

**Coming ... Big "Million Dollar"
Trade Show & Educational Conference
October 18th at the
Los Angeles Convention Center !**

and

Global Mega-Bubble? You Decide

Don't forget to mark your calendar for the "Million Dollar" Trade Show & Educational Conference next month. The big show will held on **October 18th at the Los Angeles Convention Center**. Vendors galore with new products and services, **FREE** educational seminars, bonus package give-aways and chances to win prizes. All this and more for **FREE!** (Please bring a donation of a new, unwrapped child's toy for the Union Rescue Mission's "Christmas in October" program.)

Our main goal is that you walk away
with just one idea to help you make
and or keep more money than ever before!

You'll be discovering the **"7 Step Success System on How to Make and Keep Millions ... Been There, Done That"** along with other great seminars like: **"Latest Cutting Edge Strategies on Tax Reduction, Lawsuit Protection and Estate Planning"**, by Dale West of the National Foundation for Tax Planning & Asset Protection; **"How to Eliminate All Tenant Headaches"** by Jeffrey Taylor, "Mr. Landlord" – (the first 300 who attend Mr. Taylor's seminar will receive a **FREE \$100 BONUS PACKAGE** including a **FREE six-month subscription** to the "Mr. Landlord" newsletter) and three special reports titled, "How to Collect All Monies Due You", "85 Sources of Money to Buy, Maintain or Renovate Property" and "Tax Checklist for Apartment Owners", (200 items landlords can deduct in their rental business). Additional seminars include **"Resident Managers: Wage and Hour Laws"**, by Attorney Dale Alberstone; **"How to Properly Screen Your Tenants"** by Marvin Fleschman, CAPS and Alberta Nisperos, AOA's Vice President of Operations; **"How to Avoid Being Cited at Code Enforcement Inspections"** by Reid Daub, Senior Inspector for the City of Los Angeles; **"How to Beat Rent Control, Get Good Tenants and the Secrets to Collecting on Judgments"** by Attorney Dennis P. Block; **"The Ultimate High-Return, Low-Risk Investment"** by tax lien expert Mark Walters, and **"New Trends, Forecasts, Predictions to Profit 2006-2056"** by Economist John Kamin.

Be sure to check out the times of each of our **FREE EDUCATIONAL SEMINARS** listed in next month's issue. It is going to be AOA "Show Time" and you'll need and want to be there. See you at the big show!

Global Mega-Bubble? You Decide

The following article was written by Paul B. Farrell, J.D., Ph.D. Mr. Farrell is a personal finance and investing columnist for CBS.MarketWatch.com. He is the author of six books on investing, including The Millionaire Code, The Winning Portfolio and Expert Investing on the Net.

One thing I know is that real estate moves in grand cycles, from bubble to bust. I also have discovered that many people actually love blowing bubbles, until they bust, like party balloons. I hear it everywhere today, from self-serving folks all over Washington, Wall Street, Corporate America and cable TVs talking heads. Eve the Fed chairman blew a little "froth" into the housing bubble.

This may be the single most important poll you ever take ... If you're unprepared, another bust could damage your financial future for years to come.

But here's some new insight. This is not a normal domestic real estate bubble/bust cycle. We may be in an extraordinary global mega-bubble and real estate is just one of its many components.

If this mega-bubble exists, and if it bursts, the \$8 trillion in wealth lost in 2000-2002 bear market will be peanuts. Still, I'm skeptical. I don't trust doomsday "global meltdown" warnings any more than all the self-serving hype from America's happy-talking bubble-blowing gurus, economists and politicians. But I do trust your opinion.

So, I put together this *Mega-Bubble Poll*. You get to decide if we're in and when it'll explode. Please look closely. This may be the single most important poll you ever take, especially if you're a retiree or boomer near retirement. If you're unprepared, another bust could damage your financial future for years to come.

So, put on your thinking cap with me. Follow the clues. Then you decide if you see the bubbles! Look at each separately and then score them on a scale of 1 to 5, with 1 being the least likelihood of a bubble and 5 meaning there is a definite bubble about to burst. Then, total your score.

The Mega-Bubble Poll

1. **Real Estate Bubble.** Clues: Speculators driving prices. Lenders offer cheap money, short-term loans. Home-equity loans fund short-term spending. Fed chairman sees minimal froth.
2. **Energy and Oil Bubble.** Clues: rude hits another record. Political turmoil in oil-producing nations. Consumers buy gas-guzzlers at record pace. GM, Ford in trouble.
3. **Foreign-trade Deficit.** Clues: Monthly deficits top \$50 billion. This year's deficit will beat 2004's \$617 billion. Foreigners now own \$2.5 trillion of America.
4. **Federal-budget Deficit.** Clues: Federal debt now \$7.8 trillion; add another \$400 deficit this year.
5. **Corporate Pensions Under-funded.** Clues: Airlines, auto, other manufacturers heavily burdened, default to taxpayers.
6. **Local Government Pensions Deficits.** Clues: A near \$400 billion mess draining local taxpayer resources.
7. **Weak U.S. Dollar.** Clues: Fear China and other foreign powers will replace dollar reserves. Warren Buffett now betting \$20 billion on foreign-currency hedging.
8. **Social Security Deficit.** Clues: No choice, cut benefits or raise taxes; politicians hate both, so it'll get worse.
9. **Health Care Costs.** Clues: Burden shifting to employees. Costs above inflation. 43 million uninsured.
10. **Medicare Deficit.** Clues: Going broke faster than Social Security. Prescription drug benefit added an unfunded \$8.1 trillion. Long-term estimates over \$36.6 trillion.
11. **Personal Savings Shortfall.** Clues: We consume, not save. National savings rate is zero, down from 8% two decades ago. Average household net worth less than \$15,000, excluding home equity.
12. **Consumer Debt Bubble.** Clues: We're living beyond our means. Consumer debt at \$2 trillion. At 13%, household interest as a percent of income is at an all-time high. Personal bankruptcies rising.
13. **War and Defense Deficit.** Clues: Iraq and Afghanistan wars cost over \$200 billion a year, \$2 trillion a decade.
14. **Homeland Insecurity.** Clues: Minimal legislation to protect ports and chemical plants. Federal budget even cut border patrol by 90%. Vigilantes patrolling.
15. **Class Gap Widening.** Clues: Super-rich and CEOs getting increasing share of wealth, ownership and tax cuts.
16. **Congressional Pork.** Clues: Both parties act like teenage addicts on a spending spree with stolen credit cards. By not using the veto, the administration acts like a parent who needs Nanny 911.
17. **International Credibility.** Clues: Image problems. Post 9/11 imperialism, WMDs, Abu Ghraib, Gitmo and more.

18. **Junk Mailings.** Clues: Mail solicitations increasing for credit cards and hot stock newsletters.
19. **New “Mad Money” Cable Show.** Clues: Frantic, manic entertainment: 1990s irrational exuberance again.
20. **Numerous Key Mini-Bubbles.** Clues: Environmental, resources, technology, educational, outsourcing, jobs, you pick!

Now, total up your scores on these individual bubbles. If your total is 50 points or more, you see a mega-bubble dead ahead. Prepare accordingly. If you're close to 100 points, consider a very conservative strategy. **Send your poll to AOA Mega-Bubble Poll, 6445 Sepulveda Blvd., #300, Van Nuys, CA 91411.**

Remember, history and behavioral finance experts tell us that most investors cannot see bubbles when they're in them. And if they do, they don't act until it's too late. Meanwhile, watch for an upcoming column for the result of the mega-bubble totals and the collective mindset.

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