Roffman Miller

ASSOCIATES, INC.

October 7, 2008

Dear Client,

It is not uncommon in the many conversations I have with clients, colleagues, and friends to engage in a series of 'what-if' questions. For example, last year many had asked, "what-if oil goes to $200 per barrel?" in an effort to gauge our reaction to the climbing price of oil and other commodities. In fact, this question-and-answer process is routine in our Investment Committee as it provides a basis for formulating opinions, making decisions, and allocating risk. Several times we have answered the most frequently asked questions and discussed their implications right here in this letter. But if you had told me a year ago that the coming 12 months would see the failures of Lehman Brothers, Bear Stearns, Fannie Mae, Freddie Mac, Countrywide and Washington Mutual, and *then* asked me to predict where the markets would be following those events, I believe I would have painted a picture of market distress much darker than what we are actually experiencing today. And *that* was without considering an 11th-hour takeover of Merrill Lynch, the as-yet-undetermined fate of Wachovia, and the taming of Wall Street's last two major independent investment banks, Goldman Sachs and Morgan Stanley, both of which must now operate more conservatively under their new identities as commercial banks.

As this letter goes to print, there has been a baker's dozen of failed banks in the U.S. so far this year, as reported by FDIC and the Office of Thrift Supervision. Federal regulators here and abroad are scrambling to ensure that the financial infrastructure we depend on is credible, intact, and prepared for the challenges ahead. While the advice we give is timeless at its essence, this rapidly changing environment in banking and global economics has made it so that anything we put in print today may appear dated and worthless tomorrow. Within that context, I thought it would be prudent to discuss how I am feeling at the moment. Like you, I am concerned about the economy and the investments which will provide for me in retirement. The U.S. economy has, admittedly, weakened, but I expect the companies we own will still be market leaders in the products or services they provide when the current 'crisis' subsides and when the economy is on better footing. At issue, then, is how long we can wait for that to happen. Every decade over the past sixty years has experienced one or two bear markets. This is the only decade on record to experience three bear markets. Every individual is now being tested for their tolerance of risk in the markets. While some call us to buy, others will call us to sell. We feel that now, like the bear market earlier this decade, is not the time for Roffman Miller Associates to do things differently but instead to show the consistency we have kept through the years, and to work with you to ensure that your investments are proper in good markets and bad, and to make any adjustments that together we deem necessary. Bear markets will forever be a part of investing. Just as this one began, so shall this one end some day. The year following the end of a bear market has historically been a great year for investors, with the year following the September 11th, 2001 terrorist attacks the single exception in modern history.

Bear Market End	**Next 12 Months (S&P 500)**
6/13/49	42.07%
10/22/57	31.02%
6/26/62	32.66%
10/7/66	33.06%
5/26/70	43.73%
10/3/74	37.96%
8/12/82	59.40%
12/4/87	22.40%
9/21/01	-12.50%
7/23/02	17.94%

In the interest of putting all of our resources to work most efficiently, we have temporarily suspended our newsletter in favor of this simpler, more direct format. As things may continue to change rapidly, a quick conversation may provide more answers than four pages of dated print, so, if you are unclear of the rules pertaining to FDIC insurance, or need clarification on money markets or the impact of recent Federal legislation, please don't hesitate to call us.

We look forward to speaking or meeting with all of you in the weeks ahead.

Sincerely,

Peter Miller
President