

Hot Gifts?

Almost every holiday season a certain item or set of items end up being big hits for gifts. It's typically for children but it is certainly the adults who cause this rush of madness. Here is a look at what's been the hot gift in times past:

2005	ipod nano – Xbox
2002	Nike Air Force 1
2000	Play station
1999	Pokemon
1998	Tickle Me Elmo
1996	Nintendo 64
1990's	Beanie Babies
1983	Cabbage Patch Kids

What exactly causes this? Supply and demand is the bottom line – I know that there has been a difficult time for many getting the ipod and

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Auto News



What manufacturer owns the largest part of the auto market in America? Currently General Motors but I don't know for how long as they're losing ground quickly in America. Here is who owns what % of the domestic car market as of November 2005

Make	2005 Share	2004 Share
General Motors	23.7%	25.0%
Ford	17.2%	19.7%
Daimler Chrysler	15.3%	15.3%
Toyota	14.6%	12.9%
Honda	9.1%	8.0%
Nissan	6.6%	6.7%
Mazda	1.5%	1.5%
Mitsubishi	0.8%	0.7%
Subaru	1.2%	1.2%
Hyundai	2.9%	2.5%
Suzuki	0.5%	0.4%

Many people have an allegiance to certain manufacturers regardless of the quality of their product. These lines typically are drawn geographically – where the cars are made – or were made. You cannot tell anymore where the

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Xbox for loved ones this year. I saw Xbox's selling on eBay for almost \$3000.00 – this is nuts – paying five to seven times what something is worth just to get it before 12/25 or 12/26? This is no different than what just happened with oil – just after Katrina hit I told everyone its temporary and now we're right back to where we were pre-hurricane. Manias are short lived but highly charged activities run by emotion – it's the bottom line – so many people just have to have it (want, not need) that the demand drives the price high – too high. This same emotionally charged activity happens with respect to investments but the main difference is that people cannot tell what the real price is. We know that the retail price of the Xbox is \$499.00 because it's published. Anything over that is a bad deal and many stay away – unless the holiday rush is on, at which point no price is too high. A jeweler once told me that when a man walks into the store on Christmas eve – price is no issue – he doesn't want to go home without a gift and will pay whatever it takes to get the gift. To be a good investor you need to do the exact opposite thing – find a good value on things you want to buy. I use the same discipline with my retail shopping life that I use with assets you've entrusted with us to make grow. We never overpay for purchases – anything from TV's to cars to presents – we're constantly on the hunt for a deal and will not pull the trigger unless a deal is found. This discipline is what it takes to be successful in the world today – be careful and never operate in the realm of emotion when it comes to your money. Marketing companies are relying on hitting your emotional buttons to get you to do things that are in their best interests – don't let them win. ☺

Overscheduled?

I live out of an appointment book – my schedule on a daily basis dictates which office I need to be in, when I can leave and when I'll have free time to play with my rugrats. Luckily I can control it to a degree since I own the place – a luxury everyone doesn't have. I see people with children that have busier schedules than some adults. Is our society putting too much in the daily routine? I believe that with all of our sophistication, technology and knowledge some of the aspects of the simple life are gone. Children have mostly organized sporting events – when I was a kid we all played waffle ball, stick ball, baseball, basketball on the street or in someone's yard. We didn't have organized sports until I was in school. My little ladies, ages 4 & 5 were recently involved in dance (3 classes), gymnastics, daisy scouts and 5 day school. They decided on their own that it was too much and now Hannah does Daisy's and Sammy gymnastics, that's it. I think we were guilty of throwing too much at them. It's a delicate balance – exposing them to things so they can choose what they like and giving them opportunities we never had. Are we doing this at the expense of them finding their own ways in the world? Kids are supposed to just hang around the neighborhood and get out of the house after school to burn off some energy – it helps them develop street smarts. I'd prefer street smarts over a Harvard degree – both are ideal but if I had to choose – it would be the instinct. Today we have fears of having our children kidnapped and we clearly live in a different society than when I was a child but our kids need to be able to make decisions and that is a function of living – not living in organized activities but living in the real world. I think cities have a big advantage here – the children growing up in cities are exposed to so much more than those growing up in high class suburbia. Hopefully we can find the right mix for our children. ☺ ☺ ☺

Noteworthy News! ! !

Congratulations to Darren & Lisa Hogan on the birth of their twin daughters on December 27th - Sophia & Lena. Now that's a real holiday present. ☺

Congratulations to Linda & Rodney St. Pierre on the birth of their third little girl, Lindsay Kayla on August 31st. She joins Chantel & Amanda for a trio of fun. ☺

Our condolences to the Lattimer/Torrence/Viltrakis Families on the passing of Roger, a wonderful man and father.

Selling Seats

The NYSE (New York Stock Exchange) has had a crazy couple of years on what people are willing to pay for a seat on the exchange. This seat just gives you the right to buy and sell in the exchange. We've experienced the worst markets in 30 years over the past few years and prices are volatile to say the least. The 212 year old exchange has been a private company but that will change soon - they're going to join forces with Archipelago Holdings (AX is their symbol) to become the NYSE group. This has caused the price of a seat to go through the roof lately. In the past year the price of a seat on the exchange has gone from a low of \$975,000 in January of this year to \$3,500,000 in November of the same year. Inflation here is worse than petroleum products. In 2002 a seat sold for just over \$2,500,000 and then began a dismal decline - bottoming out earlier this year at just under \$1,000,000. In 1995 the price of a seat first surpassed \$1,000,000 and it was there again this year - 10 years with no movement. In 1999 a seat sold for \$2,650,000 - this is like a yo yo - up and down - are you getting sick yet? December 2005 has shown us three sales of seats for \$4,000,000 - this gives us an annual increase in the price of a seat of 310% - mind-boggling. Perhaps people are becoming a bit more optimistic on equities? ☺

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cars are made just from where the headquarters of the corporation is. Many believe any GM, Ford or DaimlerChrysler product is American made. It isn't true - many of our traditional auto manufacturers make their cars in Mexico, Canada, Sweden or other parts of the world. Also consider that many firms are "in bed" with one another. Many cars are made in the same plant and share many of the same components but wear different badges - one of a domestic manufacturer and one of a foreign manufacturer. Here are a few examples:

Toyota Matrix & Pontiac Vibe

Toyota Corolla & Chevy/Geo Prism

Lincoln LS & Jaguar S Type

Mazda Tribute & Ford Escape

Porsche Cayenne & Volkswagen Touareg

Chevy Trailblazer & Saab 9-7X

Ford 500 & Volvo S80

Things are not always what they seem to be and the old viewpoint of "Made in America" is very difficult to determine today. Keep in mind when making your next automotive purchase that we're here to help. I know many of you think I'm dead set against buying new cars - that's not true. If you have to have a new car that's your decision and I'll help you do that - it's just something I cannot do again - my first time doing that was just too painful to do it again. I'd like nothing more than to have a stable of cars - but it's just too much of a waste of money for me to bite the bullet. If I could tell which cars would be collector cars they would indeed be a good investment - I suspect the new Corvette may approach collector status at some point - perhaps the Cadillac XLR-V, the BMW M5, the Ford GT - I'm not confident enough in my collector car picking ability to put my money where my mouth is so I'll keep my money in the market. I'm pretty sure the Kia Rio won't be a collector car - ever. ☺



Money Quiz

No winners this month. I'll pose the same question again – it's not too hard so keep looking and good luck. This month's challenge is to figure out what stock index saw its all time high on 11/25/05? Work quickly, once this newsletter hits the public I'm inundated with answers - good luck. 11:28:05

The Demise of the Pension



Most of the population is retired on a defined benefit pension – one that pays a specified amount each month for life. It is formula driven based on your years of service, average pay and a few other variables. Our society is moving away from these types of plans – think of social security as we know it today – the Government is trying to sell us on “personal accounts and personal ownership” which means the pension as we know it will become extinct in the next few decades. People grossly underestimate what it will take to replace these retirement vehicles. Let's say you have a pension that pays you \$3000.00 each month. In order to replace that pension, the savvy investor would need a lump sum of capital equal to \$720,000 to provide equal income. I'm calculating this on a 5% income and portfolio growth above that to provide a hedge against inflation and eliminate the possibility of outliving the income. I'd rather the lump sum any day but I know how to handle the investments – where will you and your loved ones be in the post pension world of tomorrow? Call to discuss your thoughts or concerns. ☺

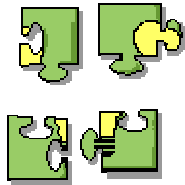
What to keep where how long

There's never a shortage of documents – especially in the financial world. Here's a list of what to keep, where and for how long. Key, sbd = safety deposit box or fireproof, waterproof safe.

Item	Where	How Long
Adoption Papers	sbd	forever
Veteran's papers	sbd	forever
Birth Certificate	sbd	forever
Deeds/Titles	sbd	forever
Health records	sbd	forever
Pension paperwork	sbd	forever
Stocks/Bonds	sbd	forever
Wills	sbd	forever
Credit Report	file	until new one ordered
Employee benefits	file	until new one received
Insurance policies	sbd	forever
Loan paperwork	file	payoff +10yrs
Receipts	file	warranty expires
Soc Sec statement	file	until new one comes
Bank Statements	file	7 years
Cancelled checks	file	7 years
Tax returns	file	7 years post file
Home receipts	file	7 years post sale
Investment records	file	7 years post sale
Warranties	file	until item is disposed
Vehicle repairs	file	until vehicle is sold
Passport	sbd	until it expires

Inspirational Quotes

- If you are all wrapped up in yourself, you are overdressed, Kate Halverson.
- If you're going through hell, keeping going, Winston Churchill.
- Whether you think that you can, or that you can't, you are usually right, Mary Kay Ash.
- Failure is the only opportunity to begin again, this time more wisely, author unknown.
- Great changes may not happen right away, but with effort even the difficult may become easy, Bill Blackman.
- Don't ask for a light load, but rather ask for a strong back, author unknown.
- If the going is real easy, beware, you may be heading down hill, author unknown.



Radio Trivia

- The S&P 500 index was created in what year? 1957 – a good year for cars too. ☺
- Gold is currently just over \$500.00 per troy ounce in late 2005. What is the highest price gold ever hit in January 1980? \$823.00/oz.
- The # of publicly traded companies that received the highest credit rating from Moody's in 1979 was 60 – how many receive it in 2005? 6. ☹
- In 2004 how much more did social security take in than it paid out? 145 Billion
- China makes up 20% of the worlds population and uses 12% of its energy – the USA makes up 5% of the worlds population and consumes what percentage of its energy? 24%. ☹

The timeliness of the newsletter has been off for a few months – our partner at FAVARH, Pat Clark, has been battling cancer – please bare us and keep him in your prayers. ☺

We can piece the puzzle together and make your money work for you. ☺

If anyone you care about would benefit from receiving this newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart.

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