

PEARSON Investment Letter

Published Monthly Since 1982

www.pearsoncapitalinc.com**FEATURED STOCKS**

Affiliated Comp	Nicholas Finc
The Cooper Co	NVR, Inc
Golden Star	Nextel Comm
Laboratory Corp	Severn Bancorp

GROWTH & INCOME STOCKS

Classic Bancs	Texas Regional Banc
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NO, NOT AGAIN!**BY DONALD PEARSON**

Last month I wrote about Wall Street brokerage firms and how

funds are primarily private investment pools for the wealthy, though many also take investments from institutions such as retirement funds. Hedge fund managers arranged with several big mutual fund companies to improperly trade mutual fund shares, along the way earning tens of millions of dollars at the expense of the individual investor.

One fund manager set up with thirty fund families the opportunity to trade their funds at prior day prices and receive profits from quick purchase and sale. The term for this is "arbitrage." In return for looking the other way, the fund manager then deposited millions of dollars in another fund operated by the same family, which would earn fees managing the money. One part of Spitzer's case charges hedge funds with after hours trading, something that is clearly illegal. Another claim being made is that of "rapid fire trading" being done by brokerage firms, mutual funds, and hedge funds. This simply drives up the fund's management cost, thus reducing the investor's return.

Many individual investors are not familiar with the term "breakpoint." Breakpoint simply means at what volume price should discounts begin for you as you make your purchases, and how much of a discount you are entitled to. The NASD, which is the regulatory organization that oversees brokers, found that in one-third of the transactions monitored, the individual received none or less than he or she was entitled too. If you are one who believes you may be a victim of this practice, you should contact your brokerage firm immediately and challenge them to show you that you have received the correct fee. The NASD has mandated that those of you who are owed refunds should get your money back promptly, plus interest. More information can be found at the NASD Web site, www.nasd.com.

the shenanigans have finally been found and corrected. It appears it isn't completely over, as more of the same has been discovered. Now we have the mutual fund sector in the news, and they have also been caught doing similar things to you. What exactly are they doing, you might ask?

New York's Attorney General, Eliot Spitzer, has accused several mutual fund families of permitting illegal trading practices that cost ordinary investors billions of dollars every year. Already, jobs have been lost and fines have begun to be levied, but that doesn't do much for the victims. Are you one of them? If all of your assets are with us, and you do not have any other fund holdings, I am happy to report you have dodged another investment bullet fired by the bad guys. If you do have some of what I am outlining, call us, and we will transfer the fund to us, and we will manage the money for you.

Of all of the companies listed as suspects, we are not purchasing any of their products or buying any of their funds, nor do we plan to in the future. As I told you last month, we learned our lesson back in 1998-2000 as we built portfolios, trusting the very group that's back in the news again. Get me once, shame on you. Get me twice, shame on me. As you learn how your funds are being tampered with, perhaps you'll follow my advice and take your hard-earned money somewhere else. Unfortunately, space will not allow me to properly cover all of the violations, but this should help you realize you may have some money owed to you. If you are a victim, you may also consider selling your holdings and placing your cash where you can TRUST your representative.

Let me begin with defining a hedge fund. Hedge

Because of these shenanigans, Morningstar has

Continued on page 5

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Investment Letters are complimentary to our clients with managed accounts!

EVALUATION

There are two ways to evaluate one's stock. First there is the market value. That is what the stock market says you would get if you were to sell your stock on any given day. The other method is to work out what you consider to be a fair value based upon all of the factors available to you at the time. One should always remember that the market could be wrong about your stock. You can see this going on in the marketplace daily. Sometimes a stock price will rise or fall as much as 50%, or more, in a single day. This simply means that the market had misjudged it yesterday.

Although a stock is totally different from a house, sometimes the investor will treat both in a similar manner. He may have lived with it for a number of years, grown attached, and finds it hard to part company. In some respects they become somewhat similar. One may not like a house because of the neighborhood. In the stock's case, the investor may not like the stock simply because of the business it is in, but, in the selection of a stock for investment, many factors have to be taken into consideration. Being in the right industry at the right time can be quite rewarding.

A case in point might be Microsoft, one of the tech babies of yesterday. A one thousand-dollar investment in 1991 would be worth about \$25,000 today, which is still down considerably from the \$60,000 figure reached a while ago. Warren Buffet missed the entire tech industry simply because he didn't understand it. I understand his problem inasmuch as I don't understand it either. However, that didn't stop me from joining them and participating in the profitable joyride.

One big, big factor in the pricing of a stock in today's market is the mutual fund industry. Years ago there were no mutual funds, and the price of a stock was determined by what the man in the street thought of it. Naturally, there were many different viewpoints, and there wasn't as much digging for information as there is these days. When the time comes to make a purchase, a mutual fund is buying not for one man but for thousands. The average investor has much less than \$1 million, but a mutual fund will invest many millions of dollars into each investment it makes. This of course will affect the market price, both on the buys and sells.

It is this same factor which makes it more difficult for a mutual fund to be successful. The bigger it grows, the smaller its market becomes. It is not feasible for a manager to watch too many stocks, so each fund usually limits itself to one or two hundred issues. With billions of dollars on hand, this means many millions of dollars must go into each investment. Many excellent companies are too small to absorb the huge amount of capital necessary to make a worthwhile investment for a fund. It is for this reason that many funds latch onto a company after it has had that early growth. Microsoft would be a prime example.

Because of the economy backtracking, the stock market has taken a terrific tumble, and this has the investing public scared out of its wits. Many people have pulled out of the market entirely. This, of course, has created opportunities, because, as more people pull out, the cheaper stocks become.

Another thing that has happened is that Mr. Greenspan, in order to get the economy cooking, has again lowered interest rates. As a matter of fact, he has lowered them so many times, he is beginning to run out of room on the downside. What this means in the marketplace is that stocks paying dividends are becoming more enchanting to the investor who is looking for income. Because of these numerous interest rate cuts, it is also getting very difficult to get any kind of a meaningful return on money that is left in a savings account or put into a CD. One country, I believe it is Japan, is in a position where the depositor must pay just to keep his money on deposit.

There is a good possibility that some nonpaying stocks will start paying dividends. The laws have been changed so that dividend income is no longer taxed at such a high rate. Microsoft has recently started paying dividends and others may soon follow. I have always felt that one was better off invested, even when money markets were paying 18% interest.

INVESTING FOR INCOME

A mistake many people are making today is letting fear rule their investment decisions. There is no fault to be found with being careful. There is no fault to be found with being VERY careful. Where the average investor fails is in not evaluating the WHOLE problem.

Because of the recent down market, many people have "run for the hills." Some have decided to go into CD's or money market accounts, but they have forgotten to factor in inflation. Inflation will not go away. It is built into our economy and is a factor that must be covered.

When putting one's savings into a CD that will pay 3% a year for the next five years, most people consider that they have made a perfectly safe investment. Not so! Let's compute a \$10,000 investment for this period. With the inflation rate averaging 7% a year we come up with these figures:

For the first year the \$300 is paid and spent normally, but the second year finds that the \$300 has a purchasing power of \$279. The third year it is \$259.47, the next year \$241.30, and the last year only \$224.42. Furthermore, when the \$10,000 is returned, the value may seem the same, but it has shrunk to where its purchasing power only comes to \$6,956.88. This may seem criminal, but that's the way things are these days, and it is up to the investor to overcome this problem.

It is still possible to invest in the stock market for both income and safety. There are numerous companies that have long glowing records of dividend payouts. However, one of the things that should be considered is growth. In order to counteract the inflation bugaboo, it is necessary to factor in a certain amount of growth.

Walter Pearson is the former President of First New England Securities, Co., Inc. and at that time, also managed the Statistical Department. He is the author of the book, "Investing for the Millions" and Publisher Emeritus for the Pearson Investment Letter. At this time, Mr. Pearson is Chairman of the Board of Pearson Capital, Inc. He is a contributing columnist for various publications and is listed in Who's Who in America.

"Remember the Lord your God, for it is He who gives you the ability to produce wealth. Deut. 8:18"

PEARSON CAPITAL'S RECOMMENDED STOCKS FOR OCTOBER

AFFILIATED COMPUTER SERVICES, INC. (ACS) NYSE PRICE: \$48.69

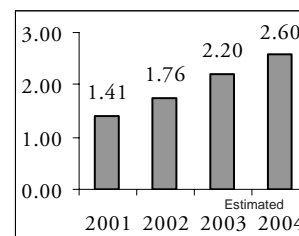
Affiliated Computer Services is a provider of business and technology outsourcing services for commercial clients and government agencies. ACS's business process outsourcing service offerings include processing, scanning, and analyzing company documents such as health care claims and financial transactions. The company also provides systems integration and technology outsourcing services, including infrastructure and applications outsourcing, network management, e-business, information security, and technical support and training services. For the fiscal year ended 6/30/03, revenues rose 24% to \$3.79 billion. Net income rose 34% to \$306.8 million. Revenues reflect new contracts in state health care, workforce services and transportation businesses. Net income also reflects improved operating margins.

Type: Growth
Sector: Technology

Institutional Holdings: 410
Industry: Computer Services

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **22.13**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **A-**
Pearson Growth Rating: **A-**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **N/R**
Value Line Rating: **3-3-4**



THE COOPER COMPANIES (COO) NYSE PRICE: \$40.75

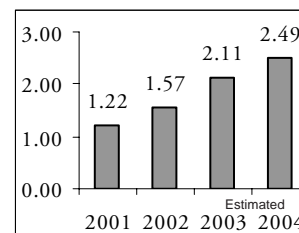
The Cooper Companies, Inc. (Pleasanton, CA) operates through its subsidiaries as a developer, manufacturer and marketer of healthcare products. Subsidiary CooperVision makes specialty contact lenses, including toric (for astigmatism). Subsidiary CooperSurgical specializes in the women's health care market; its products include bone densitometers for diagnosing osteoporosis, colposcopes, and fetal monitors. The company markets its products through its own sales representatives in North America, distributors in Japan, and Europe. For the nine months ended 07/31/03, revenues rose 35% to \$298.8 million. Net income rose 46% to \$47.7 million. Revenues reflect higher CVI volumes and CSI existing product sales. Earnings reflect higher margins due to cost reductions and the shift to specialty lenses.

Type: Growth
Sector: Healthcare

Institutional Holdings: 194
Industry: Med. Equipment

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **19.3**
Annual Yield: **0.1%**
Annual Dividend: **\$0.05**
Investor's Bus. Daily: **A**
Pearson Growth Rating: **A**
Pearson Value Rating: **B+**
Stand.&Poor Rating: **A**
Value Line Rating: **2-3-2**



GOLDEN STAR RESOURCES LTD (GSS) AMEX PRICE: \$4.17

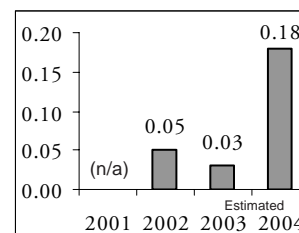
Golden Star Resources Ltd. is an international gold mining and exploration company producing gold in Ghana in West Africa. The properties, held through 90%-owned subsidiary Bogoso Gold Ltd., include the Bogoso mine and the Prestea property. The Bogoso/Prestea site has proven and probable reserves of around 2 million ounces of gold. Golden Star Resources acquired a third property in the area in late 2002, the Wassa mine. The company also owns 73% of Guyanor Ressources S.A. ("Guyanor"), which has a gold mining project in development in French Guiana. Under pressure from low gold prices, Golden Star Resources sold its stakes in Omai Gold Mines Ltd. (Guyana) and the Gross Rosebel mine (Surinam). For the six months ended 6/30/03, revenues rose 46% to \$27.8 million.

Type: Emerging Growth
Sector: Basic Materials

Institutional Holdings: 18
Industry: Gold & Silver

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **139**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **B+**
Pearson Growth Rating: **A+**
Pearson Value Rating: **C-**
Stand.&Poor Rating: **N/R**
Value Line Rating: **N/R**



LABORATORY CORPORATION OF AMERICA HOLDINGS (LH) NYSE PRICE: \$28.70

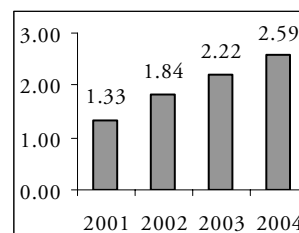
Laboratory Corporation of America Holdings offers a range of testing services used by the medical profession in routine testing, patient diagnosis and in the monitoring and treatment of disease. LabCorp performs some 4,000 types of tests for such clients as hospitals, pharmaceutical firms, physicians, HMOs, government agencies, and employers. Its services include routine testing, such as urinalyses, HIV tests, and Pap smears. LabCorp also offers specialty testing services, including clinical research, paternity and forensics tests, and predictive testing for breast and ovarian cancer. For the six months ended 6/03, revenues increased 21% to \$1.46 billion. Net income increased 11% to \$160.3M. Revenues reflect higher prices and volumes. Net income was partially offset by an increase in interest expenses.

Type: Growth
Sector: Healthcare

Institutional Holdings: 227
Industry: Healthcare Facilities

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **12.9**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **B**
Pearson Growth Rating: **B**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **A**
Value Line Rating: **2-3-1**



PEARSON CAPITAL'S RECOMMENDED STOCKS FOR OCTOBER

NICHOLAS FINANCIAL, INC. (NICK) NASDAQ PRICE: \$6.97

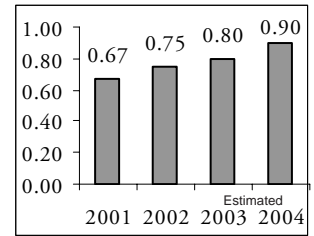
Nicholas Financial, Inc. is a Canadian holding company whose business activities are conducted through its two wholly owned subsidiaries formed pursuant to the laws of the State of Florida, Nicholas Financial, Inc. (Nicholas Financial) and Nicholas Data Services, Inc., (NDS). Nicholas Financial is a specialized consumer finance company engaged primarily in acquiring and servicing installment sales Contracts (Contracts) for purchases of new and used automobiles and light trucks. Nicholas Data Serv. is engaged in designing, developing, marketing and supporting industry-specific computer application software for small businesses located primarily in the Southeast United States. For the three months ended 6/03, revenues increased 14% to \$6.1 million. Net income rose 15% to \$1.2 million.

Type: Growth
Sector: Financial

Institutional Holdings: 1
Industry: Financial services

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **8.7**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **C+**
Pearson Growth Rating: **B-**
Pearson Value Rating: **A**
Stand.&Poor Rating: **N/R**
Value Line Rating: **N/R**



NVR, INC. (NVR) AMEX PRICE: \$466.50

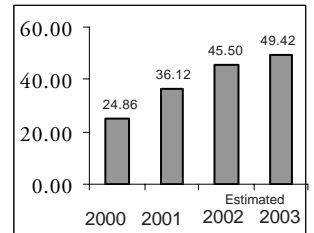
NVR, Inc. builds single-family homes, townhomes, and condominiums, which it mainly sells to first-time and first-time move-up buyers in the US. NVR markets its homes under trade names Ryan Homes, Fox Ridge Homes, and NVHomes. Its largest markets, the Washington, DC, and Baltimore areas, account for about 56% of its homebuilding sales. NVR sells about 11,400 homes annually; the homes range in size from about 1,000 sq. ft. to 7,300 sq. ft., and in price from \$91,000 to \$1.6 million, with an average selling price of about \$270,000. Subsidiary NVR Mortgage offers mortgage services to NVR customers only. For the six months ended 6/30/03, revenues rose 8% to \$1.59 billion. Net income rose 14% to \$182.9 million. Results reflect increased homebuilding revenues due to an increase in the average selling price.

Type: Growth
Sector: Capital Goods

Institutional Holdings: 192
Industry: Construction Serv.

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **10.3**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **A**
Pearson Growth Rating: **B**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **N/R**
Value Line Rating: **2-3-4**



NEXTEL COMMUNICATIONS, INC. (NXTL) NASDAQ PRICE: \$19.71

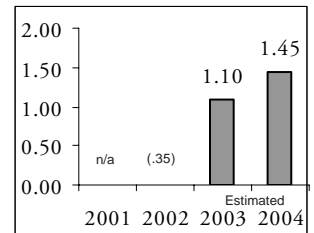
NXTL is a provider of wireless communications services in the US. Nextel's service offerings include digital wireless service; Nextel Direct Connect, its long-range digital walkie-talkie service; wireless data, including e-mail and text messaging, and Nextel Online services. Nextel's all-digital packet data network is based on Motorola, Inc.'s integrated digital enhanced network wireless technology. The Company's handsets offer a wide range of features that may include built-in speakerphone, additional line service, conference calling, an external screen that lets customers view caller ID, voice-activated dialing for hands-free operation, a voice recorder for calls and memos, an advanced phonebook that manages contacts and datebook tools to manage calendars and alert users of business and personal meetings.

Type: Emerging Growth
Sector: Services

Institutional Holdings: 600
Industry: Comm. services

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **17.9**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **A**
Pearson Growth Rating: **B**
Pearson Value Rating: **B-**
Stand.&Poor Rating: **D**
Value Line Rating: **1-4-3**



SEVERN BANCORP, INC. (SVBI) NASDAQ PRICE: \$30.50

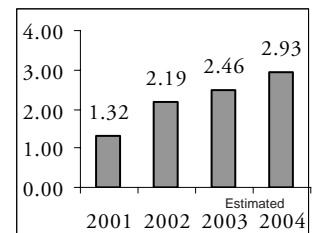
Severn Bancorp, Inc. conducts business through three subsidiaries: Severn Savings Bank, FSB (the Bank), its principal subsidiary; Louis Hyatt, Inc., doing business as Hyatt Real Estate, a real estate brokerage and property management company, which it acquired in June 2001, and SBI Mortgage Company, which engages in the origination of mortgages not suitable to the Bank, and to a lesser extent, owns investment real estate through subsidiary limited liability companies. For the six months ended 6/30/03, total interest income rose 13% to \$18 million. Net interest income after loan loss provision rose 29% to \$11.3M. Net income applicable to Common rose 36% to \$5.4 million. Net interest income reflects an increase in interest-earning assets. Earnings also reflect an increase in gains on the sale of loans.

Type: Growth
Sector: Financial

Institutional Holdings: 0
Industry: Savings Banks

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **12.4**
Annual Yield: **0.02%**
Annual Dividend: **\$0.06**
Investor's Bus. Daily: **A-**
Pearson Growth Rating: **A-**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **N/R**
Value Line Rating: **N/R**



WALL STREET INDEXES

Indexes	1997	1998	1999	2000	2001	2002	2003/YTD
S&P 500	31.0%	28.5%	21.1%	(10.1%)	(13.3%)	(23.4%)	13.2%
Dow Jones	19.7%	18.1%	25.2%	(6.2%)	(7.1%)	(16.8%)	11.2%
Nasdaq	21.6%	39.6%	85.6%	(39.3%)	(21.1%)	(31.5%)	33.8%
Russell 2000	20.5%	(2.4%)	21.3%	(4.2%)	1.0%	(21.6%)	27.3%
Our CD Buster	Data for 2003 is available on our website					8.1%	36.6%
CD Annual Average	5.2%	4.7%	4.9%	5.4%	3.0%	2.3%	1.5%

MARKET VIEW

Christopher Carothers - PCI's Stock Analyst

ECONOMIC FLOWS:

The dollar has continued to fall against the other world currencies in reaction to a recent G7 meeting with other countries. This "noise" will put a damper on stocks going into the month of October until the earnings season gets into full swing.



EARNINGS FLOWS:

October is the time for the saying, "show me the money!" In this case it would be, "show me the earnings." Many overvalued stocks that do not meet the expectations of analysts will get beaten down. Those that meet or exceed expectations will do well. Those that succeed this earnings season will generally move higher and do well in January, too. Still, I don't see much change in earnings projections, although I think some stocks like the old technology stocks (Cisco, Oracle, etc.) have moved way too far.

CASH FLOWS:

Interest rates will probably remain the same in the short term, so companies are still taking advantage by continued refinancing and long term borrowing. This will "shore up" the balance sheets of these corporations and make them stronger. Once again, we should see continued merger activity going into the new year.

Tarpon Springs - Clearwater Getogether

I would like to comment regarding my time spent last week. To the new friends we made, the old friends we have, and to our new and old clients alike, Thank you! The evening dinner cruise was certainly one I shall not soon forget. The opportunity to present our views on investing and our management strategy is an opportunity to assist those in need of this type of information. Answering any and all investment questions is a small way for me to show my appreciation to this group. Please email or call me personally on our 800 - phone line if you have any other investment questions.

issue here, or simply the fund's performance? These violations are very serious, and we have no way of knowing today the selloff these implications will generate. You don't want to be one of the last people holding a fund if shareholders begin to bail out. If the fund has to begin selling stock because of the massive exodus, much of this will probably be done at unfavorable prices, thus those who choose to stay will be the ones truly punished.

Continued from page 1 No, Not Again!

already withdrawn their recommendations on many mutual funds, and it appears more will follow. As good as they are at rating, it becomes nearly impossible when someone is tampering with the money.

Now you have to decide whether to stay with your investment, or to sell it, if and when you find out your fund, or funds, are a part of this mess. Are you interested in the ethics

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OCTOBER'S RECOMMENDED GROWTH & INCOME STOCKS

CLASSIC BANCSHARES, INC. (CLAS) NASDAQ PRICE: \$34.10

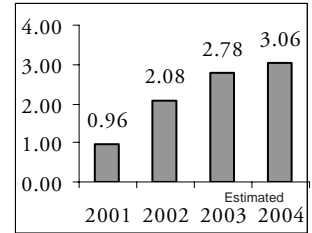
Classic Bancshares, Inc. is a community-oriented financial institution. Classic Bank seeks to serve the financial needs of communities in its market area through eight banking offices in Eastern and Northeastern Kentucky. Its current business strategy involves attracting deposits from the general public and using such deposits, together with other funds, to originate commercial, consumer and other loans in its market areas. For the three months ended 6/30/03, total interest income increased 4% to \$3.7 million. Net interest income after loan provision rose 14% to \$2.4 million. Net income rose 14% to \$745 thousand. Net interest income reflects an increase in the average balance of interest-earning assets and a lower cost of funds. Net income also reflects increased service charges and gains on the sale of securities.

Type: Growth & Income
Sector: Financial

Institutional Holdings: 2
Industry: Savings Banks

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **12.3**
Annual Yield: **1.0%**
Annual Dividend: **\$0.32**
Investor's Bus. Daily: **C-**
Pearson Growth Rating: **C**
Pearson Value Rating: **B+**
Stand.&Poor Rating: **N/R**
Value Line Rating: **N/R**



TEXAS REGIONAL BANCSHARES, INC. (TRBS) NASDAQ PRICE: \$33.79

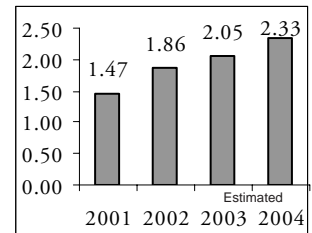
Texas Regional Bancshares, Inc. is a bank holding company that operates Texas Regional Delaware, Inc., incorporated as a wholly owned, second-tier bank holding company subsidiary. Texas Regional Delaware owns Texas State Bank (the Bank), the Company's primary operating subsidiary. The Bank has two active wholly owned subsidiaries, TSB Securities, Inc., which provides full-service broker-dealer services, and TSB Properties, Inc., which receives and liquidates foreclosed assets. For the six months ended 6/03, interest income rose 7% to \$104 million. Net interest income after loan loss provision rose 15% to \$65.2 million. Net income rose 20% to \$30.8 million. Net interest income reflects an increase in earning assets, and lower interest costs on deposits. Earnings also reflect higher service charges.

Type: Growth & Income
Sector: Financial

Institutional Holdings: 100
Industry: Regional Banks

Ratings & Recommendations Earnings per share

Price/Earnings Ratio: **16.5**
Annual Yield: **1.4%**
Annual Dividend: **\$0.35**
Investor's Bus. Daily: **C+**
Pearson Growth Rating: **B**
Pearson Value Rating: **B**
Stand.&Poor Rating: **A**
Value Line Rating: **3-3-2**



CD BUSTER + 36.55%

The CD Buster model portfolio was created from the selection of stocks published in the January and February 2003 Pearson Investment Letter. The additional issues were selected from our "top ten" list of growth and income stocks. This portfolio demonstrates how selected stocks could outperform the regular bank CD yielding 2.5% annually. This example does not include trading fees or management fees as well as any dividends earned. Current performance does not indicate or guarantee future performance. All client portfolios are customized differently to meet their individual objectives and goals. There are no guarantees as to the profit of each - some may lose money.

A \$25,000 CD returning 2.5% annually would have a year-end value of: \$25,625.

The same \$25,000 invested in our CD Buster in January and February 2003 would have a value today (05:04:58 PM EDT-09/30/03) **of \$34,133.33 (+\$9,136.61 = +36.55%)**

DISCLAIMER: The CD Buster is a stock simulation portfolio created by Pearson Capital, Inc. for informational/educational purposes only.

Pearson Capital, Inc. makes no guarantee as to the accuracy or completeness of this data.

Pearson Capital, Inc. shall not be liable for any errors or omissions, or for any actions taken in reliance thereon.

Year To Date Results through Tuesday, 09/30/03

* Formerly FB merged to FBR
** 3 for 2 stock split 02/28/03

Stocks Name	Symbol	Yield	Shares	Price/Share	Total Invested	Current/Price	Current
Advance Finc Corp	AFBC	2.1%	151	\$20.70	\$3125.70	\$25.98	\$3,922.83
Doral Finc	DRL	1.9%	106	\$29.50	\$3127.00	\$47.00	\$4,982.00
EFC Bancorp	EFC	2.7%	171	\$18.25	\$3120.75	\$21.00	\$3,591.00
FBR Asset*	FBR*	8.8%	339	\$ 9.29	\$3149.31	\$17.25	\$5,847.75
FFLC Banc**	FFLC**	1.8%	159	\$19.71	\$3133.89	\$29.03	\$4,615.77
Altria Group	MO	6.8%	84	\$36.99	\$3107.16	\$43.80	\$3,679.20
Thornburg Mortg	TMA	7.1%	156	\$20.03	\$3124.68	\$25.33	\$3,951.48
Wash. Mutual	WM	3.3%	90	\$34.53	\$3107.70	\$39.37	\$3,543.30
AVG 4.3%					\$24,996.19		\$34,133.33

For additional updates go to our website at www.pearsoncapitalinc.com Go to: "CD Buster 03"

Source Rating Key for PCI's featured stocks: Pearson Investment Growth Rating measures long-term past and future growth.

Pearson Value Rating measures current value in terms of potential for the dollar. Investors Business Daily measures growth and relative price strength. S&P measures financial quality and growth potential. Value Line measures timeliness, value and safety.

Information & data obtained from other sources is believed to be reliable, but its accuracy and completeness can not be guaranteed.