

## The Name Game

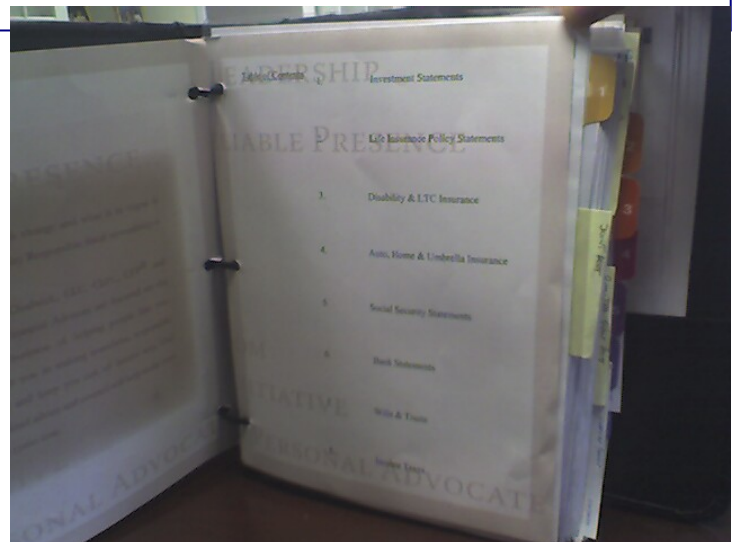
What's in a name? That depends on what you're naming. Most parents think long and hard about the names they give to their children – often trying to avoid names that will get the kids teased at school. They sometimes try to use family names, the names of grandparents or loved ones or the names of things they feel especially close to. When it comes to business it appears there may be something to a name as well – the name of the ticker symbol given to a company in trading its stock. With business names there is something to be said for memorability. Take a look at the difference in two names of similar businesses – one named cleverly and the other given a “plain” name – which do you remember and relate to better? Home Depot or Lowes? What does Lowes do? We all know exactly what Home Depot does – is there a correlation in how well a business does based on it's name?

When we think about investing, people often relate to the Wall Street Journal or CNBC on television – you see a plethora of ticker symbols printed in them or streaming across the screen. What on earth is a ticker symbol? A ticker symbol is a one to four letter abbreviation used

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## Estate Directories

Where do you keep all of you important papers and information? Most of us have a filing cabinet, a special desk or dresser drawer, perhaps a safe or a safety deposit box. Well, we have a wonderful tool we'd like you to begin using – a beautiful three-ring leather binder that will store all of your important papers and documents in an organized, coordinated fashion. We hope you'll allow us to put the information in it as you have it available. We've built this custom binder to have separate tabs to store the following: Investment statements, life insurance policies, disability & long term care insurance policies, auto - home professional - health and umbrella insurance policies, Social Security statements, bank statements, wills and trusts and the last tab is for income taxes and related information. Say goodbye to the paperwork mess you may have now. Here is what this binder looks like on the inside –



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## Stock Certificate Crisis

to identify a security – you can find tickers in the newspaper, on TV, on the floor of stock exchanges or on the internet. Ticker symbols were developed in the 1800's by telegraph operators to save bandwidth. One letter symbols were originally assigned to the most active stocks, which at that time were mostly railroads. Today ticker symbols are assigned on a first come, first serve basis – tickers are exclusive and they cannot be duplicated even on different exchanges. Let's look at some "plain" ticker symbols for some commonly known stocks: Microsoft = MFST; IBM = IBM; AT&T = T; Ford = F; International Paper = IP; Aetna = AET; Stanley Works = SWK; Barnes & Noble = BKS; Wal Mart = WMT; Goldman Sachs = GS. Now let's look at some companies that have a more clever or creative ticker symbol – a symbol that evokes an emotional response, a memory or a feeling: Harley Davidson = HOG; Sotheby's = BID; Advanced Medical Optics = EYE; Premium Standard Farms = PORK; Anheuser Busch = BUD; Southwest Airlines = LUV; Grand Havana Enterprises = PUFF; Lion Country Safari = GRRR; Yum Brands = YUM (Yum brands operates restaurant chains Pizza Hut, Long John Silvers and Kentucky Fried Chicken);

Professor Gary Smith at Pomona College recently did a study that shows companies given a "clever" ticker have performed much better than the ones given a "plain" ticker. I'm not picking stocks based on a ticker symbol but this research is very interesting. From 1984 – 2004 stocks with "clever" ticker symbols had an annualized return of 23.6% and the market indexes returned 12.3% for a hypothetical index of all NYSE & NASDAQ stocks. Professor Smith says this study raises doubts about the efficient market theory – the theory that stock prices reflect all known information and that it isn't possible to consistently beat the market without inside knowledge. Since a stocks ticker symbol is public information, under the efficient market theory stock ticker symbols shouldn't be tied to performance. There is clearly a huge performance difference here so what makes this difference so profound? It remains a mystery – don't go out and buy stocks with slick tickers because of this article – if you have questions or concerns, as always, call the office anytime to discuss. ☺

I'd like to share with you some of the perils associated with keeping stock certificates in your possession or with a transfer agent and not a brokerage account. We've run into this a few dozen times over the past decade but lately it's been especially painful for those we love so I'm hoping this information will save you dearly. There are three options when you buy stock – you hold the actual certificate yourself in paper form, or you give it to a transfer agent to hold the certificates in what's called "street form." If you hold your shares in a brokerage account here or at another financial firm the responsibility to transact exchanges, etc. are born by the brokerage firm. When you hold the certificates any loss, fire, theft, etc can cause you substantial loss. Any transactions with a security when you hold it or the transfer agent holds it requires your action. When you hold shares in a brokerage account all of this is taken care of for you. Recently we found a few people who held stock in the old Kmart & the old Sears Roebuck & Co. – both of which are now part of Sears Holdings, Inc. There was a period in time where the shares of the old companies could have been exchanged for shares of the new company but that time had passed – now each share is worth a flat \$50.00. Sears Holdings is currently trading for \$159.07 per share (10/04/06). A client came in with 700 shares of Sears Roebuck – if transacted properly when the letter was sent to them 2 years ago the shares would be worth \$111,349 today but because of a simple oversight the shareholder MUST sell the shares to the transfer agent for a flat \$50.00 each – a total of \$35,000. This is a loss of \$76,349 plus the sale of shares causes a taxable event. The transfer agent didn't do anyone any favors here and pockets the difference. We had another client who owned 2800 shares of GE who couldn't find the certificates. Cost to replace that piece of paper was \$2007.04. The bottom line is please do not keep certificates in your possession or at the transfer agent – keep them in a brokerage account. If you or anyone you love needs help with this call anytime and we'll get it straightened out so you'll never be exposed to such losses. ☺☺☺

# Noteworthy News! ! !

Congratulations to Mark Danaher on being named teacher of the year for the Manchester Schools. ☺

Congratulations to Gert Conroy on the birth of her grandson, Henry John Schuck on September 3<sup>rd</sup>. ☺

Our Condolences to the Salwocki/Breakell/Marfyak families on the passing of Peter P. Salwocki – a wonderful man, father and friend.

Congratulations to Julie Nygren on the purchase of her new home in West Haven. ☺

Congratulations to John & Lisa LaChance on the birth of their second son – Patrick James LaChance ☺

## Giftng Games & George

The seasonal time change is upon us; change your clocks and shorten the amount of sunlight in your day – you may want to also check your estate plan to see where you stand. Whether you're "springing forward" or "falling back" the clock is always ticking – the new law President Bush signed on February 8<sup>th</sup> 2006 had changed how the clock ticks for estate planning. So, as you nestle into fall take some time to consider a plan for the future to help protect the things you are working to accumulate or for the things you have already built. Every day thousands of Americans over age 40 experience a significant change in health status. Even changes that are no longer life threatening...can be life altering and may require long term care. These days, we are sent home to recuperate from an illness or medical event but who will provide and pay for the day-to-day assistance needed? Long term care is brutally expensive - \$300.00 a day in CT.....and it is generally not covered by your health or medical insurance or any other benefit plan. If you need care, you or your family will likely pay the full cost – driving even the wealthiest families into financial crisis. Loved ones typically provide care for as long as they can. The impact: More Stress, Less Money, Less Time, Lost Earnings and shorter life expectancy. There are no guarantees about what will happen tomorrow – consider calling the office to speak with Maureen our resident specialist. Long term care insurance may help preserve financial independence, choice & dignity and those can be priceless.

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Above is the outside of the binder. In the next few months we're going to make sure each of you have this binder to store your important papers and documents. Eric will be contacting you and asking you to gather the important papers and documents to be stored within this binder. Once you've found all of the documents we'll assemble the binder for you and store safe, secure electronic copies of each document for you here should the binder get lost, destroyed or stolen. Our data is backed up locally at the office, offsite in Northwest Connecticut and separately in Iowa. This will give you triple protection in the event of a catastrophe. Additionally, it is our goal to have this information available for you to view on our website when you log in to view your investment accounts. We're working with the technology people, compliance people and the appropriate authorities to build in enhancements on our website so you can view your wills, trusts, tax returns, statements, insurance policies, etc. when you log into our website. If you'd like to receive the binder right away, feel free to contact us and we'll prioritize you otherwise we'll work through everyone over time. If you already have the binder and it's not filled to your satisfaction or you'd like us to add it to or store your documents electronically just contact us. I'm delighted to say this is a free service to all clients. If you'd like a binder for a loved one who is not a client of the firm they are available for purchase – the price is \$225.00 for the binder, estate directory, assembly and storage of your information. Any questions, as always, contact us anytime. You can never be too prepared!



The winner of last months' quiz was Steve Jacovich – he & Elaine will enjoy dinner on us at the Milestone Inn. ☺ 43% of homebuyers in 2005 did so with no money down. ☹ This month's challenge is to tell me what percentage of the worlds automobiles are in America – we have 5% of the world's population. China has 20% of the world's population and 2% of its cars. The winner is going to dinner on us at any one of a few select, fine dining establishments. 10:02:06

## Cell Phone Blocks ☺

We have a family cell phone plan through Verizon and it generally works out well for us. Cupcake, myself, my father and our Aunt all share in the phone plan. It generally works to our advantage as we have a plethora of minutes and share the costs of the lines, taxes, etc. – all of the fixed monthly expenses. This past month we ran into an issue. The cell phones in our world are just used as telephones – they're not computers, stereos, email server, cameras, walkie talkies or beam me up Scotty laser beams. As high tech as I think we are, we just don't tap the cell phone to do any of these other things. This month one of the kids accidentally downloaded a "ring tone" – a sound for the phone to play when someone calls it. That keystroke cost us \$9.25 – what an insult for a nano second operation and about 1/1,000,000 the content of a CD – for about the same price or at best half the price. After spending 15 minutes on hold with the phone company (what a joke, ha – can they hear this?) we ended up blocking the phone's ability to do anything other than make phone calls. Now, there will be no more costly keystrokes that aggravate us. ☺

## Savings That is Electric!!!

In Connecticut if you're served by Connecticut Light & Power (CL&P) you have a choice when it comes to your electricity. This utility is broken down into two components – generation and delivery. CL&P owns the lines so they are the only game in town as it relates to delivering the power to your home or business. Our choice comes with generation provider – if you'd like to save 4.1% on your electric bill generation please call Levco Energy at 800 400 5574 and ask to have your electric generation provided by them instead of CL&P. They will send you a form that you'll need to sign and return to them – about a month or two later, no exaggeration, you'll be switched. It costs you nothing, you can switch back at any time and your bill looks the same, with a lower price. I'm not talking about big money here – they claim the average homeowner saves about \$10.00 monthly. I'd rather see it in your pocket. If you are an electricity hungry business you may save big – maybe \$300/m or more. Good luck. ☺

## Cell Phone Savings

October 2006 brings the potential for aggravation and additional expenses if you're not careful. Telemarketers will begin calling your cell phone soliciting things you don't need or want – and you'll pay for the call. ☹ To get out of this aggravant you'll need to either call the Federal Trade Commission at 888 382 1122 and request your cell phone numbers to be opted out – permanently. If you'd prefer to do this online, you may visit [www.donotcall.gov](http://www.donotcall.gov) and register your phone numbers. The process here is as you register the phone number you'll subsequently get an email – you need to do what is requested of you within that email and then your phone numbers will be off the list. To think we have to proactively act to avoid aggravation is ludicrous. ☺

## Inspirational Quotes

- Accept challenges, so that you may feel the exhilaration of victory, George S. Patton
- Challenges are what make life interesting; overcoming them is what makes life meaningful, Joshua J. Marine
- Unless a man undertakes more than he can possibly do, he will never do all that he can, Henry Drummond
- Life's challenges are not supposed to paralyze you, they're supposed to help you discover who you are, Bernice Reagon



## Radio Trivia

- What's the most valuable professional sports franchise in America? Washington Redskins with a market value of 1.4 Billion. ☺
- How many pages was General Electric's corporate income tax return? 24,000 – Ouch – department of rainforest destruction in full operation. ☺
- What % of students who enroll in American colleges actually earn the degree? 17% ☺
- The average American family has how much emergency savings? \$3,800.00 ☺ Ouch!

**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.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

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## Mike Chadwick's Money Matters

199 Main Street  
Torrington, CT  
06790  
860 489 8880

15 New Britain Avenue  
Unionville, CT  
06085  
860 673 1942



Financial Advisors

