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**MENTOR**  
C A P I T A L

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## Mentor Monthly Missive

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### The pitiful population

The saying goes that in a democracy, the people get the kind of representation they deserve.

Considering the performance of our elected representatives on every level, we must be a pitiful group. Illinois' government is bankrupt, Congress can't pass health-care reform to save itself and local governments think their constituents are bottomless sources of revenue.

The dithering going on in Congress about health care is a particularly disheartening case. Polls suggest that most people believe the health-care system in the United States is broken and needs to be reformed. Health care is too expensive, and it's unavailable to many who need it most. But can we expect Republicans and Democrats to work together on real reform? We guess not.

How to pay for reform has been a huge sticking point. One proposal was to tax what are called "Cadillac" health plans, those whose benefits are valued at more than \$8,500 for individuals and \$23,000 for families. This sounded like a good idea – after all, one of the goals of reform has been controlling costs, and Cadillac plans by their nature laugh in the face of cost control. But when the special interests complained, the idea was watered down to the point of ineffectiveness.

On another issue, inaction by Congress has made it impossible for constituents to plan for their eventual demise. Expiration of the estate tax in 2010 was expected – but so was legislation that would put a permanent system in place. So here we are in mid-January with no permanent fix and the threat that Congress will pass legislation sometime this year that will retroactively impose an estate tax.

A comment about Connecticut Sen. Chris Dodd, who recently announced that he won't stand for re-election, exemplifies the cynicism that is rampant across the land: Now that he's no longer a candidate for office (i.e. he doesn't have to grub anymore for campaign donations), he finally can do what's right for the people and stop worrying about offending special interests.

As voters we ARE responsible for the quality of our representatives. If we keep voting in the same old people, we're asking for the same old problems.



### A smart client

Here's a stark reminder about protecting yourself from identity theft:

A client received a phone call from a woman who said she was calling from a well-known insurance company. The caller stated to the client, who had a policy with said company, that the company had recently received correspondence from the client that was missing the client's Social Security number.

Would the client please provide that Social Security number?

Of course not! The client did the right thing by stating that she would not give such information over the phone and asked that the company send her its request in writing.

This was a typical "phishing" scam – someone calls you and "fishes" for personal information like a Social Security number, account number, user name or password. The caller sounds convincing. However, no reputable company would EVER call an account holder or policy holder and ask for personal information.

So be smart. No matter how official or convincing a caller sounds, never give out personal information over the phone.



## **Good news for account holders**

Charles Schwab & Co. Inc., where Mentor Capital custodies most of its client assets, again has cut commissions on equity trades.

The new commission rate of \$8.95 for online trades is a reduction of more than 30 percent from the \$12.95 rate that most account-holders paid previously. The new rate applies regardless of the number of shares traded and is available regardless of account size.

We applaud Schwab's move. We're always conscious of investment costs for our clients, and although we're not "traders," we're happy that when clients do buy or sell, it will cost them less.

We recall the days when "discount" brokers charged \$49.95 and customers of "full-service" brokers paid \$150 or more to buy or sell 100 shares of stock.

We're glad those days are gone and that competition in the brokerage industry has reduced costs for investors.



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