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January 1, 2008

To: The clients of Off Wall Street.

re: Q4 2007 Off Wall Street performance, full year 2007 performance, long term performance, comments, tables.

Summary:

I. Calendar 2007:

A. Total Portfolio:

Short positions: (21.25 ave. positions): OWS 2007 gain: 10.9%

Long positions: (9.75 ave. positions): OWS 2007 loss -8.1%.

B. S&P 500: 3.8% in 2007. Outperformance of OWS short portfolio vs. S&P index short: 14.7 percentage points.

C. RTY Index: -2.5% in 2006. Outperformance of OWS short portfolio vs. RTY index short: 8.4 percentage points.

D. New short positions opened in 2007: 18. Long positions opened: 7.

E. Positions closed in 2007: 31. Winners: 24, and 7 losers.

F. Batting average in 2007: 0.710, or 71% correct.

## II. Q4 2007:

### A. Total Portfolio:

Short positions: (15 positions) : OWS Q4 2007 gain: 8.5%

Long positions: (8 positions) : OWS Q4 loss: -6.2%

B. S&P 500: -3.8% loss in Q4 2007. Outperformance of OWS short portfolio versus S&P 500 index short: 4.7 percentage points.

C. RTY: -4.9% loss in Q4 2007. Outperformance of OWS short portfolio versus RTY index short: 3.6 percentage points.

Summary: 2007 OWS short sale performance relative to the S&P 500 was excellent, beating that benchmark by 14.7 percentage points, which was the best relative performance since 2002. Short sale performance relative to the RTY was also excellent. In 2006, our short portfolio beat the S&P 500 short by 12.7 percentage points, and the RTY short by 16.6 percentage points. (see Table C) Our much smaller, value oriented long portfolio results were disappointing, due mainly to two very small cap problem stocks in a very concentrated portfolio.

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

In calendar 2007 OWS initiated 18 new short positions, similar to the previous four years. We also initiated 7 new long positions in 2007. We closed out 31 short positions in 2007, of which 22 were winners. This extended our batting average calculated from 1993 to 0.815, which means we have been right 81.5% of the time. Since 1993, Off Wall Street has closed out 297 positions, with 242 winners and just 55 losers. We think our record continues to be unmatched in our investing niche in the U.S. over the medium and long term.

2007 was a year of contrast. The first half of 2007 was a bull market, followed by a period of unusual volatility and a second half bear market. In the first half, the buyout craze sparked by private equity made short selling in many stocks challenging. The buyout phase fizzled in the second half. Short sellers who were positioned to take advantage of the subprime mortgage crisis in the second half did exceptionally well.

The OWS short portfolio was not concentrated in any one area, although many of our names benefited from weakness in the housing sector. Our portfolio

contained technology, retail, employment, health and construction, as well as some financials exposure. We had a very good year from a pure stock picking point of view, and our biggest fault was closing many of our winning ideas far too early. Some of the short names that stood out for stock picking were American Reprographics, LodgeNet, Rackable Systems, Volt Information, Robert Half, Select Comfort, Big Lots, and Advanced Micro. The only direct play on the mortgage crisis that we had was IndyMac. We closed out United Rentals with a loss in the first half, when Cerberus agreed to buy the company, only to see Cerberus back out of what we predicted would be an acquisition that Cerberus would come to regret.

Off Wall Street currently employs five analysts. It is the most experienced staff we have ever had. We have been providing research to our clients for almost 18 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	16	12	4	0.667
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
2007 Q1	7	6	1	0.857
2007 Q2	6	5	1	0.833
2007 Q3	14	10	4	0.714
2007 Q4	4	3	1	0.750
Cumulative:	297	242	55	<b>0.815</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
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>
2007	Q1	Q2	Q3	Q4	Totals
S&P 500	0.2%	5.8%	1.6%	-3.8%	3.8%
OWS Short	2.6%	-2.5%	2.3%	8.5%	10.9%
OWS Short Relative to S&P	<b>2.8%</b>	<b>3.3%</b>	<b>3.9%</b>	<b>4.7%</b>	<b>14.7%</b>

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>

2007	Q1	Q2	Q3	Q4	Totals
RTY	1.7%	4.1%	-3.4%	-4.9%	-2.5%
OWS Short	2.6%	-2.5%	2.3%	8.5%	10.9%
OWS Short Relative to RTY	<b>4.3%</b>	<b>1.6%</b>	<b>-1.1%</b>	<b>3.6%</b>	<b>8.4%</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	<b>4.2%</b>	<b>-2.9%</b>	<b>-4.6%</b>	<b>9.8%</b>	<b>6.5%</b>
2007	Q1	Q2	Q3	Q4	Totals
OWS Long	<b>3.6%</b>	<b>5.4%</b>	<b>-10.9%</b>	<b>-6.2%</b>	<b>-8.1%</b>