

FPA

THE FINANCIAL PLANNING ASSOCIATION

PLANNER

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87% Sold Out and \$50 Off

Do You Really Need Any More Reasons to Register for FPA NorCal 2011 Now?

by Bob Goldman
2011 FPA NorCal Conference Committee

FPA NorCal is five weeks away, but the conference is already 87% sold out! Why? Because people in this industry are smart. You know a great value when you see one. You also appreciate an opportunity to grow your business. Value & Growth in one proven investment – that's got to be on your buy list – especially, when you can save \$50 on the price by registering before midnight on Saturday, April 30 at www.fpanorcal.org. After that, FPA NorCal 2011 will still be a great investment, but you'll be paying full price.

And what about that 87%? Every year FPA NorCal gets better, but it simply cannot get bigger. We've sold out in the past, and it looks like this year will be a sell out, too. So don't get left out. Register now at www.fpanorcal.org, before we're 100% sold out, and you're out in the cold.



Bob Goldman is a member of FPA San Francisco Chapter. He is the owner of Bob Goldman Financial Planning.

As for the conference content, you can read all about it at www.fpanorcal.org, and you should. See for yourself what we're bringing to your own back yard:

- 36 workshop sessions on the subjects that interest you most. (We know because we asked and you told us.)
- 40 workshop speakers, the best and the brightest from across the country.
- CE credits galore.

Cont'd on pg. 3

2011 FPA NorCal Conference

Tuesday, May 31 & Wednesday, June 1
The Palace Hotel in San Francisco
www.FPANorCal.org

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**THE Financial Services NETWORK
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Wealth Advisors Group, Inc., a registered investment advisor and separate entity from LPL Financial.

Do You Really Need Any More Reasons *Cont'd*

- Four of most exciting, most relevant keynote speakers of any conference anywhere, including **Neel Kashkari, managing director of PIMCO, Donald Knauss, Chairman of the Board and CEO of Clorox, Greg Valliere, chief political strategist of the Potomac Research Group, and Michael Lewis, author of *The Big Short*, *Moneyball*, and *Liars Poker*.**

- An opportunity to network with colleagues and make new connections. New this year, is a special networking event: **"Mining the NorCal Nuggets: Connecting with Friends Old & New and Sharing the Gems of the Day"** Hosted by Ed Jacobson, this is a casual, post-reception gathering with a chance to debrief with friends old and new. It will help you solidify what you have learned and to learn other gems from your peers. Oh yes – along with bringing your ideas, bring your favorite beverage. This is where FPA NorCal gets down.

- A complimentary CD recording of every workshop session, including presentation materials, so you can still get the benefit of all the workshop sessions you really wanted to attend, but just couldn't squeeze into your personal conference schedule. [Other unnamed conferences charge you for such a CD, but that's not the NorCal way.]

Sounding good? We think so. There's one more important point here. If you register now, you may be able to get a major discount on a swank room at the Palace Hotel. We say "may" because *the block of rooms originally reserved for attendee is already 100% sold out. As we go to press, the hotel is still offering rooms at our special "FPA Conference" rate of \$189 - which is – as we say in the conference biz – a steal. BUT they could stop any time. So, even if you aren't from out of town, treat yourself to a night in the Big City, and maximize your time at the conference, by booking yourself a room. [Mr. Eric Flett, in addition to providing piercing questions and sparking repartee in conversation with Michael Lewis in the Wednesday morning keynote, will personally provide recommendations*

to tasty, walkable, value dining options if needed.]

Ready to register? We hope so. Go to www.fpanorcal.org where registration is fast and easy. Register before midnight, Saturday, April 30. You will save \$50 and be assured of a place at FPA NorCal 2011. And that's what we call playing the percentages.

What Keeps You Awake at Night?

What do you worry about?

What challenges are you facing in your business?

What issues get your blood pumping?

We'd like to know so that we can ask our fellow FPA members to write interesting articles. We'd also like to hear your complaints and compliments. We would like to provide a forum for additional interaction, so now you can send a "letter to the editor" of The Planner at Editor@FPANorCal.org.

We believe that collaboration among our members and chapters provides numerous benefits to our members. *The Planner* newsletter is published on a monthly basis thanks to the volunteer efforts of more than one dozen FPA members from five FPA chapters in Northern California. Let us hear what you have to say!

Regional Government Relations Column

by Robert Finke, CFP®
FPA Monterey Bay

Greetings from your Regional Government Relations Representative.

The following is a list of important items on the Government Relations front:

CFP Board Receives SEC No-Action Letter

On March 11, the CFP Board received a SEC No-Action Letter that would allow it to receive background documents from certificants without subjecting itself to a SEC enforcement action. As part of its application and enforcement processes, the CFP will often ask a certificant's firm to provide copies of any customer complaint involving the applicant and the employer's response to the complaint, any statement of claim (including arbitration claims) involving the applicant and the resolution of the claim. Firms have been reluctant to provide this information, citing Regulation S-P and that the information requested contains "nonpublic personal information." To address their concerns,

the CFP Board has been asking for customer consent to disclose this information to the Board.

This no-action letter should provide the firms with the assurance that they need that they will not risk violating Reg S-P by providing the background documents to the CFP Board.

To see the letter, go to –
www.sec.gov/divisions/marketreg/mr-noaction/2011/cfpboard031111.pdf



Robert Finke is co-founder of the Center for Financial Studies. He has since created the Center for Financial Affairs as a way to provide integrated fee-based financial planning services and financial education.

Financial Conversations with Heart

Helga Hayse and Denise Hughes present:

The Soft Side of Financial Planning

- ~ Creating Deeper Client Relationships
- ~ Life Stages and Longevity
- ~ Understanding Real Generational Issues

CFP Board Accepted CEU Workshops

"These programs helped us understand the sensitivities and emotional needs of different generations"

Tracy Lasecke, Lasecke Weil Wealth
Advisory Group

<http://www.financialconversationswithheart.com>

Call for more information: 408.225.1260

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Do You Have a Business Plan?

by Bob Adams, CFP®, MBA, MSFP
FPA Silicon Valley

How many of you on a periodic basis assess your business and think about how you might make improvements? Everyone who owns a business or helps lead a business should have raised their hand. If you didn't, I think you are breaking the first rule of small business: Treat your business as a business.

Rule #2 and #3: Strive to maintain low overhead and strive to create recurring revenue streams.

A few years ago at an FPA National Conference in San Diego I happened to meet a local planner from the Bay Area who was struggling and considering whether to exit the profession. He had some pretty hefty monthly expenses in the form of a store front office and a receptionist and he was still grappling with what services he wanted to offer and how best to attract clients. In short, he hadn't applied his own planning skills to his business.

I think everyone needs a business plan, and that is not something you do once, put on the shelf, and never re-visit again. In my mind you also don't want the kind of hockey stick plans that are often associated with a business plan that someone gives to a bank for a potential loan (with most of the emphasis on showing revenue

growth that starts at \$0 and reaches the moon shortly thereafter). We all live in the real world, and that is a world where a more measured and realistic approach is needed.

When I wrote a business plan in 2002 there was no software available to give me a good template (there were plenty of templates that were mostly focused towards the aforementioned "bank loan" objective) so instead I choose the major questions to ask and proceeded to decide how I wanted to address them. Hint: Do this in writing so you can re-visit it periodically and also easily update it.



Bob Adams is the President of the Silicon Valley FPA. Bob has served on the board for the past 3 years and he is President of Armstrong Retirement Planning in Cupertino

A basic business plan challenges you to think about business basics: what services do I want to offer, how do I want to price these services, how will I attract and retain clients and what infrastructure do I need (compliance, web site, software, office, billing, etc), among other major considerations. Because we as advisors all live in a regulated world there is the

additional initial and on-going requirements around compliance. As a not so funny aside, who among us enjoyed the new narrative ADV II?

When you first start an easy answer to the "target client" question might be anyone with a pulse, but I think that is short-sighted. Far better is to decide what specific services you want to provide and also what you don't want to do. For example, I decided not to do tax preparation, but I know many planners who've build their business very successfully around tax preparation.

For me the area that I see most planners challenged by is what I call the "outbound marketing plan" – How will you attract and retain clients. There is no doubt that the internet pays a large role today, a good web site is vital and older forms of advertising like an ad in the phone book (something I've never done) is I think much less useful than even 10 years ago. Consider as part of your plan that in addition to various forms of advertising or traditional marketing you might do, you also should consider that you are the "brand" in a service business. We are also in a trust business so consider joining your local service clubs, the local Chamber as well as non-business organizations where people can get to know you (and refer you).

Don't forget that a very large percentage of your new business will come from current clients so an essential part of any business plan is addressing how you plan to cultivate referrals. Finally, the secret to client retention is client communication so be sure to create a plan to effectively communicate to your clients.

As we all know, planning is important.

Do1Thing.
One Thing Leads to Another.

Silicon Valley Chapter Executive Director

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New address? Has your membership information changed?

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.

Redtail Technology CRM Demo - Check it Out!

Speaker: Chris Roberts, Redtail Technology, Institutional Accounts Manager

Date: Friday, June 24th, 2011

Time: 12:00 noon to 1:30 pm

Location: San Jose, CA (Rose Garden Area)

Cost: \$10

Are you frustrated with the time it takes to keep up-to-date with all of your clients? CRMs can simplify things by offering a client view that includes notes, upcoming and past appointments, account positions, emails, client reminders and a host of other pertinent client information. Centralizing client information leads to more efficient use of your time, better customer service and fewer compliance headaches. In this session, Chris will demonstrate generic processes and best practices through a demo of Redtail's products, walking through specific scenarios. Attendees will be able to apply these learnings to any CRM package.

Speaker and Company Information: Redtail Technology delivers web based Client Relationship Management (CRM), Imaging (paperless office) and Email Archiving services. Their products were designed specifically for financial professionals. As a comprehensive solution that is affordable and easy to use, Redtail has been adopted by over 27,000 financial service professionals making it an industry leading solution.

Before coming to Redtail Technology, Chris spent 10 years in the wireless industry working for such companies as Nextel and Verizon. At Redtail, Chris handles all of their institutional relationships and is part of many of Redtail's integration projects. Chris holds a bachelors degree in Marketing from California State University Sacramento.

Seating is limited. To reserve your seat, please RSVP early to Lauree Murphy at Lauree@Yahoo.com A \$10 fee will be collected at the door.

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FPA Silicon Valley Chapter Meeting

Strategies for Investing In Clean Technologies Stocks

David H. Kurzman, Portfolio Manager, Leuthold Weeden Capital Management

Date:

May 13, 2011

Time:

11:30am - 1:30pm

Location:

TechMart, 5201 Great
America Parkway, Santa Clara

CE credits:

1 hr CE available pending approval
by the CFP Board

Cost:

Early Registration

\$35 members \$40 non members.

After 5/9/2011:

\$55.00 for FPA members,

\$60.00 non-members.

Overview: Mr. Kurzman's talk will discuss the strategies his firm uses to identify and successfully invest in publicly traded Clean Technology ("CleanTech") stocks. Employing a bottom-up, stock-picking approach that leverages his firm's traditional macro- and quantitative-based techniques, Mr. Kurzman's CleanTech fund deploys over \$30 million among about 55 companies world wide.

Participants will also learn why this approach does not seek "breakthrough technologies" in the CleanTech sector, which tend to be perpetually five years from viability. Instead a more conservative and successful strategy that blends information gathering and risk mitigation in order to maximize returns will be presented. Trained in the time-tested "value investor" approach to investing, Mr. Kurzman looks for catalysts that will close the gap between what he views as a company's intrinsic value and its current share price.

Presenter's Bio: David H. Kurzman is a co-Portfolio Manager and Senior Analyst at the Leuthold Group focusing on Global Clean Technology Fund. Prior to joining the Leuthold team, David was Managing Partner of Kurzman CleanTech Research, a private research and consulting firm, and managed a pool of private capital for high-net worth investors.

David's work has been recognized by leading news channels, including CNBC, PBS' Wall Street Week, Bloomberg News, Reuters, The New York Times, The Wall Street Journal, Barron's Financial Weekly and others. David was named "Best On The Street" by The Wall Street Journal in 2003 for the area of Electronic Components & Equipment, was rated as a Zack's All-Star Analyst in 2001 and 2002.

How to register: Register now via credit card at www.fpasv.org

For more information: www.fpasv.org

This meeting is sponsored by Heffernan Insurance Brokers

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

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www.FPANorCal.org

Factors Buyer & Sellers of Businesses Consider

by Andrea Roland, CFP®
Monterey Bay Chapter

In March, I was lucky enough to be one of the 1000 people to take part in a webinar regarding new federal tax filing rules for Registered Domestic Partners and Same Sex Married Couples. I am pretty well versed in the issues facing gay and lesbian couples in the financial realm, but the webinar opened whole new realms for me. Although I do not prepare taxes for my clients, the knowledge I gained has helped me already towards a better understanding of community property income and the lines that exist. What I thought was black and white, is largely grey. At one point, the presenters started to have a lively discussion amongst themselves, like they were in someone's living room only with a thousand people listening.

The webinar was sponsored by the Franchise Tax Board (not the IRS) and one of the presenters will be a workshop presenter at the FPA Norcal Conference. If you have any LGBT (lesbian, gay, bisexual and transgendered) clients, I suggest you take the workshop from Deb Kinney, a San Francisco attorney. She is articulate, knowledgeable, enthusiastic and funny - everything you can want from a presenter.

One of my challenges is continuing education - not getting enough hours, but getting the hours that are

compelling, interesting and expand my knowledge base. After getting the CFP®, I went back to university and completed the undergraduate degree I never finished when I was in my 20s. I like learning, for learning sake, not to get the hours.

A few months ago, in the Journal, I noticed that the College for Financial Planning in Denver had a new accreditation program that I was very interested in. And so I signed up. As I mentioned earlier, I have what I thought was good knowledge in the realm of planning for LGBT clients, and this program for planning for LGBT clients was to put the icing on that cake. The program has been interesting as it has been a mini financial planning course, with all the planning that is available to legally



Andrea Roland, CFP® is with Wealth Architects, LLC in Mountain View.

married spouses under DOMA (Defense of Marriage Act) and all the strategies and federal programs that are not available to registered domestic partners, or LGBT couples who have committed to each other but cannot register.

The course is designed to be nationwide, so many issues that are endemic to CA were not covered, to my disappointment but that did not negate the usefulness of course. A lot of the planning that we take for granted when we work with heterosexual couples or legally married spouses is not available and thus as planners we need to take extra care.

I have found talking to other planners, that there are often internal structures within a firm that can make working with a gay or lesbian

couple awkward before even getting to planning issues. Do your internal forms say husband and wife, client and spouse or client one and client two? Do you ask for anniversary date? And which date would this be if the clients are not registered or married? Does your planning software allow a couple to be of the same sex and not married for federal planning purposes? Is all your staff comfortable with having lesbian and gay clients?

The planning issues are myriad and the College for Financial Planning has a six week course trying to cover these (as I can attest to). The best advice I can give (if you were asking for it) is to be sensitive and not to make any assumptions - possibly the same advice I would give for any other clients. Your LGBT clients want what every else wants - to have a loving, healthy environment surrounded by family and friends and to have sufficient financial resources for their lives. Just be aware that there is always another layer that goes on top of that and there are iceberg issues that can sink their plans.

See you at FPA NorCal. I will be the one sitting up front, taking notes and asking questions.

CHAPTER NEWS:

Congratulations to **Ken Petersen**, CFP® of Petersen & Ramistella, Inc. in Monterey for his **20th anniversary** with the FPA!!!!

Monterey Bay Chapter Executive Director

Monterey Bay
Carol Murray
clmurray3@aol.com
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New address? Has your membership information changed?

Here Today, Hero Tomorrow?

by Ralph Latza JD, LLM, CFP®
President's Column
FPA San Francisco

At different moments in our lives, we get to be witnesses to incredible acts of fortitude and selflessness. The recent earthquake and tsunami in Japan have brought to our attention the noble acts of heroism demonstrated by the workers at the Fukushima nuclear plant. These courageous fifty, whose number has risen with need, have been grappling to secure damaged reactors at the plant, following the massive tsunami that hit Japan's northeast coast in March.

At times, our gaze is diverted from these select few, as the impact of their choice frightens even the bravest of us. These workers are putting their lives at risk through their dedication and service. By way of comparison, following the Chernobyl nuclear disaster in 1986, twenty-eight workers died of acute radiation syndrome within a few weeks. The stories of heroic efforts surround natural and human-made disasters. Tom Brokaw, in "The Greatest Generation," celebrated a generation of heroes who grew up in the United States during the depression, and then went on to fight in World War II or serve the country on the home front.

We are introduced to the "hero" at a very early age. Fairy tale and comic

book heroes and heroines fill us with wonder and amazement. The dragon is slayed, Sleeping Beauty awakens, and the village lives happily ever after. We are drawn to the hero as someone to idolize and amaze.

Joseph Campbell dedicated his professional life to the mythical hero. In his public television series, "The Power of Myth," as well as in his book, "The Hero with a Thousand Faces," Campbell described similarity in the journey of the hero throughout history and throughout cultures. The power of the formula is captured in Star Wars, The Lord of the Rings, and The Odyssey, where the hero is called, adversity is overcome, and the hero returns home.

Keep in mind, Campbell describes seventeen steps, culminating in Freedom to Live, where mastery



Ralph Latza, JD, LLM, CFP® is the President of the San Francisco Chapter and a wealth advisor with Private Ocean in Marin.

leads to freedom from fear of death, which leads to freedom to live in the moment. There are many crossroads within these seventeen steps, which provide for wonderful storytelling, and incredible lessons for those of us on our own trek to learning and enlightenment.

The hero does not need to rise to a mythical level, of course. We find our heroes wherever we can, as we long to put someone on the pedestal, as an example of what is possible. For those who love sports, we relish the Michael Jordan performance in 1997, in the championship series with the Utah Jazz,

where Jordan led the Chicago Bulls to victory, despite suffering from severe nausea and sickness (the game has become known as "The Flu Game"). The image of Michael Jordan collapsing in the arms of teammate Scottie Pippen's arms in the last seconds of the game remains a YouTube classic. Phil Jackson, Jordan's coach, described the effort as "heroic."

For those of you looking for your heroes with greater redeeming qualities, we have Mother Teresa and Rosa Parks. The acts of heroism can be a lifetime achievement, or a transformational moment from where you choose to sit on a bus. Sully Sullenberger perfected his skills as a pilot for the moment when his training and ability to act saved a plane full of passengers during the landing of the U.S. Airways plane in the Hudson River in 2009.

In this month of May, with June soon to follow, we honor, and perhaps are honored as, mothers and fathers. May also celebrates Memorial Day, and those who have dedicated their lives in service of our nation. Many heroes are among these.

One thing we know about the hero is the ability to demonstrate integrity in the face of choice. The ability to be true to our values in a split second decision, or over the course of a lifetime, sets the stage for something powerful and transformational. The way we show up for our clients on a

Cont'd next page

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New address?

Has your membership information changed?

Here Today, Hero Tomorrow? *Cont'd*

daily basis reflects our character and conviction. Heroism is not a one-day phenomenon; it's an every-day choice.

The hero is not allowed to hide. This does not necessarily mean stepping into the limelight, as humility is a strong attribute of the hero. Our deeds are what define us. We study; we prepare; we are not afraid, and if we are scared, we are able to call upon our inner core to carry us through.

What are we prepared to do, and be? Perhaps the lesson from the nuclear plant workers in Japan is

that we do not really know what is inside of us. Yet, as we continue to be ethical and forthright with our clients, no matter what comes our way, we empower the profession and ourselves.

Spread kindness; be heroic in every moment.

Please feel free to share your feelings and thoughts with me at ralph@privateocean.com. Life is an ocean, dance in the waves.

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FPA of San Francisco Brown Bag Lunch Event

Note: FPA SF 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.

Social Media: Is it really worth it?

Speaker: Cathy Curtis, Curtis Financial Planning, Oakland, CA

TJ Gilsenan, President & Founder, The Interactive Advisor

Lisa Cain, Ph.D., CEO Pagepoint Web Solutions

Date: Tuesday, June 14, 2011

Time: 11:30 am to 1:00 pm

Location: Golden Gate University
536 Mission Street, San Francisco, CA

Cost: \$10

First you HAD to have a 'legitimate' email address (no more @aol.com!), then you HAD to have a website. Now we're being told we HAVE to be a part of social media or we'll miss all those clients who are trying to find us. Really? Is that true? And who are all these people needing investment and financial advice surfing Facebook??

Join us for a timely and informative discussion where our panel of real life experts will explore where social media is today, who's using it (and who isn't), what firms are having success and which aren't (and why), what trends are developing and where (and if) you need to be involved. Our panel features two social media industry experts as well as a local CFP who uses social media in her practice.

Cathy Curtis, CFP, Principal & Founder of Curtis Financial Planning (Oakland, CA)

Cathy is a Registered Investment Advisor independent since 2001. Her practice helps clients from across the financial spectrum and specializes in helping women to work through their unique financial issues. Prior to her career in financial services, she served as a sales and marketing executive in Fortune 500 and private food companies. She uses social media as a primary marketing tool for reaching her target clientele.

TJ Gilsenan, President - The Interactive Advisor

A former financial advisor, TJ Gilsenan has been working with Independent Advisors for almost 20 years. In the early 90s, TJ joined what is today known as Schwab Advisor Services. While there, he worked with advisors in a variety of ways - as a territory salesperson, a Regional Vice-President, and as the National Sales Director of Managed Accounts. In the mid-2000's TJ was recruited to Pershing Advisor Solutions - the division of Pershing/BNY Mellon that serves Registered Investment Advisors - to help them better serve Independent Advisors. While there, TJ helped launch a managed account custody platform, served as a Divisional Sales Manager, and was the Director of RIA Sales Strategy.

Today, TJ is the President and Founder of The Interactive Advisor; a firm dedicated to helping Independent Advisors make the most of web marketing. He is a graduate of the University of North Carolina at Chapel Hill, holds a Masters Certificate in Internet Marketing from The University of San Francisco, and writes a blog for Financial-planning.com called The Web-Savvy Advisor.

Lisa Cain, CEO Pagepoint Web Solutions

Lisa has both practical and academic marketing experience. She earned a Ph.D. in Marketing from the Wharton School, a Bachelor's of Chemical Engineering from the University of Delaware, an MBA from the University of Delaware, and a Master's of Marketing from Wharton. [And, this list will not grow anymore!]. She has developed specific expertise in results-oriented Internet marketing. She helps her clients keep their marketing needs in mind when considering their Web development requirements and additional marketing strategies. In addition to her work with PagePoint Web Solutions, she teaches marketing and sales force management courses at Mills College and The Wharton School for both MBA students and executives.

Seating is limited. To reserve your seat, please RSVP at fpasf.org.

FPA San Francisco Chapter Meeting

Cash Flow and Money Rascals – A New Planning Frontier

Marty Kurtz

Date:

May 10, 2011

Time:

11:30am - 1:30pm

Location:

City Club of San Francisco,
155 Sansome Street

CE credits:

1.0

Cost

Early Registration

\$45.00 FPA members,

\$65.00 non-members.

After 5/4/2011

\$65.00 for FPA members,

\$85.00 non-members

Overview: In this presentation, Marty will discuss an easy, functional, process-driven way to talk about cash flow to our clients. Our mindset about money is gained at an early age, so understanding the way we and our clients look at cash flow is paramount. Combining a discussion about your money personality and an evaluation of your current position (money you have spent, money you are spending and money you will spend) leads to new conversations with clients about their quality of life and the boundaries they may have or want to create.

Presenter's Bio: Marty Kurtz, CFP®, AIFA® President of FPA National Board, has worked in financial services since 1985, and earned his CFP in 1988. Marty, founder, President and CEO of The Planning Center, Inc., a financial planning firm based in Moline, Illinois, is widely respected as a thought leader in the industry, and for practicing grounded philosophies.

For more information:

www.FPASF.org

How to register:

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How to Globalize Your Thinking

by David Borrelli MBA, CRPC®
President's Column
FPA East Bay

It seems like every day we pick up a paper or magazine and read about how Globalization is changing the world and we need to adapt quickly or else we are going to be left behind. Also, when it comes to looking at investment needs and building portfolios for our clients the experts keep reminding us of the need to have more and more allocations to International Investing. Because I get a chance to give a lot of talks on Global Investing I wanted to share with you some of my favorite quotes and statistics that I use in my presentations. I hope that some of these can help you in your conversations with your clients about this topic.

1) There are 5.3 Billion Mobile Phones in the World with 73% coming from the Emerging Markets. This number will continue to grow and today over 145 countries has moved to the 3G network and are building out the fastest and stronger networks.

2) The US had been the biggest energy user since the early 1900's. China took that title in 2010. In fact, China has been rapidly expanding its energy consumption over the past decade. They are building about two midsize coal fire

power plants a week to keep pace with their consumption

3) Average incomes in China, India and Russia representing about 40% of the global population have more than doubled in the past decade. Soon, one billion new shoppers from the emerging world will provide the biggest increase in the middle class population as they begin buying everything from toothpaste, glasses, beer, cars, vacations, etc..

4) Population around the world is booming. Today 87% of the world's population lives in the emerging markets. Over the next 20 years that number is expected to grow too close to 5 billion people

5) China will have 6.3 million college graduates in 2010 compared to 1.65 million college graduates in the US.



David Borrelli is the President of the East Bay FPA. David has served on the board for the past five years and he is a VP with Oppenheimer Funds.

6) First of all, let's not ignore the U.S. Many of the world's best global companies happen to be headquartered in the U.S. And many of them have embraced emerging markets opportunities as key drivers of their future growth. As an example, most companies in the Dow Jones Industrial Average collectively generate nearly 50% of their revenues from outside the US.

7) A large portion of the wealth in the developed world was built by the United States in the Post-War Period. At the time, the U.S. labor force was approximately 62 million people and produced lasting

improvements in living standards. A comparable event is happening today in the Emerging Markets. The key difference is in the magnitude of the shift. The emerging markets labor force is almost 25 times the size of the U.S. in 1950 and can produce gains of a similar magnitude.

8) The world is interconnected. As consumers we exemplify this truth on a daily basis. We awake to our alarm clocks made in South Korea, turn on our Japanese televisions for the news and the local weather and dress in our Malaysian shirts, our silk ties made in China, and our fine leather Italian shoes. We grab our cups of coffee brewed with the finest Colombian beans and race out the door and into our expertly engineered German cars. This all happens before 8AM.

9) Today, the G3 countries –U.S., Japan, and Germany– represent half of the world's total output but the emerging economies are increasingly growing in importance. Economists forecast that by 2035 the output of the world's emerging economies will have surpassed that of the developed world with China having supplanted the U.S. as the world's largest economy. The forces driving this inevitable outcome are profound. For the foreseeable future, the developed world faces aging populations, disinflationary forces, and untenable debt positions.

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New address? Has your membership information changed?

How to Globalize Your Thinking *Cont'd*

In the emerging markets, the demographics are generally favorable, rising prices enable many of these countries to pursue counter-cyclical monetary policies, and debt levels are generally manageable particularly when factoring in the expected long-term growth rates. On balance, this combination of tailwinds suggests that emerging economies are poised to grow 4 times faster than developed

economies over the next 20 years. To put that into perspective, within a generation, China will be the largest global economy based on GDP, and 5 of the top 10 economies will be located in the emerging world (Share of Global GDP 2035E: 1.China (28%), 2.U.S. (21%), 3.India (8%), 4.Brazil (5%), 5.Russia (4%), Japan (4%), U.K. (4%), Germany (4%), 9.France (3%), Mexico (3%).

10) China will build a city the size of Philadelphia every month over the next 10 years to accommodate the transition of rural economies to urban economies.

As you can see there are many interesting points and conversation starters that you can have on the expanding reach of Globalization in our world. By using some of these bullet points and doing more research on them you can position yourself to take advantage of the change in the global landscape. My trivia question of the month is: What Country has the most cell phones in use today? Email me or come to our next meeting to find out the answer.

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FPA East Bay Chapter Meeting

The New Estate Tax Law: Highlights and Planning Opportunities

Chris Hennessey, Lawyer and CPA

Date:

Wednesday, May 4, 2011

Time:

7:15 am

Location:

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

CE Credits:

1 Hour

Cost:

General Meeting:

\$30 FPA Members

\$40 Non Members -

Advance Registration

Overview: This presentation focuses on the recent estate tax law changes, along with the effects and opportunities that can be employed to help safeguard your client's wealth. Specific topics addressed include:

- Summary of estate tax law changes in new tax law which extends Bush tax cuts
- Gifts - should they be done now for wealthy clients given a \$5 million exemption
- Planning for various size estates, under \$5 million, between \$5 to \$10 million and over \$10 million
- Portability - what does it mean and how should it be used
- Planning for any client deaths in 2010 given the default as estate tax applies
- Will the use of an ILIT and life insurance decline given a married couple can shelter \$10 million
- What happens after 2012
- Advanced techniques – use of the GRAT and intentionally defective trusts

Presenter's Bio: Mr. Hennessey has extensive consulting experience in all areas of wealth management. He has served as an advisor to a number of businesses. Mr. Hennessey is a member of the Putnam Business Advisory Group, Putnam's national speaking bureau. He speaks extensively at various national and regional meetings on wealth management topics such as tax, estate, retirement and college planning, as well as asset protection. Mr. Hennessey has instructed managers and executives in most areas of the world in the areas of finance, investments, accounting, strategy, and entrepreneurship.

How to register:

You register for both the General Meeting and Ethics Course with check or credit card online at: www.123signup.com/register?id=vzfzf

For more information:

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

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2011 FPA NorCal Conference

Tuesday, May 31 & Wednesday, June 1. The Palace Hotel in San Francisco

www.FPANorCal.org

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Monday, May 16, 2011

6:00 to 8:00 PM

Skipolini's Pizza

Walnut Creek

This event is a member benefit and there is no charge to attend.

RSVP to Ken at "Info@Meritage-Wealth.com"

President's Column

by Seth P. Shapiro, JD
FPA San Joaquin Valley

I recently came across the story of William Kennedy. Mr. Kennedy's story is not an uncommon one in the financial planning/estate planning arena, but it illustrates the importance of carefully planning for the distribution of non-probate assets. William Kennedy divorced his wife, Liv in 1994. As part of the divorce decree Liv Kennedy agreed to give up her claim to Mr. Kennedy's pension plan, but Mr. Kennedy never had Ms. Kennedy sign a waiver opting out of his pension plan as would be required under ERISA, even though he intended for his daughter, Kari, to receive his estate. When he died in 2001, Kari produced the divorce decree but the Pension Plan Administrator refused to pay up as William never properly changed the beneficiary information. By the time the Supreme Court determined that the pension should be distributed to Liv, William's ex-wife, Liv was deceased and her new husband, the man she left William for, wound up receiving his pension rather than his daughter Kari.

While this is obviously an extreme situation, it is a stark reminder that we all need to carefully designate beneficiaries on our non-probate assets - Life Insurance, Annuities, and Retirement Benefit Accounts - and frequently review and update those beneficiary designations.

So who should be named as your beneficiaries? In order to satisfy your estate planning goals, the answer may be different for life insurance policies, annuities, and retirement benefit accounts.

Life Insurance

As long as you do not name your estate as beneficiary, the proceeds of your life insurance policy will pass to your named beneficiaries without being subjected to the federal estate



Seth P. Shapiro, JD
President FPA San Joaquin Valley

tax or the probate process, so those issues are not a concern when naming a beneficiary.

Most married people name their spouse as primary beneficiary. But this may not always be a good idea. If the spouse has a sizeable estate, the proceeds will be included his or her estate for estate tax

purposes when he or she dies (unless, of course, they have been spent by that time).

For this and other reasons, such as the existence of children from prior marriages, you may want to name your issue (children, grandchildren, etc.) as the beneficiaries. Be aware, however, that because California is a community property state, your spouse must give written consent before you can designate anyone else as your beneficiary unless you use your separate property funds to purchase and maintain the policy.

If you want to leave the proceeds to minors, it is better to name a guardian or custodian under the Uniform Transfers to Minors Act or a trustee of a Trust for insurance

proceeds and other assets to be managed until they reach the age of majority. Likewise, if a child named as beneficiary under your policy predeceases you and you would want the proceeds to go to their child(ren), you must specifically state such.

Annuities

Almost all annuity investment accounts are set up to pay the entire account balance to the named beneficiaries upon the owner's death. With the exception that most annuities will be subject to the federal estate tax regardless of who is named as beneficiary, the above discussion of beneficiary designations remains the same.

Retirement Benefits

"Retirement benefits" include pension or profit sharing plans, Keogh Plans, 401 K Plans, Individual Retirement Accounts (IRA's), or other qualified retirement plans. When it comes to Retirement Benefits it is generally wiser to name an individual as beneficiary, rather than a trust. Why? It has to do with favorable tax treatment. In general, an individual beneficiary of an inherited IRA, 401(k), 403(b), etc. can stretch the distributions from the inherited IRA over the beneficiary's lifetime. If an entity such as the deceased's trust or estate is named, however, distributions will likely have to be made much quicker.

For this reason, most people name their spouse as their primary beneficiary and the children or issue as contingent beneficiaries. In determining who to name, it is important to understand what requirements

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President's Column

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your beneficiaries will have to adhere to once the time for them to receive the funds becomes prepared. Spousal beneficiaries have the most discretion and essentially will legally take over the account(s) as if it was their own.

In most cases, non-spousal beneficiaries will have the choice to:

- deplete the account right away;
- deplete it in its entirety within five years; or

• make an annual distribution small enough to make it last a lifetime as dictated by Internal Revenue Service (IRS) guidelines. If possible, it is best to elect this option as it allows your beneficiary to stretch the distributions from the inherited IRA over his or her lifetime

You can control non-spousal beneficiaries' ability to immediately deplete the retirement account by naming a Trust as the beneficiary. The individual beneficiaries of the trust will be considered the beneficiaries of the Retirement Account for the purpose of stretching distributions over the life of the beneficiaries.

Some Retirement Accounts will also allow you to make a Special Beneficiary Restriction (SBR). SBR's are a new feature that is available on certain Retirement Benefit accounts and essentially allows you to elect the third option for your beneficiary. An SBR limits your non-spouse beneficiary's access to his/her inherited IRA balance until they reach the age you select, up to 50 years old. Your non-spouse beneficiary will be able to withdraw only

the applicable Required Minimum Distribution (RMD) amount until the age you grant for permission to allow full access to the funds.

San Joaquin Valley Chapter Executive Director

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2011	East Bay FPAEastBay.org	San Francisco FPASF.org	Silicon Valley FPASV.org	Monterey Bay FPAMontereyBay.org
MAY	Wednesday, May 4th, 7:15am Round Hill CC <i>Estate Planning: New Estate Tax Laws</i> Chris Hennessy	Tuesday, May 10th, 11:30am - 1:30pm City Club <i>Cash Flow, Fiduciary Care and the Virtues of Relationship</i> Martin Kurtz	Friday, May 13th, 11:30 am - 1:30 pm TechMart <i>Sustainable and Green Investing</i> David Kurzman	
2011 FPA NorCal Conference Tuesday, May 31 & Wednesday, June 1. The Palace Hotel in San Francisco www.FPANorCal.org				
JUNE	No June Meeting	No June Meeting	No June Meeting	Thursday, June 23rd, 11:30 am - 1:30 pm Location TBA <i>Working With Clients in This Economy</i> Brown Bag Group Discussion
JULY	No July Meeting	Wednesday, July 13th, 11:30 am - 1:30 pm City Club <i>Death and Divorce - Technical and Behavioral Aspects</i> Marcee Yager, others TBD	Friday, July 8th, 11:30 am - 1:30 pm TechMart <i>Behavioral Finance</i> Herh Shefrin, SCU	

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Have you thought of going on a philanthropic trip with your clients? There may be no better way to bond than by sharing a powerful giving and learning experience in a different culture. If this sounds worthwhile to you, then consider joining the Make It Real Foundation on its trip to Nicaragua in September.

For the past two years, Randall Manley (Lodestar Private Asset Management) has led a team of clients on successful trips where donors get to see their charitable dollars in action. There's also plenty of time to embrace and enjoy the local culture. Join in on this year's experience in Nicaragua without having to organize a trip and all its details! (Space is limited.)

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