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Upcoming Events

- April—June: TBA, check our Website @ www.chris-eller.com

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Planning for a Lifetime

Volume I, Issue II

April—June 2010

Think Green!

As you move into April you think about Spring and how green everything is turning. The trees start to turn green, the grass starts to turn green, you even start to see green sprouts from flower beds pushing through the ground....there is green everywhere it seems!!

Well, I see Spring and April a bit differently. For most Americans, the other thing that finally turns green in April is your wallet. I know that sounds kind of funny, but for most of you mid April marks tax freedom time, as in for the rest of the year you actually get to keep some of the money you have been working so hard to earn!!

You see for the first 3 ½ months of the year most every dollar you earn goes to TAXES,

it isn't until mid April you get to keep the most important form of green ("money") in your wallet! Based on the expiration of the current Bush tax cuts, next year "Spring" is likely going to come even later for many of you.

Well I don't know about you, but I like to see Spring come as early as possible. While I don't know that I can effectively change the weather per say, I might be able to work with your tax accountant to see if together we can make your wallet turn green a little earlier each year.

Controlling taxes is at the core of our process. Manipulating how, when and at what tax bracket you are likely to pay taxes is like increasing return



without taking on additional investment risk. It often involves looking at things from a broader and deeper perspective as well as thinking outside the box, but the financial rewards of doing so can be handsome.

As you drive home tonight, admire how beautiful and green everything is turning, but don't forget to also ask yourself how nice it would be if your wallet turned green even earlier! Call us today and give "Think Green" a whole new meaning.

It's about the Living! (Cont. on Pg. 3)

My father passed away last month at the age of 72. He was young, full of life, jovial and healthy as could be 6 months ago. He had beaten cancer 3 times in the past and had been cancer free for 10 years and was the epitome of good health.

In August of last year he told me he had never felt better and he and my mother were going to put their home on the market this spring and move to Wisconsin to enjoy the Northwoods and to spend their sum-

mers fishing and living out their retirement dreams. A month later he went for his 6 month checkup at Mayo Clinic and was told his cancer had come back...5 months later he has now passed, and for that I remain very sad.

But what bothers me most is the state of my Mother. She is no longer moving to Wisconsin, she has lost a portion of his pension as well as half of their social security and is now not only coping with the loss of her

best friend in life, but is also left to juggle the financial fallout of my father's untimely demise.

My father did not want to leave my Mother in this state, he tried multiple times to take out insurance to protect her, but his history of cancer made him uninsurable. You see, insurance is a funny thing, nobody wants it until they need it and then it is unattainable.

While I used to hate insurance for a long time, experience over

Lessons to Learn From: Recessions Pt. 2 1990-1991



“Unemployment hit 7.8% during this recession, home prices in the nation’s ten largest metropolitan areas sank an average of 8.3%”

The numbers. This one lasted eight months (about average for U.S. recessions), and it compares interestingly with the economic downturn today. Unemployment hit 7.8% during this recession, home prices in the nation’s ten largest metropolitan areas sank an average of 8.3%, and the stock market dropped 21%, with the decline bottoming out in October 1990.¹ As for GDP, the numbers were 0.0% for 3Q 1990, -3.0% for 4Q 1990, and -2.0% for 1Q 1991.²

The reasons. Some trace the roots of this recession all the way back to Black Monday in 1987. But most historians and economists point to falling real estate values, a decline in the commercial real estate market, and a credit crisis (featuring the infamous savings and loan collapses of the late 1980s). Oil prices also rose in early 1990 thanks to Iraq’s invasion and conquest of Kuwait, so consumer and investor confidence fell as a result of supply disruption

and months of war in the Middle East.

The rebound. The DJIA was at 2,900.97 on June 1, 1990. It fell 21% in the subsequent downturn, but it hit a new milestone close (3,004.46) on April 17, 1991.³ The broad stock market returned 28% from October 1990 to March 1991.⁴ In November alone, stocks gained 6%.⁵ The real bull run was just ahead. Unbeknownst to stock market investors, the Dow would pass that 3,000 milestone and crest at 11,722.98 in less than nine years.⁶ The S&P 500 actually gained more than 5% during the recession; three years after the recession ended, it was up 26% and ten years later it was up 302%.⁷ The NASDAQ, of course, enjoyed a banner year in 1991 after going public, gaining nearly 57%; the tech stock boom was underway.⁸

The lesson. The markets do recover, often more quickly than we imagine - and historically, the persistent

investor has been rewarded for his or her optimism. In the current economy, it helps to take a satisfying look back and see how the markets have rebounded and prospered since.

**See back cover for citations and disclosures.*

Jen’s Travel Corner



Tis’ the season to set sail throughout the gorgeous landscape of the Mediterranean Sea! Options abound and there is something for every taste and budget (including the Disney Cruise for those looking to take kids or grandkids!).

After sailing on 3 Med cruises myself it remains one of my favorite ways to see Europe and parts of Africa and the Mid-East. While it may not be the most in depth way to see the area, it does offer a carefree

option to see lots of places on one trip while only having to unpack once! Plus, you reap all the advantages of cruising such as delicious food, great service, lots of activities and entertainment at your fingertips and so much more.

If you fall head over heels for a particular area then you can always plan a return trip for a longer stay. So, if you’ve ever dreamt of visiting the Greek Isles, Italy, France, Spain, Egypt, Turkey or the multitude of

other countries offered while sailing the Med then I would suggest looking into cruising as a great way to visit them all!

Want more information on sailing the Med, just drop me an e-mail or give me a call at the office 815-539-3437.

JEN

Make sure Uncle Sam isn't your Beneficiary!

I know, I know...your attorney told you to name your Trust as the beneficiary of all your assets including your "IRA's, 401K's and Annuities" (TDI's).

If you've drafted a trust, odds are you are conscious of expenses associated with probate and estate tax and are trying to do the responsible thing. When it comes to TDI's, people often go further than they need to and wind up with a tax

bomb instead. While situations exist where naming a trust is very appropriate, a trust that restricts distribution to beneficiaries should almost never be named as a beneficiary of a TDI if it can be avoided.

If you have named a restrictive trust as the beneficiary of a TDI you are subjecting your assets to substantially higher marginal tax rates. TDI's mandate some form of distribution post death.

If the trust passes through distributions...no problem, but if the trust restricts distribution the trust must pay the tax. For 2010 a married beneficiary doesn't hit the 35% tax bracket until \$373,650 of income. But a trust begins paying tax at the 35% tax rate as early as \$11,200!!

Before you name a trust as the beneficiary of a TDI, make sure you understand the possible tax implications.



It's about the Living! (Con't. from page 1)

the years has compelled me to view insurance in a different light. While I still believe it is terribly misused and abused, when analyzed on merit and utilized properly it can be one of the greatest gestures of compassion and love a person can make to their family.

While I am in the fortunate position to be able to personally help my mother, the best way I can help you is to shed light on what is usually a topic

kept under wraps until it is too late. I ask you to ask yourself these 2 simple questions: 1) can you clearly detail the financial impact to your family? 2) are you comfortable with the answer to question number 1?

If you can't answer "YES" to both, then you need to give us a call. We aren't here to sell you a policy. We are here to help you assess your families true needs and to help you find

affordable solutions to protect them...when you no longer can.

Remember, nobody plans to die...we just do. In the end, life insurance isn't about those of us who die, it's about easing the suffering of those that live on!

"when analyzed on merit and utilized properly it can be one of the greatest gestures of compassion and love a person can make to their family."

To Roth or Not to Roth....That is the Question!

Why don't more people convert to a Roth IRA? Well there are a number of reasons, some valid and some not, but I'd argue the biggest reason is that you're just not sure if it is a good decision or not.

Well what if you could convert today, and a 1 1/2 years from now you could look back and change your mind if it wound up being a bad move?? Well guess what....that's exactly what you can do. Under current tax law, regardless of your income in 2010, you can con-

vert to a Roth IRA now and have until October of 2011 to change your mind!

So here is a thought....talk to someone about doing it! Why would you not? If your investments soar you may have made a life changing decision, if they sink or you change your mind then re-characterize back by Oct 2011 with no tax due.

Here is another idea, if you are going to invest in or already have non correlated invest-

ments that are volatile, split them into two or three different IRA's and then convert to Roth's. Keep the one's that do well and re-characterize the one's that don't!

For one year the IRS has given you a potential opportunity of a lifetime with the option to change your mind. If you haven't talked to someone about whether a Roth conversion makes sense for you...ask yourself...WHY?? **Our number is 815-539-3437**





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Quote of the Year: “Many an optimist has gotten rich from buying out a pessimist.” -Allen Rich

Letter from the Editor

I hope you’ve enjoyed the 2nd edition of “Planning for a Lifetime.” I thought this was going to be a daunting task when I took it on, but I have actually enjoyed sharing my thoughts with everyone and it has been easier than I thought.

In my 19 years of being in this business, I have never seen a better time to reach out and help people. As information continues to explode and the pace and complexities of daily life accelerate, a person cannot manage a career, a family, do the things they love and still have time figure out the plethora of financial garbage that changes daily.



Since I got into this business, markets have changed, people have changed, times have changed and.... even I have changed! My daily experiences constantly change my approach and perspective on life and my

purpose.

Where the desire to achieve outright return would have dominated my decision making 10 years ago, a desire to better understand my clients now sits at the forefront. If I can understand your overall picture, I can talk with you instead of at you, raise the important issues and provide solutions which help enhance not just your balance sheet, but your quality of life.

I love what I do, and I hope the passion with which I bring to my job comes across through the writings of these pages.

Chris Eller

Citations and Disclosures for “Recessions” and “Resolutions” articles.

***Recessions**

- ¹ money.cnn.com/2008/02/08/pff/recession_proof.moneymag/index.htm [2/27/08]
- ² bea.gov/national/nipaweb/TableView.asp SelectedTble = I&ViewSeries= NO&Java=no&Request3Place= N&3Place= N&FromView= YES&Freq= Qtr&FirstYear= 1990&LastYear=1991&3Place=N&Update=Update&JavaBox=no#Mid [8/08]
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Disclosure:

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