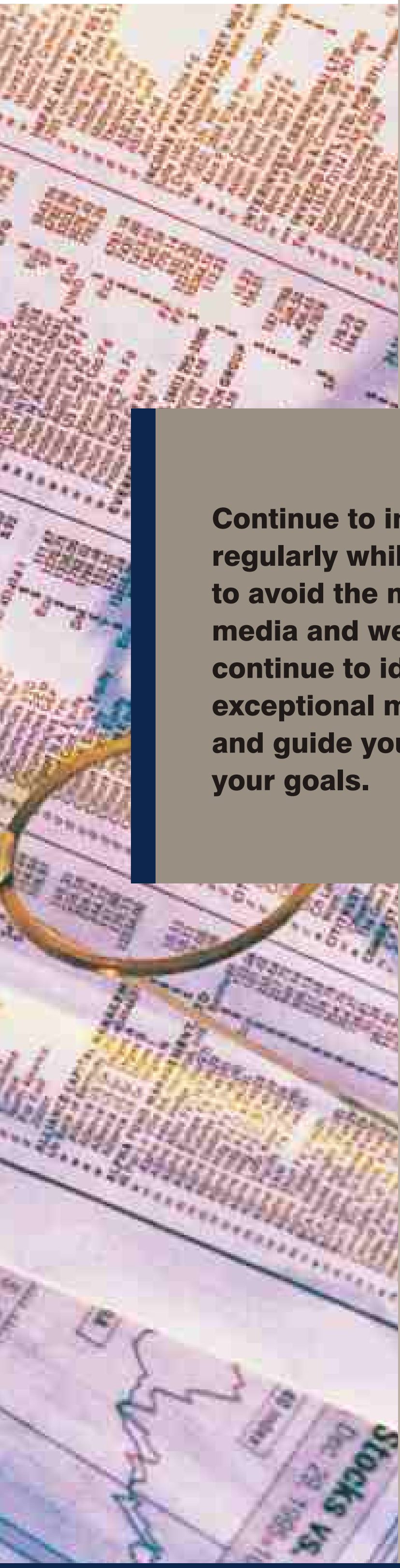
Lesjak Planning CORPORATION

The Advisor

WINTER 2006



Market Comment

The recent mid-term election process has come to an end with a pretty clear mandate for change from current leadership. What is not so clear is the direction the new leadership will push in the taxation department. We currently enjoy one of the lowest tax rates in our history, both on the income tax schedule and the tax on long-term gains made on investments. While we feel pretty confident these tax rates will remain through the elections in 2008, the results of those elections will most likely determine their direction in the future. Rising tax rates will affect consumers take home pay as well as increase taxes paid on all pension and retirement plan income. This invariably reduces contributions to savings and retirement plans to make up the shortfall in income. Less saving and investing means less flowing into stock and bond markets which slows growth going forward. Raising taxes creates a snowball effect that has far reaching implications and hopefully leadership weighs these concerns in their policy making decisions.

Continue to invest regularly while trying to avoid the negative media and we will continue to identify exceptional managers and guide you towards your goals.

The past few months the stock markets have silenced the spreaders of doom and gloom with a nice, controlled rally to the upside. This season will go down as one of the best in recent history especially since September and October are notoriously negative months for equities. Even with the recent increase in values, the majority of stock prices are still fairly valued as measured by long standing methods. Interest rate increases over the past four years seem to have slowed the economy as intended. Inflation has moderated close to the levels that the Federal Reserve is targeting, although they contend that we are more likely to see rate increases in the future rather than declines.

This all being said, we feel that we are in the middle of a growth trend that has rotated very nicely through the various investment sectors. Since early 2001, the small company stocks have led the upswing until recently giving way to the larger companies. International equities have enjoyed three excellent years in the mid 20% growth range. The laggards in this up move have been the more aggressive growth companies which include technology. If history is a guide, and the rotation continues in its current fashion, we feel these stocks are next in line for getting the attention of investors.

Continue to invest regularly while trying to avoid the negative media and we will continue to identify exceptional managers and guide you towards your goals. With the Holiday Season being in full swing, take the time to enjoy family and take inventory of good fortunes. Our service men and women would appreciate your thoughts and prayers as they take the risks so that we can be secure. Happy Holidays!

IRA Distributions to Charity

Once Traditional IRA account owners reach age 70 ½ they are required to withdraw a minimum amount of money from their accounts each year. These distributions, also known as Required Minimum Distributions, are counted as taxable income and will increase the amount of taxes owed each year. However, one way to avoid paying taxes on these monies is through charity.

A “Qualified Charitable Distribution” (QCD) will be excluded from your federal gross income provided you satisfy a few requirements. First, the distribution must come from an IRA only. Second, the distribution must be made on or after the date the IRA owner reaches age 70 ½. It is important to note that the IRS has not made it clear yet as to whether distributions made from Inherited IRA's will qualify.

Also, the QCD can be made to most, but not all, types of charities. At the appropriate time, we can determine the eligibility of the charity you may be considering. Further, the QCD must be a charitable contribution that would normally be 100% deductible. The last year for this tax benefit is 2007 and the annual limit is $100,000.

Obviously, there is an immediate taxable benefit from utilizing this strategy. Moreover, it gives those who are charitably inclined another way to make donations. Before implementing this for any of our clients we would first want to examine its impact on your overall financial plan. Please give us a call if you wish to discuss the details.

Market Summary
Year to Date

Dow Industrials	**+14.61%**
Dow Transportation	**+13.10%**
S&P 500 Index	**+12.88%**
NASDAQ Composite	**+11.02%**
Russell 2000	**+18.22%**
International	**+20.02%**

Roth 401k's

The Roth 401k is a new feature to 401k plans that became effective this year. It incorporates the tax free characteristics of a Roth IRA and the higher contribution limits of a company retirement plan. While there are many advantages to a Roth 401k, not many company retirement plans have officially adopted the new option. We will highlight the basics and save you the complex details for further discussion.

If employees choose to use a Roth 401k they will then have two separate accounts. One will be for any after-tax contributions (the Roth 401k) and one for pre-tax contributions (regular 401k). Employees can elect to contribute a portion or all of their salary deferrals to the Roth 401k account. Similar to Roth IRA's, the earnings on contributions will be tax-free upon distribution. However, keep in mind that after-tax salary deferrals will effectively increase your taxable income for the year. Employer matching contributions will be based on your salary deferrals to both types of accounts. But, employer contributions can only be made to your pre-tax 401k account.

The contribution limit for 2006 is $15,000 with a catch-up of $5,000. This applies to the total of your pre-tax and after-tax contributions. For example, if you are over the age of 50 and added $9,000 to your pre-tax 401k account the most you could add to your Roth 401k account for 2006 is $11,000. As noted later in this newsletter, these limits will increase for 2007.

The primary benefit to the Roth 401k is the ability to contribute larger amounts to a Roth account that will accumulate tax-free over the long term. Currently, the maximum contribution to a Roth IRA for 2006 is $5,000 if you are over the age of 50. Another benefit is that you can contribute to both your Roth 401k and Roth IRA if you desire. Therefore, based on 2007 IRS limits, you could contribute up to $19,500 to Roth accounts, or $25,500 if you are over the age of 50.

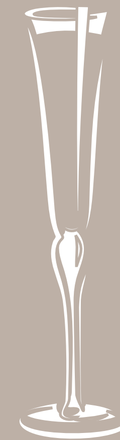
While the Roth 401k account seems to have significant advantages to a regular 401k account, keep in mind it will increase your overall taxable income for the year. Any decision made should be accompanied with an analysis of your current situation and discussion with your tax professionals. Please call us if you wish to discuss it in further detail.

Lesjak Planning

Our business depends on you and your satisfaction. We appreciate your referrals in the past and in the future.

Holiday Champagne Brunch

The Holiday Season is upon us! Mark your calendars for our 22nd Annual Holiday Champagne Brunch being held January 7, 2007. We can't think of a better way to start out the new year than by saying THANK YOU, for your past and continued support! We look forward to seeing you there!



Identity Theft

It seems we always hear about those people who were a victim of identity theft and the nightmare stories that went along with it. Then we cross our fingers and hope it never happens to us. In reality, either you or someone you know will have to deal with identity theft somewhere down the road. If you believe you are a victim of identity theft there are some steps that you can take to help protect yourself.

You have the right to ask the nationwide consumer reporting agencies to place “fraud alerts” in your file. This will make it more difficult for someone to get credit in your name and alerts creditors to take special steps to protect you. To place a fraud alert simply call one of the three nationwide consumer reporting agencies and they will automatically notify the other two.

Equifax:	1-800-525-6285	www.equifax.com
Experian:	1-888-397-3742	www.experian.com
TransUnion:	1-800-680-7289	www.transunion.com

An initial fraud alert will stay in your file for at least 90 days. An extended fraud alert will remain in your file for 7 years. The credit reporting agency will require you provide sufficient proof of your identity. To establish an extended fraud alert they will require you to provide more detailed information to substantiate your request.

You also have the right to free copies of information in your file. With an initial fraud alert you get a copy of information from all three of the credit reporting agencies. The extended alert gives you two free copies every 12 months. Keep in mind, you also have the right to a free credit report each year from one of the credit reporting agencies.

If you believe information in your credit report is a result of identity theft, you can request the credit agency to block it from your credit report. They will require you to show sufficient proof of identification and evidence that you have been victimized. Once a debt resulting from identity theft has been blocked, a person or business with notice of the block may not sell, transfer, or place the debt for collection.

The authorities recommend some helpful hints to help protect your identity. Do not give personal information solicited over the phone. Try to limit the number of credit cards you use and close inactive accounts. Keep your credit cards out of plain sight as the advent of picture phones has made it easier for identity thieves to get your credit card numbers. Also, do not display your social security number on checks or driver's license.

The Fair Credit Reporting Act gives you specific rights when you are, or believe you are, a victim of identity theft. To learn more about identity theft and how to deal with it you can visit www.consumer.gov/idtheft. To view your annual free credit report you can visit www.annualcreditreport.com. Also, please be sure to notify us if you believe identity theft may be an issue for you. There are steps that can be taken to help protect the movement of monies within your investment accounts.

Retirement Plan and IRA Limits

	2006 (catch-up)	2007 (catch-up)
401k / 403b Elective Deferrals	**$15,000 ($5,000)**	**$15,500 ($5,000)**
SIMPLE Elective Deferrals	**$10,000 ($2,500)**	**$10,500 ($2,500)**
Traditional / Roth IRA's	**$4,000 ($1,000)**	**$4,000 ($1,000)**
Roth 401k	**$15,000 ($5,000)**	**$15,500 ($5,000)**

Simplified Employee Plan (SEP) contributions are limited to the lesser of 25% of wages or $44,000 for 2006. For 2007, the limit is the lesser of 25% of wages or $45,000. The deadline for SEP contributions for 2006 is the due date of the corporate tax return including extensions. Contributions to your Traditional and Roth IRA's for 2006 must be made by April 16, 2007. Keep in mind, the "catch-up" provisions apply to those who are age 50 and over. Please give us a call with any questions regarding your contributions to your retirement accounts.

Investment Advisor's Act

The Investment Advisor's Act requires that as a management client, you be offered the annual opportunity to obtain a copy of Part II of Form ADV filed by Lesjak Planning Corporation with the Securities and Exchange Commission. A copy will be sent to you at no charge upon request

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Information cutoff date: 12/05/06