PERKINS CAPITAL MANAGEMENT, INC.

January 27, 2003

Dear PCM Client:

We usually start writing our quarterly client letter the first weekend of the new quarter, then get pretty serious about it the second weekend, finishing it the third weekend before sending it off to the printer, and receiving it back for mailing sometime during the fourth week of the month. When we look back at previous letters, we see that we often start out talking about the weather. We guess that is because weather that is "different" than expected is noteworthy. On this first weekend in January, as we are dictating this paragraph we note that December fit that unexpected criteria, as it was unusually warm with many days in the 40s. And there was no snow, even for Christmas. January came and it was the same, with daytime temps in the 30s, and two days at over 50 degrees and still no snow. But it is VERY cold now as we are finishing this letter, so winter finally decided to show up, but without much snow. Most of the lakes are frozen and they are beginning to be populated with fish houses. But, all in all, this means a very short real winter, for only part of January, February and maybe March are left for us to fight the snowdrifts (if snow comes) and the slower than usual traffic. We are writing, of course, about Minnesota, since that is where we live and not the other parts of the United States, especially the East Coast, where at least two severe winter storms have already been experienced. And there has been considerable snow in other parts where it is seldom seen. We wonder why we write about the weather, because if you (client or friend) live in Minnesota you know how it has been and we don't have to tell you. If you live elsewhere, you probably don't give a hoot about Minnesota weather unless you've moved to a warmer climate to get away from it, and then wonder why we're still here. And in the end, there is nothing we can do about it anyway, whether Minnesota, New York, or wherever.

Speaking about Minnesota, one of the things that is a main event here in the fall is deer hunting, and as usual, this fall has been no exception to fatalities. Several hunters have been shot, at least one cow, and a horse. Because of the inability of some hunters to distinguish between horses, cows and Homo Sapiens, a new part of the licensing procedure will be for hunters to view a series of flash cards which presumably will help them distinguish among the objects aforementioned; this will be a requirement for a deer hunting license in the future.

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A LOOK IN THE REARVIEW MIRROR

Our friend and mentor, Steve Leuthold, takes his annual "look in the rearview mirror." Stealing that line from him, we will do the same. The year 2002 was unlike any other that we have seen in our lifetimes. The main events were:

The Stock Market. Even though "the market" peaked in March 2000, and was difficult in 2001, the bear got a really good grip in 2002 giving "the market" its first 3-year decline since 1939-1941. And that time 60 years ago was when the world was in turmoil in Europe, and culminated in the December 7, 1941 attack on Pearl Harbor. Perhaps today is not so different after all, with the worldwide war on terrorism. Fear knows no boundaries; we think the bad market belongs at the top of our list.

The U.S. Economy. Like the stock market, the economy too, is a casualty of the boom and the bubble. Although 2002 was a mixed bag for the economy, and while it seems to be coming around, albeit slowly, that is little solace for the 1.4 million whose jobs disappeared in the "jobless recovery." Now the short-lived $200 billion Federal surplus has turned into a $300 billion deficit, not including the theoretical cost of $200 billion for the proposed war with Iraq. The same is true with most states where surpluses have turned into deficits. The worst is California with a $35 billion deficit, about ten times that of Minnesota, but then California is larger and more populous.

The War on Terrorism. While it was not the news that it was in 2001 because of the 9/11 disaster, it was big because of Afghanistan and the search for bin Laden, dead or alive. But the terrorist attacks continued in Indonesia, Moscow and Kenya during the year.

The Proposed War with Iraq. A year ago President Bush included Iraq in the "axis of evil" and began to push for "regime change." This took on a life of its own throughout the year as Bush tried to convince other countries to join with the United States in a military action. In the end Bush went through the United Nations, and arms inspections were authorized, with a final report due January 27, 2003. The war is still pending.

Corporate Scandals. The names read like a who's who of American enterprise—Adelphia, Arthur Andersen, Enron, Global Crossing, Kmart, and WorldCom. All of these were hit with corporate wrongdoing of one kind or another, and in some cases outright fraud. Legislation promising stiff penalties for wrongdoing was passed.

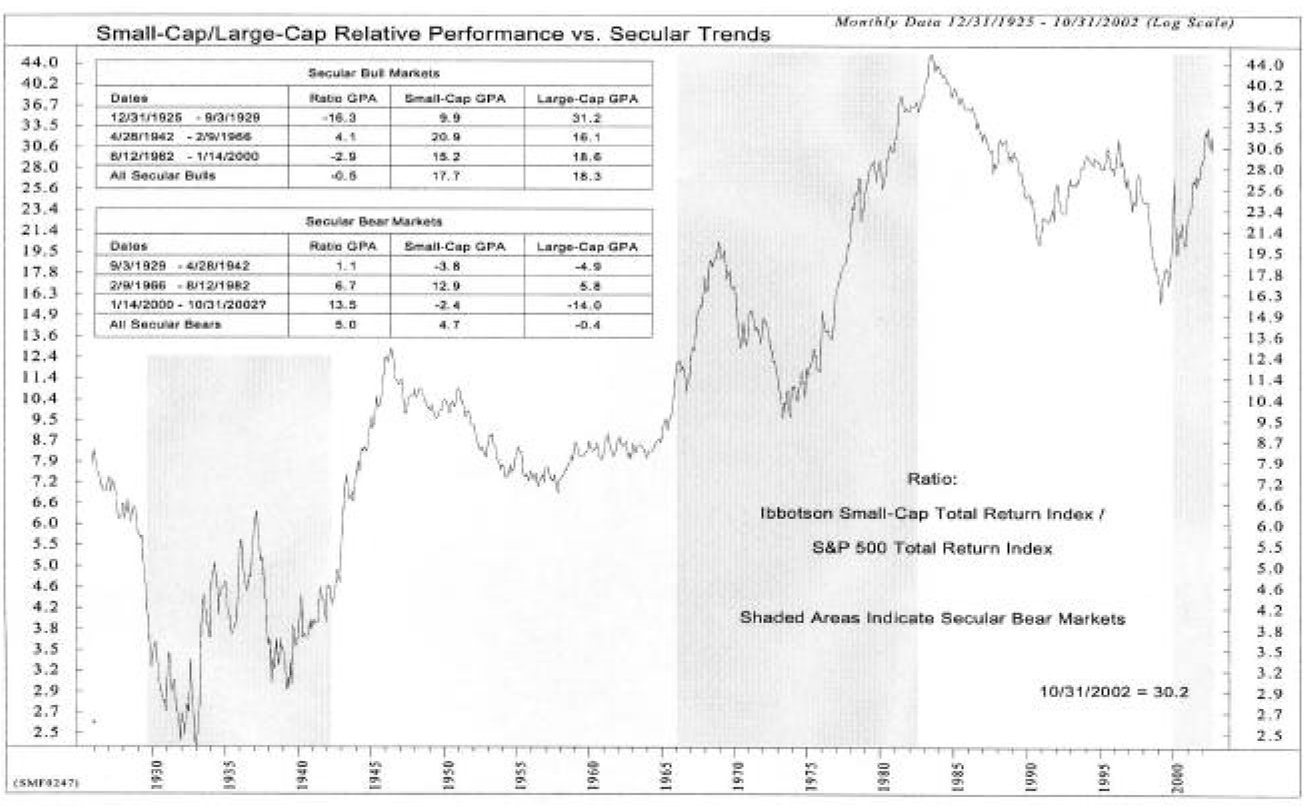
Church Scandals. The Catholic Church was rocked by revelations of widespread sexual abuse of minors by priests and subsequent cover-ups. The scandals forced Archbishop Law of Boston to resign, and even got Pope John Paul involved. Now the Catholic Church has a severe image problem, not to mention the ongoing cost of settlements to victims.

And there were many other situations which dominated the news for a time, including the Washington D.C. sniper killings. Looking in the rearview mirror helps us realize how really difficult the year was, and in retrospect, we think we are lucky the market wasn't worse than it was, having to cope with all of these problems and uncertainties.

THE VIEW AHEAD

Looking ahead into the New Year, let's address the same issues:

The Stock Market. At the October bottom, the NASDAQ Index was down over 78% in about 31 months. Today the debate is whether or not we will experience four years down in a row. Hard to imagine, but anything can happen. We have felt good about 2003 for some time and have characterized the market this year as being in the B wave, i.e., a recovery period after the first, or A wave, down. We have also said that the final bottom, the C wave, might not arrive until 2004. There has been considerable discussion among analysts and stock market gurus as to whether the current rally off the October lows is a new bull market or merely a cyclical bull rally within a secular bear market. There have been several secular bear markets, but the two in our lifetimes (Perk was born in 1930) have been from 1930-1942 and 1966-1982, while secular bull markets have occupied the time in between, specifically 1942-1966 and 1982-2000. Those who believe we are in the early part of a secular bear, point to the historical precedents of a 17-year secular bear, to be followed by a 17-year secular bull, to be followed by another secular bear. Well, you get the drift. If that is true, then we will be in a secular bear market until about 2017, give



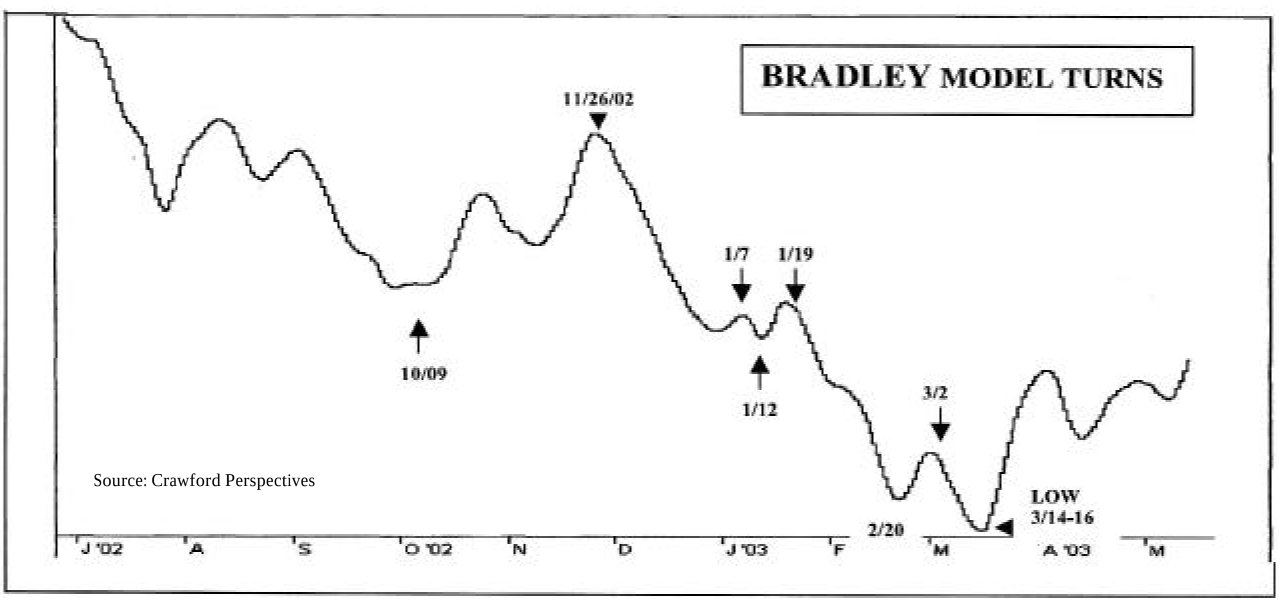
or take a year or two, with many cyclical bull and bear markets during this time frame. Our crystal ball does not go out that far, but if we are in a cyclical bull within a secular bear then small-cap stocks will do best. The Ned Davis Research chart above shows secular bear markets as the shaded areas with the solid line representing the ratio of the Ibbotson Small Company Total Return Index to the S&P 500 Total Return Index. If the shaded area beginning in 2000 is the beginning of a secular bear, then small-caps are already showing strength in this first cyclical bull within the new secular bear. As the accompanying table shows, the median performance of small-caps during secular bears has been a gain of 24.9%, well above the 16.4% gain for all markets, and significantly above the median of a 2.6% gain within secular bull markets. We do not think that 2003 will be a down year, for as mentioned earlier, the B wave is likely to last to the end of the year or early 2004. Take another look at our October letter, where we wrote about the gains in the market from the midterm low to the high the following year. The tables we produced looked at the Dow Jones Industrials from 1914 to 1998 and the S&P 500 from 1934 to 1998, and showed midterm low to the following year high gains of 51% and 50% respectively. We noted that a 50% gain would get the Dow up to about 10,767 and the S&P up to about 1150 sometime in 2003. This is a phenomenon that has never failed as there has always been a gain over the period with the smallest gain at 14.5% and the highest at 87.6% for the Dow, and 14.7% and 87.1% for the S&P, but most of the gains centered around that 50% number.

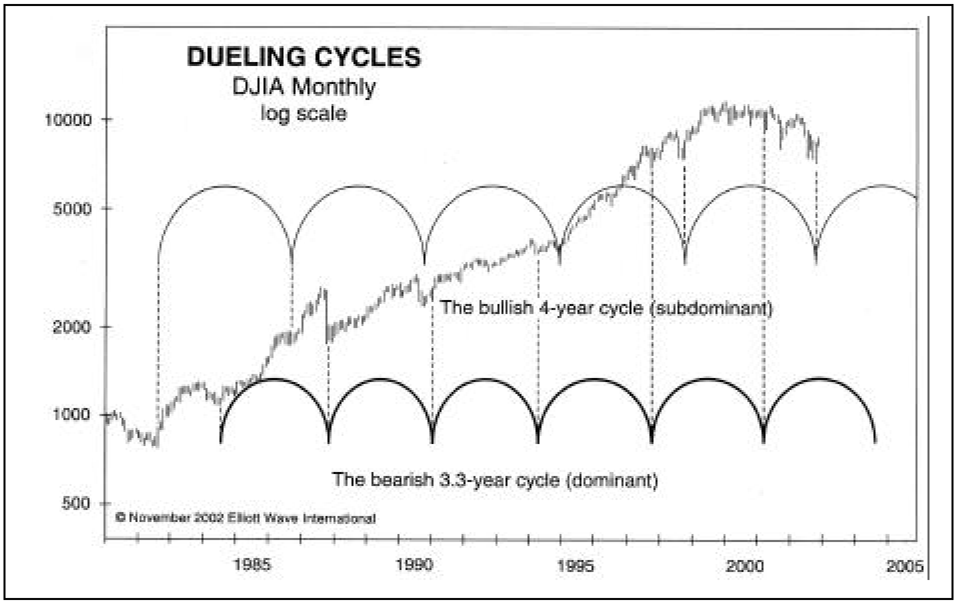
PERFORMANCE OF SMALL-CAP/LARGE-CAP RATIO DURING NDR-DEFINED CYCLICAL BULL & BEAR MARKETS MEDIAN MAGNITUDE & DURATION BASED ON SECULAR TREND 09/30/1929 - 10/31/2002

Cyclical Bull Markets	# Cases	% Gain	# Days (Yrs)
Median - All	25	16.4	456 (1.2)
Median within Secular Bulls	11	2.6	943 (2.6)
Median within Secular Bears	14	24.9	350 (1.0)
Cyclical Bear Markets	**# Cases**	**% Gain**	**# Days (Yrs)**
Median - All	25	-8.9	274 (0.8)
Median within Secular Bulls	10	-6.8	243 (0.7)
Median within Secular Bears	15	-12.0	488 (1.3)

NDR-Defined Secular Bear Markets since 1925:
09/03/1929 - 04/28/1942, 02/09/1966 - 08/12/1982, 01/14/2000 - current. All other periods are secular bull markets. Cyclical Bull & Bear market data based on studies T_200A & T_200B. Current cyclical bear market excluded from median calculations. Small-cap returns based on Ibbotson Small Company Total Return Index. Large-cap returns based on S&P 500 Total Return Index. Return data is monthly.
Ned Davis Research, Inc. *T_COD21122*

In that letter, we also produced a chart of the Bradley long term model for 2002 in support of the contention that 2002 was a low. The new Bradley model for early 2003 shows a





choppy market with a downward bias until March 14, when it calls for a bottom and a strong rise into the summer.

Now let's look at a chart of the 4-year and 3.3-year cycles, courtesy of Elliott Wave International. Again we note that the 4-year cycle clearly bottomed in 2002, while the 3.3-year cycle calls for a bottom in 2004. The 4-year cycle is on the upswing now, while the shorter 3.3-year cycle is in its topping process. This gives us more faith in our scenario for a strong 2003 followed by a 2004 decline and bottom, prior to the strong move up in 2005. As our readers all know, the fifth year in the decade is always the strongest.

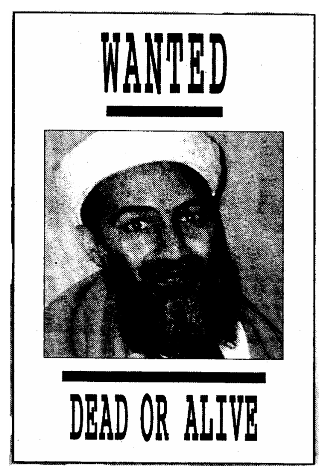
One of the indicators which we have not discussed for several years is the January indicator or, specifically, the first five days in January indicator. History has shown if the first five days in January are up, then the month of January and the year are also likely to be up. This January the Dow Industrials were up 3%, the S&P 500 3.4%, and the NASDAQ composite 4.9%. The record of this indicator is very good. Since 1950 there were only four years when January's first five trading days were up, but not followed by an up year. Those years were 1966, 1973, 1990 and 2002. However, those "exception" years were all war years. Last year we were fighting the "war on terror," in 1990 Saddam started the Gulf War, in 1973 the Mideast War occurred, and in 1966 Vietnam was getting underway. So here we are again in a similar warlike year, and as we write this the market has given up its January gain, and has only four days to gain it back. We can hope it will!

Now let's discuss risk vs. reward. Today the risks are evident and constantly in the news: the slow economic recovery, potential terrorist attacks, the specter of the Iraq War and its repercussions, the weak stock market, and on and on. This is quite the opposite from risk assessment in early 2000 as the market was topping and stocks were selling at outrageous prices. Back then perceived risk was low, but stocks were selling at multiples of revenues and earnings which failed to allow for risk. Sun Microsystems, for example, sold at 25 times revenues at its 2000 high, and today it is selling at less than one times lower revenues. Where is the risk in this stock now after it has fallen so precipitously? It seems to us the risk today is in not owning it, and likewise, many others that have come down in similar fashion, names like Ciena, Broadcom, Veritas, JDS Uniphase and Lucent to name just a few. Today the greatest risk is not owning stocks at a time when the risk of ownership is quite low compared to a time just two years ago when risk was high and virtually no one thought about it, or prepared for a possible bad outcome.

We often write about "believing what you see" as opposed to what you hear, which may be untrue, or what you read, which can be untrue as well. We look at charts of many stocks; daily, weekly, and monthly charts. What we see today and have seen since autumn are bottoms, primarily inverse head-and-shoulders patterns. In many cases it has taken almost all of 2002 to complete them or in a few cases the last six months of the year. These bottoms are primarily in small-cap stocks which have come down a long way from the 2000 top, but there are some which are completing larger consolidation patterns prior to going to new highs. There are many from which to choose.

The U.S. Economy. The economic recovery, while so slow as to be almost imperceptible, is there nonetheless, although there is increasing talk of a "double dip." Monetary policy remained easy much longer than expected as a result of all the turmoil, and the economy likely will continue to benefit in 2003 from the resulting low interest rates. The economy has also been given substantial ammunition with another round of tax cuts and fiscal stimulus, which Bush has listed as a major priority for early in the New Year. We remember, of course, that he envisioned something like a $3.7 trillion tax cut during his campaign for the presidency. Heavy cost cutting in 2002 by corporations significantly reduced break-even levels, increasing the operating leverage to be seen with even a small increase in the top line. Inventories are down to practically nonexistent levels, particularly in the distribution industries, which will become a positive this year as they are rebuilt. Speaking recently with the president of one of our portfolio companies in the software business, we learned that their business had improved substantially recently as corporations realized that their top line growth is going to be modest, and that the only way to achieve bottom line growth is through cost cutting measures or implementation of new software systems which will save significant sums of money. We think, however, that we are kidding ourselves if we expect to receive substantial tax cuts, and more likely would see tax increases, but probably of the variety which are hidden so as to avoid a taxpayer rebellion. As noted earlier, the State deficits are huge, and unless business improves significantly, ways will have to be found to reduce those deficits. It is probably through cost cutting coupled with hidden tax increases.

The War on Terrorism. Most certainly this will escalate around the world in 2003 as the hatred of America and Americans increases. Just this past week, Hamas called upon its supporters to send thousands of suicide bombers to kill American infidels wherever they may be found in the name of Islam. This war will go on. Our overriding fear, however, is that they will succeed again in the United States in some monumental way such as a dirty bomb or some other act that frightens our populace. We hope that the newly formed Department of Homeland Security will help the various government agencies get their act together through cooperation of these disparate agencies such as the CIA, FBI, Coast Guard, etc., which seemingly don't want to talk to each



other. We think the campaign to get bin Laden "dead or alive" will come alive again and may very well succeed.

The Proposed War with Iraq. Our feeling is that this conflict is too well advertised to happen, and therefore we lean towards a different solution such as the possibility of an internal coup, Saddam accepting exile, or some other way in which the war is defused. Just last week, more empty biological warheads were found causing inspectors to ask for more inspection time, possibly as much as a year. As the cartoon shows, empty warheads are being found all over Iraq.

Corporate Scandals. We think these are over for the most part. Taking a contrary view again, we recall the study that Ned Davis did many years ago and publicized in his book *Being Right or Making Money* concerning magazine covers, which found that you would have done very well by going contrary to them, for when something has become so prevalent that it is on the cover of a major magazine (e.g., *Time*, *Life*, *Newsweek, Business Week*) it is already at its peak and will soon be over. Our thought here is that the *Time* year-end cover of the three female whistle-blowers (Rowley of the FBI, Watkins of Enron, and Cooper of WorldCom) probably signals the end of the era of major corporate scandals. You say you don't believe in this indicator? Well, what if you had sold short Amazon.com when CEO Jeff Bezos was *Time* magazine person of the year in January 2000. Amazon was $113 then, eventually falling to $6. There are literally dozens of other examples and, while we are on the subject of contrary opinion indicators, here are two more: Be wary of a stock when its CEO writes a book or when a lavish new corporate office is built. Jack Welch's *Straight from the Gut* appeared in the summer of 2001 shortly after the peak in the price of General Electric. And Bernie Marcus and Arthur Blank, the founders of Home Depot, released their book, *Built from Scratch* near that stock's high. A move to a lush new headquarters often signals a decline in that company's stock. Some Twin City examples are ADC Telecom which built a new $100 million campus right at the high and that stock has gone from $40 to $3. Or Best Buy, which is just completing a new $160 million campus and has seen its stock decline substantially. And there are other examples from earlier times right here in Minneapolis, such as Cray Research in 1991, or Control Data in the 1970s. When thy cup runneth over, watcheth out!

A NEW DAY FOR THE SEC

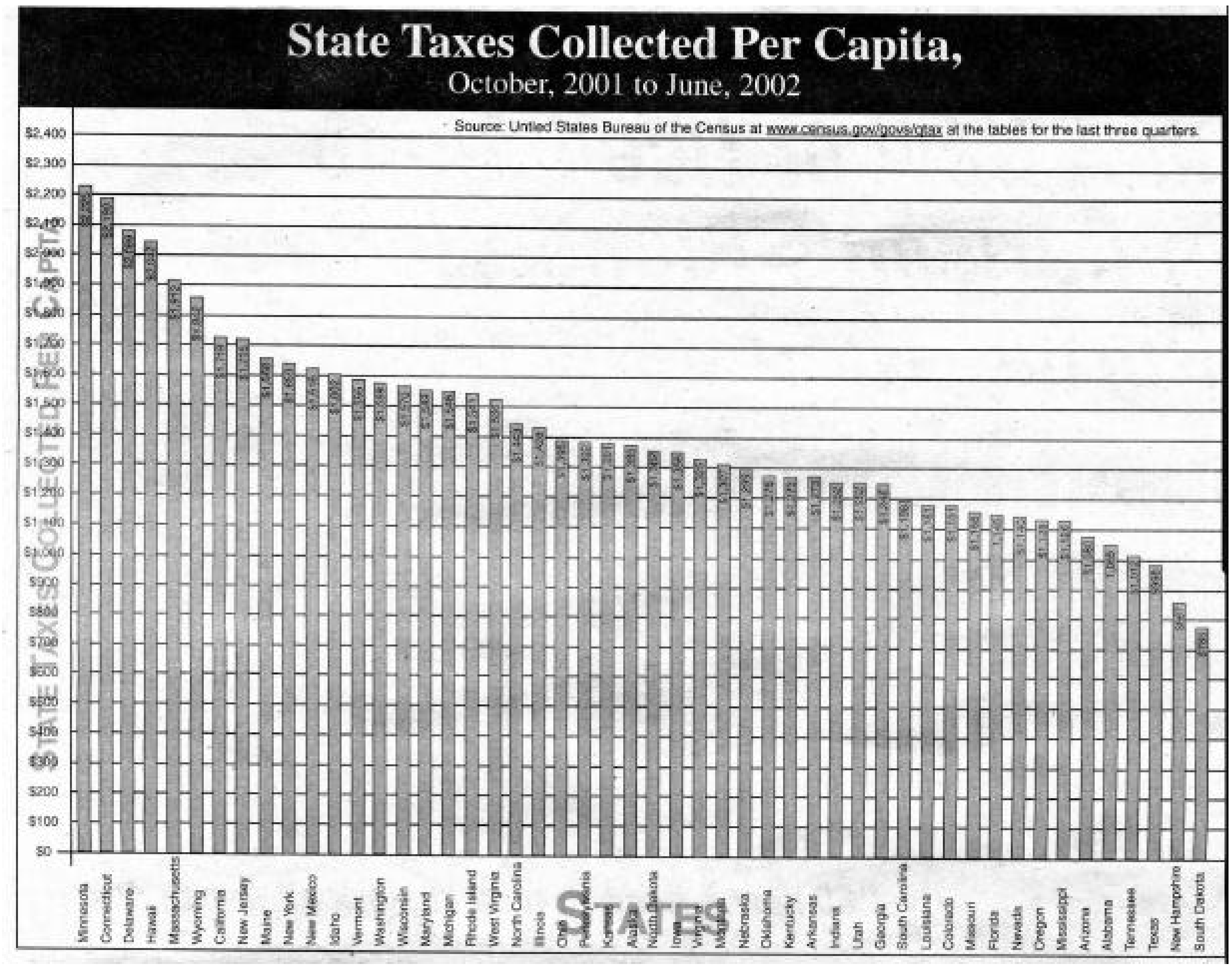
As an investment management firm, Perkins Capital Management, Inc. is an investment advisor registered under the 1940 Act of the Securities and Exchange Commission or the SEC. And anytime the SEC is in the news, as it was a lot in 2002, we pay attention. Harvey L. Pitt, the commissioner who had been in charge since succeeding Arthur Levitt, is a bombastic, combative individual who had stuck his foot in his mouth more than once, and had made many enemies in Congress. Now George Bush has selected William H. Donaldson to head the beleaguered SEC at a very crucial time when it is proposing new rules for corporate America as a result of the Sarbanes-Oxley Act passed by Congress last year. It will be interesting to follow his confirmation hearings, for while he has excellent credentials for this job, he does have clear ties to the Bush Administration and has been criticized for his high salary and bonus for an eleven-month stint as head of AETNA. He, Dan Lufkin, and Dick Jennrette founded Donaldson, Lufkin and Jennrette in 1959 with a total of $100,000, which doesn't seem like a lot today, but was a substantial sum then. The firm grew quickly as one of several "research boutiques" of that era (another was Faulkner, Dawkins and Sullivan) which garnered brokerage business for research and did no investment banking business. Donaldson, Lufkin and Jennrette (or DLJ as it was called) broke ground by becoming the first Wall Street investment firm to go public in 1969. That was a revolutionary move at the time. The firm was sold to Prudential Insurance in the early 1970s, and Dick Jennrette went on to become chairman of Prudential. Bill Donaldson, however, stayed in the public eye as Under Secretary of State, under Henry Kissinger. Later, he became the founding dean of the Yale School of Management and in 1991 was appointed chairman of the New York Stock Exchange. Later, in 2000 he became chairman and chief executive of AETNA, the large health care firm. Obviously, he has had a very distinguished career and is highly regarded by his friends and business associates. The problem, however, may be that he is an old friend of Mr. Bush's father, and of his uncle, Jonathan Bush, whom he met while they were undergraduates at Yale. And his first job on Wall Street was at the brokerage firm of G.H. Walker and Company which was run by Herbert Walker, the uncle of former President George Herbert Walker Bush. Furthermore, there has been some criticism of his nearly $20 million pay package for less then a year as the head of AETNA. So, it will be interesting to follow the confirmation hearings. We, Perk in particular, think that he would make an excellent SEC Commissioner. Perk first met Bill Donaldson and Dan Lufkin in 1960, the year after they started DLJ, when Perk was an assistant investment manager at the Mayo Foundation, and Bill Donaldson and Dan Lufkin came to call in an effort to persuade Mayo to use their growth stock research. Perk says he remembers the occasion well and the company they were suggesting for purchase at the time was the O.M. Scott Company, the lawn care company. These were two impressive young men, actually Perk's age, who had the courage to start their own firm in the Wall Street jungle. And so it was that the Mayo Foundation did use their research and Perk did go to see them and others in their firm on the many semi-annual trips to New York City to visit with brokers and bankers. Perk says he has not seen Bill for many years, but has corresponded with him.

GARBAGE IN - GARBAGE OUT

That old saying that speaks to quality suggests that if you put less valuable information in, that is all you can expect to get out. And we think that's the way it was with our former Governor Ventura. Yes, we have mixed emotions saying that, for we recall his election vividly and the groundswell that made it easy to predict that he would win. And then some, including us, liked his candid style and honesty, at least at first. But the mood gradually shifted and his antics and attitude that had once endeared him wore thin and began to offend. He seemed to spend more time promoting his own private career and having fun then governing the state. He schmoozed with Jay Leno and David Letterman on many occasions, joked about being reincarnated as a 38DD bra in his *Playboy* interview, asked the Dalai Lama if he had seen the movie Caddy Shack, and asked Fidel Castro whether he had any involvement in the Kennedy assassination. Candor? In spades! And yet along the way he did sign billions of dollars of tax cuts into law, defended the rights of minority groups, such as gays, and got young nonvoters to vote for the first time. The best thing, perhaps, was putting Minnesota on the map, for now if you don't know where Minnesota is you must have been in hibernation for four years. But as time passed, his job approval ratings declined significantly. When he was elected, 72% approved of him and his governance and only 9% disapproved. But four years later at the end, the approval rating had fallen to 40%, while those disapproving rose to 52%. In the end, he really turned out to be a one-trick-pony after all. We have had fun leaning on Jesse more than once during his term, and it is somewhat reminiscent of Nixon who said when he resigned: "You won't have Richard Nixon to kick around anymore." Well, we won't have Jesse to kick around either, nor do we have Bill Clinton to lambast. What in the world are we going to do, and whom are we going to find to pick on?

But that was then, and this is now. As a *Star Tribune* editorial said, "two Jesse checks and a recession later," we need a professional, not an amateur, to lead the state. And that pro is Tim Pawlenty, our newly elected governor, who is a career politician. Having been elected to the state house at age 32, he became majority leader at 38 and now Governor at 41. Considered to be a conservative Republican, he has his work cut out for him. The big task, of course, is the $4.5 billion deficit which needs to be fixed without raising taxes. Oh, sure! Let's hope his middle name is Houdini, for it will take a magician to fix the deficit without raising taxes. And Minnesota is now one of the most heavily taxed states. Perk's sister, Mary Ann, always referred to her state as "Taxachusetts" because it had the reputation of the state with the highest taxes. Maybe so in terms of the state's tax rate, but Minnesota taxes are higher per capita than any other state at $2,225 for every man, woman, and child in the state for the nine months between October 1, 2001 and June 30, 2002. This data, which comes from the U.S. Census Bureau, is shown in the chart. Mary

Ann's Taxachusetts is fifth and South Dakota is last at $785 per capita. No wonder so many Minnesotans move to South Dakota.



WHERE HAVE ALL THE BROKERS GONE

Remember the Peter, Paul and Mary song, *Where have all the Flowers Gone*? Well, we have been wondering where all the brokers have gone. Then, in a September issue of ThinkThoughts, the ThinkEquity weekly piece written by our friend, Mike Moe, we found out. Take a look at the table. It's easy to see that the big banks wanted into the brokerage business to get back into security underwriting again, an activity that had been prohibited for them for many years. But for the most part, it has been an unmitigated disaster for the acquirers, and to a lesser extent, the acquired brokers. Why is it that banks always seem to

Brokerage Firm	Acquired by	Year
Dilon Read	Swiss Bank (UBS Warburg)	1997
Furman Selz	ING Barings	1997
Montgomery Securities	Bank of America	1997
Cowen	Société Générale	1998
Piper Jaffray	U.S. Bancorp	1998
Robertson Stephens	FleetBoston	1998
Wessels Arnold & Henderson	Dain Bosworth	1998
Wheat First Securities	First Union	1998
Alex. Brown & Sons	Deutsche Bank	1999
Hambrecht & Quist	Chase	1999
Vector Securities	Prudential	1999
Dain Bosworth	Royal Bank of Canada	2001
Robinson-Humphrey	SunTrust	2001

get in on the boom in the end? Remember all the loans to the oil patch that went bad? After they got out of that mess, they did real estate, and the government had to bail them out with the Resolution Trust Company. Now the chickens have really come home to roost with the payment of $1.44 billion to put an end to the probe by New York Attorney General Eliot Spitzer. If it wasn't bad enough that these acquired brokerages became money losers after the bubble, now they are paying huge fines to New York State and the U.S. Government for their research recommendations and other wrongdoings. Deutsche Bank, Chase, and even Piper got nailed, and also Fleet Boston who closed Robertson Stephens rather than sell it back to its partners. Will they never learn?

Our humorous addendum this time consists of this year's Stella Awards and recent Darwin Awards. The cartoon speaks to the issue of all of the job layoffs.

Finally, we tell you all with much sadness of the passing on January 18 of Marilyn J. Perkins, Perk's ex-wife, the mother of Dick and Dan and their sister, Pamela Brown, and grandmother of eight grandchildren. We thank all of you for your support during this difficult time for the Perkins family.

Sincerely,

Richard W. Perkins, C.F.A.	Daniel S. Perkins, C.F.A.	Richard C. Perkins, C.F.A.
President	Vice President	Vice President
Senior Portfolio Manager	Portfolio Manager	Portfolio Manager

RWP:DSP:RCP/jah

THE STELLA AWARDS

The Stella Awards are named after 81-year-old Stella Liebeck who spilled coffee on herself and successfully sued McDonalds. That case inspired the Stella Awards for the most frivolous successful lawsuits in the United States. The following are this year's candidates:

Kathleen Robertson of Austin, Texas, was awarded $780,000 by a jury of her peers after breaking her ankle tripping over a toddler who was running inside a furniture store. The owners of the store were understandably surprised at the verdict, considering the misbehaving little toddler was Ms. Robertson's son.

Nineteen-year-old Carl Truman of Los Angeles won $74,000 and medical expenses when his neighbor ran over his hand with a Honda Accord. Mr. Truman apparently didn't notice there was someone at the wheel of the car when he was trying to steal his neighbor's hub caps.

Terrence Dickson of Bristol, Pennsylvania, was leaving a house he had just finished robbing by way of the garage. He was not able to get the garage door to go up since the automatic door opener was malfunctioning. He couldn't re-enter the house because the door connecting the house and garage locked when he pulled it shut. The family was on vacation, and Mr. Dickson found himself locked in the garage for eight days. He subsisted on a case of Pepsi he found, and a large bag of dry dog food. He sued the homeowner's insurance company claiming the situation caused him undue mental anguish. The jury agreed to the tune of $500,000.

Jerry Williams of Little Rock, Arkansas, was awarded $14,500 and medical expenses after being bitten on the buttocks by his next door neighbor's beagle. The beagle was on a chain in its owner's fenced yard. The award was less than sought because the jury felt the dog might have been just a little provoked at the time by Mr. Williams who was shooting it repeatedly with a pellet gun.

A Philadelphia restaurant was ordered to pay Amber Carson of Lancaster, Pennsylvania, $113,500 after she slipped on a soft drink and broke her coccyx (tailbone). The beverage was on the floor because Ms. Carson had thrown it at her boyfriend 30 seconds earlier during an argument.

Kara Walton of Claymont, Delaware, successfully sued the owner of a night club in a neighboring city when she fell from the bathroom window to the floor and knocked out her two front teeth. This occurred while Ms. Walton was trying to sneak through the window in the ladies room to avoid paying the $3.50 cover charge. She was awarded $12,000 and dental expenses.

This year's favorite could easily be Mr. Merv Grazinski of Oklahoma City, Oklahoma. Mr. Grazinski purchased a brand new 32-foot Winnebago motor home. On his first trip, having driven onto the freeway, he set the cruise control at 70 mph and calmly left the drivers seat to go into the back and make himself a cup of coffee. Not surprisingly, the R.V. left the freeway, crashed and overturned. Mr. Grazinski sued Winnebago for not advising him in the owner's manual that he couldn't actually do this. The jury awarded him $1,750,000 plus a new motor home. The company actually changed their manuals on the basis of this suit, just in case there were any other complete morons buying their recreation vehicles.

THE DARWIN AWARDS

These awards are given each year to bestow upon (the remains of) that individual, who through single-minded self-sacrifice, has done the most to remove undesirable elements from the human gene pool.

A San Anselmo, California man died when he hit a lift tower at the Mammoth Mountain ski area while riding down the slope on a foam pad. 22-year old David Hubal was pronounced dead at Central Mammoth Hospital. The accident occurred about 3 a.m., the Mono County Sheriff's Department said. Hubal and his friends apparently had hiked up a ski run called Stump Alley and undid some yellow foam protectors from lift towers, said Lt. Mike Donnelly of the Mammoth Lakes Police Department. The pads are used to protect skiers who might hit towers. The group apparently used the pads to slide down the ski slope and Hubal crashed into a tower. It has since been investigated and determined the tower he hit was the one with its pad removed.

Robert Puelo, 32, was apparently being disorderly in a St. Louis market. When the clerk threatened to call the police, Puelo grabbed a hot dog, shoved it into his mouth and walked out without paying. Police found him unconscious in front of the store. Paramedics removed the six-inch wiener from his throat where it had choked him to death.

Marino Malerba of Spain, who shot a stag standing above him on an overhanging rock and was killed instantly when it fell on him.

A man at a West Virginia party, (probably related to the winner last year, a man in Arkansas who used the 22 bullet to replace the fuse in his pickup truck) popped a blasting cap into his mouth and bit down, triggering an explosion that blew off his lips, teeth, and tongue. Jerry Stromyer, 24, of Kincaid, bit the blasting cap as a prank during the party late Tuesday night, said Cpl. M.D. Payne. "Another man had it in an aquarium hooked to a battery and was trying to explode it." "It wouldn't go off and this guy said I'll show you how to set it off." He put it into his mouth, bit down and it blew all his teeth out and his lips and tongue off, Payne said. Stromyer was listed in guarded condition Wednesday with extensive facial injuries, according to a spokesperson at Charleston Area Medical Division. "I just can't imagine anyone doing something like that," Payne said.

Doctors at Portland University Hospital said an Oregon man shot through the skull by a hunting arrow is lucky to be alive and will be released soon from the hospital. Tony Roberts, 25, lost his right eye last weekend during an initiation into a men's rafting club, Mountain Men Anonymous(probably known now as Stupid Mountain Men Anonymous) in Grant's Pass, Oregon. A friend tried to shoot a beer can off his head, but the arrow entered Robert's right eye. Doctors said that had the arrow gone 1 millimeter to the left, a major blood vessel would have been cut and Roberts would have died instantly. Neurosurgeon Doctor Johnny Delashaw at the University Hospital in Portland said the arrow went through 8 to 10 inches of brain with the tip protruding at the rear of his skull, yet somehow managed to miss all major blood vessels. Delashaw also said that had Roberts tried to pull the arrow out on his own he surely would have killed himself. Roberts admitted afterwards that he and his friends had been drinking that afternoon. Said Roberts, "I feel so dumb about this." No charges have been filed, but the Josephine County district attorney's office said the initiation stunt is under investigation.

A young Canadian man, searching for a way of getting drunk cheaply, because he had no money with which to buy alcohol, mixed gasoline with milk. Not surprisingly, this concoction made him ill, and he vomited into the fireplace in his house. The resulting explosion and fire burned his house down, killing both him and his sister.

Three Brazilian men were flying in a light aircraft at low altitude when another plane approached. It appears that they decided to moon the occupants of the other plane, but lost control of their own aircraft and crashed. They were all found dead in the wreckage with their pants around their ankles.

A 22-year-old Reston, VA man was found dead after he tried to use octopus straps to bungee jump off a 70-foot railroad trestle. Fairfax County police said Eric Barcia, a fast-food worker, taped a bunch of these straps together, wrapped an end around one foot, anchored the other end to the trestle at Lake Accotink Park, jumped and hit the pavement. Warren Carmichael, a police spokesman, said investigators think Barcia was alone because his car was found nearby. "The length of the cord that he had assembled was greater than the distance between the trestle and the ground," Carmichael said. Police say the apparent cause of death was "Major Trauma."

A man in Alabama died from rattlesnake bites. It seems that he and a friend were playing a game of catch, using the rattlesnake as a ball. The friend - no doubt, a future Darwin Awards candidate - was hospitalized.

Employees in a medium-sized warehouse in west Texas noticed the smell of a gas leak. Sensibly, management evacuated the building, extinguishing all potential sources of ignition - lights, power, etc. After the building had been evacuated, two technicians from the gas company were dispatched. Upon entering the building, they found they had difficulty navigating in the dark. To their frustration, none of the lights worked (you CAN see what's coming, can't you?). Witnesses later described the sight of one of the technicians reaching into his pocket and retrieving an object that resembled a cigarette lighter. Upon operation of the lighter-like object, the gas in the warehouse exploded, sending pieces of it up to three miles away. Nothing was found of the technicians, but the lighter was virtually untouched by the explosion. The technician suspected of causing the blast had never been thought of as 'bright' by his peers.

A 27-year-old French woman lost control of her car on a highway near Marseilles and crashed into a tree, seriously injuring her passenger and killing herself. As a commonplace road accident, this would not have qualified for a Darwin nomination, were it not for the fact that the driver's attention had been distracted by her Tamagotchi key ring, which had started urgently beeping for food as she drove along. In an attempt to press the correct buttons to save the Tamagotchi's life, the woman lost her own.