



Our Mission: To Write Lively Research without Soporific Jargon, and with a Succinct Offering of Pertinent Facts. (And of course to make money for our clients, doing our own research to invest in companies with dynamic prospects, and sticking with these companies as long as their business remains robust).

INVESTMENT LETTER

Garmin, Ltd. (NASDAQ: GRMN) and Trimble Navigation, Inc. (NASDAQ: TRMB)

Tulsa, OK, September 27, 2006. Starting early in the morning from their base at the **Siegfried Tower**, twenty six compact Toyota Corollas, property of the multi billion dollar annual revenue **St. John Health System** in Tulsa, move quickly around the city, darting in and out of the traffic. Almost always observing speed limits, these cars speed to medical offices, nursing homes, and clinics, picking up blood samples to test for anemia, cholesterol, infections of many kinds, and for other purposes; urine samples to test for illicit or banned drugs; pap smears to test for cancer; colon polyps biopsies to test for cancer; and other parts and by-products of the human body, evidence attesting to either good or stable health or to abnormal or pathological conditions.

The destination for these samples taken from the human organism is the **Regional Medical Laboratory (RML)**, the **St. John Health System's** pathology testing center, which occupies two full floors of the **Siegfried Tower** in the **Williams Plaza Building** at Twenty First Street and Wheeling Avenue in Tulsa., Oklahoma.

Pathology Lab Associates, staffed with medical doctors and a deep support system of administrative and technical personnel, is the professional medical group that works closely with the **Regional Medical Laboratory**, creating an efficient team, a de facto partnership which analyzes thousands of cases a day. Some cases are mundane, mechanical, and because they can be automated, require little time and hence are inexpensive to perform, often less than ten dollars. Some cases, however, are labor intensive, requiring the sophisticated work of the medical school trained pathologists, who can often be observed on the fourth floor of the **Siegfried Tower**, hunched over their desks, peering into their microscopes, and, with great intensity, attempting to determine whether a tissue sample is healthy or normal, or dysfunctional or unhealthy and showing evidence of pathology, most often cancer.

All of the work that the **RML** does is important and is done under great time pressure. Hence the need for fast pickup and delivery of the human specimens by the fleet of Toyota Corollas to the **Siegfried Tower's** fourth floor. The Corollas make five hundred to six hundred collections a day, with an average trip of about four and a half miles.

The **Regional Medical Laboratory** has equipped each Corolla driver or courier with a Nextel cellular phone, one of whose features includes computer-drawn maps and the ability to use global positioning satellites, linked to **Trimble** engineered global positioning hardware, to target each Corolla's destination.

INVESTMENT THESIS GLOBAL POSITIONING

Consumers and businesses prize the intelligent, safe mobility that global positioning satellites provide. Aviators, for example, cannot afford to guess at location or position. Pilots must know where they are, and must be aware of any physical dangers nearby. Aviation depends on global positioning, and the integration of global positioning with fuel consumption forecasts and weather status and weather information.

Underdeveloped nations, such as China and India, are rapidly building offices, hospitals, bridges, and roads. To build these structures with precision requires GPS satellites. Agriculture, too, finds the GPS concept valuable, using it to target areas that require extra water for irrigation.

With GPS, parents can determine whether their girl scouts are selling cookies and are safe. Not too long from now, nearly every new car will come equipped with a GPS navigation system. Someday, insurance companies could work with GPS companies to create systems that monitor driving behavior to protect drivers.

Today, the reality is that the use of GPS is growing fast, making **Garmin** and **Trimble** excellent investments.

Ron Ledford is an affable young man who likes to lift weights at the Siegfried Health Club, a comfortable club in Tulsa where I am often seen, keeping my priorities straight, following my mantra, my self-prescribed course of action in a workout facility: more time, much more time, ought to be spent on socializing and enjoying the company of my friends, and less energy and time ought to be devoted to exercise.

Exercise, of course is important, but can it be as important as enjoyable conversation? Many people who exercise at the club have observed that I rarely violate my regimen, except when I am doing a swimming workout, an exercise done early in the morning with Larry Krutka, Carolyn McMahon, and David Minielly, athletes who easily surpass me in stamina and dedication, and whose steely discipline does not invite idle chatter, or usually any conversation at all.

Ledford and I had first talked in the free weights area at the club, a facility owned by the St. John Health System and well managed by Ann Walton, with her senior managers Gwen Moudry, Rebekah Tennis and others providing very able help.

Ledford was loading his bar with fifty-pound barbells and I joked that he should step aside so he could see what an older guy (that is me if you have not guessed) in good condition could do. I told him to add two more of the fifty-pound barbells to the rack and that, even if he could not lift the heavier bar, I knew I could move the newly increased weight off the bar, lying on the vinyl protected bench, with my arms fully extended in a perpendicular position to my torso. I smiled when I spoke to him to make sure that he could tell that I was kidding him.

Trimble Navigation, Inc.: BUSINESS SUMMARY

Trimble Navigation, Inc. (NASDAQ: TRMB), like Garmin, is in the global positioning satellite business. Trimble concentrates on surveying, agriculture, machine guidance, asset and fleet management, and telecommunications infrastructure. For example, corporate farms use Trimble GPS products integrated with sprinkling systems to target, with extra water, the acres of a farm that receive less rainfall than other areas of that farm.

Concrete manufacturers equip their trucks with Trimble GPS equipped telephones so that the central office can know where each truck is and can guide the driver to a construction destination, one that in a newly developing area may be difficult to find.

Surveyors, such as those working on the construction site of the Wal-Mart Neighborhood Convenience Store at 21st and Yale in Tulsa, or those working on the Grand Hyatt in Aspen, are using Trimble products to determine exactly where to dig, where to put poles, and where to pour concrete.

Garmin, Ltd.: BUSINESS SUMMARY

Garmin, Ltd. (NASDAQ: GRMN) is a leading worldwide producer of navigation, communications and information devices, devices powered by global positioning satellites. Garmin has four segments: aviation, marine, outdoor/fitness and automotive/mobile.

Garmin designs, develops, manufactures and markets a large family of hand-held, portable and fixed-mount GPS products. For example, most small aircraft have Garmin systems, systems that chart flight paths, help measure gasoline consumption, automatically turn the aircraft in the correct position, and do many other things. (see notes on page 7.)

Garmin also uses the GPS concept to turn laptop computers, smart phones, and pocket personal computers into navigation devices. Many rental cars have Garmin systems using a woman's voice to guide the driver.

Dan Burnstein, a senior executive at Omni Air Transport in Tulsa, one of the region's largest jet leasing companies, a company well known for a high level of personal service, a commitment to safety, and the most progressive technology, has told me that modern aviation would not be where it is, in terms of efficiency and safety, without Garmin's global positioning systems.

Garmin is positioned in athletics as well. Its Forerunner 305 enables competitive runners to use GPS to compete against themselves by graphically displaying ideal goal pace/speed compared to the runner's actual pace and speed. The Forerunner owner can program the device to let the runner know when to speed up, slow down, or to stop.

Of course I wisely did not attempt the maneuver. But my joking led to a conversation and we got to talking about what he did. He told me that he is the Director of Courier Services at the Regional Medical Laboratory (RML).

He discussed his position at the RML and I asked him about the Corollas I see moving with purpose around the city. I asked him whether they were GPS equipped and he said that they were. He asked why I wanted to know. I replied that my firm had money invested in two companies that produced global positioning satellite (GPS) systems: Garmin, Ltd. (NASDAQ: GRMN) and Trimble Navigation, Inc. (NASDAQ: TRMB). I asked Ledford whether I could see global positioning at work at the RML and he said that would be fine. All I had to do was call him, set up a time convenient for us, and walk over to his office in the Siegfried Tower. I told him I would call him and I went back to one of the recumbent bicycle machines to resume my perfunctory pedaling. But while I exercised, I thought about global positioning satellites, their origin, and their applications.

GPS systems are products of the Global Navigation Satellite System (GNSS), a group of twenty-four US based satellites that our government funds but is available worldwide without charge. GNSS can measure precisely the distances from the satellites to any point on earth.

How is this done? The answer is that satellites continuously transmit precisely timed radio signals using atomic clocks that can boast of extreme accuracy. A GNSS receiver measures distances from several satellites in view by determining the travel time of a signal from a satellite to the receiver, and then uses those distances to compute its position.

GPS satellites circle the earth twice a day in a very precise orbit and transmit signal information to earth. GPS receivers take this information and use triangulation to calculate the user's exact position or location. With some more work with other satellites, a receiver can then determine the GPS unit's position and display this position on the unit's electronic map.

Almost always a stand-alone GNSS receiver is able to calculate its position at any point on earth, in the earth's atmosphere, or in lower earth orbit, to approximately ten meters, twenty four hours a day. (My friend, **Kent Schobe**, a highly experienced engineer who works closely with another friend, **David Sheehan**, at **Sheehan Pipeline Co.**, in Tulsa, helping design and build beautiful pipelines for oil and gas producers, tells me that based on his experience, GPS systems, especially those used in automobiles, are not perfect or infallible.)

A few weeks after I met **Ledford** I called him and we set up a time to meet at the laboratory and to see a Trimble system in action. About a week later I took the elevator to the basement in our office building, the **Robert W. Davis Tower**, and then walked through the tunnel connecting our building to the hospital complex and the **Siegfried Tower**. I took the elevator to the **RML** offices and asked for **Ledford**. Before he came out to greet me I took a look around the **RML** premises and was reminded of how clean and well designed this office was, capable of taking on the great case load it manages every day of the year.

Ledford came out and asked me whether I wanted some coffee. I said yes as I sat down and observed a map of the **RML** market area projected on a large screen against the wall. Twenty-six dots representing the **RML** cars moved around the map. **Ledford** moved the cursor to a drop down menu which showed a list of thousands of clients that the **RML** serves in the northeast area of Oklahoma, a region in which it enjoys the largest market share in its field, with its pickup area extending to Muskogee and points north. (The lab picks up samples from hospitals as far away as Oklahoma City, one hundred miles away from Tulsa on the Turner Turnpike.) Each **RML** courier or driver is given a Nextel phone equipped with a global positioning system.

The phones serve many purposes. First, the **RML** driver knows where he or she is at all times, most importantly how far away they are from the medical office or the clinic office

that has summoned them for a pickup of a sample. Second, the phone gives the driver the most efficient route to the next pickup. Third, **Ledford** has a mighty useful tool. He can see at any moment, any time he wishes, the position of each one of his cars and with a keystroke on his central computer he can determine, inserting the location of a particular clinic or medical office, how far in miles each car is from that target. He can then buzz the closest car and have that car rush to the clinic, or to the office.

Ledford estimates that **RML** saves at least six thousand dollars a year in gasoline, automotive wear and tear, insurance, and other costs, after the investment in the **Trimble** system, about twenty thousand dollars, is factored into the analysis.

As I walked out of **Ledford's** office I had a much better idea of what GPS systems could do in the workplace. And I was about to learn more about GPS systems on a more personal level.

INVESTMENT RISKS

Market Sensitivity: Product pricing and raw material costs, aggravated by new entrants in the GPS business, are important factors facing **Garmin** and **Trimble**. Also, **Garmin** and **Trimble** must make annual multi-million dollar research and development expenditures to introduce products that maintain competitive advantages. Of course there is no guarantee that either **Garmin** or **Trimble** will continue to enjoy such competitive advantages, even if they continue to spend lots of money on research and development.

Inflation: **Garmin** and **Trimble** do not believe that inflation has had much of an effect on their businesses. If their costs, however, were to suddenly become subject to significant inflationary pressures, they may not be able to fully offset such higher costs through price increases.

Foreign Currency Exchange Rate Risk: Because **Garmin** and **Trimble** are international companies, their operations in foreign countries mean currency risk for their shareholders. This risk of course, in a global economy, is not unique to these two companies, but it is real.

I was scheduled to fly to Denver, rent a car, see a client in the downtown restored section of Denver, and then drive to Aspen to see other clients. Shortly after my visit with **Ledford** I made reservations with United Airlines to fly to Denver. Then I made a car rental reservation to coordinate with my flight into Denver, specifying the latest global positioning system, a **Garmin** Nuvi 660 with a 4.3 inch touch-screen. This **Garmin** has integrated traffic capabilities, which means that if an accident or construction delay has occurred before the driver programs the desired destination, the unit will calculate a route around congestion.

Another feature is the FM transmitter that broadcasts voice guidance, ipod music, and audio books and phone calls over the vehicle's speakers.

The Nuvi also allows users to make and receive hands-free phone calls directly through its touch-screen keypad, using Bluetooth technology.

The **Garmin Travel Guide**, another feature, competes with AAA travel guides and other travel guides. The **Garmin** reviews restaurants and hotels and also lists restaurants with coupons.

There are, of course, limitations to technology. The **Garmin Travel Guide** can direct you to the famous steak place in Amarillo, Texas, the **Big Texan**, that offers a four and a half pound steak with a salad, shrimp cocktail, and a baked potato for seventy-two dollars. If you eat all of this food in an hour or less the meal is free. You will need a gargantuan appetite to accomplish this task, and **Garmin** will be of no help, except to get you to the restaurant without tension, conserving your energy for a most challenging event.

As I hummed along toward downtown Denver, I admired the **Garmin** Nuvi 660, and noted that its presence much reduced the tension a traveler experiences when he drives to a destination not familiar with him, as I was now doing.

I was headed to the office of **Dan Reagan**. The **Garmin** was near perfect in its guidance, positioning me accurately except for the last hundred yards when it suggested a right at Fifteenth Street instead of the correct left. With some great help from Linda Stowell, who keeps an eye on everything at the Reagan office, I was able to find the correct building. I had a pleasant lunch with **Dan Reagan**, who, along with his brother, **Tom**, has developed the **SteelBridge Lofts** in the seventeen hundred block of Fifteenth Street in Denver. After lunch **Dan** gave me a tour of the Lofts. The Lofts are beautiful, featuring brick walls, stainless steel laundry appliances, beautiful kitchen features, and a cozy garage in the basement. A most pleasant part of my visit was the beginning. After walking up a flight of stairs I knocked on the door, **Dan** opened it, and there were two of the most beautiful dogs I have ever seen, two Great Pyrenees named Sierra and Sulley. Best of all, they were extremely calm and friendly.

After lunch I headed to Aspen. I had some time on my drive of one hundred and ninety-seven miles to think about global positioning systems.

Electrical utility companies, such as **American Electric Power (NYSE: AEP)** will want to know the age and the condition of each of its telephone poles. With a handheld GPS, and Trimble makes such a unit, a field person can collect data and a central unit can store it with the simultaneous confirmation of the pole's location. The utility can then use the stored data, creating a computerized inventory library, as it were, to navigate back to any individual item or asset for maintenance or data update. The field person then downloads the data from the office.

I knew **Trimble** was big in engineering and construction but with some time to think on the way to Aspen I recalled as well **Trimble's** important position in agriculture. I thought of the lunch that I had ten days before my trip with **Jim**

Hladik, a friend of mine who does an excellent job of running the **Yorktown Condominiums** in Tulsa where I live at 2121 South Yorktown. I am often asked whether I like living at my condominium complex and the answer is always yes. I add that the maintenance is first class. That work is extremely important to me because I do not know how to fix or maintain anything that moves, or is stationary.

Jim and I were having lunch the other day at the **Stonehorse** in Utica Square (you can't get much better than their beet and goat cheese salad or the rib-eye steak at **The Wild Fork**) when the topic of **Trimble** and global positioning satellite systems came up.

Increasingly, he noted, large farms---those having two thousand to four thousand acres and up---are using GPS systems, hooked to center pivot irrigation systems to pinpoint areas of least rainfall and to direct irrigation systems accordingly. With a farm of three thousand acres, it is not unusual for one part of the farm to get much less rainfall and thus have much less moisture than another part. Water is expensive and different parts of the farm need more water than others. When the farmer wants to irrigate, he wants to do so efficiently so he wants to know which parts of his farm get the least rain, the least water. The farmer then pinpoints the driest, the thirstiest locations through a GPS system, and links the GPS system to his or her irrigation system.

I do not often use the GPS in Aspen. It is a small town and I have been there often enough to know my way around. And there are only a few places to which I might drive. There's the fabulous James E. Moore Swimming Pool on Maroon Bells road, and my friend's house on Red Butte Road, **the Hotel Jerome** on Main Street, or the Little Nell in the town's center. Everywhere else you can walk.

I had a nice visit in Denver and Aspen and I felt refreshed when I arrived back in Tulsa, refreshed enough and brash enough to offer some poetry to you, poetry that attempts to detail my position on GPS systems.

GPS

**We May Not Know Who We Are, But with GPS,
We Know Where We Are.**

*The gas station attendant says, you can't miss it.
But indeed I have gone too far, or too short, and,
indeed, I have frequently missed it.*

*A street number is like physical beauty: Often only
skin deep.
An address is similar.
It gives us a hint of the correct location.
But far from guarantees the right direction
Nor of the street, the correct selection.*

*After all, in the middle of the country,
where exactly, in a newly developed sub-
subdivision, is 150th Street Northwest at 75th Place
Southeast?
The location is obscure, it is unproven.*

The location is not a gimme, it is not a given.

Men especially may need a GPS system. We like to pretend at omniscience, we often claim to know everything, and so when we are refusing to ask for guidance, to ask for the correct address, we often, driving round and round, subject our passengers to much duress.

For men especially a GPS system would come in quite handy, and their relationship with their passengers, especially if the latter are girlfriends or wives, would become quite dandy.

To be in the right place at the right time takes GPS. That way you have the correct location, and with spouse, husband, or friend, you avoid that most painful of experiences, the in-car, moving, altercation.

When it comes to intra-family negotiating, adept teenagers bargain for latitude, while parents try to monitor their kids' attitude and pinpoint their latitude.

Teenagers, what to do they do not like to be told. Their whereabouts, they believe, are their business. Their comings and goings are a personal matter and their destinations a matter of great secrecy. But their parents often think quite differently.

For parents, on their offspring, whether they are boy scouts, or girl scouts, or plain out of uniform, like to keep a watch. And so for the elders a GPS system comes in quite useful.

When the teenagers are on a trip whose destination is unspoken, the parents can be sly. They can pry and watch the teenage car motor down the road and make progress toward its destination.

And yet the parents can have road knowledge, and with their teenagers' plans, quietly feel inclusive, without their kids thinking the old folks are intrusive.

The teenager does not want to stay put. He wants to stay out. With a GPS system, everyone is happy. The teenager gets to the party fast, without unnecessary mileage, and the parents can monitor their kids' route, helping to insure that their investment, their children, have true longevity, and not a misfortunate brevity.

Good parents, like good managers, do not wish to put their charges in their place, but they do want to know their kids' place.

With a GPS and programmed maps, the signals align in the sky and we can find anything. All we have to do is try. And to road frustration, we can say bye bye.

Satellites move in the sky, courtesy of the Department of Defense, guiding us with a sophisticated map, helping us with well conceived software. Using it, to be lost we have no fear, And therefore, we suffer no travel dependent wear and tear.

*The global positioning satellites orbit the earth, taking precise measurement of your position. The **Garmin** lady with a pleasantly programmed voice always knows where you are, and, believing in good grammar, never says she knows where you're at.*

*The **Garmin** lady speaks well, she knows your position, and she knows not to end a sentence with a preposition.*

*The **Garmin** lady's manners are well programmed, and her directions are precise. This is fortuitous for it is pleasant to deal with her and the route she suggests is never circuitous. If you err, and stray from the straight and narrow, it's no big deal, she will guide you back to the correct path, and of the terrain you will not have to cut an inefficient swath.*

As I headed to the office the next morning, after returning from Colorado, I noticed several concrete mixers, moving to the steadily rising condominium, office, retail shop complex arising north of the [Cascia Hall Preparatory School](#) in Tulsa. The trucks did not waste any time getting to their location, as they undoubtedly were equipped with GPS systems made by [Trimble](#). The trucks moved slowly (their load or burden was real and concrete, not abstract) and every minute that they are not on the job site means money wasted. So concrete companies buy GPS systems from [Trimble](#), giving drivers an easily seen and navigated route, often with a mechanical yet intelligent voice to enhance the computer generated display on the portable or built in system.

When I got to the office I called my friend [Don Newman](#), with whom I had been discussing GPS systems the day before while I suffered through a workout on one of the health club's elliptical machines. [Don](#) is a [Garmin](#) fan, and he invited me out to the airport to see how [Garmin](#) worked in one of his planes.

It is aviation where **Garmin** has really made its mark. I went out to Hangar 22 at Tulsa International Airport where **Don** is often found, working with his son, **Russell Newman**, who runs **Flight Concepts**, an aircraft leasing company that does a first class job providing everything the time-pressed, affluent traveler needs in safety, service, and efficiency when leasing a plane. We got into a Cirrus and he showed me the G900X Aviation Suite installed in the aircraft. The G900X integrates all primary flight, navigation, communication, terrain, traffic, surveillance, weather and engine sensor data on two 10.4 inch, high-definition LCDs.

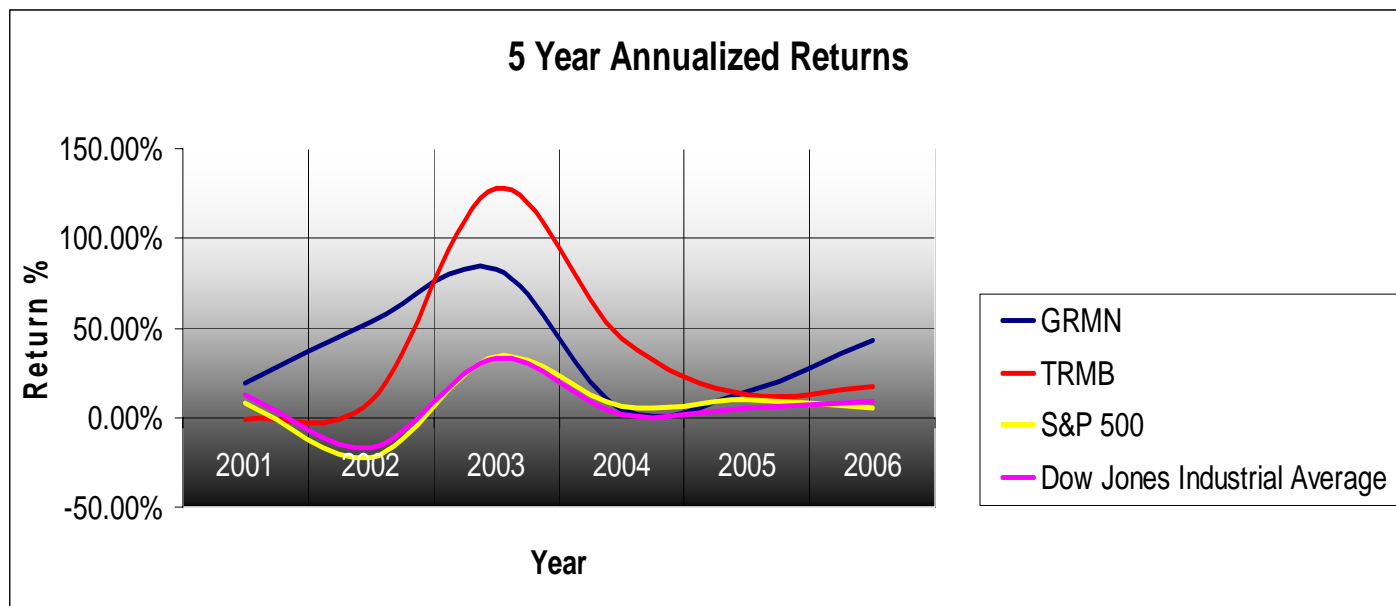
I took a coke break from my aviation lesson and I wandered into **Russell Newman's** office. There **Russell** discoursed on **Garmin**, discussing the company's terrain awareness warning system and the traffic collision avoidance system. Not being an aviator, and trying to absorb a lot of information late in the day I found myself, so to speak, on autopilot.

After **Don** showed me the **Garmin** in his Cirrus we went out to my Avalon where he positioned a portable **Garmin**, showing me how his GPS system works in a car. While he was patiently showing me the portable, I recalled a flight I took with him to Duncan, Oklahoma in 2003 to tour the newly built 1.1 million square foot **Family Dollar (NYSE: FDG)** distribution center. As he piloted us that day I watched the **Garmin** inboard screen showing the destination and the progress the plane was making toward Duncan, and **Don**

commented on the power of the system, which not only pinpointed the plane's position but simultaneously calculated the time in minutes it would take before we touched down at the little airport in Duncan.

Danny Moser, a finance student at the **University of Tulsa** and an intern at our firm, comes from an aviation family. His brother is a pilot for Wal-Mart in Bentonville and his father runs an air-taxi service in Rogers, Arkansas.

Danny told me that he remembers carting forty pound handbooks listing all major airports, their approaches, and other pertinent and indispensable data to and from his dad's aircraft. Now, the **Garmin 600X** integrates safety information about taxiing with over six hundred fifty airport diagrams, electronically displayed through the **Garmin** system. There is no need to lug the forty pound Jepperson handbook from plane to office. And of course there is a worldwide terrain and U.S. obstacle database, as well as an integrated **Terrain Awareness and Warning System (TAWS)**.



Garmin and Trimble Compared to their Peers

Company (Ticker Symbol)	5 Year Earnings per Share Growth*	Price to Earnings (P/E) Ratio	Forward Price to Earnings (P/E) Ratio	Price to Earnings Growth Ratio	5 Year Annual Revenue Growth*
Garmin Ltd. (GRMN)	29.47%	23	19	0.96	24%
Trimble Navigation, Inc. (TRMB)	111.80%	28	22	1.75	16%
Cobra Electronics Corp. (COBR)	74.72%	31	27	2.23	-1.5%
Raytheon Co. (RTN)	35.75%	19	15	0.99	6.70%

*Based on historical growth rates for the past 5 years.

The following is a bonus or bonanza for the serious reader:

Raytheon's choice of the G1000 (a **Garmin** GPS suite) was a smart move. It represents general aviation's latest glass-cockpit avionics technology, and brings business-jet-like functions previously unavailable to light piston singles and twins. Much has been written about the G1000, but a quick review of its architecture is in order. First off, **the G1000 uses an integrated air-data computer to generate true airspeed, vertical speed, and altitude computations, as well as AHRS (attitude, heading, and reference system) for computations of roll, pitch, yaw, and acceleration.** This solid-state equipment sends its data to the display screens, where airspeed and altitude are depicted on vertical tapes, and navigation information (heading and track) is plotted with reference to selected courses as called up on the G1000's integrated GPS and dual-VHF receivers.

The G1000 also incorporates VHF nav/com transceivers, a Mode S transponder capable of plotting traffic information via the traffic information system (TIS) service, terrain proximity warnings via a Class B terrain awareness warning system (TAWS) capability, and datalink weather sensors using the XM WX Satellite weather service. L-3 Communications' SkyWatch traffic advisory system is an option, as is a Stormscope WX-500 lighting-detection unit.

For decades the Beechcraft Bonanza has been the ultimate single piston plane. Since it made its first appearance in 1947 as a smallish, all-metal four-seater, the airplane has been a leader in style, speed, handling qualities, and sales. In 2005, Beechcraft, now owned by Raytheon, made significant upgrades to the Bonanza's capability, safety, and value. The Beechcraft A36 was given the two-display **Garmin** G1000 avionics suite as standard equipment. **The airplane was renamed the G36 in recognition of the vital role **Garmin** GPS systems now play in the Beechcraft.** (AOPA Pilot, October 2006)

Thanks to my friends Dan Burnstein, Russell Newman, Dr. X of Pathology Lab Associates (Dr. Deep Scope), and to Coleman Robison for his witty remarks on psychological positioning. And to Don Newman of Tulsa and John Suitor of Aspen who have always given me great counsel, even if at times I was not smart enough to listen to it. Thanks also to Kendra Rambo, nurse omniscient in the office of my highly respected internist, Gordon Lantz, M.D. She confirmed the GPS System in Dr. Lantz's Boxster.

Finally, special thanks to Marilyn Chateau, Cammi Hyde, and Danny Moser of the firm who helped greatly with this letter.

The writer of this report, Fredric E. Russell, lists the following as his academic background: B.A., Swarthmore College, Swarthmore, PA.; M.B.A, and M.A., Washington University, St. Louis, MO. He also holds the CPA certificate, and has taught accounting at the university level. He believes his love for writing and his usually correct grammar come from spending four years learning the English language at Deerfield Academy in Deerfield, Mass and from reading everything well written he can find.

Reproduction of this letter without the consent of the Fredric E. Russell Investment Management Co. (Tulsa, Oklahoma) is unauthorized and forbidden. Clients, officers, shareholders, and employees of the Fredric E. Russell Investment Management Co. have a position in the companies discussed above. These positions may be liquidated, decreased or increased at any time. It should not be assumed that future selections will be profitable or will equal the performance of the security recommended in this letter. Due care has been taken to insure the accuracy of the contents of this letter but the firm does not guarantee such accuracy. This is not a solicitation of any order to buy or sell; and our views may change with regard to the above mentioned security.