

winter 2008

FAMILY MATTERS



Family Investors Company

Maximize Your 401(k)

You can contribute up to \$15,500 to your 401(k) for tax year 2008. Those individuals aged 50 and over, can contribute a maximum of \$20,500.

Take advantage of the tax savings available to you!

Income Tax

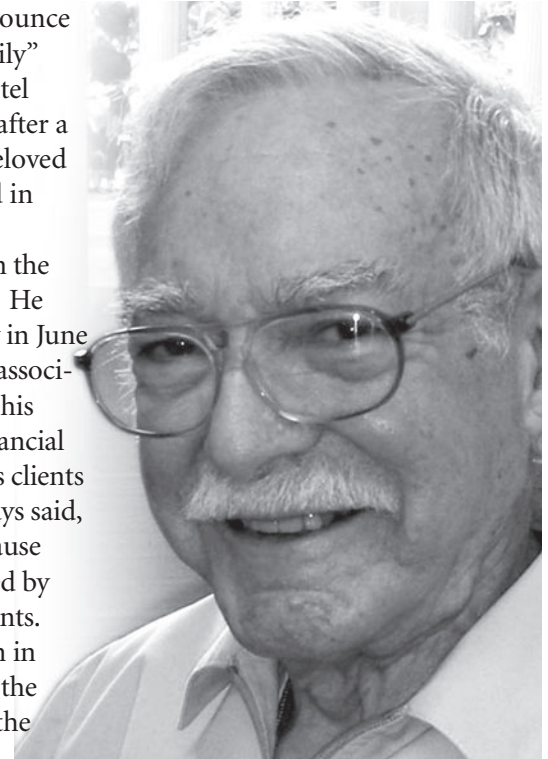
You can check on the status of your federal income tax refund by calling toll-free **800.829.1040** or online at www.irs.gov. You will need your Social Security number, your filing status and the amount of your refund. File early and make sure your IRA is fully funded for 2007.

BILL ACHTEL

It is with deep sadness we announce the death of one of our "Family" members. William (Bill) Ahtel passed away November 10th after a long illness. He is now with his beloved wife, Rosalind (Mickey), who died in 2006.

Bill began a successful career in the financial services industry in 1958. He joined **Family Investors Company** in June 1999 and we were privileged to be associated with him. He was untiring in his quest to help his clients achieve financial security. Still active and serving his clients well past "retirement" age, Bill always said, "I work because I want to, not because I have to." Bill will be greatly missed by family, friends, co-workers and clients.

If you wish to make a donation in Bill's name, the family has selected the American Diabetes Association as the charity of their choice. •



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

Future Happenings...

Family Investors Company will not be offering any seminars during the Winter months. With inclement weather always a factor, we have decided to wait until the Spring season.

With that in mind, we are asking YOU to suggest topics for future seminars that are of importance to YOU. What personal financial or money matters would you like more information about? If you own a business, what topics would be of interest to you?

Please call the office or email: info@familyinvestors.com

Happy New Year to our "Family" of clients and friends!



Information/Perspectives

FINRA (the Financial Industry Regulatory Association) has instituted new guidelines for investment firms dealing with senior and “Baby Boomer” investors. Rule 2310 requires that in recommending “the purchase, sale or exchange of any security, a representative must have reasonable grounds for believing that the recommendation is suitable” for that customer, based on “the facts, if any, disclosed by such customer as to their other security holdings and as to their financial situation and needs.” The rule also requires that, before execut-

ing a recommended transaction, a representative must make reasonable efforts to obtain information concerning the customer’s financial status, tax status, investment objectives and “such other information used or considered to be reasonable when making recommendations to a customer.”

Family Investors Company registered representatives are trained to be exacting in obtaining personal information from you. Your representative will meet with you to complete your Net Worth statement (enclosed with this issue), ask you questions

about your income, your expenses, your debts, your financial holdings, your company sponsored retirement plan, your income tax bracket, your investment experience and any other information deemed to be necessary. Your representative will inquire of your financial goals and your risk tolerance before making a recommendation to you. **Family Investors Company** is also required to obtain proof of your identity and will ask for information about where you obtained the monies you will be investing. Please be forthright in the information you provide. ●

IDENTITY THEFT

Think you have been the victim of identity theft? Follow these steps:

- Check with local authorities to see if you qualify for an “Identity Theft Passport.” Several states currently offer them.
- Place a fraud alert or credit freeze on your credit report immediately. This will help prevent any new credit accounts from being issued in your name without your permission.
- Contact your creditors and banks and ask them to flag accounts, so that any activity such as an address change request is cleared with you

ahead of time.

- The fastest way to know if any fraudulent accounts have been opened is to review your credit report where most accounts with your name and Social Security number will be recorded. Make sure that all accounts listed are yours. In particular, review any newly opened accounts carefully. With access to your name and your Social Security number, thieves have the ability to open new accounts in your name and provide a new address for billing.
- Watch your mail. Look for change-of-address notices, and be aware if some items fail to show up when

they usually do. Thieves might have used your information to put in a change of address and have your billing statements and other mail forwarded elsewhere.

- Answer the phone. Creditors might be checking on suspicious charges or inquiring about new accounts.
- Review all creditor and bank statements for accuracy.
- Change passwords on existing brokerage accounts or other investment accounts.
- Review your Social Security Administration statements for unusual or unfamiliar activity. ●

source: bankrate.com

Mutual Funds – Facts & Fancy

Have you retired? Are you still invested in a tax-free income mutual fund? If you have changed tax circumstances, it would be prudent to meet with your representative to discuss the tax changes and ascertain if tax-free investing is still of value to you.

Many clients have linked their bank account with their mutual fund account. You can transfer assets, make additional investments and liquidate assets while having them transferred directly to your bank account. No lost checks to deal with and the monies are available sooner.

In order to cut down on costs, some mutual fund companies are no longer sending confirmations to clients when dividends are reinvested. You can check the status of your account on-line at the mutual fund’s website or call your representative if you have any questions. ●

INVESTMENT IDEA

by Matthew P. Chemidlin

With the recent difficult markets and the credit crisis and housing mess, it is more difficult than ever to STAY FOCUSED on your long-term goals. It is very scary to go through, but volatile markets are what create opportunities. A successful investor is one who takes advantage of these opportunities. It is important to get invested and STAY INVESTED.

According to Capital Research and Management Co., missing the market's 10 best days in the past 10 years would have knocked 75% off the price return. No one knows when these days will come, but you cannot successfully time the market. It's important to STAY

DIVERSIFIED. A loss on paper is not a realized loss until you sell the asset. For a successful investor, holding a security is just as important during difficult markets as buying into the market. Common sense says it is best to buy low and sell high, but we also know that it is not human nature. Our human nature tells us we want to do things that make us feel good — that is what makes investing so difficult. To be successful investors, we have to buy into the market when it doesn't feel good.

Now is the time to take your tax refund and open or add to an account for yourself, your child or grandchild. Call your representative today! ●

CONTRIBUTE TO YOUR IRA... ASAP

Welcome 2008! As with each *Family Matters* sent at the beginning of the new year, enclosed is the "What Are You Worth" form. This simple form is intended to be your financial "report card" for the financial gains (hopefully) that you amassed during 2007. When was the last time you met with your representative to complete this form?

Family Investors Company recommends all clients meet with their representative on at least an annual basis to review their financial holdings and investment goals. Consider it your annual financial "check-up." If circumstances in your life have changed (marriage, divorce, children), it is a good idea to

meet with your representative to let your rep know and to have your rep make any suggestions which would be beneficial to changing situations.

You meet with your doctor on an annual basis to check your physical health, it only makes good sense to meet with your financial representative to check your financial health.

You have until April 15th to open or make a contribution to your 2007 IRA account. Those with earned income age 50 or older can contribute up to \$5,000, while those under age 50 can contribute up to \$4,000. Make your contribution as soon as possible....remember it is time in the market not timing the market that makes for successful investing. ●

YOUR CAR

How much does it really cost you to drive that new luxury car you bought or leased?

Money Magazine has estimated

that driving a less expensive car could yield you an additional \$180,000 over 30 years, assuming you **invest** your savings. ●

You can receive the **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.

The Lighter Side

Happiness isn't something you experience, it's something you remember.

It's frustrating when you know all the answers but nobody bothers to ask you the questions.

Attitudes are contagious. Are yours worth catching?

A smile is something you can't give away. It always comes back to you.

Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange.



Our office will be closed on Saturday, January 19th and Monday, January 21st for Martin Luther King Day. The office will be **closed on Saturday, February 18th** and on **Monday, February 20th** in observance of Presidents' Day. It will also be **closed on Friday, March 21st** in observance of Good Friday and on **Saturday, March 22nd**. A sign will always be posted on the office door.

Our office is open most Saturdays from 9AM until 12 Noon.

Additional hours are available by appointment.

Thank You!

A special thank you to our clients who dropped off goodies for the holidays. We appreciate your sharing and thoughtfulness.

Compliance Chat by Diana Cilluffo

The FINRA Conduct Rule 2280 requires investment firms to annually inform clients of the availability of FINRA's Public Disclosure program regarding investment firms and individual representatives.

You can check the background of the investment firms and the registered representatives with whom you do

business by calling FINRA at their toll free number: **1-800-289-9999** or via the internet at www.finra.org. There is also a brochure available detailing the Public Disclosure Program.

Family Investors Company urges you to take advantage of this free service. ●

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 terms:

Asset Allocation Fund: A single mutual fund which tries to accomplish the goals of asset allocation all by itself. Such a fund invests in a variety of securities of different asset classes. The purpose is to provide investors with truly diversified holdings and consistent returns, while sparing the investor the trouble of having to accomplish asset allocation by purchasing a large number of different funds.

Diversified: Containing a variety of investments which are unlikely to all move in the same direction.

Diversified Investment Company: A mutual fund or unit investment trust that invests in a large variety of securities, and is allowed to have no more than 5% of its assets in a single company, or to have 10% of a company's voting shares.

Conglomerate: A corporation consisting of several companies in different businesses. Such a structure allows for diversification of business risks, but the lack of focus can make managing the diverse businesses more difficult.

FAMILY CHATTER

Fred Chemidlin completed his 139th speaking engagement as part of the tithing ministry to which he belongs. **Peter Chemidlin**, wife Joan, and their children vacationed at Walt Disney World. While there, they were surprised to meet several Family Investors Company clients and their families also enjoying the festivities at the theme parks. **Matt Chemidlin**, wife Janice, and their children vacationed at Great Wolf Lodge in the Pocono Mountains of Pennsylvania and Baltimore's Inner Harbor. **Edna Trujillo** spent the Thanksgiving holiday in Puerto Rico visiting her parents and family members. **Steve Goldberg**, as Santa, again delighted children at the Scotch Plains Holiday celebration. Did you see

his picture on the front page of the Scotch Plains Fanwood Times December 6th edition? **Joe Chemidlin's** wife, Valerie, is recuperating after successful back surgery. **Darraugh Valli** joined the Board of Directors at the Fanwood-Scotch Plains YMCA. Darraugh also took her children to the Radio City Music Hall Christmas show. ●



Year End Statements

Year-end mutual fund statements are being sent out to each mutual fund family shareholder. We ask each client to make sure they save the year-end statements as we do. Most statements are easy to understand with asset allocations shown in charts or graphs.

Email Addresses

Email addresses are no longer available in the *Family Matters* or on the **Family Investors Company** website. The email addresses which have been published in the past are, however, still valid. When in doubt, you can always email: info@familyinvestors.com



Seated: Peter J. Chemidlin, President; Fred J. Chemidlin, CEO; Joseph P. Chemidlin, VP.
Second Row: Emmy Salerno; Diana Cilluffo; Steve Goldberg; Darraugh A. Valli; Matthew P. Chemidlin. Top Row: Alicia O'Connor; Edna Trujillo; Patricia Renner

TRADITIONAL & ROTH IRA CONTRIBUTION LIMITS

Year	Standard Contribution	Contribution with Catch Up (Age 50+)
2007	\$4,000.00	\$5,000.00
2008	\$5,000.00	\$6,000.00

401(k)/403(b)/457 CONTRIBUTION LIMITS

Year	Standard Contribution	Contribution with Catch Up (Age 50+)
2007	\$15,500.00	\$20,500.00
2008	\$15,500.00	\$20,500.00

SEP/IRA CONTRIBUTION LIMITS

Year	Maximum Dollar Allocation	Maximum Considered Compensation
2007	\$45,000.00	\$225,000.00
2008	\$46,000.00	\$230,000.00

SIMPLE IRA CONTRIBUTION LIMITS

Year	Maximum Dollar Allocation	Maximum Considered Compensation
2007	\$10,500.00	\$13,000.00
2008	\$10,500.00	\$13,000.00