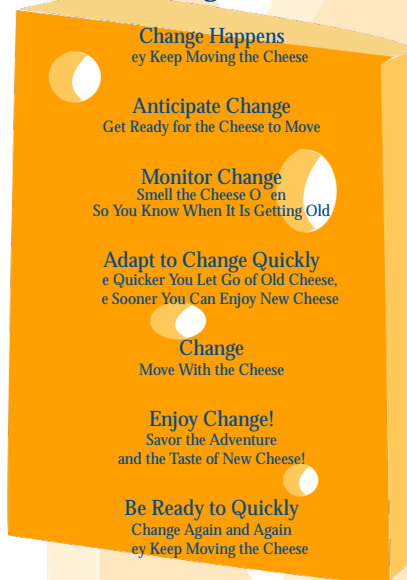


Find the New Cheese!

My Colleagues at **RED**,

Change is a permanent feature of the business landscape. If the past is anything like the future, the rate of change will continue to accelerate. Customer needs change, markets evolve, some opportunities wane while others blossom. There will be a good deal of change as the first decade of the 21st century unfolds. There will be considerable change at **RED CAPITAL** as we adjust to the world around us, but through our efforts, we will drive even more change. Our vision of **RED** includes producing \$200MM in pre-tax NOI by 2012. \$200MM by 2012 implies a lot of change, a lot of growth, and a lot of opportunities. In the coming years we will change to strengthen and reposition our businesses, to enhance our ability to serve the customer, and to position ourselves to flourish in an evolving environment. If we do it properly, we will create enormous opportunity for everyone employed by the firm.

Handwriting on the Wall



Do not allow change to unnerve you. Change is inevitable. It has always been so and it will always be so . . . someone always moves the cheese. We have the enthusiastic support of a new capital partner and we have a mandate to grow our existing businesses and to round out our capabilities and services to enhance our core competencies. Rather than being buffeted by change, we will ride change like a surfer rides a wave. Change will accelerate our growth, it will create opportunities for us, and it will be the key to both personal success and to the success of **RED CAPITAL**. Change will propel us toward \$200MM by 2012.

**Savor the adventure and the
taste of new cheese!**

Bill Roberts
June 2005



