

November 14, 2008

Bernie Benson
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Dear Bernie and Daniel,

The dislocations of this year's stock market creates significant opportunity to save substantially on capital gains taxes for years to come. It also poses significant danger for some mutual fund investors. As part of your year-end tax review I suggest:

Tax loss harvesting: Sell securities and mutual funds that are trading below the client's cost basis in all taxable accounts. Immediately replace those securities with similar investments to maintain the client's asset allocation.

Mutual fund distributions: The stock market volatility may lead many mutual funds to have very high capital gains distributions for 2008. Your clients should call any mutual funds they own in taxable accounts and determine whether it makes sense to replace the fund prior to the dividend distributions.

Best Regards,



Robert Horowitz, CFA