

J. L. BAINBRIDGE
& COMPANY, INC.

September 2, 2004

Dear Mr. & Mrs. Client:

At times like today when the market is in the doldrums and the media is hysterical, remembering the importance of long-term growth of one's assets and realizing the key to achieving this growth is staying the course, when emotionally one's tendency is to sell, are both essential in order to succeed. Relative to today's environment, our brochure entitled "Money Management Principles", which was written in 1987 and is as pertinent today as it was seventeen years ago, presents the rationale for staying with a quality conservative investment program. This brochure is available at our website: www.jlbainbridge.com or a copy is available upon request. The theme compares investing in one's home with investing in the stock of a corporation, and states that due to the diligence in selecting a home and the long-term commitment, one's home is often one's most profitable investment.

The following is the brochure's conclusion:

"We strongly believe that the future of the United States economy is strong and full of long-term prosperity. However, in our view, no one can predict the near-term future. Therefore, the best investments must provide safety and long-term growth regardless of whether strong economic growth, inflation or recession is on the horizon. This does not mean that in every year our investments will increase in value by 15% because clearly there will be years where our returns fall short of our objective and in some years we may experience a decline. However, we firmly believe what these years cannot be accurately forecast, and consequently, the key to consistent results over time is to select quality that provides protection against large market declines and growth that provides long-term appreciation. With this approach our expectation is that the results in some years will exceed 15% such that over a number of years an average return of 15% compounded annually will be achieved.

In closing, we want to again draw the analogy to your investment in your home. Your home is an excellent investment because of your careful selection and long-term commitment. Would you achieve the same results if like the New York Stock Exchange there was a New York Home Exchange and you could see the current price of your home every morning in the newspaper and instantly buy and sell via a simple telephone call to your broker?

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The lack of patience, the natural tendency toward fear (caused by the constant hype of the financial publishing and broadcast industries) and the temptation to make quick profits are the cause of poor investment returns."

Jerry Bainbridge, President