

PEARSON Investment Letter

Published Monthly Since 1982

www.pearsoncapitalinc.com**FEATURED STOCKS**

Aeropostale, Inc	Lincare Holdings
Amerisource-Bergen	1-800-Flowers
Lennar Corp	Universal American
LifePoint Hospitals	Virginia Commerce

GROWTH & INCOME STOCKS

Doral Financial	W Holdings Co
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PERCEPTION IS REALITY**BY DONALD PEARSON**

How does one figure this? We start the month with so many favorable

countries and sectors are in favor today and in the foreseeable future, and fish where the fish are. Look for companies with superior management, minimal debt, insiders buying their own stock, and marketing a product with outstanding growth potential. Once we find one that meets this criteria, and the stock by our assessment is thirty or more percent undervalued, we are ready to make a financial commitment. We buy it and do not use stops because stocks have negative news on occasion and react accordingly. It is our belief that a company selling for \$15 could drop to \$12 (20%) on any given day. This stock might also recover and end the day at \$14, thus creating a sell if a stop was in at 15%.

Capital gain protection for all of our clients is paramount! Simply said, we work overtime trying to protect you from this. If you have a non - IRA type of account, every time we sell and create profit for you, we allow the IRS to share in OUR success. The reason why I say OUR success is that we have no other agenda than making money for you. It's important that you know we do not have any other products to sell, and rewarding you monetarily by growing your assets under our management is how we measure our success. This is why I tell new clients that we truly work together as good partners. Our reward comes from your assets growing under our management. Each stock we select not only meets our research criteria, it has passed several formulas we have initiated and modified over time.

Just as easily said, we have several on our watch list to sell. We never need to apologize for taking a profit any time a particular stock continues to climb faster than the earnings, thus creating an overvalued scenario. At the same time we are prepared to ride a quality company down 15% or more if it is decided the capital gain does not warrant the sell, especially if we believe a company will immediately recover. In many cases buying more may be the better antidote. An example of this is a company called Coinstar, (CSTR). Many can look in their portfolios and find it there today.

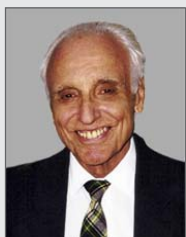
Continued on page 2

indicators it would appear this year would continue where last year ended. Good news for all of us, as our managed accounts closed strong in 2003. The overall stock market for the month of December had an inflow of \$15.88 billion to stocks and bonds. This made ten consecutive months of increases, and mutual fund assets increased by \$1 trillion for the year. This is another positive indicator as the increased inflow of capital was a 79% improvement over 2002.

This momentum has carried right into January, and it continues today. When you parley this with the dynamic earnings companies are reporting, one has to believe January would get us out of the gate quickly. The earnings being reported by S&P companies are the best we have seen in ten years. With close to 50% reporting for the fourth quarter of last year, companies are beating estimates by a better than normal 5.7%, with tech firms smashing views by 20%.

Then the perception hits. The Feds have their regular scheduled meeting and do nothing except leave you with a thought. The policy makers left rates alone at a 45-year low of 1%, but they unexpectedly dropped their vow to keep rates low for a considerable period. But at the same time, they referenced how they could remain patient. If you have any idea what this means, I would appreciate you letting the rest of us in on it. When I hear statements like these, or I read those types of reports, I become more convinced that a winning strategy, the use of time, and a discipline of staying with a well-thought-out strategy will prevail. As Warren Buffet has said so many times, successful investors are often buying when others are selling and visa-versa.

Our strategy through good times and bad has always remained consistent. Understand what



Walter D. Pearson
Chairman



Donald E. Pearson
President



Sandra Alberti
Publishing President

Investment Letters are complimentary to our clients with managed accounts!

REMEMBER WHEN?

Perhaps you're not old enough to remember when there were no automobiles and transportation was by horse and buggy. Perhaps too, you don't remember when men shaved with a straight razor because Mr. Gillette had not yet invented the safety razor, or when the iceman delivered ice to your home for your icebox, because refrigerators had not yet been invented. However, I believe everyone can recall when a computer was the new craze that very few understood, and most of the older generation felt they never could.

My reason for dwelling on some of these inventions is that I wish to make each investor aware of the necessity for spotting new ideas and inventions that will very likely take hold and make many astute investors wealthier along the way. Warren Buffet is claimed by some to be the smartest investor in the world today. Perhaps they are right, but Mr. Buffet claimed that he did not participate in the high tech revolution because he did not understand it. In my opinion he made a serious error by taking that stance. It seems to me that most people should try to see the wave of the future.

Think back to how it must have been when the automobile was invented. The little cars would be huffing and puffing and backfiring and making all kinds of noise. Some people were probably upset because the noise bothered their horses. Would you have had the vision at that time to invest in cars rather than buggy whips? I can remember my father standing each morning with his straight razor in one hand and the strop, which hung from the doorknob, in the other. He would strop that razor up and down until he was satisfied. Then he would start to shave, and usually I would hear an ooh or ouch as he might nick himself. Think of how the safety razor must have swept the country at that time.

I remember when Frigidaire came out with the electric icebox. Some of us kids would go over to this one kid's house whose family had one. He would take out the tray of ice cubes, and we would all stand around and marvel. Later on, the iceman would come and we'd get larger chunks. I can recall in later years when my children were small and TV came into the world. I bought one for our home and when my kids were watching, there would usually be a contingent of neighbors kids glued to our windows.

As I stated earlier, my reason for dwelling on these events is to make you aware of the potential profits if you are astute enough to cash in. I do not have all of the figures, but I can give figures on some of the later newcomers.

\$10,000 invested in Microsoft in 1992
is worth \$126,750 today.

\$10,000 invested in Oracle in 1992
is worth almost \$400,000 today.

\$10,000 invested in Cisco Systems in 1992
is worth \$598,500 today.

\$10,000 invested in Intel in 1992
is worth \$197,800 today.

\$10,000 invested in Dell Inc., in 1992 is worth
\$1,237,000 today.

WHY BUY STOCKS

Some people invest in stocks and some do not. Some are afraid of losing money. The thing that is forgotten is the hidden tax called inflation. Then too, most people believe the government figures for inflation which, I believe, are totally flawed. At any rate, if your savings are not getting a big enough return, you are moving backwards.

As we all know, the world continues to change and the old times are gone. Not too long ago one could put one's savings into bonds and come out ahead. Those days are also gone. The only way to stay ahead of the game these days is to invest in stocks or in property. Unless one is able to spend a good bit of time on the job, I would suggest stocks.

When investing in the stock market, one should look upon the venture much the same as going into business for oneself, the difference being that someone else is going to be doing all the work. If you buy McDonald stock, it is not necessary for you to go to the store to work or to oversee the business. There are people already hired to do those jobs. Your job is to look over the stock before investing in it. You should be just as careful in choosing a stock as you would be if you were buying the entire business.

When you find a company that looks attractive, you should check out different facets of the company. You should check out its finances to see if they are in a satisfactory condition. You should investigate the industry to see if it has a decent looking future. If you need income, you should check the amount of dividend being paid. You should also look to see the estimated growth of the company over the foreseeable future. One of the things not to forget is the price. If you were buying a new home, you would have checked numerous homes that were for sale in the neighborhood desired, and in that manner you could make an intelligent decision as to value. The same process applies to buying stock.

Today most people have decided that all of this work is best left up to the professional. He gets paid for doing the work, and it is just about impossible for him not to do a better job. And, the cost is small.

As people get older and anticipate retirement, most would like to have a monthly check. It is simple enough for us to do this for our clients once the fact is known. From where we sit, we never realize your intentions unless we are given the notification. It is also a good idea to let us know some time in advance of the date you would be requesting a monthly check. The reason for this is when you are younger, we invest primarily for growth. The fastest growing companies pay little or no dividends, so if you are going to be requesting a monthly check, we have to start thinking a little differently about your account. We will not invest for income alone, as it is important to have growth of capital as well as income. We will spend a lot of time and effort searching out the best situations for you, so that your account will continue to grow while generating a monthly income.

PERCEPTION IS REALITY - *Continued from page 1*

I purchased it in my portfolio last July for \$19.65. They announced the next day their biggest customer, Save Way Super, was releasing their services, and the stock dropped to \$12. Many see this as a selling situation, yet we found it to be a buying opportunity. Today the stock is selling at \$18.73. Anyone buying after the stumble would have a stock worth holding, and one that is up 50%. Another favorite of ours is Logitech, (LOGI). This stock was selling for \$40.80 in July of 2003 and quickly fell to \$29.75 for reasons beyond their control. We moved on it immediately with additional purchases. Six months later it is selling for \$48.83. So the reality here, or the lesson to be learned, is if one does his homework and is willing to invest the time and the research, develop a winning strategy and the discipline to stay committed, there is opportunity here. The other choice that's available to you is, call me. I'm just crazy enough to try to turn perception into reality for you!

PEARSON CAPITAL'S RECOMMENDED STOCKS FOR FEBRUARY

AEROPOSTALE, INC. (ARO) NYSE PRICE: \$29.85

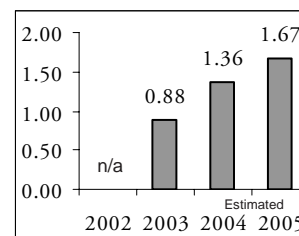
Aeropostale, Inc. is a mall-based specialty retailer of casual apparel and accessories that targets both young women and young men aged 11 to 20. The Company provides its customers with a focused selection of high-quality, active-oriented, fashion basic merchandise. It maintains complete control over its proprietary brand by designing and sourcing all of its merchandise. Its products can be purchased only at its stores or organized sales events at college campuses. The Company aims to create a fun and high energy shopping experience through the use of creative visual merchandising, colorful in-store signage, bright lighting, popular music and a well-trained sales force. As of February 1, 2003, the Company operated 367 stores in 35 states. For the 39 weeks ended 11/1/03, revenues rose 34% to \$462.2 million.

Type: Emerging Growth
Sector: Services

Institutional Holdings: 144
Industry: Retail

Ratings & Recommendations Earnings per share

Current P/E Ratio: **29.9**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **B-**
Pearson Growth Rating: **A**
Pearson Value Rating: **B-**
Stand.&Poor Rating: **N/R**
Value Line Rating: **2-4-3**



AMERISOURCE-BERGEN CORP. (ABC) NYSE PRICE: \$55.05

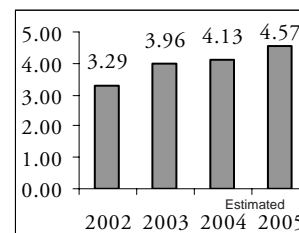
ABC is a wholesale distributor of pharmaceutical products and furnishes related services to healthcare providers and pharmaceutical manufacturers. It also provides pharmaceuticals to long-term care, workers' compensation and specialty drug patients. ABC distributes a line of brand name and generic pharmaceuticals, over-the-counter (OTC) healthcare products and home healthcare supplies and equipment to a variety of healthcare providers located throughout the United States, including acute care hospitals and health systems, independent and chain retail pharmacies, mail-order facilities, physicians, clinics and other alternate site facilities, as well as skilled nursing and assisted living centers. For the three months ended 12/03, revenues rose 7% to \$13.36 billion. Net income increased 17% to \$108.5 million.

Type: Growth
Sector: Healthcare

Institutional Holdings: 429
Industry: Biotech./Drugs

Ratings & Recommendations Earnings per share

Current P/E Ratio: **14.2**
Annual Yield: **0.02%**
Annual Dividend: **\$0.10**
Investor's Bus. Daily: **C-**
Pearson Growth Rating: **B+**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **B-**
Value Line Rating: **1-3-4**



LENNAR CORP, INC. (LEN) NYSE PRICE: \$44.10

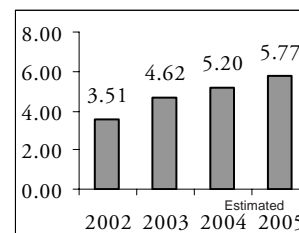
Lennar's homebuilding operations include the sale and construction of single-family attached and detached homes, as well as the purchase, development and sale of residential land directly and through its unconsolidated partnerships. Its financial services subsidiaries provide mortgage financing, title insurance, closing services and insurance agency services for both buyers of its homes and others, and sell the loans they originate in the secondary mortgage market. For the fiscal year ended 11/30/03, revenues increased 23% to \$8.91 billion. Net income rose 38% to \$751.4 million. Revenues reflect a higher number of new home deliveries and an increase in average sales price. Net income also reflects an increase in gross margins attributable to improved operational efficiencies.

Type: Growth
Sector: Capital Goods

Institutional Holdings: 282
Industry: Construction Serv.

Ratings & Recommendations Earnings per share

Current P/E Ratio: **4.7**
Annual Yield: **0.07%**
Annual Dividend: **\$0.29**
Investor's Bus. Daily: **B**
Pearson Growth Rating: **C+**
Pearson Value Rating: **A+**
Stand.&Poor Rating: **B-**
Value Line Rating: **1-3-2**



LIFEPOINT HOSPITALS, INC. (LPNT) NASDAQ PRICE: \$34.51

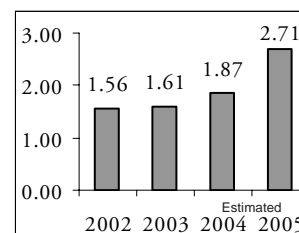
LifePoint Hospitals, Inc. operates 28 general, acute care hospitals with an aggregate of 2,617 licensed beds in non-urban communities in the United States. Like most hospitals located in non-urban areas, the Company's hospitals do not engage in extensive medical research and medical education programs. However, a number of the Company's hospitals have an affiliation with medical schools, including the clinical rotation of medical students. For the nine months ended 9/30/03, revenues rose 24% to \$669.8 million. Net income totaled \$49.2 million, up from an income of \$23.9 million. Revenues reflect the benefits of acquisitions made during the fourth quarter of 2002 and an increase in same hospital revenues. Net income also reflects the absence of a \$30.5 million debt retirement costs.

Type: Emerging Growth
Sector: Healthcare Facilities

Institutional Holdings: 172
Industry: Healthcare

Ratings & Recommendations Earnings per share

Current P/E Ratio: **20.1**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **A+**
Pearson Growth Rating: **B-**
Pearson Value Rating: **B-**
Stand.&Poor Rating: **A+**
Value Line Rating: **4-4-4**



PEARSON CAPITAL'S RECOMMENDED STOCKS FOR FEBRUARY

LINCARE HOLDINGS, INC. (LNCR) NASDAQ PRICE: \$32.06

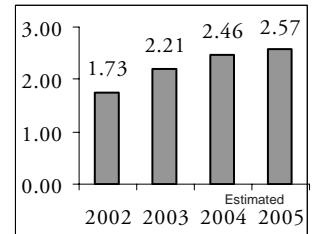
Lincare, together with its subsidiaries, is a provider of oxygen and other respiratory therapy services to patients in the home. The Company's customers typically suffer from chronic obstructive pulmonary disease, such as emphysema, chronic bronchitis or asthma, and require supplemental oxygen or other respiratory therapy services in order to alleviate the symptoms and discomfort of respiratory dysfunction. Lincare serves over 400,000 customers in 47 states through 642 operating centers. The Company also provides a variety of durable medical equipment and home infusion therapies in certain geographic markets. For the nine months ended 9/30/03, revenues rose 19% to \$844.6 million. Net income rose 21% to \$170.2 million. Revenues benefited from the opening of 73 new operating centers and acquisitions.

Type: Growth
Sector: Healthcare

Institutional Holdings: 251
Industry: Health. Facilities

Ratings & Recommendations Earnings per share

Current P/E Ratio: **15.5**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **C-**
Pearson Growth Rating: **C+**
Pearson Value Rating: **A-**
Stand.&Poor Rating: **A+**
Value Line Rating: **2-3-3**



1-800-FLOWERS.COM, INC. (FLWS) NASDAQ PRICE: \$10.19

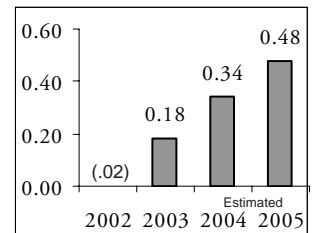
1-800-FLOWERS.COM, Inc. is a gift retailer, providing a range of thoughtful gift products including flowers, plants, gourmet foods, candies, gift baskets and other gifts to its customers worldwide. The Company has extended its product offerings through several of its subsidiaries, including The Plow & Hearth, Inc., a direct marketer of home decor and garden merchandise; GreatFood.com, Inc., a source for gourmet products; The Popcorn Factory, Inc., a manufacturer and direct marketer of popcorn and specialty food gifts, and the Children's Group, Inc., a direct marketer of children's toys and games operating under the HearthSong and Magic Cabin Dolls brand names. For the three months ended 9/28/03, net sales increased 7% to \$95.2 million. Net loss decreased 29% to \$5.1 million.

Type: Emerging Growth
Sector: Services

Institutional Holdings: 67
Industry: Retail (Specialty)

Ratings & Recommendations Earnings per share

Current P/E Ratio: **48.5**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **D+**
Pearson Growth Rating: **C-**
Pearson Value Rating: **C-**
Stand.&Poor Rating: **A**
Value Line Rating: **1-3-3**



UNIVERSAL AMERICAN FINANCIAL CORP (UHCO) NASDAQ PRICE: \$10.39

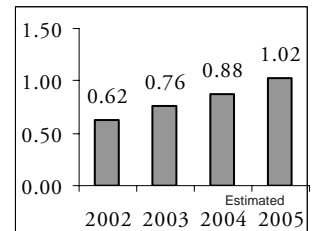
UHCO is a life and accident and health insurance holding company. Collectively, the Company's insurance subsidiaries are licensed to sell life and accident and health insurance and annuities in all 50 states, the District of Columbia and all the provinces of Canada. These products are designed primarily for the senior and self-employed markets. The principal insurance products are Medicare supplement, fixed benefit accident and sickness disability insurance, long-term care, home healthcare, senior life insurance and fixed annuities. For the nine months ended 9/30/03, revenues rose 57% to \$380.9 million. Net income increased 57% to \$30 million. Results reflect a strong growth in the Senior Market Brokerage and Administrative Services segments and higher credits on deferred acquisition costs.

Type: Growth
Sector: Financial

Institutional Holdings: 60
Industry: Insurance

Ratings & Recommendations Earnings per share

Current P/E Ratio: **13.7**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **C+**
Pearson Growth Rating: **C-**
Pearson Value Rating: **B+**
Stand.&Poor Rating: **B**
Value Line Rating: **N/R**



VIRGINIA COMMERCE BANCORP (VCBI) NASDAQ PRICE: \$30.35

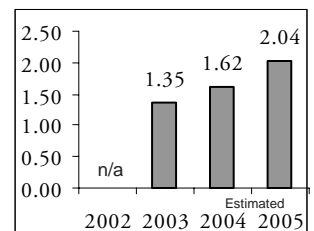
VCBI is the holding company for Virginia Commerce Bank (the Bank). The Bank provides businesses with a full range of deposit accounts, merchant bankcard services, electronic funds transfer services, lock-box services, PC banking, lines of credit for working capital, term loans and commercial real estate loans, and provides consumers with a wide array of deposit products, home equity and revolving lines of credit, installment loans and Internet banking services. The Bank serves customers in the Washington Metropolitan Area, with the primary emphasis on Northern Virginia. For the fiscal year ended 12/31/03, interest income rose 18% to \$46 million. Net interest income after LLP rose 32% to \$30.5 million. Net income rose 50% to \$11.5 million. Results reflect increased interest earning assets, lower loan loss provision and higher gain on loan sold.

Type: Growth
Sector: Financial

Institutional Holdings: 14
Industry: Regional Banks

Ratings & Recommendations Earnings per share

Current P/E Ratio: **23.5**
Annual Yield: **0%**
Annual Dividend: **\$0**
Investor's Bus. Daily: **B-**
Pearson Growth Rating: **B-**
Pearson Value Rating: **C**
Stand.&Poor Rating: **N/R**
Value Line Rating: **N/R**



WALL STREET INDEXES

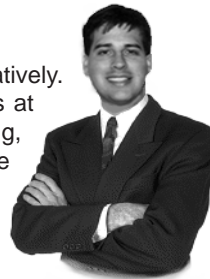
Indexes	1998	1999	2000	2001	2002	2003	2004/YTD
S&P 500	28.5%	21.1%	(10.1%)	(13.3%)	(23.4%)	26.4%	1.7%
Dow Jones	18.1%	25.2%	(6.2%)	(7.1%)	(16.8%)	25.3%	0.3%
Nasdaq	39.6%	85.6%	(39.3%)	(21.1%)	(31.5%)	50.0%	3.1%
Russell 2000	(2.4%)	21.3%	(4.2%)	1.0%	(21.6%)	45.4%	4.3%
Our CD Buster	Data for 02/03/04 available on our website				8.1%	56.7%	10.43%
CD Annual Average	4.7%	4.9%	5.4%	3.0%	2.3%	1.5%	1.5%

MARKET VIEW

Christopher Carothers - PCI's Stock Analyst

ECONOMIC FLOWS:

The market has taken the latest news by the Federal Reserve very negatively. Many pundits believe that the Fed is poised to tighten interest rates at the hint of inflation. Since stock and bond prices are forward looking, they are going through a seesaw pattern in reaction to the mood of the economy. Instead of waiting for the unpredictable future, one should focus on what a company is saying now. Overall, stocks are doing very well and are poised for further growth.



EARNINGS FLOWS:

So far, the first quarter earnings season is off to a very slow start. Earnings reports have been pretty good, but expectations are very high, as year-to-year comparisons are extremely difficult. This helps perpetuate the seesaw effect. For this quarter, I do not see any sectors moving widely higher. Stock prices will wait to catch up with earnings. This will create a "back and fill" effect. Stocks that are fairly priced and beat expectations by a wide margin will continue to move higher. These effects will cause the leadership of the stock market to once again become narrow instead of broad based.

CASH FLOWS:

Mergers and IPO's are going to take the lead in 2004. We are already seeing mergers and acquisitions in the financial system, technology stocks, and drug companies. Google's IPO will be the biggest of the year, drawing new interest in fascinating young companies. Money is sloshing around with the low interest rates, so we will see a lot of restructuring, merging, and partnerships to improve earnings potential.

We're Here To Help!

Whether you're a new client or one that's been with us for many years the offer to help and assist with the many services we can provide for you is simply a phone call away. If your account is not set up on line for you to see whenever you choose too, call us. It takes about ten minutes for us to do this and you can see your account on our website. If your mailbox is loaded with company reports from the stocks in your portfolio, call us. We can send out a form to you the same day that will stop those brochures without stopping your monthly statements. This takes only two weeks to complete.



*Karla Chernicky
Account Manager*



*Marie Grenchik
Client Associate*

Want some help with transferring assets from another place, call us. We can do the paperwork and have this completed for you in a matter of days. If you have any questions, regarding your current accounts, call us. We will be contacting all of our clients in February or March to notify you of your "Required Minimum Distribution" for 2004. If you have a Traditional IRA and you have reached the age of seventy and a half this year, you are in this category. We will explain the many options you have for this withdrawal when we contact you. If you have any other questions, please call us today.

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(2% for smaller accounts)

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FEBRUARY'S RECOMMENDED GROWTH & INCOME STOCKS

DORAL FINANCIAL CORP. (DRL) NYSE PRICE: \$32.47

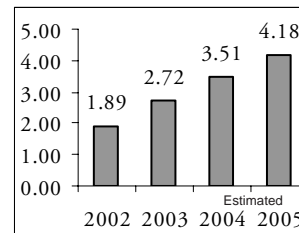
Doral is a diversified financial services company engaged in mortgage banking, banking, institutional broker-dealer and investment banking activities and insurance agency activities. Its activities are principally conducted in Puerto Rico and in the New York City metropolitan area. Doral Financial's core business is mortgage banking. As of December 31, 2002, the Company had consolidated assets of approximately \$8.4 billion and consolidated stockholders' equity of approximately \$1 billion. For the fiscal year ended 12/31/03, total interest income rose 9% to \$452.6 million. Net interest income after loan loss prov. rose 15% to \$167.4 million. Net income applicable to Common rose 45% to \$299.9 million. Results reflect increased earning asset balances and increased net gains on the sale of mortgage loans.

Type: Growth & Income
Sector: Financial

Institutional Holdings: 213
Industry: Regional Banks

Ratings & Recommendations Earnings per share

Current P/E Ratio: **13**
Annual Yield: **0.9%**
Annual Dividend: **\$0.28**
Investor's Bus. Daily: **B+**
Pearson Growth Rating: **A**
Pearson Value Rating: **A**
Stand.&Poor Rating: **B-**
Value Line Rating: **3-3-3**



W HOLDING COMPANY, INC. (WHI) NYSE PRICE: \$19.65

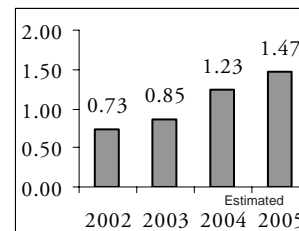
WHI is a financial holding company offering a range of financial services through its wholly owned subsidiaries, Westernbank Puerto Rico (the Bank) and Westernbank Insurance Corp. The Bank offers a full range of business and consumer financial services, including banking, trust and brokerage services. Westernbank Insurance Corp. is a general insurance agent offering property, casualty, life and disability insurance. As of Dec.31, 2002, WHI had total assets of \$8.21 billion, a loan portfolio-net (including mortgage loans held for sale) of \$3.76 billion, deposits of \$4.30 billion and stockholders' equity of \$584.7 million. For the fiscal year ended 12/31/03, total interest income rose 20% to \$461.9 million. Net interest income after loan loss provision rose 40% to \$212.3M. Net income applicable to Common rose 27% to \$91.7 million.

Type: Growth & Income
Sector: Financial

Institutional Holdings: 95
Industry: Regional Banks

Ratings & Recommendations Earnings per share

Current P/E Ratio: **25.2**
Annual Yield: **0.7%**
Annual Dividend: **\$0.13**
Investor's Bus. Daily: **A-**
Pearson Growth Rating: **B-**
Pearson Value Rating: **C+**
Stand.&Poor Rating: **A**
Value Line Rating: **N/R**



Individual stocks

versus the CD

+10.43%

CD Buster 2004

The 2004 CD Buster portfolio was created from our "top ten" list of growth, growth & income stocks, and our January Investment Letter.. The start up prices were taken from the market's closing price on January 2, 2004. This portfolio demonstrates how selected stocks could outperform the regular bank CD yielding 2% annually. This example does not include trading

fees and management fees as well as dividends earned. Current performance does not indicate or guarantee future performance. All client portfolios are customized differently to meet their individual objectives and goals. There are no guarantees as to the profit of each - some may lose money.

A \$25,000 CD returning 2% annually would have a year-end value of: \$25,500.

The same \$25,000 invested in our CD Buster in January 2004, would have a value today (Friday, 01/30/04)
of \$27,550.73 (+\$2,602.32 = +10.43%)

DISCLAIMER: The CD Buster is a stock simulation portfolio created by Pearson Capital, Inc. for informational/educational purposes only. Pearson Capital, Inc. makes no guarantee as to the accuracy or completeness of this data. Pearson Capital, Inc. shall not be liable for any errors or omissions, or for any actions taken in reliance thereon.

Year To Date Results through Friday, 01/30/04

Stocks Name	Symbol	Yield	Shares	Price/Share	Total Invested	Current/Price	Current
Doral Financial	DRL	1.4%	79	\$31.51	\$2,489.29	\$32.47	\$2,565.13
H&Q Life Sciences	HQL	8.6%	159	\$15.84	\$2,518.56	\$17.60	\$2,798.40
MBNA Corporation	KRB	1.1%	101	\$24.62	\$2,486.62	\$26.96	\$2,722.96
Lincare Holdings	LNCR	n/a%	80	\$30.31	\$2,424.80	\$32.06	\$2,564.80
Logitech Intl	LOGI	n/a%	58	\$42.95	\$2,491.10	\$48.98	\$2,840.84
Nicholas Financial	NICK	1.2%	299	\$ 8.23	\$2,460.77	\$9.24	\$2,762.76
Possis Medical	POSS	n/a%	132	\$19.09	\$2,519.88	\$23.61	\$3,116.52
Teva Pharmaceutical	TEVA	0.6%	43	\$57.87	\$2,488.41	\$62.59	\$2,691.37
W Holding Company	WHI	1.2%	135	\$18.77	\$2,533.95	\$19.65	\$2,652.75
Washington Mutual	WM	2.8%	64	\$39.61	\$2,535.04	\$44.30	\$2,835.20
Total:		AVG Yield 1.8%			\$24,999.96		\$27,550.73

For additional updates go to our website at www.pearsoncapitalinc.com Go to: "CD Buster 04"

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Source Rating Key for PCI's featured stocks: Pearson Investment Growth Rating measures long-term past and future growth.

Pearson Value Rating measures current value in terms of potential for the dollar. **Investors Business Daily** measures growth and relative price strength. **S&P** measures financial quality and growth potential. **Value Line** measures timeliness, value and safety.