



K&A Asset Management, LLC

Daily Illumination Newsletter

Happy Thanksgiving

I am writing before the close today, which is something that I rarely do. But we have a meeting at 1:00 p.m. and then we will be wrapping up the day a little early. I wanted to take the time to wish all of our clients and friends a very Happy Thanksgiving.

Needless to say it has been a challenging year and we have deeply appreciated all the wonderful correspondence, email, conversations and visits we have had with many of you through the entire year.

Almost every week a person who is not really familiar with K&A or our clients will make a comment like, "I'll bet your clients are freaking out". Or they might say, "I'll bet your phone is ringing off the hook". The fact is that our phones don't ring off the hook and our clients aren't freaking out. We are some days, but you are not!

I told you the other day that K&A has an extraordinary clientele and we do. All our clients are simply very nice people and that makes this job a lot of fun even in a year like this.

As the holiday season approaches and year end is in view I always remind myself of our Mission Statement:

"To be the trusted primary investment manager for individuals, families and institutions who are seeking long term financial security and wish to use their personal and financial resources to make their lives more meaningful and productive for themselves and their community.

K&A is known and highly regarded for its investment results and level of commitment to its clients. Our clients understand that we manage their money like it was our own and that we care for them like they were members of our family."

It is also important to remind ourselves of our stated Values:

- **Our client's interests always come first. If we serve them well our own success will follow.**
- **Our assets include our client relationships, our people, our capital and our reputations. The loss of any one of these may be difficult to replace-particularly our reputation.**
- **Each of us is simply a steward of a client relationship. Someone before us may have established the relationship, and someone after us may carry it on. Therefore we treat client relationships as if we are preserving them for generations to come.**
- **We work best for our clients and ourselves when we work together. We value collegiality and teamwork. Each of us has unique talents and can make unique contributions within the framework of overall teamwork.**

So thank you again. Happy Thanksgiving. Enjoy friends and family. I will provide you with a market update tonight and have the Looking Ahead to 2009 newsletter out Monday.

Paul Krsek
MANAGING MEMBER & CHIEF INVESTMENT OFFICER

K&A Asset Management, LLC
702 Trancas Street, Suite 200
Napa, California 94558
(707) 603-2672 Office
(707) 486-7333 Cell
(707) 224-2521 Fax
paul@kaassets.com
www.kaassets.com

Overcoming the Crisis One Day at a Time

K&A Asset Management, LLC
Registered Investment Advisors
702 Trancas Street, Suite 200, Napa, CA 94558
(707) 224-1340 www.kaassets.com

Disclosure and Disclaimer - Updated last on August 13, 2007 by Paul Krsek:

ELLUMINATION is the proprietary newsletter written for clients, friends, and affiliates of K&A Asset Management, LLC (K&A).

Paul Krsek is the sole author of ELLUMINATION. While the views and representations found in the newsletter generally reflect the attitudes and opinions of the K&A Asset Management, LLC members and staff, Krsek writes without editing and therefore is solely responsible for the content and opinions contained in ELLUMINATION.

ELLUMINATION does not represent the opinions of Fidelity, Fidelity Institutional Brokerage Group, NFS or anyone employed by Fidelity in any capacity. Neither Fidelity, Fidelity Institutional Brokerage Group, nor NFS, nor anyone employed by Fidelity in any capacity has participated in the creation of ELLUMINATION and they are not responsible for the contents or distribution of ELLUMINATION.

ELLUMINATION is written to provide general information to clients, friends, and affiliates. The contents of ELLUMINATION are not to be taken as individual investment advice. No investment decisions should be made based on the opinions or information offered in ELLUMINATION.

K&A does not represent that the information in ELLUMINATION is accurate or complete and it should not be relied upon as such. Opinions expressed herein are subject to change or modification without notice.

The investment portfolio models or management services mentioned in ELLUMINATION may or may not be available in some states, and they may not be suitable for all types of investors.

K&A manages accounts with various histories and investment objectives. Various accounts may be managed differently from time to time.

Krsek makes frequent reference to the model portfolios called Hatteras, Mendocino, Halifax, Bonavista, Fresnel and The New World. During 2005 Paul Krsek was appointed Chief Investment Officer of K&A, and as such is responsible to make all trading and management decisions for all client accounts which are being managed according to a specific portfolio model. A description of each of our models can be found on our website at <http://www.kaassets.com/choices.htm>.

Not all accounts managed by K&A are "modeled" accounts. We strongly urge our clients to understand which model, if any, are being used to manage their accounts.

As of July 3, 2007 Lee O'Dwyer joined K&A as a portfolio manager. Paul Krsek and Lee O'Dwyer frequently discuss investment ideas, model portfolio strategies and the investment policies of K&A. But when it comes to the implementation of those policies Krsek is primarily responsible to manage the accounts that fit into each model portfolio description. He generally makes all final investment and trading decisions relative to those accounts that are considered to be "modeled." However, in Krsek's absence O'Dwyer does have the authority to trade all client accounts. He has been actively trading accounts in the various models since joining K&A.

From time to time K&A receives requests from clients to purchase securities that are not included in the model portfolio to which they are assigned. Effective May 24, 2006 K&A has encouraged clients to hold such securities in a separate account for the client. Because K&A is a "fee only" registered investment advisor" it charges its normal management fee for monitoring such securities in the separate accounts in which they are held.

K&A makes every effort to exclude securities that are 'requested by the client' from the modeled portfolio accounts.

The investment objectives of various accounts and models may be substantially different from one another. Therefore topics or investments mentioned in E-illumination may or may not apply to specific managed accounts and/or models.

Trades or adjustments to accounts mentioned in ELLUMINATION may or may not happen in every account managed by portfolio managers at K&A.

If you are not satisfied with the investment results in your account it is your responsibility to inform Krsek or Andreae and to discuss possible changes that can be made

to the account to accommodate and satisfy your needs.

The assets held in managed accounts at K&A Asset Management, LLC may include stocks, bonds, cash, commodities, foreign exchange or mutual funds or exchange traded funds (ETF's), money market accounts or limited partnerships that represent the same. They are subject to market fluctuation and the potential for losses. The assets are not insured. The value and income produced by these investment products may fluctuate, so that an investor may get back less than they initially invested.

The portfolio managers at K&A Asset Management, LLC do not guarantee results.