



## Baltimore Capital Management

575 S Charles Street, STE 506

Baltimore, MD 21201

Phone: 410-727-4480

Fax: 410-783-7917

E-mail: [agraham@baltimorecapital.com](mailto:agraham@baltimorecapital.com)

[www.baltimorecapital.com](http://www.baltimorecapital.com)

April 1, 2009

Dear Client,

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

In our opinion there is a good chance the stock market did bottom out in early March, and that the economy is looking up, at least a bit. From the start of this already very long recession, I have been interested in the psychology of it all. For example, I agree with a pundit who initially said the press, and in particular the financial press, was talking us into a recession. While this is partially true, we all know that leverage as it relates to real estate, and irresponsible lending, are the real culprits. Nevertheless, psychology is clearly a factor, and in my view positive thinking will help us out of this recession. Individuals seeing their retirement accounts increase in value in March after months of declines can only help the positive thinking and lead to spending. For a more detailed explanation of our belief in a potential bottom, please see this quarter's newsletter.

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Sincerely,

Alec Graham

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January 8, 2010

Sarah A. Barrett  
Zomerzorgelaan 5  
2061 AC Bloemendal,  
Holland

RE: 670-117129

Dear Sarah,

For the first quarter of 2009 your account has had a decline of 10%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Melissa-Anne Becker  
12138 Woodsyde Ct  
Owings Mills, MD 21117-1639

RE: 479-852155 Rollover IRA

Dear Mrs. Becker,

For the first quarter of 2009 your IRA -Rollover has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Carter M. Bond  
2212 Wiltonwood Road  
Stevenson, MD 21153

RE: 479-749877

Dear Carter,

For the first quarter of 2009 your account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Wick Sollers  
11129 Falls Rd  
Lutherville, MD 21093

RE: 479-749877 Carter Bond Account

Dear Wick,

For the first quarter of 2009 the C. Bond account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Bourbon Management, Inc.  
c/o Ricardo Solera and Tania Kissling  
SJO-3058  
P.O.Box 25216  
Miami, FL 33102-5216

RE: 5xf-31477-0 Bourbon Management, Inc.

Dear Ricardo and Tania,

For the first quarter of 2009 the Bourbon Management account remained unchanged. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Calderone Bryce  
Bucknell University  
7011 Moore Ave - Box C1072  
Lewisburg, PA 17837

RE: 479-837105

Dear Bryce,

Please find enclosed your portfolio appraisal, performance report and realized gains and loss report. While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Ricardo Kriebel Coronado  
Po Box 10308-1000  
San Jose,  
Costa Rica

RE: 614-110701

Dear Ricardo,

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January 8, 2010

Caroline Custer  
Apt 8FN  
600 Grapetree Dr.  
Key Biscayne, FL 33149

RE: 5xf-06331-0 Jacques R. Custer Revocable Trust

Dear Tia,

For the first quarter of 2009 the J.R. Custer Trust has had a decline of 8%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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Sincerely,

Alec Graham

**Baltimore Capital MGT**

575 S Charles ST, STE 506  
Baltimore, MD 21201

Phone: 410-727-4480

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January 8, 2010

Rudolph Merten  
Schulweg 2  
CH-8125 Zollikerberg,  
Switzerland

RE: 5xf-06331-0 Jacques R. Custer Revocable Trust

Dear Rudy,

For the first quarter of 2009 the J.R. Custer Trust has had a decline of 8%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Caroline Custer  
Los Nogales 777 San Isidro  
, Lima 27  
Peru

RE: 5xf-06331-0 Jacques R. Custer Revocable Trust

Dear Tia,

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January 8, 2010

Deborah Gardiner  
2 Evelyn Rd  
Port Washington, NY 11050-2806

RE: 679-611158

Dear Debbie,

For the first quarter of 2009 your account has had a decline of 10%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

James Demarest  
2061 Ilsa De Palma Cir.  
Naples, FL 34119-3405

RE: 479-764159

Dear James,

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January 8, 2010

Eleanor Baker  
Po Box 160  
Wittman, MD 21676-0160

RE: 479-999164 The Eleanor P. Baker Revocable Trust

Dear Eleanor,

For the first quarter of 2009 the Eleanor Baker Revocable Trust has had a decline of 12%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Whitney Evans  
Box DV 521  
Devonshire, DVBX  
Bermuda

RE: 5xf-30974-7

Dear Whitney,

For the first quarter of 2009 your account has had a decline of 11%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Lenard Davey  
1302 Lake Willisara Circle  
Orlando, FL 32806

RE: 5xf-08619-6 G.G. Burrows Trust

Dear Mr. Davey,

For the first quarter of 2009 the G.G. Burrows Trust has had a decline of 12%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Lexa Kandola  
23 Rebecca Way  
Plympton, MA 2367

RE: 5xf-08619-6 G.G. Burrows Trust

Dear Lexa,

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Sincerely,

Alec Graham

**Baltimore Capital MGT**

575 S Charles ST, STE 506  
Baltimore, MD 21201

Phone: 410-727-4480

Fax: 410-783-7917

[agraham@baltimorecapital.com](mailto:agraham@baltimorecapital.com)

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January 8, 2010

Peter and Valerie Golueke  
3811 Hadley Sq E  
Baltimore, MD 21218-1808

RE: 479-710016 Golueke JT

Dear Peter and Valerie,

For the first quarter of 2009 the Joint Account has had a decline of 11%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

In our opinion there is a good chance the stock market did bottom out in early March, and that the economy is looking up, at least a bit. From the start of this already very long recession, I have been interested in the psychology of it all. For example, I agree with a pundit who initially said the press, and in particular the financial press, was talking us into a recession. While this is partially true, we all know that leverage as it relates to real estate, and irresponsible lending, are the real culprits. Nevertheless, psychology is clearly a factor, and in my view positive thinking will help us out of this recession. Individuals seeing their retirement accounts increase in value in March after months of declines can only help the positive thinking and lead to spending. For a more detailed explanation of our belief in a potential bottom, please see this quarter's newsletter.

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[www.baltimorecapital.com](http://www.baltimorecapital.com)

January 8, 2010

Anita M Graham  
Po Box 27  
Gibson Island, MD 21056-0027

RE: 479-858684

Dear Anita,

For the first quarter of 2009 your account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Monica Lee Gurney  
36 Moore St  
London, SW3-2Qw  
England

RE: 670-493007 Monica Gurney Indv. Acct.

Dear Monica,

For the first quarter of 2009 your account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

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January 8, 2010

Pricilla D Hall  
461 Heron Point  
Chestertown, MD 21620

RE: 636-286940

Dear Mrs. Hall,

For the first quarter of 2009 your account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Jonathan Hammer  
Carrer Cendra 13 2-3  
Barcelona, 08001  
Spain

RE: 636-332461

Dear Jonathan,

For the first quarter of 2009 your account has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Valerie Hanlon  
PO Box 335  
Gilbertsville, NY 13776-0335

RE: 479-711250

Dear Valerie,

For the first quarter of 2009 your account has had a decline of 12%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

N. Hoskins and Mr. J. Wakefield  
P.O.Box HM 320  
Hamilton, HM BX  
Bermuda

RE: 5xf-21030-9 Hutchinson Trust

Dear Mr. Hoskins and Mr. Wakefield,

For the first quarter of 2009 the Hutchinson Trust has had a decline of 13%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Mrs. Joy Mitchell  
P.O.Box HM 320  
Hamilton, HM BX  
Bermuda

RE: 5xf-21030-9 Hutchinson Trust

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E-mail: [agraham@baltimorecapital.com](mailto:agraham@baltimorecapital.com)  
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January 8, 2010

Helen Hammann  
5114 Northern Fences Ln  
Columbia, MD 21044-5705

RE: 479-858374 Jacques R.Custer Irrevocable Trust

Dear Helen,

For the first quarter of 2009 the Jacques R.Custer Irrevocable Trust has had a decline of 14%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

In our opinion there is a good chance the stock market did bottom out in early March, and that the economy is looking up, at least a bit. From the start of this already very long recession, I have been interested in the psychology of it all. For example, I agree with a pundit who initially said the press, and in particular the financial press, was talking us into a recession. While this is partially true, we all know that leverage as it relates to real estate, and irresponsible lending, are the real culprits. Nevertheless, psychology is clearly a factor, and in my view positive thinking will help us out of this recession. Individuals seeing their retirement accounts increase in value in March after months of declines can only help the positive thinking and lead to spending. For a more detailed explanation of our belief in a potential bottom, please see this quarter's newsletter.

Beyond the psychology, there are signs of real estate stabilizing and at the very least increases in transactions. Additionally, the Institute of Supply Management Manufacturing Index has surprised on the upside for two months in a row.

Among all the gloom and doom, few have noticed that a few emerging markets like Brazil and China have actually had positive equity returns in the first quarter. The reason is simply that these economies have fewer bank problems and better balance sheets than the good old USA. In fact, our

balance sheet is getting worse with all the government borrowing that has occurred. While recognizing that some financial stimulus is required, I continue to worry about its impact on the US dollar and the continued willingness of countries like China to purchase our government debt.

Our investment focus has been to own the highest quality names we can at reasonable valuations. This is easier than usual, since so many stocks are at year lows and valuations are historically very cheap. We also remain focused on owning a reasonable amount of foreign holdings, because of our worries both about the dollar and various foreign economies that are in better shape than ours, as mentioned above.

So, as painful as it is to report down performance numbers, I will note that our returns have been better than the market averages this year and last. Additionally, the composite of our accounts shows 10 year returns that are positive vs. those of the S&P 500 being negative. In other words, we have made money over the past for 10 years, a time when most have lost.

Please feel free to call or email us with any questions you may have.

Sincerely,

Alec Graham

**Baltimore Capital MGT**

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Baltimore, MD 21201

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January 8, 2010

Gary Koch  
1047 Trails End Road  
Pasadena, MD 21122-5318

RE: 479-873918 The 1998 Koch Family Trust

Dear Gary,

Please find enclosed the appraisal and realized gains and loss report for the Koch Family Trust.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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January 8, 2010

Lyndy Koch  
P.O.Box 433  
N. Chatam, MA 02650

RE: 479-908673 Lynda R Koch

Dear Lyndy,

For the first quarter of 2009 your account has had a decline of 12%. This compares to the S&P 500 decline of 11%.

While not a positive quarter, we have come a long way from the market lows reached on March 9th. In fact, we have had a 20% rally in the past 3 weeks, and the S&P gained 9% in March. When reviewed over a longer period, however, the market has declined for six quarters in a row.

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Alec Graham

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January 8, 2010

Ross Koch  
1051 Trails End Road  
Pasadena, MD 21122-5318

RE: 479-748927

Dear Ross,

For the first quarter of 2009 your account has had a decline of 14%. This compares to the S&P 500 decline of 11%.

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January 8, 2010

Gilbert Lopes  
P.O.Box 3288  
Hamilton, HM PX  
Bermuda

RE: 5xf-31505-8

Dear Gilbert,

For the first quarter of 2009 your account has had a decline of 12%. This compares to the S&P 500 decline of 11%.

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