FREE

A PUBLICATION OF
AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.

ISSUE 2.4

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contents

from the editor-in-chief

Against the grand backdrop of a city that does everything in a big way, the events of American Portfolios' National Conference at the Paris Las Vegas Hotel played out gloriously over four days in early September. For many it was business-building meetings by day and taking the town in with colleagues and friends by night. It was by far our most successful planned event ever. But as future market events subtly revealed themselves in the first two days of the conference, by 1:00 p.m. Pacific Time, Friday afternoon, attendees were able to breathe a sigh of relief that the weekend had arrived and that no potential bad news could come during their remaining stay in the Glitter Gulch.

The day after the conference ended, my husband, daughter, and I extended our stay out west to see the Grand Canyon and Sedona in Arizona. That Monday morning, in what seemed like the perfect storm of news, the announcements about Lehman Brothers and Merrill Lynch and the rumors of AIG converged to create a downward spiral in the market. A gorgeous afternoon in Grand Canyon National Park had us awestruck by its magnificence and natural wonders—and amid this burnished glory my husband and fellow American Portfolios colleague returned calls to frantic clients on his cell phone.

This edition of *FREE* balances content about meeting the challenges of the current financial landscape with content about doing business as usual. CEO Lon T. Dolber's State of the Firm Commentary (pg. 22) and Managing Director Ron Chakler's economic commentary (pg. 5) illuminate anecdotes from the past and facts from the present and highlight bold decisions that have led and will lead to opportunity. So too, in her article titled "Trying Times," does Rebecca Dolber address meeting challenges by reaching out to colleagues and experts in the business to discuss what should be done during this difficult time. You'll be encouraged by what they have to say (pg. 12). The story of featured rep Reggie Daniels is one of determination and the will to overcome obstacles (pg. 14), and fellow colleague Marge Larson talks with *FREE* in a Q & A about her auspicious start in the business, the journey she took in becoming a successful financial planner, and her persona as Barn Goddess (pg. 8). Are you intrigued?

As COO Dean Bruno notes, the conference may be behind us, but business continues. He works as though in perpetual motion, and he has no intention of slowing down (pg. 7). Like Dean, Annmarie Zilnicki, right-hand person for colleague John Kosinski, is by no means sitting idle. She graciously took time from her busy schedule to talk with *FREE* about her role at East End Financial and how she keeps this well-established financial planning practice going (pg. 20).

Conducting business as usual means staying informed, and staying informed starts with Jackson National's article about pass-in-kind strategies for estate planning purposes (pg. 21), moves into a look at the changing independent advisory landscape from AssetMark's CEO Brian O'Toole (pg. 19), and continues with a summary from Frank A. Tauches, Jr. about a deeper focus on our relationships with our clearing firms and making inroads with participation in municipal bond offerings (pg. 6). Manager of Advisory Business Development Joe Borriello offers another segment of "Transition from Transactional" in which he discusses the importance of finding your niche in the investment advisory business (pg. 4). Finally, fellow colleague Tim Rossiter contributes another dose of solid advice in his Elder Care Report regarding the importance of long-term care (pg. 18).

In closing, as you face the challenges of 2009, I offer you the same advice I gave my husband that day in the Grand Canyon: Keep your eyes to the horizon and don't look down.

A prosperous, safe, and successful New Year!

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on-demand featured videos line-up

studio 454 demo

It's not every day that you see a financial company with its own studio. From the bi-weekly company and industry news program, *The American Perspective*, to interviews with industry experts and APFS business partners, to coverage of the APFS Annual Conference, Studio 454 offers an exciting range of videos to enrich your practice and keep you updated on what's happening in the world of financial services. Click into Studio 454 and enter keywords "Studio 454 demo" for a look behind the scenes.

compliance meeting

Studio 454 recorded the 2008 Annual Compliance Meeting. This meeting took place at the 2008 APFS National Conference in Las Vegas. As required by FINRA, this video is mandatory viewing for all registered representatives who did not attend the meeting in person. To watch the video, enter search words "2008 Compliance" in the Studio 454 search field. The video provides details explaining how to submit proof of your viewing.

the state of the firm

Chief Executive Officer Lon T. Dolber shared news of this year's progress and unveiled the company's three-year plan for growth in his annual State of the Firm address. Studio 454 recorded his address at the 2008 APFS National Conference in Las Vegas, and you can access the video by entering keywords "state of the firm."

america's economic future: the six unstoppable trends

This insightful and exciting economic analysis from Barry Asmus, PhD of the National Center for Policy Analysis was the hit of the 2008 APFS National Conference in Las Vegas. In this two-part series, Asmus discusses the issues and events that will shape the economy in the years ahead. Enter keywords "Barry Asmus" to view the series.

advisor of the future

Sit back and enjoy a free coaching seminar by Duncan MacPherson of Pareto Systems. At the 2008 National Conference in September, MacPherson spoke about how to evolve from a salesperson to an entrepreneurial consultant. To pull up this detailed, two-part presentation, enter keywords "Advisor of the Future."

protection planning

John Schlagheck of Protection Planning LLC, an alternative insurance business partner of APFS, sat down with COO Dean Bruno to provide an overview of his company and the products and services it offers. In the interview, Schlegheck explains the importance of personalizing the products to your clients and covers the steps to take in working with the company. Use keywords "protection planning" to view the video.

george siracuse 9-11 tribute

APFS affiliate George Siracuse lost his brother in the terrorist attacks of September 11, 2001. In this video Siracuse shares how the events of that day changed his life and how creating a charitable organization in his brother's name helps him carry on. This program premiered as part of the 2008 APFS National Conference 9-11 Tribute. Entering keywords "George Siracuse" will take you to the video.

employee of the quarter:

mary ann rosolino

FIRST IMPRESSIONS MEAN a lot, so it's no wonder that Corporate Receptionist Mary Ann Rosolino is the new American Portfolios Employee of the Quarter. This award goes to employees who go above and beyond the call of duty, bring enthusiasm to their work, and raise the standard of professionalism.

"Mary Ann is the first person clients see, and she is friendly, personable, and professional. She makes visitors feel comfortable and creates a good image for the company," says Mary Ann Collins, corporate executive assistant to Chief Executive Officer Lon T. Dolber and Rosolino's supervisor. "Everyone has always spoken about her in a positive way to me. She's eager to help, and she does a wonderful job in serving not only clients, but also our registered representatives."

Rosolino says she was shocked to learn she was chosen for the award. "There are so many co-workers here who I feel are deserving of it," she says. "It's an honor."

With characteristic modesty, she attributes her success to those around her. "People here make it easy," she says. "They make you feel at home, like you've been here a long time."

She notes the importance of applying the Golden Rule as she goes about her work answering phones, greeting visitors, and using her administrative skills to help everyone from advisory staff to the Corporate Communications Department. "I try to put myself in someone else's position and speak to them the way I would want to be spoken to," she says.

Rosolino's willingness to help extends to her work as Chair of the Employee Activities Committee. She scouts out worthy causes and brings them to light at American Portfolios so that other employees may get involved in serving the local community and she has been a regular participant in the National Kidney Foundation's annual Kidney Walk. She's also a member of the Go Green Committee, which is dedicated to making American Portfolios an environmentally friendly company.

Dubbed informally by her co-workers as the Director of First Impressions, Rosolino notes the impact of presentation and recalls her own initial impression of American Portfolios with fondness. "I saw an ad in the paper and there was something about it that made me think, 'I want to work there.' My impression grew stronger when I walked through the door," she says. "I knew right away this was the place."

To that end, she looks forward to a long career with American Portfolios. "I'd like to grow with the company, and to learn," she says. "I plan on staying right here."

Congratulations, Mary Ann!

niche

by Joseph Borriello

IN THE LAST TWO ISSUES, WE'VE EXPLORED THE INTERNAL DIALOGUE FINANCIAL ADVISORS must conduct in preparation for introducing a fee-based program into their practice and we've answered several questions. To recap:

How do I justify my fee to a client in down markets?
The value you bring to the relationship, meaning the time and effort you put into your clients' accounts and into interacting with your clients, is your justification.

Why would I take on a fiduciary role when I don't have to?
Taking on such a role brings added responsibility. However, this responsibility brings with it additional remuneration and higher monetization of your business.

Does being an advisor preclude me from selling commission products to an advisory client?
No. Not all advisory products are all things to all people. Do what is best for your client.

How do I change my business model? What should it look like?
During the planning stages, use broad strokes to determine how your advisory practice should appear. There is no single correct way—no one business model—for running an investment advisory business. Your branch is not a franchise.*

Once you've explored these issues, it's time to find your niche as an advisor. Many companies try to be all things to all people, but I cannot overemphasize the importance of carving out a niche because it will become the essence of your practice. This important step will allow you to market yourself as an expert, both to your current clients and to prospects. Moreover, it will translate into referrals as your clients become more comfortable with your expertise.

Your niche may be as specialized as you deem fit. For example, you might choose to work exclusively with retired single individuals to address their estate-planning needs, or you might focus on managing life plans for "C-suite" individuals. Another option is to act as a conduit and guide for your clients by employing others who specialize.

As you develop your offering and strengthen your business, take care to develop and strengthen your niche as well. Keep in mind that your niche should complement your knowledge, style, personality, and network. You are not boxing yourself in or limiting your practice, but adding depth to it. Therefore, strengthening your niche may require that you obtain ongoing education and training, conduct a needs analysis of the community that you serve (or want to serve), and avail yourself of resources for executing your business model.

It is likely that you have been developing your niche in one form or another throughout your career as a financial professional. Now it is time to fill that niche in a way that fortifies your relationships with your clients and promotes your expertise and your business.

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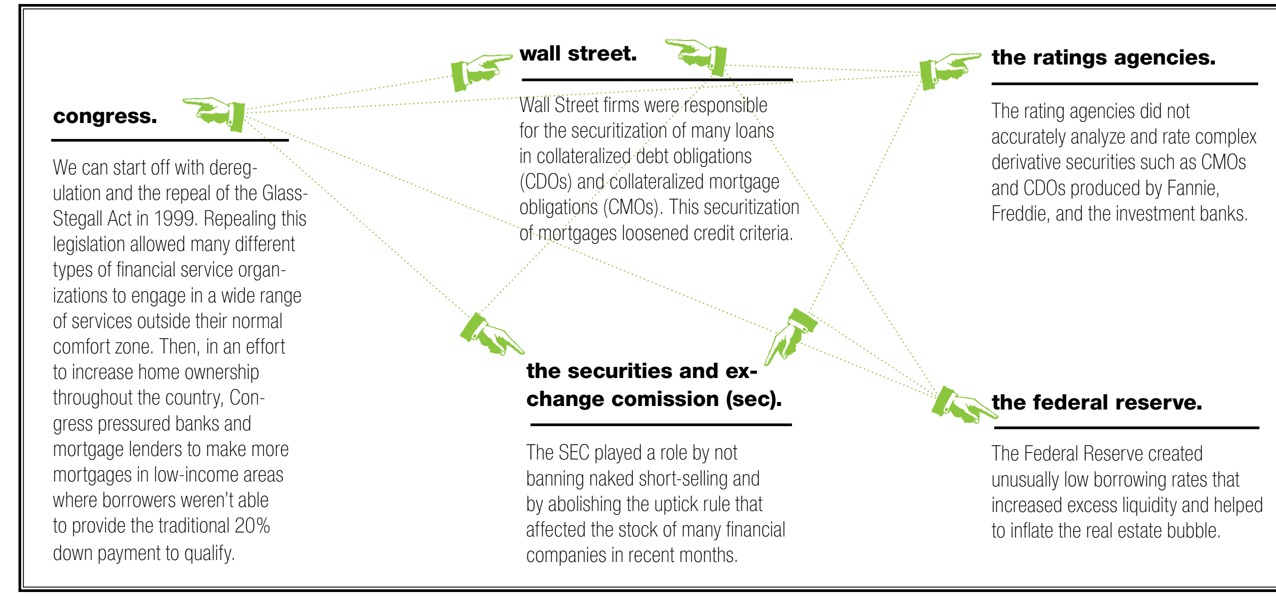
** For more complete answers to each question, log into the American Portfolios website at www.americanportfolios.com. Click on "Advisory Services," open the folder called "Practice Management," then open the folder called "Advisory FREE Articles."*

how did this happen?

By Ronald M. Chakler

FROM THE COLLAPSE OF BEAR STEARNS TO THE GOVERNMENT BAILOUTS OF FANNIE MAE, FREDDIE MAC, AND AIG TO THE BANKRUPTCY OF Lehman Brothers, market events and the crisis that has swept the financial sector will no doubt change the industry's landscape for many years to come. There is little doubt we are in the midst of the worst global economic crisis since the Great Depression.

It is tempting to play the blame game, but there are many factors that had to come together to create this crisis. While it is very easy to point fingers at the "fat-cat investment bankers" who got very, very rich during this period, I believe it is more complex than that. Let's look at some of the entities involved in creating this situation.



Standard accounting rules applicable to the securities market as established by the Federal Reserve Board compounded the crisis. These rules forced banks to value securities as worthless just because no one wanted them in the panic that ensued.

One day we may look back upon this period as the buying opportunity of a lifetime.

At the time of this writing, the stock market had fallen 40% since its peak in October 2007 and had suffered its worst week ever, reflecting the severity of the crisis and the prevailing uncertainty regarding our economy. As the saying goes, it is always "darkest before the dawn," and I think most of us would agree that it couldn't get much darker than that.

Now that we've covered the bad news, let's focus on some positives and what there is to be learned from the crisis. There is little doubt that the Lehman Brothers bankruptcy was the straw that broke the camel's back. The largest one-day swing in history—1,000 points on October 10—could be attributed to the settlement of the Lehman credit default swaps, which actually went better than expected.

The recent government intervention, known as the TARP plan, will help boost confidence in our economy for a number of reasons. First, the banks involved in the program will now have fresh capital. Second, banks can raise new debt more easily thanks to the loan guarantees. Third, because the U.S. government is now a major shareholder, it is even less likely that the government will let the banks fail. This should help the credit crunch, which has basically caused lending to come to a screeching halt. As we all know, lending is a crucial factor in helping to stimulate our economy.

It is also quite clear that the precipitous drop in the market has created low stock valuations that haven't been seen in years, maybe decades. One day we may look back upon this period as the buying opportunity of a lifetime for investors with courage and time. As legendary investor Benjamin Graham said, "...stocks always sell at unduly low prices after a boom collapses."

Finally, there is the impact of a collective mindset. There are lessons to be learned from this crisis, but perhaps Sir John Templeton said it best when he said, "Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria."

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By Frank A. Tauches, Jr.

a deeper focus

The financial sector is experiencing one of the most trying and tumultuous times in the history of our profession. What will sustain American Portfolios as a firm, and each of you as individual entrepreneurs, is for the firm to move forward in our planning and growth and to continue to deliver quality service to you, our valued customers. I thought I'd share with you some areas that I plan to focus on in better serving you.

First, I'd like to direct our efforts in fully accessing the strength, products, and services of the firms with whom we have clearing relationships, as well as those of their parent banks. Pershing has taken great strides in developing the relationship with its parent, the Bank of New York Mellon, and in making accessible significant services offered by the bank to its corresponding broker/dealers. Pershing is also leading the industry in practice management and elevating the image of financial advisors in the eyes of their clients. Actionable information, personalized consulting, and ready-to-execute programs to support the growth of your business are available to you through independent studies, white papers, guidebooks, and newsletters prepared by Pershing. In addition, Pershing's annual conference, INSITE, is an event well worth attending at all levels. It is one of the most professional and dynamic conferences offered, with a vast array of vendors who give presentations and demonstrate their products and services.

There will always be a need to finance municipalities and the tax-free income that municipal offerings provide will always be attractive.

Though the J.P. Morgan Chase acquisition of Bear Stearns Securities Corp. (now J.P. Morgan Clearing Corp.) is still recent, it is clear that J.P. Morgan has distinct strengths that will enhance our relationship with them. We are still familiarizing ourselves with the research, investment banking, and credit services J. P. Morgan provides, but these strengths, when added to the execution services and back office support that American Portfolios has received since our inception, will provide additional impetus for our future growth and expansion of services.

The services and programs offered by both Pershing and J.P. Morgan are regularly highlighted in our internal newsletter, *The Independent*, our exclusive biweekly news webcast, *The American Perspective*, and the Rep Services section of the American Portfolios broker website. Take advantage of these venues in learning how to use our clearing relationships for the benefit of your clients and your practice.

Another area of great interest to the firm and to me is a sustaining investment that has proven itself time and time again: municipal bonds. One of my immediate goals is to enhance our relationships with municipalities and our participation in municipal bond offerings. Over the last few years, American Portfolios has had minimal, but very successful, exposure to the issuance of municipal securities, primarily in the form of finder's fees. We will seek to amend our membership agreement with FINRA to expand our capability as a broker/dealer to include participation in the issuance and selling groups of municipal bond offerings. There will always be a need to finance government entities such as villages, towns, counties, and states, and the tax-free income that municipal offerings provide will always be attractive. It's time we augmented our participation in that market. I hope that my experience as the Mayor of Garden City, N.Y. and as the retired chairman of a municipal water authority (that did two offerings of $35 million in revenue bonds) will help.

As we maneuver ourselves through this difficult market, we must be confident and self-reliant, tapping into our own expertise and our existing relationships.

I invite your comments and input.

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beyond

By Dean Bruno, COO, APFS

True to its theme, "Beyond," the American Portfolios 2008 National Conference in Las Vegas was the company's most well-received event to date. Eleven months of planning culminated in a four-day weekend last September that was jam-packed with featured speakers, product presentations, and business-building breakout sessions. Conference highlights included a poignant September 11 tribute highlighting American Portfolios colleague George Siracuse's personal story, lively and animated commentary from economist Barry Asmus, PhD, a surprisingly enjoyable mandatory compliance meeting presented by Senior Vice President Frank Giacchetto and his staff, and an impassioned State of the Firm address from CEO Lon T. Dolber. In the evenings, attendees took in the sights and enjoyed some fine dining experiences, many of which were sponsored by our focus partners. The conference also offered American Portfolios staff members the opportunity to introduce themselves to those reps in the field with whom they speak every day.

Many thanks go out to those staff members involved in planning, preparing, and coordinating the conference. It should also be noted that an event of this caliber would not have been possible without the support of our focus and business partners.

With the conference behind us, we move forward and carry on with our business. Since returning from Las Vegas, we instituted the following plans and changes:

APFS National Conference May 2010

As *FREE* went to press, we were still receiving feedback on the conference through the online survey we distributed to all conference attendees. However, we have enough information from seven years of planning meetings to make some decisions about the conference going forward.

We've moved beyond the eastern corridor and raised the bar in terms of our venue selections, and our expansion and upgrading have been favorably received. The conference has always been about creating an event to benefit independent financial professionals whose days are most often spent in the confines of their own practice, and it has allowed colleagues to interact with one another, with partners, and with employees of the firm in an exchange of ideas within an educational forum.

However, it has become apparent that having a national conference every year is taxing the firm both financially and internally. Therefore, we have shifted our conference schedule to an 18-month cycle to give the firm time to absorb expenses and recharge its internal resources. Our next national conference will be held in the spring of 2010 at a venue we will announce later this year.

2009 Regional Meetings

Although our next national conference will not take place until 2010, it is essential that colleagues stay connected with one another and that representatives remain in the loop regarding new products and services, business-building solutions, and corporate initiatives. To that end, the firm will hold four regional meetings in 2009. These meetings will also incorporate the OSJ Manager and APA INSPIRE tracks.

The first will take place in January at the Hyatt Wind Watch in Hauppauge, N.Y., just 10 minutes away from the American Portfolios corporate offices. The remaining meetings will be spread out over the course of the year.

Management Changes

By the end of the third quarter, the rapidly increasing number of new affiliates and the heightened market crisis combined to necessitate several changes in management. First, CEO Lon T. Dolber stepped in as acting President so that Frank A. Tauches, Jr. could focus his strengths and expertise on the legal and contractual issues surrounding compliance, clearing firm relationships, and new product offerings. Frank is a team player whose contributions to the firm are greatly valued.

Second, the increase of roughly 25 new reps each quarter has created opportunities for staff members to step up to the plate and take on new roles and responsibilities. Jared McGill has assumed the newly created position of Manager of Representative Services. He is responsible for Transitions as headed by Carl Kirchner, Relationship Management as headed by Melissa Wade, and New Accounts, which is now headed by former New Accounts Associate David Molter. These changes have effectively added new management contact points who will take ownership of their areas and be available to answer questions and resolve problems.

Through the difficult days in the market and the economy, please be assured that American Portfolios staff members are happy to help you. We are here to serve.

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Q & A

marjorie larson

APFS affiliated colleague Marjorie Larson originally set out for a career in education. Although she made the move to finance, she's still teaching.

FREE: **How did you get into finance?**
MARJORIE LARSON: I started out in education, but became disillusioned with the classroom after about six months. My mother was a teacher, and I thought it would be a natural fit for me, too, but it wasn't. A friend was working for Diversified Investor Services at the time and he suggested that I try finance. I never thought it would end up being my career. It was just something I thought I would do until I decided what I wanted to be when I grew up.

FREE: **Tell us about your career.**
ML: I started at E.F. Hutton as an old-fashioned stock jockey. I obtained my CFP and tried to transition more into the money management side of the business while I was there, but wire houses are more transaction-oriented. Everyone was doing individual stock trading.

FREE: **Why did you decide to go independent?**
ML: I like dealing with clients. I think that's how a lot of us are. I still feel like I'm in education in a way, but I'm teaching clients, not working in a classroom.

FREE: **When did you become an independent?**
ML: September 19, 1987 [a month before Black Monday]. I couldn't have picked a worse time. I wanted to crawl back to E.F. Hutton on my knees, but it was the best thing I ever did. I started building clientele by offering financial plans for free.

FREE: **So you've been through turbulent economic times before?**
ML: Yes. You never get used to it. You think, "Oh no, here we go again."

FREE: **How are you keeping your clients calm?**
ML: I go over everything they have with them. You have to treat them almost like you're a psychiatrist. You have to let them know that fear is driving the market, and how fear can be detrimental if you let yourself get sucked into the whole selling wave. I look back at historical charts

You have to treat your clients almost like you're a psychiatrist.

and show them that it's no different this time. You can't time the market, but over time it will react the same way. It's human nature, we do the same thing time and time again. I also tell them to turn the TV off, take the dog for a walk. That's the hardest thing: No matter what channel you turn to, it's everywhere. With the coverage we have today, with news and the Internet, it's all around us around the clock.

FREE: **How are you staying calm?**
ML: I get bombarded by the media, too, so I have to go back and look at history. I have to think for myself what the market could look like for the next 9 to 12 months and not get wrapped up in emotions.

FREE: **Tell us about a challenge time you've overcome.**
ML: It was a challenge to switch from commissions to assets under management. I went cold turkey. At first I had about a fourth or fifth of the cash flow I had when I was commission-based, and it was hard to see the revenue go down initially. But I got to know everything about the clients. I was able to present them with 60- to 80-page financial plans, and that was something they'd never been exposed to before. That's how I started accumulating assets. Then it was tough finding third-party managers that had the same philosophy I had. I made every mistake in the book. I looked at numbers as opposed to philosophy.

FREE: **What do you like about being affiliated with AFPS?**
ML: I like that they have all the tools I was looking for, without being overwhelming. They let me run my business the way I want to run it. It's also a good size, and the other reps are very willing to share their stories, both pro and con. They share what has worked for them and what hasn't, and that's very beneficial. It's not everyone for themselves.

FREE: **What's the secret of your success?**
ML: Communication. It's being more proactive and calling clients in good and bad times. It's not fun to call them in and tell them their portfolio is down 15%, but then they know that you're aware of that. Clients may feel brokers and advisors aren't aware of what's going on because they never hear from them, and then they become impatient to get in touch when things aren't going as smoothly as we'd like. People are beginning to assess what advisors are doing for them, and I've been receiving referrals from clients I've never received referrals from before.

FREE: **How do you manage your business?**
ML: I hired a management firm. I'm very disorganized, and I was always putting out fires, being reactive instead of proactive. The management firm allows me to deal with my clients, and things aren't falling through the cracks. Now I can see each of my clients two or three times a year, on regular maintenance visits. They come in and we go over everything, and the clients appreciate it. The group we work with is Key Management Group out of Michigan and they are much more than a coach. They work with everyone on staff, via the phone on a daily basis, and we have quarterly office visits. Now we have tracking tools and procedures that provide discipline in the workplace. Everyone knows what their responsibility is, from scheduling appointments to case preparation to asset tracking to return mail. Nothing falls through the cracks!

FREE: **Looking back on all of it, is there anything you'd do differently?**
ML: I would have started charging for my services [as an advisor] earlier. But that is something that's very difficult to do. It's difficult to ask a client to write a $1,000 or $2,000 check for a financial plan when they don't necessarily understand all they're going to get for that money. Now they do understand, and they bring up payment. They say, "Don't I owe you some money?" It's like we're both on the same side of the desk.

FREE: **What do you do in your spare time?**
ML: I love working in the yard. My husband, Don, and I have a farmhouse. We have four miniature donkeys, two quarter horses, two dogs, and a barn cat. It's just the two of us taking care of everything. Most people wouldn't recognize me outside of the office. I wear a shirt that says "Barn Goddess" with my lucky boots.

FREE: **Donkeys? How did you come to get donkeys?**
ML: In the Midwest, donkeys are pretty popular. Some friends had Sicilian ones, and they had a baby donkey. We visited them and before the end of the day, we knew we wanted one. But you can't have just one, so we got the first one a friend and then bred them. We have them because they're cute, but they make good fertilizer for the garden, too, and we also use the fertilizer for their hay. The horses are like 1,200-pound pets, too. There's nothing more rewarding at the end of the day than going out to the barn and they see you and run to you.

FREE: **What are your plans for the future?**
With the current market conditions, my future may not be too much longer! In all honesty, I have a good and competent staff so I would like to spend more leisure time in the next five or six years with my grandkids, husband, and my menagerie of animals. I feel fortunate that I do enjoy my work and cannot imagine completely retiring.

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trying times

Rebecca E. Dolber

WITH THE FINANCIAL SERVICES INDUSTRY POSTING LOSSES OF $476 BILLION SINCE JULY OF 2007, THE CATASTROPHE SURROUNDING THE FEDERAL RESERVE FUND, THE BUYOUTS OF MAJOR BANKS, AND THE PLUMMETING STOCK MARKET, ADVISORS ARE FACING THE MOST TRYING TIMES SINCE THE GREAT DEPRESSION. MANY HAVE HAD TO MAKE UNCOMFORTABLY TOUGH CALLS TO THEIR CLIENTS, AND IN SOME CASES, THEY HAVE HAD TO EXPLAIN THE SEEMINGLY UNEXPLAINABLE.

"In my 25 years of experience in this business, last week was one of the most stressful of my career," says Jane Desmond, a registered representative of American Portfolios Financial Services (APFS) based in New York. She was referring to the week of September 15, 2008, the week the Federal Reserve Fund sent the financial world into a quick-spinning downward spiral. "It was the first time I ever had to make a call to say money markets are going down. As advisors, we've dealt with the hand-holding that comes with the stock market, but this is much different."

APFS Managing Director Ron Chakler of Huntingdon Valley, Pa., agrees. "These are unprecedented times," he says. "As much as you really don't want to make that call to say that a client's cash money might not be worth what they think it is—and on top of that, you don't know when they can touch it—you have to do it. It's awful, but you just have to do it."

Without a roadmap to help them navigate the terrain, advisors are being forced to find their own way through this crisis, and often they are left without answers for their fearful clients. According to Glenn Mattson, President of Sandler Training, a national company that specializes in sales and management training, part of the problem is that advisors are becoming overwhelmed thinking about all the different possibilities and potential outcomes, which in turn is stopping them from making decisions.

"This kind of thinking will immobilize you," Mattson says. "It creates guilt and worry, two issues that will propel you out of the present moment, which is the most critical thing to remember right now. You have to stay in the present moment and concentrate on the things you can control and let go of what you cannot."

APFS President and Chief Executive Officer Lon Dolber of Holbrook, N.Y. agrees. "There are aspects of this situation that are out of control, but we can always control how we act. You cannot let the environment rule the situation. The advisor has to pick up the phone and take control."

making the call

With times as chaotic as they are, calling your clients might be the last thing you want to do, but it should be the first. Mattson suggests creating a dashboard, a single document that outlines key issues for you to address. This will not only ensure that you cover everything in one phone call, it will help keep *you* calm as well.

Mattson recommends breaking the phone call down into three stages. First, tell the client why he or she is hearing from you and find out what the client may have heard from other outlets, especially the media.

"That stuff is spun in such a manner that it's supposed to scare the hell out of you," he says. "Get the client to dump what they think they know. You have to listen, establish a baseline, and go from there."

Therefore, start by saying, "The reason I'm calling is because I want to deal with the issues in the market. What have you heard?"

Once you know what kind of information your client already has, you are in a better position to address his or her concerns and move on to stage two, which is to discuss how the current situation may affect the client personally. It's important to remember that listening is a two-way street: Studies suggest that to be effective in delivering a message, an advisor should listen 70% of the time and talk 30% of time. Giving the client the opportunity to vent right off the bat will make him or her more receptive to what you have to say.

Then comes stage three. Ask what the client expects in terms of further communication. Studies find that top clients are usually okay with less communication than those with smaller portfolios. Establishing what each individual client is comfortable with is an excellent way to help manage expectations. Tell your client that you don't want to be a pest, but that you also don't want to be uncommunicative. Mattson suggests that you simply ask the client how often he or she would like you to follow up.

"If you get to the clients first, they are appreciative," says Larry Helmick, a registered representative of APFS based in Philadelphia, Pa. "Reaching out to clients on a proactive basis is the most important thing you can do."

"No one wants to make these calls," Desmond adds. "But we must. It was the first thing I did. It's funny, but the reaction I got from most was that they were concerned about us, the advisors!"

If you have a plan in place, then these tough times are just an unfortunate, scary hiccup.

- Glenn Mattson, President, Sandler Training

creating opportunity

Mattson notes that chaos can result in opportunity for savvy advisors. "An advisor's best clients aren't going anywhere, but there are always going to be those clients who are semi-unhappy and open to listening to new people," he says. "This is a phenomenal time to build a practice."

He suggests hosting guest events as a way to increase your exposure to potential clients, get referrals, and, most importantly, create a forum where your current clients and their friends can discuss their fears and you can answer their questions. Invite your 10 best clients and tell them to bring their friends, partners, or anyone who would like more information about what's going on in the current market. Bring in some key people from your professional circle and simply answer your guests' questions.

Being accessible as a knowledgeable source of information about the market and the financial industry will set you apart from other advisors and strengthen the foundation of your own business.

"Whenever there is tragedy or chaos, it's the leaders who rise to the top and bring stability to the situation," says Dolber. "While some brokers are running for the hills, others are going to shine. This is simply going to separate the pretenders in this business from the professionals."

According to Chakler, the key to staying afloat is managing your clients' risk instead of focusing on performance. "If you are selling yourself as someone who is going to make a client more money than the next guy, you are never going to meet that expectation 100% of the time and your clients are going to leave," he says. "Some advisors are throwing their hands up, but those who have been thorough will be able to ride this out. Those who are more performance-oriented will not [make it]. And it's for the better. It's weeding out the advisors who shouldn't be here anyway."

Mattson agrees with Chakler. "If you're a sales person who sells products, these are going to be tough times," he says. "But if you're a person who sold solutions to a person's overall financial objective, it's going to be much less difficult."

According to Mattson, if you understand the bigger picture—not only that unsettling markets come and go, but also what your clients want and what drives them emotionally—you'll be in an excellent position to meet your clients' goals and objectives. "If you have a plan in place, these tough times are going to be just an unfortunate, scary hiccup."

this, too, shall pass

Reggie Daniels has mastered the art of perseverance.

By Terri D'Arrigo
Photo Credit: Andrea Lauren Parker

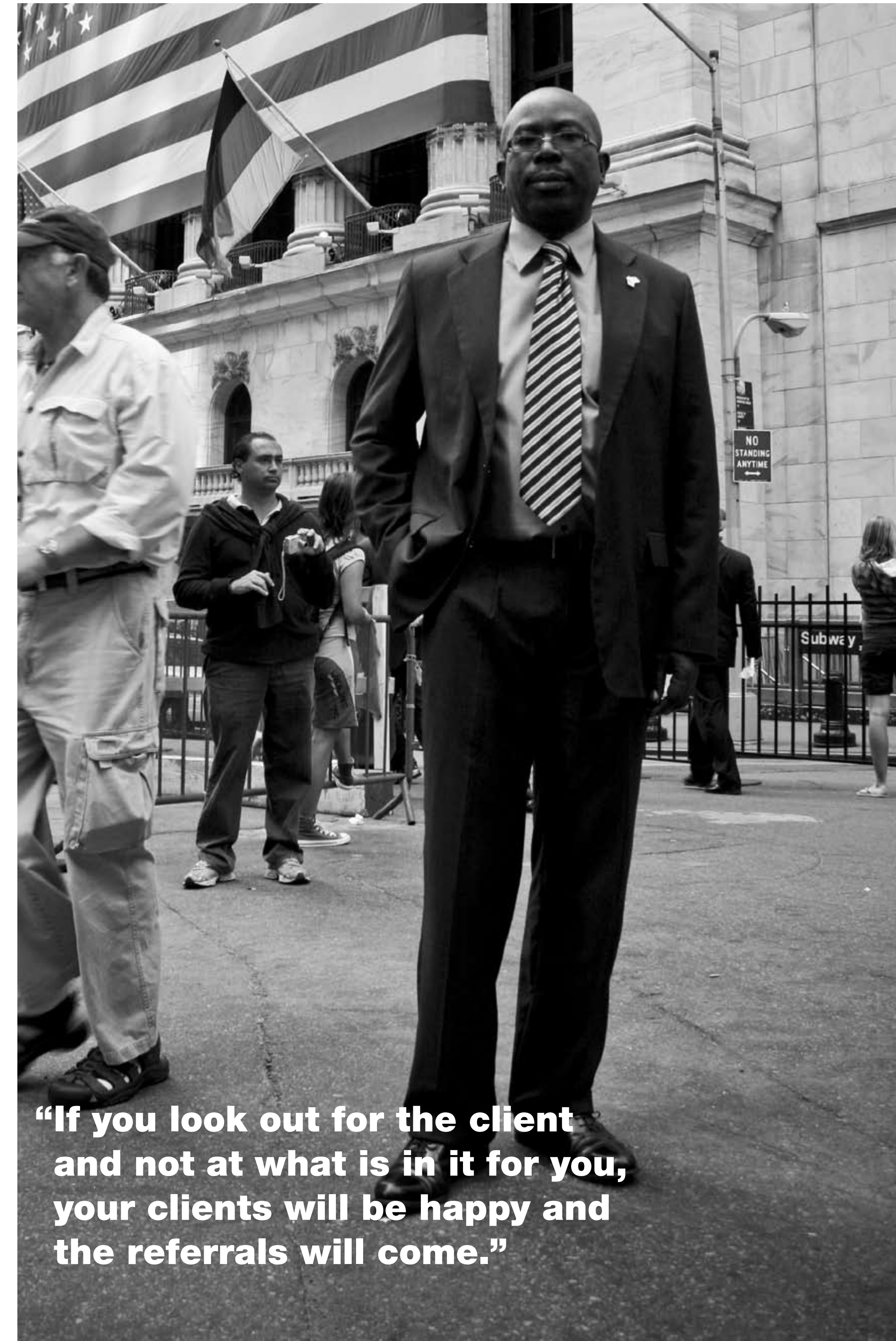
JUDGING SOLELY BY THE DEMEANOR OF AMERICAN PORTFOLIOS FINANCIAL SERVICES affiliated colleague Reggie Daniels, you'd never know the country was in the grip of a financial crisis. His office is half a block from the New York Stock Exchange, and as hungry news crews hunt frazzled traders amid tourists and heavily armed police on the street 19 stories below, Daniels converses with his staff and fields calls with a self-possession that borders on the serene.

He has been through crises like this before. After emigrating to the United States in 1985 and working odd jobs for just over a year, Daniels took a position selling mutual funds for a firm that closed a year thereafter. Undeterred, he took his financial career to a company in New Jersey, where he received the results of his series 7 exams the Friday before the 1987 Black Monday crash.

"That was a scary one," he says. "I remember selling a stock to a client I had cold-called. I sold her the stock at around $13, and by the following Tuesday, before she paid for the trade, it was around $5 or $6. Talk about timing."

Since then, Daniels has ridden out two U.S. recessions, three international recessions, the market derailment following September 11, and the worldwide market crash of January 2008.

"That's why I tell people there's never a wrong time to get into the industry," he says. "Back in 1987, it looked as if the world was going to end."



a bumpy start

Indeed, Daniels had to overcome a number of challenges in getting his financial career off the ground, including a cultural adjustment when he relocated to the U.S. from Guyana, South America. He also faced challenges within himself as he determined which path to take.

"I had initially chosen to pursue law, but during my final two years of high school, economics became my new passion," he says. After working for the government for two years, he enrolled in college, and one day as he sat astride his motorcycle, the headmaster pulled up beside him and struck up a conversation.

"He said, 'What are you doing with that economics? I hope you are going forward and more into it.'" Daniels says. "The economics teacher must have spoken to him about how I had fared in school."

It was a refrain he'd hear again and again as the months went on, and a less determined man might have second-guessed himself, but Daniels says the rejection only drove him to become resourceful. After a short stint as a security guard and several odd jobs in construction, he tried his hand at driving a gypsy cab in Brooklyn.

"I took a risk with that," he says. "I didn't have the necessary license or insurance, I was robbed at knifepoint, and on one occasion, I took someone to the hospital unaware that he had a gunshot wound to the head. Eventually he died, and I had to go to court to provide evidence. The District Attorney said that the shooting was drug-related."

That was more than enough adventure for him, and he took a job in telemarketing, where a friend pointed him to a firm that was looking for people to sell mutual funds. "And the rest is history," he says.

While attending the University of Guyana, he joined a relative in starting a business, NCE Screen Printers, and took the helm of the company's marketing division. Within a few years, the company grew from 5 employees to 85 employees, and eventually the business expanded to include garments, pre-fabricated housing, and educational toys and games.

Daniels' business required that he travel back and forth to the U.S. to attend trade shows and visit suppliers. The woman he had been dating at the time resided in the U.S., and although that relationship wasn't destined to grow into marriage, it was serious enough for him to trade the warmth of Guyana for permanent U.S. residency. It was a sacrifice—"I never wanted to live in the cold"—but one he says was worth it because it was in New York that he began dating Gillian, the woman who would become his wife. Once they settled down, he set his sights on a career in his chosen field.

That proved to be one of his greatest challenges.

"One of the things that you run into here is being told you're overqualified. They told me that at the Bank of New York," he says. "I said, 'Okay, if you think I'm overqualified, is there another position you think I could do?' and they said 'Well, you don't have any New York experience.'"

Daniels isn't one to accept defeat so easily, however. "I asked them if we could compromise. I said, 'I need a job. I'll start here [in a low position] and as you see me gain experience and you see that I can do it, you can move me up the food chain.'"

Their response? "No. You'll become frustrated and you'll leave."

the path to freedom

Like many in the financial sector, Daniels has worked with several firms, and in 1996 he landed at Nathan & Lewis. There he met Lon Dolber, now president and chief executive officer of American Portfolios.

"From what I gather, Lon had always told Jay Lewis that at some point he planned on opening his own broker/dealer," Daniels says. "Then came September 11 and Lon took a leap of faith and started American Portfolios. Since then, quite a few of us who were Nathan reps came on."

Daniels was one of the last hold-outs to make the transition, and he became affiliated with American Portfolios in 2006. He says the best thing about being an affiliate is the freedom to conduct business as he sees fit.

"I do my business and AP comes in and does their annual review for compliance. Big Brother is there, but you're left alone to do whatever business you are doing as long as there are no issues," he says.

In his 23 years in the industry, his number of "issues" is a whopping zero, and his reputation for running a clean ship has resulted in a solid mix of business that comes to him primarily through referrals. Most of the assets under management are municipal bonds, but the production breaks down to 40% fixed income, 25% fixed and variable annuities, 15% stocks, 15% mutual funds, and 5% insurance products.

"If you look at what is in the best interest of your client, and you are doing right by that client, you will be rewarded," he says, recalling

one client in particular who came to him through a referral. This client had opened up an IRA through him and then referred 12 more people at her workplace to him. Within four days, all of them had rolled money from their profit-sharing plan into IRAs, and the new assets they brought to him to service and manage totaled nearly $1 million.

The story doesn't end there. Several months later, the client set up another appointment with him, this time to roll over a small IRA, and she brought a friend with her.

"When they came in, I greeted them, and introduced myself to her guest," Daniels says. "My client said, 'why are you speaking to her as if you don't know her?' The truth was, I didn't. Then the client told me, 'She's the one who referred me to you.'"

"Don't be afraid to spend time with someone even if it doesn't result in business *today*."

It turned out that the client's friend had contacted Daniels two years earlier. They had spoken over the phone but had never met in person. He had given her some advice, and she had asked him to send her his business card.

"There I was: I didn't bring any money to the table when I first spoke to her. I just offered advice. She kept my card and referred me to her friend, and in the end I had close to $1 million in assets to manage," Daniels says. "If you look out for the client and not at what is in it for you, your clients will be happy and the referrals will come."

life as a lion

Daniels has come a long way from his days driving a gypsy cab in Brooklyn, but he has not forgotten his sense of community. He joined the International Association of Lions Clubs in Guyana in 1980, and he remained an active Lion until he emigrated to the U.S. in 1985. As one of the largest volunteer organizations in the world, the Lions are best known for working to end preventable blindness, but they also participate in local events such as park clean-ups, assistance in the wake of natural disasters, and programs for children who have autism.

Daniels stepped away from the Lions for several years to start and raise a family, but in 1999 he returned to the organization at the casual invitation of a friend. What began as an affiliation with the club in Crown Heights in Brooklyn, N.Y. has since grown into a deep commitment to community service. He has held several offices at the district and regional levels, including regional chair, treasurer, and vice governor, and he currently serves as governor of 62 clubs in Brooklyn and Queens whose combined membership approaches 1,800.

"It's a way of giving back to society and helping those who, for whatever reasons, have less fortunate economic situations," he says. He notes that Lionism is such a big part of his life, sometimes he needs to be reminded of other pursuits.

"One night my wife came to me and said, 'Don't forget—we have to go see *Lion King*.' I said, 'Lion King?' You see, there is a Lion by the name of King and I wondered if she was sick, so I asked, 'Why do we need to visit her?'"

His wife responded, "No, it's not a Lion member. It's a show: *The Lion King*."

Daniels is not out of touch with popular culture and youthful interests, however. In fact, he devotes much of his free time to working with the Leos, the youth arm of the Lions Club.

"I enjoy taking on a mentoring role, pushing education, pushing self-reliance," he says. "I tell them, 'Don't look for someone else to solve your problems. Forget about excuses.' I try to teach them to look for and find something positive out of any experience they have, even if it looks like the end of the world."

it's all mental

For Daniels, so much of success in life is derived through the power of the mind, and he attributes his perspective to several of the books he read when he was a teenager.

"From age 14, I was always reading vocational books, so mentally, I've always seen things a certain way," he says. Among his favorites are *Think and Grow Rich!*, by Napoleon Hill, *The Greatest Salesman in the World*, by Og Mandino, and *How to Win Friends and Influence People*, by Dale Carnegie.

However, one book was particularly influential: *Magnificent Obsession*, by Lloyd Douglas. "The message is that when you do good, you don't look to get the light shined on you," Daniels says. "Do it quietly, and you will reap your rewards."

This has given him the ability not only to persevere, but to persevere cheerfully, even in times such as the current financial crisis. He hopes it sets an example for young advisors who are just getting into the business.

"It sounds cliché, but every 'no' brings you closer to a 'yes'," he says. "Don't be afraid of rejection. And don't be afraid to spend time with someone even if it doesn't result in business *today*. Eventually it will come back to you.

"It's all in how you see things, and success begins right here in your head," he says. "If you see things in a certain light, it will affect you in a certain way. It's all mental."

view from the field

elder care report

selling long-term care insurance

by Timothy Rossiter

Long-term care insurance is perhaps the most important tool available to those in our profession with clients who are entering their golden years. As a client's date of birth is provided on new account forms, it is easy to determine which clients should be advised (sometimes repeatedly) of the benefits of long-term care insurance: Those aged 50 or older.

When speaking with these clients, make it a practice to mention that long-term care insurance can be used to protect assets for inheritance purposes. As our clients age, we tend to reallocate their portfolios to more conservative positions, but we would be remiss if we did not emphasize that it is often in the best interests of our clients and their heirs to allocate a relatively small portion of their funds to long-term care insurance to protect their overall portfolio.

keep it simple

The details of long-term care insurance options can be very confusing. The last thing to do is approach your clients with so many details, options, and variables that they become overwhelmed, shut down, and stop listening before they understand the product's value. Therefore, it pays to keep it simple.

About 10 companies currently offer long-term care insurance. Although their details vary, they all have one key aspect in common: They require the loss of at least two of six "activities of daily living" to trigger the benefit or to qualify for coverage. (Activities of daily living include eating, bathing, dressing, transferring, toileting, and continence.)

It is important that you explain the difference between indemnity plans and reimbursement plans to your clients.

All long-term care insurance companies provide a plan of care for the policy-holder and arrange for a professional health care agency to contact a family member or other designated person with information about the plan. However, it is important that you explain to your clients the difference between indemnity plans and reimbursement plans.

With an activated indemnity plan, the policy pays the amount of coverage that is purchased regardless of the cost of the care or the number of services provided on a daily basis. Once the policy holder qualifies for benefits, the insurance company pays the full daily benefit amount. It is not necessary to submit receipts for expenses incurred and the money may be used to pay for whatever the caregivers deem necessary.

An activated reimbursement pays for expenses actually incurred, up to the maximum daily benefit that was purchased. Receipts are required, and there is paperwork for each reimbursable expense.

If your goal is to keep things simple for your clients, it's easy to see which kind of plan is more to their advantage. For example, recently a client called to thank me for selling her mother an indemnity plan. She told me that a caregiver comes to her mother's house for $50 per day. However, in accordance with the provisions of her mother's long-term care insurance policy, her mother receives $250 per day from the insurance company. She and her mother set aside the additional $200 for any unforeseen expenses that might crop up with her mother's care, and to make her mother more comfortable.

Although indemnity plans simplify things, it is important to note that convenience comes at a price: Indemnity plans usually cost about 20% more than reimbursement plans. However, any coverage is better than no coverage, so do consider offering a reimbursement plan to those clients whose needs would best be served that way.

thinking the unthinkable

Buying long-term care insurance requires the client to consider incapacitation—and that's not a cheerful thought. In fact, a client's aversion to such unpleasantness can be as much of an obstacle as the cost of the premium.

To help my clients think through the possibility of requiring long-term care, I often ask them to envision someone they know who is at least 80 years old. This helps to personalize the discussion. Then I ask a few questions: Is this older individual trying to simplify his or her life? Is this individual beginning to forget things or exhibit diminished concern about things that used to be important to him or her? And, perhaps most importantly, does this individual seem to be receptive to, or even embrace, assistance?

We all need assistance in various ways at various times in our lives. To that end, you can help your clients make decisions about things they may not necessarily wish to think about. For the most success in helping them decide which kind of long-term care best suits their needs, I encourage you to borrow from the "KISS" philosophy: Keep it simple, salesperson!

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AssetMark®

six trends affecting advisory: *adapt and thrive*

The independent financial advisory business is in the midst of enormous changes. That's the message from Brian O'Toole, chief executive officer of AssetMark Investment Services, a company that provides independent advisors with investment management, client relationship management, and practice management.

The changes are being driven by demographics, technology, and the evolution of the business marketplace. According to O'Toole, the message is not necessarily adapt or die. It's adapt and thrive.

"Independent advisors have enormous opportunities right now," says O'Toole. "The advisors who can get out in front of the changes and successfully structure their business have the chance to enjoy unprecedented success."

O'Toole has recently redesigned AssetMark's Mastery Program, an intensive two-day session that combines the latest industry research and decades of practical experience to identify and implement business building strategies.

"Part of Mastery is an understanding of exactly what's changing in our business and the specific opportunities these changes represent," he says.

According to O'Toole, Mastery identifies the six most important trends affecting independent advisors today, as well as the opportunities each trend represents.

O'Toole believes that independent advisors who are willing to do the work can get out ahead of these trends and create a stronger, more profitable business than they ever imagined.

Advisors need to focus on strengths that cannot be so easily commoditized, such as problem-solving, collaboration, and relationship-building.

trend #1
The Impact of Micro-Technology

Technology has turned financial information and investment solutions into readily available commodities subject to price pressures. Advisors need to focus on strengths that cannot be so easily commoditized, such as problem-solving, collaboration, and relationship-building.

"Independents who properly use technology place themselves at the center of a consultative, collaborative process and focus their efforts on financial problem-solving and delivering a superior client experience," says O'Toole.

trend #2
Retirement of Baby Boomers

By 2020, 100 million Baby Boomers will have reached retirement age with control over trillions of dollars in assets.

"There is significant opportunity for advisors who can help retirees manage the overwhelming magnitude of the financial issues they face, especially advisors who can help them structure retirement income solutions," O'Toole says.

trend #3
Proliferation of Competition

Discount brokers, bankers, and affiliated advisors working for large Wall Street firms are competing with independent advisors for a share of the Baby Boomer market. Potential clients will have difficulty distinguishing between different providers.

"Advisors who articulate a unique vision that resonates with clients looking for guidance on specific issues will stand out from the crowd," says O'Toole.

trend #4
Emergence of a Wealth Management Business Model

Clients are becoming more demanding even as their needs become more complex. Advisors need to be broadly conversant in financial planning, insurance, taxes, wealth transfer, and other financial issues to meet the demands of the emerging wealth management business model.

trend #5
Coming War of the Gate Keepers

By being an early adapter of account aggregation technologies, an advisor can enhance his or her position as the most trusted advisor for a client's financial needs.

"Account aggregation software is an increasing threat to client retention," says O'Toole. "But it is also an opportunity for advisors who can offer systematic analysis of their clients' assets and performance across all their financial services providers."

trend # 6
Heightened Focus on Client Experience

Technology is increasingly commoditizing products and services. Advisors need to differentiate their services by providing a more personalized client experience.

"Client relationship management and the delivery of a consistently superior client experience should be the primary focus of an advisor," says O'Toole. "By focusing on the client experience, advisors can increase satisfaction and generate increased referrals."

**For information on AssetMark's Mastery Program, please contact Assetmark at 800.664.5345.*

Rep Support:

up close *with annmarie zilnicki*

Annmarie Zilnicki is part owner and the voice of East End Financial, APFS affiliated colleague John Kosinski's financial planning practice in Riverhead, N.Y. She recently spoke with FREE about her work and how it has evolved over her 25 years in the industry.

FREE: **How did you get involved in John's practice and in what capacity?**
ANNMARIE ZILNICKI: Actually, I was John Kosinski's first employee but for only five days. It was the first week he opened. John and my father, William Spanburgh, were very good friends. John had just left MetLife and opened his practice in May of 1980. His staff couldn't start until the following week. I had just come home from college and my Dad asked if I could help John out for a week. Who knew that four years later I would be back, graduated from college and a full time employee. I guess it was my destiny!

FREE: **How has your role evolved?**
AZ: I started in an administrative role, then quickly obtained my life and health insurance license, as well as my Series 7. I dabbled on the sales side, but felt my strengths were in the management and internal operations areas of the business. I've been called the "concierge" of our financial services firm: I'll find a way to get it done. Eventually I was appointed the vice president of the firm and now share in the ownership of the company.

FREE: **Had you planned this all along?**
AZ: No. I was set on becoming a physical therapist right out of high school. I majored in it at Ithaca College until my junior year, when we went from science and medical courses in the classroom to applying this knowledge in the field. I determined physical therapy was not for me and quickly switched to business.

FREE: **How did you make that transition?**
AZ: I went to Adelphi University to obtain my CFP designation in 1988 and got my first job with CIGNA in Woodbury. After nine months there, I got a call from John—who obviously remembered my outstanding five days of previous employment with him!—and he offered me a job. Twenty-five years later, I'm still here.

FREE: **So, what issues are you dealing with on a day-to-day basis at East End Financial?**
AZ: I wear many hats in the office. Multi-tasking is my strength. In the course of a day I might speak to several clients about financial or insurance issues, attend to a management or property issue, prepare or monitor our budget and sales numbers, pay corporate bills or handle employee payroll, assist our advisors with the preparation of a financial plan, or work with our pension administration firm with a pension distribution.

FREE: **What is the office environment like? Who are your colleagues?**
AZ: The East End Financial Group has built a team of advisors and staff. We work together on all levels to service our clients and I think our clients sense that. We have a team of five advisors: John J. Kosinski, CLU, ChFC, MSFS, Joseph Kosinski, Ernest Vorpahl, CFP, Peter Berkery, and Rosemary Bloem, CFP. Margret Leonard-Loper runs our operations area and Vi Nicoll is John's administrative assistant. Right from the beginning, John tried to create an environment where hard work is recognized and rewarded, and I believe that shines through based on the employment longevity of our work force.

FREE: **Tell us about your clients.**
AZ: Our staff has always commented that we are going to write a book about the amazing clientele we have. Our relationships with our clients are what made our firm what it is. We consistently go above and beyond the call of duty, whether it's meeting clients at 6:00 a.m., helping them balance their checkbooks, finding doctors for them, or taking the place of their family members who are unable to be there. And they appreciate us, too. Appreciative clients are always sending home-baked goods and meals and sending thank-you notes for a job well done.

FREE: **How have you been handling the current economic environment?**
AZ: Communication, communication, communication. We have been on the phone, we've sent out mailings, and we held a seminar to discuss the issues. We

have been very proactive with our clients, contacting all of our advisory clients over the last several weeks to talk to them about their accounts, revisiting their risk tolerance levels, and just listening to them. We are continuing to stress diversification and long term goals, but recognize that our clients in the "retirement red zone" are looking for options to reduce downside risk in the equity markets.

FREE: **What has been your greatest challenge?**
AZ: Personally, balancing my professional and personal life. I am married with three teenage children who are 16, 17, and 19. My husband, Kenny, and children, Lauren, Kyle, and Kelly, have had to make sacrifices at times due to my work schedule. But I believe I have set an example for my children, especially my daughters, that you can strike a balance between family, work, and community service in your life. Professionally, it's a challenge trying to get everything done in a job that takes me in many different directions.

FREE: **Why do you and John make a good team?**
AZ: We have worked together for a long time and share similar qualities, both in our work ethic and personal values. We are loyal to our clients and our staff and enjoy working with them both. I'm always saying that it's 25 years later and I still look forward to going to work every day. Not many people can say that and I realize how lucky I am.

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JACKSON
NATIONAL LIFE INSURANCE COMPANY

trust-owned annuities:
tax deferment to the third generation and later

By Steven Wortmann, JD

Would your clients appreciate the ability to defer income to their family's third—and potentially fourth—generation before income tax is due? What about the opportunity to pass along an asset without incurring federal estate taxes? Many advisors are overlooking an extremely generous and potentially long-lasting tax deferral strategy: Annuities owned by an irrevocable trust.

The most common form of irrevocable trust is the Credit Shelter Trust (CST). Generally, a husband and wife with an estate in excess of $2 million (increasing to $3.5 million in 2009) can establish a CST provision within their joint revocable trust. When the first spouse dies, the surviving spouse can take advantage of the decedent's federal estate tax exemption by creating and funding a CST with $2 million in assets. The balance of the couple's estate in excess of the $2 million is placed in a marital deduction trust for the surviving spouse to use as he or she chooses.

The most common argument against the use of annuities inside an irrevocable trust is that the annuity will lose its tax-deferred status, which is a significant competitive advantage. Internal Revenue Code (IRC) section 72(u) states that annuities typically lose their tax-deferred advantages when they are owned by a non-natural entity, such as a corporation, partnership, trust, etc. The good news is that this statement doesn't hold true in all cases, particularly as it relates to CSTs and other irrevocable trusts.

irs rules for tax deferral

IRS code section 72(u)(1) provides an exception to taxation of gains for annuities that are owned "by a trust or other entity acting as an agent for a natural person." Thus if two parents are co-grantors and one survives, the credit shelter or other irrevocable trust falls squarely within the beneficial owner exception.

In Private Letter Ruling (PLR) 199905015, the IRS ruled that (1) the annuity owned by a CST is deemed to be owned by a natural person for purposes of section 72(u) and, (2) upon termination of the trust, the annuity contract can be retitled to the named beneficiaries without creating a taxable event. It can be a rather simple and straightforward process.

trust distribution provisions

Once the advisor determines that the beneficial owner exception applies, he or she needs to review the trust to determine the percentages of distributions that should be allocated to each beneficiary upon dissolution of the trust. The trustee will ideally purchase as many annuity contracts as there are beneficiaries, in the same proportions as the beneficiary distributions that will occur upon the trust's termination. The trust is established as the owner and beneficiary of each contract, and each trust beneficiary should be named as annuitant on his or her contract. The trustee also completes an indemnification agreement for each contract owned by the trust, identifying the beneficial owner of the trust.

After purchase, the annuity receives tax deferral and, while deferred, avoids the egregious trust tax rates that climb quickly to 35% for undistributed trust income. When the beneficial owner dies and the trust terminates, the annuitant of each contract is elevated to ownership status. To avoid unequal distributions to beneficiaries that would otherwise receive equal distributions pursuant to trust terms, an advisor should create as many contracts as there are beneficiaries.

From the day of the contract distribution-in-kind, the annuity is subject to all of the normal rules of taxation, as if the new owners had purchased the contract them-selves. The new owner enjoys all the benefits and advantages of annuity ownership, including 1035 exchanges.

However, years down the road, the new owners of annuities will also pass away, triggering the death benefit. The skeptical advisor will say, "Now comes the time for full taxation" to which we respond, "Only if you want."

nonqualified stretch to the rescue

Historically, a nonqualified death benefit would generally be paid out in three different ways: (1) a lump sum, (2) over the course of five years, and (3) annuitization. But a fourth distribution option for nonqualified funds exists: The nonqualified stretch strategy.

Private Letter Ruling 200151038 allows beneficiaries of a nonqualified annuity to use a stretch distribution option. Under the PLR, beneficiaries are required to take minimum distributions based on their life expectancy. It's a simple "minus one" calculation. For example, a beneficiary with a 35-year life expectancy will use the December 31 market value following the owner's death divided by 35 to determine the first year's distribution. A divisor of 34 is used the second year, 33 in the third year, and so on.

In applying the pass-in-kind annuity strategy outlined above, the new owner's beneficiaries, on the date of the new owner's death, could stretch the nonqualified annuity over their respective life expectancies, making it possible to distribute nonqualified funds to the grandchildren of the original contract owners. A lump sum distribution isn't required until this generation of beneficiaries has passed away.

The pass-in-kind strategy from an irrevocable trust, coupled with the nonqualified stretch distribution, can defer substantial taxation into a third or fourth generation. Advisors have the opportunity to help clients create a family legacy spanning three generations, with a potential transfer to the fourth, perhaps lasting 50 years or more.

As always, consult qualified attorneys and tax counsel to determine whether this strategy fits within the estate plans of your client.

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state of the firm commentary from ceo lon t. dolber

I present you with the third-quarter 2008 performance results for American Portfolios. 2008 third-quarter gross revenues and fees of $16,794,404 increased by 4% from third-quarter gross revenues and fees received in 2007 of $16,102,257. Despite an overall decline in business going into the second half of 2008 due to market downturns, this was offset in large part by increases from business received from new reps that affiliated with us in previous quarters. A historical analysis of these quarterly performance results shows that 2008 third-quarter revenue figures were $6.5 million more than the total gross revenues received in the firm's first full year in business ($10.3 million in 2002) and approximately $321,000 more in gross revenues received for all of 2003 ($16.4 million).

In times of economic uncertainty, it is important to take stock of our achievements. In many aspects of life's journey we choose to take paths without knowing what we'll find along the way, and so it is with our profession. During market turbulence, you may ask yourself if you would have chosen the same route, knowing then what you know now.

It is a question polar explorer Sir Ernest Shackleton must have asked himself. In 1914 Shackleton set out to attempt the first land crossing of the Antarctic continent. En route to the expedition's starting point near Vahsel Bay, his ship, *The Endurance*, became locked in pack ice in the frigid Weddell Sea. By September of that year, massive icebergs engulfed the ship, crushing its hull and leaving Shackleton and his men stranded on a vast ice sheet 1,000 miles from the nearest inhabited land. The crew spent months in makeshift camps on the ice, endured a journey in lifeboats to Elephant Island followed by an 800-mile voyage in an open boat, and managed the first crossing of South Georgia, a remote and inhospitable island in the south Atlantic.

Shackleton's calm confidence in the face of these dire circumstances left a remarkable impression on the crew, all of whom survived. Commenting on Shackleton's composed reaction to their inability to free *The Endurance* from the ice, Alexander Macklin, the ship's doctor, said, "It was at this moment Shackleton...showed one of his sparks of real greatness. He did not...show...the slightest sign of disappointment. He told us simply and calmly that we would have to spend the winter in the pack."

Shackleton never achieved his goal of traversing the continent of Antarctica. However, he is remembered for something far greater: Ensuring the survival of all 28 crewmen through two years of hardship that he had no way of predicting.

We have all shouldered incredible responsibility in working with our clients. We have managed their fears and expectations and helped them navigate through rough waters over the last several years, from the September 11 attacks to the uncertainty in the markets and the economy to the current concerns mounting in credit markets worldwide. At times the financial service industry feels like a ship threatening to capsize, but as financial service professionals, we will find that serving our clients and keeping them afloat with valuable advice is our ultimate reward.

Being able to work with the outstanding and dedicated financial service professionals and home office staff of American Portfolios has been my reward. I am extremely thankful for the opportunity to serve.

As market conditions continue to change, and as we continue on our journey unable to predict what the future will hold, service to our valued clients is the one thing we can and should guarantee. We all live to serve with integrity.

Lon T. Dolber CEO / Holbrook, NY / 800.889.3914 ext. 106
ldolber@americanportfolios.com

2008 quarterly review
July 1st – September 30, 2008

The third-quarter 2008 review for American Portfolios is shown on pages 23 through 31. This review has also been posted to the American Portfolios broker website in Rep Services.

corporate overview

American Portfolios has 57 full time employees supporting 535 registered representatives, which includes 45 registered assistants and 21 registered employees as of September 30, 2008.

financial overview:

Second-quarter gross commissions and fees of $16.8 million were higher than the third quarter of 2007, a 4% increase of $692,000 from $15.1 million. Gross revenues for the firm have increased more than tenfold since the fourth quarter of 2001 ($1.6 million in 4Q 2001 to $16.8 million in 3Q 2008). In an across-the-board analysis of products and services offered through American Portfolios, life insurance and fixed annuities received the highest percent increase in gross commission of 120% and 74% respectively (Table 1). Assets under management grew 3%, from $9 billion in the third quarter of 2007 to $9.3 billion in the third quarter of 2008 (Table 2).

Fig. 1 **gross commission and fee revenue**

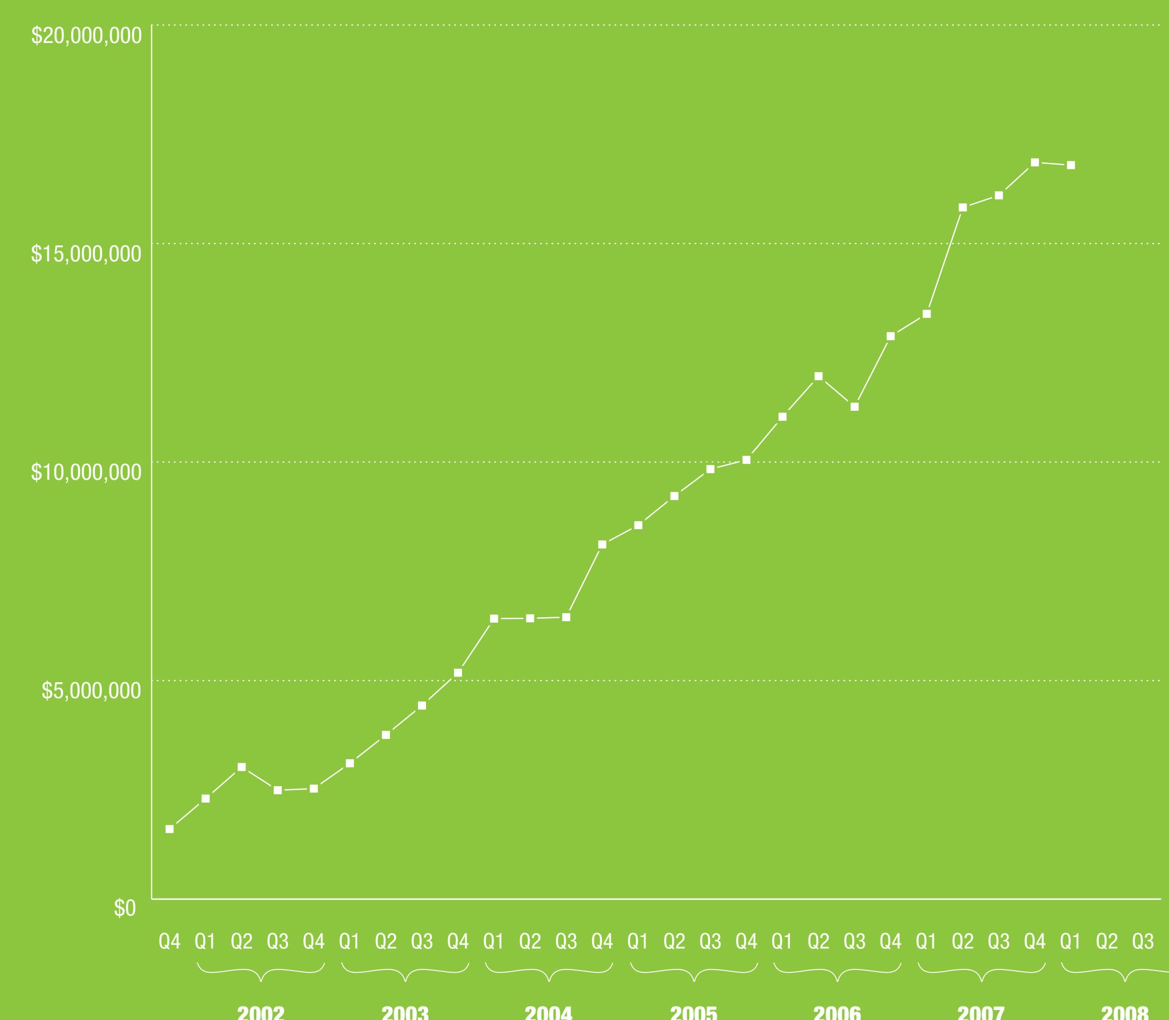


Table 1

gross commission and fee overview

Quarter	Mutual Funds	12B-1 Fees	Variable Annuities	Fixed Annuities	Life Insurance	Managed Accounts	General Securities	Alternative Investments
2001 4Q	$377,677	$337,396	$327,855	$483	$16,140	$ 0	$463,096	N/A
2002 1Q	$550,413	$389,682	$697,756	$28,245	$24,979	$32,406	$502,945	N/A
2002 2Q	$697,511	$500,594	$894,388	$14,003	$16,144	$89,201	$681,635	N/A
2002 3Q	**$446,671**	**$480,835**	**$608,129**	**$90,130**	**$54,978**	**$66,546**	**$602,265**	**$10,500**
2002 4Q	$504,510	$473,900	$514,489	$78,876	$41,808	$66,739	$667,726	$10,500
2003 1Q	$738,065	$465,601	$944,138	$111,164	$51,006	$90,852	$414,066	$42,740
2003 2Q	$890,264	$590,360	$902,892	$48,075	$186,158	$99,223	$747,131	$48,788
2003 3Q	**$932,171**	**$745,759**	**$1,171,706**	**$107,766**	**$88,621**	**$126,321**	**857,482**	**$44,554**
2003 4Q	$1,052,379	$891,779	$1,469,274	$185,860	$88,509	$250,466	$850,436	$73,784
2004 1Q	$1,392,634	$1,114,582	$1,961,656	$65,424	$75,229	$269,938	$1,090,539	$28,549
2004 2Q	$1,219,564	$1,207,981	$2,021,864	$38,002	$157,260	$433,380	$905,050	$118,893
2004 3Q	**$1,219,144**	**$1,296,661**	**$1,833,477**	**$36,692**	**$163,314**	**$521,670**	**$823,100**	**$147,785**
2004 4Q	$1,481,154	$1,486,261	$2,414,798	$29,594	$215,654	$583,219	$1,474,892	$43,848
2005 1Q	$1,824,456	$1,576,125	$2,453,958	$81,319	$144,146	$704,188	$1,298,549	$39,431
2005 2Q	$1,764,832	$1,649,075	$2,763,990	$90,674	$243,589	$790,887	$1,310,025	$87,983
2005 3Q	**$1,594,608**	**$1,862,325**	**$2,791,314**	**$35,528**	**$235,170**	**$910,537**	**$1,658,235**	**$56,358**
2005 4Q	$1,822,784	$2,025,972	$2,719,060	$102,760	$201,046	$1,125,763	$1,401,672	$25,772
2006 1Q	$2,168,221	$2,264,472	$2,946,526	$ 89,373	$162,797	$1,233,534	$1,743,557	$12,403
2006 2Q	$2,235,356	$2,547,285	$3,277,267	$84,973	$348,799	$1,463,952	$1,592,118	$91,368
2006 3Q	**$1,586,985**	**$2,688,432**	**$2,902,267**	**$47,216**	**$291,917**	**$1,585,138**	**$1,392,330**	**$107,219**
2006 4Q	$1,805,784	$2,762,047	$3,687,567	$64,962	$440,852	$1,764,368	$1,566,537	$265,725
2007 1Q	$2,228,559	$2,924,400	$3,713,477	$21,970	$322,265	$1,862,473	$1,647,707	$183,430
2007 2Q	$2,548,211	$3,110,878	$4,225,425	$153,306	$394,174	$2,263,331	$1,775,617	$520,311
2007 3Q	**$2,237,248**	**$3,479,640**	**$4,517,128**	**$120,463**	**$412,929**	**$2,560,301**	**$1,932,932**	**280,375**
2007 4Q	$2,241,822	$3,458,638	$4,999,588	$170,699	$373,518	$2,826,110	$1,744,203	$437,141
2008 1Q	$2,315,571	$3,471,954	$4,360,367	$145,745	$736,771	$3,040,161	$1,814,538	$272,025
2008 2Q	$2,241,371	$3,457,992	$4,981,427	$169,016	$681,404	$3,103,679	$1,511,312	$445,075
2008 3Q	**$1,855,832**	**$3,540,274**	**$4,641,943**	**$209,199**	**$906,442**	**$3,207,233**	**$1,396,466**	**$400,785**
Change from Q3 2007	-17.05%	+2%	+3%	+74%	+120%	+25%	-28%	+42%

TOP 5

fund families by commissions for the third quarter of 2008:

1 American Funds
$ 1,561,402

2 Oppenheimer Funds
$ 1,218,394

3 Franklin-Templeton Funds
$ 506,100

4 Eaton Vance Funds
$ 233,454

5 Fidelity Funds
$ 181,091

variable annuity vendors by commissions for the third quarter of 2008:

1 Prudential
$ 765,593

2 Jackson National
$ 561,327

3 Nationwide
$ 472,655

4 John Hancock
$ 390,090

5 ING
$ 356,350

top five vendors by assets under management as of september 30, 2008:

1 American Funds
$1,371,782,379

2 Oppenheimer Funds
$1,028,965,037

3 Franklin Templeton Funds
$ 501,159,628

4 Nationwide VA
$ 312,048,690

5 American Skandia VA
$ 242,713,121

Table 2
assets with american portfolios

Quarter Ending	Clearing Firm Assets	Assets Held Directly	Total Assets	Increase Over Last Quarter
09/11/2001	**$407,939,561**	**$824,718,413**	**$1,232,657,974**	
2003 2Q	$922,936,847	$1,212,135,975	$2,135,035,662	
2003 3Q	**$1,039,499,742**	**$1,377,732,480**	**$2,417,232,222**	
2003 4Q	$1,464,631,538	$1,701,665,682	$3,166,297,221	
2004 1Q	$1,379,050,247	$1,915,885,560	$3,294,935,807	
2004 2Q	$1,529,313,892	$2,005,769,082	$3,535,082,974	
2004 3Q	**$1,621,558,602**	**$2,266,246,669**	**$3,887,805,271**	
2004 4Q	$1,793,608,828	$2,525,624,801	$4,319,233,629	
2005 1Q	$2,072,980,621	$2,59 9,152,578	$4,672,133,199	
2005 2Q	$2,087,549,824	$2,714,366,636	$4,801,916,500	
2005 3Q	**$2,283,338,949**	**$3,001,917,860**	**$5,285,256,809**	
2005 4Q	$2,423,074,182	$3,201,420,077	$5,624,494,259	
2006 1Q	$2,707,615,433	$3,484,538,873	$6,192,154,306	
2006 2Q	$3,119,371,820	$3,471,519,408	$6,590,891,228	
2006 3Q	**$3,274,773,125**	**$3,627,859,456**	**$6,902,632,452**	
2006 4Q	$3,477,988,173	$3,809,967,199	$7,287,955,372	
2007 1Q	$3,686,918,635	$4,128,268,176	$7,815,186,811	
2007 2Q	$3,873,325,137	$4,475,309,135	$8,348,634,272	
2007 3Q	**$4,200,417,192**	**$4,836,172,531**	**$9,036,589,723**	
2007 4Q	$4,428,919,887	$5,080,882,861	$9,509,802,748	
2008 1Q	$4,450,873,800	$4,673,183,354	$9,124,057,154	
2008 2Q	$4,506,944,841	$4,753,584,991	$9,260,529,832	
2008 3Q	**$4,486,928,475**	**$4,811,026,955**	**$9,297,955,430**	
+/- over 2007 3Q	**+7%**	**-.5%**	**+3%**	

recruiting and marketing overview

The firm continues to attract new colleagues. Calls from prospective candidates are a regular occurrence for the new business development area. As of September 30, 2008 the broker/dealer had 535 registered representatives, which included 45 registered assistants and 21 registered employees working from 76 Offices of Supervisory Jurisdiction as well as 281 Branch Office locations. There were 26 new associates affiliated with the firm in the third quarter of 2008. As of September 30, 2008 there were 469 producing registered representatives at the firm.

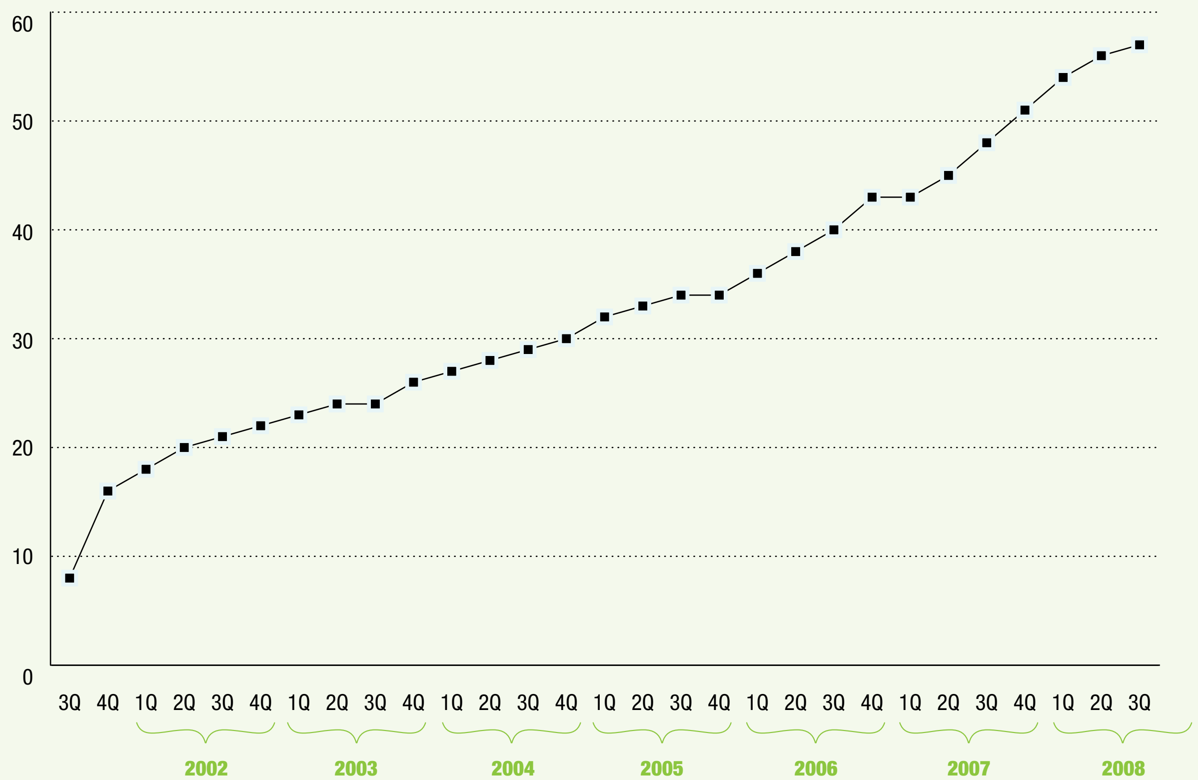
Table 3
representative overview 09/10/2001 – 09/30/2008

Between September 10, 2001 and September 30, 2008, 646 new representatives have joined the firm and 339 representatives have been encouraged to leave the firm. During the same period, quarterly revenues have increased by $15,191,315 (Q4 2001 $1,603,089 – Q3 2008 $16,794,404).

First Name	Last Name	City	State	Supervising Principal	Start Date	Status
Robert	Zidar	Flemington	NJ	R. Gary Zell	7/7/2008	Rep
Theodore	Taddei	Delray Beach	FL	Robert Toth	7/11/2008	Rep
Katherine	Peck	Warren	OH	Michael Lytle	7/15/2008	Assistant
Thomas	Riker	Hackettstown	NJ	William Dudes	7/21/2008	Rep
William	Dudes	Hackettstown	NJ	Wirtshafter	7/21/2008	Rep
Kenneth	Bennett	Hackettstown	NJ	William Dudes	7/21/2008	Rep
Leonard	Clarizio	West Paterson	NJ	William Dudes	7/21/2008	Rep
Kathleen	Murray	Wyomissing	PA	Jeffrey Kelly	7/22/2008	Assistant
James	Cannata	Jensen Beach	FL	John Wiswell	7/24/2008	Rep
Louis	Ciliberti	Melville	NY	Edward Levine	8/8/2008	Rep
Stuart	Simchowitz	White Plains	NY	Edward Levine	8/15/2008	Rep
William	Russo	Solon	OH	Michael Lytle	8/21/2008	Rep
Kevin	Shean	Grand Junction	CO	Diemer	8/26/2008	Rep
Mark	Hester	Washburn	ME	Michael Lytle	8/26/2008	Rep
Kevin	Shean	Grand Junction	CO	Diemer	8/26/2008	Rep
Daniel	Rayl	Mentor	OH	William Russo	8/28/2008	Rep
Drew	Gorman	Mount Kisco	NY	O'Grady	8/29/2008	Rep
Jane	Helm	Frederick	MD	Shabri Moore	9/2/2008	ASST
Diana	Lippa	Rochester	NY	Bartolotta	9/3/2008	ASST
Scott	Nayer	Great Neck	NY	O'Grady	9/8/2008	Rep
Arthur	Costanzo	Garden City	NY	Scott Nayer	9/8/2008	Rep
David	Rogers	Amherst	NY	John Stith	9/15/2008	Rep
Susan	Quigley	Garden City	NY	Scott Nayer	9/16/2008	Rep
Diane	Boyajian	Holbrook	NY	Scott Nayer	9/16/2008	Rep
Daniel	Peterson	Solon	OH	William Russo	9/22/2008	Rep
Charles	Owsianka	Melville	NY	Edward Levine	9/26/2008	Rep
James	Rayl	Mentor	OH	William Russo	9/29/2008	Rep
Steven	Reinhart	Port Townsend	WA	Wirtshafter	9/29/2008	Rep

Fig. 2

employee growth



Joined APFS in August 2008

Name:
Kaitlyn Crawford
Position:
Relationship Manager Associate
Department:
Relationship Management
Contact Information:
Phone: 800.889.3914 ext. 268
Fax:
631.439.4698
E-Mail:
kcrawford@americanportfolios.com

responsibilities:

As a Relationship Manager Associate, Kaitlyn works closely with her fellow team members supporting the day-to-day functions of the Relationship Management Department. She fields many of the incoming calls from vendors, focus partners, and the rep/manager force. Kaitlyn also assists Relationship Manager Melissa Wade in coordinating teleconferences and in-house training sessions, and she assists in gathering content for the weekly electronic newsletter, *The Independent.*

biography:

Kaitlyn recently received her BA in Secondary Education with a concentration in English from Manhattan College in Riverdale, N.Y. She brings solid verbal, written, and interpersonal skills to her role as Relationship Manager Associate.

Joined APFS in September 2008

Name:
Terri D'Arrigo
Position:
Senior Corporate
Communications Specialist
Department:
Corporate Communications
Contact Information:
Phone: 800.889.3914 ext. 283
Fax:
631.439.4698
E-Mail:
tdarrigo@americanportfolios.com

responsibilities:

As Senior Corporate Communications Specialist, Terri is responsible for the integrity of the company's internal and external written communications. She writes and edits articles for the quarterly journal *FREE*, writes press releases and reaches out to local and national media to enhance the firm's image and presence, copyedits the weekly newsletter, *The Independent*, assists Director of Corporate Communications Melissa Grappone in developing marketing materials, and reviews internal APFS documents and correspondence for grammar, tone, style, and consistency.

biography:

Terri received her BA in Journalism from George Washington University in 1988 and joined American Portfolios in September 2008 after a career in print publishing. Much of her experience is in the non-profit world, and from 1998 to 2007 she served as Associate Editor of *Diabetes Forecast*, the consumer wellness magazine of the American Diabetes Association. In her spare time, Terri enjoys writing fiction, bird watching, wine tasting, and cheering her favorite hockey team on to victory.

Joined APFS in September 2008

Name:
Kimberly Oetting
Position:
New Accounts Associate
Department:
New Accounts
Contact Information:
Phone: 800.889.3914 ext. 259
Fax:
631.439.4698
E-Mail:
koetting@americanportfolios.com

responsibilities:

As part of the New Accounts Department team, Kim processes, reviews, and interactively completes incoming new account forms and new account information for hardcopy forms and through STARS.

biography:

Kim graduated in August of 2008 from the State University of New York at Stony Brook, where she received her BA in Linguistics. Prior to coming to APFS, she worked in several retail positions from which she gained experience in customer service. Kim is actively involved in her community: She is a volunteer firefighter for Smithtown Fire Department and participates in fundraising for the Stony Brook Burn Center. In her free time she enjoys cooking, reading, and hiking.

Joined APFS in August 2008

Name:
Craig Poore
Position:
Manager of Media Production and Studio Operations
Department:
Corporate Communications
Contact Information:
Phone: 800.889.3914 ext. 286
Fax:
631.439.4698
E-Mail:
cpoore@americanportfolios.com

responsibilities:

Under the umbrella of Corporate Communications, as Manager of Media Production and Studio Operations, Craig manages the firm's production facility, Studio 454. He is responsible for maintaining digital camera equipment, sets, lighting, teleprompters, and a fully loaded control room complete with video switcher and editing systems. Craig handles all phases of video production as well as distribution through the broker website or DVDs. Craig is also the contact person for any audio-visual equipment needs at the Holbrook office.

biography:

Craig has an extensive background in broadcasting and video production, having worked for HBO for 25 years as a broadcast technician, network technical director, and quality control technical editor. Prior to that, he worked independently in video production for corporate clients such as Merrill Lynch, New York Telephone, and American Express. Craig received his BA in Media Arts with a concentration in television production from Jersey City State College and resides in Coram, N.Y. with his wife Debra and son Jonathan.

Joined APFS in August 2008

Name:
Jennifer Ziemacki
Position:
Relationship Management Associate
Department:
Relationship Management
Contact Information:
Phone: 800.889.3914 ext. 279
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631.439.4698
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jziemacki@americanportfolios.com

responsibilities:

As a Relationship Manager Associate, Jennifer assists Relationship Manager Melissa Wade with the daily functions of the department. Jennifer fields many of the incoming calls from vendors, focus partners, and the rep/manager force, and maintains the selling agreement files for all products offered through the broker/dealer. She also works with Melissa in coordinating in-house training sessions and teleconferences, and she assists in collecting content for the weekly electronic newsletter, *The Independent*.

biography:

Jennifer has more than four years of experience working in customer service within the financial services industry. Prior to coming to American Portfolios, Jennifer worked for Suffolk County National Bank as an assistant head customer service representative. She also worked at East End Financial Group in Riverhead, N.Y. Jennifer received her BBA in Finance from Dowling College in 2008 and graduated summa cum laude.

American Portfolios would like to extend a special thanks to its focus partners for their service and support throughout the year.

- **Lon T. Dolber** — *CEO, CIO American Portfolios Holdings, Inc.*
  - **Mary Ann Collins** — *Corporate Executive Assistant*
  - **Mary Ann Rosolino**
  - **Ethel Valentino** — *Personal Executive Assistant*
  - **Robert Dolber** — *CTO*
    - **John Rodriguez** — *Systems Analyst*
    - **Andrew Dorfman** — *Director of Software Engineering & Data Architecture*
  - **Frank A. Tauches, Jr.** — *Executive Vice President & Chief Legal Counsel*
    - **James D. Goedtke** — *SVP Due Diligence Analyst & Product Manager*
    - **Colin Ramroop** — *Manager of Business Technology*
      - **Amber Kane**
      - **Timothy Mullady**
      - **Ron Wyche**
    - **Lisa DiBella** — *Director of Human Resources*
  - **Dean Bruno** — *COO*
    - **Marc Johnson** — *Trading*
      - **Joesph DeBono**
    - **Phillip Bredow** — *Operations Manager*
      - **Michael Boccio**
      - **Barry Cohn**
      - **John Coyne**
      - **Anthony Esposito**
      - **Tim Hannigan**
      - **Gregory Kelly**
    - **Jared McGill** — *Manager Rep Services*
      - **Melissa Wade** — *Relationship Manager*
        - **Kaitlyn Crawford**
        - **Jon Michaels**
        - **Jennifer Ziemacki**
      - **Carl Kirchner** — *Transitions Supervisor*
        - **Jennifer Emanuele**
        - **Nicole Graziano**
        - **Priscilla Smith**
      - **David Molter** — *New Accounts Supervisor*
        - **Sha-Shawn Montgomery**
        - **Kimberly Oetting**
        - **Lynn Paturalski**
        - **Laura Pryer Maguire**
    - **Tom LoManto** — *President APA Advisors*
      - **Joseph Borriello**
      - **Dee Gibbons**
  - **Anne Antunovich** — *Director of Finance*
    - **Russell Kerstein** — *Commissions Manager*
    - **Kristen Lee**
    - **Michelle Schwab**
  - **Frank Giacchetto** — *SVP Compliance*
    - **Martin Wendel** — *Compliance Officer*
      - **Amy Cintorino**
      - **Joseph Clottey**
      - **Joseph Remia**
      - **Barbara Rovtar**
    - **Melissa Grappone** — *Director of Corporate Communications*
      - **Terri D'Arrigo** — *Senior Corporate Communications Specialist*
      - **Craig Poore** — *Manager of Media Production & Studio Operations*
  - **Tom Wirtshafter** — *Field Supervision*
  - **Timothy O'Grady** — *SVP New Business Development*
    - **Jim Finlay**

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