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ONYX

I N V E S T M E N T S, I N C.

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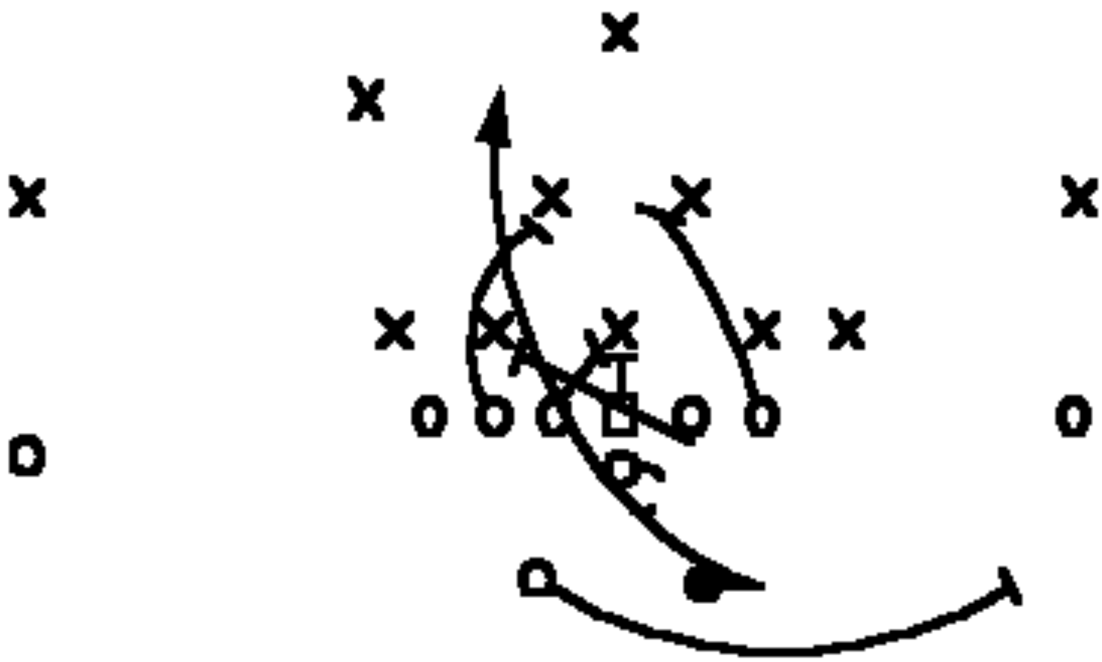

<u>DAN RYAN</u>

COMFORT	**812,937 MILES**
GOAL	**999,812,937 MILES**

Game Time

INVESTOR MEETING: Friday – July 20, 2007, 6 p.m. at 111 West Jackson – Suite 1108

Let this be the Realist Work that I have ever Written…

Refuse to Lose

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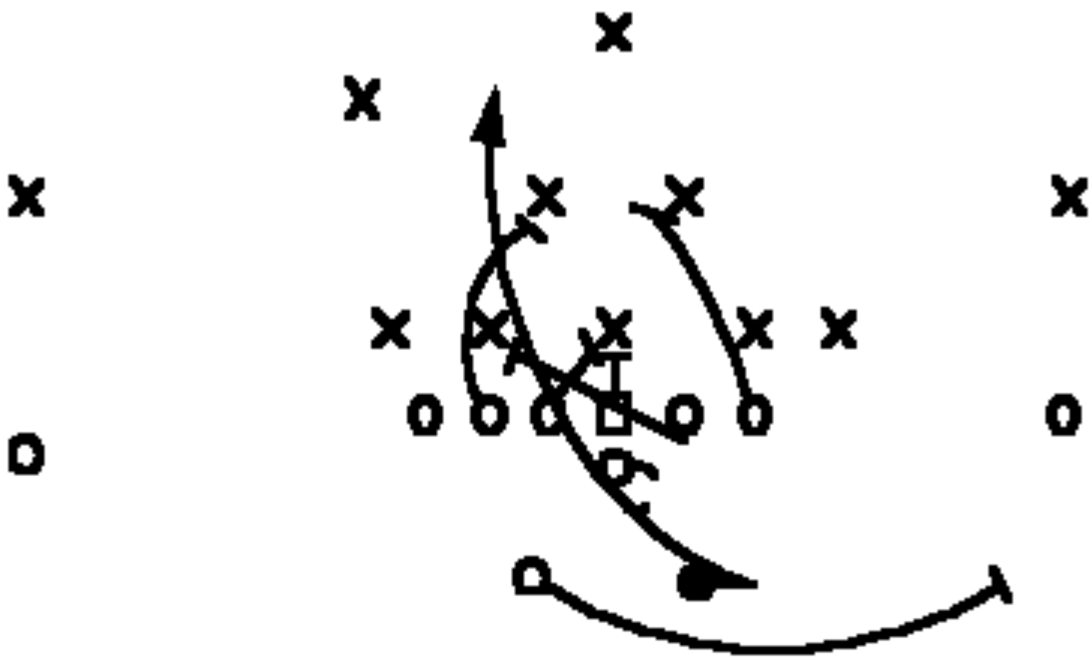
ONYX

INVESTMENTS, INC.



I. Game Plan

Invest as if you were to Live Forever.
Live as if you were to Die Tomorrow.

June 30, 2007

Reader:

I am serving food for thought. Enjoy a plate of this pre-game meal.

I recognized the fact that following the submission of my first report, ‘Touring 06,’ that my life was due for change. Although I was doubtful that my motivations, fears, and urges were to swing dramatically—I had been bracing for a shift in regards to my immediate personal space. Essentially, the time had arrived in which a perpetual grind has become necessary for advancement. This is a slugfest. Of course, building brick by brick; dollar by dollar within Life’s Game of Inches is a brutal enterprise. The struggle is mandatory; we must earn every yard of success. Winners recognize this. The defeated complain, point fingers, shut down, and fold.

The bar has been raised. I am not immune to the idea of investors, casual onlookers, and various interested parties expecting a satisfactory level of growth and sophistication year to year. The challenge arises from the basic fact that prior to ‘Touring 06,’ assumptions may have been formulated, but concrete ideas and statistics had yet to be presented. Expectations up to this point remained scant at best. Following our presentation, the general consensus appeared to exclaim the idea that a higher level of success had been achieved than was deemed possible.

I highlight the word ‘appearance’ as persons that thought my progress to be that of a misguided, flailing imbecile may have not stepped forward.

This year has been a grind due to the interplay of these dual components of growth: the competition and face-off with self and the perpetual adjustments that are essential to cope with an evolving landscape. Yes, when building, one must compete with his own self. Yes, when building, one’s immediate sphere shifts.

During the start-up phase of any enterprise, survival is paramount. The generation of external motivation is nearly unnecessary as one must sell to eat. On the gridiron, the offense maintains four chances (downs) to move the football ten yards in order to preserve the march towards the ultimate goal of a six point touchdown. Yardage is marked by officials carrying chains along the sidelines. Hence, ‘moving the chains’ represents survival and advancement. My psyche throughout the beginnings remained focused on generating the personal income simply to pay the bills—figuring that a surplus would be achieved if I were to continue moving the chains.

The goal emerged to personally invest $1,000 monthly. This was my touchdown. These were the relatively carefree days of ONYX INVESTMENTS at $0 - $25,000; and liquid assets underneath Kofi Bofah - $0. At this time, an investment of $100 was cause for celebration—$1,000 representing big money and a meaningful alteration of capitalization. Of course, capital formation is all relative.

At today's levels, $1,000 will not move the needle: the company will swing + / - $1,000 within hours simply riding the gyrations of the stock market. We may blink and hundreds of dollars will disappear, emerge, and evaporate again, only to return with another blink of the eye. In the beginnings, $10,000 of investment capital represented a small fortune.

Months ago, at the tail end of February – $10,000 was lost within hours.

This is the grind. Wealth moves in percentages and larger numbers carry larger swings. 1% of $1,000 is $10; $1% of $1 Million is $10,000. As stocks generally shift amongst a band of + / - 1% daily, there will come a day where the company will swing through tens of thousands of dollars within seconds without anybody flinching. This will not be due to excessive volatility; these numbers represent the regular shifts of overwhelming amounts of capital.

We must seek out increasingly larger Game in order to compensate: More money; more problems. As the equities build, our chief goal of survival is replaced with the fear of the onset of complacency; as 'moving the chains' and executing payments has become automatic. Hence, we must constantly manufacture suitable goals in order to remain hungry. We must never let down our guard and remove our game faces.

This is not a game for the weak, nor is making money a task for the frivolous.

I once had an individual dismiss me – indicating that my personal story was worthless and inconsequential. This is sheer lunacy, as we may each gleam nuggets of vital information from persons throughout the spectrum of life. The narratives of Kings, kingmakers, soldiers, pawns, and paupers are all special in their own right. Dismissing the background of another is nothing short of absolute foolishness.

If you are to do business with me, you must appreciate my story.

I fashion myself contrary to anything or anybody that you have ever met. I do not seek approval from anybody; observing life in real terms –I shun rhetoric upon any fairy tale idealism. I am a scholar and a man.

This mindset of self reliance under girds every action that is an output of my being.

I feel as if I am not of these times; as if I somehow teleported out of The Great Depression into my mother's womb at 1980. Society has become rampant with consumerism and a general lack of honor and respect. Lastly, many of us harbor these obscene, grandiose visions of success without work; success without capital; capital without strife.

I may be a young man, running a young company, but my Soul is old.

As a man, once I perceive any slight or lack of respect towards my person, the misbehavior is checked immediately. Yes, I harbor a terrible mean streak. As I always remain in control—rarely is this venom exposed. I may appear frighteningly calm while thrashing an opponent. In all matters, I operate with a channeled rage. That is not a chip that you have spotted on my shoulder; that is a boulder.

This is an alarming idea to those outside of my inner circle. If you have never observed me reprimand a person; tracking him down to engage in a duel; you are not in my inner circle. This may be shocking as corporate types in suits are often perceived as 'soft' by society. I will never tolerate disrespect. One may never address me in a manner reserved for an untouchable bottom feeder without having their doors blown off.

I do not need a gun for swagger—my intelligence is the only weapon that is required to destroy an adversary. These words would have never become imprinted onto this page without the iron will that accompanies the writer.

I seek concentration, refusing to hedge. Hence, once the line is crossed, and I dismiss a person as an impediment—I do not stop at burning bridges; I drop hydrogen bombs on the crossing, dam up the river, pillage any viaduct building resources in the area, and torch whatever insignificant rubble remains.

This is what I must do. This is a game that the casual onlooker will never grasp.

As this company grows, individuals will continue to emerge that hold the sentiment that I must be obligated to them in some manner. Following our initial report, parties have had little qualms encroaching upon my time and space. Certain persons see nothing wrong with seeking sponsorship—approaching my person with their hands out, demanding time and money. These are people outside of my inner circle.

Nobody that truly knows me would dare do this.

Of course, I satisfy the role of the lazy, arrogant, bourgeoisie, spoiled rich kid. I must sit on my duff all day, collecting payments from a trust fund somewhere. Certainly, my parents taught me about this stock market and I am in cahoots with elite businessmen and political figures supplying inside information. My ideas can only have been ghostwritten, or regurgitated from books. Obviously, I must be lucky and should embrace my role as Central Banker to anybody that has been held down by The Machine.

Anybody addressing me in this manner satisfies the role of a cupcake nincompoop.

There is no capital without strife. One will never begin to grasp social class until he builds something from nothing. Until that point—there is only fairy tale rhetoric on both sides of the aisle. The American Caste system is more rigid than many are willing to accept. Transcending levels is quite difficult—nearly impossible.

The elite balk at social programs benefiting the masses; scoffing at the notion of financing lower rungs of society at the expense of their production. The masses scoff at the enrichment of the elite at the expense of their production. These opposite factions of society's class warfare point fingers—ridiculing the other as lazy and uninformed.

The elite often do not recognize that the transfer of wealth between generations is a social program. The elite do not always appreciate that certain behaviors are learned implicitly to the point where they become instinct. Birth into the upper crust is a powerful form of welfare, rivaling any government program.

The masses often do not recognize that many members of the elite group rose from nothing. There are people that have ascended class with little more than heart and gumption. Discounting another's success as Fortune is a quick fix, so one may shirk the gruesome image that may be in the mirror. Hurling blame at the conspiring Machine is much less jarring than dealing with one's own personal shortcomings.

Read and react.

The diagram presented on the cover of this document represents a counter – trap play. Upon the snap, the offensive action initially flows to the right, baiting the defense to shift towards that direction. The ball carrier receives the handoff from the quarterback, feints right and powers left. This contrary movement represents the 'counter.'

A defender on the left side is unblocked, allowed to roam free into the backfield. The defender has the runner directly in his sights and is poised to make a tackle. The defender is already planning his dance footwork, revising his crowd pleasing shimmy following the big play. At this very moment, a raging 6'5" 380 pound corn fed Big Ten country earth mover disguised as an offensive lineman pulling (running behind the line of scrimmage) from right to left at full speed pancakes the hapless defender. The defensive man has gotten his clock cleaned and is lying prone on his backside, embarrassed at being driven into the turf in front of thousands. The ball carrier bolts through the wreckage of bodies and is instantly 30 yards downfield.

That is The Trap. This is Football.

We all are familiar with individuals that just don't get 'it.' We all have had experiences where tranquility and achievement appeared certain to be within our grasp, yet we are blindsided by circumstance. Nobody gets 'it' all of the time. Professionals pick themselves up, dust off the uniform and recalibrate. Amateurs remain wedged in the turf falling victim to the same trap play—discarded by Fate time and time again. The defeated want no parts of this Game; intimidated by the violence and organized chaos of Western

Thought. If you wish to play it safe and remain cowering on the sidelines; do not seek sympathy from a Player when society reduces you to a water boy.

If one refuses to accept the risk of Chance, one has already lost.

The uninitiated remain mesmerized by the irrelevant. Casual football fans may only observe brutes crashing into each other, whistles, the pigskin, chalk, and a pile of bodies kicking up dust and grass. The uninformed may recognize that the Dow is up 100 points, yet possess little appreciation concerning the mechanics of business. On every football field there are players that miss assignments, bark at coaches, and mince words with fans in a maddening spectacle of underachievement.

We cannot afford to loaf, nor take plays or days off at the office. I will always prepare as if I were a young rookie from a no-name program whose sole intent is simply to make the cut—remaining on the ball club through grit and hustle.

What can be worse than potential untapped? We must toil until there is nothing left. I must work until exhaustion, albeit at the office or at the gymnasium. I do not lie in bed, counting sheep until slumber – I collapse every night with my inner tank on empty.

'Block until the whistle.'

Coaches instruct players to continue the execution of assignments until the whistle marks the play dead. Although the action may be yards away on the other side of the field, one must be prepared to engage the opposition under the condition that the play moves towards his area. We must remain on guard, continuing to work in spite of the fact that the Wheel may not always spin our way.

I will never be satisfied. I will always seek to accumulate knowledge, success, and capital until the 'whistle' blows at my death. I will invest as if I were to live forever. I live as if I were to die tomorrow. This is the only way that I may unlock my potential.

The uninitiated may view my track as reckless: save and invest everything into the stock market, move 1,000 miles away from all things familiar, shun the corporate game for self-employment, and continue to dismiss diversification for concentration. The uninitiated do not comprehend risk. There are two parts to the risk equation: the risk of loss and the opportunity cost risk – foregoing gains due to fear, ignorance, or chance.

Missing the opportunity represents the greater risk, as the boundaries of personal human growth are limitless. Life is a Gamble and we must make calculated bets, continuing to roll the dice, avoiding the most wretched of outcomes: To Die Broke and Alone. Picture the fear monger laying on his deathbed picturing what could have been.

I dismiss those that perceive the life of an independent, young stock-jobber to be risky. The gentleman living his life for others, diversifying out of fear, and grinding as an employee for cash payments merely to purchase items for consumption is the real risk taker. He has played it close to the vest, yet may be held captive beneath the glass ceiling of office politics. In spite of playing the role of good soldier and model corporate citizen, he may be shown the door at any moment. Even Thomas Jones, the glue of the Chicago Bears offense, was dismissed due to business and politics. Stability is an illusion on the gridiron, in the boardroom, and the cubicle. Plan accordingly.

These are lessons that are not taught in school. These are lessons that are synonymous to the uber successful. We are taught never to put all of our eggs in one basket. I would rather place all of my eggs in one basket and stand guard over *that* basket with a cache chock full of intellectual and monetary firepower. There is little time to operate as a jack of all trades. My preference is to become a master by focusing all energies upon one endeavor. Imagine the unlikelihood of Gates, Rockefeller, Buffett, Walton, or even Jordan being pushed and pulled in opposing directions from the goal. We skirt the irrelevant skirmishes of the battleground. We remain focused on the war.

I expect to win. I do not seek out high fives, celebrations, and pats on the behind. I am supposed to be doing this. Anything less would characterize failure.

Readers may not be familiar with Baltimore Raven Ed Reed. Reed is not strikingly fast, nor incredibly massive. This is a defender known for his intelligence, instincts, and absolute intensity. This is a player that will scope out a play before the action develops, fearlessly launch his body in the direction of the ball carrier and completely punish the man—breaking the will of his opponent to the point where the opposition cannot even muster the gumption to compete.

There is little celebration from Ed Reed after a successful tackle. He simply leaves the man lifeless on the turf and walks off towards the defensive huddle. This is cold blood; strictly business; nothing personal.

I do not see myself being Blessed with otherworldly talents and circumstances. I cannot sing. I cannot dance. I have no jump shot, nor am I tackling anybody. I do not look like Denzel Washington and am not from a line of spectacular wealth. I do not even see myself as naturally, exceptionally intelligent.

I must work for every inch of success and every penny that comes into my possession. This is why I may remain in the office working throughout the night. This is why I read the Wall Street Journal from front to back every day. This is why I have passed out 1,000 business cards daily. This is why I am hot.

One may not easily diminish my success to luck. One may not argue that I demonstrate misplaced compassion, offering up the idea that I was born into wealth, or am a genetic freak, cashing million dollar checks in the arena of professional sports. I am here because I work tirelessly, demand respect, and avoid foolishness. The following section summarizes the output of this mentality.

Let’s Go. There is no time to waste.

II. Depth Chart

Position	Name
Owner	Kofi Bofah
General Manager	Kofi Bofah
Director of Personnel	Kofi Bofah
Media Relations	Kofi Bofah
Head Coach	Kofi Bofah
Offensive Coordinator	Kofi Bofah
Defensive Coordinator	Kofi Bofah
Special Teams Coach	Kofi Bofah
Strength and Conditioning	Kofi Bofah
Quarterback	Kofi Bofah
Running Back	XOM, UTX
Fullback / TE	FNM, BNI, KO
Wide Receiver	BBY, NKE, ERTS, SBUX
Defense	BRK.B, MO, DHR, Cash

'Men lie. Women lie. The numbers don't.' ---Shawn Carter

The capitalization of ONYX INVESTMENTS, INCORPORATED at June 29, 2007:

Shares	Description	Value
700	ExxonMobil Corporation (XOM)	$58,716.00
4	Berkshire Hathaway Class B (BRK.B)	14,420.00
285	Best Buy Company, Incorporated (BBY)	13,300.95
187	United Technologies Corporation (UTX)	13,263.91
190	Federal National Mortgage Association (FNM)	12,412.70
210	Nike Incorporated Class B (NKE)	12,240.90
108	Burlington Northern Santa Fe Corporation (BNI)	9,195.12
120	Altria Group (MO)	8,416.80
155	Coca Cola Company (KO)	8,108.05
100	Danaher Corporation (DHR)	7,807.80
165	Electronic Arts (ERTS)	7,550.00
141	Starbucks Corporation (SBUX)	3,699.84
	Total Equities	169,132.07
	Cash, Cash Equivalents Available for Withdrawal	17,931.00
	CAPITALIZATION$_{\text{ONYX}}$	**$187,063.07**

I will proceed to present the holdings within my personal portfolio. Interested parties may note the similarities amongst positions titled 'Kofi Bofah' and those headed by ONYX INVESTMENTS, INC. Although assets classified as the property 'Kofi Bofah' fall outside of the corporate umbrella, capital may be directed towards the company if necessary. I do not report these personal statistics as a braggart – I present these numbers as an indication that I am able to operate from a position of strength. Business contacts may remain confident that the liquidity of the enterprise is far from being compromised as I will continue to save diligently on both sides; within ONYX and underneath 'Kofi Bofah.' I list these items in order of importance—estimating valuation in the aggregate as falling within a range of $100,000 - $1,000,000. Personal holdings within ONYX have not been itemized so as to avoid a 'double count' in capitalization between myself and the business:

Description	Relative Value
ExxonMobil Corporation Shares	Increasingly Adequate
5--- S. Drexel Blvd. Condominium	Increasingly Adequate
Furnishings and Equipment	Adequate
Cash and Cash Equivalents	Insignificant
2002 BMW 325i, 5 Speed, 80,000 miles	Depreciating Towards Nil
CAPITALIZATION$_{\text{Kofi Bofah}}$	**$X00,000's**

Presenting a wide range ($100,000-$1,000,000) is typical of executive reporting. Readers may note the general state of the finances of your Chairman, but tracking the exact numbers and particular movements headlined by 'Kofi Bofah' is a worthless exercise. Exxon is the only stock comprising my personal portfolio; these shares being bought through a dividend reinvestment plan (DRIP). I am oblivious to real estate investment—the only equity categorized as real property being my own residence. Lastly, cash is worthless within this group. At minimum, cash reserves would be better served paying down mortgage debt than earning today's meager savings rates. Also, with core inflation being on the up-tick and the prices of food and energy surging dramatically; Cash is Death. One must recognize the risk of carrying cash on the books: purchasing power will be halved within twenty years.

There is no room for any quirky life insurance / annuity contract, fixed income investment, multi-level marketing outfit, or Trader Geek hedging / derivative / arbitrage program trading in my personal portfolio.

Do not try this at home. Do not attempt to compete with a twenty-seven year old young man with no wife and no children. This personal allocation of one stock, home equity, and minimal cash would represent nothing short of sheer lunacy to 99% of the general population. Trust, I respect risk; both to the downside and to the upside in the form of opportunity costs. I am able to personally withstand thousands of dollars in short term paper losses in the name of long term growth. Diversification may be a hindrance to my person, but diversification is all-important to others.

On the ONYX side, there is a level of diversification, but these numbers are a function of circumstance, rather than the textbook. Our statistics demonstrate that we will not out think ourselves into going away from the hot hand. Picture Emmitt Smith, Walter Payton, or Jim Brown being benched leading into the fourth quarter after gouging the opposing defense for yardage throughout the ball game. Intelligent coaches continue to execute one particular strategy with particular personnel until the opposition adjusts. We must think likewise.

We buy and hold. We build cash positions in order to add to these positions at suitable levels. We refuse to sell simply to book profits. We liquidate an investment only under the condition that an alternative move proves superior.

This is a company that is in the image of your Chairman: substance over style; concentration and mastery before diversification. Although the businesses held within the portfolio vary in size from $15 Billion worth of capitalization to $480 Billion; every stock position dominates its respective industry. These companies operate with an efficiency that may be described as ruthless; and an operational style bordering upon arrogance.

There is no time here for guesswork. There is no time for reform—scouring the landscape for 'the next big thing.' Personally, I wish to align myself with those that already exhibit leadership and character. I strive to always be the Top Gun; blazing trails, rarely being compelled to follow orders. These are the types of business that I seek to locate.

This is not a portfolio that will garner adulation from Green Peace. This is not a portfolio that will earn anybody's do-gooder badge of corporate citizenship. Exxon, United

Technologies, and Altria represent industries that are tailor made for attack by their very nature. Nike and Coca Cola have both dealt with the negative attention that is a byproduct of questionable labor practices. Fannie Mae has been targeted by over zealous lawmakers as a mismanaged, reckless ogre that will only torpedo the housing market.

Yes, even the venerable Warren Buffett's Berkshire Hathaway has been linked to the tricky gamesmanship of particular insurance products. Berkshire's General Re was on the other side of the very same transactions which brought embarrassment to insurer American International Group and the ouster of its visionary Chairman Maurice 'Hank' Greenberg. Of course, an investment directed towards Berkshire also features alignment with the Evil Empire of Wal*Mart. There will always be a Dark Side to capitalism.

Ironically, Starbucks that beacon of excellent corporate stewardship maintains the dubious distinction of remaining our worst investment.

I am not a politician. My only obligation is to maximize returns while mitigating risk. Allowing personal politics to influence company decision making and consequently shareholder returns may only be labeled as irresponsible. Dissenters may contemplate my Fate of piling up losses with socially conscious firms such as Starbucks in comparison to generating outsize returns featuring the Altria / Exxon / United Technologies corporate ragamuffins before remarking otherwise.

'Socially conscious' investing may be a one way ticket to the poorhouse for the young firm. Perhaps 'socially conscious' investing is contradictory—a contrary Utopia. The ultimate responsibility of any corporation rests with protecting the interests of the shareholder. The shareholder seeks a competitive return in exchange for the risk of capital. The corporation must become mechanical in its operation and can only remain functional by laying aside propaganda for the benefit of the company at large.

Fundamentally, all publicly traded issues satisfy a specific demand and must seek the maximum amount of compensation that the market will bear.

Politics and ethics aside, we have demonstrated the ability to gauge significant near term peaks and troughs of independent market cycles. We went heavy into oil until the peak of Katrina, shifting into transportation and consumer electronics at the energy market top; we began buying Fannie Mae amidst the depths of the mortgage facilitator's accounting debacle; we sought out the all world footwear purveyor Nike in order to exploit the strength of emerging markets and the weakness of the dollar; and we exposed today's real estate collapse years ago. We have consistently exhibited the courage to step up into disintegrating markets and buy through junctions of fear.

This is buying low.

There is no crystal ball in our possession. There are no insider connections supplying exploitable information to this company. We apply maximum effort to prepare so that we may execute with conviction. We make strides daily with little more than a strong dose of moxie and gumption. The only mindset with which to attack this Game is to follow Kipling: 'If you can keep your head while all about you are losing theirs.'

My most critical job function remains the allocation of capital. Essentially, the placement of the proper amounts of monies directed towards the correct investment at the correct time is all important. General Managers equip professional football teams with personnel; coaches craft specific game plans geared towards match ups; and players execute. The precise Quarterback delivers the football to the proper personnel unit in position for him to make a football move. Of course, GMs constantly seek to upgrade the program via free agency, trades, or the draft; coaches adjust game plans; and quarterbacks audible (change) plays at the line of scrimmage—intelligent offenses take what the defense allows. Dominant programs impose their will on the opponent.

Although there may be a basic framework to this business, we must preserve the flexibility to recalibrate to prevailing conditions. Football is the most demanding of sports in terms of strategic gamesmanship. Likewise, capital formation, specifically stock market investing is the most demanding of occupations in terms of strategy. Markets shift by the second, and the psychology of participants is prone to reverse by the hour. Indeed the stock market is manic depressive.

We must plan accordingly. The plan is to ditch the plan. Our business plan was discarded before the ink dried. We may be set on purchasing oil only to be derailed by a hurricane which knocks one third of U.S. refinery capacity off line and drives energy prices through unsustainable, speculative levels. We may be reserved to stockpiling cash only to be presented with compelling entry points into footwear, consumer electronics, and mortgage backers. Our portfolio is a function of circumstance, rather than the outcome of any elaborate, premeditated scheme. Our positioning is the synthesis of interest rates, equity blow-ups, investor inflows, investor redemptions, and a small dose of Fortune.

We are not in the business of providing stock tips. Equities presented within the portfolio do not signal the endorsement of the position as a legitimate option for the individual investor. We strongly advise against the purchase of these securities for one's individual account. Inevitable downturns in the particular stock will present an alarming quagmire as both the separate portfolio of the investor and his ONYX stake may plunge into the red.

Although the company promotes the long term ownership of businesses, the firm has and will engage in shorter term trading activities as conditions merit. The portfolio is constantly in flux, running the gamut from a zero equity policy, shunning stocks; to embracing markets with full investment. We will not telegraph any specific investment program.

We will now undertake the task of presenting brief summaries concerning our respective equities. Statistics are not to be mistaken for indicators of performance; rather we present gauges of value.

XOM—ExxonMobil Corporation—Irving, Texas

$58,716 (700 Shares @ $83.88)
Price to Earnings: 12.20
Earnings Yield: 8.20%
Dividend Yield: 1.67%

Arguably the most efficiently run operation in the business world. The English language is unable to heap adequate amounts of praise upon the operational execution of this behemoth. We may only imagine the breadth of this company as the numbers are impossible to grasp. This has emerged as the favored equity of your Chairman. Exxon is the only stock held within my personal portfolio as I am unable to present another stock that combines sentimental value with economic value in such a magnitude. As I am enamored with the roadway, Exxon represents a constant fixture throughout my travels, particularly along the East Coast and Deep South. The precept is comical that investors scour markets for the quick buck, dueling amongst themselves to game real estate, commodities, puts, calls, swaps, and currencies; while I remain oblivious—adding to my personal stake in this business at any time at any price.

The punch line of this parody is my confidence of generating exceptional wealth merely by feigning ignorance to the externalities of money making and systematically buying this stock personally through a dividend reinvestment plan (DRIP) account. The agenda is wildly simple as if to be preposterously unfair. Others may scout real estate, screen tenants, repair properties, analyze stock and trade francs—merely churning capital to be frittered away between commissions, taxes, and middlemen; I select my favorite enterprise and invest for the long haul as if I were a drone.

Of course, ExxonMobil has fulfilled the role of workhorse running back for ONYX INVESTMENTS. This has been our go-to player, moving the chains—earning yardage as if running downhill. Our heavy concentration within XOM has been vindicated by the relentless march of oil prices and the extraordinary appreciation of these shares. This stock has been a freak of nature. Picture 5-11, 255lbs Jerome Bettis, shaking defenders as if he were the sprightly Barry Sanders. This is the largest business on Earth. The existence of an entity this massive, yet so nimble and agile is unheard of.

The basic laws of supply and demand stipulate the inevitable upward pricing premium that was to manifest itself within energy markets. Limited supply, coupled with increasing demand lifts prices as consumers must compete to attain resources and suppliers deliver product to the highest bidder. Supply has been hindered by the confluence of geology, politics, and the forces of nature. Demand remains elevated due to the essential utility of this fuel for all developed and emerging nations. China and India will stand as insatiable buyers of commodities as these subcontinents industrialize.

Today, the discovery of vast new oil fields comes with less frequency. Of course, large amounts of crude oil critical to the world's supply are located within the borders of unstable regimes. Iran, Iraq, Venezuela, Libya, Nigeria and Russia represent troubling flashpoints along the world's supply chain of oil. Iran, Venezuela, and Russia have taken little pains to disguise a disdain, if not utter hostility towards the West. These nations have demonstrated a propensity for geopolitical hardball—demanding exorbitant concessions, shutting down energy supply for export, or merely the outright seizure of property in order to bully a way into a seat at the table of world powers. Iraq and Nigeria are war zones in which the efficient production of crude oil at full capacity is secondary.

Due to the enormous capital investment along with the labyrinth of legislation and environmental concerns, 1976 marks the last year in which a refinery has been built upon United States soil. The oil industry respects the boom and bust pattern of Black Gold and has shunned the idea of committing shareholder capital towards a new refinery project, only for the new unit to generate scant levels of profits at the point in which prices fall. Refiners have preferred to increase capacity at existing plants rather than initiate new construction. Hence, the conversion of crude oil into gasoline, diesel, asphalt, and jet fuel; represents yet another choke point along the supply chain.

Of course, XOM has stood ready to capitalize. The oil giant has outdone itself, shattering every earnings record in existence. Exxon set a new precedent, tallying $39.5 billion in profits for 2006. This is a higher level of income generation than the gross domestic product of 114 nations. 2006 Exxon *profits* are larger than the value of all goods and services produced within the borders of more than 100 countries.

This is a firm that has been identified with unfathomable power, ruthless execution, and awe inspiring efficiency since the days of Rockefeller. This company kowtows to nobody – evidenced recently by Exxon preferring to withdraw from oil rich Venezuela than to accept the concessions of El Presidente Hugo Chavez. From its beginnings of Standard Oil, the only institution that has proven itself as a capable adversary to this outfit has been the United States Government.

Exxon has accepted the baton from Wal*Mart and Microsoft as the poster child corporate villain. The company is under attack on all fronts: Greenpeace, critics of excessive executive pay, and pension managers. ExxonMobil has been assailed as an irresponsible Agent of Destruction to all things wholesome. Management fuels the ire of these activist groups by satisfying the caricature of the swashbuckling Texas oil man.

Ironically, Senator Jay Rockefeller of West Virginia represents the largest critic of ExxonMobil Corporation. This heir to the Rockefeller kerosene, oil and gas, Standard Oil, and Exxon fortune has authored open letters berating the company for price gouging, executive pay, and global warming. This is a spectacle, culminating in talks of a windfall profits tax which would only become a disastrous absurdity.

ExxonMobil shall only be held accountable to its shareholders.

The company has refused to fall in line with competitors that have been browbeaten into diversification. British Petroleum has attempted to market itself as the Green Energy Company with its Beyond Petroleum campaign—highlighting efforts to locate additional alternative energy solutions.

Exxon remains unapologetic, adhering to its chief function of discovering, producing, and marketing petroleum products. The corporation's primary responsibility is to reward shareholders. In the words of Chief Executive Officer Rex Tillerson:

'We will only invest shareholder's money where we think they can get the types of returns they expected upon their initial investment with ExxonMobil.'

Solar power, bio fuels, and wind investment cannot match the returns of producing, refining, and marketing crude oil. Ethanol, Washington's pet project, is unable to match the energy efficiencies of oil. Due to the intensive requirements of land and fuel to manufacture ethanol; the resource has exhibited little, if any environmental advantages over oil. Subtracting government subsidies from the equation, the ultimate production of ethanol is comparable to $6 per gallon gasoline.

These outside, alternative ventures simply are not profitable for the conservatively managed oil company.

Although today's events mark the perfect storm of oil commodity profitability, Big Oil remains mindful of the inverse of the supply-demand function; the boom and bust cycles that have plagued oil markets from Drake's Well at Oil City. High prices induce competition, competition increases supply, and increased supply applies downward pressure to prices. Simultaneously, demand falls in response to high prices. At this point, prices may capitulate—weaker players are shaken out and we begin another cycle.

Picture Norway, Saudi Arabia, Exxon, Royal Dutch, Apache, independent wildcatters, and the Alberta oil sands rapidly increasing capacity—bringing oil to market in order to capitalize during these boom times. Eventually, motorists switch to mass transportation, refuse to purchase sport utility vehicles, and cancel summer vacations—balking at $3 gasoline. Simultaneously as demand falls, an oil glut emerges, pressuring prices. This is the commodity conundrum. The oil market often sabotages its own self.

Alternative energy ventures that are slightly profitable at $60 - $70 oil would be disastrous at $40. Hence, ExxonMobil will continue to plow cash into dividends and share buybacks—further angering activists seeking higher levels of alternative energy investment, commodity exploration, or government tax receipts. With XOM shares doubling in three years, we cannot complain.

Do not Hate Exxon merely for doing its job.

BRK.B—Berkshire Hathaway, Incorporated Class B—Omaha, Nebraska

$14,420 (4 Shares @ $3,605)
Price to Earnings: 14.77
Earnings Yield: 6.77%
Dividend Yield: Nil

Arguably, Berkshire Hathaway may also be classified as the most efficient business in existence.

We figured at the point last year, at which Warren Buffett announced that ‘it was time for some action,’ that the stock market was due for a lift.

Berkshire Hathaway is the investment vehicle of the legendary investor, Warren Buffett. Mr. Buffett at one point held the title of the world’s richest man. He was to eventually be overtaken by Microsoft’s William Gates. Due to charitable giving and the emergence of Mexican oligarch, Carlos Slim—The Oracle of Omaha may have already slipped to third.

Regardless of his ranking, Buffett has amassed billions of dollars in wealth, courtesy of the stock market. The super rich dismiss the case for diversification in both practice and circumstance. Super wealth is the product of concentration—the outcome of becoming a Master of one’s particular section of The Universe. Bill Gate’s wealth has been driven by the singular mission of Microsoft to mass market the personal computer. Warren Buffett’s fortune is the result of an absolute focus on the stock market. The pattern transcends the financials of the Walton family, Carnegie, Rockefeller, Soros, Carlos Slim, and Mellon. Pick one thing and do it.

This is the way of the uber-successful.

Beginning as an enthusiastic twenty-six year old with $105,000 in seed capital, Buffett has built a masterpiece of an enterprise. Berkshire Hathaway is a financial powerhouse, and with Buffett at the helm the sum total of the overall conglomerate is intrinsically greater than its parts. The Oracle has demonstrated a legendary ability to create value through the synthesis of stock market transactions, hedging techniques, currency bets, commodities, and private equity.

Berkshire executes stock transactions for its own account, purchases businesses outright, and specializes in risk management. Berkshire Hathaway may be described as an investment fund / industrial conglomerate / insurer. Capital is shuttled amongst units, directed towards the areas that are thought to garner higher levels of future earnings.

BRK is Main Street U.S.A. The balance sheet of the holding company is comprised of marquee names such as American Express, Coca Cola, The Washington Post, Wells Fargo, and Proctor and Gamble. Wholly owned subsidiaries include See’s Candy, Fruit of the Loom, GEICO, and Dairy Queen.

Returns are magnified by the leverage of insurance operations. Insurers receive premium payments in exchange for satisfying the catastrophic claims of the insured. Monies held by the insurer flowing from premium inflows to claim outflows are referred to as float. The typical insurance company invests this float in fixed income securities (bonds). The insurer is able to collect interest before capital may be paid out to policyholders in the form of claims.

This is not your typical insurance company. Although property and casualty insurer GEICO is a Unit of Berkshire, the company is primarily a re-insurer. Re-insurers serve as the insurance companies to the insurance companies. Of course, the ultimate insurer is the United States government.

Berkshire is one of the few companies with the credit, expertise, and capital to write these exotic insurance policies. The company is compensated handsomely for this function. Due to the underwriting discipline of Berkshire Hathaway, the conglomerate is able to access capital at rates more favorable than the U.S. government.

Float money, carried at lower rates than government bonds is invested into stocks, bonds, commodities by a man that shares the Pantheon with Benjamin Graham, Philip Fisher, Peter Lynch, and George Soros. The business model is almost unfair.

With Exxon representing the featured, franchise running back of this squad—Berkshire, along with Danaher and any cash positions may only symbolize the defensive unit. Although we have ridden Exxon for steady yardage, courtesy of strong energy prices, the stock still remains susceptible to the overall world economy. The specter of a global slowdown may pressure oil prices and consequently XOM stock. Obviously, demand for commodities will be compromised amongst recessionary periods.

Berkshire Hathaway demonstrates little correlation to prevailing market conditions and the stock market at large. In fact, BRK stock often trades with an inverse relationship to the overall market. BRK was bloodied, yet remained unbowed throughout 1999—the peak of stock market mania. The stock sank through fresh, near term lows as the value investment maxims of Warren Buffett were dismissed as the ramblings of some old fogie—in favor of 'New Economy' growth.

Inevitably, the 'next big thing' imploded upon itself. Go.com, pets.com, Sun Microsystems, AOL, JDS Uniphase, and Henry Blodget became names synonymous with hype, excess, and greed. The manic depressive market had driven these pipe dream stocks to new heights during yet another period of euphoria. Of course, the ensuing fallout was the depressingly brutal 2000-2002 bear market—punctuated by September 11th.

Investors fled to safety and embraced the dowdy ways of Warren Buffett yet again. Berkshire emerged and began to climb through the rubble—appreciating in spite of a global recession and stock market meltdown. These movements indicate that Berkshire is the anchor of our defense; shielding the company from losses against the backdrop of disintegrating economic fundamentals.

BBY—Best Buy Company—Richfield, Minnesota

$13,300.95 (285 Shares @ $46.67)
Price to Earnings: 17.16
Earnings Yield: 5.83%
Dividend Yield: .86%

This stock may be in trouble.

This is a company that peddles consumer electronics to the masses. The market for personal computers, flat screen televisions, stereos, and accompanying peripherals may be described as brutal at best. Consumers will feel the squeeze of surging energy prices and interest rates. Real estate has become a wreck in many sections of the country. The real property slowdown eliminates job growth and cancels the wealth effect which was a product of the past real estate boom. There is little to no equity available for homeowners to refinance, arrive at the Big Box retailer, and shop until dropping. Obviously, the real estate debacle and subsequent sub-prime loan fiasco do not bode well for the consumer.

BBY may be downshifting into the awkward area separating growth story from mature company. Microsoft and Wal*Mart are examples of former Wall Street darlings whose financials remained formidable, yet the stocks moved sideways, or stagnant for years. At this junction, shareholders begin clamoring for increased dividends and share buybacks rather than the retaining of earnings into the business to promote growth. Dividends return capital to investors and generate stable streams of income; share buybacks bolster earnings per share as the fixed pie of profits is divided amongst fewer parties. Theoretically, buybacks boost share prices, as earnings drive stocks.

Recently, the stock missed earnings and shares were to shed more than 5% of value in one day. In typical ONYX fashion we refused to cut and run; we maintained poise and exploited the opportunity to ante up on the investment. We were vindicated within days as Best Buy management announced an increased dividend and share buy back program. BBY shares surged on the news and the stock has continued to appreciate out of this dip.

BBY positions are a product of circumstance. Although we respect the company, this is not a stock that has necessarily remained on the radar for acquisition. We remain mindful of the stock action falling victim to the external happenings of interest rates, housing, and GDP—diverging from the true fundamentals of the business.

In other words, we are nearly oblivious to share price. Our chief concern is business execution and we are baffled by the idea of any business that may fall prey to the destruction of 5-15% of value within moments; at the whim of Wall Street. These sharp drops represent buying opportunities for the intelligent investor.

BBY is a good company. Although the shares will remain volatile, driven by interest rates, oil prices, earnings expectations, and the consumer outlook—there is value in a business whose chief Big Box consumer electronics competitor is the faltering Circuit

City. With Circuit City descending into shambles over the years, Best Buy faces more competition from Wal*Mart, Costco, and the gasoline pump for the electronics buyer.

This is a stock that rises and falls with the emergence of ‘must have’ electronics items. The consumer must have the I-Pod, flat screen television, and laptop. The consumer must upgrade. This is a stock that may be gamed with the technology cycle.

We will continue to hold the stock, keeping BBY on the field as a player that may add a measure of explosiveness to the offense. BBY may have come into the League as a flashy game breaker, but the company has matured and has become a heady player, relying on savvy to achieve separation, similar to the veteran wide receiver.

<u>UTX—United Technologies Corporation—Hartford, Connecticut</u>

$13,263.91 (187 Shares @ $70.93)
Price to Earnings: 18.81
Earnings Yield: 5.32%
Dividend Yield: 1.80%

Repeat. Arguably, the most efficiently organized business in operation. Similar to Exxon, this is a stock that may be the cornerstone of any portfolio. This stock is a good change of pace from XOM and could very well carry the load for this company as our top stock. The strength of the energy markets and spectacular appreciation of XOM leaves United Technologies as our second candidate at the vital tailback position. If Exxon shares were to literally run out of gas, we may look to UTX to step up production.

Characterized by stable cash flow, healthy dividends, and adequate growth, the strong industrial is essential. Economically sensitive, these stocks may move in tandem with the general outlook. Superior enterprises continue to generate growth amongst periods of economic contraction and recession.

Comparable industrial conglomerates include Minnesota Mining and Manufacturing (MMM) and General Electric (GE). As MMM and GE have proven formidable long term generators of shareholder wealth, our choice upon a suitable equity to represent the sector presented intense difficulty. Our initial pick from this group had been 3M, the hardscrabble organization from the uncompromising Northern Minnesota Iron Ranges. 3M was a stock which moved in fits and starts. Performance would accelerate, only to stall for long periods. Although 3M shares are often a leading performer within the Dow Jones Industrials—we must remain vigilant; always seeking to upgrade.

Short term share price is inconsequential. The business gaffes of the MMM organization were the ultimate drivers behind our frustrations. 3M became something of a problem child—an organization with strong potential, yet held back by its own self. The company had miscalculated production requirements for the manufacture of crystal displays within flat screen televisions on several occasions. Management would report the miss at the last instant, causing the stock to tank. George Buckley, former chief executive of Brunswick Corporation must adjust to the communication demands of heading a large cap enterprise.

Our intention is not to mislead. 3M is a solid, innovative collection of businesses with stable cash flow, and robust dividends. The stock often trades at a discount to General Electric and has performed well during recessionary periods. I have traded positions in this stock personally, or through ONYX for a time period that nearly spans one decade. The first buy orders for ONYX INVESTMENTS were Berkshire Hathaway, Exxon, and 3M. Yes, Minnesota Mining and Manufacturing is an old friend.

Of course, sentiment cannot cloud financial decision making with shareholder capital on the line. United Technologies has proven to be the superior industrial conglomerate, generating long term investment out performance for stakeholders. In big time general manager-speak, we traded 3M 'straight up' for United Technologies by liquidating MMM shares and directing the proceeds towards the purchase of UTX.

This Hartford, CT manufacturer seamlessly integrates its six industrial units into a conglomerate that has grown earnings by double digits each year but two since 1994. These units are listed as Otis, Carrier, Pratt and Whitney, UTX Fire and Security, Hamilton Sundstrand, and Sikorsky. These divisions are giants in their own right:

Carrier is the leading manufacturer of heating, ventilating, and air conditioning systems; Otis is the world's top supplier of elevators and escalators; and Pratt and Whitney shares notoriety as a member of the 'Big Three' jet engine makers also comprised of rivals General Electric and Rolls Royce. Sikorsky is a global provider of commercial and military helicopters including the famed Black Hawk. Presidents and dignitaries have made entrances onto the South Lawn of The White House on lifts from Sikorsky Marine 1 helicopters since the Eisenhower administration.

The aerospace and defense units account for 40% of UTX sales. 60% of total sales are made internationally, with Carrier and Otis profiting from the build out of emerging market infrastructure. This is a company that is clicking on all cylinders. The stock will benefit from the necessary upgrades of the current aerospace cycle, international sales, and robust defense spending.

<u>FNM—Federal National Mortgage Association—Washington, D.C.</u>

$12,412.70 (190 Shares @ $65.33)
Price to Earnings: Earnings Undefined
Earnings Yield: Earnings Undefined
Dividend Yield: 2.45%

We offered these words on the stock at this same point last year:

'The Federal National Mortgage Association, better known as Fannie Mae represents another equity which has been dumped and scorned by investors. The government sponsored entity responsible for facilitating liquidity within the mortgage market has been the victim of a deteriorating real estate sector, daunting interest rate environment, and self-imposed accounting shenanigans. At best, the future direction of the enterprise may be described as murky; its recent history may be described as nothing short of disastrous.

Earnings per share, price to earnings ratios, and all other estimates of value remain useless. The question being, what exactly *are* earnings?

We feel that by any measure, the stock is cheap. With a price to earnings ratio (p-e) of 6, and an earnings yield of 16%, the stock trumps all comers—stocks, bonds, and real estate in terms of value. Entertaining a wild scenario of former executives overstating earnings by double the actual, FNM would still trade at a multiple of less than fifteen. We feel that a p-e ranging from six to fifteen is more than adequate compensation for the risks.

This is an entity that possesses the power to tap credit markets, borrowing at favorable rates given its ties to the Federal government. The proper use of leverage creates a profit machine, as Fannie was crowned a Wall Street darling throughout the eighties and nineties. However, a return to the Fannie of old remains in doubt with lawmakers encircling the beleaguered firm calling for heightened regulation, larger capital requirements, and a restricted mortgage portfolio. We will continue to exercise patience with the investment, collecting dividends while purchasing strategically.'

Last year's commentary may be all that is needed. The stock has risen spectacularly out of these lows. Our FNM positions have been an absolute coup—demonstrating the prototypical stock purchase:

First, the shares of a good company are dismissed by hysterical sellers due to a one time event, or the rare confluence of numerous damaging items. Shares continue to plunge and the stock becomes wildly cheap, while the manic-depressive market behaves as if the corporation were headed for bankruptcy. Lastly, the situation clears and investors begin to realize the true fundamentals of the underlying business—rocketing shares upward. The best time to buy is when the story could not seem to be any worse. Fannie Mae was a stock suffocated by an enormous accounting imbroglio. This was a company that was abandoned by Wall Street—a firm that only a loon would consider.

Keeping Exxon on the books while energy prices remain elevated is easy. Keeping Fannie on the books while the stock has degenerated into a fiasco, complete with scavenging lawmakers encircling the company is what Champions are made of. This is pocket presence. This is Quarterback Tom Brady staring down the pressure, taking a hit, and delivering a perfect strike to the open receiver.

Reserves

We itemize the smaller, complimentary selections of our capitalization. These bit players may be described as our bench, as some are interchangeable with larger positions, yet remain back-ups due to the superior talent already on the field. Of course, the day will come for these issues to be ready for Prime Time:

Shares	Symbol	Description	Headquarters	P/E	Div. Yld.	Market
210	NKE	Nike	Beaverton, OR	19.96	1.27%	$12,240.90
108	BNI	BNSF	Fort Worth, TX	17.10	1.17%	$9,195.12
120	MO	Altria	New York, NY	13.86	3.93%	$8,416.80
155	KO	Coca Cola	Atlanta, GA	23.46	2.60%	$8,108.05
100	DHR	Danaher	Washington, D.C.	21.75	0.15%	$7,807.80
165	ERTS	Electronic Arts	Redwood City, CA	198.96	--------	$7,550.80
141	SBUX	Starbucks	Seattle, WA	32.80	--------	$3,699.84

The difficulty in managing this ball club is that several of these positions already seem poised to receive Starter minutes and cash. Nike, Burlington Northern Santa Fe, Altria, Coca Cola, and Danaher have all answered the call—performing exceptionally over the past year. These stocks have all dominated the averages in terms of performance. In fact, the Rales brothers of Danaher, playing behind Berkshire Hathaway have out gained the Oracle throughout our short existence.

Nike has ridden the wave of emerging market sales powering profits at this iconic brand. With All-Star Yao Ming and recent draft pick Yi Jianlian becoming household names in The National Basketball Association, the popularity of basketball is ramping upwards in the all-important Chinese market. Nike will benefit from this trend more than any other company—international sales being magnified by a plunging dollar upon repatriation. In the words of ex pitchman Deion Sanders, this stock is already 'Prime Time.'

Burlington Northern Santa Fe has arrived on the balance sheet courtesy of a 'straight up' trade with United Parcel Service. UPS was originally purchased as a hedge to Exxon—the transporter countering any significant drop in oil prices. UPS is an excellent business, but high energy costs will always hinder the advancement of the stock. Energy prices have remained elevated and appear unlikely to collapse within the near future. Brazil, India, and China have exhibited an insatiable appetite for growth and therefore voracious markets for all commodities.

Railroad Burlington Northern will capitalize upon this trend. The concern represents the most acceptable means of transportation of American coal, iron ore, timber, and agricultural products from the interior to port side. Businesses that have been able to exploit the commodity boom or the strength of emerging markets find themselves in the sweet spot of American commerce. BNI stands poised to reap the benefits of both.

Coca Cola and Altria are consumer staple stocks pushing products of nearly perfect price inelasticity. Altria has been highlighted due to its exceptional dividend. These dividends will be critical to returns amongst listless markets.

ERTS and SBUX are comparable to those slight Wide Receivers with world class speed. These companies remain capable of the big play at any moment: potentially tripling in value within 18 months as a speedy receiver makes a catch on the quick slant eight yards from the line of scrimmage and sprints by defenders for an eighty yard touchdown; or these stocks can collapse in value by 10% in one week, 50% in one month similar to that very same light weight receiver that is mauled by the defense, intimidated, and taken out of the game on a stretcher.

Although video game company Electronic Arts has shown flashes of brilliance, Starbucks has been an absolute shipwreck of a stock. It is a small victory that we directed a meager pittance towards SBUX—the coffee maker has provided us every reason to leave the firm languishing at the end of the bench with splinters lodged into its behind. SBUX simply did not fit in with this group at the acquisition point last year.

At 55x earnings, shares were wildly overpriced. Starbucks was the $10 million free agent pickup that degenerated into a bust. Obviously, SBUX has not been one of the guys.

This is a group of gritty stocks representing heavy industry and economic muscle: Exxon, Altria, United Technologies, Burlington Northern, Danaher, Berkshire Hathaway. We are Big Oil, Big Tobacco, aerospace, defense, railroads, tools, and insurance. Of course, Coca Cola, Best Buy, and Electronic Arts aren't exactly built for sugar and spice bake sales, either. One may purchase EA Sports' 'Madden Football' at Best Buy, demoralizing and obliterating the opponent on the flat screen; while guzzling a Coke.

And then we have Starbucks—baristas, lattes, and assorted cream puffs.

Starbucks has been the example as what I refer to as a 'pretty boy' stock: all flash and no substance. Fly by night enterprises, hyper technology stocks, dot-coms, satellite radio, and our latest 'next big thing' initial public offering (IPO) fit the bill. Wall Street offers up this trash and investors salivate over smoke and mirrors cosmetics only to be heartbroken. Pretty boy stocks are GIGO: Garbage in, Garbage out.

This stock is soft. This stock has been 'on the block,' an ideal candidate for a straight up trade, or an outright cut—dismissal from the portfolio via sell order. SBUX has remained on the roster as I recognize the idea that the coffeemaker's shares provide an element of intrigue and spark that is missing from a portfolio of stodgy goliaths. Of course, Google would have been a more suitable alternative for this spot. GOOG has spiked from $100 to $530 during our harrowing times with Starbucks.

Perhaps the stock must be called out in order to man-up and turn things around. This is the one investment in which we have lost significant percentages. The shares have been brutalized as the company falls short of earnings expectations—leaving investors to question its growth model. SBUX may be cannibalizing itself with a propensity to locate stores at every corner at every block. The outlook may have never been worse for the shares of Seattle's coffee maker.

Ironically, this may be the best time to step up and buy.

The stock has been bludgeoned from an expensive 55x earnings to an acceptable 35x profits. With the shares still remaining on the books, we have yet to concede defeat. We will continue to hold the stock, monitoring financials. The shares represent a small slice of our capitalization, and any absolute capitulation may barely scratch our armor.

Of course, any absolute capitulation would mark the ideal timing to ante up on SBUX shares. Starbucks may hawk fruitcakes and lattes, but the company would have never risen to such prominence without a fighter's mentality.

We have yet to throw in the towel.

III. Scoreboard

My Team	63
The Opposition	0

The scoreboard numbers may be wishful thinking, but the quest for total domination is the only route that I know to follow. I am unwilling to let up, regardless of the score; I will maintain the proper intensity and aggressiveness. In order to command respect, the opposition shall not complain of poor sportsmanship or seek excuses for losses; the formidable competitor will seek a more efficient strategy with which to compete.

My foot will always remain on the gas, flooring the accelerator, and pushing the envelope similar to Florida's 'Ol Ball Coach, Steve Spurrier; or Nebraska's Tom Osborne.

It may be human nature for the individual to reign in the game plan and coast upon arriving at each peak along his particular life chain. These urges must be neutralized, as acting as if one is 'happy to be here' is a recipe for underachievement, if not disaster. We all may present infinite examples of personal development where one plateaus or regresses after surpassing a benchmark: the struggling graduate student, the insubordinate subordinate, the incompetent middle manager, the marriage that disintegrates after the couple ceases to court each other, or the troubled professional athlete.

The cases of Michael Vick, Tank Johnson, and Adam 'Pacman' Jones have been magnified due to the amount of money that is on the line. Fan bases are outraged that these 'pampered' millionaire athletes could squander the outrageous opportunities by anybody that has been fortunate enough to play professional sports. As Americans in 2007, we may all squander outrageous opportunities every day. I will not waiver from my belief that today's United States of America offers the highest potential for advancement of any nation ever to be in existence.

I cannot express my gratitude enough.

Do my doubters appreciate the infinite examples throughout the world's history where individuals have been killed due to the circumstances of being born into a particular nation, ethnicity, or religion?

Had I have been born fifty years prior to 1980, I would have never arrived here—able to build a business structured around stock market quotations. Had I have been born fifty years prior to that, I would have never been able to even open my mouth without punishment.

'I feel as if I am not of these times; as if I somehow teleported out of The Great Depression into my mother's womb at 1980.'

Everything that I own, every opportunity that I have been afforded is courtesy of the struggles, triumphs, and humiliations that my ancestors have endured. I know of times when men were not allowed to be men, when the dignified were not granted the proper dignity. In football speak this is 'time and score.' In real terms this is, 'knowing your history.'

I demonstrate my appreciation by minimizing the amounts of time and money that is wasted. Peoples have not always enjoyed the *chance* to have time and money to waste.

Opportunity is relative. The drone that does not maximize his potential may indeed be just as guilty as the star athlete that blows a million dollar contract by associating with a ruffian entourage, drinking, or smoking marijuana. I wonder what a *true* visitor of the past or even the modern day areas of Darfur, Gaza, or Iraq would think of this waste. If one were to truly appreciate the fact that there are particular sections throughout this world where one may be tortured, maimed, or annihilated by military gunfire simply for being born into turmoil—we would all behave much differently. Wasted time, money, energy, and opportunity can only be an abomination.

There is little to complain about for The American that is not born into debilitating poverty. The defeated must come to terms with the shattering hypothesis that the primary impediment of his own growth may be himself. The victor must come to terms with the inspiring image that the primary impediment of his own growth is his own self.

The greatest risk to our own freedom and welfare is to not engage in risk. It is human nature to eliminate risk because of fear and cling to the routine.

This is football's 'prevent' defense. In the 'prevent,' the defense drop back deep into coverage so that the offense remains in front of a wall of defenders. The function of the 'prevent' is to prevent the offense from scoring a quick touchdown courtesy of a big play. The tradeoff of this conservative defense is the lack of defensive aggressiveness and the ease with which the opposing offense can move the chains and gain steady chunks of yardage. The 'prevent' often incites the very same disaster that it was created to prevent.

The prevent defense is a chief factor behind many come from behind victories / imploding losses. One team may demonstrate total control through three quarters, relax the game plan, and allow the opposition to wrest victory from the jaws of defeat in the final stanza. Players that have been programmed to attack become floundering zombies in the 'prevent;' and the opposition gains confidence, beginning to execute riskier strategy; refusing to lose.

Jim Valvano, the late North Carolina State University basketball coach pronounces, 'don't ever give up.' I wish to offer: Do not ever let up.

The only way to play this Game is to be relentless.

This Game that I speak of is personalized, custom to the genetic and environmental makeup of each individual. The common denominator of the end goal of this Game is freedom—the ability to build one's own life in his own image without creating strife within greater society.

As with any game, there are counterparties, opposition, and enemies. The enemy can be identified as any unit which may abhor one's personal quest for freedom. The enemy has been targeted as any entity which stands as a threat to this progression—Progress being defined as the maximum fulfillment of potential.

The enemy may come in many forms. We must remain vigilant in regards to any threat towards the accomplishment of The Goal, as life is guerilla war. The uninitiated remain clueless as to the direction of the actual threat—similar to the properly executed Trap Play.

I must seek excellence and remain uncompromising with my own person as I fear derailment. This is why I am able to sidestep obstacles and high step to daylight as a running back powering through The Trap. One must muster more talent than g.o.a.t. Jim Brown to cut this thing back and into the Big House for six.

Elders cannot begin to grasp the differing challenges confronting the typical eighties baby—where survival represents achievement. With the deterioration of the 80's U.S. city into urban wastelands, single-parent homes, AIDS, and the heavy drug trafficking and usage culture of this earlier period; success is merely a byproduct of survival. Large swaths of territories within the nation began to appear where remaining alive and outside of the penitentiary represented small victories. I hail from the suburbs, and several of my high school classmates were so enraptured by an inner city thug culture that they were to end up jailed, killed, or drugged-up to the point of mummification.

There is a difference between those that instigate an act out of necessity and those that change faces simply to align themselves with the prevailing trend. I never cared much for being 'cool' or making friends. I continue to snicker at those that lose themselves seeking to ingratiate, referring to them as 'simps,' one part stupid; one part chimpanzee; all parts simpleton. Simps play the thug role although they may be of middle class origin. Simps sponsor others—potentially financing the lifestyle of a love interest that does not reciprocate this interest. Simps live for others. Men live for themselves.

But I digress…

For the echo boomer survivor, entry into elite institutions became a hypercompetitive undertaking, as sterling high school grades simply were not enough. One must take honors, complete rigorous assignments to earn A's, volunteer, secure internships, lead the band, and make the team simply to be a viable *candidate* at a top institution. The demands continue at The University in order to secure sufficient job placement, or the acceptance into graduate school.

Never mind the fact that many of us were to graduate during the depths of the 2000-2002 economic meltdown. Wages have been unable to keep pace with energy, education, and real property inflation. Homeownership and the capacity to build savings are only pipe dreams for numerous debt laden, urban eighties babies.

Contemplate these words, review my numbers, and consider the intangibles before you address my person: I am one Tough Cookie.

It is a small wonder why many members of my generation reach a point of exhaustion and implode. I cope by behaving with a nearly militant obsession with the preservation of time and capital. I cope simply by eliminating distractions and avoiding sensory overload. I cannot be every where every time and can only address the most pressing of matters. I am unapologetic with the allocation of my time as the individual that strives to be all things to all people at all times will only self-destruct.

Hence, I don't particularly think of myself as overpoweringly intelligent. I simply avoid mistakes by prohibiting myself from participating in foolish activities. I seek to move ahead by grinding out small gains of yardage on this gridiron every day.

I have been informed at every major junction of my life of that which I could not accomplish. My typical response is only to fasten my pads, grab a helmet, affix the chin strap, shut up, and play. We can settle the score on the field. If one wishes to taunt my person, we may both point to the scoreboard and list our achievements. Although my numbers may be lesser in scale—I cannot be ashamed of any outcome in which the maximum effort has been generated.

I also recognize the time value of money and success. Whatever opinions and projections that have been formed thus far as to my progression must be extrapolated exponentially from this point. Financials and achievements do not grow in a linear fashion, only textbook analysis moves thusly. The happenings of real life inevitably draw an irregular path of fits and starts.

This company may flat line for several years before instantaneously becoming a raging success—allocating extraordinary amounts of capital. The company may start quickly, experience periods of contraction, and then resume its original upward trajectory. Perhaps the company will continue a trend of slow and steady growth, emerging over time as an imposing financial powerhouse. We are unable to predict the future course of events.

Frankly, I would prefer to battle and grind for every inch of advancement. Victory is sweeter this way. The sheer fortitude that has been required to make it to this point ensures that I may not fall victim to any misplaced diversion, goal, or sideline. One may not dismiss these accomplishments as a one time spin of The Wheel.

I have arrived in a city 1,000 miles away from home and set up shop without the familiarity of a single acquaintance. I choose to remain at this location, although the business is possible to operate from any phone booth. Hence, Chicago has very well become my city as much as it is anybody else's.

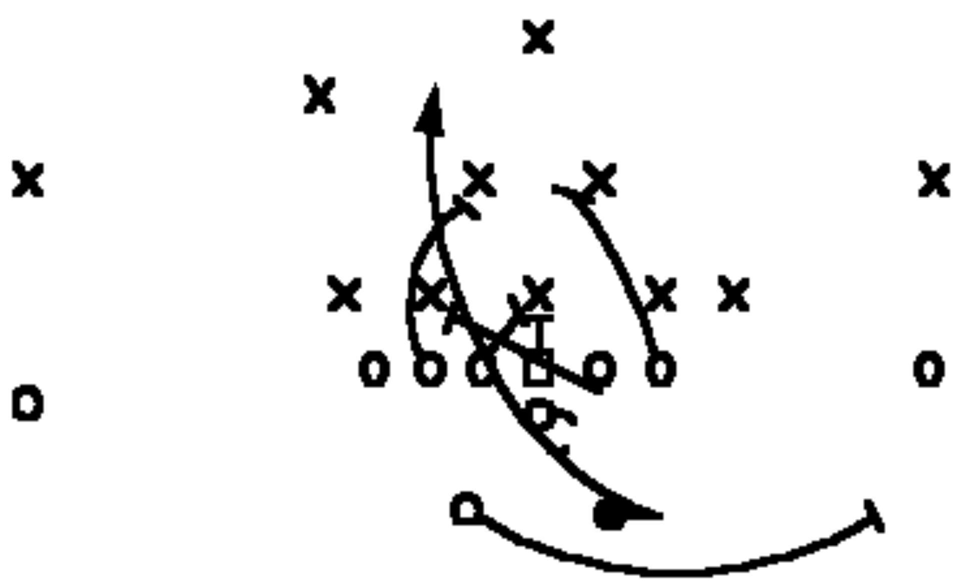
We could not have found a more suitable location to do business our way. Chicago has emerged as a sophisticated oasis, towering over the Midwest prairie. The city has risen from its blue collar roots of shipping, meat packing, and manufacturing to become a leading metropolis. This is a place where fortitude is a requirement. This is the City that Works.

The city continues to savor the championship run of the 1985 Chicago Bears. In this Bears Town the Super Bowl overshadows the six championships of Michael Jordan's Bulls and the World Series of the South Side White Sox in the hearts of many. Da Bears represent one of the few unifying forces of this divided city. Chicago is less of a cohesive melting pot, than it is a stratified mix of ingredients that may not always mesh: Chex Mix, if you will.

Demographics aside, this is a city of winners—the fixtures of Bears' lore are the epitome of toughness: Dick Butkus, Mike Singletary, Buddy Ryan, Mike Ditka, Jim McMahon, Brian Urlacher, Walter Payton, Gale Sayers, and Papa Bear George Halas. There may be no sports venue that is more intimidating than a blustery, winter night underneath the lights at Soldier Field. The swirling winds, cascading snowfall, and deafening noise of 60,000 rabid fans have decimated the will to compete of many a foe. Chicago ain't a place to get cute.

Bear football is not about trickery, or gimmick plays. This is about lining up, outsmarting, outworking, and overpowering your man.

This is the Game of Life. This is The American Dream. Read and React. Block until the Whistle; or fall victim to 'The Trap.'



IV. Appendix

Set, Hut…

Exhibit A – Corrections

In last year's report, Touring 06 we documented 4 shares of Berkshire Hathaway worth $9,129.00. The actual position was 3 shares of Berkshire Hathaway worth the same $9,129.00. The statistics for BRK were indeed correct on subsequent pages.

Exhibit B – Performance

We present our performance in comparison to the broader market Standard and Poors 500 Index. Energy remains the key component. Of course past returns are no indicator of the future and we may not telegraph future movements. Perhaps the only information which truly matters:

Year	ONYX INVESTMENTS	S&P 500 Index
2004	41.000%	9.000%
2005	19.858	3.000
2006	15.976	13.600
2007	9.694	5.900

Exhibit C – Sources / Inspirations

Onlookers often pass inquiries regarding the source of my ideas. I do not rely on ghostwriters or editors. My roots are in Ghana and The Deep South – I appreciate the desperation and the diligence of the immigrant and those that have been discriminated against to capitalize upon any opportunity. I am thankful for the fact that the importance education and freedom were the concepts that were stressed to me from birth. I learned to reject excessive materialism and consumption through osmosis. It is child like to lack self control – children are captivated by trinkets and contrary emotions. Leaders show discipline.

I study Western Thought so that I may undertake the means necessary for survival in this system. I have made acquaintances ranging the gamut of success. I compare the traits of the successful to those that flounder along miserably. I know of people that may not always receive the accolades, yet exhibit the heart of a Champion by continuing to toil without immediate reward. I reject the idea of retracing the footsteps of any direct predecessor. Although one may be given the tools, man must make his own way.

Source – Inspiration	Description
Family	Education is all-important. The strength to be an individual.
'Tough Cookies'	Perseverance. Battling through all roadblocks.
A. Hamilton / Ben Franklin	Revolutionaries risked death for Freedom.
Frederick Douglass	Built a Legacy from Nothing.
John D. Rockefeller	The Greatest businessman. The Greatest philanthropist.
Martin Luther King	Revolutionary that died for Freedom.
Warren Buffett	The Greatest investor.
Transformers / G.I. Joe / He-Man	Good prevailing over Evil. Leadership—particularly Optimus Prime.
Michael Jordan	Fierce competitor demanded respect. The Will to Win.
John Madden	The ability and enthusiasm to present complex ideas to the novice.
The Road	Confluence of man, machine, infrastructure, and energy: (Touring06)
Lyrical Wordplay	Versions of rap, r&b, and poetic lyrics often appear in my works.
Media	Live in the Fantasy, rather than Watching the Fantasy.
Wall Street Journal	Commentary must be read with cynicism.

Exhibit D – 2006 ‘Ghost’ Stocks Revisited

The following items were presented at this point last year. As stock pickers, we must acknowledge the errors of commission and omission. ‘Ghost’ Stocks have been bought and sold, or represent shares which we have seriously contemplated purchasing. Our top gaffes were our dismissals of General Motors and Google. G.M. has been the top stock in The Dow Jones Industrial Average. Google stock has spiked from $85 towards $600. Either of these stocks would have trumped our decision to take a flyer on Starbucks. We were also blindsided by the merger talks of The Chicago Board of Trade and The Chicago Mercantile Exchange. These happenings literally occurred in our back yard: ONYX is located at 111 W. Jackson. The Board of Trade is located next door at 141 W. Jackson.

Was I asleep?

Investors may note that even my secondary ideas have provided exceptional returns. Oil shares have outperformed, financials have exhibited strong appreciation, and AIG has emerged strongly from its prior troubles. The only questionable name on this list is Whole Foods. Whole Foods stock was to enjoy spectacular appreciation, inevitably to fall victim to a missed earnings target and downward pressure on the shares. Let us hope that these ‘ghost’ stocks do not continue to haunt us:

Stock	Description
AIG	Accounting shenanigans and ouster of Greenberg were buying opportunity.
Apache	Top independent oil exploration dealmaker.
Caterpillar	CAT nirvana: stock rides commodity, construction boom.
Coach	Luxury leather goods maker, shares bought and sold.
GS, C, LEH, MER	Financials inevitable necessity, but daunting interest rate environment prevails.
General Motors	Terrible business. Excellent price.
Google	Excellent business. Terrible price.
K-Mart / Sears	K-Mart merged into Sears Holdings, shares bought and sold.
McDonalds	Golden Arches an ideal stop along toll road.
Valero Energy	Top oil refiner
Whole Foods	Excellent business. Terrible price.

Exhibit E – 2007 Ghost Stocks

We place trades at the moment that we discover the superior investment risk-reward merits of another issue. Starbucks stock has been thought to be a potential source of capital for the purchase of both Pepsi and Wrigley. Coke would also be sold, as we would not wish to duplicate positions of mature, consumer staple stocks. Coke remains on the books as a relative value play in comparison to Pepsi. Starbucks stock is a growth story, and along with ERTS and BBY carries the potential to add a measure of explosiveness to this portfolio that is missing from the typical industrial stalwart. We are lacking a Chicago presence—vital if for no other reason than to hob-nob with The Windy City investor class at shareholder meetings.

Stock	Description
Kraft Foods	Altria spin off dumped for cash. Food is a low margin business.
MMM - ‘3M’	Traded for United Technologies. UTX deemed to be a superior industrial.
Pepsi	Contemplated packaging SBUX and Coca Cola (KO) for PEP.
United Parcel Service	UPS traded ‘straight up’ for Burlington Northern – the victim of high fuel costs.

Wrigley	Contemplated trading SBUX for WWY; or KO/SBUX for WWY. See 'Chicago.'
Chicago	Boeing, IL Tool Works, CAT, Sears, CBOT, and The 'Merc' remain on watch.

Exhibit D – Favorite Footballers

Almost every little boy's Dream is to play in the National Football League. As I was born in 1980, the performances that I am able to recollect began in the mid to late eighties. I will always admire toughness, desire, and awe inspiring natural talent. Any individual that has risen to the pinnacle of his respective profession should be lauded. There are names on this list of individuals that may have never received the Glory of the unequivocal superstar, yet continued to battle in the trenches, nonetheless. There are certain players that have dealt with the pressures of being hailed as saviors of entire organizations and cities flawlessly; without crumbling beneath the pressure. Lastly, we have listed several players that have come into The League with little fanfare, but have built Hall of Fame careers through a relentless dedication towards the craft. There are infinite amounts of life lessons that may be gleamed from this Game.

Name	Rationale
Madden/Summerall	The Greatest Sports casting duo of all Time.
Joe Montana	Simply a Winner.
Jerry Rice	The Greatest Receiver of All Time. Tireless Work Ethic: 5 Hour Workouts – 6 Days per Week.
Bill Walsh	Offensive Genius. Won 3 Super Bowls. Disciples: Seifert, Wyche, Holmgren, Shanahan, Dennis Green, etc.
Darrell Green	The NFL's Fastest Man. Refusal to Quit on Tony Dorsett Play.
The Hogs	Washington Redskin Offensive Line. The most cohesive of units.
'Moose' Johnston	Lead Blocker for top statistical rusher Emmitt Smith.
Jim Kelly	The heart and toughness of a linebacker; at the Quarterback position. Lost 4 Super Bowls.
Thurman Thomas	Underrated all around back in the shadows of Barry Sanders and Emmitt Smith. Lost 4 Super Bowls.
Bruce Smith	Unstoppable end rusher. Lost 4 Super Bowls as a member of The Buffalo Bills.
SEC Football	Ann Arbor, Columbus, and Madison may disagree; but the Big 10 cannot match Football in the Deep South.
Steve Spurrier	Florida's Ol' Ball Coach would comically run up the score on the hapless opposition.
John Elway	Golden Boy Quarterback lost 3 Super Bowls before claiming two Championships to finish his career.
Deion Sanders	Shut Down Corner. Prime Time Entertainer.
NE Patriots	The former laughing stock of a franchise has become the most efficiently run operation in all of sports.
Tom Brady	Unheralded 6th round pick. Backup QB inserted into game due to injury. Proceeded to win 3 Super Bowls.
Bill Belichick	Defensive genius has proven his mettle as a winner of 5 Super Bowls with NY Giants and NE Patriots.
Giants / Eagles Fans	Knowledgeable NY and Philadelphia 'Iggles' fans will not tolerate incompetence from the home team.
Thomas Jones	The Heart of the Bears' Offense. Jones being dealt to the NY Jets is an absolute tragedy.
'85 Bears	Buddy Ryan vs. Mike Ditka, Super Bowl Shuffle, Refrigerator Perry, Jim McMahon, Danimal
Michael Vick	The most naturally talented, electrifying athlete to play Quarterback.
Julius Peppers	Recruited to play varsity basketball at UNC from pick-up games at Woollen Gym.

Exhibit E – June 30, 2006 Positions

Shares	Description	Value
600	ExxonMobil Corporation (XOM)	$36,810.00
250	Best Buy Company, Incorporated (BBY)	13,710.00
132	Minnesota Mining and Manufacturing (MMM)	10,661.64
3	Berkshire Hathaway Class B (BRK.B)	9,129.00
100	United Parcel Service, Inc. Class B (UPS)	8,233.00
120	Federal National Mortgage Assn. (FNM)	5,772.00
125	Coca Cola Company (KO)	5,377.50
124	Nike Incorporated Class B (NKE)	5,022.00
100	Electronic Arts (ERTS)	4,304.00
65	Danaher Corporation (DHR)	4,180.80
100	Starbucks Corporation (SBUX)	3,776.00
	Total Equities	106,975.94
	Cash, Cash Equivalents Available for Withdrawal	22,504.00
	CAPITALIZATIONONYX	**$129,479.94**

*Reflects a 2:1 NKE split.

Kofi Bofah, Chairman
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June 2007