

Dear Clients and Friends:

For The MDE Group, Inc., 2007 marks a landmark year in our history – the celebration of our 20th anniversary. As I write these words, it seems surreal to me that nearly 20 years have elapsed since MDE was born. Yet, as I look in the mirror each morning, the reality of the passage of time is quickly reinforced. As with all of life's milestones, MDE's 20th anniversary, or birthday if you will, is a time for introspection; a time to reflect back on past accomplishments, and a time to look forward to all that is still yet to be achieved.

As is likely the case for nearly anyone who has started a business from nothing and who has nurtured its growth over the years, whether the business is a hot dog stand or Microsoft, the founder cannot help but take a type of parental pride in that which has been achieved over the years. In rearing a child from infancy to adulthood, much of what the child has become and will ultimately achieve in later life is dependent upon the value system instilled in that child; that is the values applied in dealing with others and in approaching and dealing with life's many challenges.

In many respects, starting, building, and managing a business for the long term is no different. Core values, and the ability to live by them every day, ultimately determine the character of a business and what it will become. Therefore, I cannot properly reflect on MDE's past and project into its future, without reflecting on MDE's core value system that has become part of our DNA.

These core values have led us to this point in MDE's life and will continue to guide us as we move forward. They have become an intrinsic part of MDE, they are intuitive to every member of the MDE family and are inherent in all that we do.

As we look to 2007 and beyond, we remain true to our values and committed to building upon past accomplishments. All of us at MDE are proud that we remain the largest independently owned wealth management firm in New Jersey with some \$1.6 billion of assets under management. We are equally proud of the risk-adjusted investment performance we have delivered to our clients since 2003 as reflected on the exhibits which follow later in this report. However, we are all too cognizant that we live in a dangerous and unpredictable world and remain ever mindful of the numerous investment risks. With all due humility, we readily acknowledge that we cannot eliminate investment risk since we cannot predict the future, know the unknowable, or prevent unforeseen events from occurring. For these reasons, we remain more committed than ever to building client portfolios that are sufficiently diversified to dampen downside volatility while allowing for a significant amount of upside capture.

As I look back on the last 20 years with a sense of modesty and satisfaction, I look toward the future with a continued level of excitement, enthusiasm, and engagement. Much has been accomplished over the past 20 years, yet there is still much left undone. MDE remains committed to future growth to provide opportunities for our talented colleague family and resources for reinvestment in the business for the benefit of our loyal client family. Exactly what path of many we choose to achieve these goals remains unclear. That we will walk that path together into the future, as we have done in the past, is all but an absolute certainty.

As always, I thank all of our valued clients for your loyalty and support. We are all ever mindful that MDE exists solely to serve our client family. It is with this perspective and gratitude for all your loyalty and support over the past 20 years that we proudly reflect on the past and move forward into the future...together.

With warmest personal regards,



Mitchell D. Eichen
CEO & Chief Wealth Strategist