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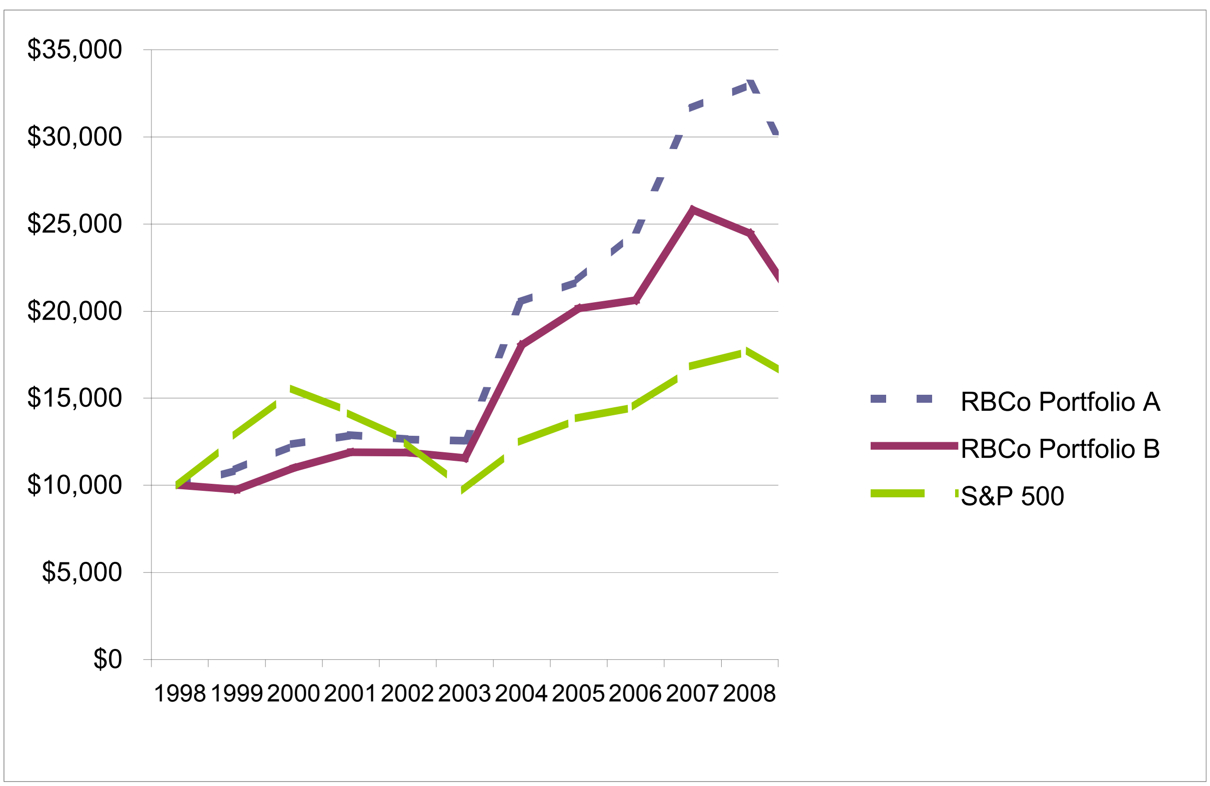
July 1, 2008

Dear Clients and Friends,

As we have reached the mid-point of the year, we wanted to write a brief summary of our thoughts on the portfolios as we enter the last half of the year. The portfolios, and the markets in general, have gone through a very difficult six month and one year period. During the first 6 months of 2008, the S&P 500 lost 11.9%, the Dow lost 14.4% and the Nasdaq dropped 13.5%. On average, our performance was worse than the market averages since the beginning of the year. Six months is a very short time frame when judging a portfolio with a long-term philosophy. Please review your enclosed portfolio performance to compare the long-term performance of your individual account to that of the market indices.

Below, we have included historical return data for the Redfield, Blonsky & Co., LLC (RBCo) portfolios. Portfolio A represents margin accounts that allow short-selling and Portfolio B represents cash accounts (i.e. IRA and custodial accounts) that do not permit short-selling. The accounts in Portfolio B are legally restricted from short-selling. **Please refer to the disclosures at the end of this letter.**

Change in Value of a $10,000 investment



Investment Returns Comparison

For year ended December 31,	RBCo Portfolio A	RBCo Portfolio B	S&P 500
1998	8.85%	-2.32%	28.58%
1999	13.60%	12.68%	21.04%
2000	4.26%	8.09%	-9.10%
2001	-2.01%	-0.06%	-11.89%
2002	-0.54%	-2.67%	-22.10%
2003	63.32%	56.01%	28.69%
2004	5.89%	11.62%	10.88%
2005	13.47%	2.36%	4.91%
2006	28.38%	25.08%	15.79%
2007	4.34%	-5.21%	5.49%
YTD 6/30/2008	-18.95%	-19.94%	-11.91%
Total returns	**120.61%**	**85.64%**	**60.38%**

We continue to focus on the individual holdings in the portfolio while keeping a watchful eye on the economic news. It is hard not to feel stress as we are bombarded daily with an unending stream of seemingly dire headlines about real estate, oil and gas prices, food costs and the financial industry. We have not altered our approach to investing and maintain our long-term value philosophy. We constantly monitor alternative investment opportunities with an eye toward out of favor companies and stocks at multi-year lows with long-term, viable businesses.

In our past letters, we made references to future bear markets and our expectation that at some point accounts would drop in value. Until recently, those predictions had not been realized. For those clients with taxable accounts, we have been able to use some long-term losses to offset the early year short-term gains. While we can't be sure what the next six months will bring, it is our intention to reduce any realized gains by the end of the year to zero, a small but valuable benefit to having a closely managed individual portfolio.

Several clients have asked about reducing our exposure to equities and allocating more to cash until the market stabilizes and turns around. In theory this sounds good but unfortunately we are not able to see when that turnaround will occur. A favorite quote of ours, which we saw earlier this year from Shelby Davis, is "You make most of your money in a bear market, you just don't realize it at the time." In addition, while not guaranteed in the future, some of the companies that we hold are paying dividends of 2 or 3 times the current savings account rates.

Warren Buffett made a great deal of money in the bear market of 1973 and 1974. He was buying securities as they were dropping, and his performance reflected the drops in value. He remained focused on looking at long-term value situations, and ignored the emotional market fluctuations. Please refer to this link on our website which discusses long-term value principles and investing in difficult economic environments. http://rbcpa.com/wisdomgreatinvestors.pdf

Some of our larger holdings, such as Merck and Pfizer, have declined significantly this year. This is concerning and we have reviewed our research again quite closely. For years, these stocks have traded at certain levels. Currently, they are trading at significant discounts to their long-term average valuations and we suspect that valuations will return to their long-term averages. Unfortunately, we cannot tell when, or even if, that return to the average will occur.

During the last few weeks of the quarter, we accumulated positions in several financial companies. Once again, these purchases consisted of large institutions trading at discounts to their long-term average valuations. Financial institutions, like JP Morgan Chase and Citigroup, have been important in the past and we expect they will continue to be important in the future. Of course, at any time our research may uncover something that changes our view and in that case we will get out of the positions.

We attempt to avoid permanent losses at all times but during the past year we incurred such a loss with one of our holdings. Our error was an over-allocation to one specific position (Origen Financial) and due to its lack of liquidity we were not able to sell at an appropriate price when the company ran into financing difficulty. The company continues to have discussions regarding its assets and we are hopeful that these talks lead to a fair resolution for its shareholders.

As the second half of the year begins, we want you to know that we appreciate your confidence in us and we continue to work diligently on our research. Of course, we cannot guarantee positive performance. As difficult as it is to accept, the most beneficial time to invest new capital is when the markets are down and not when the markets are at an all time high. In order to take advantage of these market dips, we ask that you consider adding capital on a periodic basis. This funding method is called “dollar cost averaging” and allows investors to take advantage of portfolio dips over time.

The following are some recent relevant blurbs of some discussions we have been having as well as some quotes from previous letters we have sent:

“Markets over history go up and down. Many, if not all, investment managers go through this period. We have been discussing this in most of our communications over the years. This is really the first period in 15 years where this has ever occurred with us. This is just part of investing.”

“We are staying focused on our research. For a long-term investor, we like our current portfolio positions. Yet, there is no ease to the emotion of pain seeing a portfolio drop in value. Please keep in mind that over the long-term, our out-performance remains very much intact. Of course, past performance is not necessarily reflective of future results.”

“We are focused on our research and think our portfolio positioning is invested in good long-term situations. The markets have a way of driving the emotions of investors, and we think the overwhelming emotion at the moment is fear. History has shown us that when pessimism is surrounding us it has been the optimum time to invest. A great investor once said, "You make most of your money in a bear market, you just don’t realize it at the time.” (Shelby Cullom Davis) Although historically bear markets have been a fine time to invest money, one never knows when that bear market will end, and history does not always repeat itself. Hence, no guarantees of the future, other than we constantly work hard on our research and portfolio deployment.”

In our July 2007 letter we reiterated our long-term approach. http://rbcpa.com/2007_07_13_.html Here are some excerpts from that letter: "We take a long-term approach to investing. Our clients should not judge our performance for at least 3 to 5 years. We are value investors. We are typically buying investments that are being dumped by Wall Street. Since we are typically buying investments as they are dropping in price, our performance in the early years is often going to under perform other investments. We certainly suggest that our clients immediately judge us based on portfolio composition and philosophy. We welcome questions and comments on the investments and our approach. We are focused on portfolio positioning and not short-term portfolio performance. Warren Buffett wrote in a letter dated January 18, 1964 (appendix page 6), "It is to our advantage to have securities do nothing price wise for months, or perhaps years, while we are buying them. This points up the need to measure our results over an adequate period of time. We suggest three years at a minimum."

As always, we welcome your comments and questions.

Respectfully Submitted,

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Important disclosures

- This communication is a publication of Redfield, Blonsky &. Co, LLC (RBCo). It should not be regarded as a complete analysis of the subjects discussed. All expressions of opinion reflect the judgment of the authors as of the date of publication and are subject to change.

- Information presented does not involve the rendering of personalized investment advice, but is limited to the dissemination of general information on products and services. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio.

- Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the adviser) will be equal to past performance levels.

- RBCo is registered as an investment adviser with the SEC. The firm only transacts business in states where it is properly registered, or is excluded or exempted from registration requirements.

- Past performance assumes reinvestment of dividends and other distributions and may not be indicative of future results. Therefore, no current or prospective client should assume that the future performance of any specific investment, investment strategy (including the investments and/or investment strategies recommended and/or purchased by adviser), or product made reference to directly or indirectly in this presentation or on our website, or indirectly via a link to any third-party website, will be profitable or equal to corresponding indicated performance levels. The investment return and principal value of an investment will fluctuate and, when redeemed, may be worth more or less than their original cost. RBCo's actual performance may be lower or higher than the performance data shown.

- Historical performance results for investment indexes, such as the S&P 500, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results of the S&P 500 Index. Whenever RBCo performance is referred to, results have been reduced by all fees, including the RBCo management fee.

- Returns for the RBCo portfolios have been calculated using an average of actual time-weighted returns obtained from a sample of accounts over the time period indicated. These sample accounts were typically chosen based on their asset size. We have selected accounts, not based on past performance, but based on what we think is a fair and representative portrayal of our entire population. All RBCo returns assume the reinvestment of dividends and are shown net of the investment management fees and all other expenses. RBCo's performance results made reference to directly or indirectly in this presentation or on our website, include a 1% RBCo management fee. Please see our form ADV for a full fee disclosure. Actual individual account performance may be materially different from our sample results. Results of actual portfolios not included in our sample are available upon request.

- The RBCo portfolio strategies are a product of the investment vehicles available within the portfolio. The accounts represented in Portfolio A permit the shorting of investments, while the accounts represented in Portfolio B do not allow for shorting. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark.

- The S&P 500 Index is a widely recognized, unmanaged index of 500 of the largest companies in the United States as measured by market capitalization. The Index performance assumes reinvestment of all dividends and distributions and does not reflect any charges for investment management fees or transaction expenses, nor does the Index reflect any effects of taxes, fees or other types of charges and expenses. The S&P 500 Index is one of many indices and is not necessarily the most appropriate index when comparing performance results.