

Hughes Market Letter: 6/26/2009:

CIZN hit \$35.00+ today. "Short it," now one of the best Hedge I have seen in a few months. Worth \$28.00 in a deal tops!

MUR trading like crazy. Seems like funds are loading up, buy under \$51 and sell over \$55 for a trade only as long as oil is above \$60.00. Keep your core position and some call options on this one. Should be sold this summer, our largest holding again, now.

WTNY under \$9.00. Worth a shot. Use options and stock, risky but could be worth it.

Stock has gapped up twice this week on an upgrade. Either they make it and sell at \$20.00 or they go away. I think a sale could come this summer. 3 years after the Hurricane is when I first said they will be gone. I will hold to that. It was a great Bank. Let's pray for them, they are good people!

BNV sold for \$22.00 a share. Sell now if you have any left, up 40% this month. Wow a deal! Was the 5<sup>th</sup> oldest bank in the USA!

MCPH, buy all day under \$20.00, under \$15.00, buy every share and make 25% of your account. 5% yield also. Insider's own 55% +, very thinly traded, use limits. Safe as it gets at 50% of book/ cash value. Let's hope they grow this year or sell or go private or buy back stock. Any of which would be a home run.

FMER, one which we always liked could break to \$13-\$15. Stay away. Just too much risk at \$17.00. If it does break we will take a hard look again.

BAC still a great trading "short" and Hedge.

Four more banks closed down today, Friday, 6/26/2009. The pace is picking up, and 44 so far this year are gone. The number of banks on the watch list is at 300, they say. I say really 800+ or 10% of all banks will fail this year and next. The winners will do well, but not great. The world has changed for the next 10 years.

ALL, buy calls for August if you can handle the loss. Either it gets to \$30 or \$20 by the end of the summer.

Non-performing loans going up and up for the rest of this year and next. Is this priced in? is the \$66 dollar question!

HughesInvestmentManagment.com  
1-888-814-7575

Douglas Hughes  
President