. "NO", the mutual fund nor the client's firm do not mail this information in bold type to clients. The mutual fund merely reduces your investment return and then buries the details, quite literally, in the fine print.

4. Fewer transactions mean much less time in the office servicing existing clients and much more time available to prospect for new clients. To be

blunt, if clients are "happy" with very little face and telephone time with their advisor that gets paid not for time spent but for capital managed, then what would motivate a sales pressured advisor to abandon the firm's game plan?

Why the problem really lies with the firms…

On this final point above, we have to expand to really illuminate matters because we are not attacking advisors but we are attacking the firms. As we have already noted, the firms have taken the discretion and actual advising out of the reps. hands and placed it with their puppet economists and analysts. These "*professionals*" perform effectively as the "*script*" calls them to perform. The script also calls for plenty of sales training and very little in the way of markets and economic training. Why train employees in skills that they will never use because they are restricted from doing so? Firms want their reps. to establish relationships because they know that clients' capital will be more "sticky" if there is a solid personal relationship. Firms then work to make it convenient for successful sales reps. to stay with the firm and inconvenient for successful sales reps. to leave the firm. Since lobbyists have hijacked our federal government it should come as no surprise that the FEDS have effectively "signed off" on this paradigm. Wall St.'s lobby indirectly wrote these "laws" and "standards" so of course everything remains copacetic until we're forced to live through the once in a decade meltdown of the abused paradigm. New laws are then written by Wall St., err umm, D.C. to prevent "anything like this from ever happening again" and then of course time marches on to produce a subsequent period that "rhymes" with its predecessor.

However, some things never change, not at all. The first that comes to mind is the permanent rosy outlook that Wall St. and by extension most of their reps. maintain. There is never a cloud in their figurative sky. Perhaps that is due to how insulated these exceedingly well-paid professionals actually are most of the time. **"Main Street"** to them is a euphemism for retail space or even worse, a term used to represent the "not so sophisticated". However, the term to us and most other citizens probably represents the actual Main St. of their town or the nearby town. This may seem like a natural "blind spot" and perhaps you can even understand this tendency but it is not that innocent. There may not be a malevolent intent but there is something very wrong with finding reasons and structuring laws so that the best thing for the firm and advisor results in the client staying nearly fully invested at all times. The cold reality of all of this is that the firm will only have the rep.'s "back" if the rep. executes the firm's game plan and invests client funds in accordance with the firm's forecasts and analysis, which we all know is very skewed in the least and extremely flawed and prejudiced far too often. What we are getting at here can probably best be understood by examining two quick scenarios.

Scenario A. The advisor, acting forthrightly and to the best of her abilities, and independently of the firm, places clients completely in ultra-safe cash investments. The "overvalued" market continues on its torrid pace and these investors miss out on "bubble" generated profits. If one client takes legal action against the advisor then it is effectively "over". ***The firm will not legally back an advisor that acts in a contrary way with respect to the firm's forecasts. Since the firms are almost always irrationally bullish, you can see what risks the advisor faces.*** If the advisor is wrong then she is in deep trouble legally and professionally because this becomes a permanent and very public part of their record. Commissions and kickbacks are lost. Unhappy clients complain to great numbers of people thereby sullying a reps. reputation in those circles. Referrals, a key source of new clients for reps. then become practically non-existent.

Scenario B. The advisor "*plays ball*" as the firm would like. The clients are creamed but they lose on the "downside". "That's "OK" because everybody lost but look we *lost* ***you*** *less* than your friend's guy lost him! We did a good job for you in terms of relative performance and don't worry, the market **always** comes back. This recession is ending as we speak." The firm is fine with this scenario because there is safety in numbers; "*Everybody lost*." The client looks around, realizes that it is regrettably true, learns to cope with it, and waits for the market to come back because it ***always*** does. Why move your money now? Most people have a misconception that they would need to liquidate their holdings and thereby realize the "paper losses" to move to another firm. That is not the case normally but it can be sometimes and most folks would rather wait for a bounce than "lock in" a painful loss.

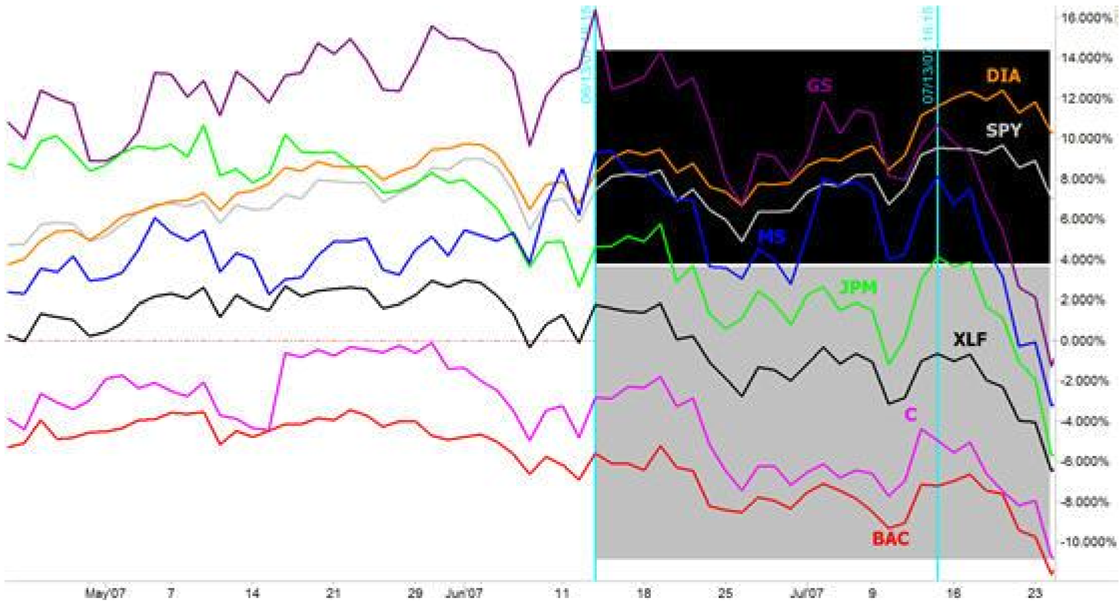
Net result? ***The firm and advisor retain the client and what is left of their capital.*** Where is the downside from their perspective? **Where is the advisor's incentive to act out Scenario A?**

Admittedly we've simplified things to a degree but there are even more reasons why things are structured as they are and function as they do and remember this "*business*" is about them first and you're always a distant second.

In short, it is far riskier and less rewarding for advisors to deviate from the game plan and that is why so few of them do. **Most of their time, by firm design, is spent prospecting** and even if it were not they are now reduced essentially to intermediaries, serving between the firm's intentionally skewed forecasts and the client's capital. ***How does this activity benefit the client?***

“Charts? I thought they were Voodoo”…

Let’s quickly look at one more brief and simple example that would have given even a novice self-directed investor cause for concern had they been “*clued in*” by a veteran pro-trader as to what to watch for in terms of warning signs:



It may not be very easy to see in the chart above but please do your best the follow along as this is not anything complicated. We have included the **SPYs** and the **DIAs** in this chart and if you are new to things just realize that these 2 ETFs are proxies for the S&P 500 and the DJIA aka the Dow Jones Industrial Average that are 2 of the most widely followed market indexes. In other words, these 2 symbols represent the market more so than any individual stock since they are comprised of many stocks. You have may have already noticed that the rest of the symbols are those of financial stocks including the **XLF**, which represents multiple financials and thus is somewhat of a proxy for that group of stocks. The price action between the **2 vertical blue lines** is what we want to hone in on now. In the top **black box,** it can be observed that the **DIAs** and the **SPYs** were **still trending higher** at the start of the summer of 2007. **However, please note that nearly every financial stock peaked in pri**ce either on or prior to the date in mid-June 2007 where we have drawn our first vertical line. Most of the supporting data can be seen in the lower gray box but **GS (Goldman Sachs)** and **MS (Morgan Stanley)** are better highlighted in the **black box**. "**OK, so, what's the big deal?**" Again, if you are new to the markets, that is a completely legitimate question and if you are not new and have at least some experience, it remains legitimate because certain sectors within the market rise and fall at various times over the course of bull markets. However, **the point that we are trying to make here is that the financials "decoupled"** from the market at a time when they *were* ***still*** *reporting record profits.* We hasten to add that this is not all that unusual either but recall the time period: **The Summer of 2007**. It was during the early part of that year and especially in the springtime, that the first long-predicted cracks began to appear in the credit markets and companies related to them as a result of the various forms of abuse that accompanied the housing bubble. So there things were, the bull market was approaching the end of a normal bull market lifespan, ***cracks begin to appear exactly where they were predicted to appear***, and the institutions (aka those that really move stock prices in magnitudes) begin to significantly sell out of financial companies that are still reporting record profits in a marketplace that is still experiencing bull market performance when measured by the market averages (proxies on our chart above). This may not seem that impactful but one needs to realize that at least one old Wall St. adage rings true and few veteran traders would disagree with it: **As go the financials so goes the market**. This is obvious to everyone **now** (probably even Don Luskin) whether or not they have actually heard or read about this relationship. That is, nearly everyone realizes that the financials were the epicenter for what lead us down this dark road paved by this historic bear market. Capital flowing healthily is critical to this so-called system of capitalism if it is to function properly. We all know what happened when the system went into shock. **This example is actually a weak one in relation to other stronger cases that we could have made** with many more charts, indicators and metrics that we follow. Our goal here is not to laud superior methods or to put our trading acumen on display but rather to try **to make it clear that very little would have been required on the part of advisors to have modified things properly for clients given the state of the markets** at the time in question. **Unfortunately, as we have already seen, advisors are not free or properly incentivized to act prudently for clients, thanks in large part to their firms and the federal government.**

*Whatever happened to "**Prudence**"?...*

If you are still with us and find yourself more or less in agreement then you probably already have realized that very few requirements were truly necessary to react properly. Perspective, appreciation of context, acquired markets wisdom and properly oriented motivation are **all that was necessary to have handled this situation much differently than most did.** If we have done a fair job of illustrating our points, we would hope that we would know how you would answer these questions:

- ***Would it have been unreasonable to expect your advisor to have, at the very least, reduced or protected a portion of your downside exposure?***
- ***Does not common sense alone argue that you never leave your entire "bankroll" or "bet" on the table for every "hand"?***

Wall St. does not leave their entire bankroll on the table for every hand but they are fine with letting YOU do it.

There are many more "lowlights" that we could focus on but we don't want to belabor the points and additionally we plan to cover these other illustrations in future commentaries and as examples in planned courses. We would particularly like to expand greatly on exposing the "fraud" of the mutual fund industry at this time because it adversely affects so many unwitting investors but that situation is so rich that it deserves to have an entire report dedicated to it exclusively.

Time to Start Wrapping Things Up...

We are going to start to wrap things up here because we appreciate the time and consideration that you have given to our commentary if you have made it to this point of our report.

This latest meltdown was actually very easy to spot and react to vs. others of the recent past. The metrics were all there to be studied and comprehended and it really was a matter of "when" and not "if" in this case. Charting experience would have helped you to spot the window of time at which the market finally started to discount the approaching crisis. Trading experience (knowing what information to focus on and where to find it) would have guided you to an advanced position versus the overwhelming majority of market participants. Knowledge of options theory and experience in the practical application of options strategies would have allowed you to protect yourself fully and, depending upon your goals and level of aggressiveness, you could have done this for very little to no out of pocket costs. To take things even further, the convicted and courageous could have profited enormously by bringing all this information and knowledge to bear on their behalf by initiating aggressive downside-oriented positions via options strategies. In fact, this could have been done for a small fraction of a typical investor's portfolio size.

We are not Trying to Make it Sound Easy! It isn't Easy!...

Now... we are not trying to make this stuff seem easy in any way. **It is not easy.** It is not even easy for us after all these years. The markets are challenging and they challenge investors and traders in many ways. Logic, rational thinking, commitment are all positives in most other endeavors but the markets can make them seem like severe liabilities. There is a lot more to trading and investing with competence and confidence than trading books and systems purveyors and of course, our very best of friends on certain corners of Wall St. would have you believe. However, do not get discouraged…

This "stuff" is not easy but it is not "string theory" either. It can be surmounted and thanks to modern technology and availability **a novice investor can gain a foothold much more quickly now than at any time in the past.** For those that want to become markets-educated, **we are completely dedicating ourselves to helping our clients to expeditiously and successfully transform themselv**es from novice investors, likely suffering from a severe case of "Wall St. Dependence Syndrome", to that of an informed and properly equipped self-reliant investor.

A Request and a Conclusion…

Here is our request: **Please pass along our website and materials to friends, family and clients that you believe would benefit from our offerings.** We are not the only company that provides these types of services of course. However, we know from experience that **our sincerity and earnestness** in wanting to help clients are rare in this and many other spaces.

In conclusion, we hope that we have shed at least a little light as to why Wall St. and the federal government cannot be relied upon from the investor's perspective. The incessant cheerleading and overhyping of all things bullish has led to ruin for many investors. **Investors need to take command of their own financial destiny for countless reasons**. **There is an entirely different way** in which motivated and dedicated investors can much more effectively participate and benefit from the markets. **Our company is dedicated to teaching investors how this can be achieved and the practical ways in which to do it**.

*****Future Release*****

We feel that the first thing that people need to understand is the risk that they are carrying in their portfolios. Simply put, this is the amount of money that you can lose if your portfolio goes back down to lows in March 2009 and possibly lower. Many Wall St. based advisors that follow the "buy and hold" approach did not make many changes since the lows were registered or before the big drop occurred. They are happy to sit on investments that were decided upon before the credit meltdown occurred and somehow still remain happy with the long-term prospects of your portfolio. However, are you? Do you want to see your portfolio lose 50 percent of its value again?

We have provided a **FREE Excel spreadsheet** where you input your **portfolio, prices, beta and target** and it will tell you what **your profit and loss** could be based on your inputs and assumptions. If you have downloaded this report from our site, then you should have access to the Excel file. Once you know what your potential profit or loss is then you have to decide if you are willing to live with it for the long term. In our video updates, we will update you on some of the countless potential market developments and trends. In the meantime, download the spreadsheet to learn more about your portfolio. We also have **produced an instructional video** wherein we cover exactly how to get the necessary information and how to use the spreadsheet effectively to appreciate the risk inherent in your portfolio.

If you know anyone that could use this information, then please forward our information along as soon as possible. We want our clients and potential clients to be protected first. We admit this is self-serving; we want to help you reach your goals. It is much easier to start with something than nothing.

We want you to **know** that we are **committed to supporting our clients** *every step of the way.* **We guarantee that we will do everything that we possibly can to provide clients with high value and satisfaction.**

*****UPDATES*****

A recent story about Wall Street's love affair with greed has recently come to light. We are sure you have heard about the Ponzi scheme that Madoff orchestrated. How would you feel if your friend told you to get into Madoff's funds, then secretly pulled out his money without telling you? What if he did this after he did an in depth review? Now that the funds are worthless and your friend got out unscathed, would you not feel cheated? What if this friend was your broker? You would be upset with your friend. After all, it may have slipped his mind that he told you to get into the fund, but your broker has a fiduciary responsibility to you and your investment. JP Morgan did this to the tune of $250 Million. They invested in these funds, and then prior to the collapse of the funds and after a so-called review, they pulled out their funds before the collapse. Unfortunately, for their clients whom they recommended the funds, they never mentioned a word.

You can read more here:

http://aaronandmoses.blogspot.com/2009/01/jp-morgan-screws-madoff-investors.html

http://blogs.moneycentral.msn.com/topstocks/archive/2009/08/31/study-as-madoff-s-banker-jp-morgan-netted-500m.aspx

http://www.washingtontimes.com/news/2009/oct/05/report-bernanke-paulson-misled-on-bailouts/

Well we can see the frustration building up and that was not our purpose of creating this report. We do feel it is important that you understand that the system is broken. It is broken for the average person that does not have the time to investigate it. **You are reading this report, so you are on the right path of discovery.** You are taking steps to investigate the **truth**. We encourage you to continue down that path.

If you want to get right to the heart of becoming free from Wall Street's Market Matrix then please watch for the release of our Portfolio Protection Course and Fast Track to Option Trading Success Package. This package is the quickest way to understanding options and how to protect your portfolio.