

May 7, 2010

## **President's Letter**

Markets have quickly turned volatile. Most of this is caused by concerns that sovereign debt problems in Europe will infect the banking system and interrupt the economic recovery here in the U.S. Panic is in the air and some investors are responding emotionally.

The economy here is recovering faster and with more vigor that we could have predicted just a short time ago. Today's employment report was very encouraging citing a significant increase in hiring. Profits are recovering and consumers are buying.

At Riverplace Capital Management, Inc., we believe that the problems in Europe will be contained and not drastically affect our recovery here. As a result we believe that the current sell-off is an over-reaction and presents opportunity. A couple of weeks ago, we began raising cash reserves. We will first give markets more time to calm down, but then we hope to take advantage of the opportunities we are seeing.

Sincerely,  
Peter E. Bower, President