

# Off Wall Street Consulting Group, Inc.

P.O. Box 382107  
Cambridge, MA 02238

tel: 617.868.7880

fax: 617.868.4933

internet: [research@offwallstreet.com](mailto:research@offwallstreet.com)  
[www.offwallstreet.com](http://www.offwallstreet.com)

All information contained herein is obtained by Off Wall Street Consulting Group, Inc. from sources believed by it to be accurate and reliable. However, such information is presented "as is," without warranty of any kind, and Off Wall Street Consulting Group, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, or completeness of any such information or with regard to the results to be obtained from its use. All expressions of opinion are subject to change without notice, and Off Wall Street Consulting Group, Inc. does not undertake to update or supplement this report or any of the information contained herein. You should assume that Off Wall Street Consulting Group, Inc. and its employees enter into securities transactions which may include hedging strategies and buying and selling short the securities discussed in its reports before and after the time that Off Wall Street Consulting Group, Inc. determines to issue a report. Off Wall Street Consulting Group, Inc. hereby discloses that its clients and we the company, or our officers and directors, employees and relatives, may now have and from time to time have, directly or indirectly, a long or short position in the securities discussed and may sell or buy such securities at any time.

January 1, 2007

To: The clients of Off Wall Street.

re: Q4 2006 Off Wall Street performance, full year 2006 performance, long term performance, comments, tables.

Summary:

I. Calendar 2006:

A. Total Portfolio:

Short positions: (23.75 ave. positions): OWS 2006 loss: 0.5%

Long positions: (9.25 ave. positions): OWS 2006 gain 6.5%.

B. S&P 500: +13.2% in 2006. Outperformance of OWS short portfolio vs. S&P index short: 12.7 percentage points.

C. RTY Index: +17.1% in 2006. Outperformance of OWS short portfolio vs. RTY index short: 16.6 percentage points.

D. New short positions opened in 2006: 20. Long positions opened: 6.

E. Positions closed in 2006: 21 short positions, 6 long positions.

F. Batting average in 2006: 15 winners out of 21 short positions closed: 71% winners. 3 long positions winners, 3 losers: 50% winners.

II. Q4 2006:

A. Total Portfolio:

Short positions: (22 positions) : OWS Q4 2006 loss: 4.1%

Long positions: (8 positions) : OWS Q4 gain: 9.8%

B. S&P 500: 6.2% gain in Q4 2006. Outperformance of OWS short portfolio versus S&P 500 index short: 2.1 percentage points.

C. RTY: 8.6% gain in Q4 2005. Outperformance of OWS short portfolio versus RTY index short: 4.5 percentage points.

Summary: 2006 OWS short sale performance relative to the S&P 500 and relative to the RTY was excellent, and was the best performance of the last 3 years, although being just slightly down on an absolute basis. Our value oriented long portfolio results were below par, but up on an absolute basis. Historically, 2002 was the best year ever for the OWS short portfolio in terms of absolute performance. The 51.7% total gain that our short portfolio posted in 2002 followed a 49.6% gain posted in 2001 and a 43.4% gain in 2000. 2003 was less successful than the preceding year, with the short portfolio losing 18.6%, although still beating its benchmarks quite handily. The 2004 short portfolio lost 2% on an absolute basis, but beat its benchmarks again. The 2005 short portfolio outperformed an S&P index short by 6.9%, and did better against a more fair benchmark, the RTY index short, outperforming by 7.5%. In 2006 we beat the S&P 500 short by 12.7 percentage points, and the RTY short by a handsome 16.6 percentage points. (see Table C)

The OWS short portfolio has never had a year in which it did not outperform both the S&P index short and the RTY index short.

In calendar 2006 OWS initiated 20 new short positions, similar to the previous three years. We also initiated 6 new long positions in 2006. We closed out 21 short positions in 2006, of which 15 were winners. 3 out of 6 longs closed in 2006 were winners. This extended our batting average calculated from 1993 to 0.820, which means we have been right 82% of the time. Since 1993, Off Wall Street has closed out 266 short positions, with 218 winners and just 48 losers. We think our record is unmatched in our investing niche in the U.S. over the medium and long term.

2006 was a bull market in most sectors, making for a tough market for short sellers. We are especially pleased that our short portfolio performed so well in 2006. The main reason was that the new ideas that we initiated in 2006 did particularly well. The average performance of the 20 new short sale recommendations made in 2006 was a gain of 4.3%.

Off Wall Street currently employs six analysts. It is the most experienced staff we have ever had. We have been providing research to our clients for almost 17 years. We hope to continue our record of providing thoughtful, well researched and profitable ideas to a select client group of professional money managers.

We greatly appreciate your continued support and your confidence, which we are constantly striving to merit.

B. Long term performance of OWS closed positions:

**Positions Closed**

Year	#Positions	#Winners	#Losers	Batting Ave
1993	10	8	2	0.800
1994	14	11	3	0.786
1995	15	13	2	0.867
1996	15	11	4	0.733
1997	6	6	0	1.000
1998 Q1	8	5	3	0.667
1998 Q2	2	1	1	0.500
1998 Q3	4	4	0	1.000
1998 Q4	2	2	0	1.000
1999 Q1	4	4	0	1.000
1999 Q2	2	2	0	1.000
1999 Q3	5	4	1	0.800
1999 Q4	8	7	1	0.875
2000 Q1	5	5	0	1.000
2000 Q2	8	6	2	0.750
2000 Q3	5	5	0	1.000
2000 Q4	11	11	0	1.000
2001 Q1	3	3	0	1.000
2001 Q2	4	4	0	1.000
2001 Q3	7	6	1	0.857
2001 Q4	4	4	0	1.000
2002 Q1	1	1	0	1.000
2002 Q2	14	13	1	0.929
2002 Q3	4	4	0	1.000
2002 Q4	4	4	0	1.000
2003 Q1	5	5	0	1.000
2003 Q2	8	7	1	0.875
2003 Q3	6	5	1	0.833
2003 Q4	2	2	0	1.000
2004 Q1	11	6	5	0.545
2004 Q2	7	5	2	0.714
2004 Q3	6	6	0	1.000
2004 Q4	6	5	1	0.833
2005 Q1	2	2	0	1.000
2005 Q2	9	6	3	0.667
2005 Q3	4	2	2	0.500
2005 Q4	8	5	3	0.625
2006 Q1	7	4	3	0.571
2006 Q2	7	6	1	0.857
2006 Q3	6	3	3	0.500
2006 Q4	7	5	2	0.714
<b>Cumulative:</b>	<b>266</b>	<b>218</b>	<b>48</b>	<b>0.820</b>

C. Long term OWS short sale performance relative to S&P 500 index short and relative to RTY index short.

1995	Q1	Q2	Q3	Q4	Totals
RTY	4.16%	8.77%	9.43%	1.80%	24.15%
OWS Short	1.00%	0.30%	-16.00%	3.00%	-11.70%
OWS Short Relative to RTY	<b>5.16%</b>	<b>9.07%</b>	<b>-6.57%</b>	<b>4.80%</b>	<b>12.45%</b>
1996	Q1	Q2	Q3	Q4	Totals
RTY	4.68%	4.79%	-0.06%	4.69%	14.10%
OWS Short	9%	13%	11%	6%	39.00%
OWS Short Relative to RTY	<b>13.68%</b>	<b>17.79%</b>	<b>10.94%</b>	<b>10.69%</b>	<b>53.10%</b>
1997	Q1	Q2	Q3	Q4	Totals
RTY	-5.53%	15.71%	14.49%	-3.70%	20.97%
OWS Short	22%	-26%	-7.80%	0.20%	-11.30%
OWS Short Relative to RTY	<b>16.47%</b>	<b>-10.29%</b>	<b>6.69%</b>	<b>-3.50%</b>	<b>9.67%</b>
1998	Q1	Q2	Q3	Q4	Totals
RTY	9.99%	-4.85%	-20.51%	16.05%	0.68%
OWS Short	-7%	-1%	31%	-14%	9%
OWS Short Relative to RTY	<b>2.99%</b>	<b>-5.85%</b>	<b>10.49%</b>	<b>2.05%</b>	<b>9.68%</b>
1999	Q1	Q2	Q3	Q4	Totals
RTY	-5.77%	15.10%	-6.64%	18.13%	20.82%
OWS Short	4.10%	-1.80%	10.70%	-17%	-4.00%
OWS Short Relative to RTY	<b>-1.67%</b>	<b>13.30%</b>	<b>4.06%</b>	<b>1.13%</b>	<b>16.82%</b>
2000	Q1	Q2	Q3	Q4	Totals
RTY	6.80%	-4.05%	0.80%	-7.26%	-3.71%
OWS Short	-14.00%	4.50%	10.90%	42.00%	43.40%
OWS Short Relative to RTY	<b>-7.20%</b>	<b>0.45%</b>	<b>11.70%</b>	<b>34.74%</b>	<b>39.69%</b>
2001	Q1	Q2	Q3	Q4	Totals
RTY	-6.82%	13.82%	-21.05%	20.66%	6.61%
OWS Short	20.90%	4.40%	26.20%	-1.90%	49.60%
OWS Short Relative to RTY	<b>14.08%</b>	<b>18.22%</b>	<b>5.15%</b>	<b>18.76%</b>	<b>56.21%</b>
2002	Q1	Q2	Q3	Q4	Totals
RTY	3.68%	-8.65%	-21.70%	5.75%	-20.92%
OWS Short	11.70%	24.60%	14.40%	1.00%	51.70%
OWS Short Relative to RTY	<b>15.38%</b>	<b>15.95%</b>	<b>-7.30%</b>	<b>6.75%</b>	<b>30.78%</b>

2003	Q1	Q2	Q3	Q4	Totals
RTY	-4.84%	23.0%	8.8%	14.2%	41.16%
OWS Short	10.1%	-19.1%	-0.2%	-9.40%	-18.60%
OWS Short Relative to RTY	<b>5.26%</b>	<b>3.90%</b>	<b>8.60%</b>	<b>4.80%</b>	<b>22.56%</b>
2004	Q1	Q2	Q3	Q4	Totals
RTY	6.0%	0.2%	-3.1%	13.7%	16.8%
OWS Short	-0.8%	0.6%	8.5%	-10.3%	-2.0%
OWS Short Relative to RTY	<b>5.2%</b>	<b>0.80%</b>	<b>5.4%</b>	<b>3.4%</b>	<b>14.8%</b>
2005	Q1	Q2	Q3	Q4	Totals
RTY	-5.7%	4.1%	4.4%	0.8%	3.6%
OWS Short	8.8%	-3.0%	-2.7%	0.8%	3.9%
OWS Short Relative to RTY	<b>3.1%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>1.6%</b>	<b>7.5%</b>
2006	Q1	Q2	Q3	Q4	Totals
RTY	13.7%	-5.3%	0.1%	8.6%	17.1%
OWS Short	-11.8%	12.3%	3.1%	-4.1%	-0.5%
OWS Short Relative to RTY	<b>1.9%</b>	<b>7.0%</b>	<b>3.2%</b>	<b>4.5%</b>	<b>16.6%</b>
1995	Q1	Q2	Q3	Q4	Totals
S&P 500	9.00%	8.80%	7.30%	5.40%	30.50%
OWS Short	1.00%	0.30%	-16.00%	3.00%	-11.70%
OWS Short Relative to S&P	<b>10.00%</b>	<b>9.10%</b>	<b>-8.70%</b>	<b>8.40%</b>	<b>18.80%</b>
1996	Q1	Q2	Q3	Q4	Totals
S&P 500	4.80%	3.90%	2.50%	7.80%	19.00%
OWS Short	9%	13%	11%	6%	39.00%
OWS Short Relative to S&P	<b>13.80%</b>	<b>16.90%</b>	<b>13.50%</b>	<b>13.80%</b>	<b>58.00%</b>
1997	Q1	Q2	Q3	Q4	Totals
S&P 500	2.20%	16.90%	7.00%	2.40%	28.60%
OWS Short	22%	-26%	-7.80%	0.20%	-11.30%
OWS Short Relative to S&P	<b>24.50%</b>	<b>-9.10%</b>	<b>-0.80%</b>	<b>2.60%</b>	<b>17.30%</b>
1998	Q1	Q2	Q3	Q4	Totals
S&P 500	13.50%	4%	-10%	20.90%	28.40%
OWS Short	-7%	-1%	31%	-14%	9%
OWS Short Relative to S&P	<b>6.50%</b>	<b>3.00%</b>	<b>21.00%</b>	<b>6.90%</b>	<b>37.40%</b>

1999	Q1	Q2	Q3	Q4	Totals
S&P 500	4.60%	6.70%	-6.60%	14.50%	19.20%
OWS Short	4.10%	-1.80%	10.70%	-17%	-4.00%
OWS Short Relative to S&P	<b>8.70%</b>	<b>4.90%</b>	<b>4.10%</b>	<b>-2.50%</b>	<b>15.20%</b>
2000	Q1	Q2	Q3	Q4	Totals
S&P 500	2.00%	-2.90%	-1.20%	-8.10%	-10.20%
OWS Short	-14.00%	4.50%	10.90%	42.00%	43.40%
OWS Short Relative to S&P	<b>-12.00%</b>	<b>1.60%</b>	<b>9.70%</b>	<b>33.90%</b>	<b>33.20%</b>
2001	Q1	Q2	Q3	Q4	Totals
S&P 500	-12.10%	5.50%	-15.00%	10.30%	-11.30%
OWS Short	20.90%	4.40%	26.20%	-1.90%	49.60%
OWS Short Relative to S&P	<b>8.80%</b>	<b>9.90%</b>	<b>11.20%</b>	<b>8.40%</b>	<b>38.30%</b>
2002	Q1	Q2	Q3	Q4	Totals
S&P 500	-0.10%	-13.70%	-17.60%	7.90%	-23.50%
OWS Short	11.70%	24.60%	14.40%	1.00%	51.70%
OWS Short Relative to S&P	<b>11.60%</b>	<b>10.90%</b>	<b>-3.20%</b>	<b>8.90%</b>	<b>28.20%</b>
2003	Q1	Q2	Q3	Q4	Totals
S&P 500	-3.6%	14.9%	2.2%	11.6%	25.1%
OWS Short	10.1%	-19.1%	-0.2%	-9.40%	-18.6%
OWS Short Relative to S&P	<b>6.5%</b>	<b>-4.2%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>6.5%</b>
2004	Q1	Q2	Q3	Q4	Totals
S&P 500	1.3%	1.3%	-2.3%	8.7%	9.0%
OWS Short	-0.8%	0.6%	8.5%	-10.3%	-2.0%
OWS Short Relative to S&P	<b>0.5%</b>	<b>1.9%</b>	<b>6.2%</b>	<b>-1.6%</b>	<b>7.0%</b>
2005	Q1	Q2	Q3	Q4	Totals
S&P 500	-2.6%	0.9%	3.1%	1.6%	3.0%
OWS Short	8.8%	-3.0%	-2.7%	0.8%	3.9%
OWS Short Relative to S&P	<b>6.2%</b>	<b>-2.1%</b>	<b>0.4%</b>	<b>2.4%</b>	<b>6.9%</b>
2006	Q1	Q2	Q3	Q4	Totals
S&P 500	3.7%	-1.9%	5.2%	6.2%	13.2%
OWS Short	-11.8%	12.3%	3.1%	-4.1%	-0.5%
OWS Short Relative to S&P	<b>-8.1%</b>	<b>10.4%</b>	<b>8.3%</b>	<b>2.1%</b>	<b>12.7%</b>

D. Performance of long ideas:

2003	Q1	Q2	Q3	Q4	Totals
OWS Long	<b>10.3%</b>	<b>33.2%</b>	<b>5.9%</b>	<b>8.3%</b>	<b>57.7%</b>
2004	Q1	Q2	Q3	Q4	Totals
OWS Long	<b>-5%</b>	<b>-3%</b>	<b>9.8%</b>	<b>9.4%</b>	<b>11.2%</b>
2005	Q1	Q2	Q3	Q4	Totals
OWS Long	<b>2.5%</b>	<b>6.7%</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>10.0%</b>
2006	Q1	Q2	Q3	Q4	Totals
OWS Long	4.2%	-2.9%	-4.6%	9.8%	6.5%