



Krosnowski & Scott LLC

Investment & Retirement Planning Specialists

Dear Clients and Friends,

As we are all trying to do our best to survive during these challenging economic times we felt the following information might interest you:

I. Employment Opportunities – We encourage everyone to work either full or part-time as long as you can. Generating earned income will reduce your need to withdraw assets from your retirement balances. This will decrease your chances of exhausting your financial assets and will improve your financial security. If you are seeking employment here are a few resources that may assist you in your efforts:

A. Communication Services, Inc. (CSI) – Founded by former Verizon employees, CSI provides professional labor services to the telecommunications industry. CSI selectively recruits and employs highly experienced and talented telecommunications experts. Labor categories include Project Managers, Program Managers, Engineering Managers, Network Engineers, Translation Engineers, Service & Systems Technicians, Communications Analysts, Service Representatives, Central Office Technicians, Draftsmen and more. If you wish to discuss employment opportunities with CSI, contact Mike Hammond at (w) (301) 494-3553, email: MHammond1@comcast.net.

B. Xscion Company - Xscion is a staffing company. Our contact at Xscion is

Sherry Kistler. One of Sherry's clients is Verizon. She specializes in filling job positions in the Information Technology (IT) and Finance & Accounting departments at Verizon. She is not limited to those areas of employment within Verizon. Sherry may be able to assist you in finding job opportunities in other areas of the company or with other companies. Sherry's can be contacted by: email: SKistler@Xscion.com, (w) (703) 390-1175, (c)(703) 801-4569.

C. Smart Money magazine - In the February edition there was an article written by Peter Keating titled "the New Retirement." In the article the following employment sources were mentioned:

* ADECCO USA, 1- (877) 8-ADECCO, website: www.adeccousa.com

* AARP, website: www.aarp.org/featuredemployers

* www.retirementjobs.com

* U.S. Department of Labor – 1- (877)-US-2-JOBS, website: www.servicelocator.org

II. IRA 72(t) Income Distribution Modification Update – As a result of extremely difficult financial market conditions over the past twelve months, we wanted you to be aware that the IRS allows retirees who are receiving IRA income payments under the 72(t) guidelines to reduce their annual distribution amount one time.

In order to reduce your IRA distribution amount the IRS requires you to recalculate your 72(t) income payments using an alternate calculation method (i.e. switch from the annuitization or amortization calculation method to the life expectancy calculation method (RMD)). The following is an example of a one-time change from the fixed amortization method to the RMD method:

Mr. S started receiving distributions from his IRA in the form of annual substantially equal periodic payments in 1998 at age 50. His annual payment (\$97,258) had been originally calculated using the amortization method. Following a steep decline in his IRA account balance from \$1,400,000 in 1998 to \$750,000 in 2002, Mr. S would like to use the special rule allowing a one-time change to the required minimum distribution method allowed by the I.R.S. For this one-time change in method, Mr. S will determine an annual distribution amount for 2002 using his IRA account balance on September 30, 2002 (\$750,000), and a single life expectancy of 30.5 (when an age of 54 is used). Under the new method, the annual distribution amount for 2002 is \$24,590.16 ($\$750,000/30.5$). Mr. S must use the required minimum distribution method to determine the annual distribution amount for subsequent years. Under Internal Revenue Rule 2002-62, once a change is made that change must be followed in all subsequent years.

III. Networking - If you know of co-workers who may be retiring from your employer over the next five to ten years or friends who have investment portfolios that need investment advice, please provide us with their names and contact information. We are interested in adding them to our free newsletter mailing list. Networking is a very important part of our business. Your assistance would be very much appreciated.

We continue to encourage our clients and friends to remain invested for the long term. We feel that the financial markets are going to continue to be bumpy and trade sideways between now and the end of the year. We are cautiously optimistic that once we get toward the end of this year that things will slowly begin to improve.

Hang in there and keep the faith!!!

Sincerely,

Andrew J. Krosnowski

Melissa Scott Paine

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