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CARSON'S CORNER

TRUE WEALTH

ALL THAT MONEY CAN'T BUY AND DEATH CAN'T TAKE AWAY | SPRING 2010



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PERSONAL NOTES

ARE WE HEADED FOR A DOUBLE DIP RECESSION?

Ron Carson | CEO

To-date, economic recovery in the United States has been like a cross-country drive over bumpy roads in a car that has bad shock absorbers and three small children in the backseat. The economy is moving forward, and everyone looks forward to arriving at the destination, but progress has been slow and frustrating. Unfortunately, I think there is a significant chance—about 50 percent—that the economy could slide back into recession during the second half of 2010. Here are a few of the potential risks to our current recovery:

Monetary and fiscal stimulus will end soon. In normal circumstances, the U.S. economy grows without government support. Unfortunately, current growth has been driven by a massive injection of monetary and fiscal stimulus, which was provided to prevent a potential meltdown of the financial system. By the middle of 2010, government stimulus programs will wind down, and the Federal Reserve's emergency liquidity measures will end. If the economy is not strong enough to grow on its own, we may dip down into recession again.

Chronically high unemployment. About 20 percent of working-age Americans are unemployed or underemployed. This causes consumer spending, the primary

driver behind America's economic growth in the recent past, to remain low. For the economy to keep growing, America needs to create more jobs.

A second housing crisis. The Federal Reserve has been buying asset-backed securities and other mortgage-related debt. Once it stops buying, rates may increase as sellers try to attract new buyers. Higher interest rates could lead to higher mortgage rates, lower home sales, and a decline in housing prices. This could result in more home foreclosures and weaken consumer confidence. In addition, the nation's shadow inventory of housing, which includes bank-repossessed properties and distressed mortgages that have not foreclosed yet, could take nearly three years to clear at the current sales rate.² This also will put pressure on home prices.

RECESSION MAY CREATE OPPORTUNITY FOR INVESTORS.

While a double dip recession would not be welcome, the same factors that make continued recovery uncertain create opportunities for investors. If you would like to learn more, please give us a call. ■

RON CARSON

The kids are going off in all different directions this coming year. Maddie is heading to Chicago this fall to attend DePaul University. Jeanie and I are excited for the prospect of spending more time in Chicago, as that is one of our favorite cities. Chelsie is heading west to Denver and will be working on a summer internship with Peel's Beauty Salon. So, two of our favorite places will have even more reasons to visit. Grant wants to go scuba diving on his one-on-one trip this year, so he is in the process of getting PADI certified. I'm very excited for this trip and this will be something we can do together for years to come. Grant made it to State in history competitions as well. We are really proud of all of the kids and how well they have done academically. Jeanie and I are going to be spending our 24th wedding anniversary and her birthday in Napa Valley. We look forward to seeing all of you at this year's Family, Fun and Fireworks event.

JASON COMES

It's been an up and down first part of the year with my Mom's husband (Dennis) going thru chemo treatment for colon cancer. The bright side is that they are down in Jacksonville, FL at the Mayo Clinic and are staying at a condo right on the ocean. I think that has helped somewhat because Dennis is really doing well. As a family, we went down and visited them in April. We had a great time as the kids loved running into the ocean even though it was pretty chilly this time of year. My brother and his family live down there and we hung out with them as well. Please say a prayer for Dennis so he can keep getting better each day. On a funny note, this was the first time Nico, who is almost three now, took a plane ride. Have you ever traveled and sat next to a three year old boy? Most of the time he sat still and watched a movie on the DVD we brought along. But he thought this was his playground, so he decided to run up and down the aisle for about five rows. I decided it wouldn't be a good time to spank him for the fear of having Marshalls waiting for me at the gate. Thankfully, the flight attendants were so nice they let Nico have the time of his life. The lesson here is when you are making your seat arrangements, be sure to avoid the children section. Have a Great Summer!

MARK LOOKABILL

I hope everyone is enjoying spring. For most parts of the country, winter was unusually long and challenging. That is certainly the case in the Lookabill household. As the golfer of the family, I'm certainly looking forward to getting outside and getting a chance to enjoy some nice green fairways. Jill is looking forward to warm weather and being able to take the kids on walks or bike rides and enjoying time at the pool. Lauren, our almost four year old, is very interested in learning to ride her bike up to the neighborhood pool, which is actually the pool at the golf club. Jack, at one and a half, is too young to recognize but certainly knows that being outside and being able to run around with whatever, whether it a basketball or a football, is his preference. I am looking forward to an August trip planned to Boston as part of the LPL national conference. My dad will be able to join me on that trip and am looking forward to being able to spend a little bit of time doing some historical site seeing. I hope this note finds everyone's family doing well and look forward to seeing and speaking with many of you over the coming months.



¹ Gallup (<http://www.gallup.com/poll/127091/underemployment-rises-march.aspx>)

² Standard & Poor's (<http://www.standardandpoors.com/ratings/articles/en/us/?assetID=1245206147429>)

MY FIRST ANNIVERSARY AT CARSON WEALTH

Jonathan Foster

I have just finished my first year at Carson Wealth Management Group, and now is a good time for reflection. I truly feel I have joined a special organization. After 28 years in the financial services industry, I can honestly say that Ron Carson and the team have built a remarkable, and perhaps unparalleled client experience.

How do you measure client experience? I would say it is a combination of investment prowess, client service, and an important intangible...the feeling that you are at a place where people actually care about you and your family. The simple fact is that **WE DO**.

I am proud to announce that our efforts to build the nation's best wealth management organization have not

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gone unnoticed. As you may recall, in the fall, Ron and team were named **#4** in the **Barron's survey of the Top 100 Independent Advisors** out of approximately 85,000 practitioners. Several days ago, the **Barron's survey of the Top 100 Financial Advisors** was released. This

included the entire universe of over 300,000 advisors, including Merrill Lynch, JP Morgan, Wells Fargo and all the other "bulge-bracket" firms. I am proud to announce that Ron and team were named **#9** in this survey! These surveys are especially important to us as they are not a measurement of the largest practices, but the *highest quality practices*, as rated by Barron's.

Now if you now Ron as well as I do, you know we will not be satisfied until we are rated **#1!** ■

Factors include in the Barron's ranking: assets under management, revenue produced for the firm, client satisfaction, regulatory record and philanthropic work.

PROTECT YOUR LIFE INSURANCE INVESTMENT

Ed Meekins

Many people do not like having the LIFE INSURANCE discussion and avoid the topic. Recognizing this, Carson Wealth Management Group takes great pride in educating and helping our clients make insurance decisions to best meet their needs. After completing the insurance underwriting process and receiving their policy, many clients feel the process is complete. The view I want to share is looking at insurance as an investment. Your life insurance portfolio must be managed like any other asset.

At Carson Wealth Management Group we encourage you to review your current policies.

Three important questions to ask: **Have your needs changed?** Is the original reason you purchased your policies still applicable? A review helps you determine why you may or may not need life insurance today, and will allow you to adjust your life insurance portfolio accordingly.

Is your policy performing as originally presented? A periodic review will help determine if adjustments will improve performance or are necessary to preserve the benefits under the policy.

Is your life insurance coordinated with your overall estate or business plan? Lack of coordination between life insurance and an estate and/or business plan is common.

Treating life insurance as an asset class is a new way of thinking for some people. Your capital is the money you invested in the premiums paid. The rate of return is the death benefit paid above the premium invested. With a fixed death benefit the return is higher for a shorter life span. The trade-off for a lower return is a longer hopefully healthy life. There is a saying that no widow ever regretted that her husband had purchased life insurance, only that it should have been more.

Let us take the time to help you manage your insurance portfolio. The goal is to manage your capital in the most efficient manner. We will guide you through this review and address any questions you may have on your existing policies. ■

PERSONAL NOTES

JONATHAN FOSTER

The Foster Family has been a traveling group! With two college students in upstate New York, a 9th grader at home, and Dad logging 18 trips through Eppley Airfield this year, the Fosters are certainly doing our part to invigorate the US economy! This spring break was the first time that we were all together for a solid week. I am happy to report that nothing has changed. Mom is still a great cook, and our kids still think we know nothing!



PHIL McBRIDE

Shannon and I had a great Easter with our family here in Omaha. We went to the zoo and played the board game, Settlers of Catan, which I highly recommend. I have also been busy attending class three nights a week to sit for the CFP exam in November. I am excited spring is here with summer right around the corner and celebrating my 5 year anniversary in July with my beautiful wife!



DANNY NOONAN

Sydney will be a senior this year and we have started looking at what university she will attend. Sam will start high school this year and is playing ninth grade football. Alec and Maverick are excited about starting kindergarten this year and Branson will go to pre-school three times per week. Julie has been very busy with her medical sales job. I hope to see you all at the Fireworks event. Take care!



HOW TO LEGALLY MINIMIZE TAXES

Steve Wilbur

Since the tax season is behind most of us, I thought it would be a good idea to give you ideas for 2010. You can legally minimize taxes with proper planning ahead of time. Most people will just go ahead and pay their taxes every year because it is our duty as a citizen of the United States. I think taxes are important to a certain level but there is no need to pay more than your fair share. Business owners have the most opportunity to legally minimize taxes because they are able to write off a majority of their expenses. If you are a person that doesn't want to start a business then other strategies are at your disposal to provide you tax deductions today or tax free income in the future. Here are

some ideas ranging from simple to more complex.

- If you are someone wanting or thinking about starting a business, meet with a trusted attorney to discuss the most beneficial business structure. These can include LLC's, S Corporations and C Corporations.
- Utilize retirement accounts that are tax advantaged. Depending upon the account, you are allowed to defer taxes into the future or pay the taxes now and have tax free growth.
- For someone in a low tax rate, you may want to utilize municipal bonds for tax free income.*

- If you don't own a home and the timing is right, you may want to consider home ownership. The tax code allows you to write off the interest on a mortgage.
- If you are interested in creating passive income, rental properties could be a viable option. You can buy properties to rent and write them off. Upon the sale of the property, you will have to pick up the capital gains.

More important than any single idea is to proactively plan for your taxes throughout the year. By constantly being aware of your situation and options available to you to minimize your taxes you will not be shocked on April 15, 2011. ■

* Interest income may be subject to the alternative minimum tax. Federally tax-free but other state and local taxes may apply.

PERSPECTIVE

Aaron Schaben

Perspective can be easily lost with 24 hour news networks, emails, texts, twitter feeds, and constant updates telling you what is important, how to think and how this news impacts you. We like to refer to this phenomenon as group think.

Just take for example how the word trillion is casually thrown around in today's financial headlines. It is easy to lose perspective on how much money this really represents. Picture a stack of \$100 bills. It only takes a stack four inches high to be worth \$100,000. So \$1,000,000 would be a stack of \$100 bills 40 inches tall. So how about a billion? You would have to stack \$100 bills up to the top of the Empire State Building...twice. So to picture \$1 trillion, the stack would be 850 miles high. Lay this stack down on the interstate and it would take you over 11 hours to drive from end to end. A trillion isn't just a billion with a T before a B, it is one thousand billions, or let's agree to say it is a lot of money.

At Carson Wealth we remain cognizant of the potential hazards associated with group think. When the squawk boxes, talking heads, fast traders, and screaming stock pickers all agree, we ask what is being missed in the euphoria of providing people what they want to hear. As proactive risk managers, we constantly question, research, and step away from the market to gain perspective. This allows our clients to know that they have a disciplined investment process working for them and to dismiss the barrage of media telling them what to think. We strive to give you the freedom so that next time group think tells you what is important and how to think you can respond, "We'll see."

The following parable is a great example of maintaining perspective.

She-Ong's Wise Horse

There was a farmer named She-Ong that had a beautiful and strong horse. The neighbors complimented, "You are so lucky to have such a beautiful and strong horse." The farmer replied, "We'll see."

Days later, the horse ran away from the farm and could not be found. The neighbors wailed, "You are so unlucky to have lost such a beautiful and strong horse." The farmer replied, "We'll see."

Days later, the farmer's horse returned, but had brought back seven other wild horses that were equally beautiful and strong. The neighbors complimented, "You are so lucky to have so many beautiful and strong horses." The farmer replied, "We'll see."

Days later, the farmer's son was attempting to train one of the wild horses, fell off the horse, and broke his leg. The neighbors wailed, "You are so unlucky to have your son break his leg." The farmer replied, "We'll see."

Days later, the king's army came through to take all of the able-bodied young men for the war. The neighbors complimented, "You are so lucky to have your son spared from the war." The farmer replied, "We'll see."

Just as the farmer was able, investors must maintain perspective. Maybe we all should attempt to control emotions with the simple phrase, "We'll see."



PERSONAL NOTES

DENNIS McMILLAN

This is going to be an active year for the McMillan family. Our daughter, Jessica, announced that she is getting married. The wedding is taking place in Cancun, Mexico on June 12th. Not to be outdone, her brother Marcus announced that he also was getting married in Cancun on Oct. 15th. All of a sudden life is not boring!



TAD SINGER

Spring has finally sprung and wow does it feel great. I was fortunate to get away for a week and spend time with the folks in Arizona. It was even unseasonable cool in the desert this winter. Melissa and I are excited to be spending time outside around the house and there seems to be plenty to keep us busy after a long hard winter. I hope this note finds you well and I look forward to catching up with you soon. Have a great summer.



TRUE WEALTH

True Wealth—all that money can't buy and death can't take away. Take a look at the 9 principles and see how they work in your life.

Be a living example of the transformational power of love.

Stick to your core values.

Be driven by your purpose.

Be accountable through your goals.

Cherish your relationships.

Value your health.

Wisely use your financial resources.

Find ways to be compassionate with the world.

Be open to wise counselors.

HOW TO SURVIVE A MANIC MARKET

THE ART OF RISK MANAGEMENT

Dennis McMillan

Talk about volatility! On Jan. 2, 2000 the S&P Index started at 1498. Over the next decade it went down to 815 (a decline of 46%) up to 1526 (a gain of 87%) down to 667 (a decline of 44%) and finally up to 1186 (a gain of 78%). The net result of this wild ride was a move down from 1498 to 1186, not what I would call a great endorsement for a buy and hold strategy. You may remember when the winning strategy for the late 1990's was to just buy an index fund and let the market do its thing. Based on recent market returns that is not my definition of a winning strategy.

The market has moved in a sideways pattern for the past ten years. How does a wise investor survive this kind of market? Even when the S&P is moving in a sideways pattern there are investments that have the potential to generate significant returns. There are also times when it is wise to move out of

the market until the dust settles and a trend is established. Advanced research and the ability to actively manage risk in a portfolio are of paramount importance during times of high volatility.

It also helps to be a contrarian by not following the investing crowd. One of Warren Buffet's most repeated quotes is: "Be brave when everyone else is afraid and be afraid when everyone else is brave". Another one is "the best time to invest is when there is blood in the streets". Both of these conditions have been in abundance since the start of this century and our research indicates that we will continue to experience these market conditions for some time. Fortunately, with the tools we now have available and a little patience, we believe there will be excellent opportunities to seek very reasonable returns in the future. ■

COULD YOUR SPOUSE BE INADVERTENTLY DISINHERITED IN 2010?

THE CHANGING ESTATE TAX AND ITS AFFECT ON YOU

Beth Schanou

As we sit here today, there is no federal estate tax for 2010. On the surface, this is good news for anyone whose gross estate value exceeded the \$3.5 million federal estate tax exemption in 2009. What you may not know is heirs inheriting property in 2010 may realize higher capital gains upon the sale of inherited assets than in past years due to basis rule changes. This includes heirs of estates valued less than \$3.5 million that would not have had an estate tax liability in 2009. In addition, the repeal of the estate tax in 2010 may cause a surviving spouse to accidentally not inherit anything from the estate.

With the estate tax repeal for 2010, a decedent's entire estate may be directed to the family trust/credit shelter trust if estate tax planning provisions are present in the decedent's estate plan. If the surviving spouse is not a beneficiary of the family trust/credit shelter trust, the surviving spouse will have to rely on assets outside of the trust for support. Estate plans prepared for couples in their second marriage are more likely to have this unintended result and consulting with an estate planning attorney is strongly recommended.

ESTATE TAX HIGHLIGHTS

The estate tax and generation-skipping transfer tax were repealed as of January 1, 2010.

Both taxes are set to return January 1, 2011 with a \$1 million exemption. Transfers in excess of the exemption amount will be assessed a tax liability at a 55% tax rate (an increase from 45% in 2009).

The gift tax rate for gifts made in excess of the \$1 million lifetime gift exemption is reduced to 35% for 2010 (increasing to 55% in 2011).

The basis of assets inherited in 2010 will not be increased to the date of death value for determining gain or loss upon sale as enjoyed in prior years.

Each estate may increase the basis of assets up to the fair market value on the date of death not to exceed \$1.3 million in total. Another \$3 million basis increase is available for assets transferred to the surviving spouse.

If Wills or Revocable Trusts have estate tax planning provisions and assets are titled and beneficiaries designated appropriately, a husband and wife may double the estate tax-free transfer of wealth. This is accomplished by funding a family trust/credit shelter trust upon the first death up to the federal estate tax exemption amount. Typically, the surviving spouse is a beneficiary of the trust but does not own the trust so those assets are not included in the value of the surviving spouse's estate. Under this strategy, a husband and wife could have shielded up to \$7 million in 2009 (\$3.5 million exemption) from federal estate tax. In 2011, this

strategy will protect only \$2 million (\$1 million exemption) as the law is currently scheduled to change.

Many estate planning attorneys believed Congress would pass legislation to set the federal estate and generation-skipping transfer tax exemptions at the 2009 level of \$3.5 million with a 45% maximum tax rate. As more time passes and we get further into 2010, the uncertainty about future estate tax legislation grows. We continue to closely monitor the situation and have a plan in place to recommend changes necessary to accomplish your goals when Congress finally takes action. ■

PERSONAL NOTES

MATT VRZAL

Thank goodness for spring! It is good to see the record breaking snow finally gone. After being dug out, literally, from my Grandmother's home near Newman Grove, NE. over Christmas, I was happy to be in the office and back to work. My studies for the Certified Financial Planner class take up much of my free time. Recently, I was appointed to the Alegent Health Charitable Council. There is always time to give back to the community. Hopefully I will be able to work in a round of golf soon.



STEVE WILBUR

The last six months have flown by! Ely and Maya are going up so fast as anyone that has children know! Ely is 4 now and Maya will be 2 in June. Stava and I are having so much fun watching them grow and hopefully guiding them down the right path. Unfortunately, we lost our male cat Beau. We were unaware he had a heart condition. Cloey, our cat, and Murphy, our French Mastiff, are doing great. After this last winter we are really looking forward to a very warm relaxing summer.



COMMUNITY SERVICE

Carson Wealth Management Group is not just dedicated to our clients, but to our community as well. That vision extends well beyond our office. Ron Carson and the Carson Wealth Management team are committed to giving back to the community. We support a number of charities including Angel Flight, The Omaha Food Bank and The American Lung Association.

WHAT IS LONG-TERM INVESTING?

Danny Noonan MBA, CMFC

When people think about the term "long-term investing," they think about the time they have from the date of their initial investment until they need to start using the investment for retirement, education or whatever their goal may be. The one thing that many of us forget when investing is that once we reach the time when we need to use the investment – be it 5, 10 or more years – the reality is that we've reached a milestone, not our destination. Consider this. Let's say you're 50 now and want to retire when you're 60. You actually have the initial 10 years before retirement and all of the rest of your life after retirement. In the case of someone retiring at age 60, you could have 40-plus more years of income needs from your investments. It is always our goal to be able to allocate your funds according to these periods of time – both before and after the goal milestone – for your investments.

It is important to reassess your situation periodically to make

sure that your goals are still the same, and determine whether you are using the right types of investments to help you work toward those goals. For example, we might ask why we are carrying the burden of more risk in our investments when all we really need to attain our goals is a 5 percent rate of return. Maybe you need to get a 9 percent rate of return to reach your goals. What will it take to get you where you want to be? It is important that you take a step back and realize the amount of risk you can tolerate before you try to move forward. If you don't, it can spell disaster for the attainability of your goals in the time period you set – or even at all. Long-term investing can mean a certain amount of years before you need an investment as a whole or it can mean for the rest of your life. Determine what long-term investing means to you. The qualified staff at Carson Wealth can then help you decide which investment strategy is best for you. ■

This is for general information only. Please consult your tax and legal advisor for advice specific to your situation.

FOR YOUR READING PLEASURE

Mark Lookabill

Many of you share the passion and interest in reading as I do so I thought it would be good to share with you some really good books that I've recently read or currently have on my bedside table. Please note that the books range broadly in topic and are in no order of preference.

Unexpected Returns by Ed Easterling. Ed Easterling with Crestmont Research provides you an objective review of investment policy and philosophy leading to the conclusion that the financial markets are not the same now as they were in the 1980s and 1990s. Some additional takeaways are:

First, Markets are volatile! Over the last 110 years, 50% of the years the market ended within -16% to +16%. Most of the investing public do not recognize this "normal" range of market movement in any one year.

Next, the author also goes into great detail in terms of how to take advantage and actually be able to profit in a number of different market "seasons" as we call it at Carson Wealth, whether it is a deflationary, a slow growth environment or a period of inflation.

Third, Easterling also discussed the idea of "sailing" and being properly diversified in secular bull markets versus "rowing" and needing to look outside the buy and hold mentality that so much of the financial services industry still follows during secular bear markets. As 2008 reminded us, with style box and buy and hold strategies, many things are correlated when the market hits a crisis situation.

The next book is *The Last Lecture* by Randy Pausch. This is much more on a sentimental note as my mother passed

away a year ago after her battle of cancer. This book by Professor Pausch was really written as a message to his children as he battled pancreatic cancer. The message of the book is one of living, triumphing over challenges and living every moment to the fullest because as Professor Pausch said "time is all you have...and you may find one day that you have less than you think".

The next book is *The Art of Possibility* written by the husband and wife team of Rosamund Stone Zander and Benjamin Zander. I had the opportunity this past February to hear Benjamin Zander speak about the book he and his wife wrote. For those of you not familiar, Zander is the conductor of the Boston Philharmonic. The book is tremendous in terms of seeking out and capturing all the possibility that each of us has as individuals and fulfilling an enjoyable life. The energy that Zander displayed during his presentation, which was over an hour and a half, was extremely uplifting as I watched this 70 year old man run around the room and lead 200 of us in singing happy birthday to a member of the audience. His energy and passion for life is tremendous and it is shown through his lecture. If any of you ever get the opportunity to hear him speak, I highly recommend you take advantage of the opportunity and in the meantime enjoy his book.

Next book is, *Are You My Mother?* by P.D. Eastman. This book, written in 1960, is currently my three year old daughter Lauren's favorite book that is required reading on a nightly basis. For those of you with young kids or grandchildren, I highly recommend this book

to read to your little one or have your little one read to you.

The last book is certainly timely.

The Big Short by Michael Lewis is the story that again shows the culmination of events caused by greed and conflict of interests that still exists in many areas of Wall Street. This spring I attended a lecture by Michael Lewis discussing *The Big Short*. For him he is really going back to the '80s when he wrote his first book *Liar's Poker* he felt then that he was writing the end of a story when in fact he was writing the beginning of the story. *The Big Short* in particular walks through how the mortgage crisis and the derivative markets resulted in stresses on the markets and how a few individuals were able to take extreme advantage of it and profit from that. The book is written through the characters in the book that were able to take advantage of Wall Street appetite for fast money and lack of oversight. Some accomplished this admittedly through just plain luck. Others accomplished this by just pouring through and reading data. I took away from the book that conflict of interests still remain on Wall Street and there is opportunity for people to take advantage of things that even the experts miss.

I hope you do enjoy these books and I certainly appreciate any feedback that you would like to share with me. I would invite you fellow avid readers to share with me any recommended reading that you have completed. ■

TEENS AND MONEY

Phil McBride

Do you know Americans under age 25 are filing for bankruptcy faster than any other age group¹ and fewer than half of teens participating in a recent survey understood how to budget²? Furthermore, entering college freshman have an average debt of \$1,500 on personal credit cards³. These statistics are alarming and point out the fact we are not teaching our youth financial literacy at home or at school. What also makes these facts even more frightening is that today's teenagers will have to take on more personal financial responsibility than any other generation before them due to corporate pension plans, generous employee benefits, and social security likely being reduced (or maybe even eliminated).

I think we can all agree that either we need to do something to educate our youth about their finances or face the repercussions of their poor financial habits. But what can we do? Many parents feel uncomfortable and apprehensive talking about a sensitive subject like money with their kids. In addition, many adults have limited financial knowledge and are faced with the same problems teens are facing: budgeting problems, credit card debt, etc. In other words, you can't teach what you don't know or personally practice. Fortunately, there is a program called the NEFE (National Endowment for Financial Education) High School Financial Planning Program. This program aims to "educate high

school students about sound money management skills and the financial planning process and to help teens begin to develop positive behaviors that are necessary to attaining financial maturity and achieving a secure future." The program is a 16 hour, non-commercial curriculum created by top educators and financial professionals available at no cost.

If we think math, English, foreign language, history, art, science, etc. are important to a child's education, then why are we leaving out the one subject they will use every day that will impact their financial well being? It's like teaching someone how to play basketball, but not teaching them how to shoot the ball, which is the most important skill in the game. The same is true for our teenagers, because getting a well rounded education should include the most important subject, financial literacy. If you believe the need for financial education is high for our youth, do what I did, and tell your school administration about this program. Have them visit www.hsfpp.nefe.org and click on "Order an Info Kit" or have them call me. Together we can make a difference, but we must be willing to take the first step. ■

Why are we leaving out the one subject they will use every day that will impact their financial well being?



¹ Press & Sun Bulletin, "America's Most Wanted: Our Free-Spending Teens," 2006

² Charles Schwab Foundation, Teens & Money Survey, 2006

³ www.bankruptcyreader.com, "3 Steps to Help Your Teen Stay Debt Free" 2006



WHEN BUYING A CAR – STAY IN CONTROL

Jason Comes

Don't you just love buying a car? Why does it always take twice as long as we think it should? How about the part of sitting at the table while the salesperson goes back and forth to his "sales manager"? It's always the "sales manager's" fault for not coming down anymore or making us think they are down to only making a few hundred dollars on the deal. Sometimes we actually feel guilty.

Well, here's a few tips for you before you go in and purchase your next vehicle. **Do your homework** before you ever go to the dealership! Never buy on emotion. You will end up paying much, much more. In today's world, you can go to the dealers' website and look to see what they have in their inventory. Again, do this before you set off to the dealership. Go to websites like Kelly's

Bluebook or Edmunds so that you can research comparable vehicles. They have ALL the information for you like engine sizes, gas mileage, and everything else you need to know before you walk out of your home.

Never let the salesperson control the conversation or negotiation! Their famous first question "what kind of monthly payment are you looking for." Don't go there with them, it's part of the selling process. Do your homework before you go in so you know what your financing options are. The dealer wants you to use their financing company. Sometimes you are better off asking your bank or just paying cash. The dealer will be more than happy to get you into a five year loan at a low monthly payment. Don't do it, the interest

charges will eat you alive where you will never have any equity in the vehicle.

If you are trading your vehicle, you want to negotiate the trade in separate from the vehicle you wish to purchase. First, negotiate the price of the new car and get to a number that makes you comfortable. Then negotiate your trade-in and get that number as high as you can, and if they won't give you what you want, try selling it outright or go to another dealer. I've always gone to at least two and most times three different dealers when negotiating for a new car, they hate that.

I hope this helps you get a better deal the next time you buy a car, but make sure you do your homework first and **never** buy the first time you walk into the dealership. ■

Starting January 1, 2010, the income limitation for conversion of a Traditional IRA (TIRA) or Qualified Retirement Plan (QRP) account was removed. This means any person with a TIRA or QRP account balance (regardless of annual earned income) may convert the account to a Roth-IRA. The conversion will have current and future tax implications. A Roth-IRA is subject to different distribution rules than a TIRA or QRP account.

Mark Petersen

ROTH-IRA CONVERSION RULES

Currently, taxpayers may convert traditional IRAs and qualified retirement accounts, such as 401(k) or 403(b) accounts, to a Roth-IRA as long as their adjusted gross income is under \$100,000. In 2010, and for all subsequent tax years, the \$100,000 limit is eliminated and all taxpayers will be permitted to convert their retirement assets to a Roth-IRA.

The amount converted to a Roth-IRA will be included as ordinary income for the year in which the account was converted. However, for conversion in 2010 only, taxpayers may elect to defer half of the Roth conversion income to 2011 and half to 2012.

Should circumstances change, you may 'recharacterize' a Roth-IRA conversion back to a Traditional IRA before the due date of your 2010 income tax return, including extensions.

ROTH-IRA DISTRIBUTION RULES

The Roth-IRA may grow and be distributed tax-free as long as distributions are not taken within five years of the first contribution or last conversion, and not until after age 59 1/2.

A Roth-IRA is not subject to Required Minimum Distribution (RMD) rules at age 70 1/2.

QUESTIONS TO CONSIDER IN MAKING THE ROTH-IRA CONVERSION DECISION

What is my investment horizon?

Will I need these funds during my lifetime?

Do I have sufficient, non-retirement assets available to pay the Roth conversion income tax liability?

Is my Roth-IRA ever not subject to the Required Minimum Distribution rules?

What is my current income tax bracket?

What is my anticipated income tax bracket in retirement?

Do I think income tax rates might be lower or higher in the future?

Do I think the United States may adopt an alternative tax system?

Does my QRP account allow for 'in-service' distributions eligible for rollover while I am still employed?

Is my traditional IRA invested in an annuity?

Do I want to leave a legacy?

POTENTIAL BENEFITS OF A ROTH-IRA CONVERSION

Future Roth-IRA distributions are potentially tax-free.

Depressed account values potentially provide a lower tax cost conversion opportunity.

Roth-IRA distributions are not included in Social Security taxable income computations.

Tax-free investment opportunities are not limited to traditional tax-free investments.

A current Roth-IRA conversion may provide a hedge against the potential for rising income tax rates.

Current income tax paid reduces the value of a taxable estate.

Qualifying non-spouse beneficiary distributions are generally tax-free and may be stretched over the life expectancy of the non-spouse beneficiary.

The decision of whether or not to make a Roth-IRA conversion is extremely complex and requires a judgment on the probabilities of future events including tax rates, tax structure, and income sources. It is important to consult with a tax advisor who is well versed in income tax law including IRA, Roth-IRA, Qualified Retirement Plan and Annuities prior to making a Roth-IRA conversion decision.

Every situation is different. Therefore, the information contained in this document should not be construed as tax or legal advice. Please consult your tax advisor for information specific to your unique circumstance. ■

DID WE FORGET SOMETHING?

Matt Vrzal

Isn't it amazing how the mind works? The further we move away from the lows of March 9, 2009 the easier it is for people to forget. Forget the pain, fear, and agony of watching their assets decline in some cases +40%. It also becomes easier to think that all is well and we have nothing to fear. The media, of course, has again begun ringing their bell saying the market is back and stronger than ever.

For something to be considered this strong it needs to have a solid foundation. I do not consider myself a pessimist. I am more of a realist. What is the foundation of this recovery built on? I do not think that I would call it solid. Let's look at some interesting pieces of information. Our debt as a nation continues to grow

every day, as of noon on April 8, 2010 the US National debt is \$12.7 trillion (usnationaldebtcator.org). We continue to provide funding for additional stimulus plans. Much the same as we did at the beginning of the war on terror. A war we are still fighting today. The Fed continues to keep rates as low as possible to stimulate lending and promote growth in the economy. We have unemployment of 9.7% and underemployment at more than 16%. (Underemployment refers to workers employed below their skill level or part-time when full time is sought.) Banks are not out of the clear either. Additional Alt-A and option ARM mortgages are going to continue to reset in the years to come. And please do not forget that no one in the financial

industry has been required to mark their books to market. They are still able to mark to model. Basically, these institutions do not have to tell anyone about all of the bad debt that is their responsibility. I have not even touched on any of the problems in the housing market.

I am as happy as the next guy that the market has had a great recovery. But, after you look at some of the underlying instruments that have lead to the recovery, I think it is safe to say that the foundation is not strong. Now more than ever you need a proactive wealth manager. That is what we provide at Carson Wealth. Who do you know that would benefit from a proactive wealth manager? Have them call us today. ■

NEWS & EVENTS

SUSAN G. KOMEN

Tad Singer will be sponsoring the Susan G. Komen Rally for the Cure Golf Event on June 4, 2010. Tad's "Fun on Five" has become a favorite stop among the 18 holes!



HOLIDAY BRUNCH

Our Holiday Brunch and Silent Auction last year was a great success! We raised just over \$3000 for the Omaha Food Bank. This year's event is scheduled for Friday, December 17th at Champions Run.



LaVISTA CHAMBER OF COMMERCE

Carson Wealth Management Group is now a member of the LaVista Chamber of Commerce. Phil McBride will serve as our representative.

NEW FACES

AARON SCHABEN

Growing up in a family owned agriculture based business in Columbus, Nebraska, Aaron is focused on assisting the agricultural community achieve their financial objectives. Aaron holds securities licenses 7 and 66 with LPL Financial as well as life and health insurance licenses. He joined Carson Wealth last fall as a Wealth Advisor and you can contact him at aschaben@carsonwealth.com.



ED MEEKINS

Ed Meekins joined us in February as an Insurance advisor. He holds his life and health insurance licenses as well as his Series 7, 63, and 66 with LPL Financial. Licensed and in the industry since 1999, Ed's role as an Insurance Advisor is to assess our clients risk and protection needs and how they compliment their overall wealth portfolio. You can contact him at emeekins@carsonwealth.com.



JOIN US FOR THE 2010 CORPORATE CUP RUN



Carson Wealth Management Group will again be the premier sponsor of the 30th Annual Corporate Cup! This event helps businesses and their employees come together to have fun and fight lung disease! Join us on Sunday, September 19th.

Please register to be a team member on our website today!

