

Market Report

Family
Investors
Company



Spring, 2007

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Spring Cleaning

We are all aware of the typical “spring cleaning” for our homes, but you should not forget “spring cleaning” your retirement accounts. If you left a job or jobs, and had a 401(k) account, you can roll it over to an IRA. **CONSOLIDATING** your retirement accounts can save you money by lessening the fees you pay (many custodians charge about \$10 per year) and it will simplify your financial holdings. This will make it easier to follow your financial portfolio and reallocate monies should it be prudent to do so.

401(k) plans generally have a limited amount of investment choices and higher fees. By rolling your old 401(k) plan to an IRA, your representative can help you select the investments that are right for your financial needs and your risk tolerance. Call your representative or the office today and let us help you.

Future Happenings

Family Investors Company is pleased to present the following three seminars:

On Tuesday, May 8th, **Steve Goldberg** will offer **“Long-Term Care Insurance. Is it right for me?”** Nursing home costs have skyrocketed. A typical month will cost at least \$8,600 in the greater NJ area. What are your options? Join us for pertinent information.

On Tuesday, May 15th, **Darraugh Valli** will host **“Financial Concerns for the Single Parent.”** Savings, college, insurance coverage and retirement are discussed at this informative session.

On Tuesday, June 5th, **Matthew Chemidlin** will discuss **“How to Teach Your Children About Money.”** This session is a MUST for parents. Learn about allowances, chores, savings and budgeting.

These seminars will be held at the Family Investors Company location at 7PM. Admission is free but a reservation is required. Call the office or email info@familyinvestors.com to reserve your seat. Bring a friend. Light refreshments will be provided.

Tidbits

Congratulations to John Biondi, our winner of the “Family” Appreciation Winter Test contest in the last issue of our Market Report. Thank you to all who participated and made our client appreciation contest a success.

The Fanwood Business and Professional Association will sponsor its 6th annual Street Fair **Sunday, June 24th 11AM to 5PM** (there is no rain date). South and Martine Avenues will be closed as vendors, food purveyors, entertainers, crafters and businesspeople welcome you to Fanwood. Stop by the Family Investors Company display and say “Hello!”



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Perspectives / Information

Welcome to the newest member of our "Family." [Robert J. Oberlander, Jr.](#) is now associated with Family Investors Company as an Account Executive. Bob completed his undergraduate studies at Notre Dame University where he earned a BBA, then went on to Rutgers Business School to earn his MBA.

Bob lives in Westfield with his wife, Eileen, and their three children, Allison, age 16, Bobby, age 15 and Lauren, age 12.

He is an avid basketball fan and snow skier. Bob also coaches his children's basketball and lacrosse teams.



THE LIGHTER SIDE

**The risks you take are
sometimes dictated by the
risks you face.**

**Even a small star shines
in the darkness.**

**It hurts to find out what you
wanted isn't what you
dreamed it would be.**

**A goal without a plan
is just a wish.**

**Happiness is when what you
think, what you say and
what you do are in harmony.**

**By perseverance, the snail
reached the ark.**

Investing for retirement is a tricky proposition and getting personal attention is becoming very important, but that is what Family Investors Company is all about! We are a small, independent firm, that does not have an in-house line of mutual funds or investment products. **We help people** with their retirement planning, estate planning (with the assistance of an attorney if need be), minimizing taxes and other investment goals they may have. Over 90% of our business is from referrals. That is what we are especially proud of! We have been doing this for **47 years**. We still like the personal touch and individual service we provide. Call our office when you need assistance.

Compliance Chat

Diana Cilluffo

SEC Regulations require that we inform our clients of the Family Investors Company privacy policy with regards to their personal information. Please be advised Family Investors Company does not disclose your confidential information to anyone (other than necessary information sent to our clearing agent). We are **required** to obtain this information to provide you with suitable financial products or services, but this information is NOT shared. We take precautions to protect personal information at all times and we will remain vigilant in protecting that information.

SAFEGUARD YOUR PRIVACY!



Family Chatter

[Fred Chemidlin](#) continues his tithing ministry. Fred has been to Pennsylvania and Ohio to speak to parishes. [Darraugh Valli](#), her mother, Barbara Chemidlin, her aunts and several of her cousins spent time in sunny Florida. [Emmy Salerno](#), and husband Charles, escaped the cold and vacationed in Negril, Jamaica. [Steve Goldberg](#)'s daughter, Melissa, a freshman at Scotch Plains/Fanwood High School, placed 3rd in her category in NJ DECA and will compete in nationals in Orlando. [Edna Trujillo](#)'s daughter, Andrea, a junior at Scotch Plains/Fanwood High School was chosen as a flutist of the pit orchestra for the school's production of "Once Upon a Mattress." [Peter Chemidlin](#) coached daughter, Morgan, and her teammates in a Scotch Plains Recreation girls' basketball league. Congratulations to [Matt Chemidlin](#) who is celebrating his ninth year with Family Investors Company. [Bill Ahtel](#) spent Passover with family and friends.

**The office will be closed Saturdays beginning May 26th.
It will re-open for Saturday hours on September 8th.**

Economic Outlook

The Check Clearing for the 21st Century Act was enacted into law on October 28, 2003. Intended in part to keep the country's financial industries operational in the event of a catastrophe that could make long-distance transportation impossible--like the September 11, 2001 attacks--the Check 21 Act makes the digital image of a check legally acceptable for payment purposes, just like a traditional paper check.

Before 2004, if someone deposited a check from one bank (for example, Bank A) into his account at a different bank (for example, Bank B), the banks would have to physically exchange the paper check before the money would be credited to his account. But under Check 21, one bank can simply send an image of the check to the other bank. The practical effect of the law is that checks can still be deposited and cleared, even if a disaster makes it impossible for banks to exchange the physical paper checks with each other.

The problem is not so much that most adults fail to balance their checkbook -- although they do. It ends the concept of "float" that many consumers grew up with. Technically speaking, float is the dollar value of cash balances created by the time lag in processing unpaid checks. For most consumers who grew up before the technological advances of the last decade, float was the time between when you could write a check, and when the debit would actually hit your account.

Consumers are supposed to have the funds on hand so that their checks will clear, but people living paycheck to paycheck could be in a situation where checks clear faster than expected.

Mutual Funds - Facts and Fancy

- ❖ As you invest in this volatile market, keep sight on the long-term goals you established when you began your investment plan. Stick with quality mutual fund families with proven track records.
- ❖ When examining a fund's performance, you should look at its long-term record (at least three years and preferably five) versus that of its peers, as well as how it has fared over shorter stretches. You should also compare those results to category averages - you can't really fault a small-cap fund manager for a bad year if all small-cap funds did poorly. It's a lot harder to be forgiving if a fund does much worse than all its peers.
- ❖ Before you switch mutual fund or stock accounts, make sure you are aware of fees or charges involved. Sales or exchanges may result in a taxable event and may diminish the amount of money you have to invest. Discuss this with your representative.

Insurance Idea

By Steve Goldberg

The birds are singing, the flowers are blooming and children are playing baseball and soccer. It must be Spring when all our thoughts turn to life insurance. **LIFE INSURANCE?**

That's right! Now that taxes are done, it's a great time to review your life insurance program. Do I have enough life insurance? Do I have too much insurance? Do I have the right type of insurance for my needs? Am I paying too much for insurance? These are questions you should ask yourself periodically, especially if there have been changes in your life such as marriage, children, a new job, divorce, etc.

Premiums for most life insurance products have declined in recent years due to improved life expectancy. Underwriting decisions have improved for many conditions like high blood pressure and high cholesterol where new drugs have made these conditions more easily controllable.

If you would like to review your life insurance plan, please do not hesitate to **contact our office**. We are always here to help you plan for your needs.

Holiday Closings

Our office follows the business schedule of the NYSE and will be **closed** on Monday, May 28th and Wednesday, July 4th. A sign is always posted on the office door to remind clients.

Planning Your Estate

What are the consequences to your estate with the new tax laws? Some of our clients have worked, in conjunction with Family Investors Company, with a knowledgeable local tax attorney, specializing in elder law issues, who can give insights and advice concerning this.

Give your representative a call if you have any concerns about the passing of your estate to your designated heirs. We are here to help you and put you at ease.

Mortgages

If you have an adjustable rate mortgage, you may be one of the 7 million homeowners whose rate will reset in the next two years.

Refinancing to a fixed rate mortgage may be a wise move.

You can receive the “Market Report” via email or online at our website. We would be happy to send it to you quarterly as soon as it becomes available. Email info@familyinvestors.com to request this service.

Where’s My Refund?

You can check on the status of your federal income tax refund by calling toll-free 800 829-1040, or log on to the web at www.irs.gov. Click on “Where’s My Refund.” You will need to know your Social Security number, your filing status and the amount of your refund.

How Well Do You Know Your Money?

Can you answer these questions about US money?

1. What is the most widely used coin in circulation?
2. What type of printing process is used for paper money?
3. What is the average lifespan of a coin?
4. The first US coins were made in what year?
5. What is the average lifespan of a \$10 bill?

See answers below



- Answers:
1. The penny
 2. Intaglio
 3. 25 years
 4. 1793
 5. 3 years

Investment Terms

You hear investment terms on television and in the print media. But what do they mean? Here is a primer of some common mutual fund and investment terms:

1. **Value Investing:** An investment style which favors good stocks at great prices rather than great stocks at good prices.
2. **Joint Tenants with Rights of Survivorship:** Ownership of property by two or more people in which the survivors automatically gain ownership of a decedent’s interest.
3. **Tenants in Common:** A type of joint tenancy of property without rights of survivorship. Each tenants portion of ownership is distributable under the decedent’s will.
4. **Tax Equivalent Yield:** The yield that must be offered before factoring in taxes so that an investment pays off a certain after-tax yield. This measure is often necessary to compare taxable and tax-free investments, since tax-free issues tend to have lower pre-tax yields because the proceeds will not be reduced by taxes.

How Rich Are You?

The richest 2% of the world's population owns more than half of the world's household wealth.

Research indicates that assets of just \$2,200 per adult place a household in the top half of the world's wealthiest. To be among the richest 10% of adults in the world, just \$61,000 in assets is needed. If you have more than \$500,000, you're part of the richest 1%, the United Nations study says. Indeed, 37 million people now belong in that category.