

Storage, Life Expectancy & Expenses

It's important to store your ride in a garage, especially here in New England. We have too many elements to risk leaving your baby outside. Even in the summer we're at risk of hurting the beautiful finish on our vehicles. There are many things that can ruin your car if you don't store it inside, let's look at some of the major issues. Winters obviously can just kill your car – between the snow, sleet, salt, sand, plows and everything else that is flying through the air – none of them are good for your car. This is the main reason most cars rust out in New England from the frame up and rust from the top down in Florida, California & Arizona. Even in the better summer spring and fall weather there are plenty of things that will wear down and beat up your ride – acid rain can be like pouring brake fluid on your paint, hail is like Paul Bunyan throwing ice cubes on your car from the clouds and tree sap is like putting pine tar on your Louisville slugger in Fenway Park. I'm not even going to get into bird droppings – pure evil for your paint and windshield too. Not storing your car indoors costs you more over time with increased maintenance and shorter life expectancy – neither of which make you happy. Now let's translate this into how you're storing some financial documentation. How are you caring for your finances? Do you hold your stock and mutual fund certificates in your home, safety deposit box, safe or are they held at a transfer agent or within a brokerage account?

Here are two very sad experiences I've seen lately for a few unfortunate folks who decided to take on the safekeeping responsibility of their investment shares by holding the certificates in their safe. A few years ago Kmart merged with the old Sears, Roebuck & Company – the new firm is known as Sears Holdings. At the time of the merger stockholders of Sears were offered to swap their Sears Roebuck shares for those of the new Sears Holding Company, then worth \$50.00 per share. If no action was taken on that letter you're only option later is to just turn in your shares to the transfer agent for a flat \$50.00 per share. On 10/4/06 Sears Holdings is trading for \$159.07 per share. I had a sad family who came in recently with 700 shares of Sears Roebuck & Co. Those shares, if transacted properly would be worth \$111,349 today but because of a simple oversight they are now worth \$35,000. The transfer agent is going to pocket \$76,349 on this unfortunate mistake. The bottom line is never hold shares yourself or have a transfer agent hold them for you – hold them in a brokerage account where all such transactions are taken care of for you – in your best interests, not those of the company or transfer agent. The next issue I recently saw was a woman who came in knowing she owned 2800 shares of General Electric (GE.) This simple piece of paper is worth \$100,352 today (10/4/06.) After discussions she decided it would be best to put it in a brokerage account for safekeeping – the only problem was she couldn't find the stock certificate. It wasn't in the safe, safety deposit box or anywhere in either house. After finally admitting it was "lost" we had to pay the transfer agent \$2007.04 to replace that piece of paper. Again, please don't store your stock and fund certificates in your home or with a transfer agent – put them in a brokerage account – you'll spend nothing for maintenance, have no chance of errors and they cannot be lost – improving your outcome and costing you less along the way. Would you ever keep your precious car in the driveway if you had a garage? Of course not! The garage for your money is a brokerage account. Enjoy the ride. ☺

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