

Simplified Paperwork

In this industry, those are two magic words. How would you like to take all of the paperwork you get regarding investments and roll it into a one page statement? You now can with our new performance reporting ability on our website. If you haven't been to the website to view your accounts, you're missing out on a fabulous tool. We've got 20 live reports you can use to view and analyze your investments. My favorite report of them all is the "Core Summary" which provides you with a one page snapshot of all of your investments that you've entrusted us to help you with, regardless of where they're held. This summary shows your initial balance, additions and withdrawals and investment performance reported both in dollars and percentage. Your individual accounts are listed by account number and the report gives a per account and overall total portfolio value. We now have the technology to provide you

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In Service Withdrawals



If your employer offers a cash balance retirement plan and you are unhappy with the list of investment choices, perhaps there is an alternative. Cash balance retirement plans are those that allow the employee to save his or her money into an investment account where the company may or may not make a matching contribution. These are not traditional "pension" plans that offer a monthly income after a certain number of years of service. Most cash balance plans today are known as 401(k) or EISP or CIP plans. In service 401(k) non hardship withdrawals allow the employee to move money from within an employer sponsored plan to a traditional IRA without penalty or tax while still employed with the company. This is a terrific tool that may give you the investment control you've been looking for. If your employer is one of the following you have this option:

Aetna - AIG - Allstate - American Airlines - American Express - Anheuser Busch - AOL - AT&T - Bayer - Becton, Dickenson - Black & Decker - BP - Bristol Meyers - Cigna - CBS - Cox - Dell - EMC - GE - GM - Guardian - Honda - IBM - Johnson & Johnson - John Deere - McDonalds - Nationwide - Nextel - PPG - Pepsi - Qwest - SBC - State Farm - Toyota - United

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with a comprehensive, interactive tool for your use. Here is a brief explanation of what some of the reports will show you when you log into the website, www.fiscalwisdom.com. You'll have options of 20 different reports that will provide you with a plethora of information. The report titled "Holdings by Investor" will break all of your accounts into each individual account showing you each of your holdings, whether you own stocks, funds, ETF's, bonds, CD's or some combination thereof, you'll see them all there. "Holdings by Portfolio" will not break things down by account, rather give you a detailed summary of each of your holdings across all of your accounts. "Holdings by Classification" breaks down each of your holdings into what asset category it fits into and lists each holding in that category. "Holdings by Net Worth" breaks down each of your accounts from largest to smallest by account owner, guardian or trustee. "Transactions by Investor" will show you a detailed summary of your deposits, withdrawals, dividends, capital gains, etc. "Transactions by Portfolio" will show you the same information as "Transactions by Investor" but categorized by account number. This is a great tool for tax purposes - all of your information is at your fingertips, anytime from anywhere. "Asset Allocation" shows you what categories your money is in. How much is in equities, bonds, cash, blend, etc. This is a combination of all of your accounts. "Asset Allocation - Investment Objective" shows you the subcategories of your investments. Are you in large companies with a growth bias or small companies with a value bias? Do you have some combination thereof? "Portfolio Summary" is a simple chart showing your beginning value, net contributions, changes in value, ending value and your rate of return. Have you been keeping score? We keep score for you ☺

Credit Protection, At What Cost?

Connecticut is one of ten states in our great nation that allow consumers to "freeze" their credit reports as of January 1st, 2006. This service is available to you for a \$10.00 charge per rating agency. There are three main rating agencies today:

Experian - www.experian.com or 800-787-6864

Equifax - www.equifax.com or 800-685-1111

TransUnion- www.transunion.com or 800-916-8800

When you freeze your credit a criminal or any institution cannot get your credit information without your PIN number. In theory your identity should be "steel-proof" once this is done. If you decide you want a potential creditor to be able to view your credit history it'll cost you anywhere from \$10.00 to \$12.00 per rating agency to life the freeze on your account. If you no longer want the account frozen and would like to thaw it, the freeze can be lifted at your command. This is a wonderful idea on protecting the consumer but it is very expensive and the credit bureaus gain economically. The credit bureaus have too much power as it is. I've seen cases where there has been information falsely reported to the credit bureaus' and cleaning it up is a disaster - they assume no liability for information they provide but it is used as the basis for decision making by most creditors. This should be available to consumers free of charge as a protection - if the credit bureaus are going to profit from compiling, maintaining and sharing our information, they should allow us to protect that at no cost. The other states allowing this are California, Texas, Louisiana, Vermont, Washington, Nevada, Illinois, Maine & Colorado.

☺ ☺ ☺

Noteworthy News !!!

Congratulations to Virginia Marti & Peter Lanese on their recent marriage. Enjoy your honeymoon and lives together ☺

Congratulations to Alice Dornemann & Cleo on the purchase of their new home in the Blue Hills Mountains of Virginia. ☺

Congratulations to Richard & Bonnie Jacques on their 35th wedding anniversary. I don't know how Bonnie puts up with him, but it's nice to see a relationship last that long. ☺

Congratulations to Eric & Susan Larson on the birth of their second son, Joseph Eric on August 7th – he came bouncing in 8lbs, 8ozs. (Ouch) ☺

Titling of Assets

Most of us pay little to no attention to how things are titled. This is indeed a very important aspect of our lives for many reasons. Let's look at the various ways accounts can be titled. If two or more people own an account it can be titled in survivorship (JTWROS or JT TEN) and this titling precedes any legal documentation (except divorce). If your will says you want the account to go to your son but your wife is a joint tenant, the account title rules. The other way to title accounts is tenants in common (TIC) – (not the radio station ☺) This allows you to send your share of the account wherever you want via your will. This titling allows for any percentage share of ownership 50% each, 60%/40%, 10%/90%, 90%/10%, whatever you decide. Now you can also add beneficiaries to an account, called transfer on death (TOD). If you have a TOD on your account, that titling supersedes wills, avoids probate and makes sense. Are your accounts properly titled? ☺

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Technology - UPS - Verizon - Xerox - Yahoo.

This is just a few of the major companies with a local presence that offer this. If you are interested and don't see your employer on the list feel free to call the office and we'll check to see if this is available to you.

A similar option is available to those who work for non-profit organizations who have 403(b) retirement plans. IRS code 90-24 allows for rollovers without the employers consent. This rule allows a participant to roll his or her 403(b) plan to another 403(b) plan without severing employment. If you or anyone you love works for a school, hospital, non-profit organization, city or state government this option is very attractive. If your employer needs to sign rollover forms some of them will not do it – most will. If you're age 60 or older the employer cannot prohibit you from rolling out of their plan into your own. ☺

Auto Repair Psychology

If your car requires a few repairs in consecutive months should it be replaced? Psychologically many people can "justify" a new car because they've just spent a few thousand dollars fixing their old car. Two things to keep in mind here – you've likely fixed many or all of the problems if you've just had your car in the shop and spending a few thousand dollars is likely less painful than spending \$30,000 on a new car. I'm sure you can get a decent car today for \$20,000 – I'm also sure you can spend \$100,000 on a car if you have it to burn. Always speak to your mechanic to see if your car is worth keeping or should be replaced. If you don't have a mechanic you trust call and we'll give you the names of several we know to be good. If you need help in selecting which car to buy, call and we'll help you with that too. ☺

Don't Fuel Around

Everyone agrees that the price of fuel is absolutely outrageous. People are trading this commodity on pure emotion today – logic isn't part of the equation. There are many "causes" or "justifications" to the craziness of these prices. Some of the reasons you may have heard range from China's increased usage, the war in Iraq, oil refineries bottlenecked, shortages of oil supply, terrorism. There are many more reasons that have been thrown around in attempts to rationalize this craziness. The bottom line is we're paying the prices and the oil companies are profiting like we've never seen before. This type of gouging causes people to truly work hard at finding replacement energy sources – wind, solar, fuel cells, etc. What the future energy source is isn't yet clear but hopefully it won't harm the environment. With prices this crazy, be sure to do everything you can to be fiscally responsible – tune up your car, insulate your home, call the utility company to see if there are any rebates, incentives or programs to help you save energy.

The oil refineries have a term they use on their profit margin for turning crude into various types of petroleum products – gasoline, diesel fuel, jet fuel, etc. The term is a "crack-spread." It's got nothing to do with drugs or low hanging pants but is important. The spread for Jet fuel has gone from \$2.59 in 2002 to \$11.00 a barrel now in August 2005. The spread for gasoline has gone from \$4.14 in 2002 to \$7.75 today. Amazingly airlines are paying \$1.63 for a gallon of jet fuel and we're paying \$2.79 for a gallon of premium fuel. I'd rather buy the jet fuel and my car would likely run better with it. To get a 757 from L.A. to Newark (I don't know who would ever want to go to Newark) it will cost \$12,202 in fuel to do it. Hopefully things will come back to reality soon ☺



Money Quiz

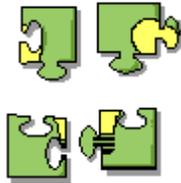
Last month there was no winner to the quiz. It is such a good question we're going to pose it again - this month's challenge is to dissect the S&P 500 index. From 7/1/00 – 6/30/05 it returned -3.6797% as a capitalization weighted index. If it were an equally weighted index, what would the return have been during the same time period?

Account Access ☺

If you'd like to visit your account, log into our website, www.fiscalwisdom.com. If you're not registered, type "a" as username and "b" as password. This will bring you to a new screen – once there hit the yellow register button. Log into this screen using your soc sec # and temporary password of "CHADWICK" Once in, you'll have the opportunity to create your own unique user id and password – please be sure to write this down and store it in a safe place, we do not have access to your user id or password. There will be questions asked to verify you are you and we will get a notice stating you are trying to access your account. Be sure you accurately enter your information for security purposes. After we've verified that you are indeed you, we'll send you an email verifying you are now live and can view your accounts anytime, from anywhere. To view your accounts, go back to www.fiscalwisdom.com and enter your new user id and password. ☺ I purposely ran this again so you can get into the website – not a Freudian slip. ☺

Inspirational Quotes

- This is the miracle that happens every time to those who really love; the more they give, the more they possess, Rainer Maria Rilke
- Today we have more material goods than ever before with less time to enjoy them, MC
- Some of us are becoming the men we wanted to marry, Gloria Steinem
- Everyone has talent, what is rare is the courage to follow that talent to the dark place where it leads, Erica Jong
- All serious daring starts from within, Eudora Welty
- The sublimity of wisdom is to do those things living that are desired when dying, unknown



Radio Trivia

- What is the world's daily oil consumption? 83,000,000 barrels daily. That's 83 million barrels per day. I can't fathom it – what is now in that hole in the earth, we've been pumping oil for 80 years?
- The 10 year treasury bond now pays 4.24%, what did it pay in 1981? 13.92%
- What percentage of government revenue is spent on Social Security, Medicare and Medicaid? 49%
- Average Social Security retiree monthly payment in 2005? \$955.00

We're going to be adding more prizes to the weekly radio trivia, do you think you've got what it takes to answer our challenging questions? You'll only have 55 minutes to figure it out. Good luck. ☺

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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Name _____

Address _____

City _____ State _____ Zip Code _____

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