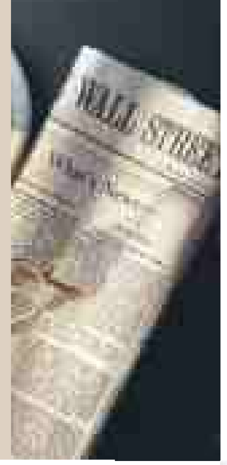

Tax Act Reminders

As a result of the Tax Relief Act of 2001, investors make take advantage of higher IRA, retirement plan, and Education Savings Account contribution limits effective for the year 2002.

A brief review of the new limits includes:

- Combined Traditional and Roth IRA contributions for 2002 are the lesser of earned income or $3,000 with a catch-up provision of an extra $500 for those age 50 an older. The contribution deadline for 2001 contributions is April 15, 2002.
- Participants in 401(k), 403(b), and SAR-SEP retirement plans may contribute up to $11,000 on a pretax basis compared to $10,500 last year. These plans also have a catch-up provision of $1,000 for participants age 50 and over.
- Participants in SIMPLE retirement plans may contribute up to $7,000 on a pretax basis for 2002 with a catch-up provision of $500 for participants age 50 and over. The 2001 pretax limit was $6,500.
- Individuals may be able to contribute up to $2,000 to a Coverdell Education Savings Account (formerly known as Education IRA), up from $500 last year. Furthermore, tax-free distributions from these accounts were extended to qualified secondary education expenses.

For further information regarding these changes and others brought on by the Tax Relief Act of 2001 feel free to give us a call and ask for Dave or Mike.

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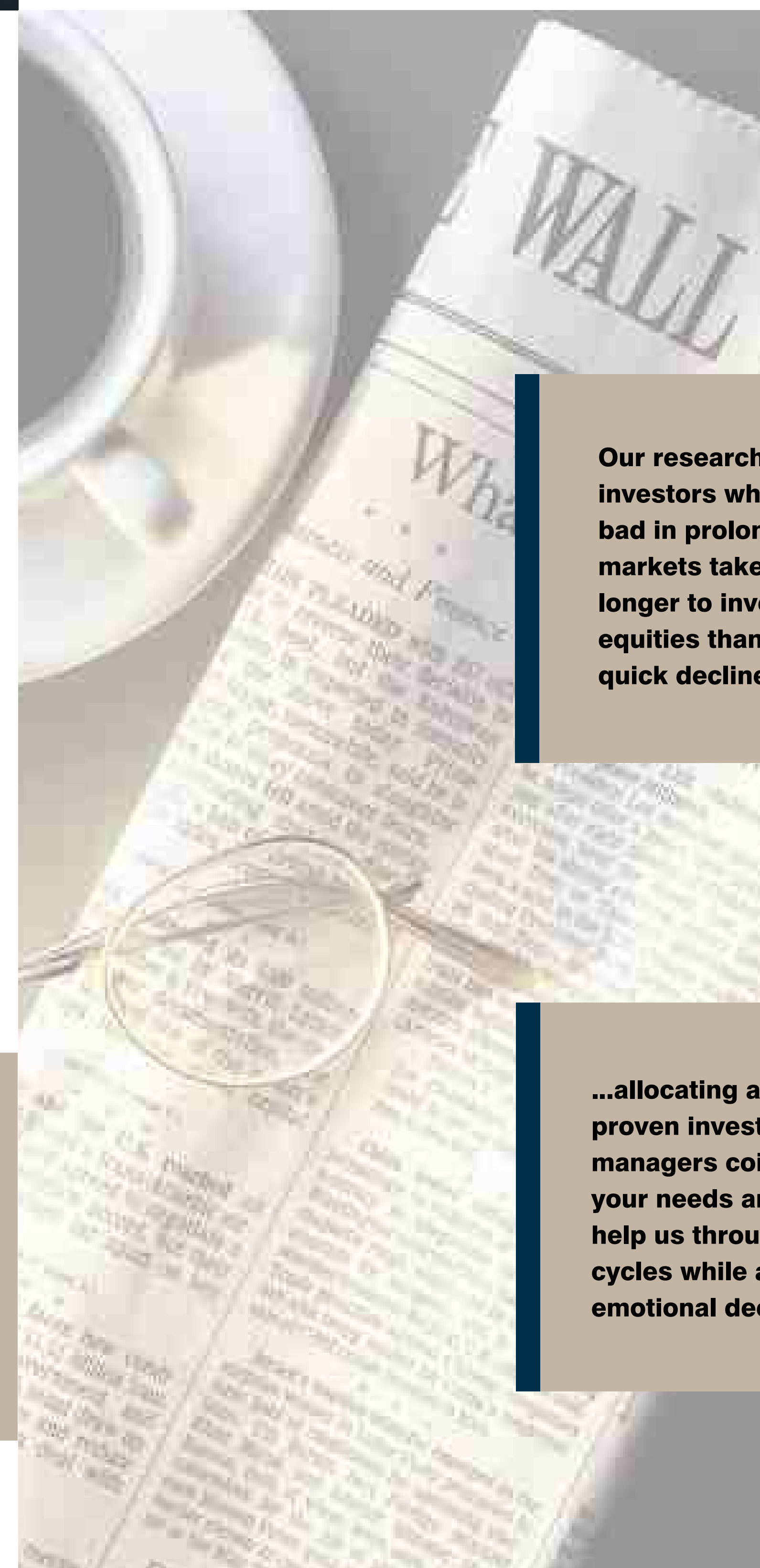


Lesjak Planning CORPORATION

The Advisor

SPRING 2002

Market Comment

If we needed another reason to discontinue watching financial programs, the announcement by Fed Chief Alan Greenspan that the recession is over just may be it. His latest testimony declared that this recession started in March 2001 and ended approximately in January 2002. His research concludes that manufacturing and retail sales are picking up at rates even faster than earlier expected. But, he warns, the recovery may not continue at a robust a pace as in previous recoveries. This is due to the data, which shows consumers did not slow their spending very much in this recession as compared to those in the past. So, any increased spending will not be as great percentage wise from the decline in spending. These are pretty technical assumptions he is making. They will certainly impact his decisions on future interest rate direction.

Our research shows that investors who get burned bad in prolonged down markets take much longer to invest back into equities than after short, quick declines.

While these statistics show the economy is beginning a rebound, there are other concerns that continue to weigh on the minds of investors. Along with the Technology sector's struggle with valuation concerns, the uncertainty of the fallout from the Enron debacle and Anderson Consulting's future tend to rebuild that "Wall of Worry" that the end of the recession tore down. The culmination of these events over the past two years have worn down investors to the point where many have decided to move to the sidelines for awhile. The past has shown that although this move to safety has proven to be ill timed for those investors, the duration and severity of this move greatly impacts the following market recovery. The longer the markets stay down, the longer the period of recovery seems to be.

...allocating assets between proven investment managers coinciding with your needs and goals, help us through these cycles while avoiding emotional decisions.

Our research shows that investors who get burned bad in prolonged down markets take much longer to invest back into equities than after short, quick declines. We think investors get scared that prices will continue to fall in long down markets until they are worthless. They then will not commit money back to these markets until they post a few years of above average growth again. These investors then move back in and provide the final upward leg of a market advance. Once this final liquidity is depleted, the markets stall and the whole cycle is repeated again. The cycle has been continuous over many decades. While the duration is the unknown variable, this current cycle appears to have bottomed in late September.

We believe that our philosophy of allocating assets between proven investment managers coinciding with your needs and goals, help us through these cycles while avoiding emotional decisions. Our search continues to find the best managers available. We will be mailing newly designed brochures describing our services and resources in a few months.

Company Stock in Your 401K

Many 401k plans offer their company stock as an investment option or a mandatory company match. Some believe making employees part owners of the company helps improve performance and provides a greater feeling of satisfaction. There are also tax advantages to the employer and employees. However, before diving in head first one should consider all the factors involved when deciding to place future retirement plans in the fate of one company.

According to a study by Employee Benefit Research Institute, 401k participants who get their company stock as a matching contribution have over half of their account balances in the company stock. When company stock is offered as an investment option to the participants it accounts for about 20 percent of account balances. It is difficult to give a specific amount that should be in company stock. Rather, it depends on several factors including strength of the company, its future potential, the participants' other investments, and the diversity of those investments.

Take the recent fall of Enron and how that affected retirement plans for thousands of individuals. Many of them were investing their own contributions along with their company match into Enron's stock sometimes resulting in up to 90 percent of 401k assets in one stock. Situations such as this moved past aggressive investing into the realm of investment gambling.

While alleged misdoings are currently under investigation, the Enron employees had the opportunity to cushion some of the blow by properly diversifying their 401k plans. Doing so requires the consideration of many factors such as other investments, risk attitude, and time horizon. Remember the story of the Enron employee who was retiring next year but lost almost all her retirement savings because Enron stock fell to less than $1? **If you are close to retirement age and have most of your retirement savings in your company stock, do you realize your retirement is solely controlled by the fate of the company?**

Hopefully, the Enron situation is resolved and all those affected are treated fairly, but it does serve as a wake up call for everyone to re-examine their retirement plan allocations. The future is unpredictable and you don't know what could happen to your company. A proper asset allocation among all your investments is key to achieving your retirement goals. Send us your latest plan statement to Marc's attention to check your allocation.

Common Estate Planning Pitfalls

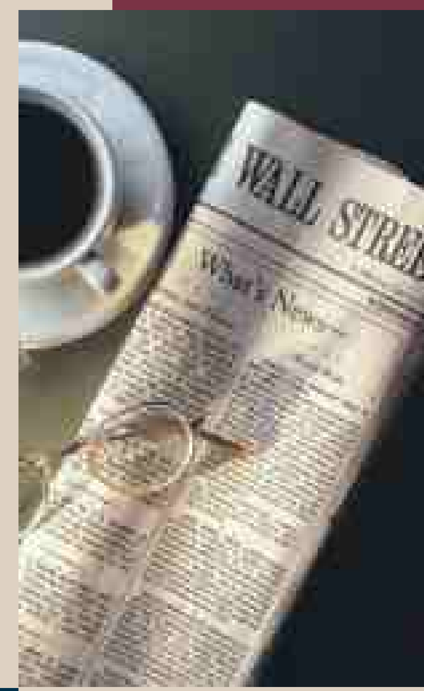
One of the most unpopular planning issues is that of Estate Planning. Who really wants to talk about what happens to their assets after they die? Unfortunately, it is an issue that some cannot afford to ignore. The failure to plan is one of the most prominent Estate Planning pitfalls. Failure to plan encompasses the lack of a current will, determining whom the assets will go to, and any last wishes. These are all issues that should be addressed by everybody.

Another area that often causes problems is the failure to update an existing estate plan. The death of family members or any new additions to the family could result in necessary adjustments. Tax law changes will also cause the plan to become outdated. Take for instance the Tax Relief Act of 2001 and all the changes it encompasses until 2010. And remember, in 2011 is the sunset provision, which allows the whole thing to revert back to current tax law as of 2001, if Congress wishes.

Trying to plan properly can sometimes result in overlooking several important issues. The possibility for simultaneous death, guardianship for surviving minors or special needs family members, a residuary clause to provide for the transfer of unexpected assets in the estate, and many more.

Other Estate Planning pitfalls include improper tax planning, ownership of assets, failure to consider inflation, and lack of liquidity to meet estate tax liabilities.

Our associations with qualified estate planning specialists can help you answer questions. Please call us.



Market Summary
Year to Date

Dow Industrials +2.60
Dow Transportation +6.71
S&P 500 Index -1.41
NASDAQ Composite -7.07
Russell 2000 +1.62
International + .99

Social Security Changes for 2002

The Social Security Wage Base for 2002 increased from $80,400 to $84,900. Beginning January 1, 2002, employers should begin to withhold Social Security taxes from employees' wages up to $84,900 and withhold Medicare tax on all wages.

If employees are receiving Social Security benefits and are under full retirement age, currently age 65, they can earn up to $11,280 before their benefits are reduced. For every $2 above $11,280 they earn, $1 of benefits is withheld.

In the year the employee reaches full retirement age, $1 in benefits is withheld for every $3 earned above $30,000 until the month the employee reaches full retirement age. **Benefits are not reduced in any way once the employee reaches full retirement age, no matter how much is earned**.

The full retirement age is increasing in gradual steps until it reaches age 67. This change begins in 2003 and affects those who were born in 1938 or later. If you have any questions or concerns please feel free to contact us for assistance.

Investors Behaving Badly

The information age provides investors with the most timely and accurate information that can be expected. Company websites, quarterly and annual reports, earnings reports, and financial news programs have successfully overloaded today's investor. However, it appears emotions, rather than the mountain of information, has been detrimental to individual investor's long-term goals.

As the markets rose to unprecedented levels in the late nineties, so did the volatility and turnover of investor mutual fund holdings. The average mutual fund holding period in 1996 was 5.5 years, compared to 2.9 years in 2001. This is an indication of the frequent buying and selling of mutual funds characteristic of attempts to chase hot sectors in the market. Most importantly, however, these holding periods are not conducive to a sound long-term investment strategy.

Additional information also indicates the timing of investors' buys and sells are further damaging their long-term portfolio returns. In many cases, investors ended up jumping into a hot sector at or near its peak and incurring substantial losses. Consider that across all Morningstar categories the best four quarters over the last decade averaged 14 percent. Mutual fund inflows for the quarter following each of these quarters averaged $91 billion per quarter. The worst four quarters across the same categories average 9 percent with fund inflows averaging $6.5 billion per quarter. This suggests many investors were caught following the leaders rather than participating through a diversified portfolio.

Constructing a diversified portfolio across equity styles and objectives reduces overall risk to a portfolio while positioning one's self to participate in the current growth trends. When combining this with a systematic investment program, potential returns are maximized over a long-term investment time horizon. According to Financial Research Corporation, investors who dollar-cost averaged during the 1990's would have yielded a 10.9 percent annualized return for the decade compared to 8.7 percent based on actual mutual fund inflows and outflows.

Future market movements will retain much of the same characteristics as we have seen over the last 80 years. It is during the times of increased volatility we must set our emotions aside and make rational and logical decisions based on the information at hand.