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## Inside this issue

[Duct Tape Makes The World Go Round](#)

[Thoughts on the BP Disaster](#)

[50 Stats About Our Economy You Will NOT Believe](#)

[Upcoming TV Appearances](#)

[Investment Quotes To Live By](#)

[Friends And Family Plan](#)

## Duct Tape Makes The World Go Round

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It's an action packed weekend coming up with Father's Day, of course one of my favorite holidays, golf's U.S. Open, the Yankees/Mets series and the newly crowned Lakers celebrating yet another NBA championship. Happy Father's Day to all who celebrate!

Judging by the laughter created from my newly duct taped flip flops, my guess is that my kids' gift to me will be a new pair. But it will be very hard to toss such a broken in and comfortable flip flop for something brand new.

If you've seen my ski apparel, it's littered with duct taped gloves, pants, ski boots, jacket and helmet. It's adds an element of character! As I tell my wife all the time, duct tape makes the world go round! But please, original silver only to keep the purity of the product.

In the last issue on June 7, I offered the following comments:

*"If you are sitting on cash waiting to add to your account or begin a new strategy, this is a terrific opportunity right now... Please don't wait until you feel comfortable again after a good rally if you are considering moving cash into our strategies."*

A hearty congrats to the folks who listened as that day was the exact closing low of the 12-15% April to June correction. Having written several times as well as discussing on CNBC on several occasions, the stock market hammered out an atypical and more complex bottom that gave investors many opportunities to pull the trigger and engage.

Sometimes you are right. Sometimes you are lucky. And this time along with another strong call at the February low, we were a little bit of both. (Boy, does that feel good!) Oh yeah, and other times, we fall flat on our faces! But for now, I am very pleased with how our models performed during the correction, especially on the tail end. We were able to book some profits last week and stay firmly ahead of our benchmark indices.

I have become a bit less enthusiastic about the very short-term prospects for stocks and commodities, but that will be a topic for either Friday's blog contribution or next week's issue. For now, it's time to tighten your stops and make sure you have some protective strategy in place in case we see some kind of downside reversal.

As always, please contact me directly by hitting REPLY or calling the office at 203.389.3553 with any questions or comments. If your strategy has been to buy and hope, I think you are closer to devastation than you realize. Don't let a repeat of 2008 (or worse) jeopardize what you've built so far!

## **Thoughts on the BP Disaster**

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I've been uncharacteristically quiet about the BP disaster for too long, waiting for some positive turn to occur. It's enough waiting. First, as I am sure everyone agrees, this is the worst environmental catastrophe in history. It's so bad that no one even knows how bad it is. First it was 5000 barrels a day spewing out. Then 10,000. Now, it's 50,000 or 100,000 or higher.

But as oil continues to spew from the endless daily reminder on television along with the count of what day it is in the crisis, it seems to be almost totally forgotten that 11 hardworking Americans perished in the Deepwater Horizon explosion.

It's a horrible, awful thing that such widespread destruction is being done to wildlife, our shores and local industry, but let's not forget that 11 men are dead after going to work like many of us do on a regular basis, through no fault of their own. Presumably, 11 wives no longer have husbands and 11 families no longer have a dad. As bad and as terrible as the spill is, there is also a hefty loss of human life.

In their race to report, the media regularly throws out statements as facts, even though they have no basis. It's beyond irresponsible, but what are the consequences? None! In my channel surfing of Sunday morning political shows last weekend, one US News & World Report columnist stated that the two relief wells being drilled right now as a fix were far from a sure thing and "a game of inches", implying that an inch or two in either direction would doom the project. According to almost every expert I've heard and read, that's simply not true.

The reporter's statement was alarming and unnerving to viewers. On the McLaughlin Group, a known left leaning journalist had no problem labeling California republican gubernatorial candidate, and former Ebay CEO Meg Whitman, as a social conservative, something that could not be farther from the truth. Immediately, the journalist was taken to task and forced to rescind her remark.

In the 24/7, speed of light, news flow, it seems that many in the media have taken the path of speak now and worry about the truth later. And we, the public, just continue to accept it. Getting back to the BP calamity, first, President Obama was praised for staying out of it to let BP deal with their man made disaster. But then, he was harshly criticized for not doing enough or anything. At the same time, according to Gallup, his approval rating sank to a new low of 44%.

How similar is this to George W. Bush's handling of Katrina? Were they both slower to respond? Sure, but there's a fine line between adequate response time and the government playing a dominant role in every single crisis. Under Bush, FEMA was lambasted for not getting on top of the crisis the day after the hurricane blew out. With Obama, MMS is now one of the scapegoats that approved BP's drilling plan.

Whether it's a natural or man made disaster, the government is almost always set up to fail with the exception of maybe 9-11. Do you respond too soon and risk making a potential mountain out of molehill? Or are you too late and come across as lax and out of touch?

Far be it for me to defend Barack Obama. Lord knows, I disagree with almost every single fiscal and economic policy and proposal he's made. But give the guy a break. We're in uncharted waters here. Pardon the pun.

I do think he did himself a disservice by making that speech last week from the Oval Office. I listened with the assumption I would not like the plans I heard. But instead, I came away much like left leaning MSNBC and right leaning FOX. There was no "meat" in the speech. No "how to". Just a lot of nothing really.

About the only thing I really wish he would stop doing is blaming his predecessor for everything that's gone wrong or is bad in the country. It's enough. You've been our president for 18 months. If you want credit for the good, please be a man and accept some blame for the bad. Sending David Axelrod out in the media to blame George Bush for the BP disaster is absurd. And believe me, there are plenty of things that Bush deserves blame for, but not the BP spill.

I watched the Congressional grilling of BP CEO Tony Hayward the other day, by both parties, and couldn't help but chuckle when they asked inane, rhetorical questions about the incident. They acted as if BP knew for sure what they were doing would cause such a disaster and did it anyway, to the point of almost bankrupting the company.

Does that mean we can grill Congress for forcing Fannie Mae and Freddie Mac to loosen lending standards over the past 25 years? Can we take Congress to task for predatory lending? Or allowing five investment banks to lever up 40 to 1? Or getting private deals from unscrupulous lenders like Countrywide?

One New York Congressman fired at Tony Hayward, "You're really insulting our intelligence"! Don't you need to first have intelligence before it can be insulted???

Feel free to share your thoughts on this incredibly unfortunate mess by hitting REPLY or call me directly at 203.389.3553.

## **50 Stats About Our Economy You Will NOT Believe**

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As you already know, I contribute to the New Haven Register's financial blog, **Fi\$cally Fit**, (<http://fiscallyfitnhr.blogspot.com/>) every Friday. The latest piece is a must read from another website.

**[50 Stats About Our Economy You Will NOT Believe](http://fiscallyfitnhr.blogspot.com/2010/06/50-statistics-about-us-economy-that-are.html)**(<http://fiscallyfitnhr.blogspot.com/2010/06/50-statistics-about-us-economy-that-are.html>)

## **Upcoming TV Appearances**

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CNBC's Squawk Box - June 17 at 6:10am

CNBC's Worldwide Exchange - June 29 at 5:30am

CNBC's Squawk on the Street - July 7 at 9:35am

CNBC's The Call - July 12th at 11:10am

CNBC's Worldwide Exchange - July 27 at 5:30am

You can view most of the past segments by clicking below.

## [Media Appearances](#)

(<http://www.investfortomorrow.com/InMedia.asp>)

## **Investment Quotes/Adages To Live By**

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"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher via Casey Research

## **Friends And Family Plan**

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Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

[Sign Up Here](#)

You can also forward this email to family and friends by hitting the "forward email" hotlink at the bottom of this email.

## To Your Financial Success,



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