

Introducing Our New CEO for SKT

Thomas R. Acevedo, Esq. has been selected as the CEO for S&K Technologies.

Thomas R. Acevedo, Esq. has been selected as the CEO for S & K Technologies. His extensive background includes the following:

1981 to 1987 - Mr. Acevedo was a member of the Fredricks & Pelcyger law firm in Boulder, Colorado. Mr. Acevedo became a partner while he was a member of the firm. As a member of the firm Mr. Acevedo litigated through the 9th Circuit Court of Appeals the Leroy Sage v Lodge Grass School District case. This case concerned the exhaustion of tribal remedies before the Federal courts would entertain jurisdiction. He also litigated a significant case for the Wind River Tribes involving the valuation of royalty payments for natural gas. Mr. Acevedo also negotiated several oil and gas agreements and leases for the Wind River Tribes. Also while with the firm, Mr. Acevedo worked with Bechtel Corporation and Fluor Corporation on a project to develop a synthetic fuels project on the Crow Reservation using the "Lurgi" method. Because of a rollback on synthetic fuel subsidies this project was never built. Mr. Acevedo also worked on behalf of the Crow Tribe on coal leases on Tribal lands.

Upon graduation from the University of New Mexico School of Law in 1978, Mr. Acevedo was hired by the Office of the Solicitor, Dept. of the Interior's Honors Program. Upon completion of his year long rotation throughout the divisions of the Solicitor's Office, Mr. Acevedo requested a transfer to the Field Solicitor's Office in Montana. While in that office, Mr. Acevedo worked on an agreement for the Northern Cheyenne Tribe with Atlantic Richfield for the oil and gas exploration of those lands. This agreement resulted in the passage of the 1982 Indian Mineral Development Act.

1988 through 1994 - Mr. Acevedo was employed by the Salish & Kootenai Tribes of Montana, first in the Legal department and later as the CEO of S&K Holding, Inc. This wholly owned corporation of the Tribe, was set up by Mr. Acevedo to control and direct the Tribes' business entities. Among those entities, was Kwataqnuq Resort, S&K Electronics, and the co-licensure of Kerr Hydro Electric Dam. The

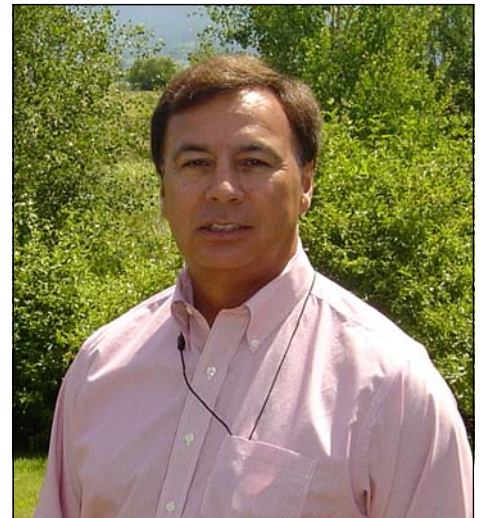
Kwataqnuq Resort project was the first bank consortium financed project the Salish & Kootenai Tribe had ever developed. Mr. Acevedo secured the financing for this project, he oversaw the construction of the resort project. He also hired the key executive management for Kwataqnuq. The Kerr Hydro-electric dam is a 180 megawatt facility. It provides substantial revenues for the Tribe. As an attorney for the Tribe, Mr. Acevedo was responsible for a complex environmental mitigation plan with the Montana Power Company relating to the operations of Kerr Dam. Mr. Acevedo was appointed by the Governor of the State of Montana as member of the State's Gaming Advisory Committee.

1994 until 1995 - Mr. Acevedo was the Chief of Operations for the Council of Energy Resource Tribes (CERT) with offices in Denver, Colorado. CERT is a technical services non-profit corporation for more than 40 plus member Tribes.

May of 1995 through September of 1996 - Mr. Acevedo served as the Chief of Staff and as the Special Assistant for Congressional and Intergovernmental Affairs for the National Indian Gaming Commission (NIGC).

October of 1996 through January 2006, Mr. Acevedo was employed by the Mohegan Tribe as the Chief of Staff for governmental operations. Beyond the day to day management of Tribal governmental operations, this position evolved into several additional responsibilities. Among those responsibilities was serving on the four member management board of the Mohegan Sun Casino while management of the casino was conducted through a management contract with Trading Cove Associates. When the Tribe assumed direct management of the casino, Mr. Acevedo served on the Executive Management Committee for Mohegan Sun.

In addition to setting operational policies and strategic planning, another primary responsibility of the Executive Management Committee was securing financing from Wall Street and bank consortiums for various phases



Thomas R. Acevedo, Esq.
Chief Executive Officer

of expansion. In fulfilling the duties on the Executive Management Committee, Mr. Acevedo participated in a road-show that required travel throughout the United States for meetings with investment institutions. The bonds that were raised through this effort were publicly traded and resulted in 900 million dollars in subscriptions. Mr. Acevedo also participated in numerous meetings with Standard and Poors and with Moodys, throughout his 9 year plus tenure with Mohegan.

In addition to the activities mentioned previously, Mr. Acevedo met regularly with investment bankers and with commercial bankers regarding Mohegan's financial position.

Mr. Acevedo also sat on the investment committee established by that Mohegan Tribe that considered and evaluated various business investment opportunities. That committee fielded proposals submitted by companies and venture capitalists that wanted Mohegan investment.

While with Mohegan, Mr. Acevedo also served

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as the Chairman of the Internal Audit Committee for Mohegan Sun. Following passage of the Sarbanes Oxley Act, which required changes to the make up of the Internal Audit Committee, Mr. Acevedo continued to serve as the principle legal adviser to the Committee. Several of the departments directly under Mr. Acevedo were also responsible for Mohegan Sun operations these were Public Safety, Surveillance, Legal and Public Health.

Mr. Acevedo's education consists of being a 1978 Graduate of the University of New Mexico School of Law and 1975 Graduate of the University of Montana with a Bachelors of Arts in Political Science.

Mr. Acevedo has belonged to the following associations:

- Member of the Virginia State Bar
- Admitted to practice before the 9th and 10th Circuit Courts of Appeals
- Admitted to practice before the United States Supreme Court
- Member of the Federal Bar Association
- Member of the AAIA Advisory Committee
- Former member of NARF's Advisory Committee
- Former member of NIGA's Executive Committee

Mr. Acevedo has been a speaker at numerous conferences and legislative bodies; testified before the Canadian Royal Commission on Economic Development for First Nations; provided testimony to both Houses of Congress on various Indian issues; speaker at the Harvard Project on Indian Economic Development at Harvard; and presented at the most recent G2 conference in Las Vegas on Indian gaming.

On a personal note, Tom and his wife of 35 years, Liz, make their home in Polson, Montana. They have two children who reside on the east coast and their names are Stephanie and Jason.

Benefits Corner

Double Digit Health Care Cost Increases Forecast

The cost of providing health care is expected to increase as much as 11.2 percent in the next 12 months, according to a recent survey of more than 70 health insurers representing more than 100 million insured individuals.

However, compared to its fall 2006 trend survey, medical trend rates are down about half of 1 percentage point, according to Chicago-based Aon Consulting, a human capital consulting organization that conducted the survey of leading medical, dental, pharmacy and vision vendors.

A breakout by plan category found:

- Health maintenance organizations (HMOs)—rates are projected to rise by 10.9 percent. That's down from 12.2 percent in spring 2006.
- Point-of-service (POS) plans—rates are projected to rise by 10.8 percent, down from 11.9 percent.
- Planned provider organizations—rates are projected to rise by 11.2 percent, down from 12.4 percent.
- Consumer-driven health plans (CDHPs)—rates are projected to rise by 10.7 percent, down from 12.5 percent.

“Although it is encouraging to see a continuing decline in health care trend rates, employers are still challenged by the fact that health care cost increases are more than four times general inflation rates,” said Bill Sharon, senior vice president with Aon Consulting and director of the study.

“For many businesses, health care costs continue to be their fastest growing expense,” he said in a press release.

Increasing patient demand for services, an aging population, increasing medical technology and hospital costs, increasing price and utilization of prescription drugs, poor lifestyle choices, cost shifting, and medical malpractice costs are blamed for the double-digit rate increases.

Among other findings of Aon's Health Care Trend Survey:

- General prescription drugs are expected to increase in cost by 9.5 percent, down from 12.2 percent projected in spring 2006.
- Specialty drugs, which include biotechnology agents designed for complex and chronic conditions, will increase in cost by 15.1 percent, down from 17 percent projected in spring 2006.
- Health care rate increases for retirees over age 65 are projected to be 11.2 percent for Medicare Supplement plans with pharmacy coverage and 9.2 percent for Medicare Advantage plans with pharmacy coverage.
- Dental trend rates are down slightly from fall 2006 projections.
- The vision trend rate is up slightly to 3.1 percent.

The trends represent national averages and are the predicted increase in claims cost, the report cautions. It notes that “trend increases for a specific company may vary significantly” because of factors such as variations in regional cost, company plan design and demographics.

Employers have a number of strategies to reduce the rate of these increases, Aon's Sharon pointed out.

“Some of the more successful strategies consist of implementing consumer-driven health care plans, chronic condition management programs and health promotion programs.

“Coupled with plan design changes and/or employee contribution changes, these strategies can reduce an employer's health care cost increase by more than half.”

Employers of All Sizes Impacted

Reducing those costs likely will be a priority for most employers. The spring 2007 Employee Benefits Market Survey by The Council of Insurance Agents & Brokers found group medical care costs increased for employers of all sizes.

The council represents the country's leading domestic and international insurance agents and brokers who annually place more than 80 percent of commercial property/casualty premiums in the United States and who

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administer billions of dollars in employee benefit accounts.

The survey, which the council describes as a sampling of the marketplace, found that the vast majority of employers paid significantly more for account renewals than in fall 2006. Among other findings:

- Rates for group medical plans rose as much as 15 percent since fall 2006 for some small and medium-sized employers.
- Rates for employers with 501 or more workers rose as much as 6 percent to 10 percent

Fewer than 30 percent of employers they deal with are shifting employees to high-deductible health plans (HDHPs) coupled with either health savings accounts (HSAs) or health reimbursement accounts (HRAs), according to three-fourths of the 90 agents and brokers surveyed.

Instead of limiting options or discounting coverage, though, most employers are continuing traditional coverage plans, with employees shouldering the cost of higher deductibles and co-pays, the council found.

“The majority of our clients are beginning to increase the deductibles to reduce the overall increases,” the council quoted one unidentified broker from the Midwest as saying.

“The HSA plan designs have not provided enough savings to warrant making the change, so they are staying with a higher deductible with office visit and prescription co-pay.”

When the plans are added, most are provided as an option rather than the only choice on the benefits menu, the council found.

“Most groups are looking at high-deductible plans, but not many are implementing,” an unidentified broker from the Northeast said. “If they do, it is as an option, not a replacement.”

Kathy Gurchiek is associate editor for HR News. She can be reached at kgurchiek@shrm.org

The New Market High—What To Do Next

The Dow Jones Industrial Average—the best known measure of the stock market—and the broader S&P 500 index, recently closed at new all-time highs. For some investors, this was cause for celebration. For others, it might have brought back bad memories. Anyone investing during the late 1990s—when the “dot-com” bubble drove the market to new heights—may have lost a significant amount of money in 2000 when the tech bubble burst.

Seven years later, the stock market has gained back its losses, and some investors may fear that history will repeat itself. It may seem logical to sit on the sidelines and try to avoid a possible market decline. But that’s market timing. Another way to say it is “buy low and sell high.” Sounds great in theory, but it’s nearly impossible to know when the market is at a “high” or a “low”.

It Can Pay to Stay Put

The chart below shows the price you could pay for jumping in and out of the market. During the past 10 years, the stock market has certainly experienced a fair share of highs and lows. Yet if you invested in the S&P 500 index—and stayed invested—you would have earned a return of 8.4%, more than enough to double your initial investment. If you missed just the 40 best days in the stock market during that period, you would have actually lost 48% of your investment.

The Penalty for Market Timing

Value of a \$10,000 investment: in the S&P 500 during 10 years (1997-2006)



Total return includes dividends. Source: Ned Davis Research. The S&P 500 is an unmanaged index and cannot be invested in directly. Past performance does not assure future results. Total number of trading days, 1/1/1997 to 12/31/2006, is 2,517.

Then and Now

Although the Dow and S&P 500 are back to their highs, the stock market today is actually a much better value, when compared to such measures as earnings and dividends. For example, stocks in the S&P 500 index had a price-to-earnings ratio (P/E) of 31, compared with just 18 today. Generally, stocks with a lower P/E are a better value, because a higher P/E implies that a stock’s earnings may not be sufficient to sustain the stock’s price. That’s what happened in 2000. Many stocks had low or nonexistent earnings, so the high stock price just couldn’t last.

Measure	3/24/00	5/30/07
S&P 500	1527	1530
Earnings¹	48.17	84.95
Dividends²	16.69	26.62
P/E	31	18
Yield	1.1%	1.7%

1. Earning per share, trailing 12 months
2. Dividends per share, trailing 12 months

Source: Bloomberg. Past performance is not an indication of future results. Dividends can be increased, decreased or eliminated at any point without notice. The S&P 500 is an unmanaged index and is unavailable for direct investment.

So remember, “time in the market is more important than timing in the market.” Strive to own quality investments, diversify them, and invest for the long term. No one can say where the market will go from this new high, but we believe if you’re working toward long-term financial goals, you need to stay invested.

3 Diversification does not guarantee a profit, nor does it protect against a loss in a declining market. Past performance is not an indication of future results.

Alan Skrainka, CFA

Chief Market Strategist

Edward Jones

Division News

S&K AEROSPACE OPERATIONS

Repair & Return employee Ray Knighton performs at the Texas Troubadour Theater in Nashville Tennessee

SKT Aerospace Operation's Repair & Return employee Ray Knighton along with his partner in music, Wanelle Collins performed at the Texas Troubadour Theater at the Midnight Jamboree on 14 Apr 07 in Nashville Tennessee. The show broadcasted live on WSM 650 AM radio world-wide. Timing was perfect as it was Ray's birthday. Ray said that this experience was the best birthday present he could have had.

See more at <http://www.rkwe.com/home>



Lynn Daniel and horse, Psyches Magic BA, Win Reserve Champion in the Region 12 Arabian Championships

Lynn Daniel and her horse, Psyches Magic BA, were Reserve Champions in Arabian Hunter Pleasure class in the Region 12 Arabian and Half-Arabian Championship Show on May 5, 2007 at the Georgia National Fairgrounds in Perry, GA. Lynn is an SKT Aerospace Operations Repair & Return employee in the Georgia office.

The Arabian Horse Association hosted the Region 12 Arabian Championship Horse Show in Perry, GA the first week of May this year. This show is a Regional Championship show for horses that have acquired enough points in Class A Arabian shows to compete at the Regional Level. Many of horses who place at Regionals, including Psyche, will go on to compete at the Canadian Nationals in Regina, Saskatchewan this summer and/or the US Nationals in Albuquerque, NM this fall. Region 12 is one of the largest regions in the US, consisting of GA, FL, AL, MS, TN, NC, and SC. We wish Lynn and Psyches Magic lots of luck in the next level of competition.



S&K Gulf Coast Region

Houston.... We don't have a problem

The exclamation normally associated with Houston, Texas, is "Houston we have a problem!" However within the S&K community the more correct comment is "We don't have a problem in Houston."

The Gulf Coast Region is presently comprised of work being performed by S&K Aerospace team members on the Johnson Space Center under the 'Intelligent Robotic and Control System Services Contract' and work being performed by S&K Technologies team members through the Software Development Center (SDC).

The NASA contract is headed by Arthur Molin, Program Manager and he is supported by Scot Bell, Joe Bibby, Cecilia Breigh, David Fretz, Leslie Houk, Mary Beth Hudson, Kevin Kusy, Tod Milam and Carroll Thronsbury. This team provides NASA with support in advanced technologies that will be needed for future missions in space. Leslie, Cecilia, and David provide user support for NASA's Intelligent System Lab. Tod, Mary Beth, Scot, and Carroll provide support to human/robot interaction that is being tested on the Robonaut project. Robonaut is a humanoid robot whose goal is to perform duties as similar to an EVA astronaut. Joe Bibby is a system administrator for the Dexterous Robotics Lab (DRL) and Kevin Kusy develops software for the DRL. One of the primary products of the DRL is an almost human-like hand that is to be used in conjunction with Robonaut. There are nine summer interns working under the guidance of the S&K Aerospace team that are researching and developing technologies that will be used in an upcoming lunar rover. All of these areas of research will help bring NASA closer to its mission of manned exploration beyond earth's orbit. It will extend our ability to provide crew operations and habitation from the International Space Station to an outpost on the moon and eventually to Mars. Also assisting our team in these endeavors are members from our subcontractor TracLabs, Inc.

The SDC provides support to many of our S&K divisions as well as our corporate infrastructure.

It is lead by Kevin Kofal who is supported by team members Mike Myers, Manoj Matthew, Casey Frisbie, Heather Goldstraw and Ashly Creekmore. The SDC provides software development services such as design and development of data driven web applications, custom website layout and design, graphical user interfaces, portal development, designing custom reports and developing relational databases along with database administration. This small

but dynamic team has provided a 'reach back' capability for our NASA contract in the past.

All work and no play is NOT the order of the day within the Gulf Coast Region. Recently the Team participated in the Annual NASA Chili Cook Off. Once again S&K was recognized as the most distance represented corporate Team. Note: the tipi came from the Flathead Reservation.



Photo: Texas Congressman Nick Lampson poses for a photo with SKA Thunderbird Chili cook-off team on the NASA/Johnson Space Center campus.

New/Transitioned Employees

Join us in welcoming these new members of S&K's winning team!

S&K TECHNOLOGIES

Shaymaa W. Novick - 06/05/07
Budget Analyst II
Iraq

Scott Westervelt - 06/05/07
Operations Specialist I
Iraq

Ashly Creekmore - 06/18/07
Web Developer
Houston, Texas

S&K AEROSPACE

Carol L. Holley - 04/02/07
VI Photographer
Fort Wainwright, Alaska

Anita H. Hurlburt - 04/16/07
Real Estate Support Specialist
Fort Richardson, Alaska

Troy Melhase - 04/16/07
Lead Portal Developer
Fort Richardson, Alaska

David L. Fretz - 05/01/07
System Administrator
Houston, Texas

Bruce B. Bates - 05/01/07
Senior Planner
Fort Richardson, Alaska

Daniel J. Froedge - 05/17/07
Planner
Fort Wainwright, Alaska

Candice K. Nathaniel - 05/16/07
Customer Service/Help Desk Specialist
Fort Wainwright, Alaska

Natasha E. Brown - 05/29/07
Environmental Support Clerk
Fort Richardson, Alaska

Natasha D. Marsh - 06/06/07
Staff Support Specialist
Anchorage, Alaska

Sunayana Chopra - 05/29/07
Undergraduate Intern
Houston, Texas

Kisika T. Cortez - 05/29/07
Undergraduate Intern
Houston, Texas

William C. Kethman - 05/29/07
Undergraduate Intern
Houston, Texas

Rachel A. Moore - 05/29/06
Graduate Intern
Houston, Texas

Abigail M. Sprague - 05/29/07
Undergraduate Intern
Houston, Texas

Heather Goldstraw - 05/28/07 (transitioned)
Jr. Programmer
Houston, Texas

Kara K. Boyer - 06/04/07
Undergraduate Intern
Houston, Texas

Jeffery M. Ciabattoni - 06/04/07
Undergraduate Intern
Houston, Texas

Seth C. Koterba - 06/04/07
Graduate Intern
Houston, Texas

Zohab Noorani - 06/04/07
Undergraduate Intern
Houston, Texas

Tommy Sauer - 06/18/07
Telephone Repair Specialist
Fort Greely, Alaska

Mathew A. Murphy - 06/18/07
Safety Technician
Bremerton, Washington

Newborns



S&K Corporate Headquarters St. Inatius, Montana

Congratulations to **John Mausshardt and wife Kari** on the birth of their twin sons Ted (standing up) and Jack (sitting down). They were born on August 5th, 2006 in Missoula, MT.

John has been a Purchasing Coordinator at corporate headquarters for a little over 4 years now.

Employees of the Quarter

Each of these employees has demonstrated an excellent work ethic, a positive attitude, and the initiative to go "above and beyond" in the performance of his or her duties.

WE'RE PLEASED TO HONOR THESE OUTSTANDING EMPLOYEES.

Congratulations to these exceptional employees and to all the nominees from each of S&K's locations!

EMPLOYEES OF THE QUARTER SUMMER 2007

S&K Aerospace Operations



► Owen Jett
RSAF Flight Manual Manager
Robins Air Force Base, GA

CMSgt (ret) Owen Jett leads the SETA contract supporting the Air Force Corrosion Prevention and Control Office (AFCPCO) located at Warner-

Robins Air Logistic Center. Owen and his team provide a wide array of services to the local government team led by Major Reed and to airmen around the world charged with corrosion prevention and control for aircraft and aircraft support equipment. Owen's leadership and expertise are appreciated by all who work with him. A recent email from a field corrosion manager said "Owen, Thanks for the great information. Has anybody told your office how great of a job they do there lately?"

CMSgt Ron Allison, the lead NCO in the AFCPCO office writes the following about Owen:

"- Unsurpassed leader & exemplary mentor to entire

career field--sought-out expert by MAJCOM & AF leaders

- Linchpin to successful implementation of Southwest Asia pre-deployment and post-deployment -06 checklist

-- Institutionalizing of A/C specific checklist/preventative maintenance resulted in dramatic corrosion reduction

- Footprints AF-wide; established new science based wash cycles for aerospace ground equipment world-wide

- Spearheaded advanced coating system--reduced cost of corrosion to AF systems and equipment by \$1.5B/year

- Outstanding during 07 AF Corr Conf; 451 attendees--largest think-tank for corrosion mitigation DoD-wide

- My technical adviser--supervised two TO re-writes; facilitated up-to-date maintenance technical guidance

- Real time solutions; coordinated with WHO/CDC on H5N1 Avian Flu disinfectant process--safe and effective

- Evaluates technologies to satisfy maintainer needs--communicates best practices to 9 MAJCOMs and 3 depots

- Lead technical advisor PACAF survey; unparalleled system knowledge facilitated "on-the-spot" Mx guidance

- Always the "go to guy" on field users questions--knows what is important to AF maintainers

- Superbly qualified to lead AFCPCO corrosion team--35+ years corrosion experience

- Important role as secretary for first ever Air Force Corrosion Prevention Advisory Board--Board recently recognized by SecAF with appointment of AF Corrosion Executive--Owen played a key role in ensuring Mr Mark Johnson SES was backfilled on all high visibility projects AFCPCO has and is currently working."

In addition to all the above, Owen's team relates that he always finds the time to help them and creates a positive work atmosphere. Owen Jett truly sets a high standard for project management as well as customer and coworker relationship management.

S&K Corporate Headquarters



► Tracy Schall
Executive Assistant
St. Ignatius, MT

Tracy Schall, Executive Assistant, has provided outstanding support for the CEO since she was hired 1 ½ years ago. She has

complimented the office with her expertise in organization, efficiencies, and overall togetherness. Tracy came onboard with little more than a job title. She had to create an office, buy furniture, files, etc.

Once she put her office together, Tracy has done a phenomenal job in helping the CEO with travel, preparing details for engagements between the CEO and the Federal and Congressional Officials, preparing agenda's for Board Meetings as well as the supporting documentation and just the ease of mind that she gives the CEO by taking care of details. It is with great pleasure that we recognize Tracy for the great job she has done and continues to do.



S&K TECHNOLOGIES *In Sync*

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Photo: S&K Corporate employee Dean Hendrix (bottom) and daughters Anna (top—holding paddle up) & Rebecca (in front of Anna) brave the white waters of the Clark Fork River near Missoula, Montana.

