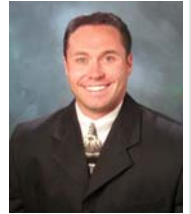


RAYMOND'S DAILY "PLAN-IT"

SOLUTIONS ~ FOUNDATION ~ INDEPENDENCE

JANUARY 2008

RAYMOND CAROTA
FINANCIAL ADVISOR
PRESIDENT



Regain Your Individuality

Many workers and retirees have begun to realize the potential benefits of an IRA rollover. In 2003, half of all baby boomers with pension coverage chose to take a lump-sum distribution and roll it over to an IRA.¹ Rollovers have been driving the growth of IRA assets. In 2002, \$204 billion in new IRA assets were the result of rollovers.²

When employees leave their jobs, they have a choice to make: they can withdraw the money (and possibly incur tax penalties), leave the money in their former employers' retirement accounts (if allowed), or roll the money into another retirement plan.

Freedom of Choice

With an IRA rollover, you can take advantage of continued tax deferral. If the money is rolled directly from the original plan to a traditional IRA, you avoid current taxes until you withdraw the funds later.

Additionally, IRAs offer many investment options that are typically not available with employer-sponsored plans.

In addition to having more investment choices, IRAs generally offer more flexibility than most employer-sponsored retirement plans. You can change your IRA investment profile as often as your investment needs and goals change. In general, you don't have to worry about investment options changing in an IRA, as they sometimes do in employer-sponsored plans.

Distributions from traditional IRAs and most employer-sponsored retirement plans are taxed as ordinary income and may be subject to an additional 10% federal income tax penalty if taken prior to reaching age 59½.

By offering a greater variety of investment options, as well as greater flexibility, the IRA has become a popular retirement vehicle. With a rollover, you are free to make your individual retirement account as individual as you are.

- 1) Kiplinger's November 2006
- 2) Employee Benefit Research Institute 2007

You've Sold It: What's Next?

What to Do with Your Windfall

At any given time, 80% of business owners are thinking about selling their companies. Of this group, three out of four believe they will sell within the next three years.¹

Assuming everything goes smoothly, how will the sale of your business affect your financial outlook? With some care and attention, you may be able to reduce your tax burden, preserve your newly acquired assets, and help provide for your family for many years to come.

Tax Crunch Time?

With current capital gains tax rates well below those of ordinary income, it is important to consider how the structure of your sale could affect the taxes on the proceeds from the transaction. Talk to your tax advisor to determine tax-efficient ways to structure the sale of your business.

A Chance to Save

When you decide how to invest the money from the sale, take into account your age, financial goals, and tolerance for risk. The guidance of a financial professional can be helpful to apply proven concepts such as asset allocation and diversification to your portfolio. Diversification does not guarantee against loss; it is a method used to help manage investment risk.

Your Growing Estate

With your new wealth, you will likely have a much larger estate to manage. You may wish to establish a trust in order to help reduce estate taxes and give you more control over how your assets will be distributed. The use of these approaches

can involve a complex web of tax rules and regulations. You should consider the counsel of an experienced estate planning professional before implementing such strategies.

If you are a business owner who is considering selling your enterprise soon, you may be able to reap even greater rewards by doing a little prep work now.

1) Inc.com, September 8, 2006

Betting Your Life on Low Coverage

At least 32 million U.S. households own insurance policies that don't meet their insurance needs.¹ There's actually a \$200,000 difference between the amount of life insurance the average household believes is sufficient and the amount of coverage it actually has.²

If you are close to retiring or have already retired, you may be wondering whether your life insurance policy meets your current needs. Even if your dependents have started families of their own, there are still benefits to keeping your policy in force.

Support Your Spouse

If you predecease your spouse, the death benefit from your life insurance policy can supplement your spouse's Social Security benefits and the retirement savings you have accumulated. The death benefit can also be used to help pay final expenses and estate taxes or even help pay off the mortgage.

Replace Lost Coverage

Many employer-sponsored life insurance policies are designed to terminate or significantly reduce coverage following an employee's retirement. If you've been relying on an employer plan to supplement your personal coverage, now may be a good time to review your options.

Re-Inflate Your Face Value

After years of inflation, your policy's face value may no longer be sufficient to meet your family's needs. It may be time to review your policy to determine whether you have adequate coverage. The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. Before implementing a strategy involving life insurance, it would be prudent to make sure that you are insurable.

As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In

addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Although your needs have changed over the years, your life insurance policy may still be able to provide your family with valuable protection. Call today to discuss how well your life insurance policy meets your needs.

1) Insurance Information Institute, 2007

2) LIMRA International, 2006

From the Desk of Raymond...

Slowing US Growth + Slowing Global Growth = Lower Returns combined with increased volatility for 2008.

The past several years have been very rewarding in the International Financial Markets, specifically our investments in China, Latin America, India, Russia, and Europe; also referred to as Emerging and Developed Markets. It has been in these areas that we have been able to capture growth within our portfolios, as the "Domestic" markets have severely underperformed the international arenas.

**However, we are starting to see signs of a "global" slow down which could, in turn, cause the high growth asset classes to slow significantly in the short term. We are comfortable with these asset classes over the Medium term. The equity markets around the world will test our patience in 2008, to remain composed is my advice. It is not our practice to neither time the markets nor make short term trades to try to outwit the financial markets.

That being said I am less optimistic this year than I have been in the past; we have had a good run for the past 6 years and a slowing US economy is upon us.

This is a good time to review your own Risk Tolerance to ensure you are comfortable with your Risk Profile. If you feel as though you would like to be more conservative or aggressive in your asset allocation please contact me to discuss strategies to align your emotional level of comfort with your investments.

~ Raymond