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ONYX

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

T O U R I N G, 2 0 0 6

DAN RYAN

COMFORT	**870,520 MILES**
GOAL	**999,870,520 MILES**

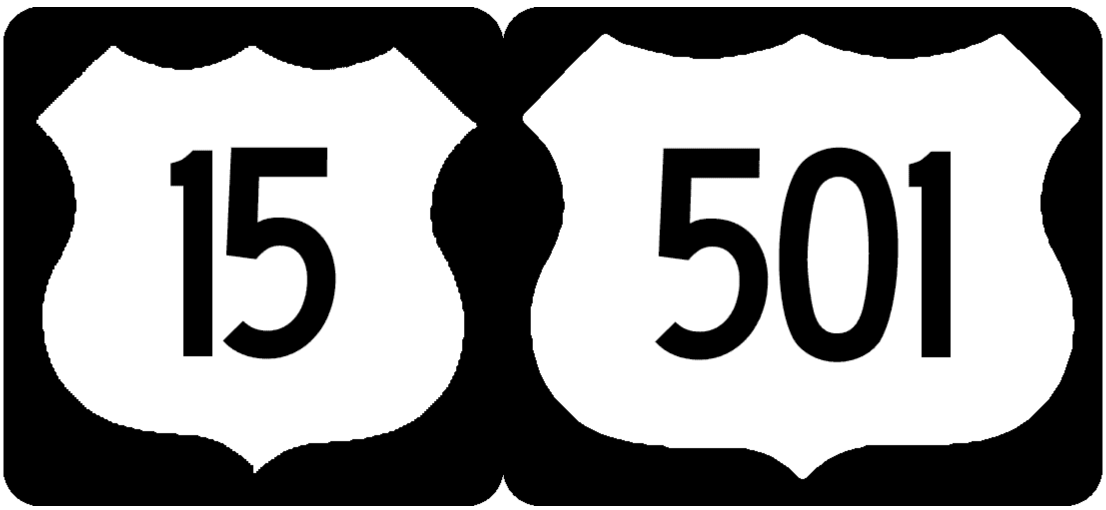
INVESTOR MEETING: July 15, 2006, 7p.m. at 111 West Jackson – Suite 1108

Dedicated to those that chose to ride from Day One.

Dedicated to those that chose to follow another route.

Without both parties, 'this' would be nothing.

You will continue to motivate.



I. Philosophies

June 30, 2006

Reader:

Your chairman has maintained a strong affinity, if not an obsession for both physical and capital infrastructure since childhood. I continue to marvel in awe with respect to the manner in which people, goods, and services seamlessly orchestrate movements from corner to corner of the universe. How does one navigate from Dayton, Ohio to Naples, Florida? How does Iranian crude oil extract itself from rock formations thousands of feet underground and move into the combustion chambers of Boston commuters? How is it that wages earned by laborers toiling on an Idaho ranch recycle themselves into tax dollars, steel, and concrete?

Indeed the transport and transfer of production, capital, and wealth is breathtaking.

The process is nearly so complete that the infrastructure goes largely unnoticed to the individual. The strengths of this well-oiled machine are taken for granted, particularly during times of prosperity. It is the free market competition to satiate supply and demand which enables the invisible hand of Adam Smith to pave the way. The fact that accidents, or financial meltdowns do not occur with greater frequency is a testament to the viability of the system.

Although we respect the status quo, do not confuse reverence for naiveté. We are well aware of the negative byproducts of capital markets: social stratification, mania, greed, and inevitable bust. These are issues that we have touched upon briefly with prior writings, but believe to be subjects beyond the scope of our message. As our evolution as a corporate entity demonstrates, we operate within the system to manufacture our ends as true capitalists.

Let us delve further into our presentation of the parallels of transportation and capital infrastructure. At minimum, transportation enables matter to fulfill needs. Amoeba float towards nutrients, livestock roam the prairie to graze, and individuals encircle the globe seeking the most permitting situation for survival. As societies organize, capital provides the framework that promotes transport through a plethora a barriers. These are the stories of Horatio Alger, Madame C.J. Walker, Robert Johnson, Rockefeller, and Carnegie. These are the stories of everyday, working-class people that have tapped capital markets in order to fund educations, homes, and retirements.

Blessed is he whom is able to globetrot across oceans, traverse rugged mountains, navigate scorching desert, and bridge daunting waterways. Not only has advancement and engineering created adequate infrastructure to facilitate the transport of the individual, but the theme of equity capital has constructed an infinite amount of links and crossings so that one may master his universe without exerting one iota of physical capacity.

As we shall demonstrate, access to capital is the possibility to control real estate, oil platforms, storefronts, software, packages, and media separated by thousands of miles from the comfort of one's very own home. Indeed, the dual engines of transport and capital infrastructure provide access to materials which enable the individual to construct a legacy that will stand the test of time.

Of course, progress is manifested by the advancement of the aggregate, rather than the achievements of one individual.

Amazing, is the fact that the human race may dominate without superior, size, speed, grace, or strength. Domination is achieved by establishing one's position as the most intelligent animal.

Such is the manner in which we choose to operate.

This is equally a philosophical endeavor as it is an exercise of wealth creation. We do not create with the intention of introducing radical thoughts, nor do we wish to structure a platform in which to deliver propaganda. We present in a manner that the casual reader may ascertain our thought process and business maxims without an avalanche of jargon.

We select an image as the standard bearer to this report that initially appears to have been presented without merit. Recognizing our preceding discourse, the Interstate 94 shield gracing the cover collects some degree of symbolism. With the following analysis, the 94 shield is nothing short of essential.

Of course, ONYX INVESTMENTS, INCORPORATED is headquartered in Chicago, Illinois. I-94 is both a critical route throughout Chicagoland and a vital link accommodating traffic throughout the industrial Upper Midwest. The route traces its beginnings as an expressway connecting the war-time manufacturing centers of Ypsilanti, Michigan to a stable base of Detroit labor. Ironically, a brief review of the spending habits of this company and chairman represent our own version of mobilization: our war chest is built from cash and stock. We ration capital in order to prepare for the inevitable skirmishes of market downturns—the inevitable economic warfare of recession and bust.

Military analogies aside, we recognize that the efficient navigation of the area without utilizing the route is impossible. Interstate 94 designates a ribbon of asphalt that not only serves as the vital artery of Detroit, Chicago, Milwaukee, and The Twin Cities, but straddles numerous routes into the Eastern Seaboard and Deep South. Of course, this commonality has calmed the nerves of many a lost traveler upon the sight of 'I-94' reassurance signage. Contrary to the infinite value accorded courtesy of the road, motorists may tour 94 free of charge, with the exception of The Tri-State Tollway from Lake-Cook to the Wisconsin line.

In like manner, we endeavor to represent an indispensable link between the client and his financial goals; the individual and his needs. In like manner, we endeavor to represent a shield of reassurance, maintaining a regular pattern of value oriented management throughout any and all macroeconomic conditions. However, in variance to the 94 Freeway, access to this highway may only come with a price.

As we undertake the presentation of our portfolio, readers may note that we have begun the process of constructing a toll road which is impossible to circumvent. We may describe ourselves as booth operators, collecting payments along principal arteries of capital-traffic: energy, insurance, electronics, consumer staples, industrials, footwear, housing, and logistics. Payment is mandatory.

What academics may deem to be 'diversification,' we describe as an omnipresent toll road.

Alarmingly for those that have balked, or submitted to a mere patronizing utilization of our services, our toll road cannot be avoided. Although the on-ramps are infinite, this expressway has been built without exits. In fact, our Capital Expressway is an essential route for those in which we have yet to make an acquaintance. We collect small tolls on unfathomable amounts of gasoline burned, soft drinks consumed, materials shipped, homes purchased, and electrical gadgetry enjoyed. Again, avoidance is only to the detriment of one's convenience.

At the time of this writing, Interstates 90 and 94 (Dan Ryan) are undergoing a massive reconstruction project. Work has been scheduled to improve access ramps, surfacing, and overall traffic flow. Construction along the most vital link in the Chicago transportation network has not only snarled traffic along the corridor, but disrupted patterns along a number of alternate routes. The increased congestion of parallel thoroughfares is quite noticeable, with vehicle counts doubling from Stony Island to Lake Shore. Also, veterans of public transportation have become cranky, inconvenienced by the influx of rider ship along the Chicago Transit Authority and Metra commuter trains.

Perhaps the gross upheaval is simply punishment for decades of neglect. The Dan Ryan has carried a level of traffic exceeding multiples of capacity over the course of twenty years with minimal maintenance.

Lessons learned from the observation of a roadway project are par for the course for both prudent money management and a productive life outlook: the perpetual thirst for improvement, the maddening phenomenon in which the neglect or ignorance of a particular area always debilitates the functioning of others, and lastly, the fact that the situation must often worsen before one may prosper.

We heed these maxims as we acquire knowledge of all financial instruments in order to capitalize upon their respective strengths and weaknesses in the name of diversification. We heed these maxims so that our conviction may be galvanized during the inevitable storms of business and market turbulence.

Like every tangible creation of mankind, the highway is not perfection. The quirks of the system are numerous to the careful observer: East and West signage of The Edens / Kennedy / Ryan / Ford which clearly track a north and south orientation through The Windy City; the maddening dual-plex of the Virginia panhandle, where drivers apparently are traveling north and south simultaneously along I-77 / 81; the disappearance of I-95 in Central New Jersey; the lack of a decent connection from Jersey across lower Manhattan into Long Island; and the 'Not in my Backyard' mentality of Baltimore-Washington which has stalled the interstate system of the area in a phase of immaturity. Both cities carry a famous tendency to abandon major projects, characterized by the 'ghost' ramps to nowhere of Baltimore, Maryland.

Whereas contrary signage and gaps within the transportation network are rarities, explicit directives concerning financials are nonexistent. There are no highway posts telegraphing which investments should be purchased. There are no mile markers designating the distance from a fruitful retirement. There are no lane markings, traffic signals, and guard rails representing the boundaries of perfectly efficient money management. There is no formulaic route of magic traversing the landscape as both systems are incomplete due to both human error and necessity.

Similar to capital, the road may exacerbate fear, greed, mania, and division. We require no further evidence than 94's Detroit, St. Joseph / Benton Harbor, Gary, and Chicago. The story has been repeated time and time again throughout the industrial Mid West—the rise and fall of manufacturing and labor. The Gilded Age initiated the boom, with industry flocking to the area, attracted to its waterways, resources, and hub-like logistics. Labor followed, cajoled by the job creation and stability of America's workshop. As protectionism declined during a period of relative international stability, competition intensified and manufacturing opportunities migrated overseas. The proud Steel Belt has oxidized into Rust; the deterioration blatant from Pittsburgh to St. Louis.

For example, the freeway system has indirectly ushered forward the decline of the city of Detroit. The powerful Big Three comprised of Chrysler, Ford, and General Motors effectively christened The Motor City as the birthplace of suburban sprawl. Obviously, automotive executives strove to expand the market and sought to fortify a presence. Lawmakers, coddled by the industry conveniently ignored the concept of mass transportation, constructing an over-built network of spaghetti-like tangles of road. To this day, attempting to navigate The Motor City without a vehicle is laughable—public transportation in Southeast Michigan is an utter farce.

As manufacturing declined, well-heeled residents fled, utilizing the freeway to abandon the city. Commuters from Pontiac to Allen Park could jet set around the region along the Chrysler, Southfield, and Fisher. Commercial inner city boulevards and areas such as Woodward from downtown to 8 Mile became useless albatrosses in terms of moving traffic and were consequently economically, politically, and socially devastated. Sociologists refer to the phenomenon as 'white flight.' Regardless of racial demographics, the capital flight has been immeasurable.

The transfer of wealth accommodated by the freeway resembles that of capital markets. Suburban Oakland County, Michigan represents one of the nation's wealthiest enclaves—the city of Detroit, a textbook example of urban blight. Capital markets are brutal— constantly rewarding strategic ownership with greener pastures, while systematically obliterating the debtor.

We identify strategic ownership and the term 'assets' with the slimmest of definitions. Assets represent only those items purchased demonstrating a realistic opportunity for capital appreciation. Ownership produces income in the form of regular payments or deferred capital gains. These are items in which owners are entitled to collect income merely for the execution of the transaction. Wealth is transferred from the consumer-debtor, to the owner.

The debtor owns little to nothing. Ironically, he has been conditioned to appraise capital markets with suspicion. He fears the loss of investment capital, yet continues to purchase material items that guarantee losses. At the point of sale, vehicles often depreciate by 30%, clothing depreciates to nil, and the value of electronics nearly vanishes. Rare is the investment that will collapse towards zero the moment of purchase. An investment guaranteed to depreciate is nonexistent.

The debtor labors for the investor. He toils at the workplace to generate income for bondholders and shareholders alike. His consumption habits also act to line the pockets of stakeholders. Monies spent on gasoline, entertainment, and services flow back to the investor in the form of income and capital appreciation.

The consumer-debtor may find himself struggling within a value trap of his own creation. The value trap on Wall Street describes an investment which may appear to be a bargain, but in reality is a black hole of future losses. Shoppers often claim that an item has been purchased 'on sale,' casually neglecting the idea that monies have still been spent.

Utilizing nominal price as the sole determination of value is a dangerous precept. Price, without background means nothing. In the investment realm, share price is arbitrary. We may demonstrate in the following section the fact that stock priced at over $3,000 per share is a tremendous value relative to stock priced in the $30 range. Obviously, opportunity cost, time value of money, and a mechanical understanding of percentages must take precedent over 'price' with every transaction.

For the sake of simplicity, we present a vehicle priced at $30,000 with a corresponding monthly payment of $500 over five years. Although the item may be priced at $30,000, the value of the durable good is indeed larger. $500 invested monthly at 12% yields $41,243.18 over the course of five years. Going forward, the lump sum of $41,243.18 generating historical returns morphs into $449,243.55 over twenty years. The hapless consumer has destroyed nearly half of one million dollars for a liability, masquerading as an 'asset' that will eventually depreciate into scrap metal. Discovering additional insult, our scenario has not factored the outflows of interest payments concerning the vehicle.

Presenting the consumer-debtor with an investment agreement, featuring a $500 monthly commitment and duration of five years may represent an invitation for ridicule. Of course, the material buyer will forge ahead with the vehicle purchase without a second thought of true opportunity cost.

Certainly, shareholders will gladly accept payment, reinvesting monies from the consumer's pocket back into the system.

The numbers do not lie. Misinterpretation is the difference maker and a lack of respect for the percentages leads to self sabotage. We maintain a contradictory presence within two worlds: as financial advisors, the ignorance concerning 'price' and 'value' is perturbing to the point of disgust; as investors, this ignorance is the fundamental basis of suppressed snickering in public and slaphappy guffawing behind closed doors. The mission of smart money is to exploit this price / value differential.

We define opportunity cost as the value of what one has forsaken by the execution of a particular transaction. Under our prior example, we presented the sticker-price of a vehicle to be $30,000—opportunity cost approaching $500,000.

Although the systematic valuation of opportunity cost is an inexact science, we must always respect the idea. The compilation of minute transactions will determine the location of millions of dollars of wealth in the aggregate. Investing is a process in which a few timely decisions may manifest themselves into enormous wealth, while a number of missteps lead to mediocrity, or at worst, ruin. The game is far from easy.

At this point, our rationale to exercise discretion and restraint should be obvious. As stewards of capital and information, our chief responsibility is to protect the interests of shareholders. Discretion enables the company the ability to minimize competition while preserving investor privacy. However, we respect our responsibility to present adequate information that enables stakeholders and prospective partners to perform rational decision-making.

Without question, the most vital section of this report follows. Subsequent information is indeed powerful and its misuse may lead to frustration and the loss of value. Yes, we are gatekeepers, often protecting the client from his own self.

In other words, do not try this at home.

II. The Money

Without further ado, we present the capitalization of ONYX INVESTMENTS, INC:

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

The preceding may be supplemented by items under the title ‘Kofi Bofah.’ Although the following positions remain outside of our corporate umbrella, the delineation between the chairman and the company is blurry as ‘Kofi Bofah’ and ONYX INVESTMENTS, INCORPORATED may be perceived as interchangeable. In order to maintain some semblance of executive privacy, positions are listed in order of importance and valuations are conservatively estimated in the aggregate. Personal holdings within ONYX have not been itemized so as to avoid a ‘double count’ in capitalization amongst the two entities:

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, 60,000 miles	Depreciating Towards Nil
CAPITALIZATION$_{\text{Kofi Bofah}}$	**Approaching $100,000**

Juxtaposition of the entities ‘Kofi Bofah’ and ONYX INVESTMENTS, INC. is far from black and white, the separation may be described best as a gray area. First and foremost, the idea of corporate immunity has become a mirage at the executive level. The verdicts of prior litigation demonstrate that no shield exists protecting the assets of upper management from the outcome.

I recognize the status quo and am willing to pledge the capital titled ‘Kofi Bofah’ to stem any crisis in liquidity.

In addition to ignoring this transparent corporate ‘barrier,’ the purchase of real property is an issue in which the idea of title may become hazy. Computing equipment, office furnishings, and literature have been bought with both cash and credit under the name of

‘Kofi Bofah.’ These items could be pledged to the corporation in exchange for additional shares and a larger stake in the business granted to ‘Kofi Bofah.’

Although the purchases have been executed for business purposes, I have decided to maintain title of these items under ‘Kofi Bofah’ for a number of reasons. Business merchandise was purchased at the time that I sought approval for the corporation from the Illinois Secretary of State. Articles of incorporation for ‘ONYX INVESTMENTS’ were nonexistent during the period. The paperwork essential to establish banking accounts was in transition from Chicago to Springfield. Hence, the bulk, if not all start-up costs were charged to ‘Kofi Bofah,’ *not* shareholder equity.

This is not a charity and I do not work for free. I recognize that in the event of complete meltdown, shareholders would attempt to lay claim to all assets under my possession regardless of title, leaving me with little more than my under garments. Obviously, the documentation of assets acquired with the intention of facilitating business is necessary.

However, the difficulty lies in valuation. Whereas millions of individuals appraise the value of stock every second, the worth of illiquid items such as furniture and technology is difficult to quantify with precision. We wish to present a capitalization of the company that is without bias and have omitted these durable goods from the ONYX balance sheet for this very reason.

The past is often an inadequate basis for the future. Capital goods purchased under ‘Kofi Bofah’ throughout the lifetime of the business may be exchanged for shareholder equity going forward. Real property or capital improvements may be purchased with funds drawn from ONYX INVESTMENTS, INC and will be listed as shareholder equity capitalization as conditions merit.

We are hopeful that the general onlooker may judge our statistics to be satisfactory. Perhaps two camps will emerge. One camp will remain stunned by the apparent lack of resources. One camp will remain stunned by the apparent overabundance of resources.

We will address these camps with the following.

The above information does not account for separate accounts managed by the enterprise. Although these separate accounts are invested in similar fashion to the above, we have created a barrier between what we deem to be longer term equity and larger amounts of funds which may be short term. We do so for the purposes of liquidity, control, and taxation. Large outflows of capital would be debilitating to investor psychology and sentiment. Hence, we wish to only present positions which are relatively stable. Individuals whom have and will enter into agreements to maintain separately managed accounts may review their positions on a case by case basis. We will refrain from the inclusion of these accounts as shareholder equity.

Recognize that the birth date of your chairman is May 12th, 1980. Obviously, having recently turned twenty-six, the role of the ally of time in the process of wealth creation has been minimal. Strife, terrorism, bust, and recession have been the hallmark during the majority of my working years. September 11th, a collapsing technology sector, the painful 2000-2002 bear market, and a searing recession mark the timeline of my ascension from wages to salary to commissions to Founder and Chairman. Of course, we are not ones to manufacture excuses, but critics must appreciate the reality. United States stocks have produced nothing during the current decade and skyrocketing real estate has limited the options of decent, affordable housing. In spite of limited growth in the aggregate, the environment has become increasingly inflationary.

Establishing oneself as a young adult has never been more difficult in the modern era.

The youth of the chairman aside, as we transcend the start-up phase, the bulk of resources have been allocated towards efficient execution, compliance, and research. At this stage, the foundation is all-important, expansion being secondary. It is not the amount of our capitalization which matters, rather the allocation of that capital that is the key driver. We shun ramshackle growth simply for the sake of growth and have in fact rejected more inflows than we have allowed. As a private enterprise, we reserve the right to accept, reject, and return funds for whatever reason. Regardless of amount, we deem particular types of personalities and monies to be detrimental to the health of the firm.

We reserve the right to close accounts without explanation and will continue to prune.

In spite of careful screening of the legitimacy of long term investment capital, redemptions can and will occur without warning. Experience has taught us the unhappy lesson that growing an investment vehicle while satisfying redemptions and dealing with a listless market is comparable to slogging through quicksand.

With the above in mind, perhaps our presentation maybe perceived as remarkable. Addressing those that may have been dubious towards our competence, we expend little energy upon counter-attack. Most likely, those whom may be critical have invested nothing, or little more than a patronizing pittance. Individuals must take heed that one's reality is far from all-inclusive. Simply because one has produced a dismal personal investment record, or engaged in foolery at a young age does not require us all to do so.

One must never underestimate his contemporaries.

We did not incorporate in order to play games, nor are we anxious to begin celebrating every small victory. Stakeholders must recognize that management (of one) is far from satiated. As the cover page and basic arithmetic indicate, comfort will be achieved with a capitalization of $1,000,000. The ultimate goal of controlling one billion dollars may consume a lifetime.

We are not in the business of providing stock tips. Equities presented within the portfolio do no signal the endorsement of the position as a legitimate option for the individual investor. In the spirit of diversification, 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.

The portfolio has remained concentrated, with equities held at any one moment ranging from two to eleven. In total, we have held stakes in thirteen different businesses since our incorporation. Obviously, positions will jostle amongst themselves in terms of size due to relative appreciation, capital inflows, and sales.

As interest rates remain low by historical standards, we maintain a negative bias towards fixed income and cash. The appearance of larger levels of cash on the balance sheet of ONYX INVESTMENTS indicates increasing bearishness towards stocks. Exceptional levels of cash are a useless asset itemized under 'Kofi Bofah.' Certificates, treasuries, and investment grade bonds do not offer competitive yields relative to the interest expense of a thirty year mortgage.

The bank is shameful, aggressively peddling measly 2-4% certificates to the customer, and recycling that capital into 6% mortgages and 13% revolving debt payments from the very same individual. The skullduggery is certified with a wink towards colleagues following every Federal Reserve rate increase.

Due to inflation, cash is death. Purchasing power is slashed by nearly half every twenty years. As inflation intensifies, big business often has difficulty transferring the increasing prices of materials into the market and onto sales. Central Bankers must influence higher rates of interest in order to reign in the economy and maintain price stability. Fixed income is simply agonizing as interest rates rise and the investor is trapped with a deteriorating asset that cannot compete with newer issues featuring higher rates of interest. Rising interest rates eventually add to the costs of borrowing, wrecking balance sheets and liquidity, crimping profits. Stock market investing is nothing short of brutal during times of profit slowdowns.

Rip Van-Winkle is cognizant of the idea that inflation is on the up-tick and the Federal Reserve Bank is predictably raising interest rates. Although robust, corporate earnings represent the last shoe to drop.

In other words, pick your poison.

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

$36,810 (600 Shares @ $61.35)
Price to Earnings: 10.47
Earnings Yield: 9.55%
Dividend Yield: 2.09%

ExxonMobil Corporation is the blue-ist of the blue chips, the epitome of not only Big Oil, but Big Business. This is arguably the most successful enterprise ever, rivaled only by General Electric in terms of longevity as a mega cap. Boasting a market capitalization of $350 Billion, 2005 revenues of $370 Billion and a net income of $36 Billion, Exxon is Big Business.

Of course, the numbers are gaudy, as the integrated oil company is the largest publicly traded outfit in the world by several measures. Employing approximately 85,000 employees, the efficiency of its labor pool would overwhelm a substantial list of entire nations.

Indeed, John D. Rockefeller, superior dealmaker would be proud of his creation. From the rise of Standard Oil, to its subsequent breakup, to the reunion of Standard Oil of New Jersey (Exxon) and Standard Oil of New York (Mobil), the company has maintained the qualities of its exceptional founder: seamless integration, conservative financials, and ruthless execution.

The 1999 merger of Exxon and Mobil Corporations has proven to be an unparalleled coup, spearheaded by the legendary Lee Raymond during a time of industry glut and depressed energy prices. With regards to the hundreds of billions of dollars in shareholder wealth manufactured by the former chairman, he may have earned every single penny of his $400 million retirement package.

Nonetheless, the firm has accepted the baton from Microsoft and Wal*Mart as the most despised enterprise on the planet. The allegations of price gouging, the swash-buckling disposition of the Texas oil man, the enormous Lee Raymond retirement package, and the unapologetic ignorance of global warming have only added to the backlash. Lawmakers continue to incite the rage, agitating constituents with an all-to-convenient Big Oil scapegoat.

Irrespective of the glare, ExxonMobil shares represent the most important position of ONYX INVESTMENTS. XOM has supplied the framework under girding our road to riches. Not only has the company remained dominant in terms of allocation and returns, but a significant portion of start-up capital for this company was a product of liquidated Exxon shares originally purchased by your chairman. Recognize that from start-up, ONYX has become a miniature conglomerate in which no sector has maintained a greater impact than Big Oil.

XOM has generated both superior capital appreciation and exceptional dividend income throughout our history. Our hefty Exxon position demonstrates that we are far from timid in regards to allocating capital towards attractive issues. We aggressively purchased the stock during 2004, tapering off our commitments through 2005, particularly in the aftermath of Katrina. During 2004, $50 oil was a novelty; during 2005-2006 $70 oil became the expectation. The Oil game has become speculative and we fear that our best investment may hinder future performance, succumbing to the past mania.

Ironically, Exxon stock is sputtering, perhaps shares have run out of gas.

Featuring a price / earnings multiple of ten and a dividend yield north of 2%, Exxon shares appear to be a compelling value. In terms of price to earnings, XOM is a bargain, Fannie Mae representing the only other equity of the portfolio which is cheaper. In reality, these attractive figures may represent an investment boobie-trap.

Cyclical stocks, particularly those privy to the boom and bust of a certain commodity trade in patterns which are contrary to textbook investing. Typically, low price earnings ratios indicate value. Obviously, purchasing stock for $9 per every $1 of earnings is a greater bargain than a similar investment charging $20 per every $1 of earnings. However, in the case of cyclical issues, the opposite is true: exceptionally low price to earnings ratios often indicate richly, if not overvalued stocks.

As earnings are the denominator, bloated profits increase the divisor, presenting a price to earnings ratio which is irrationally low. Although oil continues to stubbornly cling to $70 per barrel, deterioration or even a collapse in price is to be expected. The laws of supply and demand perpetuate a cycle of limited supply, high prices, reduced demand, bloated supplies, reduced profits, and limited supply again. The cycle is one of extreme volatility in the commodity arena where pricing power is nonexistent.

Although Exxon, British Petroleum, ChevronTexaco, Royal Dutch, and the Organization of Petroleum Exporting Countries (OPEC) all may generate headlines touting their perceived clout, it is impossible for any one entity or group of entities to collude and control proven global crude oil reserves north of 1 trillion barrels and demand exceeding 80 million barrels per day.

Not even Rockefeller could introduce price stability to the commodity during a time when it was assumed that Black Gold could only be located in the hinterlands of Pennsylvania.

The beginning of the end of the commodity boom may culminate with Exxon profits enduring a 50% reduction. All things being equal, the price to earnings ratio would skyrocket north of 20—too rich of a price to pay for a stodgy behemoth.

We recognized the risks and looked to build a supporting cast around our star throughout the mania punctuated by Hurricane Season 2005.

BBY—Best Buy Company—Richfield, Minnesota

$13,710 (250 Shares @ $54.84)
Price to Earnings: 22.57
Earnings Yield: 4.43%
Dividend Yield: .73%

Perhaps there is a new Sherriff in town. 2006 has marked a coming out party of sorts for the Minnesota retailer. In fact, returns have easily outpaced ExxonMobil, with positions nearly doubling in value within the past year. Returning a scintillating 240% over the past 40 months, BBY is no stranger to success. In spite of its history as a story stock, we have been pleasantly surprised that an equity purchased as a hedge to the downturn of commodity markets was to perform with such brilliance. Our only regret being that we did not subscribe to larger purchases.

Similar to the relationship of Shaquille O'Neal and recent National Basketball Association Finals M.V.P. Dwyane Wade of the Miami Heat, this new kid on the block refuses to accept defeat, rising to the occasion, effectively neutralizing the tragic weaknesses of an aging superstar.

Best Buy has stabilized the portfolio upon the numerous occasions in which Exxon has crumbled, falling victim to sagging oil prices. Although BBY is far from the Oil giant in terms of stature, Best Buy has carried the portfolio throughout 2006 as Wade has been the true driving force of the Heat throughout the season.

Obviously, a bet on Best Buy is a bet on the consumer. The consumer has demonstrated extraordinary resilience in spite of skyrocketing energy costs, higher interest rates, and deteriorating real estate. The American consumer, the champion of the world's economy will never be defeated.

Patriotism and clichés aside, Best Buy continues to execute as a Wall Street darling. The emergence of the company is nothing short of extraordinary, from regional consumer electronics retailer, to the unquestioned leader of the space. Best Buy has thoroughly thrashed rival Circuit City, with Wal*Mart representing the only serious 'competition.'

As Exxon may represent a value trap, Best Buy is the inverse. The risk stems from the purchase of what has been viewed as a 'growth' enterprise while the company transitions into maturity. Growth stocks carry rich premiums relative to earnings and are far from cheap. BBY trades at over 20x current earnings, meaning that investors literally must wait 20 years to break even on the investment. The rationale is the possibility of future earnings growth accelerating and creating value over time. As Wal*Mart and Microsoft investors will attest, the danger is overpaying for an issue formerly noted for its sprightly growth, but has matured into an aging, immobile, lumbering wreck.

This 'growth trap' is similar to offering a maximum contract to the likes of Gary Payton—or even worse, the Michael Jordan debacle in Washington.

Although the dividend appears measly, executives have demonstrated confidence in long term growth and continue to aggressively increase the amount of capital returned to investors. Over time, current purchases yielding scant dividend yields of .7% may evolve into lucrative beneficiaries of dividend income north of 10% of invested capital, the result of improved earnings.

Obviously, one does not purchase Best Buy for the dividend. This is a growth stock, capital appreciation being the attraction.

<u>MMM—Minnesota Mining and Manufacturing (3M)—St. Paul, Minnesota</u>

$10,661.64 (132 Shares @ $80.77)
Price to Earnings: 18.53
Earnings Yield: 5.40%
Dividend Yield: 2.28%

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 United Technologies (UTX) and General Electric (GE). As UTX and GE have proven formidable long term generators of shareholder wealth, our choice upon a suitable equity to represent the sector presented intense difficulty. Of course, the metric of value swung the decision in favor of the one-time hardscrabble organization from the uncompromising Northern Minnesota Iron Ranges. The selection has been vindicated as 3M has remained a leading performer within the Dow Jones Industrials throughout.

General Electric has deteriorated from the nimble machine led by Jack Welch, arguably designated as the superior manager of the era into, an unwieldy behemoth unable to extract noticeable value from a $340 billion capitalization. Although the stock touts an impressive dividend, we are cautious of any enterprise heavily reliant upon financials within a challenging interest rate environment. Intelligent money recognizes that GE Capital is responsible for a significant slice of overall GE profit.

GE stock has been suffocated by confusion. Is General Electric an industrial or a bank?

Although banking is essential to capitalism, investors may note that we have shunned the sector. Essentially, financials profit by deftly managing the yield curve or the interest rate differential across duration. For instance, profits are magnified by borrowing over the short term at 3%, and executing a long term loan at 7%. The ‘spread’ or net interest margin is 4%. As the Fed continues to hike interest rates, short term rates have risen, while long term rates have stagnated. The result is a ‘flattening’ of the yield curve in which the interest rate differential over time is negligible. Fundamentally, it is impossible to profit by borrowing funds at 5% and loaning those monies out to capture 5%. Although surprisingly agile during the Fed’s tightening campaign, the Citigroups, Merills, and Goldmans have all recently plunged disproportionately—the victims of ‘hawkish’ Fed rhetoric. The Fed has signaled its intent to facilitate price stability by continuing the upwards march of interest rates.

General Electric stock has been brutalized. While the banks marched higher, GE shares were held captive by an industrial bent. While the industrials stabilized, General Electric has been trounced right along with the banks. It has been the worst of both worlds since the departure of Welch for hapless GE holders.

The retirement of Welch marks another avenue connecting our purveyor of Scotch Tape, sandpaper, Post-Its, health care supplies, and transportation materials to General Electric. Three candidates emerged to replace the legend. While Jeffrey Immelt won the position, Bob Nardelli defected to captain Home Depot, and James McNerney, formerly the head of GE Aircraft Engines, abdicated to lead 3M.

McNerney was to eventually return to his aerospace roots and exchange the title of 3M Chief Executive for that of Boeing. The resignation of this respected gentleman initiated investor panic, creating a buying opportunity in MMM shares. Wall Street was not pleased with management back-peddling to fill a leadership void. The St. Paul conglomerate was to select George Buckley, formerly of Brunswick, Corporation as successor. Mr. Buckley has demonstrated staunch decision making, willing to shed underperforming units, in order to bolster shareholder value.

Although McNerney may have been disheartened by losing the battle over GE, he continues to win the war. Boeing and 3M stock have levitated under his leadership, while shares led by his former rivals have imploded.

We will continue to monitor our MMM selection closely, as the industrial sector presents several viable candidates for the slot.

<u>BRK.B—Berkshire Hathaway, Incorporated Class B—Omaha, Nebraska</u>

$9,129 (3 Shares @ $3,043)
Price to Earnings: 17.59
Earnings Yield: 5.69%
Dividend Yield: Nil

Berkshire Hathaway is the investment vehicle of a genius—the canvas of legendary Warren Buffet. With the exception of William Gates' Microsoft money and Sam Walton's Wal*Mart wealth, The Oracle of Omaha is second to none in the order of this generation's empire builders. He remains affixed upon the pantheon of businesspersons and has built the bulk, if not all of his fortune upon the mastery of equity markets. These facts alone should provide adequate rationale for investment.

Essentially, Exxon has functioned as the catalyst to strengthen our portfolio while the broader market is reeling due to rising oil prices. Hedging our Exxon stock and the direction of crude oil prices are Best Buy and The United Parcel Service. BRK is our last line of defense, providing a margin of safety amongst periods of extreme systematic weakness, or brutal declines.

Whereas the industrials, particularly General Electric tend to ebb and flow with almost perfect correlation to the overall market and economic outlook, Berkshire exhibits contrary tendencies. Berkshire Hathaway and Warren Buffett are rough barometers for the level of speculation or fear that may permeate the market.

Amongst times of irrational exuberance, Buffett's investment maxims centering on value are dismissed, Berkshire stock is dumped, and Buffett rapidly fossilizes into an investment dinosaur. As speculators drive the market higher, Berkshire critics emerge. Hot-shot money managers and thirsty journalists are convinced that Buffett is finished. 'Value' is out and 'growth' is in because *this* time, things are different.

Berkshire Hathaway, capitalized at $140 Billion is a conglomerate built from stodgy, old-line insurance, consumer goods, and industrial enterprises. The company has exploded from a capitalization of roughly $100,000 managed by a cheeky twenty six year old kid into a cash flow juggernaut with significant stakes in slices of Americana: 151.6 million shares, 12% or $7.8 billion of American Express; 43.8 million shares, 5.6% or $1.8 billion of Anheuser Busch; 200 million shares, 8.4% or $8 billion of Coca Cola; 100 million shares, 3% or $5.8 billion of Proctor and Gamble via Gillette; 19.9 million shares, .5% or $933 million of Wal*Mart; and 95 million shares, 5.7% or $6 billion of Wells Fargo. With the exception of Wal*Mart, these positions have remained fixtures of the Berkshire portfolio for decades.

The roster of wholly owned subsidiaries is equally conservative, yet impressive: GEICO, Fruit of the Loom, Dairy Queen, Shaw Industries, McLane, Buffalo News, Nebraska Furniture Mart, See's Candy, General Re, and Scott Fetzer.

Whereas we depict ONYX INVESTMENTS as an omnipresent toll road, Berkshire is Main Street, U.S.A. This is not the home of cutting edge technology, cockamamie enterprises, initial public offerings, Google, moneypit.com, gimmickry, or any exotic M.I.T. Geek algorithm trading strategies. This is the home of insurance, candy, razors, shampoo, banking, and furnishings. Buffett's Main Street is not about 'the next big thing,' rather the equity is a manifestation of the tried and true.

To critics, this is boring. Berkshire is some boring company, run by some boring geezer, in some boring Midwest backwater cow-town.

Although 1999 was a banner year for stocks, the year represents one of the worst periods in the history of Berkshire Hathaway. Markets were gripped by mania, fueled by the arrival of a 'New Economy' and stocks set records daily. Technology chiefs, bankers, and analysts meteorically rose from obscurity and became rock-stars. Investors became inebriated with risk: businesses exhibiting little chance for survival were the shares in high demand. Investor psychology had been dominated by mob rule. The decision making of otherwise intelligent men and women had degenerated beneath the logic of a kindergartner. Perhaps the coup de grace was Corvis Corporation, an enterprise which debuted as a publicly traded entity with $0 in revenues.

Buffett, was not convinced that 'this time, things were different' and remained on the sidelines. Of course, his stock, reputation, and supporters were hammered mercilessly. Class B issues shed roughly $1000 per share amidst the peak of the bull market.

Of course, the euphoria could not be sustained. Spring 2000 marked the beginning of the end, exposing the bull market as more smoke and mirrors than real earnings. Executives were jailed, analysts ridiculed, and 'New Economy' businesses were abandoned. Technology stocks were devastated, marked by the NASDAQ collapsing from a peak north of 5000 to lows south of 2000. The ensuing 2000-2002 bear market was nothing short of excruciating. Speculators were routed— out of money and out of work. Berkshire stock began to levitate through the malaise and Buffett was vindicated.

Berkshire Hathaway trades with negative correlation to the vicissitudes of mania. Ominously for broad market investors, the stock has remained mired in a tight range, through the majority of the past two years. Ominously for broad market investors, roughly $40 Billion of cash remain on the balance sheet. Buffett has complained of a lack of investment opportunities, citing unrealistic asset valuations and is reluctant to allocate.

Money-changers take heed. Bets placed on an aggressive investment program are bets placed against Buffett.

Are investors feeling lucky?

<u>UPS—United Parcel Service, Incorporated Class B—Atlanta, Georgia</u>

$8,233 (100 Shares @ $82.33)
Price to Earnings: 23
Earnings Yield: 4.35%
Dividend Yield: 1.85%

Essentially an airline stock, albeit an exceptionally effective carrier. The United Parcel Service ranks as the ninth largest airline globally in terms of the size of its airplane fleet. Contrary to the misfortunes of the airlines, UPS is a profit machine and economic bellwether.

Packages do not need to be fed. Packages do not complain about connecting flights. Packages do not require leg room and can be transported within close quarters. Packages are ready to move anytime from anyplace.

Benefits of moving cargo rather than people aside, the company has the luxury of operating within an oligopoly in which the market is dominated by only a few players. Federal Express, the United States Post Office, and Germany's Deutsche Post AG's DHL control roughly 90% of the overnight delivery business. The barriers to entry preventing legitimate competition from entering the arena are nearly insurmountable. Establishing a worldwide network with the ability to deliver materials from each and every zip code to each and every corner of the world is unfathomable. Logistically, execution of the task without any constraints of time is daunting. Logistically, execution of the task with the stipulation of mandatory overnight delivery is an absolute miracle.

We would not initiate competition against carriers FedEx or UPS if $50 billion miraculously appeared in our bank account. Establishing an entity with the expectation of stealing market share from the established networks and FedEx, UPS, DHL, and U.S. Post Office would be nothing short of lunacy—a one way ticket to the poorhouse.

Due to the lack of competition, customers know they must pay to play. Although the skyrocketing prices of jet fuel have decimated profits in the airline sector, the bottom line of the delivery sector has continued to surge. United Parcel Service has demonstrated the pricing power to include additional surcharges to delivery services for rising fuel costs. Customers must comply, as rival FedEx has also shown the capacity to apply these surcharges.

Obviously, the importance of the United Parcel Service as a facilitator of commercial activities cannot be overstated. Still, what has Brown done for us?

UPS, similar to Best Buy, 3M, Coca Cola, and Nike represents measured diversification. The group quietly enjoys the benefits of technology and international investment with a fraction of the risks. United Parcel Service crests upon the waves of both e-commerce and globalization. Best Buy functions as the conduit linking the consumer to technology; while 3M, Coca Cola, and Nike derive the bulk of their profits overseas, hedging against U.S. economic and dollar deterioration.

Again, what has Brown done for us?

UPS is a reliable enterprise, generating sufficient earnings and dividend growth, allowing international exposure without slogging through the labyrinth of foreign policy. The stock mitigates risks specific to our portfolio, serving as another counter to ExxonMobil, as the transportation group demonstrates negative correlations to crude oil. Indeed, The Dow Jones Transportation Index has repeatedly surpassed records throughout the first half of 2006, amongst moderating energy prices. Lastly, UPS facilitates e-commerce; hence technology sector exposure is generated without the risks of dumping money into 'thenextbigthing.net,' a firm destined to merge with 'worthlessinvestment.com.'

We itemize the smaller, complimentary selections of our capitalization:

Shares	Symbol	Description	Headquarters	P/E	Div. Yld.	Market
120	FNM	Fannie Mae	Washington, D.C.	6.24	2.16%	$5,772.00
125	KO	Coca Cola	Atlanta, GA	20.58	2.88%	$5,377.50
62	NKE	Nike	Beaverton, OR	15.03	1.53%	$5,022.00
100	ERTS	Electronic Arts	Redwood City, CA	57.39	--------	$4,304.00
65	DHR	Danaher	Washington, D.C.	22.57	0.12%	$4,180.80
100	SBUX	Starbucks	Seattle, WA	54.72	--------	$3,776.00

We will discuss these issues in the aggregate as their individual movements are relatively immaterial to performance. The trading patterns and behaviors of a number of these issues are similar to the lager positions described prior. Thus, elaborate discussion pertaining to these bit-players would serve as little more than repetitive discourse. Coca Cola and Nike represent dominant, mature consumer equities out of the Berkshire playbook, whereas Danaher is effectively a private equity company masquerading as an industrial conglomerate. DHR is one part Berkshire, one part 3M.

DHR is the leading performer of the group and should have garnered a larger amount of our investment capital. The Washington company controlled by the Rales family gleams cash flow from a variety of businesses including tools, water purification, and health care. Notably, the growth of DHR has completely outpaced Berkshire over the past decade, with only a fraction of the notoriety.

Electronic Arts is a consumer electronics purveyor specializing in video game software. Generally, ERTS exhibits comparable characteristics to Best Buy. However, as the gaming industry confronts a sluggish transition period profits have collapsed. Gamers are reluctant to purchase the entertainment until the next generation of machines has been properly introduced. Our two electronic outfits represent polar opposites: BBY has skyrocketed, ERTS has been thoroughly trounced.

Originally, with Best Buy fitting the bill as a quasi-technology stock, we did not deem the inclusion of ERTS to be a necessity. The stock only became a legitimate entry of the balance sheet as the shares were torpedoed by a brutal sell-off.

Statistically, at 57x earnings, the stock is wildly expensive. Statistically, at 10x earnings Exxon is a compelling bargain. Common sense indicates otherwise. Exxon boasts bloated profits exacerbated by an irrational supply / demand equation. Electronic Arts is the victim of the supply chain gaffes at Microsoft and Sony, depressing profits to abnormal levels. As indicated within prior sections 'e' and earnings are the divisor, skewing the p/e's of stocks towards irrelevance during abnormal times. Electronic Arts may very well be a bargain.

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 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 price 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.

Overall, the trend is obvious. As we brace for a listless market, value trumps growth. Although merely a diversion during bull markets, the dividend takes precedence during periods of market turbulence. Obviously, dividends represent essential components of the profit picture with markets generating scant single-digit returns, or even losses. Stocks paying healthy dividends are often mature businesses, returning profits to shareholders, rather than retaining earnings to fuel growth. Also, due to the time value of money, quarterly dividends mitigate risks to the shareholder. $1 today in the form of a dividend is more secure than $1 tomorrow in the form of a capital gain.

Berkshire Hathaway and Starbucks are the outliers. Berkshire has remained a key component in spite of its nonexistent dividend. Starbucks trades at 55x earnings and is indeed, exorbitant. The coffee maker has blazed a trail of exponential earnings growth and shares have rarely, if ever appeared cheap. Were Starbucks to maintain such an impressive trajectory, the purchase of SBUX at a fifty five multiple to current earnings would prove to be a steal in retrospect. As for Berkshire, we cannot scoff at the notion of Warren Buffett, the legendary Oracle of Omaha foregoing the dividend, preserving capital to direct towards more stocks, businesses, and profits.

Indeed, Berkshire stock, trading at $3,000 for B; $90,000 for A is a bargain relative to $35 Starbucks stock. Share price is arbitrary, earnings being the true indicator of value. $3,000 buys one share of BRK, 85 shares of SBUX. $3,000 entitles the investor to approximately $176.50 of BRK earnings, $58.60 of SBUX profits. For readers that remain ignorant to the definition of price and value, we have some lovely Arkansas oceanfront property for sale.

III. Conclusions

As we conclude our report, we have come full circle, having presented our philosophies, the manifestations of our ideas in stock, and the sequence of events and phenomena which act to further galvanize our beliefs.

It is a firm aptly named ONYX INVESTMENTS, as we operate within several groupings of contrary realms, similar to the layered black and white stone. We are both advisors and investors; diplomats and capitalists. We continue to build an enterprise with 'old money' principles, without the 'old money' connections. Communications usually present both sides of the coin, rather than exposing personal commitment to a particular issue. Through it all, we remain privy to the virtues and vicissitudes of capitalism. We must embrace a system which stratifies, layering society in a manner comparable to geological formations. Whereas the wind, water, and fire structuring rock are natural, class divisions are imperfect material creations of man. Such is the gift and the curse of money.

Perhaps we are engaged in a life journey in which the material and the numbers mean nothing. Perhaps we are little puppies, chasing our tails, exerting intense energy and movement, yet moving nowhere. We may be playful hamsters, sprinting along wheels that are stationary. Of course, in our own respective worlds, we are all important. Of course, a tick on the rear end of a rhinoceros feels that he is also all important.

Perhaps we should all take a page from the philanthropy of Rockefeller, Carnegie, Gates and Buffett. Perhaps we should all take a page from the leadership of George Washington, Alexander Hamilton, Frederick Douglass, Abraham Lincoln, and Dr. Martin Luther King. The theme of investment is the theme of sacrificing instant gratification in order to eventually harvest and share larger amounts.

Men and women have built enterprises, gifted fortunes, dodged bullets, risked persecution, carried shackles, fought, and perished so that we may be positioned heretofore. We must respect the responsibility, investing time, energy, and monies in order to enhance the choices and potential of the future. We must not be parasitic, affixed upon the rump of the society, squandering resources, deeming our respective present to be all important.

Noble sentiments aside, I wish to personalize my motivation to build wealth.

I have selected relevant signage to mark the sections of this draft that that are symbolic to the journey that I have embarked upon. The importance of the Interstate 94 shield has already been thoroughly presented. Route 29, commemorates my Silver Spring, Maryland upbringing; U.S. 1, marks both the 1st phase of this company and my East Coast and Southern roots; and 15-501, marks my college years in Chapel Hill, NC where crude thoughts began to crystallize into philosophies. The report is book ended by the Interstate 95 / 495 dual plex, representing the Capital Beltway. Life events tend to reinforce and strengthen particular notions, manufacturing an infinite loop.

Route 29's Silver Spring, Maryland of the late eighties and nineties was a pivot for the Washington, D.C. area. Situated between the wealthy enclaves of Northwest Washington, Chevy Chase, Bethesda, Potomac, and Fairfax to the west; and depressed sections of Northeast and Prince Georges to the south and east, the suburb centered as the vortex of class division.

The character of the city was without definition, confused by a lack of clear boundaries. Although maps identify Silver Spring, White Oak, Colesville, Layhill, Glenmont, and Fairland as distinct, the Post Office seems to have awkwardly meshed the entire eastern third of Montgomery County under the name 'Silver Spring.'

Silver Spring became a city synonymous with the elite cul de sac and the abandoned, lawless 'downtown.' Briggs Chaney, White Oak, and Langley Park were neighborhoods that simultaneously conveyed the serenity of suburbia along with a renegade thug culture. Well-heeled suburban commuters shared 29, New Hampshire, I-95, and the B / W Parkway with drug traffickers and criminals from D.C. to Baltimore. Contingent upon the source, the term 'Silver Spring' delivered contrary connotations: one part, comfortable suburbia, one part danger.

The confusion manifested itself in the area youth. The product was often comical, with suburbanites of means masquerading as lawbreakers—as if criminal activity was critical for survival; and their poorer neighbors masquerading as old money—as if material goods were essential for survival. Perhaps the excitement lay within the presentation of a particular image: Was one rich, a thug, or both?

Time enables the appreciation of choice. We are often confronted with decisions, or forks in the road that may be initially perceived as minor, yet will eventually alter the course dramatically. We have all witnessed the manifestations of prior junctions or actions along the route. As I appraise my own travels, the path is cleared and lit by the meteoric rise of acquaintances; yet littered with the unfulfilled potential of peers by the wayside. I remain fortunate to be of a background of crossroads—those that have selected the straight and narrow, and those that have succumbed to the self-sabotage of riskier paths.

The opposing themes of the place and era were stark, yet the under girding idea remains a thirst for capital. This was the Nation's Capital. This was also The Murder Capital. At the same time that George Bush was fighting a 'War on Drugs,' the infamous mayor, Marion Barry was being busted for drugs. The Georgetown Hoyas basketball program, led the dignified John Thompson, commanded respect. Arguably, the program's biggest fan, drug kingpin Rayful Edmund commanded greater respect. Lawmakers, lobbyists, and business persons operating 'inside the Beltway,' were the benchmarks of power, while large swaths of inner city District of Columbia were the environs of the disenfranchised.

Although gentrification, Anthony Williams, and Big Government, have transformed the area beyond recognition, particular ideas remain central. Washington is a political city in which one must pay to play. The lack of capital and connections in an area built upon connections which lords over a nation built upon capital, which in turn lords over the Empire of Western Thought built upon both capital and connections is complete torture.

All inhabitants of the area are privy to the differences amongst the ‘haves’ and the ‘have-nots,’ and remain susceptible to a form of desperation, if not hysteria to advance. Perhaps money is not the ultimate goal; rather it is the appearance of remaining within the moneyed class which takes precedence. As a young Washingtonian, society dictates that being ‘broke’ in America is not an option.

Of course, this rough outlook was to become refined at Chapel Hill, further chiseled upon the exchange of my 85, 95, 29, and 495 shields for 90, 94, 41, and 294 bearers.

Ultimately, my experiences at The University of North Carolina, demonstrated that the appearance of riches is insignificant, perhaps detrimental to the goal. The hint of money fuels unrealistic expectations amongst peers. Money is the most effective cosmetic and aphrodisiac, and one whom applies his means liberally through extravagance facilitates the confusion. Is one attracted to the person, or is one attracted to the money? Indeed a fool with money is quite popular, as he cannot ascertain that he has been stripped of his personality, converted into a tool.

Upon entry into working society, I recognize that particular scenarios which may appear to be all-important in the present may in fact eventually become frivolous. The goal is what matters, any major diversions to the object being nuisances. The goal is the freedom that capital enables. In my world, material items and transactions executed simply to appear moneyed are meaningless distractions—extravagance being without merit.

There is little need to become celebratory as little has been accomplished.

True friends will ride regardless. I understand that those that have remained in my corner from Day One will remain supportive unconditionally. These individuals are on board because of their relationship with ‘Kofi Bofah’—indifferent to the rationale behind ONYX INVESTMENTS holding 1000 shares of Exxon, rather than 1000 shares of supercalifragilisticexpialidocious. Likewise, the individual must recognize whom his true friends are, or with which personalities and acts that he may pledge allegiance towards his ultimate goal.

Although the double-entendre and word play between these lines are many, we have merely revealed the tip of the iceberg. One, readers must be granted the credit to evaluate the work without handholding. Two, we must not show our entire hand. Lastly, we wish to preserve material for future writings.

We are hopeful that readers may enjoy the ride along our Road to Riches…

ENDS.

IV. Appendix

Exhibit A – Performance

We present our performance in comparison to the broader market Standard and Poors 500 Index. Energy has been 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	5.587	-0.300

Exhibit B – Essential Literature

Although no works have been cited directly, we itemize literature which has been critical to our philosophies. Our thoughts emerge as the product of our studies and experiences. It is doubtful that we have formulated statements which have not been previously articulated. Recommended writings suggest that scholars appreciate all angles of the argument. We appreciate statesmanship, economics, and struggle. Certainly, historical knowledge is vital:

Author	Title	Description
Chernow	Alexander Hamilton	Essential to U.S. capitalism.
Chernow	The House of Morgan	The rise of banking.
Chernow	Titan	Rockefeller, #1 capitalist.
Due	Black Rose	CJ Walker story. All is possible.
Fisher	Common Stocks…	The intangibles of investing.
Fitzgerald	The Great Gatsby	There is a little Gatsby in all of us.
Graham	The Intelligent Investor	Classic
Graham, Dodd	Security Analysis	The Dean's textbook.
Hamilton, Madison, Jay	The Federalist Papers	Arguments that built a Nation.
Isaacson	Benjamin Franklin	Statesman. Scientist. Businessman.
Keynes	Employment, Interest, Money	The role of govt. and capital.
Kiyosaki	Rich Dad. Poor Dad.	Mentality separating rich and poor.
Lowenstein	Buffett	Top biography on genius investor.
Machiavelli	The Prince	Ruthless focus upon the ends.
Mahar	Bull!	Account of '82-'04 boom, bust.
Mathabane	Kaffir Boy	Apartheid in S. Africa.
Marx, Engels	Communist Manifesto	Attack upon capitalism.
Smith	The Wealth of Nations	Pure capitalism.
Yergin	The Prize	The world's quest for oil.

Exhibit C – 'Ghost' Stocks

Stocks that have been bought and sold, or shares which we have seriously contemplated purchasing. Investors may note that even our secondary ideas have provided exceptional returns. Sales may have been executed following run-ups deemed to be unsustainable. Purchases may have been foregone due to pricing or diversification reasons. Although the fundamentals may appear favorable, we remain averse to intense concentrations of oil and industrials. We remain hopeful that these 'ghost' stocks do not return 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 D – Favorite Tours

My goal is to drive all fifty states. I have already covered the map from Florida to Massachusetts; New York to Minnesota; Georgia to Michigan. Hence, I maintain extensive understanding of East Coast, Southern, and Midwest infrastructure. Investors will be in good hands if my knowledge of stocks approaches the halfway mark of my knowledge of the road way:

Route	Segment	Description
FDR	GW Bridge to Battery	New York, New York.
I-20, 75,85,285	Atlanta	ATL is the standard of urban highway construction.
Interstate 40	Blue Ridge / Gt. Smokies	One of the most beautiful sections of the country.
Interstate 75	Lexington – Cincinnati	KY bluegrass country, OH River Valley approach.
Interstate 76	Pennsylvania Turnpike	Engineering marvel as the earliest of interstates.
I - 90 / 94	Junction – Cermak	Striking Chicago views. Incredible urban freeway.
Interstate 95	Miami – Maine	The Main Street of the East Coast. This is Home.
'TO – 95'	Del. Bridge - N.J. Turnpike	Completion signaled the dominance of the automobile.
'TO – 90'	Chicago Skyway	Adventure Begins.
Interstate 278	Staten Isle / BKLN / QNS	Verrazano to BQE. The most challenging of drives.
Interstate 395	14th Street Bridge	Best Washington, D.C. approach.
Interstate 495	Montgomery County	Lovely foliage and curvature along Capital Beltway.
N.J. 495	Turnpike – Lincoln Tunnel	Descending helix fronts Midtown Manhattan.
U.S. 15-501	Durham – Chapel Hill	Landscaped to shield sprawl.
U.S. 29	Northwest – Columbia, MD	Memory Lane.
U.S. 1	S. Dixie Highway	Miami's Finest.
U.S. 41	Lake Shore Drive	FDR Midwest.
Sheridan Road	Evanston – Lake County	The immaculate homes of Chicago's executive belt.
N / A	Washington, D.C.	Radiating streets, circles, incomplete freeways, quirky grid, and city quadrants confuse outsiders; galvanize native Washingtonians.

Exhibit E – Unpleasant Drives

Given the fact that I am in love with the road, these segments must be exceptionally painful. Midwest Interstate driving is absolute torture. The Pennsylvania / Ohio border along the turnpike and the quick jaunt across Cincinnati mark the beginning of the end. Due to the lack of scenery and topographic relief, traversing the area is comparable to an 80's video game driving simulator. The vehicle appears stationary, only the repetitive setting races into the foreground. At times, these drives also mimic the lulls of wealth creation: the maddening idea of making no progress.

The scenery does not change, only the mile markers [statements] alert the driver [investor] that movement has occurred.

Surfacing is atrocious, due to the freeze – thaw of the harsh winters and boiling summers. City-scapes are marred by abandoned industrial eyesores. Signage is vague, running the gamut from 'West Suburbs,' and 'Northwest Suburbs,' to 'Ohio,' 'Indiana,' 'Wisconsin,' and 'Bridge to Canada.'

Chicago is indeed an oasis—emerging skyward from the prairie as if a mirage. 'Chicago via 90 Toll Road / Chicago via 94' along Interstate 65 in NW Indiana is a sight for sore eyes.

Route	**Segment**	**Description**
I-75,94,96,696	Detroit	Crumbling freeways the facilitators of suburban sprawl.
Interstate 65	Indiana	CHI control signage in Indy: 200 miles of farm stench.
Interstate 74	Indiana	See above. Replace cities with Indy and Cinci.
Interstate 80	Youngstown – New Jersey	NYC listed as control city in Ohio. Distance: 450 miles.
Interstate 85	Petersburg – N. Carolina	The loneliest stretch of interstate along the East Coast.
Interstate 90	NW Tollway, Elgin – WI	Must pay tolls every ten minutes.
I – 80 / 90	Indiana Toll Road	Monstrosity of refineries, steel mills, and smog.
64 / Clark / LSll	Lincoln Park / Old Town	Crazy layout. Crazy pedestrians. A total mess.
Stony / 79 / CHI	Skyway Interchange	3 way intersection, ugly ramps, hobos hawking wares.
N/A	Chicago Control Signage	Apparently, no city exists between Chicago and St. Louis; Chicago and Detroit; Chicago and Memphis; Chicago and Wisconsin.
N/A	The City of Boston	No Grid. Quirky One Ways. Narrow Streets. I-95 is '128.' Difficult entry / exits to critical expressways. Annoying I-90 Mass Pike Tolls.

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