Spring 2010
FAMILYMATTERS

Family Investors Company

THE LIGHTER SIDE

It is good to have an end to journey toward; but it is the journey that matters most in the end.

If you smile when no one else is around, you really mean it.

"I have done my best." That is about all the philosophy of living one needs.

The greatest pleasure in life is doing things that other people say you cannot do.

in this issue

Family Investors Company
265 South Avenue
Fanwood, NJ 07023
908-322-1800
info@familyinvestors.com
www.familyinvestors.com

INVESTING

Merriam-Webster's dictionary defines "SAVE" as "to put aside as a store or reserve." It also defines "INVEST" as "to commit money in order to earn a financial return." What are you doing for your financial future?

While it is important to save and have monies available in case of emergencies, it is also important to take some calculated "RISK," defined by Merriam-Webster as "a possibility of loss." While NO "INVESTMENT" (defined as the outlay of money usually for income or profit) is **risk** free, professional money management may help reduce the risk to which you are subject.

Let us help you choose suitable vehicles for your investment portfolio based on your age, your investment objectives, your risk tolerance, your cash reserves and your time horizon.

CELEBRATING OUR 50TH YEAR!

Future Happenings...

"How to Teach Your Children About Money" will be hosted by Darraugh Valli on Tuesday, May 11th at 7PM. This informative course for parents, and even grandparents, will focus on earnings, savings (wants versus needs), checking accounts and credit cards. Children are part of the family dynamic and should understand how the family budget works.

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. Bring a friend with you. Light refreshments will be provided.

The office will be closed Saturdays beginning May 29th. It will re-open for Saturday hours on September 11th.

Thank You to all our clients and friends who gave positive feedback to the billboard sign on the corner of South Avenue and Hetfield Avenue announcing our 50th year in business. We appreciate you taking the time to call or write and say "Congratulations!"

Mutual Funds
Facts & Fancy

- With a College 529 Plan, you are limited to changing your investment option just once per year. Age-based portfolios that are adjusted automatically by the fund company do not fall under this restriction.
- 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.
- Mutual fund choices in 401(k) plans need careful consideration based on your risk tolerance and age. We are here to help you with that decision. There is no charge for this service. Your financial health is of utmost importance to us.
- Despite the benefits of holding mutual funds for the long term, the average mutual investor only holds their fund for 3 years. •

GIVE THE GIFT OF LIFE. GIVE BLOOD.

New credit card rules went into effect February 22, 2010 in an effort to protect consumers. Some of the new laws require your credit card company must send you a notice 45 days before they can increase your interest rate; change certain fees (such as annual fees, cash advance fees, and late fees) that apply to your account; or make other significant changes to the terms of your card. If your credit card company is going to make changes to the terms of your card, it must give you the option to cancel the card before certain fee increases take effect. If you take that option, however, your credit card company may close your account and increase your monthly payment, subject to certain limitations.

Your monthly credit card bill will include information on how long it will take you to pay off your balance if you only make minimum payments. It will also tell you how much you would need to pay each month in order to pay off your balance in three years.

If you are under 21, you will need to show that you are able to make payments, or you will need a cosigner, in order to open a credit card account. Also, if you are under 21 and have a card with a co-signer and want an increase in the credit limit, your co-signer must agree in writing to the increase.

For more information, visit www.federalreserve.gov •

Auto Insurance

Since the 1990s, insurers have discovered a strong correlation between low credit scores and lots of claims. Today, more than 90% of insurers use credit histories in their underwriting, according to the Insurance Information Institute in New York.

Always get quotes from different companies. Loyalty is nice, but if you can save several hundred dollars a year, better to have the extra cash in your pocket. •

How Well Do You Know Your Money?

Can you answer these questions about US money?

1. In what year did the US treasury first print paper money?
2. What is US paper money made of?
3. Whose portrait appears on the $2 bill?
4. About what percentage of bills printed every year are $1 bills?
5. Every day the Bureau of Engraving and Printing produces 38 million paper bills with a value of about $541 million. Why?

See answers here →

Answers:
1. 1862.
2. 75% cotton paper, 25% linen.
3. Thomas Jefferson.
4. 45%
5. To replace worn out money

INVESTMENT IDEA
by Diana Cilluffo

Individuals with incomes above $100,000 are now eligible to convert from a traditional IRA to a Roth IRA, although income eligibility limits remain in effect for contributions to a Roth.

However, you must pay income tax at your current rate on the amount you convert. Also, if you are younger than 591/2, your Roth IRA must be open for at least 5 years before you can withdraw any monies without penalty. This 5-year rule does not apply to taxpayers over 591/2.

If you convert your IRA in 2010, you are allowed extra time to pay taxes on the amount you convert. You will be taxed on the entire amount you convert, but you can spread out the tax payment—reporting half of the conversion on your 2011 tax return (due April 2012) and half on your 2012 return (due April 2013).

If the value of your Roth account declines, you can convert the account back to a traditional IRA (without paying income taxes). October 15, 2010 is the deadline for this 2010 Roth conversion.

Call the office and speak to your representative to determine if this is suitable for you. •

TIDBITS

- **Thank you** to all our clients and friends who gave positive feedback to the billboard sign on the corner of South Avenue and Hetfield Avenue announcing our 50th year in business. We appreciate you taking the time to call or write and say "Congratulations!"

- The Fanwood Business and Professional Association will sponsor its 9th annual Street Fair **Sunday, June 13th 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!"

- You may be thinking about buying a home, or already own a home, but are worried about economic uncertainty. There is a program available—Job Loss Mortgage Insurance. With this type of insurance you can insure that you will not lose your home to foreclosure, and your family will have a home while you search for employment. (Certain individuals are not eligible—retired military personnel, self-employed individuals and independent contractors).
  Some exclusions apply—typically a 6 month waiting period, and a limited amount of payments—generally 1 year.
  Speak to an insurance professional for more detailed information.

- We cannot stress enough how important it is to review the beneficiaries on your IRAs, company sponsored retirement plans (401K, etc.) and insurance policies. Beneficiary designations in IRAs, for example, supercede what is designated in your will.
  If your spouse or loved one has died, or if you have gotten divorced, review your beneficiary designations as soon as possible. Contact your representative to schedule an appointment for a review,
  It might also be prudent to update your will.

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.

Your Credit Score

According the Experian, the average credit score based on a representative sample of US consumer profiles is 692. The average credit score for a consumer in New Jersey is 705, and the average credit score for a consumer in the Fanwood area is 702. What is your credit score? Are you above the average rating?

Holiday Hours

Our office follows the business schedule of the NYSE and will be **closed** on **Monday, May 31st and Monday, July 5th.** A sign is always posted on the office door to remind clients.

Read Family Matters ONLINE

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.

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 2010 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 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:

Reinvestment: Using the dividends, interest or profits from an investment to buy more of that investment rather than taking a cash payout.
Accumulation Period: The years of an individual's working life when h/she is making regular contributions to a deferred annuity or a retirement plan. This period ends when income payments begin.
Growth Recession: An economic situation where a country's growth occurs at such a low rate that unemployment stays high or continues to rise because more jobs are lost rather than created. Despite growing, the economy may appear to be in recession.
Market Tone: An indicator of the state of the securities market, calculated by looking at trading activity and price fluctuations to gauge how well or how poorly the securities market is doing. Market tone can influence the type of transactions that investors make.
Laissez Faire: The opinion that an economic system should be driven by free market forces, not government intervention.

FAMILY CHATTER

Fred Chemidlin continues his tithing ministry and is busy planning an upcoming trip. **Joe Chemidlin** and wife, Valerie, vacationed at Woodlock Pines in the Poconos with family members. **Peter Chemidlin,** his wife, Joan and their children, Tighe and Morgan,vacationed in North Carolina's Outer Banks. **Darraugh Valli,** husband Peter, and their twins, Micaela and Sean, also enjoyed the warmer weather in North Carolina's Outer Banks. **Matt Chemidlin,** wife Janice, and their children, vacationed at Anna Maria Island, Florida with family members. **Emmy Salerno** and husband, Charles, vacationed in Tulum, Mexico and visited Mayan ruins. **Pat Renner** and husband, Bob, welcomed their fourth grandchild, Kevin Patrick. **Steve Goldberg**'s daughter, Melissa, won first prize at the New Jersey State DECA Conference for her project on Public Relations. She also was runner-up in her individual Competitive Role Play event. Son, Andrew, will be graduating Rutgers with a degree in Chemical Engineering. Congratulations to Pat Renner and her husband, Bob, who celebrated their 35th wedding anniversary and welcomed their fourth grandchild, Kevin Patrick. •

Cell Phones

If you have a cell phone that you only use in emergencies, it may make sense to give up your current plan (provided you have satisfied your contract) and get a pre-paid cell phone service. Be aware however, that most pre-paid plans do not include web browsing or texting. •

Family Investors Company

P.O. Box 100
265 South Avenue
Fanwood, New Jersey 07023-0100
Tel: (908) 322-1800
Fax: (908) 322-1816

Family Investors Company
Privacy Policy

The confidentiality of client information is an important concern to Family Investors Company. We take precautions to safeguard client personal information at all times, and we will remain alert and vigilant in protecting that information. The provisions of this privacy notice will apply to former clients as well as current clients.

Family Investors Company collects personal information about you that is either required or necessary to provide you with financial products or services. We may obtain this information from the following source:

- Information we receive from you on account applications, forms and other information that you provide to us, whether in writing, in person, by telephone or by any other means. This information may include your name, address, telephone number, social security number, driver's license number, occupation, assets and income.

Family Investors Company will not disclose nonpublic personal information to affiliates or non-affiliated third parties, except as permitted by law, where we believe in good faith that disclosure is required under law to cooperate with regulators or law enforcement authorities.

We trust that this clarifies Family Investors Company's position on client confidentiality, and look forward to being of service to you.

2010

Word Search Game

Find the listed words in the puzzle. Win a $100 gift certificate.

R	O	T	C	L	O	E	G	A	G	T	R	O	M	O	N	A	Y	E
T	A	C	L	E	A	C	R	G	S	S	Z	E	O	M	T	H	O	R
H	R	T	E	A	H	C	A	T	O	H	T	S	N	Z	E	S	S	A
A	R	S	C	R	I	N	S	U	R	A	N	C	E	T	R	Z	S	T
F	A	I	R	E	L	S	A	S	S	E	Z	R	Y	S	O	A	U	L
E	V	B	E	R	T	E	S	T	A	E	V	A	S	L	P	S	I	E
R	S	E	D	I	O	N	C	E	N	M	B	N	T	A	S	S	T	N
D	C	H	I	L	D	R	E	N	Z	O	O	T	O	H	N	I	A	E
S	O	H	T	T	E	N	O	M	S	I	A	B	O	C	O	A	B	A
S	R	S	R	A	W	E	T	S	T	E	K	N	I	M	I	L	L	C
M	E	S	T	T	A	H	A	U	W	S	R	U	O	H	S	A	E	H
T	M	Z	E	H	T	O	A	M	I	M	E	T	U	R	U	E	M	O
R	O	T	M	T	E	C	Q	R	S	I	S	V	A	H	L	D	N	R
E	N	S	P	O	E	R	A	H	T	L	O	R	N	P	C	R	O	T
S	E	E	O	R	L	O	D	R	I	E	M	O	S	I	X	A	P	H
S	S	V	P	E	C	R	B	E	D	L	T	Y	D	K	E	A	E	M
I	S	N	A	W	E	H	A	R	S	O	P	Q	H	I	O	R	L	T
L	T	I	T	I	A	F	N	S	I	O	T	U	A	C	E	R	P	D

CARD	MORTGAGE
CHILDREN	PRECAUTIONS
CONVERT	REINVESTMENT
CREDIT	RISK
EXCLUSIONS	ROTH
FAIRE	SAVE
INSURANCE	SCORE
INVEST	SMILE
LAISSEZ	SUITABLE
MONEY	TEACH

Once you find and circle all the words, complete the entry form and mail back this form to the office. No purchase necessary and you need not be a client to win. 18 years of age to enter. One entry per person. Associates of Family Investors Company and their families are ineligible. Winning entry to be drawn on June 4, 2010 from all correct entries received. Good Luck!

Name____

Address____

City, State, Zip_____________________________ Phone_________________