



THE FINANCIAL PLANNING ASSOCIATION

JULY 2012, VOL 13 ISSUE 7

PLANNER IS PUBLISHED BY:

FPA of Silicon Valley
www.FPASV.org

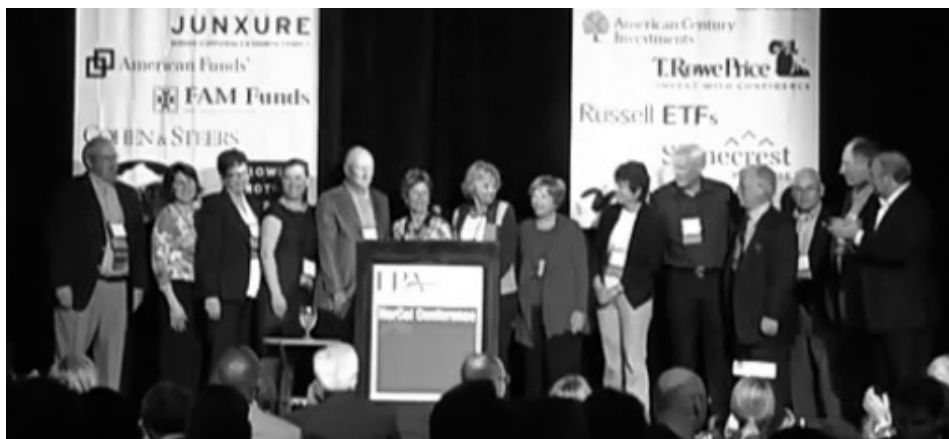
FPA of San Joaquin Valley
www.FPASJV.org

FPA of the East Bay
www.FPAEastBay.org

FPA of San Francisco
www.FPASF.org

The FPA NorCal Conference

Celebrating Making a Difference for 40 Years



The chairs of 17 FPA NorCal Conferences were in attendance this year. They are, from left to right: Gordon Dunne (2000), Brenda Herrington (1992), Ora Citron (2012), Sabrina Lowell (2010 & 2011), Tracy Lasecke (2008 & 2009), Sheila Cardno (2006 & 2007), Laurie Nardone (2003), Marilyn Plum (1993), Jan Schneider (1990), Bob Sullivan (1986), John Cahill (1973), Vern Hayden (1977), Mike Markey (1980) and Eric Flett (2001).

On May 29th, more than 600 financial advisors, speakers, and sponsors gathered at the Palace Hotel in San Francisco for the historic 2012 FPA NorCal Conference—our 40th Anniversary. Some have asked, “Why is the 40th anniversary a big deal?”

You may be surprised to learn that the FPA NorCal Conference started before the first IAFP National Conference was ever held in November 1974.

Moreover, the 40th Anniversary is a celebration of one enduring idea—that the leading financial advisors in Northern California found value in coming together and collaborating as peers on a regular basis. We frequently need to be reminded that the FPA NorCal Conference is programmed by FPA members for FPA members. What other conferences are run primarily with volunteer FPA members?

Making a Difference

Further, we believe the 40th Anniversary is a big deal because the FPA members in Northern California have been making a difference in our profession and in our communities for a long time and deserve recognition.

Cont'd Page 3

INSIDE

East Bay – Meetings & Sponsors	9
Silicon Valley Chapter – Meetings & Sponsors	13
San Francisco Chapter – Meetings & Sponsors	15
Calendar	19



THE FINANCIAL SERVICES
NETWORK
A COMMON BOND OF EXCELLENCE

**We are very pleased to welcome the following
new associates to THE NETWORK community:**

Robert Young	Woodland, CA
Lucas Giordano	Woodland, CA
Larry Stark	Woodland, CA
Diova Gray	Woodland, CA
Jennifer Murphy	Walnut Creek, CA
Scott Grooms	Mill Valley, CA
Terri Bartl McGeath	Walnut Creek, CA
Deana Carter	Rancho Santa Fe, CA

*You owe it to yourself to give us a call and learn how
THE Financial Services NETWORK
can help you achieve your personal and business goals.*

*Please contact Christopher Mercado, Senior Vice President, MBA, CFP®,
CIMA®, AIFA® directly at: (800) 736-9616*

www.fsnweb.com
www.thefinancialservicesnetwork.ning.com

“A Common Bond of Excellence”

Securities offered through LPL Financial, Member FINRA/SIPC, Investment Advice offered through Strategic Wealth Advisors Group, Inc., a registered investment advisor and separate entity from LPL Financial.

Making a Difference for 40 Years *Cont'd*

Starting with our clients, if you multiply the 1,500 FPA members in Northern California by an average of 100 clients, then we are helping 150,000 families. Many would say that the multiplier is higher, so our members are making a difference for hundreds of thousands of families...day after day...year after year...without much fanfare.

Moreover, our members are doing great works individually in the community giving their time and energy to philanthropic causes. Collectively, one of the most noteworthy accomplishments is our recent commitment to Financial Planning Days around the State. In October 2012, free financial planning clinics were held in San Francisco (FPA SF), Oakland (FPA East Bay), San Jose (FPA Silicon Valley) and Sacramento (FPA Sacramento).

Our members are leading our five FPA chapters, serving on national committees and the FPA National Board, supporting the CFP Board of Standards, and the academic programs at Golden Gate University, UC Berkeley Extension, UC Santa Cruz Extension and the UC Davis financial planning program.

Lasting More than Just Two Days

The final reason that our anniversary is a big deal is that the FPA NorCal Conference impacts our community year round. The conference is an example of the collaborative environment in the FPA chapters in the region. The success of

the conference allows your chapters to invest financially in important initiatives to benefit our members. This year, the conference objectives are fivefold:

- To provide advanced educational sessions for our members;
- To provide networking opportunities;
- To strengthen the conference as an entity and ensure we possess adequate financial reserves to mitigate the impact of unforeseen events;
- To distribute the excess proceeds from the conference to our affiliated FPA chapters who participate in the organization of the conference;
- To promote the financial planning profession and increase the awareness of the FPA.

Our History of Success

The FPA NorCal Conference has been a sell out to attendees in recent years and has earned a reputation for being one of the best conferences in the industry. Forty years earlier, in 1972, a group of men gathered at the Cabana Hotel in Palo Alto to share their thoughts about financial planning. Needless to say, none of the attendees at the first gathering could have imagined what the next 40 years would have in store for the financial planning profession or our "little conference."

To better celebrate our successes, we need to understand our history and pay tribute to the men and women upon whose shoulders we stand today. We have posted a "40th Anniversary" section on our website, www.FPANorCal.org. On the website, we have a written "FPA NorCal History" that we think you'll find interesting. In addition, we have posted additional slides and videos for you to watch and enjoy.

Lead By Example

There are so many FPA members who are quiet leaders and we salute all of them. The FPA NorCal Committee felt it was important to recognize the efforts of six leaders who have been integral to the success of the Conference and the profession here in Northern California. You may watch the video presentation at www.FPANorCal.org by clicking on "Recognition Awards." We would like to acknowledge these six leaders: **John Cahill** represents the leadership in the profession in the early 1970's. John was very involved in the IAFP East Bay Chapter and the Regional Conference. He also served three years on the National Board and was elected IAFP National President in 1982.

Kent Noard is being recognized for both his service to the conference committee and for his extraordinary skills as a favorite conference speaker and teacher.

Diana Mandarino and her company Redwood Mortgage stand out as one of our region's strongest supporters. Diana first attended the Conference in 1985 and the Redwood Mortgage has been one of our most loyal supporters over the subsequent 27 years. **Gordon Dunne** is being recognized for being a tremendous advocate for the conference and the profession. Gordon has served on the conference committee for the past 16 years, the last twelve as the Sponsor Chair, and he chaired the 2000 FPA NorCal Conference.

Bob Veres is a passionate about our profession, speaks to more advisors than anyone, spreads the value of collaboration, and provides our profession a platform that is badly needed.

Cont'd Next Page

Making a Difference for 40 Years *Cont'd*

Although Bob is not involved in the day to day aspects of the conference, the conference committee recognizes that his contributions to the profession are unique and greatly appreciated.

Finally, **Brenda Herrington** is being recognized for constantly raising the bar and providing the continuity of success. Brenda joined the conference committee as a volunteer in 1985, served on the committee for several years and was the conference chair in 1992. In 1995, she took over the role as conference director. 2012 marks Brenda's 18th year as conference director and here 27th year attending the conference. The great thing about Brenda is that as soon as the conference is over, she is more passionate about making the next conference even better and we think that it is apparent to all of our attendees each year.

In addition, we want to thank all of our members who have attended the FPA NorCal Conference over the past forty years, or served on committees or held leadership positions. Thank you for making a difference—in our communities and our profession—over the past forty years.

THE BUZZ ABOUT FPA NORCAL

I really enjoy the people at this meeting and I loved the sessions that I was able to attend. Please let the task force know how great I think they are.

—Ross Levin, CFP®

Just a quick thank you for a great conference. You and all the people involved in the conference have created something quite special.

—Craig Kirkpatrick, Orinda Asset Management

Thanks to the committee for such a great conference. I learned a lot and look forward to the CD.

—Liz from St. Louis

Give my congratulations to the committee on another job well done – I think it was the best conference yet.

—Jan from Santa Rosa

As always, a fabulous meeting. Congratulations to you and your team.

—Marv Tuttle, FPA Executive Director

Now I understand the years of positive buzz around the conference.

—Paul Auslander, CFP, FPA National President

FPA NorCal was an impressive conference. Congratulations on a great meeting.

—Kevin Keller, CFP Board of Standards

First of all, great conference! I am honored to be part of it!

—Katy Votava, Speaker

Congratulations on the wonderful job you and your team did last week at the SF FPA event. It was an honor presenting to people there and from discussions I had with various attendees, it was clear they were enjoying themselves and having a great time.

—Paul Kingsman, Speaker

We came to NorCal on the advice of another vendor, who said that it was a terrific venue. We were not disappointed! We also had a number of folks who came by just to say, "We don't know you, what do you do?" That is exactly why we go to these types of events.

—Carey Austin, FirstSouthwest

BOARD BLURB

A Chapter that Plays Together... Stays Together!

by Chuck Bowes
President, FPA East Bay

Who says financial planners don't know how to party! The East Bay Chapter has successfully added several social events to our calendar the last few years. These events have not only been a whole lot of fun and very popular with chapter members and sponsors, they have positively impacted several important areas of chapter operations. Here is a brief recap of some of the things we have been doing lately and the important difference they are making to help support our chapters pro bono, scholarship, sponsorship and membership efforts.

• Career

Development

Networking Event

On February 22, we had a networking event at the Pyramid Ale House in Walnut Creek. We had a terrific turnout with about 32 attendees that included senior advisors, newer advisors, students as well as allied professionals. There were attendees who were looking to fill positions and internships as well as attendees who were looking for opportunities.

What we know at this point is that there was at least one intern hired as a direct result of this event. These events are also a great opportunity to add new members, perspective members and new students to our rosters. As people attend and have the opportunity to connect with others in this low key, fun environment, it is a great way to educate people about the FPA East Bay Chapter and the benefits of membership and participation.

• Bocce Ball Member Event

On May 16 we had over twenty people attend a member event at Campo di Bocce in Livermore. While it was pretty clear that some folks had been practicing (Evor Vattuone) and brought their "A" game, even folks who had never played before had a good time. But it wasn't all fun and games! Here in the East Bay we work just as hard as we play and this was a great opportunity to network and make connections with colleagues, wholesalers, and allied professionals in a fun, relaxed environment. Early feed-



Chuck Bowes CFP® is co-founding partner at with Waypoint Wealth with more than 10 years experience helping individuals and families achieve what's most important to them by aligning their financial resources with their goals and values and providing sound objective advice to facilitate good decision making.

back is overwhelmingly positive so keep an eye out for similar events in the future.

• **Golf Tournament** – On September 17, 2012 the East Bay Chapter will be hosting our Second Annual Golf Tournament at beautiful Round Hill Country Club. The tournament helps our chapter raise money for our scholarship fund and the annual Oakland Financial

Planning Day. Putting together a golf tournament last year for the first time was a big undertaking. Most courses require a minimum number of golfers so we were under the gun to make sure we had a successful turnout and actually raised some money for the scholarship fund and Financial Planning Days. Fortunately, all the hard work paid off and we had 102 golfers participate and everyone had a blast! This was a great chance for our sponsors to connect on a more personal level with our members. We had 16 sponsors participate. With their support we were able to provide a beautiful course for our players, great food and service from the Roundhill Country Club along with the many give-aways, trophies, prizes and more!

The event was also an opportunity to introduce prospective members to the FPA organization. Best of all, we ended up not only covering all our costs but raising \$3600 to go towards the 2 scholarships we awarded to two very deserving students last year in addition to increasing the budget for the annual Oakland Financial Planning Day. We are hoping to build off the success of the tournament last year and expect an even larger turnout this year with more money being generated for scholarships and Financial Planning Days!

We hope to see you at these events down the road. More information can be found at www.fpaeastbay.org

SHARPEN THE SAW

Tips & Techniques for the Professional Power User

by Tanya Steinhofer, CFA, CFP®
President Elect, FPA San Francisco

I recently attended the FPA Norcal conference in San Francisco and as usual had a hard time deciding which sessions to attend. One of the better ones I did attend was Bob Veres' session titled "Tips and Techniques for the Professional Power User". It was billed as a compilation of Bob's best ideas from 30 years of observing top advisors in our profession. What follows is a list of some of the nuggets I obtained from attending this informative session.

1. How to maximize your conference experience. The key is to start before you attend a conference and ask yourself where you are stuck in your career. Then focus your attention at the conference on making progress on these areas. Within a day or so after the conference, review your notes and make a list of no more than 3 things you want to implement in your practice. Although you might have lots of interesting ideas, narrow the list to your 3 best ideas. Then, do nothing. Yes, do nothing until you have had time to catch up from being out of the office. When the dust settles, sit down with your staff and introduce the first new concept and get their help in implementa-

tion. Set aside one morning a week for implementation where everyone works on it at the same time. After the first project is complete and becomes a habit, introduce the second new idea. And so on.

2. Key attributes of successful advisors. From his work with advisors over 30 years, Bob has gleaned the following insights into what successful advisors have in common:

a. Confidence from competence. They exude confidence that comes from being well-educated in their field. Getting the CFP designation is a step in the right direction. A commitment to continuing education is another.

b. Strategic conference goers. Successful advisors are regular conference attendees and are strategic about what they do and who they talk to at conferences. Some of the most insightful conversations occur with peers at conferences.

c. Flexibility. The most successful advisors

are flexible in how they practice and are constantly looking for ways to improve. They don't just achieve a certain level of success and then sit back and coast. They stay on top of trends and adapt their business models accordingly. As business coach Dan Sullivan says, "You want your future to be bigger than your past".

d. Hire a coach. Many of the most successful advisors work with a business coach to guide them and hold them accountable for their actions.

e. Beyond yourself. Successful advisors have a higher mission within the profession and devote time and energy to pushing the profes-

sion forward and giving back to the community, which in turn benefits their business.

3. Delegation done right. To really enhance your business and take it to the next level, you need to learn how to delegate properly. First, each year identify 3 (the magic number) things you should NOT be doing. Then carefully document exactly how you do these things (or hire an intern to follow you around and document the process for you). Then delegate the task to one of your employees. The key is to empower your staff person to do the task as he/she sees fit, as long as it gets done to your specifications. Many times, it will get done better than you would've been able to do it on your own.

4. Befriend your future self. This was probably my favorite quote from the conference. Think about this one for a moment. It means envision who you would like to be in 5-10 years and then ask that future self: "What can I be doing today that will make your life better when I eventually become you?"

5. Five questions to ask yourself. Bob left us with the following questions to ask ourselves on a regular basis:

- a. How can I get past the idea that I have to work long hours to enjoy prosperity or deliver effective client service?
- b. How can I escape the universally-accepted idea that there is virtue in drudgery, that success requires the sacrifice of my freedom and pleasure?
- c. How can I make my practice an instrument of my personal fulfillment and prosperity, instead of my master and a sink hole of my time and energy?
- d. How can I learn to embrace change rather than instinctively fight it?
- e. How can I become an example of the great life and prosperity that I recommend and implement for my clients?



Tanya Steinhofer is President Elect of FPA San Francisco and founding Principal at Redwood Grove Wealth Management in Mill Valley.

PRESIDENT'S PODIUM

The Only Thing Constant is Change

by Eric Solve, President
FPA Silicon Valley

According to my research, the first person credited with the saying “the only thing constant is change,” is Heraclitus of Ephesus (c. 535 BC – 475 BC); a Greek philosopher who pre-dated Socrates. I do not recall the exact circumstances under which I first heard the phrase, but I know I was a pre-teen and for some reason, I appreciated the ironic subtlety of the phrase.

Change as we know, can take many forms. Change can be exhilarating or devastating, welcomed or distained; it is often an end and a new beginning. Whether we like it or not, we are in an industry full of change and we have very little control over those changes. Laws are constantly changing which affects tax and estate planning. Markets are in constant flux, which often results in the need to rebalance portfolios and/or make changes to the actual holdings within the portfolio. Then there is the litany of possible changes our clients might experience (e.g. marriage, homeownership, children, education planning, risk management, job changes, retirement, medical issues, death, etc.) during their lifetime.

Change, though challenging for everyone, might very well be the leading reason why the financial planning profession continues to

grow. Change can represent an opportunity for planners. It can give planners a reason to reach out to their clients to check-in, give guidance, provide value, and solidify their relationships with their clients. Change can also represent an opportunity for planners to expand their practice. During times of change and uncertainty, people are more likely to seek second opinions or decide it's time to engage a planner for the first time.



Eric Solve is the president of the Silicon Valley Chapter and works at Wade Financial Advisory in Campbell, CA

So far, 2012 is no different from any other year; we have seen economic uncertainty, geopolitical concerns, and market volatility. The remaining months of 2012 should prove to be interesting to say the least given the fact that it is an election year and the European Union is facing serious issues/challenges.

These issues will eventually be resolved and the outcomes will undoubtedly result in changes. These changes will create new challenges and opportunities for the financial planning community and as before, our clients will look to us for advice and guidance.

As financial planners, we might not be able to predict the outcome of the issues and concerns we currently face. However, we are in a unique position to help our clients understand how these future changes will likely impact them, we can explain the pros and cons of the options available to them, and ultimately help implement the appropriate strategies to help them successfully navigate the changes as they occur.

If you are like me, the combination of complexity and constant change is part of what you enjoy about the financial planning profession. These factors are what spawned the financial planning profession, part of the reason why the profession continues to grow, and one of the reasons why our clients come to us for financial planning advice.

To continue providing valued advice and service to your clients, it is essential to stay informed on current events (e.g. local and global politics, economic trends, etc.) and talk to your clients to help address specific issues and concerns that they are facing. You must continue to expand on your knowledge and educate yourself (and your clients) on pending changes, keep abreast of both new and expiring laws, attend monthly FPA meetings and conferences, read financial planning journals, continue to engage clients, and have the “difficult” conversations when appropriate.

Now when I hear the phrase, “the only thing constant is change,” I still appreciate the ironic subtlety of the phrase; however, I do not have the same care free and cavalier attitude about the prospect of change that I did as a pre-teen. As an adult, a husband, a father, and a financial planner, I interpret the phrase differently. I understand that change can have a dramatic effect on people's lives and I appreciate the fact that I am in a unique position to help clients embrace the constant change.

SPONSOR SPOTLIGHT

Meeting the Cost: Coming Up Short

by Michelle Rogers

In a study with adult children of seniors, 82% responded, when asked what financial resources they thought would cover the cost of senior care, they most typically cited Social Security, Medicare and their parents' or relatives' retirement accounts and pensions. Only 18% cited long-term-care insurance.

When seniors were asked about resources, they too cited Social Security and Medicare and their own savings or retirement accounts and pension plans as their top potential means of funding senior care. Only 21% mentioned long-term-care insurance.

The lack of awareness about long-term-care insurance is another of the study's troubling findings. Most experts in the aging field consider

LTC insurance an essential asset for working and middle-income families and even for well-to-do, because, according to one estimate, more than half of Americans will spend part of their senior years in long-term-care situations. Few people have the personal resources to cover such a major expense, and Medicaid and Medicare offer only

limited coverage under certain circumstances. Hence the need for a private long-term care insurance plan.

The fact that so many seniors and their families have such a poor grasp of the facts about senior care and have done so little planning for the future raises serious challenges for the nation.

- Ill-informed, ill-prepared seniors may spiral downward into health, housing and financial crises then neither they nor their families are able to handle.

- Medical and health care facilities may be overwhelmed by a tide of seniors whose situations have deteriorated into a crisis or near-crisis state.

- Elected officials may find themselves under siege from angry, frightened seniors demanding they approve hundreds of billions of dollars in spending, money the nation cannot provide without taking on more massive debt.

As a financial community we need to be comfortable asking clients' the tough questions about aging.

- Who will care for you/your parents?

- How will this impact your life/resources/finances?

- How will the costs of care be met?

- You need to create a list of concerns and issues to develop a short and long term plan

It is important to know your local senior resources to help educate

your clients' and families. The other critically important component is communication within the family. We find that 8 out of 10 calls, families are not prepared when their family member needs help due to a crisis. The adult children are working and raising families, but have no idea of their resources or solutions to support the crisis. The cost to bring a solution to the crisis is typically burdened by the adult children, not what they expected at this time in their life. The cost of care can range from \$15,000 for adult day care programs to \$100,000 for skilled care.

The FPA community needs to mount a major education campaign to alert your clients' and their families about aging issues and to direct them to comprehensive and reliable sources of information about senior care.

If you would like to receive a copy of the white paper, Seniors & the Information Gap a list of senior resources in the Bay Area, have specific questions about senior care, or would like a list of questions to help begin these conversations, please email micheller@hiseniorcare.com



Michelle Rogers is the owner of Home Instead Senior Care in Mountain View. Home Instead, a Platinum Sponsor of the FPA Silicon Valley, provides consistently high-quality senior home care services with a compassionate touch. She can be reached at 650-691-9671.

East Bay Chapter Partners

Gold

Oppenheimer Funds David Borrelli (925) 212-0862 dborrelli@oppenheimerfunds.com	Franklin Square Capital Partners John M Sorrell (925) 858-2497 John.Sorrell@FS2Cap.com	MFS Investments Grant Martin (602) 322.8007 gwmartin@mfs.com	Fidelity Investments Campbell Judge (877) 544-8026 campbell.judge@fmr.com
Shaffer Insurance Services (925) 944-7100 shaffer@pacbell.net	Putnam Investments Alex Hayes (415) 730-3941 alex_hayes@putnam.com	Strategic Capital Roshan Weeramantry (408) 314-7895 Roshan.Weeramantry@sbcglobal.net	
Redwood Mortgage Investors Diana Mandarino (650) 365-5341 ext. 212 diana@redwoodmortgage.com	Franklin Templeton JB Walker (925) 708-4672 JBWalker@frk.com	Lord Abbett & Company, LLC Douglas Stockslager (201) 827-2897 dstockslager@lordabbett.com	

Silver

SEI Mark Scanlan (925) 667-7865 MScanlan@seic.com	Signet Mortgage Corporation Clay Selland (925) 807-1500 xt.303 clay@signetmortgage.com	JP Morgan Funds Jack Roddy (415) 772-3052 jack.rodny@jpmorgan.com	TransAmerica Loi Yu & John Devlin (415) 250.0916/ (510) 851.9944 LYu@TransAmerica.com / JDevlin@TransAmerica.com
Black Rock Michael Wade (415) 264-8346 Michael.Wade@blackrock.com	Wells Fargo Advantage Funds Kristina Page (510) 932-2304 Kristina.Page@WellsFargo.com	Stonecrest Managers Todd Feldman (408) 557.0700 ext. 234 TFeldman@Stonecrest.net	Hennessy Funds AJ Hennessy (800) 966-4354 aj@hennessyfunds.com
Guardian Life Insurance Brent Frisk (415) 264-4721 Brent_Frisk@GLIC.com	UC Berkeley Extension Paul Emery (510)643-1052 extension.berkeley.edu	Goldman Sachs Asset Management Brian Nash (312) 655-6324 Brian.Nash@gs.com	
RS Funds Hudson Walker (415) 308-2522 Hudson_Walker@RSFunds.com	Hartford Mutual Fund Ramiel Betpolice (408)460-8080 Ramiel.Betpolice@thehartford.com		

East Bay Chapter Executive Director

Krysta Patterson / EastBayFPA@gmail.com / 925-935-9691

New address? Has your membership information changed?

SAVE THE DATE: 23rd Annual Far West Roundup

8/9/12 – 8/12/12 at the UC Santa Cruz Campus

Established in 1990, the Far West Roundup is an informal retreat for financial planning practitioners and those intending to enter the financial planning profession. It is held on the campus of UC Santa Cruz, California every summer.

Attending are some of the top advisors from Silicon Valley, SF, East Bay, Sacramento, Fresno, San Luis Obispo and Hawaii. It is a relatively small group, 60-75, but highly interactive and engaging. Even better, everyone wears VERY casual clothes and stays in the dorms.

We schedule 4 speakers on Friday and Saturday, and 1 on Sunday and all the sessions have 2 CE's except for the Practice Management session. Dave Yeske is our "Sherriff" and the speakers are top notch. Marty Kurtz, FPA President, attended last year and was so impressed it is rumored he will be back this summer. There are great discussions, dinners and events throughout the weekend. We will be finalizing the speakers (which will include Carol Anderson and Ben Coombs just to name a few) and CE's over the next month and we will pass that information to you. Sign up early, there are limited slots.

Visit www.facebook.com/pages/Far-West-Roundup/134575334355 to sign up

FPA East Bay Chapter Meeting

Getting Your Kids & Grandkids to College

BK Croker, Independent Admissions

Date:

August 1, 2012

Time:

7:15 am

Location:

Round Hill Country Club,
3169 Round Hill Rd.,
Alamo, CA

CE Credits:

1 Hour- PENDING

Cost:

Advance Registration:

\$30 FPA Members
\$40 Non Members
\$15 Student 13 and up

At the Door Registration

\$40 FPA Members
\$50 Non Members
\$20 Student 13 and up

Overview:

Join us at our upcoming Chapter meeting August 1, 2012.

Don't forget to bring your kids, grandkids, or client's kids (8th grade and over) to our next meeting on August 1st 2012! We'll be talking about what it takes to get into college these days and important steps that need to be taken years in advance.

As you are attending upcoming junior high and high school graduations this June, take a moment to think about the important next steps for those young individuals.

Our nation and California in particular, is in the midst of unprecedented times in college admissions.

As financial planners, many of our clients place a high priority on providing education and tools to help their children live independent and fulfilling lives.

For just this reason, FPA of the East Bay is providing an educational program to help you get your kids and grandkids to college.

We invite you to bring a young adult to this meeting. Discounted breakfast of \$15.00 for these special guests.

If you have a child, grandchild or youth mentee over age 13 that is looking for ways and resources to help them get into college, you won't want them to miss this meeting!

Presenter's Bio:

BK has been assisting students with all aspects of the college admissions process for the past six years. She helps students understand where they have control in the admissions process, and she works with them to make informed decisions as they progress through each stage of that process.

BK attained a business management degree from San Diego State in 1983 and directed large-scale projects in the corporate and non-profit sectors for 23 years before completing her coursework for the UCLA Certificate Program in College Admissions Consulting. Since 2007, she has assisted more than 200 students with college admissions and academic preparation in her downtown Danville office.

How to register:

You can register for the General Meeting with check or credit card online at: www.123signup.com/event?id=vnzyn

For more information:

For more information go to www.FPAEastBay.org or contact Krysta Patterson 925.935.9691

This meeting is sponsored by our 2012 Gold Sponsor: Campbell Judge of Fidelity Investments

*For information on future meetings please refer to the Chapter Meeting Calendar at the back of this issue.



FPA
FINANCIAL PLANNING ASSOCIATION
OF THE EAST BAY
The Heart of Financial Planning™

**2nd
Annual
FPA
East Bay
Golf
Tournament**

**Monday
September 17
2012**

TOURNAMENT INFO

ENTRY FEES

\$200 Per Person

\$800 Foursome

Entry fee includes Green Fees, Shared Cart, BBQ Lunch, Tee Prizes, Contests and Dinner at Round Hill Country Club. The Field is Limited to the First 144 Players.

CONTESTS

Hole In One Chance

Closets to the Pin (Men's & Women's—All Par 3 Holes)

Longest Drive (Men's & Women's)

RAFFLE DRAWINGS

A raffle drawing will be conducted during dinner.

SCHEDULE OF EVENTS

11am—12pm Registration /Practice

11:00am Driving Range Opens

11am Raffle Putting Contest Begins

11:15am Lunch on Terrace

12:30pm Shotgun Start

4:30pm No Host Cocktails

5:00pm to 6:00pm Dinner, Prizes & Raffles

REGISTRATION DEADLINE

September 7, 2012

TOURNAMENT DATE:

Monday, September 17, 2012

For Additional Information Please Contact:

FPA East Bay Executive; Krysta Patterson

T: 925.935-9691 F: 925.935.1108

Upcoming Silicon Valley FPA Brown Bag Lunch Event

Note: Silicon Valley FPA Brown Bag Lunch Events require FPA membership to attend. FPA members from other chapters are welcome to attend as well as guests of FPA members

Date: Wednesday, July 18th, 2012

Time: 12:00 noon to 1:30 pm

Location: San Jose, CA (Rose Garden Area)

Cost: \$10

RSVP to: Skip Frenzel at info@agapeltc.com

Title: Divorce and Real Estate: Knowing Your Client's Options

Speakers: Kathryn Hisert, Referral Realty and David Butler, American Pacific Mortgage

Divorce is emotionally demanding. Kathryn and David will be discussing the real estate disposition options available to your client and how your role, early in the process, could make the difference between a financially successful divorce and a financially devastating one. What actions, and when they are taken, is critical to the disposition process. Topics to be discussed: Mortgage tools used in a negotiated buy-out, multiple capital gains exclusions, feasibility of staying on title together, short sales, etc. Risks and advantages of multiple scenarios will be discussed in this informative session. Seating is limited. Reserve your seat by RSVPing to Skip Frenzel at info@agapeltc.com

Date: Friday, August 24th, 2012

Time: 12:00 noon to 1:30 pm

Location: San Jose, CA (Rose Garden Area)

Cost: \$10

RSVP to: Dan Taylor DanTaylor@Yahoo.com

Title: Helping Your Clients Boost Their Success with Small Business Administration (SBA) Loans

Speaker: Ritesh Shah, Vice President and Business Development Officer at Borrego Springs Bank

For more information and to reserve your seat, please contact Dan Taylor at DanTaylor@Yahoo.com

Silicon Valley Chapter Executive Director

Susan Adams / execdirector@fpasv.org / 877-808-2699

New address? Has your membership information changed?

FPA Silicon Valley Chapter Meeting

Is Cash Losing its Function as a Store of Value

Axel Merk, President and CIO Merk Investments

Date:

July 13, 2012

Time:

11:30am - 1:30pm

Location:

TechMart, 5201 Great America Parkway, Santa Clara

CE credits:

1.5 hr CE has been granted by the CFP Board

Cost:

Early Registration

\$40 members \$45 non members.

At the door

\$60 or members, \$65 non-members

These prices are for each course, not both combined.

How to register:

Register now via credit card at www.fpasv.org

For more information:

www.fpasv.org

Overview:

Mr. Merk, President and CIO of Merk Investments, cautions that currencies are at risk of losing their traditional function as a store of value; the implications of such an environment are far-reaching. He believes there may be no such thing as a 'safe' asset anymore and even cash may require a diversified approach. Mr. Merk will focus on global dynamics and the potential consequences of fiscal and monetary policy throughout the globe. He will give his outlook on which regions and currencies may be best placed going forward and discuss implications for asset allocation.

Presenter's Bio:

Axel Merk is the President and Chief Investment Officer of Merk Investments, manager of the Merk Funds. He is a recognized expert on the global economy, monetary policy and international investing. An authority on currencies, he is a pioneer in the use of strategic currency investing to seek diversification and has been named a "Currency Guru" by Morningstar.

Axel Merk is a regular guest on CNBC, FoxBusiness and Bloomberg. His columns and interviews frequently appear in the Financial Times, Wall Street Journal, Barron's and other financial media around the world. Merk is a sought after expert speaker at industry conferences, including the annual conferences of the CFA, FPA and AAI organizations in 2011, as well as at universities, government organizations and think tanks. Merk's expertise encompasses topics ranging from the global economy, gold and currencies to sustainable wealth and personal finance. Axel Merk's Book, "Sustainable Wealth," was published by Wiley in 2009 and his newsletter, Merk Insights, reaches a wide audience of investors, analysts and media following global macroeconomic issues and implications to investing.

Mr. Merk manages the Merk Hard and Asian Currency Funds and co-manages the Merk Absolute Return Currency Fund and the Merk Currency Enhanced U.S. Equity Fund. He holds a B.A. in Economics (magna cum laude) and a M.Sc. in Computer Science from Brown University.

*For information on future meetings please refer to the Chapter Meeting Calendar at the back of this issue.

Silicon Valley Chapter Partners

Platinum

The Dayton Law Firm Rich Dayton 408-437-7570 info@thedaytonlawfirm.com	Thornburg Investment Management Dean Mesquite 707-829-8784 dmesquite@thornburg.com	IShares 529 Plan Vivian Tsai 415-670-4724 Vivian.Tsai@blackrock.com	Home Instead Senior Care Michelle Rogers 650-691-9671 micheller@hiseniorcare.com
---	---	--	--

Gold

FlexShares, managed by Northern Trust Allen G. Carr agcl@ntrs.com 510-329-9114	Stonecrest Managers Christina Gray 408-557-0700, ext. 302 cgray@stonecrest.net	Laserfiche Linda Kao 562-988-1688 x312 linda.kao@laserfiche.com	Genworth Financial Linda Weilert linda.weilert@genworth.com 408-656-3751
---	--	---	--

Silver

Security 1 Lending Greg Hacker 408-483-2225 ghacker@SIL.com	Redwood Mortgage Diana Mandarino 800-659-6593 ext. 212 diana@redwoodmortgage.com	Heffernan Insurance Company Deborah McGreener dmcgreener@heffgroup.com 707-789-3068	Life Encore Sara Zeff Geber, Ph.D. sara@LifeEncore.com 408-364-1107
--	---	---	--

San Francisco Chapter Partners

Gold

Redwood Mortgage Diana Mandarino 800-659-6593 x212 diana@redwoodmortgage.com	Loring Ward Vincent Crivello vcrivello@loringward.com 408-260-3185	Stonecrest Managers Christina Gray cgray@stonecrest.net 408-557-0700 ext. 302	U.S. Global Investors Max Porterfield mporterfield@usfunds.com 210-348-2644
Genworth Financial Home Equity Access Elaine Parker 650-275-2738 elaine.parker@genworth.com	Schroder Investment Management John Maguire 347-703-3940 john.maguire@us.schroders.com	ING Troy Chakarun 415-298-8974 Troy.chakarun@ingfunds.com	Golden Gate University Steve Hawkey shawkey@ggu.edu 415-442-6584
MetLife Geoffrey Wallace 415-729-5331 gwallace@metlife.com	LaserFiche Linda Kao 562-988-1688 linda.kao@laserfiche.com	iShares Vivan Tsai 415-670-4724 vivian.tsai@blackrock.com	

Silver

UC Berkeley Extension Paul Emery pemery@unex.berkeley.edu 510-643-2181	Diamond Hill Investments Ed Vukmirovich evukmirovich@diamond-hill.com 310-469-4697	Northern Trust Allen Giles Carr agcl@ntrs.com 312-479-0199	Junxure Erin Kincheloe ekincheloe@junxure.com 650-726-4684
First Trust Craig Anderson canderson@FTPortfolios.com 415-200-7708	Tocqueville Asset Management Kristen Dinsbach kdinsbach@tocqueville.com 646-522-4455	Morningstar Mark Netjes mark.netjes@morningstar.com 312-384-5450	Cohen and Steers, Inc. Mark Dickinson mdickinson@cohenandsteers.com 443-253-8525

San Francisco Chapter Executive Director

Holly Wilkerson / info@fpasf.org / 877-260-3218

New address? Has your membership information changed?

Creative Charitable Planning with Non-Cash Assets

by Bryan Clontz, CFP®
President, Charitable Solutions, LLC

Outright charitable gifts of non-cash assets will probably forever be the tax geek's dream and the charity's nightmare. From the donor's tax perspective, usually cash is the worst gift option, appreciated stock is usually next best and some form of wiggling, crawling (but hopefully

not glowing) real estate might be the best. You have surely heard all the statistics: privately held non-cash assets represent approximately four to



Bryan Clontz, CFP®
President, Charitable
Solutions, LLC

six times the entire value of the stock market, yet over 80 percent of these gifts are estimated to be initially declined by charities, and of those gifts accepted, they only represent approximately three to

five percent of all giving.

Why Do Charities Frequently Decline Non-Cash Assets?

In general terms, non-cash assets include all forms of real estate, closely held C and S-Corp stock, limited partnerships, artwork and collectibles, and other assets. All of these have distinct and inherent risks. For real estate, the risks are more obvious: environmental issues, liquidation concerns, property management functions, etc. For limited partnerships, the risks might be more subtle: potential capital calls, ongoing UBIT liability, increased annual audit discussions, etc.

Cont'd next page

Financial/Estate/Tax Planning Considerations for Top Ten Non-Cash Asset Contributions

Asset Type	Various Forms	Unique Issues and Potential Traps	Planned Gift Issues	Additional Comments
Real Estate <i>Deduction: FMV</i>	Residential, commercial, domestic or foreign, leasehold/life or remainder interest	Environmental liability, holding period management, accelerated depreciation, negative basis, debt (note "5-and-5 UBTI exception"), pre-arranged sale	Ideal for FLIP-CRUT, difficult for CRAT and CGAs because of marketability	Real estate represents nearly 50% of privately held wealth, estimated at twice the entire stock market. Yet only 2% of all charitable gifts are real estate.
Closely-Held Stock <i>Deduction: FMV</i>	C-Corp or S-Corp	Thin to non-existent market, difficult valuation, self-dealing without independent appraisal, pre-arranged sale, S-Corp UBTI issues	Ideal for FLIP-CRUT with no known liquidation event – other vehicles work for corporate redemption or market sale	Private company contributions are very popular prior to a market sale. S-Corp gifts to a trust are tax-effective prior to sale or to a corporation if held.
LLC Interests <i>Deduction: FMV</i>	Tax status may be corporate or partnership	Same as Closely-Held and characteristics of underlying assets and potential capital calls, multiple shareholders/assets difficult	Same as Closely-Held	Charities usually want the LLC interest for liability protection. Multiple shareholders make this option difficult.
Partnerships <i>Deduction: FMV</i>	General, Limited or Operating	May be difficult or expensive to appraise, characteristics of underlying assets, general partnerships have full liability, partnerships with negative basis	Limited partnerships are particularly good funding assets for Lead Trusts.	For LLCs and Partnerships, appraisal discounting may apply.
Life Insurance/Annuities <i>Deduction: Lesser of Adjusted Cost Basis or FMV</i>	Paid-Up and Non-Paid Up Life Insurance – Variable or Fixed Deferred Annuities	Non-paid up policies, "Stranger-Owned" or premium financed, or gifts with policy loans are more difficult. Paid-up whole life policies work well. Annuities trigger gain upon transfer.	Life insurance is an excellent life-time or testamentary gifts (through beneficiary designation). Annuities are only attractive as testamentary gifts because of IRD.	Life insurance can be an excellent wealth replacement tool for any planned or outright gift. Premiums can be paid with appreciated property.
Mineral Interests <i>Deduction: Varies</i>	Oil/Gas Working or Non-Working Interests, Timber, Other Minerals	Valuation difficult, tax law very complex and state rules may govern (e.g., timber).	Very difficult but possible.	These assets are typically held in partnerships or LLCs so those rules apply as well.
Restricted Stock <i>Deduction: FMV</i>	Section 144 or 145	Appraisal requirement, lock-up period	Restricted stock can easily be used for just about every planned gift	Restricted stock should be coordinated with an experienced broker.
Stock Options <i>Deduction: Varies</i>	Qualified (ISOs) or non-qualified	"In-the-money" option transfers trigger gain to the donor at ordinary income rates at the time of gift.	ISOs can be excellent funding assets provided they are exercised and then held for over a year.	Qualified replacement stock from an employer retirement plan/ESOP can work well for both outright and planned gifts.
Collectibles/Art <i>Deduction: Basis for non-related use/FMV for related use</i>	Art, coins, antiques	Valuation, insurance, storage, transaction costs, complex structures like private operating foundations are sometimes used	Tangible property work fairly well for nearly all forms of planned gifts – cost basis deduction is an issue however. Testamentary gifts are ideal.	New PPA 2007 rules severely tighten partial interest art gifts. Capital gains taxes remain at 28% federal so there is an extra tax benefit in tangible property donations.
Intellectual Property <i>Deduction: Varies</i>	Patents, royalties, copyrights Revenue or non-revenue producing	Valuation cost, disposition process	Work best as testamentary gifts to receive step-up in basis.	2004 Act reduced attractiveness of patent/royalty gift to basis.

This table has general information and should not be relied upon as tax, legal or financial advice.

Copyright ©2007 Charitable Solutions, LLC and Bryan Clontz, CFP® bryan@charitablesolutionsllc.com (404) 375-5496

Creative Charitable Planning with Non-Cash Assets *Cont'd*

The Top Ten Non-Cash Questions

1. What is the asset and what is its fair market value?
2. Who/what owns the asset?
3. Is it a gift of a partial or entire interest?
4. Does it have any debt?
5. What are the donor's goals – outright gift, life income gift or testamentary gift?
6. Is it a capital asset or ordinary income asset?

7. Are there any tax implications to the donor or the charity?
8. Are there any potential buyers and, if so, how far along are the discussions?
9. What is the expected holding period and what management issues should be addressed?
10. When does the donor wish to make the transfer?

Certainly any gift might require more questions that are specific to the transaction but these questions should quickly qualify or disqualify a prospective gift. Further, a detailed memo of understanding is frequently used to disclose the process, what party

is responsible for what function and any fees that may be charged to the donor.

Summary

Noncash assets will continue to be an under-tapped but lucrative charitable planning strategy. By understanding what assets are likely to be donated, developing a risk tolerance profile for an organization, plotting that profile on a risk continuum, developing sound gift acceptance policies and procedures with risk reduction strategies, and finally a policy about when and where to refer non-cash assets that are not conducive for direct receipt, a charity can maximize their non-cash asset success.

Gift Acceptance/Management/Disposition Considerations for Top Ten Non-Cash Asset Contributions

Asset Type	Liability/Cost Exposure	Risk Management/ Due Diligence	Acceptance Issues	Staff Role	Disposition Alternatives
Real Estate	Environmental, UBTI, liens, IRS penalties, accident claims, up-front due diligence expense, on-going holding costs, remediation or improvement cost, time-to-reward ratio, fiduciary risk	Indemnification letter, environmental audit, survey, BPO or appraisal, insurance, site inspection with pictures, determine property's history, develop sales plan - review all deeds, lease agreements, rental agreements, inspection reports, donor should complete disclosure checklist citing any known issues, outsource to another charity	Conflicts of interest, valuation, self-dealing, implied or expressed restrictions	Tax substantiation – 8283/8282, due diligence, change insurance/utilities, execute transfer documents, donor communication, audit preparation, manage disposition <u>Note: One person should manage all illiquid assets.</u>	1. Hold (not usually recommended) 2. Sell to private buyer (unrelated party) 3. List with broker
Privately-Held Stock/LLC/ Partnerships	Capital calls, indemnification clauses, lack of control with minority gifts, UBTI and specific issues related to underlying property	Indemnification letter, independent appraisal, review financials if appropriate, develop sales plan, review all entity documents	Thin to non-existent market, difficult valuation, self-dealing without independent appraisal, S-Corp UBTI issues	Tax substantiation – 8283/8282, due diligence, execute transfer documents, donor communication, audit preparation, put stock certificate or assignment document in safe. Check in with company annually to see if there has been any material change.	1. Sold back to entity 2. Sold in open market transaction 3. Sold to private unrelated buyer
Life Insurance/ Annuities	Virtually none except as it relates to complex foundation-owned, charity-owned and investor owned contracts – so split interest gifts are allowed.	IRS has listed a number of reportable transactions – be cautious to comply with reporting requirements. Also review the illustration or policy being considered and have a memo outlining the donor's premium paying responsibilities and the charity's options for non-compliance.	Work with agent to illustrate any non-paid up (universal or variable life policies) at 2% under the current crediting rate.	Tax substantiation – 8283/8282, due diligence, execute transfer documents, donor communication, audit preparation, manage policies annually to determine health. Put donor in contact with a qualified insurance appraiser.	1. Usually held to death 2. Cash surrender to company 3. Reduce paid-up 4. Sold to life settlement companies
Mineral Interests/ Intellectual Property	None other than potential capital calls	More than any other asset, having a well-designed sales plan prior to acceptance is critical	Marketability, appraisals	Tax substantiation – 8283/8282, due diligence, execute transfer documents, donor communication, audit preparation	1. Hold (not recommended unless strong income payments) 2. Sold via broker 3. Sold privately
Restricted Stock/Stock Options	Post-contribution loss possibilities during restricted or holding period	Review all restrictions and option agreements	None	Tax substantiation – 8283/8282, due diligence, execute transfer documents, donor communication, audit preparation	Sold with broker as soon as restriction is lifted
Collectibles/Art	None other than post-contribution holding expenses	Review history of collection, document with pictures	Work with broker /appraiser to assess value prior to acceptance	Tax substantiation – 8283/8282, due diligence, execute transfer documents, donor communication, audit preparation, insurance, storage	1. Auction sale 2. Private buyer 3. Broker

This table has general information and should not be relied upon as tax, legal or financial advice.

Copyright © Charitable Solutions, LLC and Bryan Clontz, CFP® bryan@charitableolutionsllc.com (404) 375-5496

FPA San Francisco Chapter Meeting

Critical Tax Topics for the Executives and Founders at an Early to Late Stage Company

Jason Graham, CPA

Date:

July 10, 2012

Time:

11:30pm – 1:30pm

Location:

City Club of San Francisco, 155
Sansome Street

CE credits: 1

Cost:

Early Registration

\$45 members \$65 non members.

At the door

\$65.00 for FPA members,

\$85.00 non-members.

Overview:

Mr. Graham will cover income tax issues and planning for executives and founders of early to late stage companies. His focus will be: (1) Qualified Small Business Stock, (2) Equity Compensation, (3) Roth IRAs and Conversions, (4) Relocating Out of California, and (5) Exit Events

Presenter's Bio:

Jason Graham, CPA is a Managing Director at WTAS. He has over 14 years of experience in providing tax services. He performs engagements for high net worth family groups and individuals, involving income tax planning, research and compliance, estate planning and administration, family limited partnerships and trusts.

For more information: www.fpasf.org

How to register: www.fpasf.org

This meeting is sponsored by iShares

*For information on future meetings please refer to the Chapter Meeting Calendar at the back of this issue.

Chapter Meeting Calendar

2012	East Bay FPAEastBay.org	San Francisco FPASF.org	Silicon Valley FPASV.org	San Joaquin Valley FPASJV.org
AUGUST	Wednesday, August 1st, 7:15 a.m. Round Hill CC <i>Getting Your Kids to College</i> BK Croker	Tuesday, August 14th, 11:30am - 1:30pm SF City Club <i>Creative Charitable Planning with Non-cash Assets</i> Brian Clontz	No August Chapter Meeting	
SEPTEMBER	Wednesday, September 5th, 7:15 a.m. Round Hill CC <i>Various Global Asset Classes</i> Jason Hsu, PhD	Tuesday, September 11th, 4:00pm - 6:00pm SF City Club <i>Town Hall with Advisors</i> Multiple/TBD	Friday, September 14th, 11:30 am - 1:30 pm TechMart <i>Proactive Planning for Boomers and Seniors</i> Michelle Rogers, Dr. Jim McCabe, Dave Samuels	
OCTOBER	Wednesday, October 3rd, 7:15 a.m. Round Hill CC <i>Policy and Politics: Implications for Advisor and Investors</i> Mike Townsend	Tuesday, October 9th, 11:30am - 1:30pm SF City Club <i>Estate Planning Update</i> Susan von Hermann	Friday, October 12th, 11:30 am - 1:30 pm TechMart <i>Is the Muni Market Really in Crisis?</i> Christopher Ryan	

For advertising opportunities, please contact
Brenda Herrington at 650-851-4414 or brenda@greatorgs.com
Production and Layout by Audrey McGimsey

Planner is published monthly by five Northern California chapters of the Financial Planning Association: FPA of the East Bay, FPA of San Joaquin Valley, FPA of Silicon Valley, FPA of San Francisco and FPA of Monterey Bay. The views and opinions expressed in Planner are not necessarily those of FPA or its members. Planner may not be reproduced without permission from the publisher. The Northern California FPA Chapters welcome advertisements from reputable suppliers of products and services to the financial planning community. However, Planner does not perform "due diligence" on advertisers, authors or sponsors and cannot guarantee that their offerings or writings are suitable or correct.



THE FINANCIAL PLANNING ASSOCIATION

3130 Alpine Road,
Suite 288
Portola Valley, CA
94028

Chapter Executive Directors

New address? Contact your chapter office directly at the email or phone below

East Bay
Krysta Patterson
EastBayFPA@gmail.com
925-935-9691

San Francisco
Holly Wilkerson
info@FPASF.org
877-260-3218

Silicon Valley
Susan Adams
execdirector@fpasv.org
877-808-2699

San Joaquin Valley
Erin Aquino
ErinAquino@hotmail.com
209-473-4045

It's All About Face Time

The Practicum in Financial Planning at Golden Gate University

Work with real clients to design, develop and present financial plans with esteemed instructors Kacy Gott of Aspiriant and Gregg Clarke of Meritas Wealth Management, plus FPA mentors.

- Open to those who have completed the necessary courses for the CFP exam.
- Earn 3 units of graduate credit and 3 months of CFP experience.

Tuesday evenings, 6:50-9:30 pm, 15 weeks
Starts August 28, 2012

Register today:
415-442-7800
info@ggu.edu

www.ggu.edu

BUSINESS | TAXATION | ACCOUNTING | LAW

GOLDEN GATE UNIVERSITY

SHINE