

## BUSINESS

### ECONOMY IN CRISIS

#### What Happened?

**Wasn't the \$700 billion rescue plan** – or bailout, depending on your perspective – supposed to restore confidence? It didn't seem to work Monday, as stock markets took a precipitous plunge.

We asked local investment professionals why the market went down when the banking system was supposed to be looking up. And we queried other local business leaders as to whether Monday's meltdown caught them off-guard.

- The dimwits in Washington do not have a clue what to do. We need to unfreeze the credit markets without the fear that the Feds will be running our banking system! This borders, in my opinion, on socialism.

The markets are reacting with a great deal of fear and panic. . . . This is one of the greatest buying opportunities I have seen. Stay focused on the long term!

**Michael L. Serota, Advanced Wealth Management of Raymond James & Associates**

- Markets rely on confidence and liquidity and right now there is no confidence in our president, Congress or banking system, and consequently no liquidity in the credit markets. Without either of these components, stock markets will continue to go down here and around the world.

**Fred Taylor, principal, Northstar Investment Advisors**

- The bailout plan has not been effective yet because it is early and too many unknowns still exist. Not only does the patient not understand the prescription, but the doctors are not even sure how sick the patient is, making diagnosis and treatment nearly impossible. Investors want total transparency. Until they have it, expect more volatility.

**Michael Willis, lead portfolio manager, The Willis Group, Asset manager to Giant 5 Funds**

- At its core the plan is designed to relieve some of the structural pressure from the credit system – and it may be successful in doing so – not shore up the stock market. We are seeing a level of fear and angst in the markets that far exceeds anything in modern memory. This is the type of environment that has historically led to meaningful market bottoms. The real issue is whether this time is different. Unfortunately there's no way to know.

**David A. Twibell, president-wealth management, Colorado Capital Bank**

- Any uncertainty in the market certainly translates to uncertainty in terms of retail decisions that people make – and that includes restaurants. Anyone who is thinking of opening a restaurant or is in the process of opening a restaurant is going to have a much tougher time getting credit or financing the deal. Those who are established and have done well for the last couple years perhaps have more of a cushion. Recessions are when a restaurant closes and a new restaurant doesn't open up in that space, and so far we haven't seen that.

**John Imbergamo, founder and head of restaurant consultancy The Imbergamo Group**

- What bothers me is that a bunch of people are acting with a 1929 mentality in 2008. They are going about it foolishly, withdrawing

money from bank deposits when those deposits are guaranteed. What will they do with the money? Put it under their mattress? There's a lot of irrational activity going on, but it can't go on for much longer. Rational thinking will prevail after a while.

**Jim Reis, president and CEO, World Trade Center Denver**

- Everyone I have talked to is very concerned – concerned about jobs, health care costs, income levels, and that they will have to stretch their money further than they might have had to (otherwise).

We don't seem to have any leadership at the top of our government.

**Mimi Hull, president of the Association of U S West Retirees**