

R.F. Lafferty & Co., Inc.

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Dear Investor,

With recent events in the credit markets seemingly spurred on by over leverage and sub prime risk, I wanted to take this opportunity to give you an update on our firm.

R.F. Lafferty & Co. is committed to the highest standards of ethical business conduct. For over 60 years we have been grounded in our belief that the client comes first and that every relationship is built to last generations. Through our unwavering belief in upholding the highest standards comes the ability to service clients to our utmost potential.

R.F. Lafferty is an agency only Broker Dealer that does not trade against customer order flow. Our only responsibility is to represent the needs of the clients at all times.

R.F. Lafferty keeps client funds in free cash balances. These balances are covered under SIPC and additional insurance has been purchased for the entire market value of your account. We do not keep client funds in money markets and purchase leveraged securities which has plagued some funds.

Overall, we believe the state of the Securities Markets are strong, but as in life, there are no guarantees. We do the best that we can to protect our clients and the funds that they have entrusted us to protect.

We look forward to the future with great anticipation and we promise to continue providing our clients with the highest level of service regardless of what happens in global markets.

If you have any questions, please feel free to contact me at (212) 293-9090.

Sincerely,

A handwritten signature in black ink, appearing to read 'Henry Hackel', written in a cursive style.

Henry Hackel
CEO & President