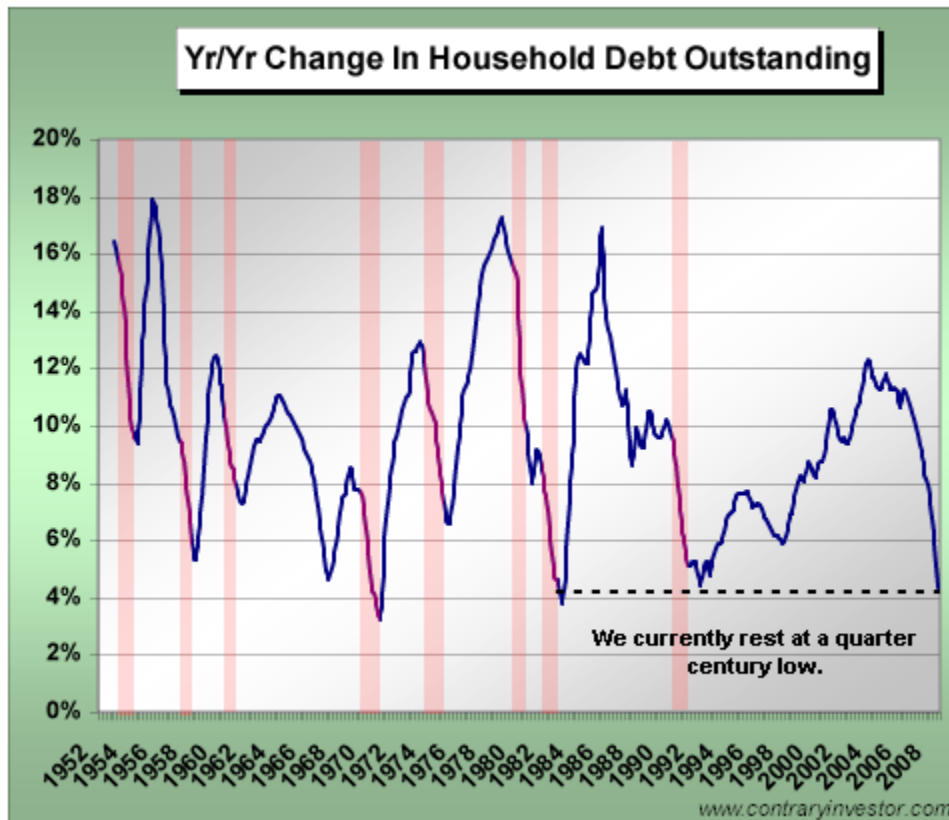


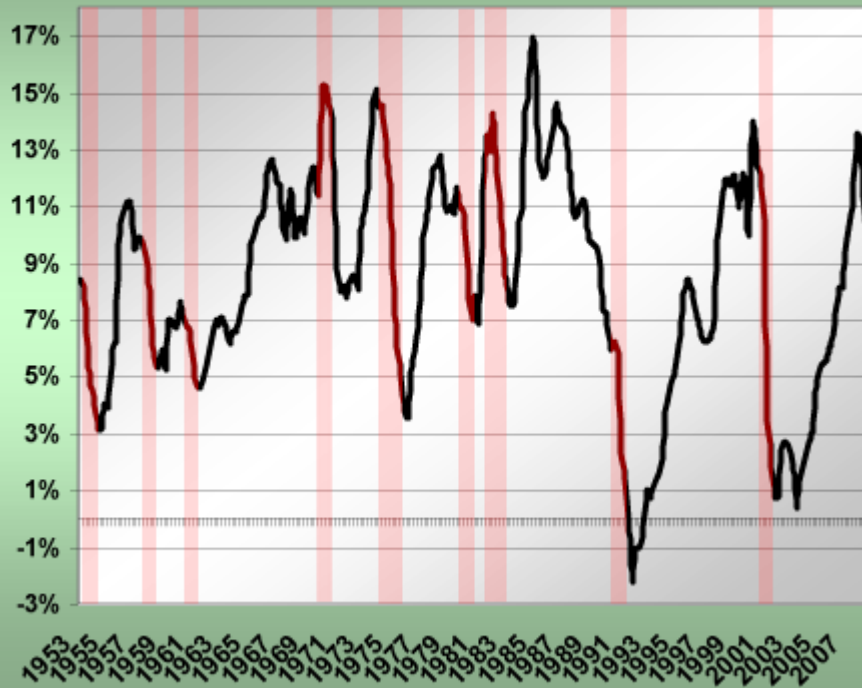
THE FUN IS GONE

WEB BUZZ 2008.10.06

It was fun—at least for Wall Street—as debt levels were advancing. Now as these levels are in the process of reverting to the mean, just the opposite is taking place: it's no longer any fun. Wall Street made money on the advance, but now Wall Street—and unfortunately many investors—are losing money on this downward trend. Please note the following charts:

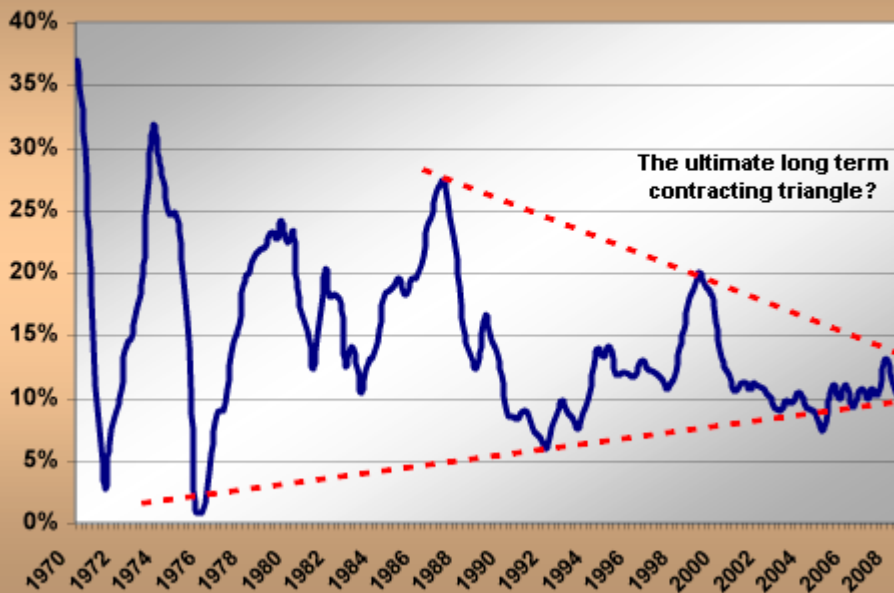


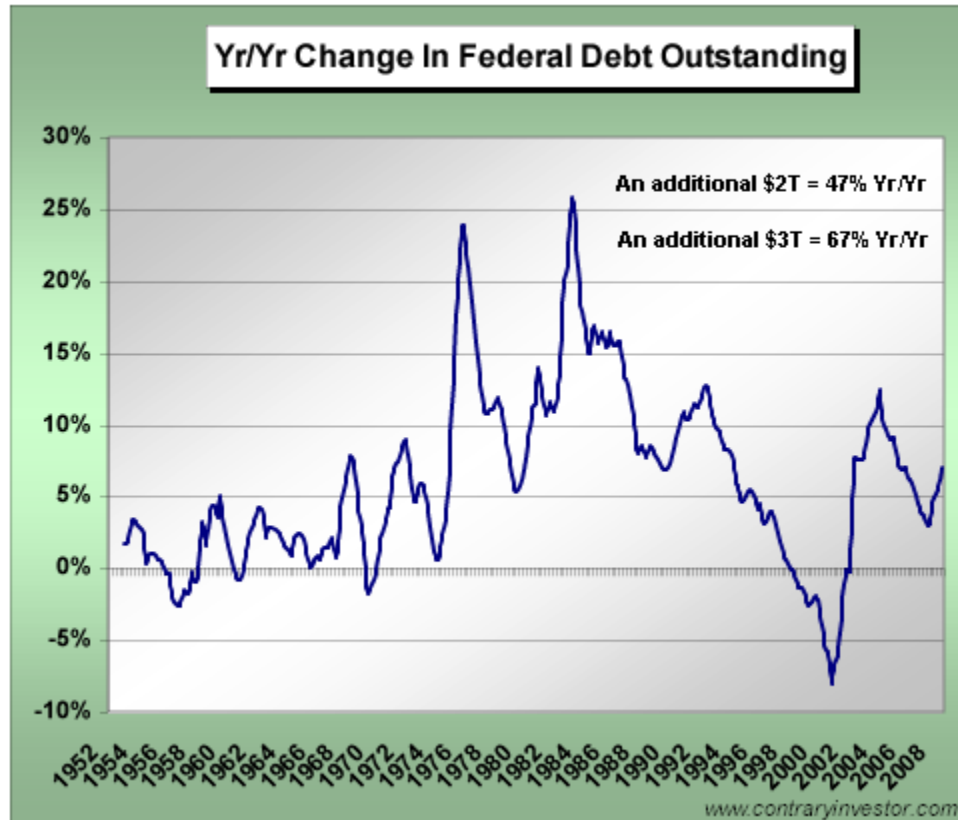
Non-Financial Corporate Debt - Yr/Yr Change



www.contraryinvestor.com

Financial Sector Debt Outstanding: Yr/Yr





Adapted from ContraryInvestor.com

In order for bubbles to continue, more and more debts need to be incurred. The reason is that there is not enough income and savings to keep the beast alive. If there were, we would not be in the pickle in which we find ourselves. Only time and the restoration of savings and income will cure what ails us.

The recently passed bailout bill may help psychologically—although by now many should have come to the conclusion that all it does is stretch out the malaise.

As mentioned by us time and time again over the last several years, this is probably the big one. We hope you have followed our advice. We plan to survive.