

Summer 2012

Dear Client/Friend,

I hope this summer is treating you well and allowing you some fun times. We're all managing to take some time away, enjoying the relative quiet that summers often bring, but still working hard to be on top of everything, as always. We do know to expect the unexpected.

What is most definitely expected, though, are higher taxes for many due to the new healthcare reform law, and a possible reduction to the \$5.12 million exclusion for estate taxes. As you're aware, the Bush tax cuts are due to expire at the end of this year. Of course, there's much talk about "kicking the can down the road" for another year, but this being politics, I say work with what you've got.

Right now, subject to some modifications and expected ratification, we have a healthcare tax to deal with – and shelter from, if possible. There are two taxes: a 0.9% increase in the Medicare tax on family wages above \$250,000 (\$200,000 for individual taxpayers,) which is not a big deal and we won't advise you to earn less to duck this one. The other tax, though, is 3.8% levied on *net investment income* for families with adjusted gross income over \$250,000, (\$200,000 for individual taxpayers). The tax happily doesn't apply to municipal income or IRA and pension distributions, among other sheltered assets. As many of you already know, tax management is always front and center in our portfolios. Rest assured that we're aware of what lies ahead and will guide you accordingly. Of course, your accountant will do the "heavy lifting".

The estate tax is up in the air as to how much we will be able to gift or leave after this year. As we've said before, we know what we have now but the future is cloudy. There are very smart moves one can make, and we urge you to consider what makes sense. Your estate attorney and CPA can help. Feel free to call us to set up an advisory meeting, with all your advisors, to discuss any strategies that may work for you and your family. Of course, we want you to be careful about how much to gift. Worrying about your cash flow is no way to spend your "golden years". Take care of you first...then save the taxes.

Well, we've covered death and taxes...two "for sures". The third "for sure" is continued volatility in the markets. Our investment team, led by Todd and Hugo are always looking to keep our ships balanced and moving in the right direction. Tax loss harvesting is going on right now in all our portfolios to set us up for less tax on investments. I personally sleep well at night

knowing how much care and concern are expended for all of our investment portfolios, including mine. I'm a client too!

On the home front, Tere Spiegel, our super assistant, had a beautiful baby boy Andres, and is due back with us on August 20th. Baby makes 5 in the Spiegel family...three gorgeous boys. And congratulations to Christina Allman, CFP®, who has completed 10 years with us. Quite a milestone. Congratulations Christina. We're so grateful and lucky that you're here!!

We're very much on track to bring you additional services and investment opportunities, and we'll be in touch with each of our clients prior to the end of summer to expand this discussion. We're excited with our direction and are so happy you're with us for the "ride."

Please call us for anything we can do to help make your world a better place. That's our mission. Enjoy the rest of the summer, and we'll talk soon.

Warmest regards from all of us,

A handwritten signature in blue ink, appearing to read 'Meg Green', with a stylized flourish at the end.

Meg Green, CFP®
Chief Executive Officer

Ps. For our clients, please find our 2012 Privacy Policy enclosed.