



ALJIAN CAPITAL MANAGEMENT

January 1, 2014

Happy New Year!

Here I go with my first communication to my many followers and clients. I feel liberated to be able to put into print everything and anything that I want to say without a compliance officer in New York hacking and changing the entire content of my message.

I don't know if 2014 is going to be a good year or bad year for those of us who like to buy stocks. But for the moment, stock prices have quite a bit of momentum to the upside, so I like the trend and want to stay invested. There are so many variables that could change the momentum from positive to negative (or even neutral), but until a few of those unknowns start to surface, my view is to stay the course and stay invested. I could probably write for a dozen pages and expand on the potential negatives and positives for the market, so please call me if you want a better explanation.

I want to kick off 2014 with my "Zen" list of favorite stocks. I don't know too much about Zen, but I believe that it involves dropping illusion and seeing things without distortion created by your own thoughts. So this is my attempt to think outside of the box and to come up with a list of stocks that I believe will outperform the market averages in 2014.

There are 13 stocks on my list. After each stock is the closing price on 12/31/13 and a short description about the company's business. At the bottom of the list are the closing values for each of the three major indices. On a monthly basis, I'll update you with the percentage rate of return for each of my selections vs. the three major indices. The probability that I will have 13 out of 13 is remote and my goal is to have 8 out of 13 in an out performance mode. But even if I end up with a goose egg, I'll fairly and accurately report the performance results of these 13 stocks.

Several of these stocks are quite aggressive and higher risk than what may be suitable for your portfolio. Everything is likely to be quite volatile, so I'm going to be extremely careful buying large amounts for clients that I deem to have a conservative objective. As a Portfolio Manager, the real challenge is to obtain above average results with below average risk. I plan on being cautious and careful and selective about putting any of these securities into the portfolios that I manage. Please, feel free to communicate to me your risk tolerance at any time. I promise to listen.

I also reserve the right to sell any or all of these securities before the year is up. If I am so fortunate to have a short term windfall gain, it is possible that I'll sell the entire position and take the profit. I hope that I learned something in 2000 after the internet stock bubble.

It is really exciting to be in control of my own business and Jessica and I are extremely grateful for all of you who have gone through the transfer process to move your account to ACM and Schwab. Best wishes for a happy and prosperous new year.

Sincerely,



Jim Aljian

ALJIAN CAPITAL MANAGEMENT

3550 Round Barn Blvd., Suite 208 / Santa Rosa, CA 95403 / 707.230.2158 tel / 707.230.2294 fax / aljancapital.com