



**January 8, 2010**

**2:54PM EST**

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## **Some Personal Comments**

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Welcome back to 2010 Laura ! I hope you had a very safe and enjoyable holiday and that 2010 is your best year ever!!

As we try to do every year, our family spent a good deal of time in Vermont over the holidays, skiing, eating and visiting with friends. It could have been 50 degrees with rain, wind and mud and we still would have had a great time. (And my friend Marty and I would still have been on the hill skiing in plastic with rubber gloves!) Thankfully, it was one of the best holiday seasons in many, many years, weather-wise, with only a half day of rain and the rest cold and snow.

As most of you know already, I am an A+ eater. For the first time in maybe 20 or 25 years, I ventured over to ski Stratton with my friend, Moondog, who promised me a treat I would never forget. Although I doubted him, as I usually do, he did not let me down.

The mid mountain lodge makes the greatest donuts known to mankind! And surprisingly, they are in very short supply, being gobbled up in the minutes after they hit the case. If you ever make it to Stratton, I GUARANTEE you it's worth trying one of these freshly made cinnamon and sugar cider donuts with the slightest crunch on the outside and soft inside. Next time, I'll take 6!

Finally, before I get into the guts of this edition (sorry for the digression), the story about the [The Money Magician](#) has resurfaced! You can click on the link if you want to read some good kid humor. The other morning, my six year old daughter asked me what I was doing at the table. I told her I was preparing for meetings with clients before I headed to the office. She then asked what we were meeting about and I told her my clients wanted to know how they were doing and how much money they had.

She thought for a minute and then asked where my machine was. Confused, I asked her... "what machine"? She said, "you know, the machine that makes the money! The one that turns a dollar into like one hundred dollars!" If it was only that easy...

## Shockers 2010

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Each year, I usually release a small list of off the wall things that I think have some chance of occurring. More than anything else, I think they're fun to think and write about, and maybe even crow about when one comes true. Some shockers are repeats. Obviously, I hope that all of the less than positive ones don't happen. This is not my forecast for 2010, which I hope has a better chance of coming true!

In 2008, I said the whole Dubai experiment would fall apart along with private equity and the dollar would embark on a new bull market. Not bad, right? But I also called for a new bull market in stocks to begin in the US and Japan, the Euro to see 100 and then countries would start pulling out.

Last year, I predicted a 50% stock market rally from some low, another private equity collapse, sovereign debt default and a 10% savings rate in the US. Non financially, I said families would begin moving back to the major city centers and larger suburbs and away from rural life. I coupled that with a sharp rise in new network television comedies and the return of family importance.

For 2010, here's my list in no particular order:

- 1 - At least one major European country defaults on its debt
- 2 - The Euro sees a country leave, causing further strains in the union
- 3 - A municipal bond crisis unfolds in the US

4 - Heading into its third decade of deflation and economic ruin, the graying and flat population of Japan begins to open its borders to immigration and remilitarizes, hoping to shock and stimulate their economy

5 - Aided by a resurgent economy, the Democrats retain both houses and Congress and super majority in the Senate

6 - Tim Geithner resigns from the Treasury citing personal reasons to spend more time with his family and embark on a career in the private sector, payback to him for having helped Wall Street "swindle" hundreds of billions from taxpayers.

7 - Treasury bonds end the year as one of the top performing assets

8 - Citibank is broken up and sold off in pieces and loses its name

9 - Goldman Sachs goes private since the benefit of being public, added capital and huge leverage is no longer there

10 - Citizens of Iran rise up against their government and begin a revolution. Iran responds by attacking Israel in an ill conceived attempt at rallying public support.

11 - The stock market peaks during the third quarter and a new bear market begins.

## **Top 9 Tips for the Successful Investor in 2010**

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The following article was written for the New Haven Register's financial blog, [Fi\\$cally Fit](#), which I contribute to on a weekly basis. Please click on the link to read.

[Top 9 Tips for the Successful Investor in 2010](#)

## **Obama and the Banks Part II**

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FYI, if you tuned in to CNBC's The Call last Tuesday, you shouldn't be surprised to learn I was preempted by the President... again! It doesn't matter if it was Bush or Obama, they clearly enjoy shutting me up at will!

We'll try again on the 13th at 11:10am est.

My first appearance on Squawk Box last week was a lot of fun. ([Media Page](#)) And I am very grateful to be invited . Hopefully, I will get asked back this year.

Several weeks ago, I wrote a [piece](#) about President Obama begging, pleading and demanding that the banks increase their lending. I compared it to what Hoover supposedly did in early 1930 after the Great Crash. To add to my previous comments, I don't think it's any politician's job to meddle in private affairs.

You want to pass a law? Be my guest. You want to work in the private sector? That's your prerogative as well. Additionally, I find a bit scary that the President finds it necessary to jawbone the bankers. What does he know about the true state of our economy that he's not sharing? Is it really that bad? Does he fear another collapse unless the banks loosen credit up quickly?

After that issue, I received numerous emails deriding me for "attacking" Obama. One of the greatest rights we have as citizens is the ability to question our government and authority. And I will continue to do so! This was not a partisan assault. I had issues with Bush's decisions too, like the ridiculous stimulus plan that sent checks in the mail to people. But I do try to be respectful to the office.

My readers are generally middle of the road folks, based on various surveys I've done over the years. Of course, I have some people far out on the left and right. What I found interesting was that when I had negative comments regarding the Bush administration's actions as recently as 2008, few people replied. But now, with Obama coming to power in landslide fashion with Congress, I seem to have struck a raw nerve.

The question is... WHY?

## **Investment Quotes/Adages To Live By**

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"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret

Thatcher via Casey Research

## **Upcoming TV Appearances**

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CNBC's The Call - January 13 at 11:10am

CNBC's Worldwide Exchange - January 28 at 5:30am

CNBC's Worldwide Exchange - February 11 at 5:30am

CNBC's Worldwide Exchange - March 16 at 5:30am

You can view most of the past segments by clicking below.

## [Media Appearances](#)

## **Friends And Family Plan**

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Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

<http://www.investfortomorrow.com/newsletter.asp>

You can also forward this email to family and friends by hitting the "forward email" hotlink at the bottom of this email.

## To Your Financial Success,



**Paul Schatz**  
**President**  
**Heritage Capital LLC**

**1 Bradley Road Suite 202**  
**Woodbridge CT 06525**

**203.389.3553 Phone**  
**203.389.3550 Fax**

**[www.InvestForTomorrow.com](http://www.InvestForTomorrow.com)**

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StreetSmarts is produced and distributed regularly via email by Paul Schatz of Heritage Capital, LLC

1 Bradley Road, Suite 202 Woodbridge CT 06525 Phone (203) 389-3553 Fax (203) 389-3550 - [www.InvestForTomorrow.com](http://www.InvestForTomorrow.com)  
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