



**SHARKEY, HOWES & JAVER**  
PERSONAL FINANCIAL MANAGEMENT  
shwj.com  
*Celebrating 20 Years*  
Est. 1990

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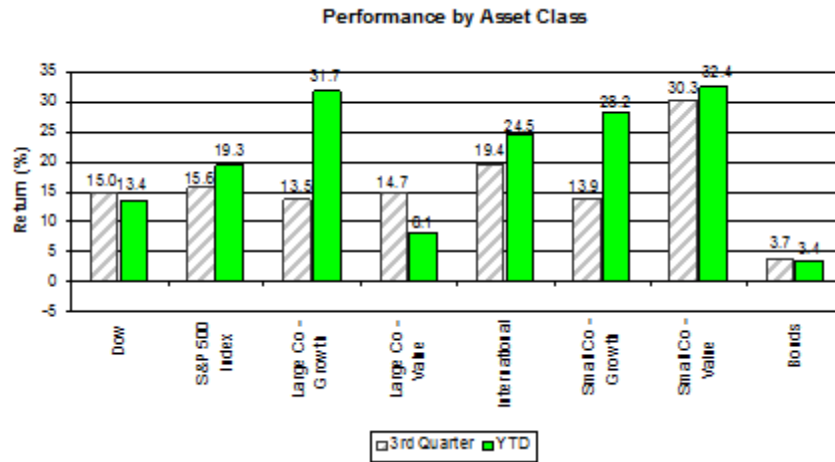
A Year Later....

The U.S. is in better shape now than we were on September 29th 2008 when Congress failed to pass the first bailout bill and US markets lost \$1.3 Trillion Dollars. The worldwide losses from the credit collapse and institutional failures were then a staggering \$550 Billion. As we said in our October letter last year; while we were unable to predict the short term market conditions (including the Market low on March 9th 2009) we were optimistic about the long term prospects for the markets and economy.

Are we well along the road to recovery? Is this just a lull in what will be a longer downturn with more recession to come? Are we doomed to high inflation? Today there is evidence to support each of these positions. Which viewpoint to trust? The answer is that there is some element of truth on all sides. There is probably more bad news ahead for some regions and industries. Unemployment will continue to increase for several more months, and the media will regale us with more stories of bankruptcies, foreclosures and new Ponzi schemes.

There will also be good news which will go largely unreported. For example, the global economy is also in much better shape than it was a year ago, with some countries doing exceptionally well. Markets are displaying more stability and credit is starting to flow again, slowly. Consumers are regaining a little confidence although we may have to wait longer for business to start spending and hiring again.

It is now difficult to remember precisely the financial fear and panic that existed only a few months ago. We expect the economy and markets will continue to be choppy with some nasty corrections along the way. Eventually the U.S. will emerge from this restructuring period by making the necessary adjustments to adapt to the changed economic conditions. While we do not anticipate a return to the joyous optimism and risk appetites displayed before the meltdown, we think the anticipated bankruptcies and foreclosures will be offset by a more gradual improvement in many regions and industries over the next eighteen months. It will not be easy to rebuild our battered economy and serious mistakes could be made while we work to shore up our economic foundation, but we have started down a hopeful path for sustainable slow growth into the future.



The chart above reflects the positive results in all asset classes for the quarter and year to date. The markets have rebounded strongly since the low of March 9th. We expect continued market volatility during what may be a lengthy economic recovery.

**OFFICE NOTES**

**REMINDER:** There is a waiver in effect for Required Minimum Distributions from retirement plans for 2009. We have no information yet on whether this will be extended for 2010 required distributions.

**IF YOU HAVE REALIZED** gains/losses in your **TAXABLE** accounts so far this year, we have enclosed Green Sheets for you to share with your accountant. This will help you determine whether to do any year end tax planning.

As always, following the end of the year, **EVERYONE** with a taxable account will receive the Green Sheets showing realized capital gains and losses for the entire year. These will be mailed separately in January 2010 in an envelope clearly marked "Tax Information".

**THE OFFICE WILL BE CLOSED** November 26th and 27th for the Thanksgiving Holiday, December 25th for Christmas and January 1st 2010 for New Years.

With all best wishes to you, your family and friends for a very happy Thanksgiving and holiday season.

Sharkey, Howes & Javer, Inc.