

TODAY'S INVESTMENT CHALLENGE

The nature of investing has changed dramatically in the last decade. Declining interest rates helped propel both stock and bond markets to record gains in the 1990's. Successful investing was easier because almost everyone made attractive returns. Now, successful investing is much more difficult. Lower interest rates, changes in the tax code, and the global investment markets are just a few of the complex challenges facing today's investors.

Since the dramatic rise in the NASDAQ and DOW during 1999 and the equally dramatic decline during 2000 and 2001, coupled with September 11th, 2001, much uncertainty and fear dominates our lives. We are bombarded all day with negative news about terrorism, Iraq, Al-Qaeda, etc. We must ask ourselves one simple question: Do we believe in America and American capitalism? If yes, are we long-term investors or merely savers? Investing by definition means long-term planning and commitment. We can assist you in discovering your investment goals and savings goals. Those two goals are quite different and must be clearly recognized and understood. Now with the collapse of the housing and credit markets, will the DOW ever recover and how long will it take. Do I need to be worried about this index and what does the future hold for long-term investing? Oil is down over \$100 per barrel will it stay down? How will the new administrations pervasive economic policies effect corporate earnings and decision making?

Most investment professionals agree on one thing; repeating the phenomenal investment success of the past 15 years will be difficult if not impossible for many individual investors. Successful investing is, by definition, a long-term process, not a one-time event. Today's successful investment advisor must be prepared to build a long-term relationship built on trust and based on responsiveness and accountability.

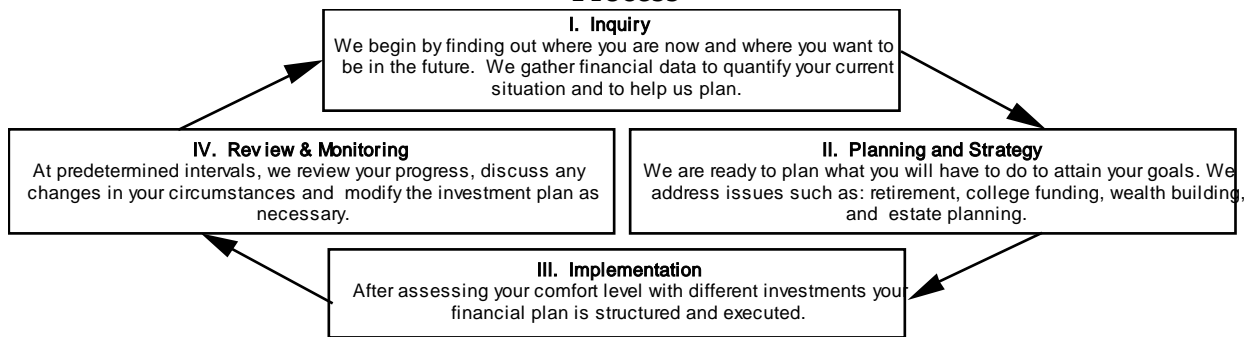
Investor Demands Are Clear	Investment Advisor Obligations Have Evolved
Understand my situation	Thorough analysis based on needs/goals
Respect my assets	Follow proven investment disciplines
Solve my problems	Construct portfolios with life goals in mind
Monitor my progress	Furnish understandable progress reports
Communicate with me	Provide information & research pro-actively
Provide peace of mind	Be accountable for the entire process

Are you a *customer*, without a dedicated professional to assist you in meeting your complete investment needs? Would you like to be a *client* that receives state-of-the-art investment services, market information, and technological support that form the foundation of a long-term relationship? As you read the rest of this brochure, ask yourself this question, "Am I getting these services in my existing investment relationship?" If you are *not* getting all of these services, we're here to help you meet your goals!

THE PROCESS FOR YOUR SUCCESS

Having a *clearly* defined investment plan is vital if true investment success is to be attained. Unclear or unrealistic expectations can derail even the most conservative of investments. Therefore, our initial objective is to help you develop your game plan including: your purpose for investing, your income and liquidity needs, your investment time horizon, tax considerations and other issues critical to your individual situation. ***Thomas Capital Management, LLC (TCM)*** applies a disciplined approach to the process of information gathering, needs analysis, and investment objectives required to manage individual portfolios. TCM seeks to identify what the investor needs and wants, and then outlines a plan that can achieve those goals.

The Process



INVESTMENT PHILOSOPHY

Investing is a process, not a one-time event! Investing requires patience and discipline. Investing is not chasing the yield or the latest office gossip. Investing understands that the market performs in cycles. Attempting to time the movement in and out of a market according to those cycles is at best a guessing game. Keep it simple! Invest in good quality companies that have demonstrated a long track record of earnings growth, have solid and experienced management, clean balance sheets that do not utilize unusual accounting methods, and innovative and proven products.

For the patient investor, the capital markets are an excellent method for the creation of wealth over time. Unfortunately, many people are afraid of the stock market because of previous experiences caused by one or more common errors. Part of our responsibility is to *educate* clients on how to invest successfully in the stock market and to help them avoid those common errors.

Whether we like it or, not all investments have some element of risk. Risk can take on many shapes: market risk, opportunity risk, company risk, inflation risk, etc. Understanding and controlling risk can create opportunities. While we can't eliminate risk, we can develop appropriate strategies for reducing portfolio risk that will keep you on the right track. TCM believes that you must be an active owner of assets and investments must be based upon sound fundamentals given certain economic factors.

- Define your *needs* and tolerance for risk
- Set realistic goals and avoid those investments that are currently popular or promise too much.
- Be *resolute*. Emotional decision-making and attempts to "time" the market often cause losses.
- *Time in the market* is more important than timing of the market.
- Every investment has risks; *understand* the risks associated with each investment as well as the rewards.
- Understand the elements of each investment and how it fits into your portfolio strategy.
- Capital preservation must take precedence over capital appreciation.

CLIENT SERVICES

Appropriate strategies and innovative services that you could benefit from include:

- §401(k)/§403(b) rollovers
- Wealth Management Services
- Complete Investment Portfolio Management
- Management of Business and Stock Sales Proceeds
- Estate Planning
- Income Tax Reduction and Control
- High Net Worth Fixed Income Management

Advanced Technology Applications and Tools:

- Strategic Asset Allocation Planning
- Retirement Planning Analysis
- Historical Mutual Fund Databases and Profiles
- On-line personal Computer Linkage
- Portfolio Performance Analysis
- College/Education Planning
- Gain/Loss Analysis on Monthly Statements

Communications and Consultation

- High level of personalized attention and Service
- Pertinent Market Research and Advice
- Private Consultation Services
- Conference Call Capabilities with Your Other Professionals

Investing is a full time business not a part time hobby. We have the time, the research capabilities, the hands on experience and sophisticated technical facilities that most investors do not have. When appropriate, we will work with your accounting and legal professionals to assist you.

PRINCIPLES OF PROFESSIONALISM

Investment Advisor Responsibilities

- We adhere to high standards of professionalism, ethics, and business principles.
- Investments we recommend will be clearly explained to you.
- Our client's interests are at the center of every investment decision.
- We focus on long-term relationships. We work hard to build and maintain the trust that is the foundation of enduring relationships.
- We treat all client and prospect inquiries in a highly confidential manner.
- We respond to your inquiries quickly and efficiently.
- We are alert to your changing needs and goals. We realize clients' needs and lifestyles change over time and require flexible planning and foresight.
- We treat you with respect and courtesy.
- Our goal is to help you develop proper strategies to address your long-term needs, while being realistic about short term returns.
- We have a continuing appreciation of our responsibility towards proper management of your assets.

Client Responsibilities

- Let us know if a problem arises or if you have any questions or concerns.
- Please save your monthly statements and keep them in a binder or tax file.
- Always notify us of any address or telephone changes. Also, please let us know of any changes in your financial situation.
- Give us as much notice as possible on wire transfers, check requests, and escrow closings, as it helps us meet your needs in a timely manner.

WHEN DO YOU NEED AN INVESTMENT ADVISOR?

- A *significant event* such as, retirement, children's education, sale of home or business, inheritance, death, divorce.
- The *need to plan* for retirement, children's education, retired people who need to make their hard-earned money last for a life-time.
- *Advice and counsel.* Anyone who is confused by the wide array of investment choices and who is not sure they are doing the right thing with their money needs an experienced, knowledgeable Investment Advisor to provide education, assistance, and guidance.
- A *desire for personalized service and extensive resources.* Many of our clients come to us because their present Financial Consultant¹ is not performing up to their expectations.

Our Clients Include:

- **Retired people** seeking income and growth
- **§401(k)/§403(b)** rollovers or people changing jobs
- **High net worth individuals and families** seeking preservation of capital and tax-free income
- **Young professionals** seeking growth of capital
- **Small businesses** seeking to have their retirement plan assets invested in a prudent manner

BIOGRAPHY

Thomas Zaleski was graduated from the University of Arizona in 1984 with a B.S. in Finance. Shortly after graduation, Thomas joined Hughes Aircraft Company as a member of the Business and Finance Operations. He successfully earned the IRS Enrolled Agent designation in 1993. Thomas has worked for major Wall Street firms and since has formed an independent group, Thomas Capital Management, LLC. Thomas lives in Sedona with his family where he enjoys coaching and refereeing soccer, jazz, golf, tennis, rock climbing, trap shooting, and Okinawan Karate.

SUMMARY

In the investment marketplace, the difference between a *customer and a client is dramatic*. Customers receive little, if any, "added value" services from the financial vendors, and are left to fend for themselves in an investment world full of pitfalls. No one truly qualified is available to help them understand their investment goals, evaluate their portfolio structure and risk attributes, track their investment performance, or help them avoid making critical mistakes.

TCM's clients have a significant *relationship* with their adviser that understands their dreams and objectives, their risk tolerance, and their overall financial situation. The *added value* comes in the form of skills that are uncommon, resources that exceed those of the average investor, time dedicated to helping you, and knowledge based on experience that gives you access to proven investment techniques.

¹Most Financial personnel are Stock Brokers or insurance salesmen and are commissioned based!

Our objective is to provide you with quality service and sound advice. Planning begins when we meet to discuss your goals and resources, and continues throughout our relationship. Keep in mind that, most importantly, this is a process during which the steps may be taken more than once as your plans, goals, dreams, and circumstances change.

Thomas Capital Management, LLC was formed in 1999 encompassing the above philosophy and values. We are independent investment advisors with our only bias being the attainment of our clients stated objectives. Please contact us if you are interested in a comprehensive review with no obligation with the intent of determining if joining our distinctive family will meet your goals.

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