

PROFESSIONAL FINANCIAL SERVICES, INC.

THE PRACTICE OF INSURANCE AND FINANCIAL SERVICES

A REGISTERED INVESTMENT ADVISOR

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ROBERT E. TUCKER
PRESIDENT

August 20, 2009

Mr. Robert E. Tucker
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Dear Bob:

It's hard to believe we are heading into the last four months of 2009, and there is a lot of information to share with you.

Inspiration

Recently, I saw a piece on ESPN about two high school students in Ohio – Leroy and Dartanyon. Here is the link to their story:

<http://www.youtube.com/watch?v=O04L0XboS8c>

From time to time we all believe that we confront serious problems whether they be financial issues, family issues, professional problems or others. They can be real and upsetting, and then you see a story about someone else. The story of Leroy and Dartanyon is about looking beyond adversity, confronting life's challenges and becoming the best you can be.

Take a moment. Look at their story. It is an inspiration.

2009 in Retrospect Thus Far

This year – like most years – has included traumatic life events. In early 2009 a client of mine was diagnosed with inoperable cancer. Another client is battling another type of untreatable cancer. A new client was referred to me whose husband in his early 40's and a health nut, died suddenly of a massive heart attack.

In all cases, the immediate questions are, "Bob, are my legal affairs in order? Will my family be financially 'OK'?" I am reminded of what some have said to me, "You know, Bob, when we did our legal documents we really didn't think we were going to die." Thankfully, for the first two, everything – and I do mean everything – is in perfect order.

Here's what I know. Life is full of challenges and everything competes for our time. The events of the moment take precedence. All too often planning takes a back seat. We can always get to it tomorrow.

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Robert E. Tucker is a registered representative of H. Beck, Inc., which is unaffiliated with Professional Financial Services, Inc.

Life changes, family relationships change, the economy changes, tax rates change, the law changes, and the list goes on. My message to all is that at some point your planning opportunities will be over. There will be no more options – no more time to address those issues that in the big picture are far more important and have far more impact than the other events or tasks that rob us of our time.

If you feel your planning needs to be reviewed, call me. If in doubt, call me and let's discuss your situation. That's why I'm here.

2009 Income Tax Planning

Enclosed is the 2009 R&R Newkirk Tax Planning Guide. There is a variety of ideas and information that can be helpful to you as we move through the end of 2009. Let me know if you have any questions.

Investments

February through July has seen the resurgence of the markets. While I don't know if the recession is "over," the trends have finally begun to turn positive.

Below is a chart of the net asset values (NAVs) per share of the A class of four portfolios of funds I use for each month from 8/1/08 to 8/1/09.

<u>Date of Value*</u>	<u>Principal Strategic Growth</u>	<u>Principal Conservative Growth</u>	<u>Principal Balanced</u>	<u>Principal Flexible Income</u>
8/1/08	16.38	14.96	13.33	10.84
8/29/08	16.47	15.02	13.39	10.89
10/1/08	14.87	13.21	12.35	10.26
10/31/08	12.26	11.58	10.84	9.50
12/1/08	10.29	10.01	9.73	9.12
1/1/09	10.63	9.95	9.70	9.17
2/1/09	9.55	9.06	9.05	9.02
2/27/09	8.66	8.31	8.43	8.67
4/1/09	9.43	8.96	8.91	8.89
5/1/09	10.26	9.68	9.53	9.32
6/1/09	11.07	10.39	10.14	9.75
7/1/09	10.75	10.14	9.95	9.69
8/1/09	10.82	10.20	10.00	9.72

* Dates used represent approximately 30-day intervals excluding holidays and weekends

Source: Principal Funds (1-800-222-5852)

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So, for clients who have seen the values of their assets go down, the restoration of those values has begun to occur.

For those who started or continued to invest from February 2009 and forward, there have been substantial gains. The most aggressive portfolio (Strategic Growth) has gained approximately 33% since the end of February and the most conservative portfolio (Flexible Income) has gained nearly 17%.

For those with investments in the variable annuities we use, the trend up has been similar.

Will there be a continued rise in values? Will there be a turn downward? Clearly, I don't know and there are no guarantees. However, I have advocated Dollar Cost Average (DCA) investing for the last several months.

Dollar Cost Averaging can reduce the impact of short-term price fluctuations on your investment portfolio. It involves an investment of a fixed dollar sum at regular intervals over time, the result of which is an average price, based on the number of shares or units obtained at each of the prices prevailing on the dates of purchase. Dollar Cost Averaging will not guarantee a positive return in a declining market. Past performance is not indicative of future results.

In the non-traded Real Estate Investment Trust (REIT) environment, there has been a reduction of dividend yields and the re-pricing of REIT portfolios. Many believe that we are at or near the bottom in commercial real estate and the buying opportunities are enormous. With current dividend yields much greater than bank accounts, CDs, treasuries and corporate bonds, it has been and continues to be my belief that it is a good time to give strong consideration to REIT investments.

Conclusion

As always, thank you for the opportunity to be of service. I value you and look forward to a continuing relationship. Feel free to call with any questions or concerns.

Best regards,



Robert E. Tucker, CLU
Chartered Financial Consultant

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Enclosures