

FREE

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from the editor-in-chief



Dear Affiliated Professionals:

On any given day, rarely will I ever know, much less need to know, how the market closed. But of late, I've actually been quite good at assessing this. I assure you, it's not very scientific. You see, if my husband (one of your fellow APFS colleagues) comes home and says to me, "I don't know why I agreed to have that bathroom renovated," I know we've probably had at least a 200-point decline in the market. But if he comes home and says, "I wish I was Houseless Howie," (a musician friend of ours who chooses to live in his car), then I know the market has dropped at least 500 points. Just as he's thrashing about, spewing the horrors of why he ever came into the business—a reactionary remark, no doubt, stemming from the "worry gene" he inherited through his Italian ancestry - no sooner do I hear him on the phone, calmly and assuredly speaking to his clients about their investments and what provisions, if any, they need to make.

The long and short of this is, during this tenuous time in the market, the best thing you can do for your clients is to stay in touch with them as often as possible. That's the message you'll hear from President Frank Tauches in his article, "Attentiveness and Accessibility" (pg. 23) and in CEO Lon Dolber's "State of the Firm Commentary," (pg. 26). Just keep on doing what you're doing, and do it well. In fact, Managing Director and Colleague, Ron Chakler, offers some encouraging and beneficial insights on the market and the economy in his article, "The Year in Review: What to Expect in 2008" (pg. 5), so be sure to refer to it if you're thinking about repositioning portfolios.

No doubt, the featured colleague in this edition of FREE (pg. 8), OSJ Manager Mike Diemer of St. Paul, Minnesota, is non-stop busy supporting his group of 22 producing reps scattered throughout the Midwest. This past December, Managing Editor Becca Dolber visited him at his office/home and was treated to a cold, crisp afternoon on the lake behind his house for some ice fishing. A few weeks later, Becca stopped in to see advisor Greg Blank at his Midtown Manhattan office for a Q&A (pg. 14), and was treated afterwards to a cold beer at the local pub—not quite as far or as adventurous—but still good fun.

With "business as usual" being the mantra for 2008, I direct you to contributing content from colleague Tim Rossiter espousing the importance of estate planning in his "Elder Report, Planning for the Final Failure" (pg. 4), as well as articles from partners BISYS and Jackson National on "Estate Planning: The Value of Lifetime Gifts and the Penalties of Procastination" (pg. 18) and "Non-Spouse Beneficiaries Get Relief," respectively (pg. 20).

While FREE reports performance results for the previous quarter, when published and distributed, the following quarter has already started with the passing of events. For this issue, we offer commentary on the OSJ Managers Meetings held at the APFS corporate offices in the second and third weeks of January (pg. 22), followed by APA's Annual Advisor Symposium, INSPIRE08, held at the luxurious Waldorf=Astoria in Manhattan from the 21st through 23rd of January (pg. 6).

And finally, with technology being an important component of the firm, an interview with Business Technology Manager, Colin Ramroop, provides a history of the IT department, an overview of his current support team and a summary of APFS IT initiatives for 2008 (pg. 24).

I leave you with a letter to the editor from Tim Rossiter. Please feel free to comment on FREE and, more importantly, to share with your colleagues your special knowledge and insight into the business.

Thank you.

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letter to the editor

In early 2007, Lon and I discussed the importance of a hard-copy (vs. electronic) publication in which all American Portfolios representatives could share ideas and thoughts with one another. I am a firm believer in the adage *out of sight, out of mind*, so I appreciate the tangible.

Over time, it would be great if this publication expands in a manner that provides each of us with useful information, tips and experiences. Certainly, no matter how seasoned we are as professionals, we can always learn from one another. With that objective in mind, FREE was born, and we now have a hard copy, which is especially relevant to those of us who have aged gracefully yet not technologically enough to effectively utilize the internet. We now have a source for useful tips and hints.

So, if you have an idea or suggestion for an article to publish, please reach out to the editors of FREE, Melissa Grappone (mgrappone@americanportfolios.com) or Becca Dolber (redolber@americanportfolios.com). And, as always, Lon, thanks for the implementation of this new venue for the sharing of our successes; through it, may we all work together to make American Portfolios the best broker/dealer in the market place!

Tim Rossiter
 Huntington, NY



THE 2007 APFS HOLIDAY PARTY

THE 2007 APFS HOLIDAY PARTY HOSTED EMPLOYEES, REPS AND FRIENDS of the firm this December at the APFS home office in Holbrook, NY. Guests were treated to an evening of food and festivities and, of course, photos with Santa Claus. As always, the evening was a great forum for colleagues to talk business and, more importantly, to celebrate the holidays and spread good wishes for a new year. ●

employee of the quarter: Laura Pryer



APFS IS HAPPY TO ANNOUNCE THAT NEW ACCOUNTS ASSOCIATE, LAURA Pryer, is the new Employee of the Quarter! Laura assists in all tasks associated with the processing, reviewing and interactive completion of new account form information through STARS. More specifically, Laura IDs clients for homeland security and makes all client address changes in the STARS, Bear Stearns and Pershing systems. Additionally, Laura is the co-anchor of *The American Perspective*, American Portfolios' bi-weekly news program.

When asked about the award, Laura said that being employee of the quarter was an honor. "When I first started at APFS two years ago, I primarily worked on homeland security for new accounts in STARS. Now, I have the added responsibility of opening accounts in Pershing and Bear Stearns. I like it because it's more of a challenge." Additionally, when *The American Perspective* needed a new co-host, Laura stepped right in. "It was a little outside of the box for me, but I felt it was a good opportunity to introduce myself to the rest of the company outside of Holbrook."

Laura's supervisor and *The American Perspective* co-host, Jared McGill, said, "Laura has a pleasant personality. She's really a pleasure to be around." Additionally, Laura has been able to adapt to an extensive work load due to the new representatives coming on board, which, Jared says, "has made her a tremendous asset to the New Accounts Department. She's deserving of employee of the quarter."

Outside of American Portfolios, Laura enjoys being outdoors, playing volleyball, snowboarding and, of course, spending time with her family and fiancé, Tom.

Congratulations to Laura on this well-earned honor. ●

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view from the field:



the elder report:

Planning for the Final Failure

by Timothy Rossiter

ALTHOUGH DEATH IS NOT A TOPIC THAT ANY of us find pleasant, it certainly is inevitable. At some point each of us will indeed die, and hopefully at that time, the people that we now perceive to be “our loved ones” will be filled with emotion.

We all know that emotion vs. logic or practical vs. theoretical present differing, if not distorted, views of reality. Armed with this premise and the hope stated above, one might ask why or how it is possible to not enthusiastically plan for our final failure — or when our physical bodies fail us. Admittedly, “enthusiasm” is somewhat of a stretch. Nonetheless, it raises a valid point which is, as estate planners, it is our responsibility to insure that our client’s overall estate is in good order.

With that said, the importance of a Durable Power of Attorney, (who will control my money?), a Health Care Proxy and/or, Living Will (do I need both?), cannot be understated.

The Durable Power of Attorney is a legal document in which a trusted individual (family member or friend) is appointed to act on your behalf in the event that you become incapacitated. It is important to remember that a Power of Attorney does not take away any of your power or ability to act on your own behalf. Once in place, you may revoke it at any time, and, unless revoked, it will remain in place and in effect until your death. The Health Care Proxy is a legal document in

which a trusted individual (family member or friend) is appointed to act on your behalf to communicate your healthcare wishes and medical decisions to doctors in the event you become incapacitated. A health care agent cannot override any decisions that you yourself are capable of handling on your own, so there is no loss of control or power by simply executing this important document. With consideration given to the reality that the life

One’s success is measured by the amount of times we fail without the loss of enthusiasm.

and death decisions with which a health care agent may be charged are often imminent in nature, it is wise to appoint both a primary and an alternate individual to act in this manner. The Health Care Proxy should also contain a HIPAA release that authorizes your health care agent to access your medical records.

The Living Will is a legal document in which you specify your wishes for your end-of-life care. Namely, specific reference is made regarding the use of life-sustaining treatments such as artificial nutrition and hydration, pain management, administration of CPR, etc.

The Health Care Proxy and the Living Will work together. In the Living Will, your wishes are made known, whereas your Health Care

Proxy enables your appointed agent to make sure that actions are taken in accordance with your wishes.

The importance of financial professionals working together with attorneys cannot be understated. We must work together to insure that the financial houses of our clients, along with their overall estates, are in good order. Let’s help our clients to maintain their enthusiasm in the knowledge that their final failure will be met with success... and that success is the knowledge that their loved ones will not be caught off-guard or placed in a position of increased anxiety. ●

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economic and market commentary

By Managing Director, Ron Chakler

the year in review 08 what to expect

CONTINUING ITS TREND SINCE 2001, International stock funds once again outperformed their domestic counterparts in 2007, and many analysts feel this trend will carry over into 2008. While emerging markets have outperformed other markets in the past five years, export oriented US companies have only started to outperform and could take “center stage” in 2008. Many of the U.S multinational companies have benefited from the slide in the dollar in terms of both sales and US currency translations. Even as the US economy slows and consumption may ease, many companies are reporting that the strength in the overseas markets will help them report strong profits. Global growth remains dominated by China, with the Shanghai Composite Index rising a staggering 97% for the year. Even a steep decline in February, which triggered a sharp global sell-off, was quickly extinguished, continuing upward onto its record-breaking ride. There was also a distinctive performance gap between Europe and Asia. The average European region, according to Lipper data, returned 12.3%, while in comparison, the typical Pacific Fund (ex-Japan) rocketed 37.4%. The typical foreign large blend funds returned 14%, more than double its domestic counterpart. And gold posted its largest gain since 1979 as gold prices soared.

One interesting shift seemed to occur in 2007 with regard to US stocks. After seven consecutive years in which value stocks outperformed growth, 2007 marked a shift in this trend. While many would think that the large cap, recession resistant growth stocks would lead when value falters, surprisingly, investors turned to the faster growing, higher multiple stocks, particularly in the tech sector. For the first time since 1998, The Russell 2000 underperformed the S&P 500 Index. The housing related

stocks in the Russell 2000 made up nine of the ten biggest losers with the year’s declines, exceeding 80% as foreclosures and overdue loan payments increased dramatically.

The volatility that was evident in 2007 will most likely be seen again in 2008. As we entered 2007, the DJIA rally continued from October 2006 and came to a crashing halt in late February as the Chinese market skidded and Alan Greenspan issued an ominous forecast. This caused the Dow to slide 416 points in one day. But the market quickly recovered as the Dow crossed 13,000 and then 14,000 in mid-July. The extent of the damage from the subprime mortgage crisis then took center stage for the remainder of the year. Despite existing home sales dropping 20% for the year and the DJIA posting its worst fourth quarter in 20 years, the DJIA finished the year with a respectable increase of almost 6.50%, certainly not as large as the 16% increase in 2006 but beating the return that we saw in 2005. The S&P 500 advanced 3.53% for the year, and the technology laden NASDAQ had an impressive 9.81% return. Government bonds also rose as rates on the 10-year Treasury fell nearly 17% for the year. The flight to safety was certainly evident as the mortgage crisis took its toll on many other fixed income sectors. At year end, the S&P 500 had a P/E multiple of 19, which is in a comfortable historical range.

Things that we need to be on the lookout for in 2008 are the effects of the adjustable mortgage resets that will occur, accelerating inflation, and the tight credit market as they exist today. With the Federal Reserve most likely continuing to ease on interest rates and the employment picture looking bright, the odds of our economy slipping into recession are narrowing, although it still

remains a concern. With 70% of US growth driven by consumption, some economists worry about the effect of the drying up of “easy” money which has helped fuel our economy for the past several years. Also, the 60% surge in oil prices to nearly \$100 per barrel and the tumble of the US dollar to record lows against the Euro will help make diversification and asset allocation crucial to the success of most investment portfolios. There was a swing of almost 50% between the energy and the financial sector last year, so continue to look at last year’s strong sectors (energy, technology and industrials) and last year’s weak sectors (financials and small caps) and rebalance accordingly. But we also need to watch for factors that could contribute to lower oil prices this year: namely, a slowing US economy, inventory levels rising and a stronger dollar.

As previously mentioned, the Federal Reserve has begun to react to these potential pitfalls by lowering interest rates and injecting money into the financial system. The government has also taken action to freeze some adjustable rate mortgages and taken other steps to help distressed homeowners. Another positive sign for the stock market this year is the political environment. While the best year is usually the third year of a President’s term, the market also rises 80% of the time during presidential election years. And, interestingly enough, going back to 1900, stocks rise 90% of the years which end in “8”. ●

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INSPIRE'08

AP ADVISORS' ANNUAL ADVISOR SYMPOSIUM WAS HELD at the Waldorf=Astoria in New York City on January 21st to the 23rd. This advanced planning event hosted by the AP advisory team prepared an itinerary packed with valuable presentations given by the best and brightest in the business on a host of topics, including securing your physical and paperless office, providing alternative strategies for long-biased investors, investing with intelligence and reviewing the 2008 economic and financial market outlook. The evening's banquet and awards dinner at the Peacock Alley Restaurant recognized the firm's top advisors. ●

Photographs by Andrea L. Parker



by Thomas J. LoManto,
President APA

apa kicks off new year with inspire'08

WHAT CAN I SAY BUT HERE WE GO AGAIN. ANOTHER YEAR, AND WE'RE OFF TO A FANTASTIC START. WE KICKED off '08 with our Annual AP Advisors' Symposium, INSPIRE'08, which hosted over 50 of our colleagues at New York City's Waldorf=Astoria Hotel. Aside from the fine food, dining and informative presenters, perhaps the most wonderful aspect of the symposium was the opportunity to speak with our top, up-and-coming advisors both one-on-one and at our Town Hall meeting. The overwhelming consensus from that meeting was advisors and representatives want and need to speak to each other regularly and in a prompt manner on issues that may arise during their workday; more specifically, to speak to advisory professionals who conduct the same kind of business. APFS and APA are committed to providing a real-time like forum that will connect fellow professionals – a forum for meaningful conversations to learn about what others are doing and thinking.

We've also kick-started the new year with a new agreement with Schwab Institutional. The new deal offers all custodial services, online order blasting, rebalancing systems and a platter of over 3,000 third party managers. Our introduction of Schwab is part of our commitment to deliver a true open architecture RIA platform.

Additionally, AP Advisors is committed to offering another dimension of service from the home office in Holbrook, New York. In his new role as Manager of Business Development in 2008, Joe Borriello will be organizing, implementing and running regional meetings to help managers and advisors expand their practices. Currently, Joe is creating a questionnaire which will be sent to all OSJs to better determine what areas of their business can be improved and/or developed. This, in conjunction with the new forums and profiling system, will allow APA to deliver dynamic content to managers and their reps. Likewise, Advisory Compliance Associate, Dee Gibbons is also available to help guide affiliated advisors through an ever increasing regulatory environment. She is currently reviewing all corporate documents, including our Code of Ethics, our Compliance Manual and the ADV Part I and II. She also is reviewing all procedures and working with managers to ensure they know what their responsibilities are per SEC guidelines. She is here to inform, to educate and, most importantly, to keep everyone abreast of any and all new rules.

It has been said, "Independence is a lonely place to be." True as it may be, APA is dedicated to supporting new and existing advisors. We look forward to serving you in 2008. ●

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rep feature:



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mike diemer

The night before I left New York was the coldest of the year—23 degrees, and we had no oil in the furnace. My roommate and I slept in wool hats, knitted socks and a multitude of blankets, praying our pipes wouldn't freeze. She joked, "No better way to prepare yourself for Minnesota!"

Feature and Photographs by
Rebecca E. Dolber



LUCKILY, THE NIGHT PASSED QUICKLY, AND before long, I was soaring on Northwest Flight 1543 en route to visit Mike Diemer, midwest native and manager to 22 APFS affiliated colleagues. I first met Mike at the 2007 APFS National Conference in Galloway, NJ. He was one of the few who didn't talk strictly about "the business." Naturally, I gravitated towards him and knew he would make for a fresh, interesting interview—not to mention, he promised to take me ice fishing if I paid him a visit.

Mike picked me up from the airport, and we rode north along the Mississippi River. Its icy edges cribbed the stout work boats on break from their seasonal voyages. There they rested, braving the ice that formed on their bows, anticipating the snow that would pile

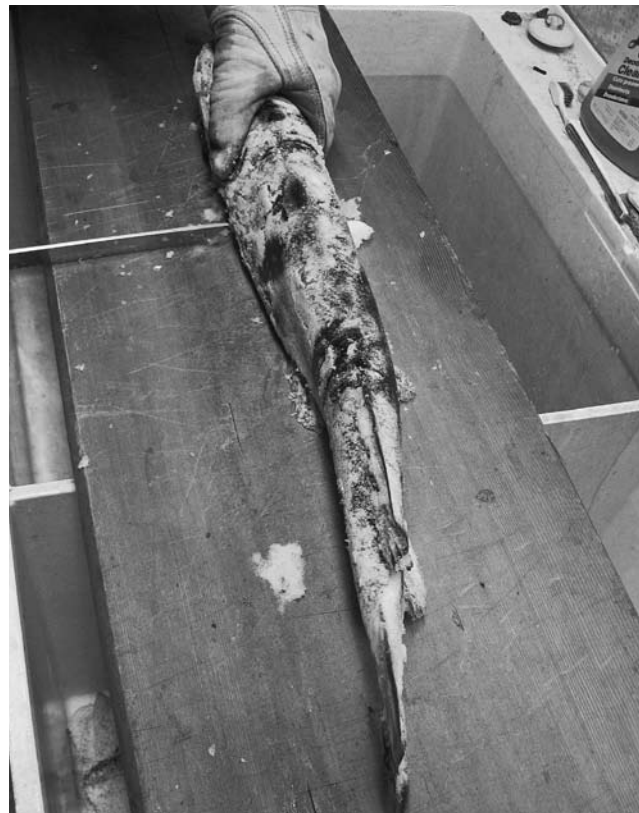
between 20 degrees and 5 below?"

"Well, yaknow," he said in a classic mid-western accent, "When it's cold, it's cold."

The farther we drove, the more spread out the roads became. From the left, St. Paul rose from the distance but quickly retreated to the rearview mirror. Dense city streets branched off into highways which exited into country roads until eventually we were surrounded by acres of tall, raw grass that continued onto the horizon. As we drove, Mike spoke about the French fur traders that arrived in the state in the late 1600s and bought hides off the Sioux Indians. He marveled at explorers like Jean Nicolle and Louis Joliet who traveled on snowshoes to map the entire state of Minnesota. His knowledge and reverence for history and

open room with a floor to ceiling window that overlooked the front yard. Suction cupped to it was a bird feeder, frequented by tiny finches that sat on the ledge and nibbled on bird seed. To the left of his desk was a shelf full of books and to the right a single filing cabinet. "All the paperwork I have is in this drawer." He opened it to reveal a few folders. "Most everything I need to work is online and with STARS (APFS' online supervisory tool), it makes it possible for me to manage different people in different parts of the country from my home."

A brand new Dell desktop sat on his desk and Mike clicked around it showing me pictures of his travels. He pulled them up, one after the other — landscapes, cities, people, portraits and landmarks from Africa, Europe and Asia. Mike and his wife, Diane, have traveled all



in later winter months. It was 15 degrees in St. Paul, and the flurries fell lazily to the ground, taking their time to meld into one big wash of white. Everything was cast in gray, even the lowly pedestrian bundled to the brim in goose down and wool. I'd never been to Minnesota but wondered... how cold could it really get? I asked Mike, "Is there really a difference

the people who preceded him was apparent. Rarely had I come across anyone who knew so much about the place they lived in.

After 25 minutes, we turned into 440 Emerald Drive, our final destination, Mike's home and office to North Point Advisors. We pulled into the garage and headed inside. His office was an

over the world and have seen some places most can only dream of. "We've visited Buddhist Monks and Eskimos, gone snorkeling in the Galapagos and canoed on the Amazon. We've done some great stuff. Meeting everyday people from other cultures is very interesting. It's made me thankful for what I have and thankful that I live in America."

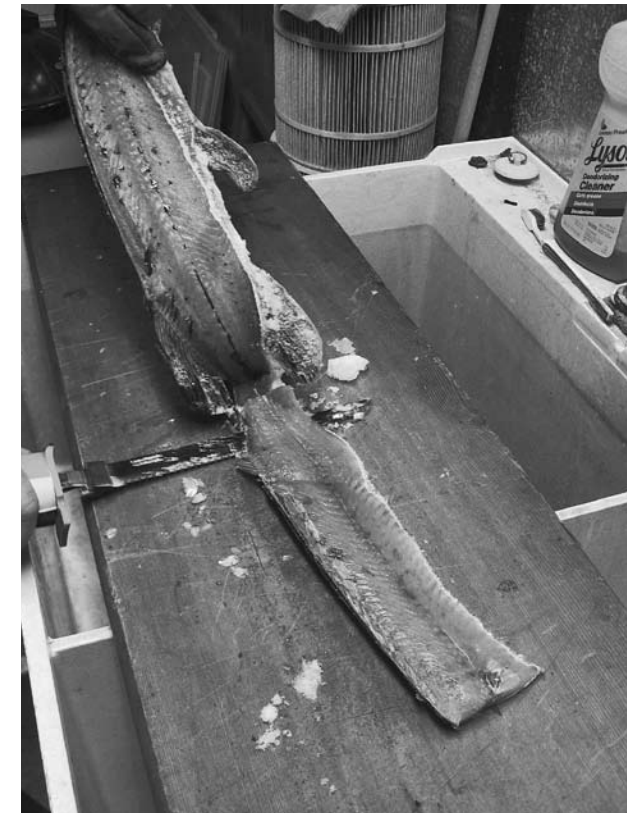
a fish."

I was no stranger to fishing, as I'd spent many summers catching snappers off the South Shore of Long Island. However, ice fishing in Minnesota during the winter proved to be much different.

Mike led me downstairs where we maneuvered into one piece snowsuits. He handed me rubber galoshes (men's, size 12 at least) that came past my knees. "You have to keep your feet dry," he warned. I put on my wool hat and padded winter gloves. With bucket in hand, I followed him out the back door.

The snow had been blown into massive drifts that we trudged through to get to the lake. The

To that end, Mike and his wife are committed to helping their local community. Diane volunteers her time preparing meals for over 9000 church members, and Mike was the congregation's president. While some people just give money, and others just give some time, the Diemers give both - not out of a sense of obligation, but rather from an obvious and genuine sense of gratitude. "It's not contrived, we just do it. It's part of who we are as family. There are people out there who are less fortunate than we are. We don't get to see 'em all, but the ones we do see, we try to help." One of Mike's Reps, Sue Pfaffinger of Jeffersonville, Indiana agrees. "I've worked with a lot of different people, and it's very rare to have the opportunity to work with one who has the personal and professional principles



and fall through. "This ice is over four inches thick," he assured me, "You are fine." In the dead of winter, the lake's surface freezes over to three feet deep, and ice fishers can literally light fires right there on the surface.

Strategically, he speared the ice in a ragged circle about a foot in diameter until the center dropped and revealed a deep pool of steel blue water. "Ok," Mike said, "hand me that bucket." He reached into the holding tank and pulled out a minnow that alone was big enough to fry. He took the three pronged hook and pierced the shiny fish right under its spine. The fishing line gathered onto a reel which was attached to what looked like a plastic 2x4 called a Polar Tip-Up. The device had an orange flag with bells on it that would be triggered and alert us when there was a bite. He placed the Tip-

that Mike has. You know, people may not know that every week he goes into the inner city and reads to underprivileged children. To spend his time doing things like that just tells you what kind of person he is."

"I see the problem, and I want to solve the problem. Overall," he says, "I think I'm good at that... But, enough of this. Let's catch you

air was still and quiet, accentuating the sound of snow crunching under my massive boots. The foot of the lake was indistinguishable from the shore and without knowing it, we walked across the frozen water. Mike held a 4ft metal spike with a rope around the end that was looped over his wrist. At about 50 feet in, he chipped through the ice. Nervously, I asked if it was possible for the ice to crack

Up over the hole and with about two feet of line, lowered the minnow into the chilly water. It swam away with the hook in its back, an unsuspecting decoy. Mike handed me the spike. "Ok, Becca. Now, let's get three to four more set up. I'll be right back." He turned and headed back towards the house. By the time he came back, I had half a hole dug. He laughed, and helped me set up the remaining

locations.

From the center of the pond everything looked frosted, even the air around us. I was properly bundled and the only thing that was cold was my eyelids – or maybe it was my eyes – I couldn't tell, but whenever I blinked, I could feel the coldness penetrate. We sat in our chairs and waited for a bite.

“So, do you ever do business from the lake, or is this like, a sanctuary?”

Mike laughed and said that ice fishing was usually reserved for the weekends. Having worked out of his house for the past 12 years, he oversees professionals from Tempe, Arizona to Charlestown, Indiana and most places in between. His approach to managing is simple: “I'll work with anyone who wants my help.”

As a nine-year-old growing up in Wisconsin, Mike's first entrepreneurial endeavor was raising rabbits and then selling the meat for profit. He'd also load cases of bottled “pop” into a wagon and sell them at auctions.

“I had to finance the first case, but after that I made a profit!”

But Mike's first opportunity to work in the industry came while working at a grocery store. While stocking shelves, a man came in and asked, “How would you like to sell insurance?” Mike replied, “Fine, when do I start?” He told him to be at 401 South Main Street Monday morning and that, as Mike says, was the beginning of it all. Mike eventually worked as an agent for a large insurance company for 17 years and then as a general agent for another eight years. He was a leading rep for the company and was instrumental in the significant growth of the general agency.

“My overall game plan was to do it myself for the first half of my career. The second half, I wanted to help someone else to do it.”

So in 1997, Mike started managing at FSC Securities. “I didn't know a lot about the independent side, but I knew I wanted to be there.” When FSC was bought out a few years later, Mike came across APFS.

“I looked at 40 different b/ds, and in the end, it came down to APFS and a b/d based in Denver. I called Lon on a Saturday morning and told him that we were going to go another way. He was so gracious, and just said simply, but sincerely, good luck, and please let us know if we can ever help you in the future. . . . I never forgot that.”

As it turned out, that new b/d was also sold, and when it was, APFS was Mike's first call.

Senior Vice President of New Business Development at American Portfolios, Timothy O'Grady, worked closely with Mike during his transition in 2007. He recalls, “Mike is a true manager. During the transfer of licenses and accounts, he absolutely went to bat for his reps. He left no stone unturned, and that was reassuring for them during what can be an unnerving time when you're changing b/ds.”

Mike recalled early mornings in Minnesota, calling direct product companies and making sure everything was in order for his rep's account transfers. “APFS was helpful, but I wanted to make sure everything was taken care of first hand.”

While things are still busy in Mike's office, there seems to be a symbiotic flow despite the distance between Mike and his reps. When asked what it's like to have Mike as a manager, Mark Lea of Coon Rapids, Minnesota said, “Mike is one of the greatest no-boss bosses! He's always available. We'll talk two to three times a week; it's nice to chat and get a different perspective. He usually calls me to see if I need help with anything. Mike is the kind of guy who, if he can't get an answer, will point you in the right direction. I think he's one of the best osjs around. He'll keep your nose clean, on the straight and narrow.”

Of being a manager, Mike said, “I can't take the credit for a person's success, but I can get people in the right slot to do it well.”

And as I looked around, 2,000 miles from home anticipating that big catch, I thought, I couldn't have said it better myself.

With the jingle of the bell, Mike shot out of his chair. “Becca, you got one!”

I didn't think I could move so quickly in so much clothing. I ran over to Mike and watched him clear the ice that formed over the hole. He handed me the line. “Take off your gloves and pull it up!” I threw my gloves to the side and started gathering the line. The weight of the fish pulled hard into my fingers. Hand over hand, I pulled until he came to the surface; a monster of a fish Mike called a Northern Pike. He was speckled and olive and flapped about like a madman. In a flash, Mike inserted metal prongs into its gullet and removed the hook. He handed me the beast. Never had I caught a fish so big.

“What do you think?” he asked.

I held him up high and with a sense of accomplishment. This is what I'd come here for.

“Let's eat 'em.” I proclaimed proudly.

For dinner, Mike, Diane and I feasted on Northern Pike and Pizza. When I returned home to New York later that evening, we still had no heat. But somehow, Minnesota and my visit with the Diemers made the cold a little more bearable, and with a full belly of fresh fish, I slept soundly. ■

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Investment Solutions from A to Z

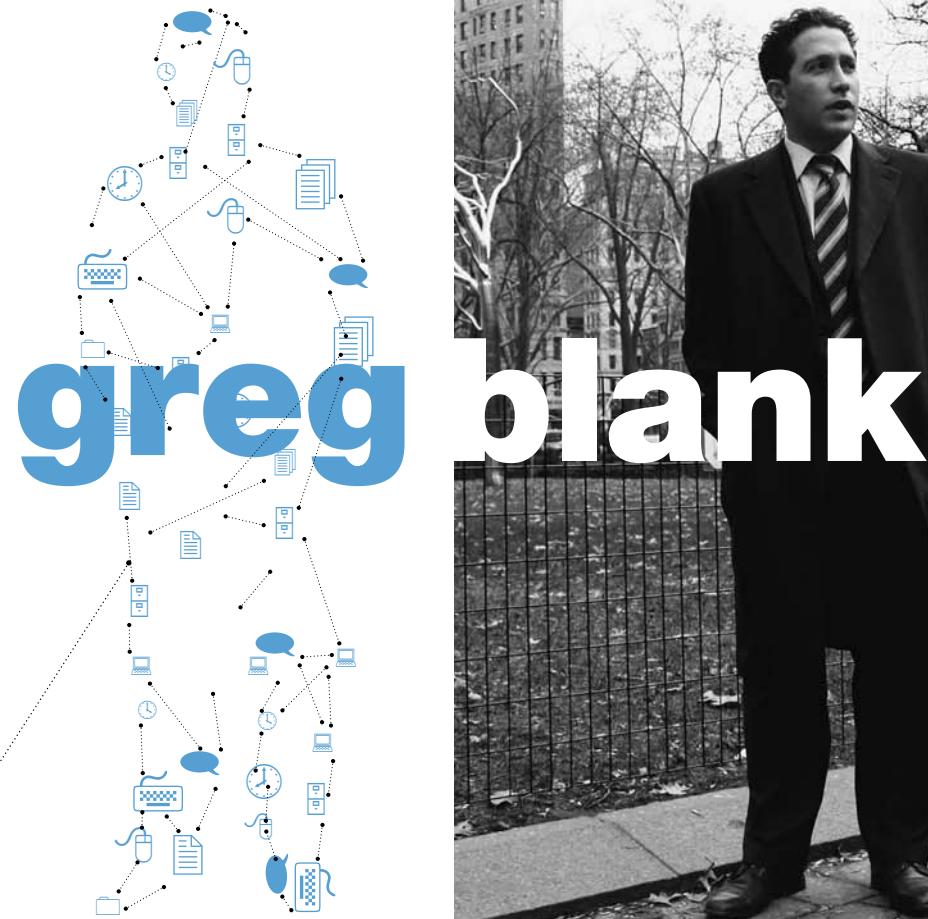
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Interview by Rebecca E. Dolber, Photographs by Andrea L. Parker.

High atop his Park Avenue suite, Greg Blank plays like a jazz ensemble: a piece of work marked by intricate, propulsive rhythms. He is up and energetic, juggling conversations, correspondence, folders and online business - chaotic, yet with the melodic idiom of a song. But, as the younger, more spontaneous half of Blank Financial Group,

Greg doesn't mind dancing to his own beat.

FREE: You're a young guy, how'd you get into this business?

GREG BLANK: It was kind of by accident. I was a sociology and art history major at SUNY Binghamton. When I graduated, I bounced around odd jobs and traveled a bit. I remember a lot of pressure to get on some sort of career track - though I really didn't have a good idea about what I wanted to do. There is a lot of anxiety when you are at that in-between phase, when you are trying to figure out how to make money to live. I really don't miss that at all. My parents were in financial services so that was sort of the lead in.

FREE: So, what happened after that?

GB: I knew my parents had a successful business, but I wanted to learn from someone else with the hope of eventually joining my parents. The investment side seemed like a good fit because I could create another line that wouldn't overlap with the insurance and estate planning business that they focused on. I spent a year at MetLife Securities, and then I moved laterally within the business to Nathan and Lewis Securities to work with my family.

FREE: Tell me about your practice now. Who is in your group?

GB: I operate a satellite office separate from my brother and my parents. I have two people working with me: Susan who's been with me for four years, and Viktoria who's been with us for the past year.

FREE: How about your clients? Who do you work with?

GB: When I started, I would spend a lot of time taking anybody that would meet with me. It's really tough trying to get clients in this business. Between having pressure from sales managers to get assets and new clients and trying to gain knowledge and experience, I can't imagine how someone can make it in this business without a leg up. I had help from my parents. I have since learned that I don't want to work with just anyone. I want to work with people like me, people that I can relate to. I am lucky that most of my clients are really good people who I genuinely like. The biggest demographic of our client base are younger people in the accumulation phase, similar to me.

FREE: Young people with money?

GB: Maybe it's a byproduct of being in NY, I don't really know. There are a lot of young professionals with healthy incomes and big numbers in their bank accounts who need help. I work mostly with small businesses, young couples and individuals. Many of them are in the creative world.

FREE: What's your favorite part of the job?

GB: There's a lot I like. For me, though, it's the freedom to do what I want to do, when I want to do it. Most rewarding is working with the client. And the rewards are always unexpected. For example - when you see someone put a down payment on a home... or pay off their mortgage or that final credit card bill because you helped them sock that money away... It's the intangible stuff you wouldn't expect.

FREE: What kind of person should be independent in your opinion?

GB: The people who belong here are those who look at this as a service business and not as a sales business. People will pay for a service if there is a need for it. Any bank can tell you the best available yields they offer. That's basic stuff. But generally speaking, as one's financial situation gets more sophisticated, they require better coordination of their financial affairs. This is something the banks can't effectively provide. Neither can the insurance companies, or the wire houses. This is where the independents have a great niche. People with more complicated financial affairs need higher levels of service.

FREE: Where do you think independent professionals can be better?

GB: I think our job as independent professionals is to stay ahead of the curve. We are more quickly evolving with the business. My experience in working with traditional brokers in proprietary channels is that they are restricted by their firm's pipeline of research, which can limit them in the service they provide or product that they sell. There are always changes being made in the financial environment, more so now than in the past. Personally, I read everything I can get my hands on. I make time for this. Financial service professionals, in general, have to stay abreast of changes and rules. The independent advisors that don't make the effort to continuously learn and educate their clients and who get stuck in a pattern are the ones that are not taking advantage of being independent.

FREE: So, how come you chose American Portfolios as your broker/dealer?

GB: My brother Matt and I did extensive shopping of broker/dealers, which was an exercise in frustration. When we met with Lon, there was no sales job. He took us out for cheeseburgers. He said the way we would learn to do business with APFS, should we choose, would be the way we would do business forever. This is similar to how we present ourselves to our customers. We want them to feel comfortable that they are not trapped. This is how we were made to feel when we signed onto APFS.

FREE: How has your work changed since joining APFS?

GB: Tremendously. I think from a technology point of view, working with APFS has made my business much more efficient. Everything is much quicker, especially the reporting. The most significant thing is Albridge. People want total transparency and they want their complete financial picture 'nut-shelled' on one page. We have that with Albridge's data aggregation. Being able to email a statement to a client within seconds - that efficiency - wasn't something I could do before I joined APFS. It's invaluable. It actually helps us to gather assets. Then, of course, there are the people at APFS who service us that we've come to know on a first name basis. It feels like the old Nathan and Lewis. That's really big. Work is so much more enjoyable when you know and like the people you work with on a daily basis.

FREE: How can firms like AP become more mainstream or more available as an option for financial planners?

GB: Well, I probably shouldn't say this, but I like the anonymity. I think the problems start once you get too big. I don't want to see APFS grow too much. Though, at the same time, I would like to see our colleagues at APFS all become very successful.

FREE: Do you have an investment philosophy?

GB: In 2000 we had \$20 million in assets under management. As we were less experienced and caught up in the momentum, we suffered and watched our client's assets drop to \$13 million. It was a huge lesson. Now, between Matt and myself, we manage over \$75 million, and I know if we took that kind of hit again we would have to downsize our firm; and that's not an option. We share this reality with our clients. The most important part of investing is saving money. If you can get a tax advantage in your investments or increase your yield without adding risk, then you've upped the results.



Our primary goal is to protect our client's investment but with a shared focus on portfolio growth. The average retail investor uses the S&P 500 as some sort of barometer for their results, which is very myopic. Getting 11-12% in the S&P 500 is meaningless if you retire in a year that it drops 20%. Educating investors of this reality and setting their expectations at a reasonable level is an important part of our process. I believe that going forward, the most significant event affecting investors' portfolios is the globalization of markets and economies. Investors are entering into a new era. Helping clients adapt their portfolios to this change is vital.

FREE: How do you think the business is going to look 15 years down the road?

GB: We are going to see a lot more people doing what we are doing. There will be more generalists like us who do all-inclusive planning (rather than, for example, exclusive stock or insurance brokering). And, as I alluded to before, for the person with more sophisticated needs, each of these functions (insurance, investments, banking) are intertwined and need to be coordinated with each other in order to achieve the best chance of financial success. I think this will prove to be the future of the financial service business. And the financial service professionals that embrace this, independent or not, will enjoy more successful and lasting client relationships.

FREE: Who have you learned the most from in this business?

GB: The majority of what I've learned in this business has been from my family. There is a lot of combined experience there. My dad taught me how to run a business and how to treat the customer. My mother is ambitious and fearless about new ideas. She became a financial planner after raising my brothers and me, which is hard to imagine. Working with my brother Matt has really helped me to streamline and better define my vision in this business. It's not very quantifiable, but without him, I would not have the same conviction in our investment process. I don't feel I have many other true peers in this business. Sometimes we bicker about investment strategy, but I think this is a good thing. Susan, with whom I work every day, has really helped me to crystallize in my mind that our service is our product. So I've learned from her that surrounding myself with very intelligent, customer-oriented people is vital to the future success of our business.

FREE: Well, how is it that you can work with money and not be consumed by it?

GB: I think everyone cares about money, but some people let it complicate their lives. Money facilitates much of what we do day-to-day. So for me it is very important, but I try to keep it from ruling my life. For me - I love to eat, drink and especially love to travel. One thing about traveling is that it gives you a perspective.

FREE: Where would you like to go?

GB: I couldn't go every place in the world I want to in this lifetime. My next trip is a road trip from Charleston, SC to Key West in a convertible car. I'm unfamiliar with the South, so this is a new discovery for me. Again, I like getting different perspectives.

FREE: Why do you love NYC?

GB: I love NYC. I grew up here. Mostly, I love Central Park. I spend a lot of time there. It's my playground. And of course—I love the food.

FREE: If someone was coming to NY for the first time, what would you tell them to do?

GB: If I were to recommend one place to visit—it would have to be either the Metropolitan Museum of Art or Grand Central Station. I think that they both exemplify the culture and magnitude of New York City. As many times as I have been, they never fail to impress me. And of course, one must go to Corner Bistro for a burger.

FREE: What does the future hold for you, personally and professionally?

GB: Professionally, I am motivated to build this practice. My hope is to build a great team of people, a great client base and a great culture to go along with it. Personally, I would love to settle down, and I hope to have a family. I'd like to one day write a book because it takes a discipline I don't think I have. That would be a big accomplishment...and it won't have anything to do with this industry. ●

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estate planning: *the value of lifetime gifts & the penalties of procrastination*

WEALTHY INDIVIDUALS ARE GENERALLY FAMILIAR WITH THE CONCEPT OF DEFERRING EITHER ACTUAL OR CONSTRUCTIVE RECEIPT OF INCOME IN A given tax year to avoid a larger income tax bill. Their professional advisors are quick to remind them that Congress has enacted tax law changes every year since 1975. Thus, where the opportunity presents itself, it's better to "kick the can down the road," that is, defer the receipt of income to potentially avoid a bigger tax bite. While "kicking the can down the road" to defer having to pay federal income taxes may temporarily work, this same idea could spell disaster when it comes to deferring any action on potential federal estate taxes until death. Let's take a look at what the cost of such a decision could be.

The problem: a growing estate

Jeff Temple and his wife Judy are the consummate "Baby Boomers." The Temples, both 60, take very good care of themselves. At recent respective physicals, each were declared "fit as a fiddle" by their doctors. In fact, absent a serious disease, each of them could have active lives well into their 90s. The Temples have three adult children, Jennifer, age 30, Robert, age 35 and Debbie, age 38.

Currently, the Temples have a combined net worth of \$15 million. They have been working with their professional advisors on their estate plan. Jeff is concerned about a five acre unimproved lot that they own next to

a gated community with a golf course. He just heard that a developer is planning to construct an upscale shopping mall on the other side of his lot, "sandwiching" their property between the two developments.

"I bought the lot for \$1 million in 2000. Its value in 2006 is \$2 million. I'm sure that once ground is broken for the mall, my property will skyrocket in value. My estate is only going to get larger and therefore incur a larger federal estate tax bill. Should I get the appreciation of this land out of my estate?"

Contributing factors: a static federal exemption credit and inflation

There are other factors that are contributing to the Temples' concerns. Unlike the Annual Gift Tax Exclusion which is indexed for inflation each year, the Unified Credit depends on the benevolence of Congress for protection against the long-term ravages of inflation. Absent future legislative action and the reinstatement of the \$1 million unified credit equivalent, inflation can be expected to erode the value of the Unified Credit, as shown in the following table.

The outcome for a 60-year-old, with an assumed life expectancy of 25 years, is glaringly obvious – he/she may ultimately shelter less than half of the wealth he/she could otherwise protect by taking action today!

Assumed Future Annual Rates of Inflation

Year	2.00%	2.50%	3.00%	3.50%	4.00%
1	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
5	\$923,845	\$905,951	\$888,487	\$871,442	\$854,804
10	\$836,755	\$800,782	\$766,417	\$733,731	\$702,587
15	\$757,875	\$707,727	\$661,118	\$617,782	\$577,475
20	\$686,431	\$625,528	\$570,286	\$520,156	\$474,642
25	\$621,721	\$552,875	\$491,934	\$437,957	\$380,121

A solution: making a lifetime gift using the federal gift tax unified credit

When a taxpayer makes a gift during his/her lifetime, he/she makes a gift of not only the current value of the asset but also of all the future growth that asset will realize. Once the gift is made, the asset is then beyond the reach of estate taxation.¹ However, if a gift is not made, and the asset is instead retained within the taxable estate until death, the entire ultimate value will be subject to estate tax. The ultimate financial impact can be overwhelming, as the table on the following page shows.

The previous table is based upon our 60-year-old with a 25-year life expectancy. Clearly, even at a conservative growth rate, the assets can more than double in value by making the gift today instead of waiting until death.

It should also be remembered that the Estate Tax is an inclusive tax while

the Gift Tax is exclusive. In other words, the Estate Tax is applied to the gross pre-tax asset while the Gift Tax is applied to only the amount of the gift. If a taxpayer wants to make a 1,000,000 gift during his/her lifetime, the gift tax (assuming the maximum rate of 55%) would be \$550,000. The total gift plus tax would be \$1,550,000. However if the same taxpayer wanted to make a net bequest of \$1,000,000 at his/her death, he/she would need to start with pre-tax assets worth \$2,222,222, because the estate tax (again assuming 55%) would be \$1,222,222. Simply put, lifetime gifts are more tax-efficient than bequests at death.

Year	Cal-Year ²	Max. Estate Tax Rate	Value of Asset @ 4.00%	Estate Tax if Not Gifted ³	Net Asset to Heirs ⁴
1	2007	45%	\$1,000,000	(\$450,000)	\$550,000
5	2011	55%	\$1,169,859	(\$643,422)	\$526,436
10	2016	55%	\$1,423,312	(\$782,821)	\$640,490
15	2021	55%	\$1,731,676	(\$952,422)	\$779,254
20	2026	55%	\$2,106,849	(\$1,158,767)	\$948,082
25	2031	55%	\$2,563,304	(\$1,409,817)	\$1,153,487

The Temples should use their lifetime gift tax exemption – now!

It is recommended that Jeff and Judy establish an irrevocable inter vivos trust, naming the children as trust beneficiaries. They can then make a joint gift of the lot, currently valued at \$2 million, to the trust. The Temples would make use of their lifetime gift tax exemption amount of \$1 million each, thus avoiding any out-of-pocket expense for gift taxes due on the transfer of the real estate to the trust. Further, the Temples can use their annual gift tax exclusion to make a joint gift of \$72,000 (\$24,000 per child) to the trust to cover any real estate taxes that may be due.

Such gifts could also be used by the trustee to purchase life insurance on either or both parent's lives to further leverage the real estate. Let's say that the real estate taxes nearly exhaust the \$72,000 being gifted by the Temples each year. However, the Temples still want the life insurance inside the trust. A private split dollar arrangement between either Jeff or Judy and the ILIT's trustee could be the perfect solution to this dilemma.

For example, the Trustee could enter into a split dollar collateral assignment arrangement with Judy. The trustee would be the applicant, owner and beneficiary of a life insurance policy on Jeff's life and would collaterally assign the policy's cash value to Judy. Judy would pay the policy's premiums each year and would retain the sole right to borrow against or withdraw policy cash values. The trustee's portion of the premium would be policy's "economic benefit." Since the cost of the insurance is much smaller than the annual premium, the trustee could reasonably pay this amount from the annual exclusion gifts being made to the trust by Jeff and Judy.

At Jeff's death, Judy receives back the greater of the policy's cash value or the gross premiums she has paid into the policy.

The bottom line: use of the lifetime gift tax unified credit makes sense

1. Unless Congress is feeling particularly generous sometime in the future, the value of the Unified Credit will be worth less in the future than it is today, after inflation.
2. The ultimate value to heirs of assets gifted today will be greater than assets bequeathed at death.
3. Gifts made today, during the taxpayer's lifetime, are more tax-efficient than bequests made at death, via will.

Why would anyone NOT make maximum use of their Unified Credit NOW? ●

¹ Under the federal unified tax system for estate and gifts, the cumulative total of all taxable gifts will be added to the taxable estate of the donor. The value of the gifts is their fair market value at the date of the gift. Thus, for transfer tax purposes, there is no additional tax paid on post-gift appreciation (assuming a timely filing of the federal gift tax return).

² This column is based upon current law.

³ This column is based upon current law.

⁴ This column assumes the net asset to heirs after the estate tax is paid.

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non-spouse beneficiaries get relief

Section 829

you get an opportunity

Effective January 1, 2007, one of the most significant and beneficial provisions of the Pension Protection Act of 2006 became effective. Section 829 of the Act allows non-spouse beneficiaries to transfer qualified retirement plan assets to an inherited IRA. This one provision can help you preserve your clients' legacy, retain assets under management and build a bridge to your clients' beneficiaries.

TO PROVIDE SOME BACKGROUND, MANY QUALIFIED PLANS, SUCH AS 401(K) OR 403(B) PLANS, LIMIT THE DEATH BENEFIT DISTRIBUTION OPTION TO lump sum or all-out-in-five-years. This did not present a problem for spouses named as beneficiaries because they had the option to roll a lump sum distribution into their own IRA. Non-spouse beneficiaries, on the other hand, were not provided the same rollover rights as spousal beneficiaries. In other words, non-spouse beneficiaries of qualified retirement plan assets were limited to the distribution options provided under the plan. As a result, non-spouse beneficiaries often suffered considerable and, at times, detrimental tax consequences.

To avoid this problem, advisors typically counseled clients with non-spouse beneficiaries to consider rolling over assets from their employer-sponsored retirement plan to an IRA prior to the client's death. Transferring the assets to an IRA can provide non-spouse beneficiaries the ability to stretch distribution of the assets over their life expectancy. The downside, however, is that rolling assets to an IRA prior to death has to be weighed against the benefits of leaving the assets in the qualified retirement plan. Fortunately, the recent change in tax law may offer a solution.

non-spouse beneficiaries get relief

Effective January 1, 2007, non-spouse beneficiaries have the right to transfer eligible retirement plan assets directly to an inherited IRA. It's important to point out that non-spouse beneficiaries still do not have the right to rollover the decedent's IRA assets into their own IRA, nor do they have a 60-day window to take the assets in cash and move them to an IRA.

A non-spouse beneficiary will still be required to satisfy the minimum distribution requirements for inherited IRAs. This is commonly referred to as the IRA stretch distribution option. This option allows beneficiaries to continue tax deferral of the assets and manage taxation of the distributions by stretching the distribution of the assets over their life expectancy. To ensure non-spouse beneficiaries can take advantage of the stretch distribution option, the direct transfer to an inherited IRA and the first distribution must occur by the end of the year following the year of death of the original IRA owner.

plan reviews and proper guidance are still important

It is worth noting that while the IRS permits a direct transfer to an inherited IRA for non-spouse beneficiaries, it does not mandate it (see IRS Notice 2007-7). In other words, reviewing the death benefit options provided by your clients' retirement plan provider prior to death is still important. If the plan will not accommodate a direct transfer to an inherited IRA for non-spouse beneficiaries, an IRA rollover prior to death may still be the best course of action for your clients. Proper handling of the direct transfer to an inherited IRA is critical. A properly titled inherited IRA means that the new IRA must be maintained in the name of the deceased plan participant "for the benefit of" the named beneficiary. For example John Doe Deceased IRA FBO Mary Doe Beneficiary. If the assets are transferred to the non-spouse beneficiary's own IRA or non-IRA account or withdrawn as cash with the intent of rolling it over within 60 days, the distribution will be considered fully taxable, and the beneficiary will lose the opportunity to stretch the IRA assets. The technicalities associated with this process are frequently and unfortunately overlooked. For this reason, it's a good idea to meet with beneficiaries before they inherit the assets so they understand the rules.

This new provision also applies to trusts, meaning that a direct transfer

from an employer's plan will work even when a trust is named as the beneficiary. A properly titled inherited IRA must still be set up to receive the transfer from the plan. Also, the trust must meet all IRS requirements to qualify as a see-through trust in order to take advantage of the stretch. If a trust is named as the beneficiary of retirement plan assets, it's important to review the implications with your clients. It would be wise to discuss the estate-planning intentions of your clients and the tax implications of inheriting retirement assets with an attorney who is knowledgeable in both areas.

the opportunity

This single provision may provide a tremendous financial benefit to non-spouse beneficiaries and their heirs. It also provides an excellent opportunity for you to communicate the benefits of this new tax law to your clients and their beneficiaries. You may even discover that rolling funds over to an IRA prior to death is still the best course of action. By reviewing your clients' retirement plans, you'll ensure that the assets are retained, taxes are deferred, the benefits of tax deferral are maintained, and you establish a financial planning relationship with your clients' beneficiaries that will continue for many years to come. ●

For more information, call Jackson's Retirement and Wealth Strategies Group at 800/866-4510 ext. 57147.

*Tax deferral offers no additional value if an annuity is used to fund a qualified plan, such as a 401(k) or IRA, and may not be available if the annuity is owned by a "non-natural person" such as a corporation or certain types of trusts. Annuities and life insurance products are issued by Jackson National Life Insurance Company * (Home Office: Lansing, Michigan) and in New York annuities are issued by Jackson National Life Insurance Company of New York * (Home Office: Purchase, New York). Variable products are distributed by Jackson National Life Distributors LLC. May not be available in all states and state variations may apply. These products have limitations and restrictions. Contact the Company for more information. Jackson National* is the marketing name for Jackson National Life Insurance Company and Jackson National Life Insurance Company of New York. Annuities are long-term, tax-deferred vehicles designed for retirement. Earnings are taxable as ordinary income when distributed and, if withdrawn before age 59½, may be subject to a 10% federal tax penalty. Variable annuities involve investment risk and may lose value. JacksonSM, Jackson of NYISM and their affiliates do not provide legal, tax or estate-planning advice. For questions about a specific situation, please consult a qualified advisor.*

osj managers well equipped for 2008

by Dean Bruno, COO APFS

THE 2008 MANAGERS MEETING SESSION, OFFERED AT THE AMERICAN PORTFOLIOS CORPORATE OFFICES IN JANUARY TO SUPERVISING PRINCIPALS OF APFS OSJS THROUGHOUT THE COUNTRY, VIRTUALLY CAME AND WENT. IT SEEMS AS IF ONLY YESTERDAY WE WERE HOSTING THESE VERY SAME MEETINGS A YEAR EARLIER. NEEDLESS TO SAY, ONCE AGAIN, WE GREETED A FULL HOUSE OVER TWO CONSECUTIVE THURSDAYS, IN THE SECOND AND THIRD WEEKS OF JANUARY, OF MANAGERS, OLD AND NEW, LEADING THEM INTO 2008 WITH A RENEWED UNDERSTANDING OF OPERATIONS, COMPLIANCE, TECHNOLOGY, SUPERVISION AND BUSINESS DEVELOPMENT.

With a tight itinerary planned to eliminate unnecessary away-time from their offices, managers arrived the prior evening and were welcomed to a sumptuous Italian meal at well-known local restaurant, Mama Lombardi's. The next day began at 8:45 AM on the fourth floor platform between 4250's east and west buildings, ending at 3 PM with a working breakfast and lunch meetings in between.

Managers came away armed with knowledge of new business processes in STARS, new rules and regulations from APFS and APA compliance, advanced supervisory oversight, a host of technology developments and AP's equity realization for affiliated colleagues. (See sidebar for a list of detailed topics covered.)

About the meeting, OSJ manager Mike Lytle from Canfield, OH commented, "I know that we're there for the stuff that we dial down on – the daily administration, supervisory information, STARS updates, and of course, what FINRA is doing – but what I find most enjoyable is seeing the people from the home office. The key to the whole thing is the synchronization between Frank, Dean and Lon on the past, present and future of APFS. Truly, APFS is not going to rest on their laurels. It's all about constant improvement."

And so, with an extremely productive 2007 behind us, both the home office and supervising managers in the field are eager and prepared to take on the challenges of a new year. The structure and tools are in place, and we never stop making adjustments. With an expanded relationship management team coupled with a full operational staff of traders, clearing firm and direct business liaisons, transitions associates and new accounts personnel, we are well-deployed to support existing and incoming colleagues.

We ask that you regularly click and tune into the weekly and bi-weekly news provided sources, *The Independent*, *The American Advisor*, *The American Agent*, *Market Pulse* and Studio 454's *The American Perspective*, for timely company, product and industry-specific announcements. This is the most efficient way we know to get you the information that you need. Be sure to let us know if there is anything else you need us to communicate to you. I and everyone at APFS Corporate look forward to supporting you. ●

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Detailed Summary of OSJ Managers Meetings

Thursday, January 10th & Thursday, January 17th 2008

Master of Ceremonies

Frank A. Tauches, Jr., President

- Opening Remarks
- Welcoming Colleagues

APFS Now and Beyond

Lon T. Dolber, CEO

- Communications Tools
 - Importance of reviewing communications venues: *E-Newsletters, Studio 454's American Perspective and quarterly print publication FREE*
 - Will continue to go offsite to profile offices, managers and reps for FREE
 - Want feedback from the field on ways to improve our lines of communication
- An Understanding of the American Portfolios Corporate Structure
 - 50 employees as of January 1, 2008
 - Review of AP Organizational Chart (See chart on inside back page of FREE)
 - As of December 31, 2008: 491 registered reps, 246 registered branch locations, 69 OSJs
- Financial Overview
 - In six years, American Portfolios has grown from under \$6 million in gross revenues year-end 2001 to almost \$70 million year-end 2007
- Future Projections
 - For 2008: 563 reps, 68 employees, \$92 million gross revenues, +1.88 % net income
 - For 2009: 732 reps, 87 employees, \$132 million gross revenues, +2.63 % net income
 - For 2010: 951 reps, 104 employees, \$189 million gross revenues, +3.54 % net income
- 2008 Technology Initiatives
 - New STARS Release
 - > Supervisory Hold & Release Functionality
 - > Licensing Look-Back View
 - Annuity Intelligence Software in STARS
 - New Cash Edge
 - Change to Morningstar Classifications in Albridge from Thompson
 - Clearing Firm Straight-Through Processing
 - DST Account Opening Capability for Mutual Funds
 - Integration of Actimize Client Alert Engine
- Equity Ownership
 - Details of Capital Units Program
 - AP PPM Resale Purchase Opportunities

Advanced Supervision

Tom Wirtshafter, Consultant

- Anticipating Potential Problems
- Changes in Rep Business
- Keep Eyes and Ears Opened

Demonstration of STARS' BPM

New Signature Guarantee Process

Jared McGill, New Accounts Supervisor

"Client Connect"

Practice Management Presentation

Oppenheimer

New APFS Compliance Procedures FINRA Regs

Joseph Remia, Compliance Associate

- New Signature Guarantee Procedures
- NASD Rule 2821 principal approval of variable annuity apps prior to sending to insurance company effective May 5, 2008
- Importance of Branch Exams
- Updated Private Placement Disclosure Compliance Form

AP Advisors Compliance

Thomas J. LoManto, President &

Dee Gibbons, Advisor Compliance Associate

- Fiduciary Responsibility
- Mutual Fund Share Classes Allowable in Advisory Accounts
- Account Portfolio Rebalancing
- Upgrades and Improvements to Advisory Manual
- Importance of New Account Form and Client Questionnaire

New Business Development

Timothy O'Grady, SVP

- Successful Recruiting Year for 2007
- The Recruiting Process
- Initial Phone Discussion
- WebEx Overviews of Firm and Systems
- Home Office Meetings
- Transitions Process

attentiveness & accessibility

by Frank A. Tauches, Jr., President APFS

WE'VE ALL CHOSEN AN INCREDIBLE profession in which to work and hopefully flourish. That may seem like a strange statement in light of the fact that in the past year we have witnessed five hundred point daily swings in the Dow Jones Industrial Average, we are still in the throes of a financial crisis that simultaneously reflects a decline in real estate value and an overextension of credit, (sometimes by clients that can least afford it), and our currency continues to decline against the currencies of other world economies. A bleak picture? Not really. This is just the hand that we are currently holding.

Think about it... Every day we have the opportunity to solidify the relationships we have with our existing clients and the opportunity to expand our practice and create new client relationships. A December 2007 pre-publication release of a study by the LRN-Rand Center for Corporate Ethics, Law and Governance commissioned by the SEC entitled "Investor and Industry Perspectives on Investment Advisers and Broker Dealers," states that most clients are "happy with their own financial service provider" and that "personal service is a very important dimension of the business relationship. The most common types of positive comments attributed to financial service providers are personal service related attributes such as attentiveness and accessibility. These attributes were mentioned more than dimensions such as expertise or performance." The report went on to say "Trust of the individual financial service provider was the most cited feature of what investors would be looking for... and was more important than trust of the firm for which that individual worked."

It's critical that you stay in touch with your clients on a regularly scheduled basis, particularly during turbulent times in the market. They will expect you to know

what is going on in the economy. Stay informed on current events that affect our economy such as action by the Federal Reserve on interest rates and proposed legislation by the federal government to quell the credit and sub-prime mortgage crises and stimulate the business environment to hopefully thwart a recession. Remember, this is an election year and information and proposals are going to flow rapidly. Stay on top of the information. Use the tools we provide you on our website.

In our Studio 454, Dean, Lon and I regularly interview economists, investment managers and other professionals who share their expertise and insight on current market conditions and specific strategies to implement. View *The American Perspective* and read *The Independent*. Each is designed to keep you updated on information you need to best serve your clients.

In the Focus Section of our website is a wealth of information provided by our vendors that is extremely useful and often pertinent to specific investments your clients may be holding or contemplating. Each vendor's website is accessible from our Focus Section. Remember, the attentiveness you show each individual client and their individual concerns will solidify their trust in you.

Lastly, if you have specific concerns or if there is more information that you need, call your supervising principal or any of our colleagues at the APFS home office, including myself. We will be accessible and attentive and never lose sight that you are our most valued client. ●

Frank A. Tauches, Jr.
President APFS
Holbrook, NY
800.889.3914 ext. 206

with colin ramroop

Manager of Business Technology

FREE: Hello Colin, thanks for taking the time to speak with us.

Colin Ramroop: No problem.

FREE: You've been with APFS since the beginning and your role here has changed significantly. Tell us a little bit about when you first started.

CR: When I first came to American Portfolios, I was one of the first full-time staff members hired for IT. Rob Dolber was already there directing all of the IT initiatives and managing the third party development and network support resources contracted by the firm. I assisted in the implementation of many of the projects going on, as well as providing tech support functions for the firm. Now, I am in more of an executive role focusing on managing a support team that services all users of our systems and streamlining business processes for the b/d. I also act as a liaison between all people tied to the APFS b/d infrastructure and AP Holdings technology division, American Outsources.

FREE: What were some of the legacy systems at APFS that you were involved with?

CR: Well, first and foremost would be BDMS, our Broker/Dealer Management System. BDMS keeps track of every rep in the company. It's literally the structure – the DNA of American Portfolios. BDMS takes in all licensing information from CRD and drives reporting functionality. The system was further enhanced to make it possible for the information in BDMS to be viewable on the APFS broker website for affiliated reps and managers. Further applications also enabled BDMS to drive all entitlements and be a consumable database to be used by our third party focus vendors. All of our systems, STARS, the Exception Reporting tool, DST Vision, Albridge, rely on it.

FREE: What other development projects

have you been involved with?

CR: There have been many, but in more recent years, the online events page used for registration of our conferences, Studio 454 and its portal player and Compliances' Exception Reporting tool.

FREE: Tell us about your Business Technology team and the support they provide.

CR: A year or so after American Portfolios started, we got to a point where IT needed to add people. We needed a tech support role in IT. For the last three years, that role has been performed by Tech Support Associate, Ron Wyche. Ron supports the entire American Portfolios organization, a group of approximately 550 people, including staff, reps, registered and non-registered assistants, third party vendors and outside service providers. He is the go-to person for tech support, e-mail, facility hardware, workstation issues, application set-ups and disengagement of organizational members. He also takes care of telecomm, our internal phone system. Then there's Tim Mullady, our Data Quality Associate. Tim plays a role in remediating incoming data for the firm. Tim develops work processes and protocols on the b/d side for handling exceptions. Often he will either: a) contact Albridge, b) contact the transfer agent, or c) call the source directly, i.e., the product vendor. These resolved exceptions are delivered back to AO. Much of this cleansed data ends up in a transactional database tied to STARS that is used by managers and reps to evaluate suitability of trades through the Transactions Blotter. Tim also handles the fax exceptions coming in from the field through the FaxCore system for the Business Processing Module, Transaction Blotters and New Account Forms.

FREE: And finally, let's talk about Amber.

CR: Amber Kane is our newest member

and our knowledge person. As our Business Support Associate, she is the go-to person for reps in the field. If someone is having a problem, they can call Amber and she will be able to help you and/or direct you to an appropriate person within or outside our department. She assists in helping me to help others understand the systems. She is essentially the relationship manager of IT; not the fixer of the problem, rather, the collector of information of a problem to help get it resolved. Business technology is about providing the fastest support possible. We always pick up our phones and try to give you answers within 24 hours. I really have an excellent, hardworking staff with solid work ethics.

FREE: What is the relationship between the Business Technology department and American Outsources?

CR: American Outsources (AO) handles the b/d's infrastructure: all the servers, the network, backups, the website, advanced systems and new business applications. They do the heavy lifting for IT's technology. American Portfolios is a client of American Outsources. They drive the business needs of the b/d and leverage the knowledge of AO's personnel. My role is really about delivering, on behalf of the b/d, new business requirements for development and implementation by AO. Again, I translate business needs into IT's language.

FREE: What are some of the current projects Business Technology is working on?

CR: We have a few things going on right now and then some projects longer term that are in the works. To start, we are establishing a new, straight-through process with DST Vision for direct business new accounts setup via STARS. Another project is to have Actimize (a software vendor for b/d compliance we



Tim Mullady

Data Quality Associate

Colin Ramroop

Manager of Business Technology

Amber Kane

Business Support Associate

Ron Wyche

Tech Support Associate

contracted with) to invoke and direct trade alerts triggered by transactions that come through STARS to the compliance department. We are working on a mapping provision to our forms library and, hopefully within the next year, the outsource vendor, ETI Quik forms, who we currently use for our massive database of auto filling paperless forms, will map every possible data field from NAFS to all stored forms. We are also working to enable web services through STARS, such as building a link off a holdings report generated from the transactions blotter that can pull up a Lipper tear sheet on an individual asset. We are implementing a more user-friendly interface in Cash Edge, which includes an advisor level viewing capability on non-Albridge and non-b/d related assets. We'd really like to encourage reps to take another look at that. And, of course, there are the ongoing enhancements and features to STARS, BDMS and the website. We have a major upgrade of STARS that will

probably be out by spring.

FREE: What are some online references that reps can go to for assistance?

CR: There's a document in Rep Services on the APFS website titled, AP Support 'GoTo' Document (see pages 34 - 36). It's a great reference sheet; however, our reps should not hesitate to call Amber Kane at ext. 197.

FREE: Thank you, Colin.

CR: Thank you. ●

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state of the firm commentary from ceo lon t. dolber

I present you with the fourth quarter 2007 performance results for APFS. 2007 fourth quarter gross revenues had an impressive 31% increase of \$16.9 million from \$13 million in the previous year. A historical analysis of these quarterly performance results shows that 2007 fourth quarter revenue figures were \$7 million more than the total gross revenues received in the firm's first full year in business (\$10.3 million in 2002) and roughly \$400,000 more in gross revenues received for all of 2003 (\$16.4 million). 2007 gross revenue totals of \$62 million were also more than twice the total revenues received just three years prior (\$27.4 million in 2004).

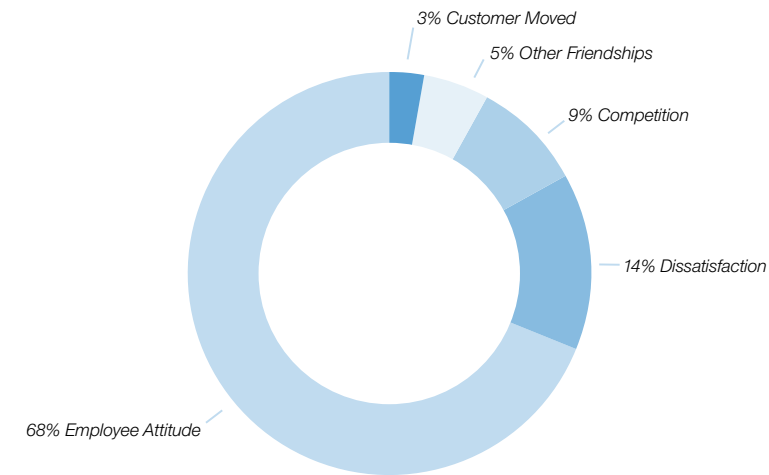
As we enter a new year, I'd like to share with you something I heard at a conference I attended in 2007. A question posed to the audience by the keynote speaker, Horst Schulze, former CEO of the Ritz Carlton chain of hotels, asked whether customer satisfaction leads to customer loyalty. To most, the obvious answer was yes, customer satisfaction does indeed lead to customer loyalty. Walking back and forth on stage, Horst allowed us to ponder this question and after a couple of minutes, turned to the audience and proclaimed, "only one thing leads to customer loyalty and that is trust."

It was his next remark that caught most of us by surprise. Generally we assume that a new client will do business with us because they trust us. But do they? With great poise – and clearly spoken from one who spent a career mastering the art of customer service - Horst stated, "Trust must be earned – and that takes time." Most clients take a chance when they initially do business with us. At best, they are neutral. Hence, customer trust can only be earned over an extended period of time.

So what leads to customer trust? It is the repeated experiences of customer satisfaction that will lead to trust, which, in time, will lead to customer loyalty. Loyalty is the most coveted attribute in any relationship, be it in business or in our own personal lives. In our business, as long as we strive to serve our clients – to always be available to support their financial needs and goals – no matter what the prevailing market conditions may be, customer satisfaction will follow.

A culture of service must start at the top and end

with the client. Several surveys have been conducted on why customers do not return to a company to do repeat business. The reasons, along with percentage breakdowns, are as follows:



Senior management at the broker/dealer level must create an environment where employees are secure and respected. In turn, these employees will always go the extra distance to support the firm's customers, the financial service professionals. And right down the line, financial service professionals must also treat their staff in a similar fashion to ensure the clients they serve – the investing public – are receiving the best possible service, over and over and over.

In closing, as we weather the challenges and uncertainty of the market, we must not forget what we do. We provide ongoing service to our valued clients. This is one thing we can and should guarantee.

Sincerely,

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

2007 Quarterly Review October 1, 2007 – December 31, 2007

Presented on pages 27 through 33 is the fourth quarter 2007 review for American Portfolios. This review has also been placed in our online weekly newsletter, *The Independent*, as well as being posted to the APFS website in Rep Services.

Corporate Overview:

American Portfolios has 51 full time employees supporting 487 registered representatives, which includes 38 registered assistants and 20 registered employees as of December 31, 2007.

Financial Overview:

Fourth quarter gross commissions and fees of close to \$17 million increased an impressive 31% from \$12.8 million in the fourth quarter of 2006. (Fig. 1). In an across-the-board analysis of products and services offered through American Portfolios, fixed annuities and alternative investments received the highest percent increase in gross commissions of 163% and 64% respectively (Table 1). By the end of the fourth quarter of 2007, assets under management grew 30%, \$9.5 billion from \$7.2 billion in the fourth quarter of 2006 (Table 2).

Fig. 1 gross commission and fee revenue

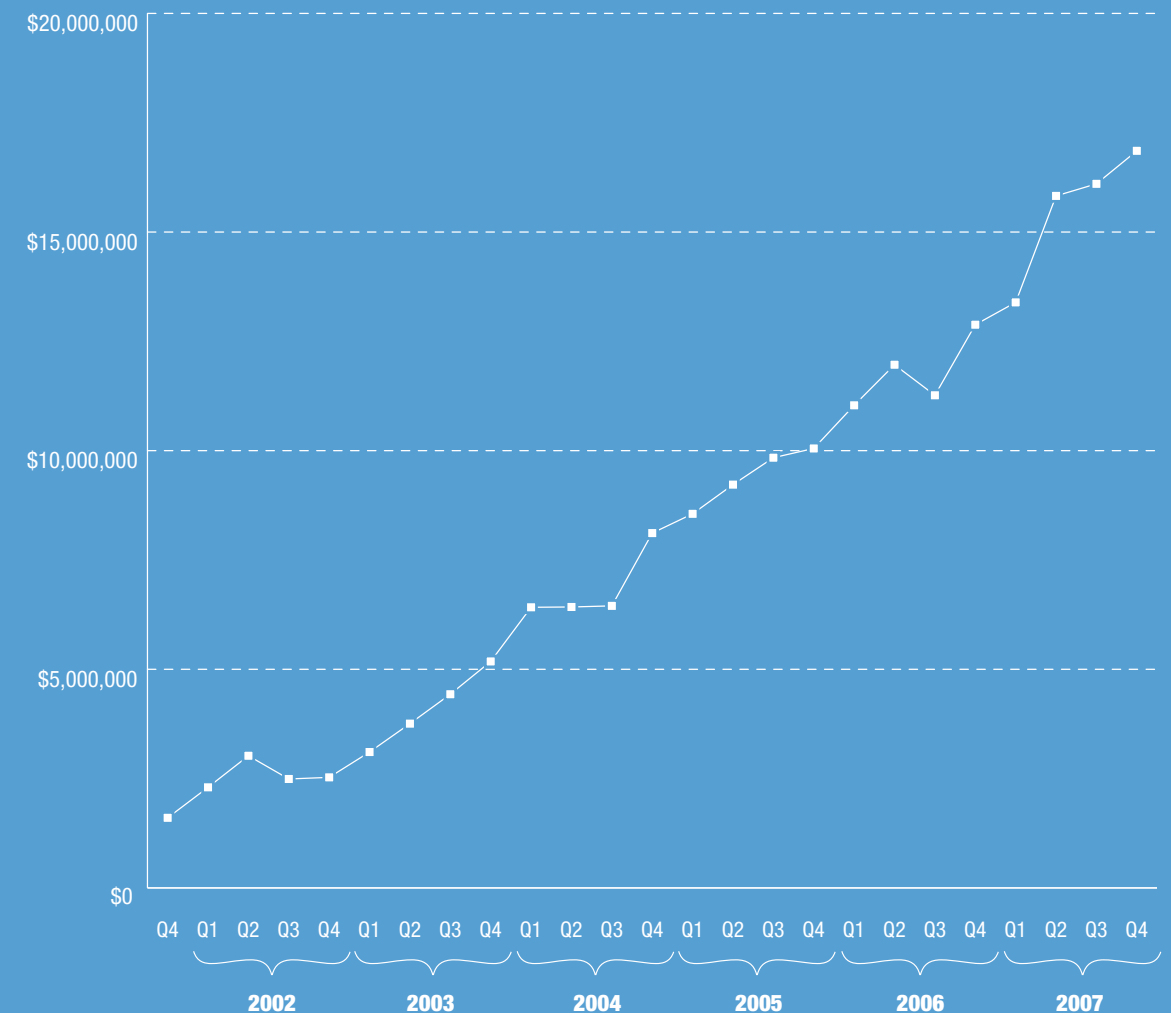


Table 1

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
Change from 2006 Q4	+24%	+25%	+36%	+163%	-15%	+60%	+11%	+64%

Fund Families by Commissions For The Fourth Quarter of 2007:

1. American Funds
\$ 1,690,350
2. OppenheimerFunds
\$ 1,436,272
3. Franklin Templeton Funds
\$ 453,018
4. Fidelity Funds
\$ 227,556
5. Eaton Vance Funds
\$ 208,220

Variable Annuity Vendors by Commissions For The Fourth Quarter of 2007:

1. American Skandia
\$ 916,064
2. Nationwide
\$ 720,864
3. John Hancock
\$ 612,483
4. ING
\$ 490,175
5. Jackson National
\$ 421,935

Top Five Vendors by Assets Under Management as of December 31, 2007:

1. American Funds
\$ 1,568,062,840
2. OppenheimerFunds
\$ 1,163,644,103
3. Franklin Templeton Funds
\$ 488,072,515
4. Nationwide VA
\$ 356,586,278
5. American Skandia VA
\$ 261,400,853

TOP 5

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	\$2,599,152,578	\$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	\$473,213
+/- over 2006 4Q	+27%	+33%	+30%	+5%

recruiting and marketing overview

The firm continues to attract new colleagues. Calls from prospective candidates are a regular event for new business development. As of December 31, 2007, the broker/dealer had 487 registered representatives which included 38 registered assistants and 20 registered employees working from 69 Offices of Supervisory Jurisdiction as well as 246 Branch Office locations. 18 new associates affiliated with the firm in the Fourth quarter of 2007. As of December 31, 2007 there were 429 producing registered representatives at the firm.

Table 3

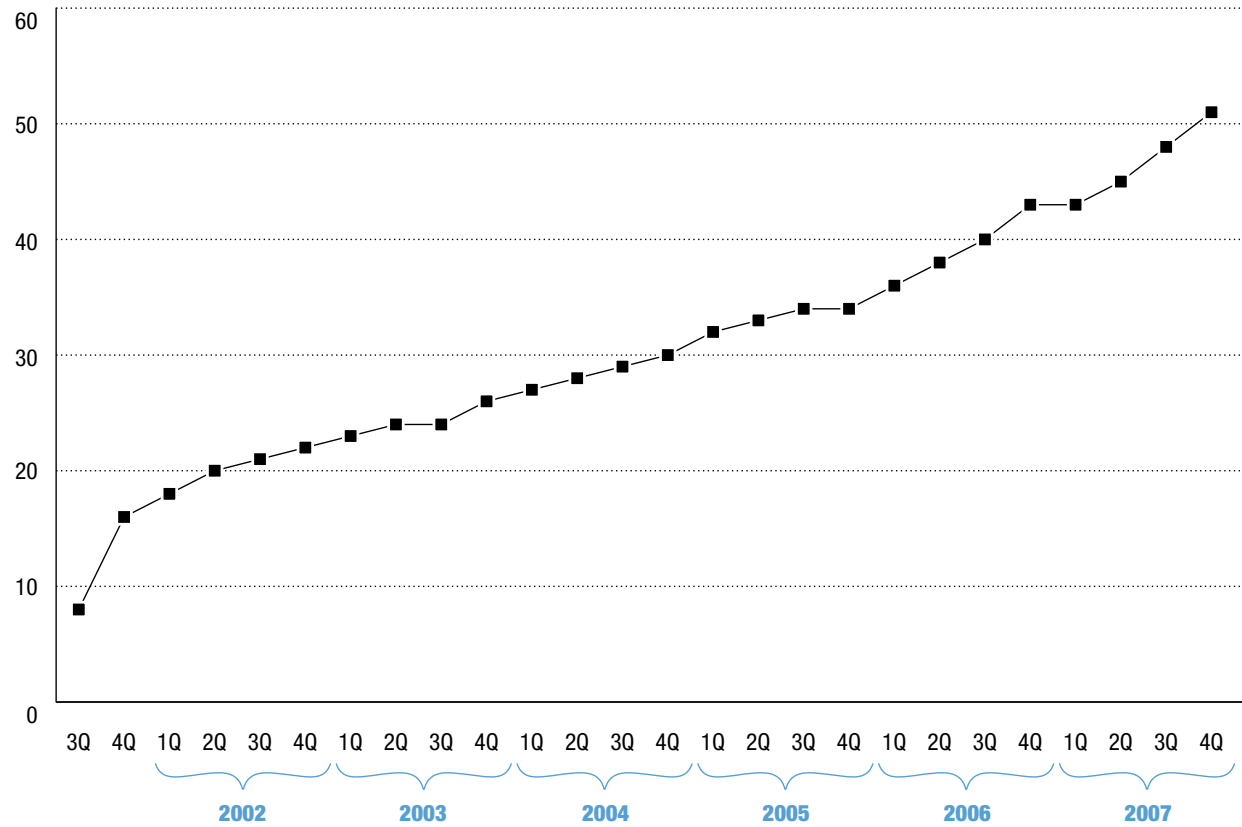
representative overview 9/10/2001 – 12/31/2007

A total of 579 new rep representatives have joined the firm while 316 representatives have been encouraged to leave the firm between September 10, 2001 – December 31, 2007. During the same period of time, quarterly revenues have increased by \$15,254,066 (Q4 2001 \$1,603,089 – Q4 2007 \$16,857,155)

First Name	Last Name	City	State	Supervising Principal	Start Date	Status
Robert	Chapala	Fort Wayne	IN	Thomas Perry	10/2/2007	REP
Holly	Halvorsen	Lake Villa	IL	Thomas Perry	10/18/2007	REP
Jason	Bonenfant	Rochester	NY	Robert Bartolotta	10/30/2007	REP
John	Scollin	Troy	MI	Thomas Perry	11/1/2007	REP
Gregory	Taranto	Lebanon	NJ	Stan Alterman	11/1/2007	REP
Anthony	Ritter	Mesa	AZ	Michael Diemer	11/6/2007	REP
Fred	Place	Linton	IN	Thomas Perry	11/8/2007	REP
Nathan	Hanna	Palm Harbor	FL	Richard Gerepka	11/15/2007	REP
R Joseph	Interrante	Reading	PA	Rodney Breyer	11/15/2007	REP
Randall	Potter	Troy	MI	Thomas Perry	11/26/2007	REP
James	Geiger	Jensen Beach	FL	John Wiswell	11/27/2007	REP
Kristin	Meyer	Niagara Falls	NY	Robert Bartolotta	11/27/2007	REP
Muriel	Stulen	Superior	WI	Michael Diemer	11/30/2007	REP
Robert	Clayton	Islip Terrace	NY	David Rey	12/3/2007	REP
Michael	Molloy	Islip Terrace	NY	David Rey	12/3/2007	REP
Joy	Fry	Rockford	IL	Marjorie Larson	12/5/2007	ASSISTANT
Lester	Wilmet	Indianapolis	FL	James Morton	12/6/2007	REP
John	Bartholf	Rochester	NY	Robert Bartolotta	12/7/2007	RIA ONLY

Fig. 2

employee growth



Joined APFS in October 2007

Name:

Priscilla Smith

Position:

Transitions Associate

Department:

Transitions

Contact Information:

Phone: 800.889.3914 ext. 289

Fax: 631.439.4698

E-Mail:

psmith@americanportfolios.com

responsibilities:

As a Transitions Associate, Priscilla assists in the coordination and implementation of rep candidates transferring to APFS. This requires the processing and preparation of account transfer information, mailings and account transfer follow-up work.

biography:

Priscilla has been working the last six years for various firms on Long Island in an administrative capacity. While working full time, Priscilla attended college at SUNY Old Westbury and received her Bachelor of Science Degree in Business Management in August of 2007. She is a resident of Ronkonkoma, New York.



Joined APFS in October 2007

Name:

Amber Kane

Position:

Business Support Associate

Department:

Information Technology

Contact Information:

Phone: 800.889.3914 ext. 197

Fax:

631.439.4659

E-Mail:

akane@americanportfolios.com

responsibilities:

Reporting to Manager of Business Technology Colin Ramroop, Amber is responsible for supporting users on the firm's web-based business services created and/or outsourced by the firm. Amber is the point of contact for questions relating to the access and primary functions of services such as STARS, Albridge, XTRVA, Bear and Pershing's online clearing firm systems, RedTail, Cash Edge and a host of other web-based related services offered through the firm.

biography:

With over ten years of work experience in various businesses on Long Island, Amber has acquired a host of office, computer and customer service skills needed for her position to support all users and affiliated associates accessing our web-based business systems. Amber received her Associates Degree in Business Administration at Suffolk Community College and is proficient in many business software applications such as QuickBooks, ADP, Speed Pay, Excel, Powerpoint, Goldmine and Access. She is a resident of Port Jefferson Station, NY.



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Holbrook Complex – Applies Only to Users Located in Holbrook Complex

Global – Applies to All Users on APFS Platform

Accounting/Finance

Errors & Omissions & 1099 Requests	Applies to	GOTO Person
E&O Certificates	Global	Michele Schwab @X168
E&O Questions	Global	Anne Antunovich@X116
11099's	Global	Anne Antunovich @X116

Commissions

Service and Support for all Commissions Related Needs	Applies to	GOTO Person
Commissions Statements	Global	Russell Kerstein@X135
Direct Deposits	Global	Russell Kerstein @X135
Fee Debits	Global	Michelle Schwab @X286
CommissionWeb Training	Global	Russell Kerstein @X135

Conference Rooms and Platform

Requests For Use of AP Conference Rooms and Platform Technology Services	Applies to	GOTO Person
APFS Conference Room Reservations	Global	Maryann Rosolino @X154
Bear Stearns Conference Room Reservations	Global	Maryann Collins @X123
TV, DVD, Audio Video Equipment	Holbrook Complex	Christopher Michlowski @X286
Projector	Holbrook Complex	Christopher Michlowski @X286
Public Internet Access for Clients/Guests	Holbrook Complex	Christopher Michlowski @X286

Entitlements - For Clients

End-User Credentials / Setup	Applies to	GOTO Person
Albridge	Global	Tim Mullady @x296
Bear Stearns – Client Toolkit	Global	Michelle Schwab @X168
Pershing - Netxpro	Global	Michelle Schwab @X168

Entitlements - For Reps

WebServices User/Pass Establishment and Setup	Applies to	GOTO Person
American Portfolios Network/Machine	Holbrook Complex	Ron Wyche @X121
American Portfolios Broker Site	Global	Ron Wyche @X121
WEBMAIL	Global	Ron Wyche @X121
Outlook - POP	Global	Ron Wyche @X121
BDMS - AP Staff	Holbrook Complex	Ron Wyche @X121
Xtiva	Global	Russ Kerstein @X135
Albridge	Global	Michelle Schwab @X168
Bear Stearns - Webshell	Global	Michelle Schwab @X168
Pershing - Netxpro	Global	Michelle Schwab @X168
BISYS – Insurance	Global	Dino Bruno @X138
Bond Portfolios	Global	Ron Wyche @X121
DSTVISION	Global	Amber Kane @X 197
STARS	Global	Colin Ramroop @X129
Web Rep Profile	Global	Ron Wyche @X121
Morningstar or Morningstar / Albridge Data Integration	Global	Tim Mullady @X296
Redtail or Redtail Morningstar / Albridge Data Integration	Global	Tim Mullady @X296
WebbMason - APFS EPMONLINE	Global	Melissa Grappone@X108
MoneyGuidePro or Money Guide Pro / Albridge Data Integration	Global	Tim Mullady @x296
FORMS - ETI QUIK	Global	Ron Wyche @X121
Continuing Education	Global	Amy Cintorino @X157
CashEdge	Global	Tim Mullady @X296
Lipper	Global	Melissa Wade @X117
TD Ameritrade	Global	Dee Gibbons @X265
Schwab Institutional	Global	Dee Gibbons @X265
Pershing - InfoDirect	Global	Dino Bruno @X138

Holbrook Complex Facilities

Hardware and Connection Issues	Applies to	GOTO Person
Kitchens – Coffee Maker, & Supplies	Holbrook Complex	MaryAnn Collins @X123
Water Cooler Supplies	Holbrook Complex	MaryAnn Collins @X123
Water Cooler Maintenance	Holbrook Complex	Dino Bruno @X138
Copy Machines, Fax Machines, Paper Shredder Maintenance	Holbrook Complex	Tim Hannigan @X161
Office Maintenance – Lighting, Office Furniture, Ceiling and Leaks	Holbrook Complex	Ethel Valentino @X107
Security Entry Passes	Holbrook Complex	Ethel Valentino @X107
Heating and Cooling	Holbrook Complex	Ethel Valentino @X107

Licensing

Requests for Securities Exams, State Licensing for Securities & Advisory, Insurance Company Appointments	Applies to	GOTO Person
Securities Licensing	Global	Amy Cintorino @X157
Insurance Licensing	Global	Jennifer Emanuele @X307
Advisory Licensing	Global	Dee Gibbons @X265

Network

When User Cannot Gain Access to Services	Applies to	GOTO Person
Due to Internet or Networking Issues		
Accessing American Portfolios Webpage	Global	Ron Wyche @X121
American Portfolios Website Access Login	Global	Ron Wyche @X121
WEBMAIL Access	Global	Ron Wyche @X121
Outlook - POP	Global	Ron Wyche @X121
Desktop Login	Holbrook Complex	Ron Wyche @X121
Browsing the Web (Including American Portfolios Homepage)	Holbrook Complex	Ron Wyche @X121
Home Folders	Holbrook Complex	Ron Wyche @X121
Office Folder – AP Staff	Holbrook Complex	Ron Wyche @X121

Operations - ACATS Transfers

ACATS Transfers for Bear Stearns and Pershing	Applies to	GOTO Person
Bear Stearns ACATS Transfers	Global	AnthonyEsposito@X152
Pershing ACATS Transfers	Global	Mike Boccio @X275

Operations - Requests

Clearing Firm Requests for Bears Stearns and Pershing/ Signature Guarantee Requests	Applies to	GOTO Person
Bear Stearns Requests	Global	Phil Bredow@X133 AnthonyEsposito@X152
Pershing Requests	Global	John Coyne@X149 Mike Boccio @X275
Signature Guarantee Requests	Global	Phil Bredow@X133

Operations - Trading

Trading Desk for Bear Stearns & Pershing	Applies to	GOTO Person
Senior Trader	Global	Marc Johnson @X139
Trader	Global	Joe DeBono @X149

PC Applications Software

Installing and/or Troubleshooting Core Office Software Tools	Applies to	GOTO Person
Word, Excel, Outlook	Holbrook Complex	Ron Wyche @X121
Adobe Reader	Holbrook Complex	Ron Wyche @X121
Windows Media Player	Holbrook Complex	Ron Wyche @X121
Printer Drivers	Holbrook Complex	Ron Wyche @X121
Internet Explorer and Java/Script	Holbrook Complex	Ron Wyche @X121

PC Hardware Components

Intermittent and/or Ongoing PC Related Issues Due to Hardware Failure	Applies to	GOTO Person
Battery Backup	Holbrook Complex	Ron Wyche @X121
Desktop Unit including Keyboard & Mouse	Holbrook Complex	Ron Wyche @X121
Hard drive, Cdrom	Holbrook Complex	Ron Wyche @X121
Printer	Holbrook Complex	Ron Wyche @X121
Monitor	Holbrook Complex	Ron Wyche @X121

Sound and Speakers
Cables Connections and Ports – Network, Printer, Monitor, and Speaker

Holbrook Complex
Holbrook Complex

Ron Wyche @X121
Ron Wyche @X121

Telecommunications

Phone System/Phone Service Issues

Phone Instrument, Phone line and Ports
Voicemail
Telanafy & FaxMail (APFS Staff)
Phone System Conference Call & Teleconference Services
Inbound/Outbound Calls

Applies to

Holbrook Complex
Holbrook Complex
Holbrook Complex
Holbrook Complex
Holbrook Complex

GOTO Person

Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121

Web Services

Troubleshooting Access to Services Due to Outages, User/Password Issues or Other Unidentified Causes

American Portfolios Network/Machine
American Portfolios Broker Site
WebMail
Outlook - POP
BDMS - AP Staff
Xtiva
Albridge
Albridge - Missing Accounts/Positions (DATA QUALITY)
BearView - Bear Stearns
NetExchange Pro - Pershing
Insurance - BISYS
Bond Portfolios
DSTVISION
STARS
Web Rep Profile
Morningstar
Redtail
APFS Enterprise Print Management Center - Webb Mason
MoneyGuidePro
Forms - ETI QUIK
Continuing Education
CashEdge

Applies to

Holbrook Complex
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Holbrook Complex
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GOTO Person

Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121
Ron Wyche @X121
Amber Kane @X197
Albridge 866.874.5743
Tim Mullady @X296
800 510 2327
888 878 3142
Amber Kane @X197
Amber Kane @X197
Amber Kane @X197
Colin Ramroop @X129
Ron Wyche @X121
312.424.4242 Code 809
800.206.5030
Melissa Grappone @X108
800.743-7092
Melissa Wade @X117
Joe Clotley @X209
Amber Kane @X197

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



Franklin · Templeton · Mutual Series





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