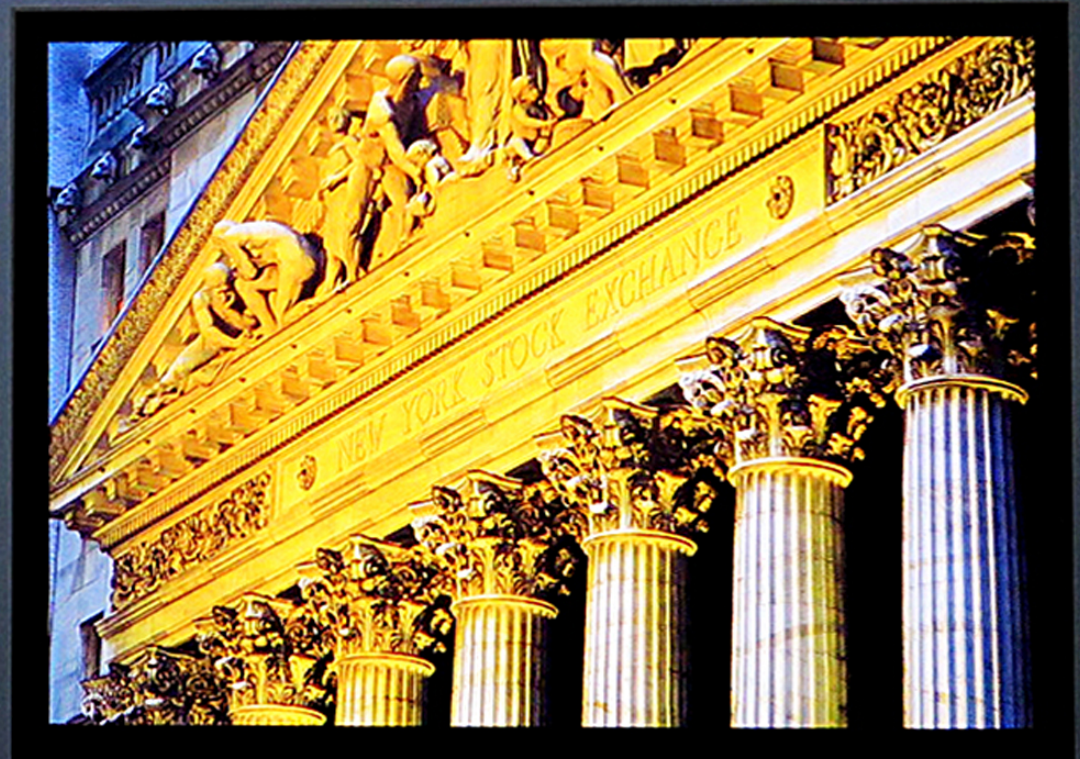
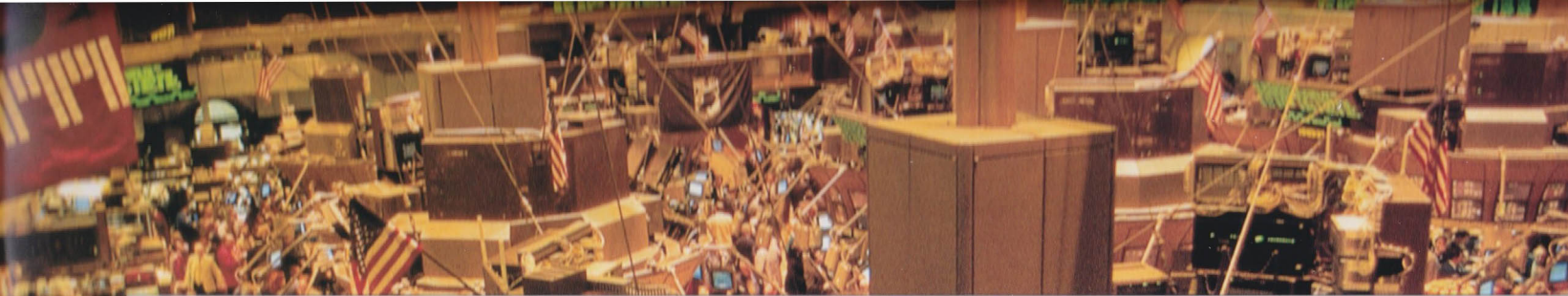


We've been long on our clients for over 70 years.



STERN & KENNEDY



Stern & Kennedy: NYSE Specialists in stock management.



"Stern & Kennedy has provided NYSE specialist services for Monsanto for more than 50 years. I have personally had the pleasure of working with you since 1981. Stern & Kennedy has always been highly professional in carrying out its responsibilities and Monsanto has valued our long relationship. I will be pleased to recommend your services to prospective clients."

*A. Nicholas Filippello
Monsanto*

Stern & Kennedy has "made markets" on the New York Stock Exchange for great American companies— including American Home Products, Monsanto, Green Tree Financial, and more-volatile mid and small-size companies. We also represent several foreign-based worldwide companies which have realized that being listed on the NYSE improves their access to equity capital. It exposes their stock to a much broader market.

The New York Stock Exchange is the greatest and most liquid market in the world. Here we have earned a reputation as "good traders." Stern & Kennedy always strives to achieve the highest ratings in SPEQ.

Through bull and bear markets, Stern & Kennedy maintains a fair and equitable market for each client— using a larger percent of our own capital than required. From when companies are small through when they grow to large firms, we know how to manage our clients' stocks.

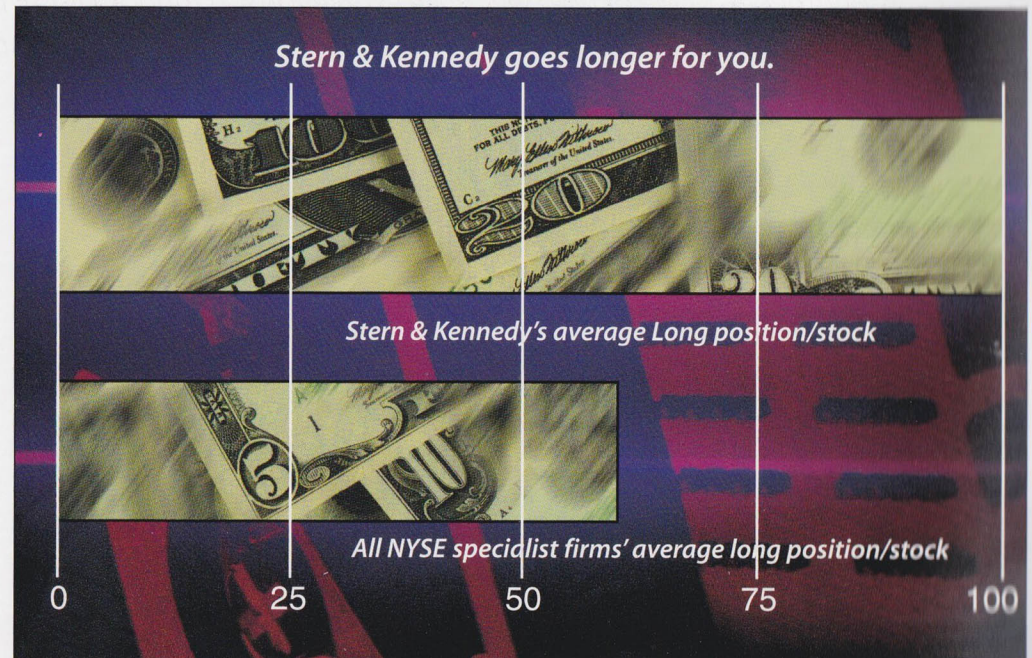
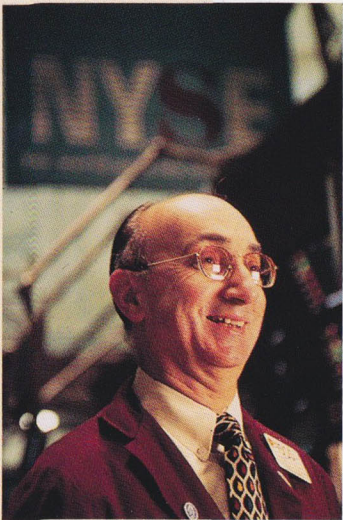
Stern & Kennedy: Performance beyond the required.

All specialists are governed by NYSE requirements. Yet you should know that Stern & Kennedy meets and exceeds them all. Our goal has always been to go that extra mile, to make that extra effort which can create such a difference in service to our clients— and in the management of their stocks.

For instance, Stern & Kennedy exceeds NYSE capital requirements by 200%. But far more importantly, we **use** a larger percent of our capital than is required by NYSE guidelines. Stern & Kennedy's average long position in stock exceeds other NYSE specialist firms' average. The average long position of individual Specialists at Stern & Kennedy exceeds other NYSE specialists' average as well. Stern & Kennedy puts its capital on the line on par with or beyond larger specialist firms (see NYSE figures-based graphs). So when we say "we've been long on our clients for over 70 years," we mean it. Literally and figuratively.

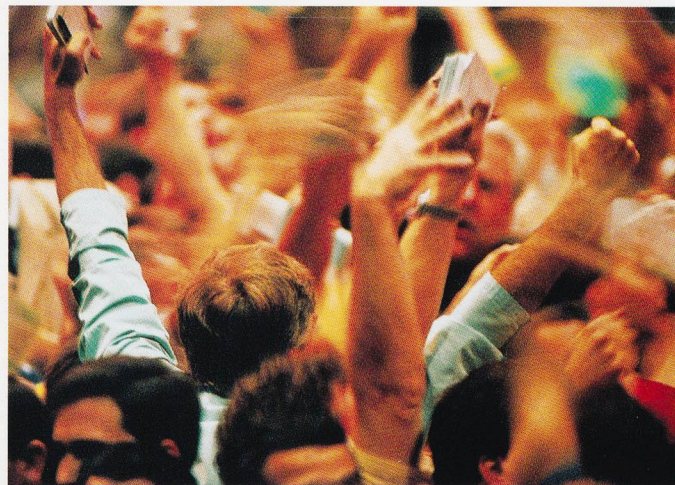
"During the week of October 19, 1987, the markets went into a whirlwind which electrified the world and the NYSE Floor. To help stabilize our clients' markets, Stern & Kennedy put millions of dollars of our own funds on the line— buying shares while everyone was selling. It was one heckuva week!"

Joseph A. Talento
Managing Partner





As another example of how we make extra efforts, a random NYSE measure of all 32 specialist's transaction turnaround performance showed Stern & Kennedy consistently placing in the top 2 or 3. This on-going expertise reinforces the fine relationships we have with brokers and traders on behalf of their investor clients.



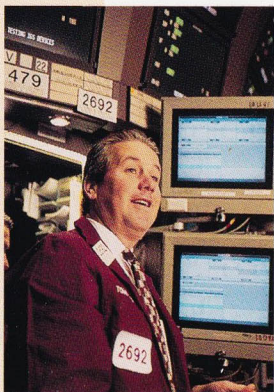
"Stern & Kennedy has done an excellent job in balancing our flows on the NYSE and, as importantly, keeping Dean Foods Senior Financial Management apprised of significant developments with our stock.

Their professionalism, service level and consistent execution are trademarks of the firm.

We would highly recommend Stern & Kennedy as a Specialist for any NYSE common traded stock."

*Cameron C. Hitchcock
Dean Foods Company*

Stern & Kennedy also provides clients with one of the best ratios of specialist to Listed companies on the NYSE Floor— to assure each and every client the full attention they need. We want to see you grow— just as we have seen others grow during the past 70 years. And we have grown with them to continuously deliver the services their stocks need. At our off-the-Floor offices, adjacent to the NYSE, our staff experience and ability meets or exceeds the standards to which our clients have become accustomed.



"The role of the specialist in the NYSE system is critical. Stern & Kennedy makes market for some of today's and tomorrow's large caps. Every time I step onto the Floor, it hits me how incredible it is just to be here, performing our duties, supporting our clients' stocks, helping other specialists when situations warrant it, and putting buyers and sellers together to consummate a trade which otherwise wouldn't have taken place. Stern & Kennedy on the NYSE Floor...I just can't imagine being anywhere else."

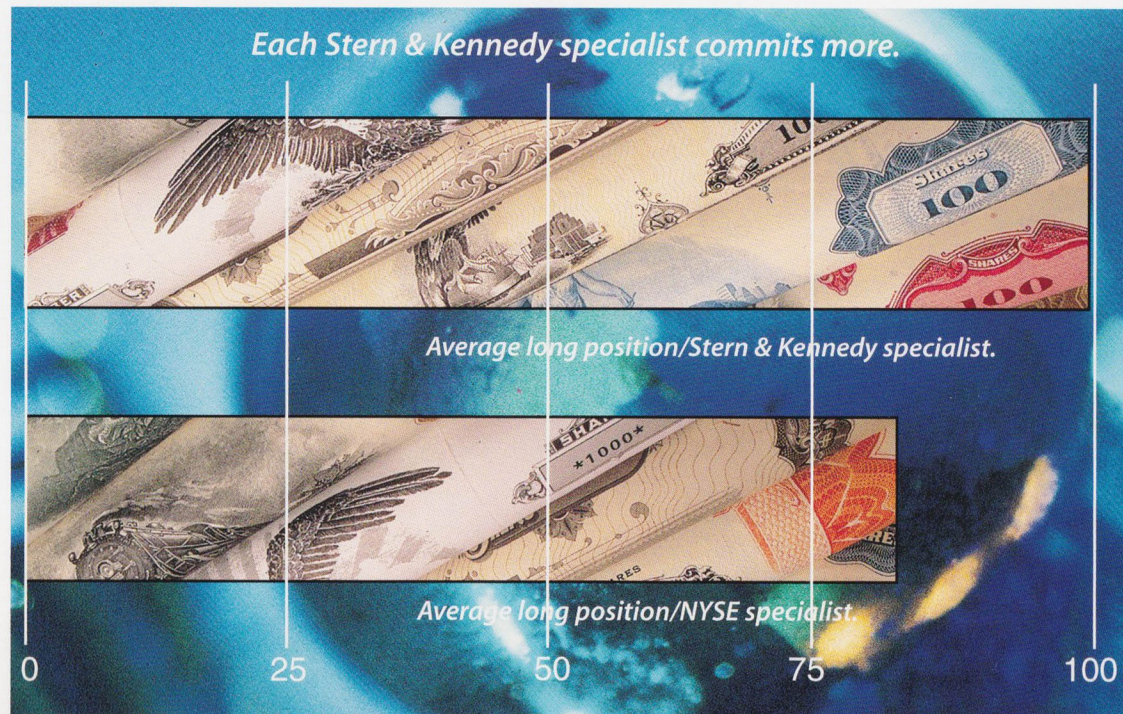
Thomas Greenhill



All personnel are eminently qualified in their positions. The head of our research and technical analysis team, for example, had many years of experience at Merrill Lynch prior to joining us.

We advise clients of market trends which are or could affect their stocks' performance. Communications are informative and in keeping with client needs.

Stern & Kennedy partners are active— **on** the NYSE Floor to ensure split-second decision-making capability on behalf of every client.



"I unhesitatingly recommend Stern & Kennedy as an example of the unique services required by the New York Stock Exchange but rarely performed to such measure.

Their staff works to understand our business, in addition to calling to inform us of unusual trading activity in our shares.

Our history of market activity and value creation has been enhanced by our relationship with Stern & Kennedy. They perform!"

Roger Malkin
Delta and Pine Land
Company

Stern & Kennedy. The measure of a Specialist.

Precisely what does a "Specialist" do?

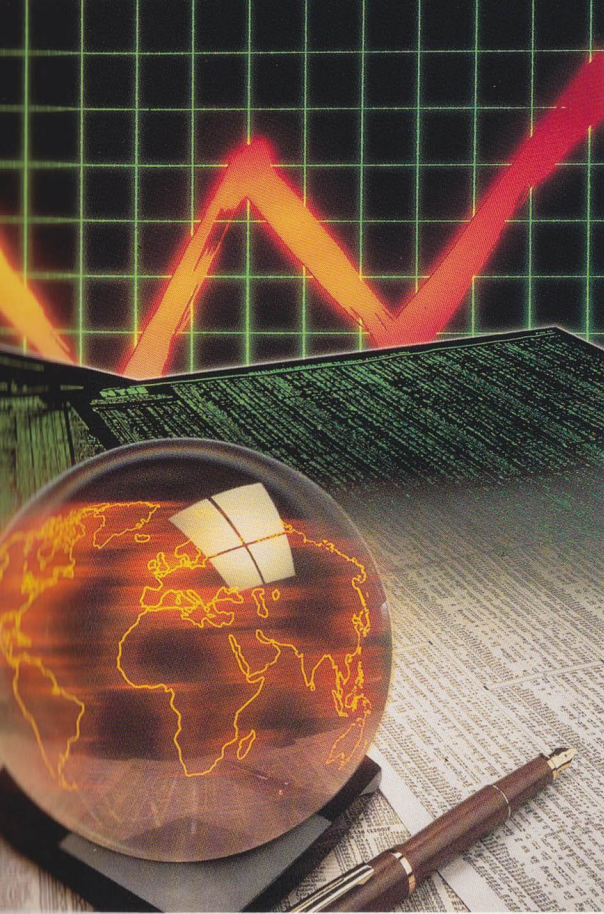
The answer is linked to the core function of the New York Stock Exchange: to provide the fairest, most open and liquid market in the world. Unlike markets where all buys and sells must funnel through a dealer, the

NYSE's "open auction" mechanism brings buyers and sellers together so they can both obtain their best prices. Namely, when the highest bid finds the lowest offer.

*"Experience is invaluable. It's important, however, that this experience **be on** the NYSE Floor for instantaneous use—when things happen! That's why Stern & Kennedy's partners make a point of being active—on the NYSE Floor to make quick decisions."*

John F. McCabe





Specialists are the constant, vigilant guardians and executors of this system. Representing a number of Listed Companies (ranging from small to mid and large cap), specialists like Stern & Kennedy perform many duties:

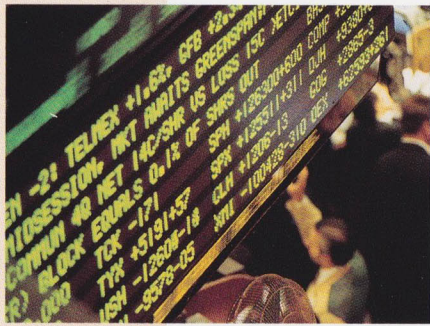
"Auctioneers" - Stern & Kennedy electronically announces the best bids and offers to brokers during the trading session. We continuously update them and inform the investing and trading world of all transactions so they can act accordingly.

"Catalyst" - Stern & Kennedy also helps facilitate trades which may not otherwise take place. For instance, we contact brokers known by us to have an interest in a stock when circumstances are timely.

12%	12%	+ 1/2	18%	15	1.0	13	34	15%	14%	15%	+ 7/8	42%	26%	LoneStar	LCE	10	3	14	554	38%	38%	- 1/8	28	12%	Monaco	MNC	17	91	25	24%	24%					
19	19%	- 3/8	80%	50	8	36	5672	74%	72%	74%	+ 1/2	58	34%	LoneStar	wl	...	...	...	49	59	58	58%	+ 1/8	6%	6%	Monard	MMO	20	29	40	114	7	6%	7		
27%	27%	- 7/8	38	28	1.1	14	4901	25%	24%	25%	+ 3/4	33%	8%	LoneStar	TSS	...	...	...	46	499	13%	12%	13%	- 7/8	26%	24%	MongPer	QUDS	2.00	7.9	...	5	25%	25%	25%	
26	26%	- 1/2	35	30	8.6	20	20938	35%	33%	35%	- 1/2	44%	26	LongSpr	LDG	56	1.5	23	862	37%	37%	- 3/4	63%	33%	Nusanto	MTC	12	3	40	63701	45%	40%	44%			
14%	14%	- 1/2	41	30	6	15	16	32	31%	31%	- 1/2	17%	9%	LongSpr	LFB	08m	7	66	969	11%	11%	- 1/2	50%	40%	Monsanto	un	...	...	...	1486	46	43%	46			
36%	36%	- 1/2	41	...	...	...	...	...	...	...	...	33%	18%	Loral	Space	LDR	...	...	...	60	28213	22	28%	21%	+ 2 1/2	57%	29%	MT Per	MTP	1.60	3.0	21	2002	54	53%	53%
6%	6%	- 3/4	21	1.4	31	11676	30%	36%	38%	+ 1 1/2	20%	10%	L	Dreyfus	NG	LD	...	...	...	81	118	13%	13%	13%	- 3/4	27%	25%	MT Per	QUIPS	2.11	8.0	...	34	26%	26%	26%
21%	21%	- 1/2	21	...	...	...	...	...	...	...	...	26%	25%	LA Cap	QUIPS	2.25	8.6	...	11	26%	26%	26%	+ 1/2	15%	8%	Monted	MNT	2.36	2.2	...	16	10%	10%	10%		
20%	20%	- 1/2	21	...	...	...	...	...	...	...	...	24%	16%	LA Pac	LPX	56	2.9	65	5679	10%	10%	10%	+ 1/2	20%	18%	Montgry	MTS	1.36	7.1	...	81	10%	10%	10%		
17%	17%	- 1/2	21	...	...	...	...	...	...	...	...	40%	22%	Lowes	Cok	LOW	12	2	42	826	53%	52%	53%	+ 1/2	17%	8%	Moore	Co	MCL	20	1.8	66	1011	11%	11%	11%
26%	26%	- 1/2	21	...	...	...	...	...	...	...	...	19%	13%	Lubrizol	LZ	104	4.8	11	2742	22%	21%	21%	- 1/2	11%	6%	Morgan	Grn	MGC	21e	2.1	...	363	10	8%	8%	
7%	7%	- 1/2	21	...	...	...	...	...	...	...	...	47%	2%	Lucas	Variety	LVA	99e	2.1	59253	47%	47%	47%	+ 1/2	14%	7%	Morgan	JP	JPM	3.96	1.8	22	6129104%	103%	104%	104%	
15%	15%	- 1/2	21	...	...	...	...	...	...	...	...	12	41%	Lucas	Tech	LT	16	...	...	...	...	...	...	...	58%	52%	Morgan	JP	pl	5.00	5.5	...	42	91%	91	91
13%	13%	- 1/2	21	...	...	...	...	...	...	...	...	18%	7%	Luxott	LUX	06	1.4	...	...	...	...	...	...	...	26%	14%	Morgan	Kap	MGR	28	1.6	13	369	17%	17%	17%
11%	11%	- 1/2	21	...	...	...	...	...	...	...	...	20%	9%	Lyell	LD	12	...	...	...	...	...	...	...	...	8%	2	Morgan	Pds	MGR	...	...	...	365	3%	2%	3
11%	11%	- 1/2	21	...	...	...	...	...	...	...	...	38%	15	Lyell	LD	12	...	...	...	...	...	...	...	...	14%	8%	Morgan	Asia	APF	87e	10.1	...	1607	81%	8%	8%
11%	11%	- 1/2	21	...	...	...	...	...	...	...	...	11%	10%	Lyell	LD	12	...	...	...	...	...	...	...	...	9	5%	Morgan	Asia	APF	01e	1	...	911	7%	7%	7%
11%	11%	- 1/2	21	...	...	...	...	...	...	...	...	11%	10%	Lyell	LD	12	...	...	...	...	...	...	...	...	18%	10%	Morgan	Asia	APF	01e	1	...	911	7%	7%	7%

"On this anniversary of our relationship, I want you to know we have been completely satisfied with your firm in its capacity as specialist. I would also commend your behavior during the infamous October, 1987 'correction'. You kept us completely informed on a daily basis as to the trading in our stock, and remained in a supportive position throughout the period. We look forward to a long relationship."

Charles H. Crockett
Hannaford



“Agent” -

Specialists act for investors as well. When an investor's bid price doesn't match up with a sell price, for example, the Specialist will make entries of these “limit” orders—

waiting for the “match-up” to thus execute the trade. Stern & Kennedy also works closely with floor brokers with large, oftentimes complex orders which require certain expertise.



“The NYSE has the goal to make trading stocks here as the fastest, safest and fairest place in the world. It has succeeded in part because of the specialist system it put in place. Specialists like Stern & Kennedy are happy to be the ‘watchdogs’— to ensure that each trader, small or large, individual or institutional— receives equal and fair treatment. At the end of a day, I’m proud to have done my share in carrying this out.”

Salvatore Testa





"The pace on the NYSE Floor is so rapid that it makes teamwork more important than ever. The best example I've seen is Stern & Kennedy specialists teaming-up to assist each other when a particular stock becomes unusually active. Each client receives the professional coverage needed."

Christi Stanko

"Capital provider" - As a specialist, Stern & Kennedy helps ensure a fair and orderly market so that prices remain close between contiguous trades. Over 98% of all NYSE trades occur at 1/8 point or less than the previous trade. This is "fair and orderly" and part of what makes the NYSE so liquid. However, from time to time supply and demand fall out of balance—yielding

too much or too little available stock. At such a juncture, Stern & Kennedy—carrying through our specialist role—buys or sells, risking our own capital, to add liquidity and stability to the market in the stocks we represent or "specialize" in. In fact, it is **only** in such situations that an NYSE specialist is **allowed** to trade its own account.

No specialist, of course, can stop sharp price fluctuations in a given stock. But specialists such as Stern & Kennedy step in at the appropriate time to provide "price improvement"!



"We have been very satisfied with the quality of service provided since we began working with Stern & Kennedy in November of 1995, when we became a publicly traded company.

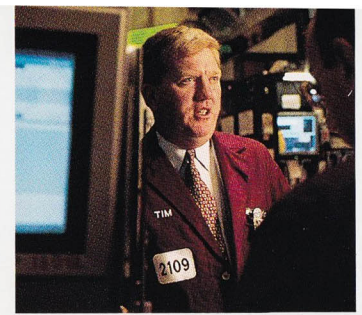
The Stern & Kennedy specialists reliably notify us of any unique or unusual trading of Waters' stock. They show an interest and involvement in Waters and its future through their participation in our earnings conference calls and attendance at annual meetings whenever possible.

It is my distinct pleasure to recommend them as an asset to any interested company."



"I came to Stern & Kennedy because of the reputation of the people who work here. They're fair, they work hard, they're smart, they do business the right way, and they're an important part of the biggest and best exchange in the world: the NYSE. I want to be known by the company I keep."

Timothy Smith



Stern & Kennedy: Specialists for the long term.

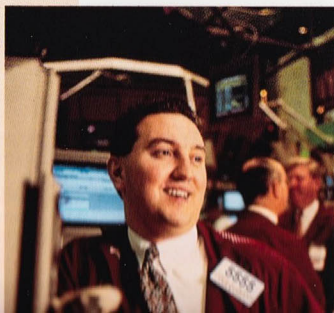
Specifically trained and experienced specialists are assigned to each of our Listed clients. There is always someone here for you. We view ourselves as committed to you on a daily basis. Providing communication and information as needed. No client gets lost in the shuffle of daily business.

Our partners average length of Wall Street experience is 28 years.

We have eight specialists making markets for 42 companies (previously noted as

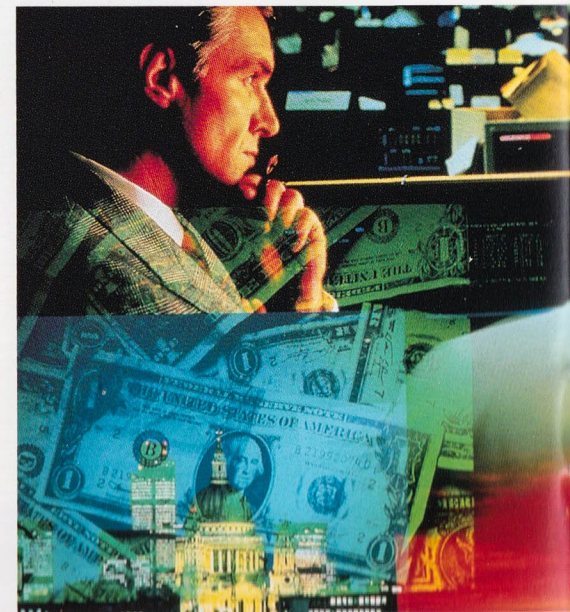
one of the best ratios on the Floor), some of which are among the largest corporations in the country.

*Joseph A. Talento
Managing Partner*



"As one of the younger people at Stern & Kennedy, this firm's performance for its clients over so long a time is, well, awesome. I welcome the challenge and responsibility of making markets for some of America's largest and future-largest companies during the next century."

Joseph V. Talento





unusually busy. Supporting our specialists are many front line and backup clerks— all of whom have the experience and ability which allows Stern & Kennedy to adroitly

Stern & Kennedy specialists are trained to move quickly into assisting action if a particular stock becomes

handle virtually any circumstance. Thus assuring continuity of service and execution.



Having spent 15 years on the NYSE Floor and 16+ years in operations, John is uniquely qualified for his responsibilities. He has a thorough understanding of both spheres of activities and makes everything flow seamlessly.

John Meeks



"The NYSE has requirements for all specialist firms. Stern & Kennedy's view is to surpass these requirements— to provide more depth of capital, counsel, service and expertise than is simply required. That is what each and every Stern & Kennedy client can expect."

Anthony Segreti



"Stern & Kennedy is ever watchful of market trends. We report any unusual activities in stock trading patterns to keep clients informed. We will always communicate about situations such as concentrated trading— and as often as each client prefers. This is part of our overall services and has proven to be situationally valuable."

August Flamma





*During Stern & Kennedy's 70+ years of providing specialist services, our Listed clients have prospered— and several have grown into quite large companies. We strive to identify changing needs **before** they happen and adjust to provide the service(s) to meet, or exceed the situation. We look forward to being of service over the next 70 years.*

