HWM ViewPoint

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Special Points of Interest

- **Ponzi Schemes defined**
- **RMD's optional for 2009**
- **What the Experts Say Regarding Stocks and Recoveries**

Architects for Wealth December 19, 2008

Season's Greetings from Henry Wealth Management, LLC

We would like to take this opportunity to express our gratitude to our many wonderful clients and friends. Despite a most difficult year in terms of the economy and the financial markets, our clients to a person were understanding and gracious. Often times we received cards, notes and emails that included messages of encouragement and showed true concern for OUR well being. Please know how blessed we were by that…your account values in many cases were declining, yet you wanted to make sure that we were OK. We are more than OK - we are completely indebted to you and most appreciative!

Whether you celebrate Christmas, Hanukkah, Kwanzaa or merely the winter season, please know too that we celebrate our relationship with you and wish you and your family a blessed holiday season and a healthy and prosperous 2009!

The Security of Your Accounts

As you view the headlines of recent morning newspapers, already feeling that 2008 was a nightmare of a year as it relates to the economy in general, and the stock and bond markets in particular, you are now greeted with the news that a many investors have been defrauded. **Bernard Madoff** runs a money management firm that bares his name. He is accused of swindling investors in one of the largest Ponzi schemes ever, possibly reaching $50 billion! Moreover, the 70 yr. old Madoff, a former chairman of the Nasdaq Stock Market, once advised the U.S. government on ways to protect investors from scam artists!

Ponzi Schemes are described below, in a excerpt from the U.S. Securities and Exchange Commission, the link is as follows; http://www.sec.gov/answers/ponzi.htm.

"Ponzi schemes are a type of illegal pyramid scheme named for Charles Ponzi, who duped thousands of New England residents into investing in a postage stamp speculation scheme back in the 1920s. Ponzi thought he could take advantage of differences between U.S. and foreign currencies used to buy and sell international mail coupons. Ponzi told investors that he could provide a 40% return in just 90 days compared with 5% for bank savings accounts. Ponzi was deluged with funds from investors, taking in $1 million during one three-hour period—and this was 1921! Though a few early investors were paid off to make the scheme look legitimate, an investigation found that Ponzi had only purchased about $30 worth of the international mail coupons.

Decades later, the Ponzi scheme continues to work on the "rob-Peter-to-pay-Paul" principle, as money from new investors is used to pay off earlier investors until the whole scheme collapses. For more information, please read pyramid schemes in our Fast Answers databank."

Security of Your Account continued…

Clients have the right to wonder, and even inquire about the safety of their accounts.

Please recall that under no circumstances have you ever been instructed to check payable to "Henry Wealth Management, LLC", to "Phil Henry", or to "Dan Henry" for that matter. The broker-dealers that we have been associated with, require that funding of any investment accounts be payable to an **institutional custodian.** Some examples that you may be familiar with are:

- **NFP Securities, Inc.**
- **Trust Co. of America**
- **Capital Guardian Trust**
- **SEI Private Trust Co.**

In doing so, this places a wall between

the firm (Henry Wealth Management, LLC) and the client's funds. Based on our mutual agreement, we receive checks from you, never payable to us, and immediately forward them to the appropriate institutional custodian. Additionally, in many cases, we do not even "touch" your check, but rather, arrange for transfers to take place between your bank and the bank accounts of the independent custodians.

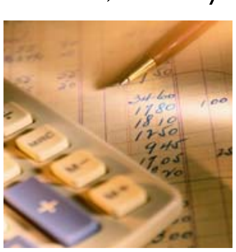
Certainly we must all deal with issues of volatility; some year's volatility works in our favor, while in other years, such as 2008, it does not. Yet ensuring that your accounts are safeguarded from fraud is a completely separate matter and one that we take very seriously. We'd be happy to discuss this with you further.

(Information obtained from USA Today magazine, Monday December 15, 2008.)

2009 Important Change for Retirees

On December 11, 2008, Congress passed the **Worker, Retiree, and Employer Recovery Act of 2008** (H.R. 7327). The President has stated that he will sign the bill when it reaches his desk. Much of the legislation relates to pension plan funding requirements.

However, one of the most significant provisions in the legislation is the **temporary suspension of required minimum distributions (RMDs) for 2009** from IRAs and employer plans. The Act does not, however, make any changes to 2008



RMDs, which generally must be taken no later than December 31, 2008 (April 1, 2009, for account owners who turned age 70Â½ in 2008).

Thus, as we plan for distribution in 2009, keep in mind that mandatory, forced distributions will not be required.

For clients of Henry Wealth Management, LLC who have reached age 70 1/2 and who have already established automatic distributions, those will continue as planned, yet we have the **option to reduce or eliminate 2009 distributions.** This tactic will certainly will be recommended in order to avoid selling at a low point in the market, for those who do not need distributions.

TAX ADVICE DISCLAIMER

"Any tax advice included in this written or electronic communication was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency."

Securities and Investment Advisory Services offered through NFP Securities, Inc. a Broker/Dealer, Member FINRA/SIPC and a Federally Registered Investment Advisor. NFP Securities, Inc. is not affiliated with Henry Wealth Management, LLC. Henry Wealth Management, LLC is not a Registered Investment Advisor. NFP Securities, Inc. does not offer tax or legal advice.

Can History Be Your Guide in Today's Markets?

The following charts from SunAmerica provide excellent perspective and quotes from some of the leading authorities in the world of investment management. Please take a moment to study them, as we seek to remain calm in turbulent waters, believing that the patient long-term investor, who has always been rewarded in the past, will likely benefit from this same approach again.

Can History Be Your Guide in Today's Markets?

Protection Strategies for Turbulent Times

Today's market conditions may be troubling, but the U.S. stock market and banking system are nothing if not resilient. They have withstood a Depression, World Wars, the Oil Shock of the 1970s, the debt crisis of the 1980s and the Tech bubble of the 2000s. So while the volatility in the current market can be unsettling, history has shown us that it may be a precursor of opportunity for investors.

What the **experts** say:

"You make most of your money in a bear market; you just don't realize it at the time."

~**Shelby Davis,** founder of Davis Selected Advisors

Good Investments Make Sense Over Time*

Period of Decline	Percent Decline	Time Until New Record High
December 1961-June 1962	-28.0%	1 Year, 2 Months
February 1966-October 1966	-22.2%	7 Months
November 1968-May 1970	-36.2%	1 Year, 9 Months
January 1973-October 1974	-47.9%	7 Years, 7 Months
September 1976-March 1978	-19.4%	2 Years, 5 Months
January 1981-August 1982	-25.9%	3 Months
August 1987-December 1987	-33.5%	1 Year, 8 Months
July 1990-October 1990	-19.9%	4 Months
March 2000-October 2002	-49.2%	4 Years, 8 Months
May 2007-October 2008	-44.5%	???

The Odds Have Favored The Long Term Investor
Annual Total Returns of the S&P 500 1926-2007*

	-40% to -50%	-30% to -40%	-20% to -30%	-10% to -20%	0% to -10%	0% to 10%	10% to 20%	20% to 30%	30% to 40%	40% to 50%	50% to 60%
							2006				
							2004				
							1993				
					2000		1988	2003	1997		
					1990	2007	1986	1999	1995		
					1981	2005	1979	1998	1991		
					1977	1994	1972	1996	1989		
					1969	1992	1971	1983	1985		
					1962	1987	1968	1982	1980		
					1953	1984	1965	1976	1975		
					1946	1978	1964	1967	1955		
				2001	1940	1970	1959	1963	1950		
				1973	1939	1960	1952	1961	1945		
			2002	1966	1934	1956	1949	1951	1938	1958	
			1974	1957	1932	1948	1944	1943	1936	1935	1954
	1931	1937	1930	1941	1929	1947	1926	1942	1927	1928	1933
Totals	1	1	3	5	13	12	16	13	13	3	2

"Be fearful when others are greedy and be greedy when others are fearful."

~**Warren Buffett**

*Source: Standard & Poor's. Based upon daily closing values for the S&P 500 index. Includes price returns only. The S&P 500 is a market-weighted index of 500 of the largest U.S. stocks in a variety of industry sectors. It is not possible to invest directly in an unmanaged index.

What the **experts** say:

"I've been buying American stocks...If prices keep looking attractive, my non-Berkshire net worth will soon be 100 percent in United States equities."

~**Warren Buffett,**
October 17, 2008

"There will always be bull markets followed by bear markets followed by bull markets."

~**Sir John Templeton,**
mutual fund pioneer

Sharp Rebounds Follow Market Dips

Month	S&P 500 Return	S&P 500 Return Next 12 Months
October 1987	-21.50%	14.80%
August 1998	-14.40%	39.80%
September 2002	-10.90%	24.40%
October 2008	-16.80%	?

"The worse a situation becomes, the less it takes to turn it around—and the bigger the upside."

~**George Soros**

Time in the Markets Beats Market Timing

Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate.

Source: Goldman Sachs Asset Management. February 2008. The returns are based on the S&P 500 Index, a market-weighted index of 500 of the largest U.S. stocks in a variety of industry sectors. It is not possible to invest directly in an unmanaged index.

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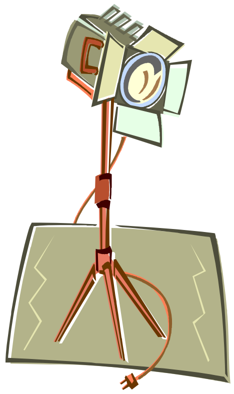

Spotlight On...

www.HenryWealth.com

In an ongoing effort to provide prompt and superior client service, we have taken great steps to maintain our website, **www.HenryWealth.com,** to serve as a communication portal between you and us.

Several of our clients are not aware of the many services we provide. Take a look at our website and check out the **Welcome Letter** and **Our Services**. You may be looking for a service that we can provide to you, such as an **Insurance Audit, Banking and Mortgage products, Estate planning, or Business Succession.** We also offer professional referrals for **College Tuition and Admissions, Tax planning and Property and Casualty Insurance.** These are just to name a few.

Logon to **www.HenryWealth.com** to see all others, or call our office for details and we will be happy to assist you!

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