

spring 2008

FAMILY MATTERS



Family Investors Company



Spring Cleaning

When doing your Spring cleaning, get rid of clutter and donate usable items (in good condition) to the Salvation Army. You can get a receipt for the donated goods and deduct their fair market value on your 2008 tax return. The local drop-off address is 199 Route 22 E, Green Brook.

BUSINESS OF THE YEAR

Family Investors Company was given the honor of being named the BUSINESS OF THE YEAR by the Scotch Plains Business and Professional Association AND the Fanwood Business and Professional Association.

The award will be presented at the Scotch Plains Business and Professional Association Annual Dinner Dance (proceeds to benefit the Scholarship Foundation) to be held at The Westwood in Garwood on Friday, April 25th from 7:30PM to 11:30PM.

You can join in the festivities and enjoy an evening with your local businessmen. Tickets are \$65 per person and include dinner, an open bar and a silent auction. To purchase tickets or to make a donation, please contact Steve Goldberg: 908.322.1800 or email stevegoldberg@familyinvestors.com.

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Future Happenings...

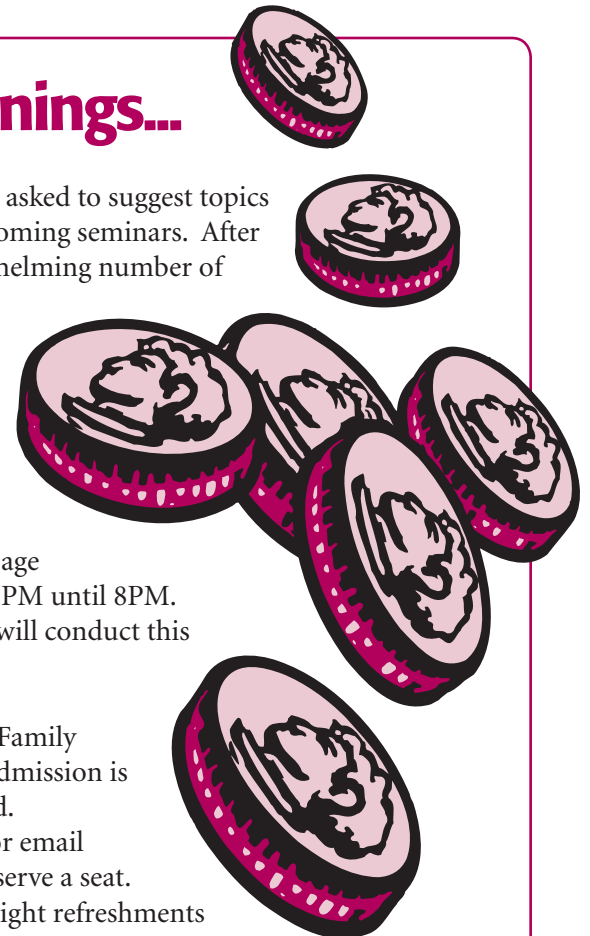
In the Winter issue, clients were asked to suggest topics of personal importance for upcoming seminars. After receiving suggestions, an overwhelming number of requests were received for:

Learning About Money (A program designed for children)

On Wednesday, April 30th, an interactive educational seminar *designed for children* 10 years of age and up will be presented from 7PM until 8PM. Darraugh Valli (a mother of 2) will conduct this event.

The seminar will be held at the Family Investors Company location. Admission is free but a reservation is required. Call the office at 908.322.1800 or email info@familyinvestors.com to reserve a seat.

Your child can bring a friend. Light refreshments will be provided. Parents are welcome to attend, but please be advised that this program is designed for children. Adults will be present to provide supervision and no child will be allowed to leave the premises without a parent or guardian.



Mutual Funds Facts & Fancy

- Our clients have done well despite the volatile markets. Keeping a portion of your investments in fixed income (bond) funds is the key. A good rule of thumb – your age is the percentage of assets that should be invested in fixed income, and the difference making up 100% should be in equity funds for potential growth.
- Avoid irrevocable decisions when investing your money. Most open-end mutual funds are liquid investments and can be easily redeemed. Always read the prospectus for information about liquidating your investment should the need arise.
- Invest in quality mutual fund families and stay balanced in your portfolio. Avoid individual stocks and “putting all your eggs in one basket.”
- As you invest in this volatile market, keep sight on the long-term goals you established when you began your investment plan. Stick with mutual fund families with proven track records. ●

7th annual Street Fair

The Fanwood Business and Professional Association will sponsor its 7th annual Street Fair **Sunday, June 8th 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!”



FICO SCORE

A FICO score is a credit score developed by Fair Isaac & Co. Credit scoring is a method of determining the likelihood that credit users will pay their bills. Fair, Isaac began its pioneering work with credit scoring in the late 1950s and, since then, scoring has become widely accepted by lenders as a reliable means of credit evaluation. A credit score attempts to condense a borrower's credit history into a single number. Fair, Isaac & Co. and the credit bureaus do not reveal how these scores are computed.

Credit scores are calculated by using scoring models and mathematical tables that assign points for different pieces of information which best predict future credit performance. Devel-

oping these models involves studying how thousands, even millions, of people have used credit. Score-model developers find predictive factors in the data that has been proven to indicate future credit performance. Models can be developed from different sources of data. Credit-bureau models are developed from information in consumer credit-bureau reports.

Do you know what is on your credit report? The three nationwide consumer credit reporting companies, Equifax, Experian and Trans-Union collaborated and established annualcreditreport.com for consumers to request a free, annual credit report in accordance with the Fair and Accurate Credit Transaction Act (FACT Act). ●

WHERE DO YOU RANK?

Net worth is the sum of one's assets – home equity, investments, savings accounts, retirement funds, cars, furnishings and such things as jewelry, furs, wine collection, old baseball cards – minus all outstanding liabilities such as mortgage

balance, revolving and credit card debt, college loans and so on. Across all households, the national median net worth is \$86,000. Half of your fellow citizens have more than that, half less.

Let us help you be in the top tier! Call your representative. ●

GET YOUR FINANCIAL HOUSE IN ORDER

The volatile markets have made many investors skittish, while others look at it as a buying opportunity. According to Sir John Templeton, bull markets are born in pessimism, rise in skepticism, peak in optimism and die in euphoria. Get your

financial house in order. When was the last time you met with your representative to review your investment holdings, your investment objectives and your “report card” of how well you are achieving your objectives? Call the office today and schedule an appointment. Your financial health is important. ●

CREDIT CARD INTEREST RATES

Some credit card companies are raising their interest rates even though the Fed is lowering rates. According to bankrate.com some industry analysts say that as the subprime crisis trickles down to the credit card portfolios within financial

institutions, some issuers may attempt to offset losses by re-evaluating credit card accounts.

Check your statement and read the fine print. Some cardholders are paying as much as 28%! ●

INSURANCE IDEA

by Steve Goldberg

One of the questions I am most frequently asked is, "After my kids are grown and out of the house, why do I need life insurance?" There are a number of reasons why older clients might need to maintain life insurance coverage.

Life insurance is an efficient, cost-effective way to transfer assets at death without going through probate. Properly owned, a life insurance policy can pass assets outside of an estate thereby avoiding estate taxes. Policy proceeds can also help replace pension income for a surviving spouse. Life insurance

can maximize the amount left to your heirs on unneeded IRAs and annuities. It's also a great way to leave a legacy to a school or a church or any other charitable organization.

These are just a few of the reasons to have life insurance later in life. There are many others. It's always a good idea to review your coverage periodically and see how life insurance fits into your overall financial plan.

If you would like to review your current life insurance plan, please feel free to call our office. We are always here to help. •

MISSING MONEY

States have joined together with a database of monies that are unclaimed. Log on to the website missingmoney.com. Enter your name

and state to see if you have assets you may have forgotten. There is no charge for the service and you send your claim form directly to your state's treasury. •

Americans own less of their homes than ever before. In the latest sign of decline in middle-class wealth, new statistics from the Federal Reserve show that not even half of the house is paid for.

You can receive *Family Matters* 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.

HOW WELL DO YOU KNOW YOUR MONEY?

Can you answer these questions about US money?

1. In what year did Congress adopt the dollar as the currency of the United States?
2. What is unique about the nickel minted in 2006?
3. How many production locations does the US Mint have?
4. What is the name of the penny?
5. What three inscriptions are required by law to be on all US coins? •

Answers: 1. 1785
2. The portrait is not a profile
3. 4 (Philadelphia, Denver, San Francisco and West Point)
4. One-cent piece
5. In God We Trust,
United States of America,
E Pluribus Unum



The Lighter Side

The worst prison would be a closed heart.

A smile is an inexpensive way to improve your looks.

Good humor is one of the best articles of dress one can wear in society.

Wealth is the product of man's ability to think.

Life is like riding a bicycle... you don't fall off unless you stop pedaling.

Nothing is a waste of time if you use the experience wisely.

Holiday Hours

Our office follows the business schedule of the NYSE and will be closed on **Monday, May 26th** and **Friday, July 4th**. A sign is always posted on the office door to remind clients.



The office will be closed Saturdays beginning May 24th. It will re-open for Saturday hours on September 6th.

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.

Compliance Chat by Diana Cilluffo

SEC Regulations require that we inform our clients of the Family Investors Company privacy policy with regards to their personal information. A copy of the Family Investors Privacy Policy is enclosed with this newsletter. 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! ●

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:

Stagflation: High inflation and high unemployment occurring simultaneously.

APR (Annual Percentage Rate): The yearly cost of a loan, including interest, insurance and origination fee (points) expressed as a percentage. It is usually applied

to mortgages, automobile loans and credit cards.

Income Exclusion Rule: An IRS Rule which excludes certain items from taxable income, such as child support, welfare payments, life insurance benefits and income on tax-exempt investments.

Transfer Agent: An agent employed by a corporation or mutual fund to maintain shareholder records, including purchases, sales and account balances.

Hiccup: A brief market dip.

FAMILY CHATTER

Fred Chemidlin was interviewed by Carol Fowler, Assistant Curator of the National Guard Militia Museum of NJ (located in Sea Girt) regarding his military service during the Korean War. **Darraugh Valli** completed a 13 mile half-marathon in Myrtle Beach, SC to raise money for the Leukemia and Lymphoma Society. Darraugh and her family also went cruising to Aruba and Curacao.

Emmy Salerno, and husband Charles, vacationed in Florida with family members. **Steve Goldberg's** daughter, Melissa, placed 2nd in her category in the NJ DECA competition. Melissa will go to the DECA Nationals in Atlanta. His



son, Andrew, accepted a summer internship at L'Oreal in Clark. **Edna Trujillo's** daughter, Andrea, already received acceptance notices from Rutgers University in New Brunswick and the University of Michigan.

Peter Chemidlin accompanied daughter, Morgan, to the annual Girl Scout Father/Daughter Dance. **Matt Chemidlin** and his family vacationed in the Poconos and enjoyed snow tubing on the slopes.

Pat Renner and husband, Bob, relaxed and enjoyed the warm weather at their home in Florida. **Alicia O'Connor**, husband, Ed, and their three children vacationed at Disneyworld. ●

Plastic attracts debt

Personal debt in the United States is at an all time high of almost \$2.5 trillion...and that does not include mortgage debt! How much do you owe to creditors? Facing the facts regarding your financial situation is the first step to becoming debt free. Make a list of all your debts. Knowledge is power! Once you know

exactly how much you owe, begin an aggressive repayment regimen and keep to it. Keep a spending diary and track what you spend each day. Remember to pay with cash! Build an emergency fund so you don't have to use plastic when you need additional funds.

The law of financial physics? **Plastic attracts debt. ●**