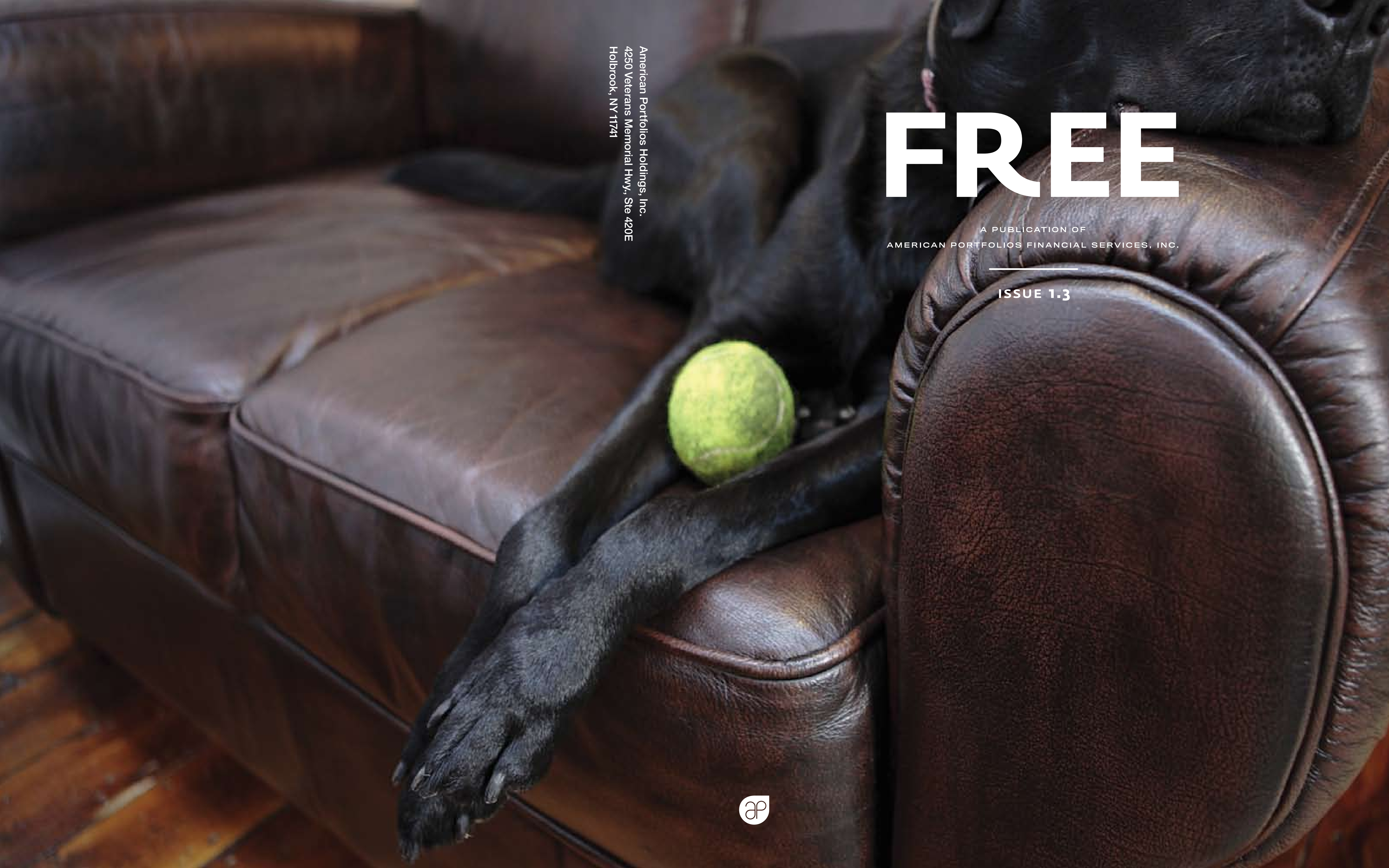

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FREE

A PUBLICATION OF
AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.

ISSUE 1.3

contents

from the editor-in-chief

Dear Affiliated Professionals:

As one who favors the warmer weather, Indian summer has been a welcome transition into the fall season. In fact, it has made it especially nice for daily laps during lunch break around the perimeter of the APFS corporate complex with walking buddies Colin Ramroop, Manager of Business Technology, and Fixed Income Specialist Barry Cohn. As we pass the Shell Station on the corner of Johnson Avenue and Vets Highway, the focus of conversation is always on the $.02 - $.03 increase in gas prices that we see every week. And, while our preoccupation, like most Americans, seems to be on the rising price of oil, affiliated colleague Pat Powell's economic and market commentary in this edition of FREE (pg. 22), attempts to redirect our attention to the rising cost of food. Hence, if inflation is spooking the end-client, much like the ghosts they've allegedly seen on Halloween night, focus partner Franklin Templeton's contributing content on addressing investor's irrational fears is worth reading (pg. 24).

For me, autumn represents the start of a new learning cycle. Our kids are going back to school to resume their studies; and APFS affiliated colleagues, year after year, come back to our national conference to gather more information that will benefit them and their practices. Featured rep, Pam Pearson, a financial planner, wife and mother of two, runs a successful practice out of her home in Garden City, NY. Managing Editor Becca Dolber spent one morning this past September with Pam at her home and office discussing the balancing act of working mothers and how being independent has facilitated this (pg 12).

This year's National Conference in Galloway, NJ early in October was an extraordinary gathering of people, both familiar and new. One such person who has been affiliated with APFS for over four years, and a financial professional for more than thirty, literally lights up our events with his often worn brightly colored sports jackets, but more importantly, with his enthusiasm and genuine expression of love for this business. Tim Rossiter sat down with FREE, sharing some of his experiences over the years as the consummate salesman (pg. 6).

Much of this edition of FREE is reflective starting with AP Advisors President Tom LoManto who discusses the enormous progress made to expand the RIA's platform and staff (pg. 17). So too does COO Dean Bruno write about the pace of the past year along with improvements made to the infrastructure to keep up with this immense growth (pg. 18). With September marking the anniversary of APFS completing another year in business, CEO Lon Dolber, in his third quarter state-of-the-firm commentary, goes back six years to the events of 9/11 - the firm's first official day in business (pg. 28).

As you are likely reading FREE 1.3 in the last quarter of 2007, additional content offers readers practice management pointers and year-end investment strategies from various contributors. Affiliated colleague Tom Froehlich, in his article "WAI Empowerment through Collaboration" (pg. 4), makes a compelling case for WAI and the essential role it plays for wealth advisors. Then, President Frank Tauches in his article on "Keep the Conference Momentum Going" (Pg. 19), helps you to organize your plan of action for incorporating into your practice the acquired knowledge received and how to perpetuate that knowledge through additional communications resources the firm provides and/or endorses. Outsource and focus partners Mainstay, BISYS and Allianz/Pimco offer excellent investment strategy commentary on generational wealth transfer in 2007 (pg. 10), tax deductions through 412(e)(3) plans (pg. 20) and estate planning advantages of 529 plans (pg. 26), respectively.

I hope you are enjoying FREE and are getting what you need from this collaboration of content. It is a labor of love to prepare and present this for you.

Enjoy your holiday season!

Melissa Grappone

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employee of the quarter: timothy o'grady

CONGRATULATIONS TO SENIOR VICE PRESIDENT OF National Sales and New Business Development, Timothy O'Grady, for receiving the employee of the quarter award. With 15-years experience working at Mellon Advisory Services as a National Sales Manager and over 20-years experience in financial services, Tim oversees all National Sales Development and recruiting for the firm. He's responsible for all new business and branch development, which includes attracting new branches as well growing our existing offices.

"Since joining the firm in November of 2006, Tim has played an integral role in the growth of the b/d through his recruiting efforts," says APFS Chief Operating Officer, Dean Bruno. "Apart from the careful screening that a prospect undergoes, Tim has a good sense about a candidate and if they are the right fit for the firm. He is a real personable guy who is well liked by his fellow co-workers, the affiliated reps and OSJ managers. It's a pleasure working with him."

When asked about this honor, Tim acknowledged his home office colleagues. "The success the firm has had with its recent growth and expansion is due to the hard work of all the APFS employees. It's a privilege to work with such dedicated people."

Outside of APFS, Tim is happily married to his wife, Sandra, and is kept busy with his 2-year old son, Kyle. Congratulations to Tim, our newest Employee of the Quarter.

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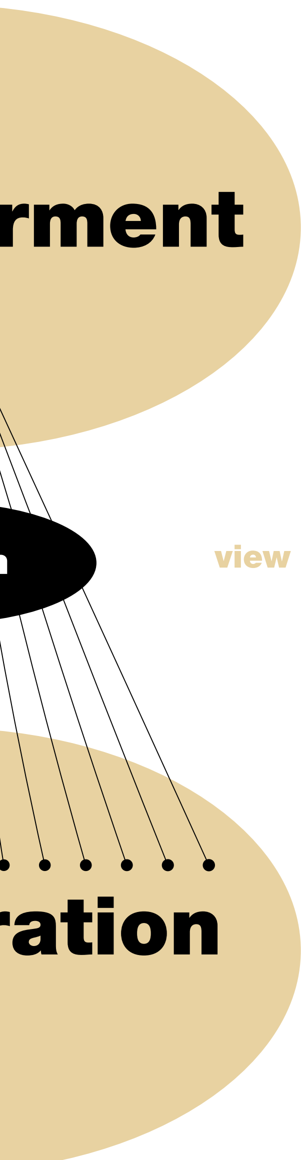

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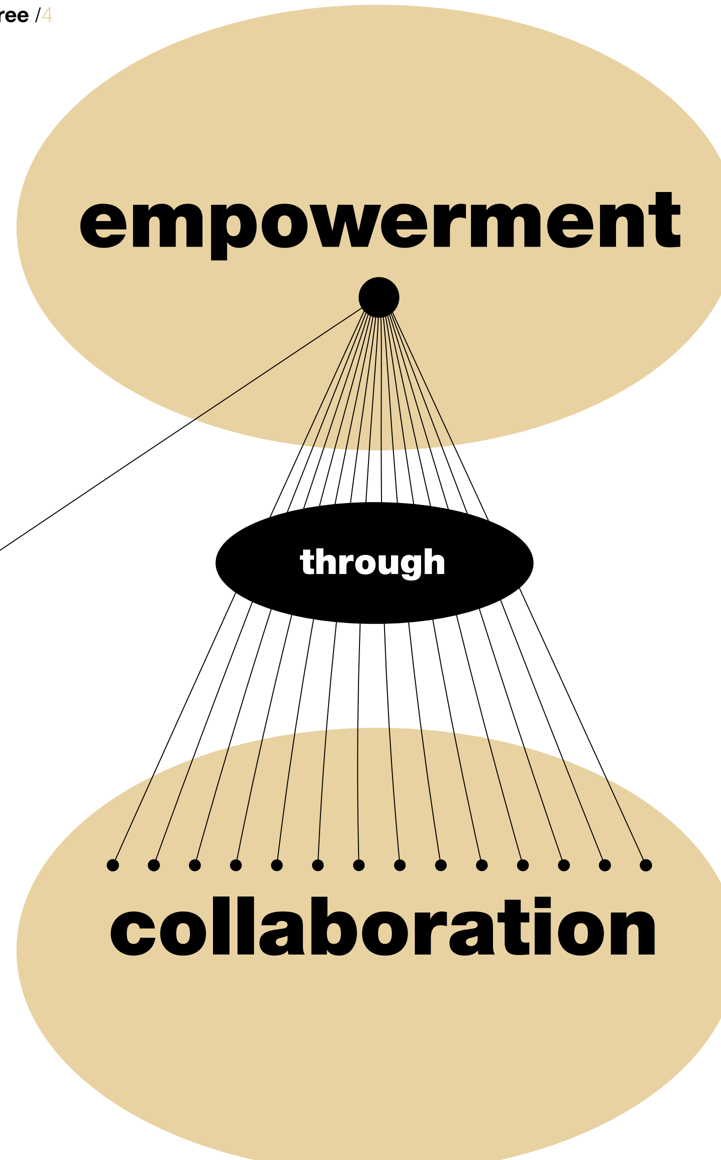

By Tom Froehlich,
CIMC, CIMA

Perhaps we are participating in the most exciting time the financial industry has ever experienced. Our industry is growing by leaps and bounds. Much of this growth is being facilitated by wealth advisors from multiple disciplines collaborating together to serve their affluent clientele. Why is this collaboration so important?

Imagine a CPA, an estate planning attorney, an employee benefits specialist and a life insurance specialist all serving the same client. Picture all these team members communicating, sharing ideas and strategies and providing clients with clear and concise wealth plans. Wouldn't clients stand to gain tremendously if all their advisors practiced this type of collaboration? While the kind of communication and continuity described above is becoming more and more prevalent in our industry, many wealth advisors continue to be reluctant to working with wealth advisors from other disciplines.

A little over a year ago an organization was founded to help wealth advisors from multiple disciplines overcome this reluctance and to provide them with a platform that would enable them to collaborate together for the benefit of their wealthy clients. The Wealth Advisor Institute (WAI), www.wealthai.com, is a professional association dedicated to fostering collaboration and networking among wealth advisors from multiple disciplines to increase knowledge and create value for their members and the clients they serve. It is the promise of WAI to provide their members with a ceaseless source of insights, intelligence, innovations and connections through its unique networking platform and industry-focused events. To sum it up, WAI is all about "empowerment through collaboration."

The Wealth Advisor Institute has experienced tremendous growth in 2007. The membership base of this not-for-profit organization has grown from less than 50 wealth advisors to over 350 as of October 1st 2007 and continues to grow. Through American Portfolios' corporate sponsorship of WAI and a similar philosophy of dialogue, collaboration and cooperation, many of you have joined the organization, contributing to WAI's growth and knowledge base. WAI is also on the verge of finalizing an agreement with a major independent broker/dealer to sign on 250 of their advisors. This will boost the number of WAI members to 600. In addition, over the past two months, the association has signed strategic partnerships with the National Network of Estate Planning Attorneys and the International Association of Advisors in Philanthropy, two organizations comprised of 350 and 150 members, respectively. In addition, WAI is currently negotiating strategic alliances with broker/dealers and other not-for-profit organizations that share analogous missions and goals.

Fostering networking and collaboration among wealth advisors from multiple disciplines is the core mission of WAI, and the association is delivering on that promise. For starters, WAI offers its members access to market research generated by The Spectrem Group, one of the leading organizations providing our industry with research, intelligence and insight on the affluent markets. WAI members can access white papers and other educational tools on the WAI site, ranging from planning strategies for the wealthy to forming relationships with other wealth advisors. Web seminars are another valuable tool that WAI offers to its members. Every month, webcasts cover an array of different topics and address key trends and issues that affect our space. Audio/video files of the seminars are posted on the WAI site and can be viewed at any time. In addition to these services, WAI periodically hosts regional networking meetings, which enable attendees to share success stories and network with their peers.

In March 2008, the association will host its inaugural summit – its first major conference – in Newport Beach, CA. The event will feature numerous presentations by actual Wealth Advisors from multiple disciplines on key wealth management topics. Advocacy is another crucial component of the WAI mission. In July 2007, WAI published its first position paper titled "Recommendations for Reforming and Improving NASD Registered Representative Regulatory Filing Procedures." The document is available on the WAI website. Finally, as an added benefit to members, WAI offers a group Life, Health and Disability plan, which is more comprehensive and competitive than most other small group plans currently available on the market.

This is a chat room-like platform that will also be utilized to connect speakers and attendees of web seminars, conferences and other WAI educational events.

It is truly exciting to look back and review what we have accomplished so far. However, what is more exciting is to be able to look into the future and visualize and set goals for what is to come! Within the next sixty days, from the writing of this article, WAI will roll out its brand new website, which will offer many additional resources to wealth advisors. The site will feature a new membership search engine that will allow members to search for other advisors by geographical location, discipline, credentials, etc. Advisors will also be able to network and collaborate through the new WAI Forum. This is a chat room-like platform that will also be utilized to connect speakers and attendees of web seminars, conferences and other WAI educational events. The Forum was conceived to also facilitate future online study groups in conjunction with video teleconferencing. In addition, WAI will be offering advisors from multiple disciplines CE credits on its website and access to a virtual library to consult some of the best books ever written from our own industry icons. Finally, the WAI website will provide members access to products and services vital to their profession at significant discounts. One web-based platform to be offered through The Family Office Network, www.familyofficenetwork.com, is actually a web-based tool that facilitates collaboration between all the advisors on a Wealth Management Team.

This is truly the greatest industry in the world, and we are all very lucky to be part of it. I am equally excited and honored to be the President of The Wealth Advisor Institute and to be part of an organization that is playing an instrumental role in shaping and improving our great industry by fostering collaboration and networking to increase knowledge and create value for wealth advisors and their clients. "Empowerment through collaboration" is what WAI is all about!

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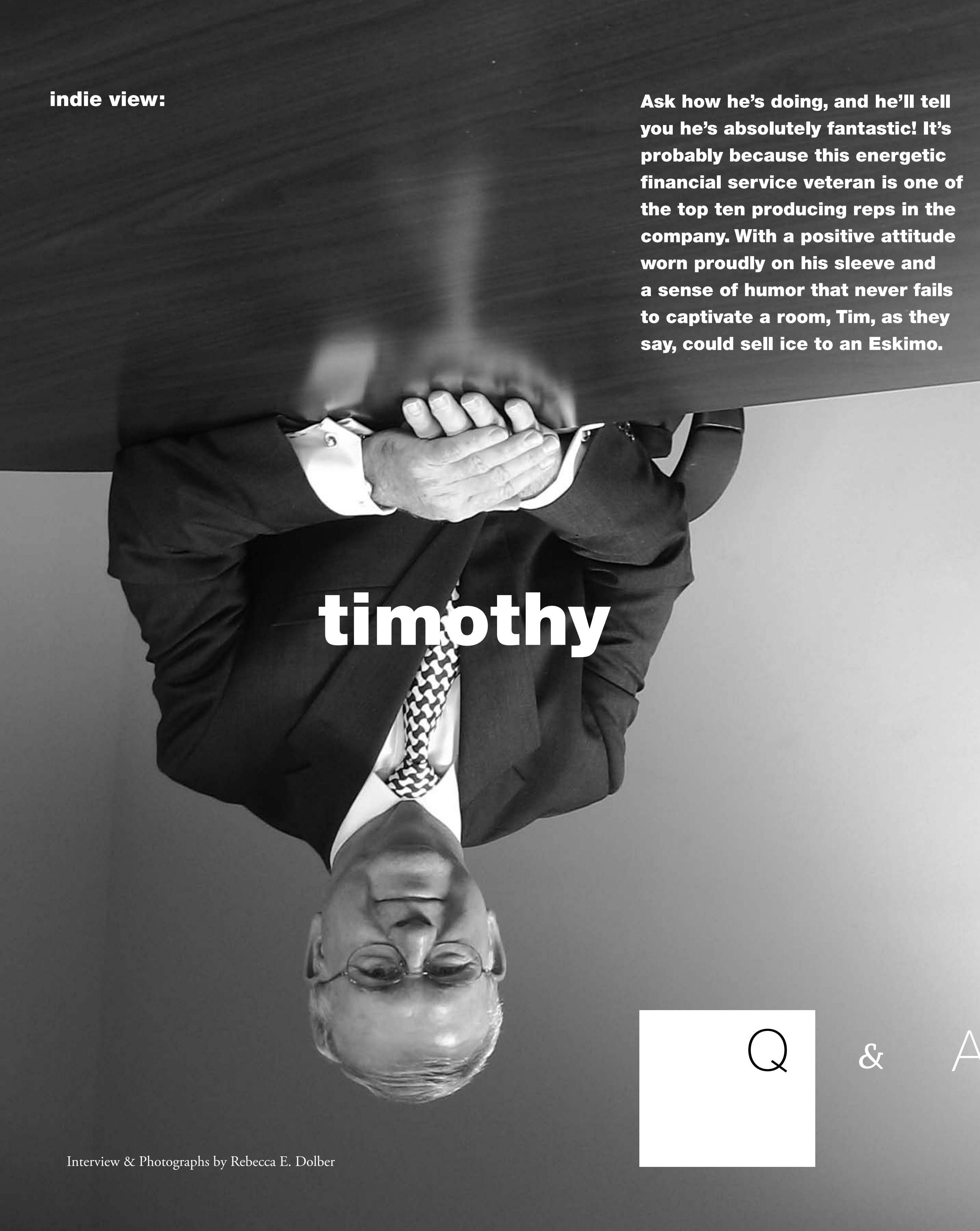
indie view:

Ask how he's doing, and he'll tell you he's absolutely fantastic! It's probably because this energetic financial service veteran is one of the top ten producing reps in the company. With a positive attitude worn proudly on his sleeve and a sense of humor that never fails to captivate a room, Tim, as they say, could sell ice to an Eskimo.



timothy rossiter

Q & A

Interview & Photographs by Rebecca E. Dolber

FREE: **Word on the street is that FREE was your idea. Tell me about that?**

TIMOTHY ROSSITER: I got the idea from Commonwealth. They produce a professional looking magazine on a quarterly basis that includes articles from people within different departments in the company. So, technology writes about what's going on in their department, or perhaps an article about new ways to access email, while another department writes about insurance – buy/sell agreements, life insurance, etc. The concept is that it's educational to the broker and for people like me who don't always go to the website! I want something I can lay on the couch with, something I can hold in my hand and peruse through. There's so much potential material that will touch a hot button for all the brokers and people at American Portfolios.

FREE: **So, Tim, how did you get into this business?**

ROSSITER: It was my lifelong dream to be a salesman. I had worked at Cushman & Wakefield as an accountant for years, and when I turned 33 years old, I resigned! I went to my cousin who was selling life insurance at the time and told him I knew I could be successful at this. He asked me how. I said, 'You're selling a product that everyone needs to own!' I knew nothing about life insurance at the time but knew that I could sell it. So we went down to Main Street in Huntington, NY and knocked on doors. In two hours, we sold two $100,000 policies. He told me I could work for him forever! So, I did. At the time, I lived in Deer Park and they were building a corporate complex over there. I thought, gold mine! I would go knock on their doors everyday. I'd fill out an index card with their information, names and what they did, etc. Then two weeks later, I would come back, and they'd tell me I looked familiar. I'd say, 'Yeah, that's because you threw me out two weeks ago!' They'd laugh, and that was the icebreaker.

"the needs of our clients always come first."

FREE: **How did selling life insurance lead to your eventual affiliation with American Portfolios?**
ROSSITER: Well, I had eventually ended up at Nathan and Lewis. I wanted to leave after they became Walnut Street Securities and at the time I was being sought after by a few firms. However, I felt like APFS was cut from the same cloth as I was. When dealing with Lon Dolber (CEO), I was dealing with a person who was already in my shoes. He was easy to communicate with, plus he had the technology needed to better serve a client. If APFS didn't have the technology, I wouldn't be able to see people as frequently. It used to be that I'd have to do research to get all my clients information in preparation for a meeting. Now, all I have to do is click a button, and it's there. I can see people spontaneously now, next or same day.

FREE: **At what point did you bring your son into the business?**
ROSSITER: When my son graduated college in 1996. He wanted to work for me. I told him it was the last thing he should do. He needed to get some experience first. I also wanted him to learn the technology that didn't exist here so in time he could bring it back to us. So, he worked as an internal wholesaler for Oppenheimer for four years. It was the best time of his life. When he got married, he decided to come back to me. He was ready. At the time, I had a book of group health insurance that I wasn't putting enough time into, so I turned it over to him, and he's done a great job with it. He became a registered rep with APFS in the summer of 2006 and in six months time had done $1,000,000 worth of business in Oppenheimer alone. You know, he allows me to network with younger people too. Now I can refer the younger people who come to me to him.

FREE: **What advice do you have for family members or relatives of family members coming into the business?**
ROSSITER: The sibling or child has to respect you as a business person and understand that a working relationship is different from a personal one. They have to be self-starters. They can't have someone looking over their shoulder. There can't be any pampering. I rarely talk to my son during the day – he is out making sales.

FREE: **Tell me about your approach to customer service.**
ROSSITER: My approach to customer service is evidenced in our corporate motto, which is "First Class or Coach." I offer only first-class customer service beginning with the face-to-face meetings that take place between the clients and me in their homes. Most often our meetings transpire while we are seated around the clients' kitchen table in the early evening hours after their work day has come to a close. This method places the clients in a comfortable environment, providing a great foundation on which to build the trust that is so important in our business relationship. The needs of our clients ALWAYS come first. We have been known to go the extra mile in assisting our clients (especially elder clients) with the challenges of the issues in life that are not at all related to my CFP certification. All of us need to remember that we are in business because we cater to the needs of those who put us there! Lon knows that because he's been in my shoes.

FREE: **Explain what you mean.**
ROSSITER: Lon knows how brokers operate; he's been there. He knows how to treat a client, and he treats us (reps) as the client. I bring the sales; he brings the customer service. We're a team.

FREE: **How do you have the confidence to make sound recommendations to your investing clients?**
ROSSITER: I've always had the confidence. You have to be sincere when you talk to people because they'll see right through you. This is a self-study business. We as financial advisors have a responsibility to continually educate ourselves. Our clients rely on us. We have to listen to CDs on salesmanship, go to training seminars and, most importantly, read!

FREE: **Do you have any suggestions?**
ROSSITER: Zig Ziglar's *Goal Setting*. The Nightingale Conant, which is an organization in Chicago that provides books, tapes, CDs and things pertaining to selling. Tom Hopkins, *How to Master the Art of Selling Anything*. I listened to that CD over 100 times. It's about dedication and perseverance. I'm committed to my profession. You have to have a passion for what you do. If you don't, get out, because you're doing yourself and the organization you work for a disservice.

FREE: **So, back to customer service. How do you help appease your clients' fears of rising costs and inflation?**
ROSSITER: Long Island is a rich, high-end, upper middle-class area. Speaking strictly from experience with my client base, the biggest fear of the older generation is that they'll lose money to a nursing home. When you're in your 70s and your 80s, the only concern is income, not how much money you have. As for my generation, they are what we call "the sandwich generation," because they're caught between taking care of their older parents and younger children. They want to know how they can monetarily support their parents and children now. My job is to look at a client's portfolio and see how they can best use their assets to better their situations.

FREE: **What about the business? What do you think the future holds?**
ROSSITER: This business is going to explode. The opportunity is phenomenal because of growth in the industry. The best years are ahead. I wonder who is going to take our place. It's all about networking with other brokers. You have to share business.

FREE: **Why don't more reps think to share business and network?**
ROSSITER: I think these professionals get caught up in trying to build a business. They become selfish and greedy. They think people are going to steal their clients. That seems to be endemic in a broker's head, but really, networking with other professionals has been the key to my business, the reality to my success. Not to mention, it's the easiest way to do business; the honest and open approach.

FREE: **And for you? Where do you want to be in 10 years?**
ROSSITER: I don't see slowing down; I enjoy what I do. From a health standpoint, I might be forced to cut back. I have a need to help the elderly. I want to volunteer in nursing homes, visit people, just hold their hands. Sometimes you just need to touch a person and let them know you're there. That's all they need.

FREE: **If you didn't do this, what would you have done with your life?**
ROSSITER: I can't see myself doing anything else -- except playing golf. I've always wanted to be a salesman. This weekend, two Jehovah's witnesses came to my door. Their names were Joan and Pat. Great gals! They told me that I should be on Jay Leno! I told them I was a salesman. They asked me what I sold. I said, "What do you need?"

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The Advisor Challenge

an excerpt from MainStay Investments, "Generational Wealth Transfer," 2007

IN THE COMING YEARS, WE WILL SEE WEALTH TRANSFERRING between generations as assets move their way from the "greatest" generation down through the "Baby Boomers" and into the hands of "Generation X" and beyond. Over the next 40 years or so, studies indicate that approximately $41 trillion will transfer between the generations.[1] Financial professionals have a unique challenge in managing that flow of assets between generations while continuing to keep those assets under their care.

Gearing a practice around the expectations of a windfall is a mistake because advisors often look at such a huge transfer number and not their client relationships. Advisors should concentrate on building relationships with the children and grandchildren of existing clients so that they don't lose those assets when inheritances finally occur. Without this critical link to younger generations, practices with older client bases will struggle to survive and thrive.

Become the Financial "Quarterback"

If a client dies suddenly, who do you think their heirs will call first for advice on the assets distributed to them from the estate? Will they call the client's attorney or CPA, their own advisors or will they call you?

Helping clients get organized and work with their executors can give you an opportunity to become their financial "quarterback." As such, you will get the first call should something happen to the client, and you'll also have first-hand knowledge of their plan and the players involved in the settling of the estate.

Ensuring Continuity of Assets - Get to Know the Heirs

Evidence shows that it's important to get to know the spouse and family members of your top clients. They are the executors and inheritors of the assets you want to continue to work with.

Get to Know Your Client's Family

If you don't already have a meaningful relationship with your client's heirs, you can't expect them to call you first to advise them. If the heirs don't know you, most likely, they will take their inherited assets elsewhere.

As your client's financial quarterback, ask them if they have named an executor. Make it a point to let them know you want to work with them. It will help you ensure that you are in touch with the client's assets. It may even mean that you continue to manage the assets after they're inherited.

Consider the following statistics:

Research shows that almost 90% of executors chosen are family members, 39% typically are spouses, 25% are children and 22% are siblings, showing that the family is almost always involved in legacy planning.[2]

Also, 91.9% of those inheriting money switched their primary investment advisor after receiving the inheritance with the accountants referring the new advisors 81% of the time.[3]

Offer to Help the Executor

When the time comes, set up a "Family Summit" to discuss the details of your client's estate. Finding out who the executor is and offering to help them with the estate's financial matters is another way to help ensure the assets stay with you because you're in contact with the estate's "specialist."

MainStay Investments has several tools that your client's executor may find helpful. Offer to send the resources listed below. Follow up with a phone call to ensure they received them and whether they have additional questions.

- The life event article "You've Been Named Executor—Now What?" can help a new executor understand some of the basics about settling an estate.
- The "Executor Checklist" outlines the most important tasks to take care of when settling an estate.

Bridging the Generation Gap

Your client's adult children may some day hold the keys to the family fortune, as they are often named as executors in their parents' will. According to the "2006 MainStay Across Generations survey," 59.6% of respondents with at least one parent or parent-in-law living indicated that they would like to get to know their parents' financial advisor, and the main reason they don't know where their parents' assets are located is due to inertia—they never got around to asking them.

Remember, too, that children were the second most popular choice (after the spouse) for being named executor and, as beneficiaries, usually take a keen interest in the estate after the death of their parents.

1 Find Common Ground

- Ask your clients about their adult children. Find out who should know the whereabouts of key documents and files in case of an emergency.
- Work with your client to complete the "LifeFolio Checklist" and file their documents.
- Consider using the "Family Tree Worksheet" to keep track of your client's immediate and extended family, including where they live (in close proximity, out of state, etc.)

2 Initiate Contact with their Children

- Offer to send copies of the checklist or a letter explaining its whereabouts to your client's son or daughter. Is he or she named as their executor? If not, who is?
- Offer to send the executor a copy of the "Executor Checklist" and "You've Been Named Executor—Now What?" life event article.
- Request a follow-up meeting with the client, their adult children and executor to discuss the wishes and intentions of the client regarding their legacy.

3 Create a Professional Advisory Committee and Plan a Family Summit

- Position yourself as the financial "quarterback" and offer to form a professional advisory committee with other advisors of the family.
- Offer to plan a "Family Summit" to discuss the family's financial issues and concerns.
- Establish basis for future contact, particularly with the financial team (attorneys, CPAs, executor, etc.)

Opportunities Across the Generations

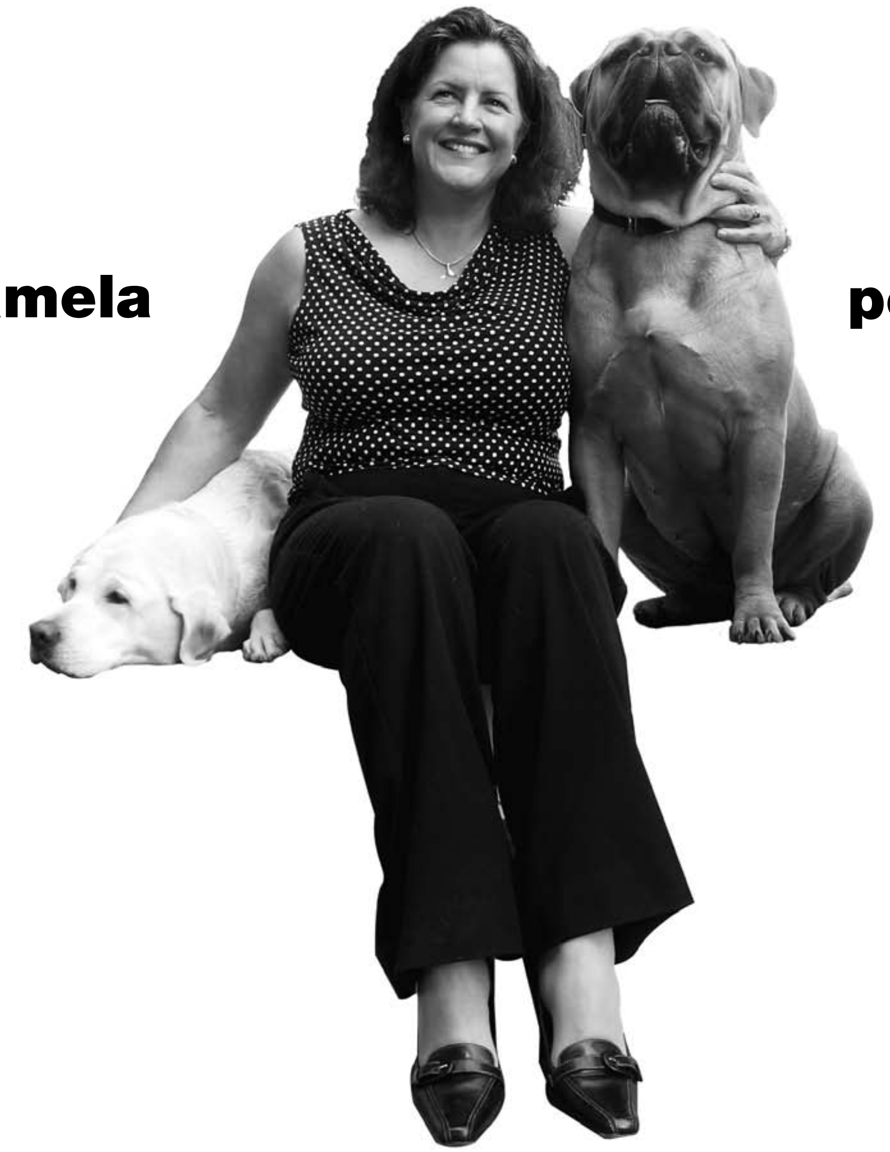
Families provide a perfect opportunity for you to improve the continuity and quality of your best relationships. MainStay wants to help you tap that opportunity by offering you the tools that can help organize and identify key family members that may be crucial to the continuity of assets. What's more, a family-office approach can help establish you as your clients' most trusted advisor.

MainStay Investments can help you help your clients get their affairs in order so they can ensure a smooth transfer of their estate to the next generation. MainStay offers a series of organizational tools that can help you and your clients keep track of beneficiary designations, important documents for small business owners and organizing retirement accounts. For more information about the resources and sales ideas available through MainStay Investments, visit www.mainstayfunds.com or call the MainStay Sales Desk at (800) 695-9950, option #2.

[1] *John J. Havens and Paul G. Schervish, "Why the $41 Trillion Wealth Transfer Estimate is Still Valid: A Review of Challenges and Comments." The Journal of Gift Planning, Vol. 7, No. 1 (March 2003).*
[2] *Source: Ipsos-Reid, Estate Planning Poll, 2006.*
[3] *Source: Hannah Shaw Grove and Russ Alan Prince, 2006.*

rep feature:

pamela pearson



Feature & Photographs
by Rebecca E. Dolber

Pamela B. Pearson has a distinct voice – precise, confident and definable. Its originality is such that you are spellbound by its sound; between each buzzing syllable, an honesty radiates from every raspy breath, so much so that you believe everything she says.

Perhaps this comes from a place of confidence, as Pam has created for herself a life that most women struggle to obtain. A wife and a mother, she works out of her Garden City home located directly across from the train station, a mere 40 minutes into Manhattan. Her office is carved into a niche lined with bookshelves and desk space. In it, sit her assistant Konstantina Alexi and newest team member, husband John. Both are on the phone surrounded by opened binders, papers and a mess of newspaper clippings.

"Look," she says, extending an article about transitioning to a paperless office. "Think it can be done?"

This is Pam in a nut shell; conversation, a constant exchange which requires reciprocal questions and responses.

"It's an interesting concept," she looks around precariously at the papers strewn about. "Ah," she tosses the document on the desk. "Come sit."

It's mid-afternoon and the sun is spilling light into the foyer. A collection of photos, keepsakes and knickknacks adorn the surroundings, a menagerie of life lived and a world traveled. Pam sits at her living room table sipping water as Eve, a 125-pound Bullmastiff, perches herself against Pam's chair, begging for a scratch behind the ear. Mazy, the White Lab, watches from the doorway, lifting her nose occasionally to catch the soft autumn breeze wafting through the kitchen.

"25 years ago, everyone would have laughed at a woman working out of her home. But, with a husband, an 11-year old, a 13-year old, two dogs and a lizard, you can't possibly put in 15-hour days and not work out of the house. Otherwise, you'd never see them."

For women, the balance between work and family is one that often goes unfound. Not only are there few professions that allow them to be both a mother and consummate professional, but when faced with the challenge, many cannot efficiently accomplish both. Hence, a "Soccer Mom" phenomenon has swept the country – an emergence of women whose sole responsibility is to their children and who most often have left promising careers to taxi their children to and from the field.

"I see a lot of women who are highly educated, and as soon as they get pregnant, they drop out of the workforce – and that's fine if that's what they want, but I couldn't imagine not having the stimulation from work."

The stimulation and welcomed sojourn, for when the trials and tribulations of being a mother start to wear, Pam takes comfort in being able to visit her clients.

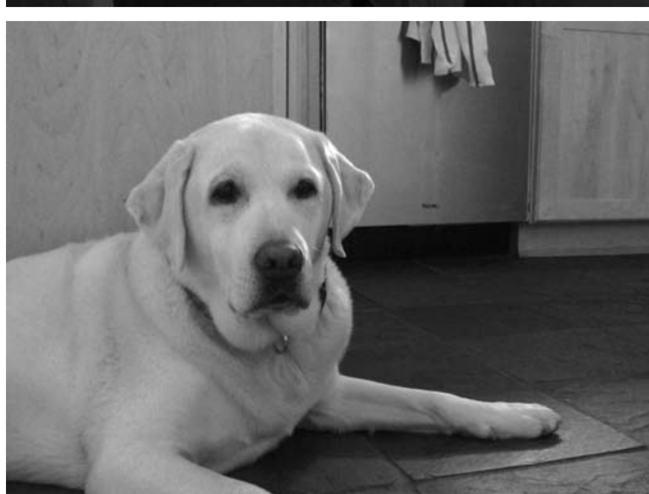
"When everyone at home is being grumpy, I just go see my clients because they always love me! It's great!" But as for family vs. work time, kids always come first.

"You have to set priorities. If my kids have something, I'll just call a client and say I have to go. Anyone who is my client will understand that – but, they also know universally that if they need something, they can call whenever and wherever they want, and I'll do it for them."

But why aren't more women able to balance the personal with the professional and re-enter the workforce after their first child? Perhaps there's a variety of reasons, ranging from an instinctual need for a mother to be with her kids to a cultural aversion to working moms. Perhaps, there simply aren't many professions where women can effectively be both. Consequently, not wanting to compromise their family life, many women decide to stay home.

"I think a huge fear exists among highly educated women working at big firms when they realize that you can't leave at six in the morning and come back at eight at night when you have the little ones; you want them too much. Instead of negotiating, a lot of women just quit, and then if they're out for five years, there's a huge fear factor in getting back in, because technology changes so dramatically. But guess what? Every time the technology changes, it gets easier! You cannot have a fear of jumping back into the workforce which, I think ego-wise, a lot of women have problems with."

"25 years ago, everyone would have laughed at a woman working out of her home. But, with a husband, an 11-year old, a 13-year old, two dogs and a lizard, you can't possibly put in 15-hour days and not work out of the house. Otherwise, you'd never see them."



But unlike many women, Pam had the foresight to choose a career that could afford her the time to do both. The role of an independent financial planner is perfect for women who want to work and raise children. Women multitask, and as they juggle many different things, they still can convey a natural caring approach that puts their clients at ease. Judging by the success of her practice and the calm that envelops her home, it's obvious Pam embodies this persona.

"You have to look at yourself first. With the help of a business advisor, I take time and spend two hours a month focusing on my business and what I want personally. By doing this, I keep on track. There was a time where I thought I wanted ten people working with me. I even thought about leaving the house. But now I realize the idea of leaving is not appealing. I like getting up, walking the dogs, coming back and having breakfast. I want to and can be there for my kids."

Additionally, the great thing about working out of the home is that the children get an up-close and personal account of what their mother does. No doubt, that exposure instills in them a sense of importance.

"You know, when Ruth Bader Ginsberg was appointed to the Supreme Court, they kept pummeling her with the question, 'Weren't your kids left out?' But, when they asked her kids, they said they thought everybody's mom worked! It gives them a sense of respect when they know their mother works. I tell my daughter to not fall for the old 'Just marry a rich man' line. Make sure that you are independent so that you can do whatever you want, whenever you want."

And obviously, the same goes for her professional career.

Her story is similar to many of her APFS colleagues. While working for a brand name in NYC, Pam knew a colleague who had visions of affiliating with an independent broker/dealer. When he met with American Portfolios CEO, Lon Dolber, Pam tagged along and, before long, was convinced she, too, needed to join.

"I was plodding along, no real intentions to leave. But then I met with Lon, and I was convinced. He was the first person where it clicked. I didn't know we all existed, independent people, wonderful people who can learn from each other. It was the first time in history that I saw someone who looked at their affiliated independent professionals as clients. He was someone willing to give back to us. We're perceived as being mavericks. Everyone makes fun, but we are a huge force to be reckoned with. Very brightly, Lon saw that and used it to his advantage."

Admittedly, Pam didn't even know this type of firm existed. When professionals start out, they are most often brought into a big corporation and kept insular. Having started at CIGNA, Pam trained 25 hours a week and that training had nothing to do with insurance. It had to do with learning what she refers to as, "the funnel approach."

"You learn how to walk into a situation with a client with your system down pat. They teach you to say, 'You didn't do this right. Let me walk you through it.' But, there's a wealth of people out there who would service their clients better if they were independent. For example, people who make money off of clients just because they know them. They should direct that business to someone who can adequately help them. It's better for the client."

And Pam's relationships with her clients have benefited from the independence offered to her through the independent culture that exists at American Portfolios.

"If I'm at Mass Mutual, I can only sell Mass Mutual. There's always going to be that shroud if you are owned by an insurance company. I don't like working under that atmosphere. I want true independence."

The way she works is simple. Starting off, she looks at three things: death, disability and retirement.

"No one likes to deal with death or disability; that's why I address those issues first. When you start out talking about that, you uncover everything. Then I figure out how their cash flows, how they should invest, what they should save and how to maximize pensions."

With the help of her own personal team of lawyers and accountants, Pam puts it all together.

"I look at myself as an advisor who can execute. I just focus on their goals. I'm on a natural train now. I've seen it all. I have confidence; it's a natural progression of being in this profession.

It's evident that for Pam Pearson, an emphasis on independence and accountability in both the personal and professional is key.

"Regardless of what you are doing, you have to keep on top of things yourself, because it is easy to get complacent. Don't take the easy way out. Have a sense of pride in what you do. Never feel that anything you do, you wouldn't do for yourself. There's so much out there . . . You just have to carve your own niche."

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AMID THE CLASSIC CHARM OF THE SEAVIEW MARRIOTT RESORT & Spa in Galloway, NJ, APFS hosted its 6th National Conference, the highest attended event ever for the firm. 300 reps and their accompanying guests were in attendance. 35 focus partners and outsource providers exhibited, some of whom demonstrated their product or service. Four featured guest speakers delivered thought-provoking lectures, and over a dozen APFS staff members and associated colleagues gave or participated in an informative presentation of one form or another. The event proved to be an enormous success and was very well-received by all.

american portfolios advisors:

looking back and beyond

by Thomas J. LoManto, President, APA

At the beginning of 2007, American Portfolios Advisors (APA) had 169 affiliated professionals conducting business throughout the country. As the year comes to a close, we now have 217 advisors, a staggering 28% increase in only 10 months. As a result of our proactive efforts in the previous year, APA has been able to accommodate the needs of this influx of new advisors. To start, by establishing and securing terms for additional custodial relationships, APA was able to add to its platform Schwab Institutional, a full service RIA custodian, offering all the features of a custodian and a wide variety of third party managers.

Additionally, APA created a new revenue stream that has been well-received by our advisors. Our client services agreement, which encompasses our flat, hourly and financial planning fee arrangements, got excellent traction this year, and because of it, our advisors generated over $330,000 in revenue for consulting. The introduction of this new agreement and its success is important, because our advisors are finally realizing their value as true wealth managers and, as a result, are now receiving proper compensation for their valued time.

Internally, we also made many significant changes. Joe Borriello was promoted to Manager of Advisory Business Development. In this new role, Joe will leverage our focus partner relationships and develop best practices among advisors. He will also assist our investment advisors in developing their business to best fit their independent needs. Joe will organize branch office meetings and bring APA to your offices. These changes will allow us to provide a much higher level of service. Joe's prior compliance responsibilities have been passed on to our new APA hire, Dee Gibbons. Dee comes to us from Park Avenue Securities, where she conducted trade and e-mail surveillance and identified areas of risk for the firm. At APA, she will do much of the same but also interact with all advisors to resolve issues concerning compliance. Dee will also be responsible for the annual compliance review, the updating of the compliance manual, fee sampling for all custodial accounts and third party management due diligence. In the upcoming months, we will be hiring another person to help facilitate Joe's new role and service the advisory platform. We are confident these changes will enable us to efficiently serve you and your clients.

Each year we build upon the previous year's accomplishments. 2007 has set a sturdy platform for more changes in 2008. To kick off the year, we will hold our second annual conference at the Waldorf=Astoria in New York City on January 21st. Our conference will host a gathering of top producers from APA. The meetings will provide our colleagues with sessions from portfolio managers, economists, educational speakers and marketing professionals. It is our desire to inspire attendees in the hopes of elevating their practice to the next level of understanding. (Refer to sidebar for APA's Annual Conference Pre-preliminary agenda).

2008 will be another exciting year at APA. With our new staff in place, we will be ready to provide you with expanded product offerings and a higher level of service. Our goal is to implement additional ways of communicating to you, for one, by spending more time in Studio 454. Using the studio, we will present more informative interviews, training sessions and marketing professionals to enhance your expertise and your practice. We encourage you to read our weekly electronic newsletter which provides you with up-to-date important information. Because we know you are the reason for our success, as always, we invite you to offer your thoughts and suggestions. Thank you for a terrific 2007, and I know that together we can make 2008 our most successful year.

Happy holidays, and a healthy and prosperous New Year!

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APA's Second Advisors Annual Conference

Waldorf=Astoria, New York, NY

Monday, January 21, 2008
Evening . . . . Welcome Reception

Tuesday, January 22, 2008
All day . . . . .Meetings
Evening . . Private Dinner at Waldorf's Peacock Alley Restaurant and Awards Presentation

Wednesday, January 23, 2008
Morning – Noon . . . . Town Meeting
Exchanging and Sharing Ideas, Intellectual Capital and Best Business Practices Among Colleagues

pace

in 2007, the pace at American Portfolios can best be defined in one word: intense.

By Dean Bruno, COO

WITH THE ADDITION OF TIM O'GRADY IN LATE 2006 TO MANAGE OUR New Business Development area, the continuation of RR referrals from our clearing firm and vendor relationships, the recruiting efforts of our existing OSJs and the positive press coverage we've received, APFS, in this year alone has affiliated more than 110 colleagues from various broker/dealer firms within the industry, bringing our total rep count to almost 500.

While we cannot discount the rapid movement of the last six years since the firms' inception in 2001, the growth we've experienced this year has brought APFS a heightened but welcome challenge: managing the enormous influx of affiliating new colleagues coming into the broker/dealer while maintaining the highest level of service and support to our existing colleagues.

This growth has no doubt kept the back-office team on its toes processing an influx of transitioning account paperwork, responding to mounting inquires from the field and feeding all of it into this industriously moving problem-resolution machine. To give you an idea of the workload we've incurred, from August to the end of September, over 6,000 directly held assets and 2,500 clearing firm accounts have been transferred into APFS. This has been a massive undertaking of logistics and implementation.

So what have we done to keep up with the demands of this larger rep force? For starters, very simply, we've added more staff. Since the start of the year, net, five new staff members have joined the firm, with plans for three to five more hires before the close of the year, bringing our employee count to over 50. These added resources have gone into operations, new accounts, advisory services, technology, accounting and administration as well as restoring staffing levels to those areas of the firm that experienced employee turnover during the last twelve months. We've certainly come a long way from eight employees back in 2001 serving 188 colleagues.

To keep up with the level of service and support, we've also expanded the roles of the staff by having upper management provide education to supervisory and associate level positions in order to delegate more responsibility to them. If I look across all departments of the broker/dealer, I see many new and energetic employees welcoming the opportunity to take on more. From transitions to operations, new accounts to relationship management, these staff members are stepping up to the plate, accepting supervisory positions and greater workloads. With proper mentoring and expansion of these responsibilities, greater job satisfaction and the opportunity for personal growth will help to perpetuate the highest possible performance levels that are very much needed to support our growing rep force.

While 2007 seems like a blur, the fruits of our efforts were made apparent at our recently held 2007 National Conference in Galloway, NJ, where more than 240 representatives were present - the highest attendance we've ever had at an APFS conference. New and familiar faces came together to be informed and to connect with their broker/dealer. So, with more than half of the way to go to our three-year growth mark (100 employees and 1,000 reps by 2010), we have a strong, expandable infrastructure in place ready to take us to a new plateau. At this pace, there's no question we will get there.

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keep the conference momentum going

By Frank A. Tauches, Jr., President APFS

WITH THE OVERWHELMING ATTENDANCE AND PARTICIPATION AT our recently held National Conference at the Marriott Seaview in Galloway, NJ, all enjoyed professional presentations from a range of speakers on timely subject matters to a host of idea sharing sessions among fellow colleagues. The challenges after such a successful event, however, are 1) how do you take what you've learned at the conference and implement these ideas into your own practice, and 2) how do you continue generating ideas beyond the conference?

Solving the first challenge may be unique to each individual, but a successful resolution does follow some common ground rules. To start, don't try to make all changes at the same time. First decide what you want to implement, establish an order of precedence and then create a timeline. I would start with the easiest and most achievable change. The confidence you build by succeeding in the first improvement to your practice will carry through other changes. Next, get the help you need from all sources available, including your support staff, colleagues, home office staff and management, vendors and, possibly, clients. Then, keep evaluating the situation to insure your efforts are producing the desired results. Most importantly, be honest with yourself throughout the process. Make sure that the end result is what you want it to be, and don't give up!

Generating ideas outside the conference environment presents a different challenge. American Portfolios provides many sources for ideas that can assist you in improving your practice and increasing your business.

APFS Communication Venues

APFS provides a number of communication venues as sources of information for you. They are: The Independent (our weekly newsletter), the American Perspective (our bi-weekly video report) and FREE (this quarterly publication). In these media, we publish ideas from a number of places, including partners, outsource providers, APFS staff members, colleagues and experts in different fields. The American Portfolios Forum in our broker website is another tool designed for online postings of questions and issues for responses back from experts in the field and other practitioners who have similar interests.

Study Groups Among APFS Colleagues

Several of our registered representatives have started meeting locally to share ideas. They hold monthly dinner meetings and discuss common topics of concern. It doesn't matter that their business models may not be similar. Often, solid solutions to problems are found despite differences in the practice. If you'd like to know whether a study group is taking place in your area, give me a call. If you would like to initiate a study group, we will be happy to assist you to find interested colleagues using our contacts and various communications venues.

APFS Sponsored Industry and Professional Organizations

As a firm, we have carefully chosen several professional organizations with which to affiliate who provide advocacy, information and networking resources. The names of these organizations can be found in the Broker Section of the APFS website in Rep Services listed to the left of the screen under Professional Organizations. Through your association with APFS, discounted individual memberships are available through most of these organizations. All have websites and are good sources of information, but several of the organizations have local chapters that meet regularly and host timely programs. This represents another opportunity for ideas to be shared among professionals.

This past spring we joined the Financial Planning Association (FPA) as an institutional member. In September, I had the opportunity to attend FPA's National Conference in Seattle, WA. There were three thousand attendees and over fifty educational sessions. I was impressed with the scope of topics and the professional manner in which the sessions were conducted. I subsequently attended the FPA New York Chapter meeting and was further impressed by the presentation and committee involvement of chapter members.

I encourage you to take advantage of the resources I've summarized and continue the momentum of last month's conference to carry you through the year, until you can recharge at the next APFS caucus in Las Vegas. If you need any further ideas, call me at extension 206. I am always ready to share.

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Crump

bisys® advanced markets bulletin

year end planning: 412(e)(3) plans can be a source of sizeable tax deductions – for 2007!

December generally marks the beginning of the last minute scramble to find legitimate ways to reduce income taxes. Accountants throughout the nation are flooded with anxious taxpayers looking for advice on how to keep what they've earned instead of giving it to "Uncle Sam." One area of special concern is successful small "C" corporations that have amassed a significant amount of earnings. Absent proof that such accumulations meet reasonable and current business needs, such corporate cash reserves may be subject to an accumulated earnings tax penalty under IRC Sec. 531.

Let's take a look at the Buxton Corporation to get a better understanding of the problem.

The Problem: Corporate Retained Earnings in excess of Business Needs

William Buxton is the president and CEO of the Buxton Corporation. Buxton is a small, successful printing business with no employees and files as a "C-corporation." William has been saving company profits over the past three years in order to purchase new high speed printing equipment. On December 1st, William received a call from his CPA and was told that the company may have a retained earnings problem. The CPA stated that about $250,000 of the amount in retained earnings may be exposed to the accumulated earnings tax.

The CPA believes that because the company is prospering, retained earnings might be a continuing problem in future years. William is concerned about the possibility of having to distribute more in taxable income to himself in 2006. He also wants to continue to be able to accumulate cash reserves for future business needs. William is currently 50 years old, reports "W-2" income of $220,000 and is thinking of retiring at age 60. The company currently has no qualified retirement plan in place. At best, he has 10 years left to prepare for retirement. William has turned to you for help with his concerns.

A Solution: 412(e)(3) Plan to the Rescue!

William can "kill two birds with one stone" by having the company install a 412(e)(3) Fully Insured Defined Benefit plan (formerly known as a 412(i) plan[1]). This qualified retirement plan is considered "fully insured" because plan benefits must be funded exclusively with insurance and/or annuity products.[2] Any type of business entity can have a 412(e)(3) plan – "C" corporations, "S" corporations, Partnerships and Sole Proprietors. However, these plans aren't for everyone. Those businesses that are most suitable have:

- Sustained high earnings and significant cash flow, so that at least 5 years of funding is possible
- Less than five employees (preferably one – the owner)
- Owner(s) who is (are) age 50 or older and is (are) the oldest employee

Why Defined Contribution Plans May Not Fit the Bill

Why a 412(e)(3) plan instead of a traditional defined contribution plan? Assuming the on-going contribution to a defined contribution plan of $49,000 per year (an annual contribution of $44,000 plus a $5,000 catch-up) and an average growth of 5% per year, William can create a nest egg of $616,317 at age 60; $1,057,350 if he makes contributions to age 65. William has told you that he wants his retirement income to be at least $100,000 per year to maintain his current life style. Unfortunately, based on a 5% crediting rate and an annual withdrawal of $100,000 per year, these estimated "nest eggs" will only last 8 and 16 years respectively.

How the 412(e)(3) Plan Benefits the Buxton Company

As the sponsoring employer, the company can make a tax-deductible contribution to a 412(e)(3) defined benefit plan of up to $253,747 for the first year for William. Further, the installed plan may create a tax credit based on 50% of the expenses of installing the plan for the first tax year and the next two subsequent tax years.[3]

Future contributions may vary based on product investment experience. Continuing to fund the plan as required until retirement age 65 can produce a guaranteed lifetime benefit of $175,000[4] for William. The plan can also provide a pre-retirement death benefit for William's survivors of up to $5,220,258. Here's the breakdown:

Fully Insured Defined Benefit Plans – 412(e)(3)[2]	
Maximum Annual Contribution	$253,747
Maximum Annual Deduction	**$253,747[5]**
Lump Sum At Retirement (65)	$3,673,300
Lifetime Annual Payout Starting at Age 65 [6]	$175,000
Pre-Retirement Death Benefit	$5,220,258[7] Plus the value of the annuity

The Bottom Line

Remember, a tax deduction translates into an actual tax savings which is realized by the business in the following year. The tax savings is equal to the deduction times the corporate tax bracket. Consequently, assuming that the Buxton Corporation pays a combined federal, state and local income tax of 40%, by adopting this recommendation, the company will enjoy an additional $101,499 next year (2007) - money that may be used as a down payment on the high speed printing equipment, with future tax savings providing for the remaining payments on it!

[1] The "PPA" of 2006 moved the provisions under IRC Sec 412(i) to IRC Sec 412(e)(3).

[2] Medical and financial underwriting is required if life insurance is considered. Certain life insurance and/or annuity products may not be available in all states. Life insurance is subject to policy limitations and exclusions.

[3] Per EGGTRA, Title VI, Sec. 619. The tax credit is limited to $500 and the employer could not have a qualified plan for any of the three previous tax years.

[4] Guarantees based on the insurer's ability to pay. In 2007, the maximum guaranteed lifetime benefit is $180,000.

[5] The deductions are approximations of the maximum first year deductible amounts based on averages from our top carriers. The amounts are designed to provide an estimate only. Exact amounts will differ, based on client age, health and product specifications.

[6] Assumes annual payments for life.

[7] Death Benefit based on Section 74-307. It assumes the purchase of an annuity with the maximum amount of life insurance permitted.

economic and market commentary:

who's watching the farm?

By Patricia A. Powell, CFP

WHAT A DIFFERENCE A COUPLE OF MONTHS MAKE! JUST TEN WEEKS ago (July 19, 2007 to be precise) the DJIA broke a psychological milestone when it closed over 14,000 for the first time. Pundits forecasting 15,000 by year-end quickly faded from view as the DJIA moved down, bottoming intra day at 12,455.92 on August 16, 2007.

Markets don't go straight up or straight down. At the time of this writing (October 1, 2007) the DJIA is at 14,087, just ahead of its July 19, 2007 peak but way ahead of its August low. Few clients can fathom that the 3rd quarter was, overall, a profitable one for the domestic markets. They are still reeling from seeing their summer investment statements.

When I consider economic data, I often think of Mark Twain's comment that "There are three kinds of liars – liars, damn liars, and statisticians." Here are some recently reported statistics:

- Through the second quarter, the economy grew 4% compared with 0.6% in the first quarter.[1] Not so bad.
- Second quarter profits were up just 4.5% from the same quarter a year ago.[2] Not so good.
- August's CPI declined 0.2% before seasonal adjustment. August's CPI number was 2.0% higher than August of 2006.[3]
- Consumer confidence surged in July but gave back all that gain in August. [4]
- The US Dollar continued to slide against most major currencies. The Euro costs $1.42 and the Canadian dollar is about on par. Bad news for those who want to vacation out of the country, but good news for both US companies selling globally and for those investing globally.

In other words, for every good piece of economic data you can find a negative offset. The market is seeing the same thing: conflicting data, nervous investors, hedge fund issues, the housing slump and debt-ridden consumers; not to mention, the Democratic rumblings for tax hikes. But markets have historically climbed that wall of worry. I mostly worry when just about everyone agrees that things are great.

Thus far, I have said little that you could not find in the Wall Street Journal or on Yahoo! Finance or even by searching the government web sites. And, of course, we all need to know these things. But I find opportunities often present themselves when I go a little bit off the beaten path and try to look for data being ignored by most pundits.

Consider, for instance, the cost of food. Right now, Americans spend just under 10% of their income on food. We are used to eating a lot of high quality/low cost food. But that could be fast changing. For instance:

- The price of whole milk is up 26% over a year ago ($3.807/gallon).[3]
- The price of a one pound loaf of whole wheat bread is up 24% from a year ago. [5]
- The wholesale price of a three-pound chicken is up 15% from a year ago.
- Illinois corn is up 40%.
- Illinois soybeans are up 75%.
- Kansas wheat is up more than 70%.

Then consider that:

- A one pound box of cereal might cost more than a one pound steak.
- A gallon of milk costs more than a gallon of gasoline.

And we all have to eat.

We have seen rising food prices before. In the past, it would just be a short-term shift in supply and demand. Maybe a weather problem - frost in the Florida orange groves, a drought in the wheat belt or even one year farmers just didn't plant enough corn. So, in the past, when the price of a commodity such as wheat went up a lot, farmers would adjust; they might plant more wheat, producing a bumper crop the next year and causing prices to fall. That was a typical cycle.

But this time, I think it is different. There is a worldwide shift in supply and demand. It is structurally long-term in nature, and it may be as important as the structural shift we have seen in the supply and demand for oil.

Consider the causes:

- Ethanol! The world is consuming more grain, not just for food but for energy - less supply, higher price.
- Worldwide our population continues to grow - more demand.
- In China and other emerging economies, people are getting richer. They are eating more and eating better.
- A major price change in one commodity can impact another commodity. For instance:
  - If we mandate the use of ethanol, then farmers might anticipate the price of corn will go up. So, a farmer decides to plant corn instead of soybeans. If many farmers make that decision, then nationwide there is a smaller soybean crop, and the price of soybeans goes up.
    - Corn is used to feed livestock, so as the price of corn goes up, so does the price of chicken.

Global stockpiles of food in relation to consumption are at their lowest level in 30 years.

Solutions seem to be long-term in nature. Better farm productivity will help. We have already benefited from science when it comes to developing new seed, fertilizers and equipment. Can we depend on more? Perhaps we need to revisit other renewable sources of energy like wind, solar and nuclear and forget about ethanol.

Perhaps former Federal Reserve Chairman, Alan Greenspan, was looking at this same issue when he made his prediction that the Fed will have to raise interest rates to double digit levels to deal with inflation. Clearly, in the short run, we are all going to have to pay more for the food that we eat, and just as clearly, that is inflationary.

Sources:

[1] *Bureau of Economic Analysis*
[2] *Department of Commerce*
[3] *Bureau of Labor Statistics*
[4] *The Conference Board Consumer Confidence Index*
[5] *ibid*

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The views in this commentary do not necessarily represent those of the firm and are not intended as specific investment advice.

addressing irrational investor behaviors

FRANKLIN TEMPLETON INVESTMENTS

WHY DO CLIENTS SOMETIMES MAKE INVESTMENT DECISIONS THAT aren't in their best interests? According to the budding field of behavioral finance, investment decisions are 89% based on emotion.[1] That's because investing involves uncertainty. Such uncertainty can trigger fears and memories of past disappointments, while also interfering with rational decision making. Advisors who are familiar with typical investor behaviors can better recognize and address them appropriately as they counsel their clients.

Giving Too Much Weight to Recent Events

Giving too much weight to recent events, also called "myopia" or "anchoring," can overshadow longer-term trends and true underlying causes. While it's natural for investors to react to current events and market movements, those who let a short-term focus control their decision making may jeopardize their long-term goals.

In particular, investors who try to time the market, avoiding the "worst" days, may also miss out on the "best"—notably market rebounds following a correction. Investors who remained fully invested in the S&P 500 Index for the 10-year period ended December 31, 2006, would have earned an 8.42% average annual return. But investors who sat out the 10 best-performing days of that period would have earned only a 3.42% average annual return. Investors who missed out on the 20 best-performing days would have suffered a 0.38% loss, while those missing out on the 30 best days would have faced a 3.66% loss.[2]

Avoiding Pain at the Expense of Potential Gains

Many investors feel losses twice as much as they feel gains. It's natural for most investors to avoid the pain of a loss. Loss aversion explains why investors sell winners but hold onto losers—all the while hoping their luck will improve. Other examples of this kind of investor behavior include:

- Investing overly conservatively, even if that means accepting a lower payoff
- Procrastinating over the sale of a declining investment, out of reluctance to make a "paper" loss real
- Selling an appreciating investment because of the possibility that future declines might erase recent gains

Another example is the "endowment effect" when an investor takes on more and more risk to try to recapture past paper gains, even if the underlying market climate has changed. Investors may also go to great lengths to avoid the pain of regret. This approach can lead to the herd mentality when investors follow the popular choice because they fear "missing out on the party." Other investors may refuse to take any action at all, worried that their decision will be the wrong one.

Advisors can help their clients with these irrational, but common, tendencies by finding new ways to frame investment decisions, beyond simple evaluations of gain and loss. This type of discussion can address diversification, long-term goals and underlying fundamentals. Establishing buy and sell benchmarks with clients at the start of any investment—before emotions rule the day—may also be helpful.

Failure to Consider the Big Picture

Sometimes investors may make irrational choices because their personality or past investment experiences cloud the way they view market behavior. We're all familiar with investors who have enjoyed strong returns in the past and have come to expect them as a matter of course.

These are the same investors who may refuse to realize their gains, because they always believe that the market is ready to offer an even bigger payoff. These same clients may also resist diversification into bonds or other more stable investments that they believe might dampen their overall returns.

Such investors may need to be reminded that over the past 35 years, the Dow Jones Industrial Average has averaged annual gains of 11.73%, not the 19.4% average annual return delivered across the early and mid-1990s.[3, 4] Furthermore, since 1970, we've experienced 11 bear markets—roughly one every three years. On average, these difficult market cycles have lasted about a year, with the Dow Jones Industrial Average declining an average of 25%.[5, 6]

At the other end of the spectrum are the market skeptics who only remember recent losses. These investors may refuse any allocation to stocks or high-yield securities, even when such diversification may make sense to their overall portfolio strategy. Once again, a long-term perspective may help such investors recognize that bull markets,

since September 24, 1900, have outrun bears—on average, lasting 24 months, with an average increase of 85.3%.[7]

The most risk-averse investors may also need to be reminded that investments offering greater safety of principal are not without risk, as their value may be eroded by inflation. Once again, we might emphasize the importance of a balanced portfolio, which can help protect against inflation as well as market risk. A diversified strategy may also help investors capitalize on the correlation between assets, which may augment returns while reducing volatility.

Keeping Clients on Track

Perhaps the most important way to address such irrational investor behaviors is to maintain frequent and open dialogue with our clients. We can establish concrete investment goals and benchmarks, while also letting clients voice their concerns. Some investors, because of age or circumstance, may naturally have a shorter-term horizon or greater aversion to uncertainty. Regularly reviewing investment goals side-by-side with a client's portfolio, to check whether investments are aligned with both long-term objectives and individual risk tolerance, may help.

For additional business building ideas and tools, call your Franklin Templeton wholesaler at 1-800/223-2141 or visitfranklintempleton.com.

[1] The Third Annual Congress on the Psychology of Investing, June 1997 (Boston, MA). Kathleen Gurney, Ph.D., Financial Psychology Corporation.

[2] Standard & Poor's Micropal. Based on returns of the S&P 500 Index over the 10year period ended 12/31/06. Index is unmanaged and includes reinvested dividends; one cannot invest directly in an index. For illustration only, not representative of any specific Franklin, Templeton or Mutual Series fund's performance.

[3] Standard & Poor's Micropal. The Dow Jones Industrial Average comprises 30 large-capitalization stocks. Total return includes reinvested dividends. Indexes are unmanaged, and one cannot invest directly in an index. For illustration only, not representative of any Franklin, Templeton or Mutual Series fund's performance.

[4] A bull market requires a 30% rise in the DJIA after 50 calendar days or a 13% rise after 155 calendar days. Reversals of 30% in the Value Line Geometric Index also qualify.

[5] Ned Davis Research, as of 12/31/06. Figures based on the Dow Jones Industrial Average, which comprises 30 large-capitalization stocks. Indexes are unmanaged and include reinvested dividends; one cannot invest directly in an index. For illustration only, not representative of any specific Franklin, Templeton or Mutual Series fund's performance.

[6] A bear market requires a 30% drop in the Dow Jones Industrial Average after 50 calendar days or a 13% decline after 145 calendar days. Reversals of 30% in the Value Line Geometric Index also qualify.

[7] Ned Davis Research, as of 12/31/06. Figures based on the Dow Jones Industrial Average, which comprises 30 large-capitalization stocks. A bull market requires a 30% rise in the DJIA after 50 calendar days or a 13% rise after 155 calendar days. Reversals of 30% in the Value Line Geometric Index also qualify.

Allianz Global Investors

estate planning advantages of 529 plans

While 529 plans are designed to be used primarily for college savings, there are some legitimate tax benefits to making contributions to a 529 plan for investors in the estate planning phase of their lives—especially for grandparents, for example, with grandchildren who have yet to enter college. Consider the list of benefits below for your high-net-worth clients. Of course, investors should consult their tax advisor about any applicable state or federal taxes.

1. Investments in the 529 plan are considered "completed gifts" for federal transfer tax purposes. This means all contributions to the Plan are considered "out of the estate" of the contributor (not included in the contributor's gross estate for federal estate tax purposes).

2. Account Owner retains control of the account assets—even after a beneficiary reaches majority age. Your client may withdraw all or any portion of the money in his/her account—at any time, for any purpose. Of course, the earnings portion of a non-qualified withdrawal (for purposes other than paying the beneficiary's qualified higher education expenses) is subject to federal income tax and a 10% federal "penalty."

3. Your client can give up to $60,000 per beneficiary and still avoid gift taxes. Normally, a gift of more than $12,000 to a single person in one year is subject to federal gift tax. With a 529 plan, an individual can potentially contribute up to $60,000 (and married couples can potentially contribute up to a total of $120,000) to an account for a particular Designated Beneficiary in one year without triggering the tax. To do this, the contributor must file a gift tax return (IRS Form 709) in the year the gift is made and elect to treat the entire gift as a series of five equal annual gifts. However, if the contributor dies before the first day of the fifth calendar year, the portion of the contribution allocable to the remaining years in the five-year period (not including the year in which the contributor dies) would be included in the contributor's gross estate for federal estate tax purposes.

4. A Successor Owner can be named. Your client may name someone as "Successor Owner" to automatically become the owner of the account upon his/her death (or upon the death of the surviving Account Owner, in the case of an account with joint owners). In addition, your client may name a "Contingent Successor Owner," who would become the owner of the account should the primary Successor Owner predecease the Account Owner. The designation of either a Successor Owner or a Contingent Successor Owner may be changed or revoked at any time. Importantly, if a designation of Successor Owner is in effect upon the Account Owner's death (or upon the death of the surviving Account Owner, in the case of an account with joint owners), the funds in the account would not generally be deemed assets of the Account Owner's probate estate. You should consult a probate lawyer in your state to determine the precise effect of such a designation.

5. A high balance limit means your client can potentially gift more money using CollegeAccess 529. Since the CollegeAccess 529 Plan allows Account Owners to contribute up to $325,000, individuals can move more money out of their estate by using the South Dakota Plan versus most other plans.

	estate planning case study #1: "Grandpa & Grandma Miller"	estate planning case study #2: "Grandpa & Grandma Wilson"
Investor Profile:	· Bob and Carol Miller, married, file joint tax returns, living in Memphis, TN. · 10 grandchildren—five in TN, three in CA, two in FL, all between the ages of 5 and 8. · Approximately $3 million estate; $2.5M in mutual funds and other securities.	· John and Jan Wilson, married, file joint tax returns, living in Dallas, TX. · Five grandchildren—between the ages of 12 and 15. · Approximately $5 million estate; $2M in short-term mutual funds earning a minimal return.
Goals:	· Address all 10 grandchildren's college savings needs. · Address couple's estate planning needs.	· Address all five teenage grandchildren's college savings needs. · Address couple's estate planning needs.
Strategy:	· Bob and Carol's financial advisor and tax advisor both meet with them to discuss options. · The advisor informs them of the TN plan, which offers no deduction for contributions; the tax advisor agrees a 529 plan should be chosen on the merits of the underlying investments, since no tax advantage exists for the "in-state" TN plan. · Bob and Carol's advisor recommends a plan with an age-based investment option, so monitoring 10 accounts will be easier. · They start funding with $120,000 for each grandchild—which represents (2) 5-year pro-rated gifts of $12,000/year—$60,000 from Bob and $60,000 from Carol.	· John and Jan's financial advisor and tax advisor both meet with them to discuss options. The advisor informs them of the TX plan, which offers no deduction for contributions; the tax advisor agrees a 529 plan should be chosen on the merits of the underlying investments, since there's no personal income tax in the state. · John and Jan's advisor recommends a plan with an "all asset" investment option that he believes is appropriate for the teenage beneficiaries. · They start funding with $120,000 for each of the five grandchildren—(2) 5-year pro-rated gifts of $12,000/year—$60,000 from John and $60,000 from Jan. · Then, each uses $512,500 ($102,500 per grandchild) of their "Lifetime" gift tax exclusion to fund each account to the maximum amount of $325,000.
Accomplishments:	· Advisor addressed the issue of the in-state plan and funded each of 10 accounts with $120,000 each—and no gift tax. · Removed over $1 million from the couple's estate. · Achieved prudent asset allocation using multi-fund portfolios, which will automatically migrate to a more conservative portfolio as each child ages, eliminating the need for the Advisor to constantly monitor 10 different accounts.	· Advisor addressed the issue of the "in-state" plan. · Removed $1,625,000 from the couple's estate by funding each account to the maximum—and still incurred no gift tax. · Used only a portion of their Lifetime gift/estate tax exclusions. (Each still has over $487k each $975k total left from their Lifetime exclusion.) · Achieved prudent asset allocation using all asset option.

state of the firm commentary from ceo lon t. dolber

I AM VERY PLEASED TO REPORT TO YOU THE THIRD quarter 2007 performance results for APFS. 2007 third quarter gross revenues had an incredible 43% increase of $16.1 million from $11.3 million in the previous year. A historical analysis of these quarterly performance results shows that 2007 third quarter figures were $6 million more than the total gross revenues received in the firm's first full year in business ($10.3 million in 2002) and effectively the same as gross revenues received for all of 2003 ($16.4 million).

The third quarter period is a particularly reflective time for me. This past September 11th, on a Tuesday evening to be exact, I was sitting in the lobby of Islip Town Hall waiting to present the firm's appeal for a permit to place the American Portfolios sign on our building. My thoughts went back six years ago to the day - APFS' first official day in business. I recall having a late start that morning because I was up most of the night getting our systems ready for what would be our first day operating as the broker/dealer (b/d). My wife Debra wished me luck as I headed out the door.

On the way to the office my mind was filled with a million details: Is the network live? Have all our licenses been transferred from Nathan & Lewis to American Portfolios? Did the cable company activate all our circuits? My thoughts moved between the mechanics of running the b/d to the excitement of finally realizing a goal I had worked towards for so many years. When I arrived at the office (then only the 4th floor east wing and 15,000 square feet short of our current space), oddly, the reception area was empty. I proceeded to operations and there I found all the employees looking up at the television screen, mesmerized by an unfolding news report on CNBC. It was 8:50 AM in the morning and clearly something terrible had happened…

American Portfolios case number 45673 Permit for Signage is announced. Our lawyer grabs my arm and says we're up. Accompanying me is APFS President Frank Tauches, the attorney from the law firm who drafted our appeal and a representative from the sign company. We approach the podium and eight town zoning board members. Fidgeting with our blueprints, the chairperson says, "So you are asking for a permit to erect a 97 square foot sign on a 160,000 square foot building? Why aren't you asking for a bigger sign?" Before I can answer he asks if anyone present objects, the vote is taken and we are given approval. A four-year bureaucratic battle finally ends.

After thanking the board for their decision, I am asked by the zoning board chair what kind of business American Portfolios is. I tell him financial services and remark that if six years ago someone told me today I would be standing in Islip Town Hall pleading for a permit to put an American Portfolios sign on our building, I would not have believed them. With a somewhat defensive look the chairperson asks me why. I tell him six years ago, on this day, at this time, I did not think there was any way we would survive to the end of the year, let alone six more years. But here we are, almost 500 affiliated colleagues and 47 employees strong, and approaching $75 million in gross revenue. The courage of the firms and individuals in the trade towers that day, many of whom lost everything, including the lives of staff members, who ultimately rebuilt their businesses, gave me the willpower and determination to carry on. And the rest, as they say, is history …

In fact, company history was made shortly after the close of this quarter in October with the largest attendance ever for APFS at its annually held National Conference. Our growth was so apparent here. To see the convergence of familiar and new colleagues all of whom, at different points in time, chose to come to American Portfolios to grow and build successful practices was a truly satisfying experience. Just as APFS could not have gotten to this point without the collective successes of its affiliated professionals, the growth we need to achieve in the next few years to reach the profit levels that will sustain this environment of independence, will require the utmost dedication to your businesses. And it is my job to support you in that effort in every way possible. I look forward to building and growing with you.

Sincerely,

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

"You gain strength, courage, and confidence by every experience in which you really stop to look fear in the face. You must do the thing you cannot do."
– Eleanor Roosevelt

2007 Quarterly Review

July 1, 2007 – September 30, 2007

Presented on pages 29 through 34 is the third 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 nearly 50 full time employees supporting 490 registered representatives, which includes 43 registered assistants and 20 registered employees as of 09/30/2007.

Financial Overview:

Third quarter gross commissions and fees of more than $16 million increased an incredible 43% from $11 million in the third quarter of 2006 (Fig 1). In an across-the-board analysis of products and services offered through American Portfolios, alternative investments and fixed annuities received the highest percent increase in gross commissions of 162% and 155% respectively (Table 1). By the end of the third quarter of 2007, assets under management grew 31% to $9 billion from $6.9 billion in the third 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**
Change from 2006 Q3	41%	+29%	+56%	+155%	+41%	+62%	+39%	+162%

TOP 5

Fund Families by Commissions For The Third Quarter of 2007:

1. American Funds
   $ 1,605,397
2. OppenheimerFunds
   $ 1,394,744
3. Franklin Templeton Funds
   $ 503,931
4. Eaton Vance Funds
   $ 214,982
5. Fidelity Funds
   $ 183,359

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

1. Nationwide
   $ 765,259
2. American Skandia
   $ 714,431
3. John Hancock
   $ 483,989
5. ING
   $ 390,418
4. Pacific Life
   $ 349,704

Top Five Vendors by Assets Under Management as of September 30, 2007:

1. American Funds
   $ 1,398,805,121
2. OppenheimerFunds
   $ 1,129,136,016
3. Franklin Templeton Funds
   $ 464,134,600
4. Nationwide VA
   $ 354,913,319
5. American Skandia VA
   $ 244,656,933

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**	**$687,955**
+/- over 2006 3Q	**+28%**	**+33%**	**+31%**	**+8%**

recruiting and marketing overview

The firm continues to attract new colleagues. Calls from prospective candidates are a regular event for the new business development area. As of 9/30/2007, the broker/dealer had 490 registered representatives, which included 43 registered assistants and 20 registered employees working from 69 Offices of Supervisory Jurisdiction as well as 239 Branch Office locations. As of 09/30/2007, there were 427 producing registered representatives at the firm.

Table 3

representative overview 9/10/2001 – 9/30/2007

A total of 490 new representatives have joined the firm, while 305 representatives have been encouraged to leave the firm between 9/10/2001 – 9/30/2007. During the same period of time, quarterly revenues have increased by $14,499,168 (Q4 2001 $1,603,089 – Q3 2007 $16,102,257)

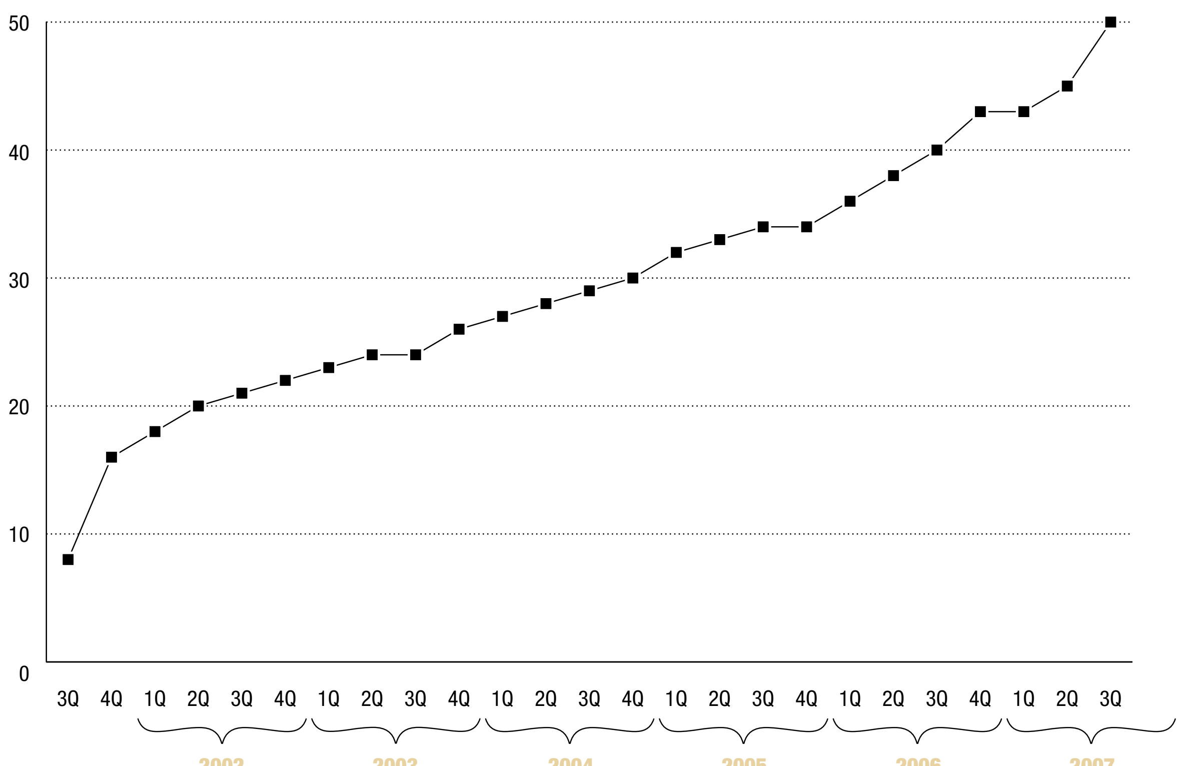
First Name	Last Name	City	State	Supervising Principal	Start Date	Status
Sue	Pfaffinger	Jeffersonville	IN	Michael Diemer	7/6/07	REP
Arthur	Brown	Lebanon	NJ	Russell Clark	7/9/07	REP
Jay	Heller	Plymouth Meeting	PA	Brian Kohute	7/9/07	REP
Brian	Kohute	Plymouth Meeting	PA	Timothy O'Grady	7/9/07	REP
Donita	Layman	North Vernon	IN	Thomas Perry	7/9/07	REP
Michael	Lytle	Canfield	OH	John Crockett	7/9/07	REP
Dennis	McMillin	Rochester	MN	Timothy O'Grady	7/9/07	REP
Troy	Moyer	Plymouth Meeting	PA	Brian Kohute	7/9/07	REP
Daniel	Orman	Indianapolis	IN	Thomas Perry	7/9/07	REP
Stephen	Paris	Rockville Centre	NY	Robert Bartolotta	7/9/07	REP
Heather	Tracey	Plymouth Meeting	PA	Brian Kohute	7/9/07	ASST
Roger	Williamson	Hopkinsville	KY	Thomas Perry	7/9/07	REP
Larry	Sfinas	Southampton	PA	Ronald Chakler	7/20/07	REP
Louis	Panigrosso	Johnson City	NY	George Haskins	7/24/07	REP
Graeme	Pentland	Pompano Beach	FL	Richard Gerepka	8/1/07	REP
Maureen	Pentland	Pompano Beach	FL	Richard Gerepka	8/1/07	REP
Douglas	James	Paramus	NJ	Russell Clark	8/3/07	REP
Richard	Klein	Williamsville	NY	Robert McNicholas	8/3/07	ASST
Thomas	Halsey	Toledo	OH	Michael Lytle	8/6/07	REP
John	Ross	Toledo	OH	Michael Lytle	8/6/07	REP
Robert	Thompson	Toledo	OH	Michael Lytle	8/6/07	REP
Deepa	Gibbons	Holbrook	NY	Lon Dolber	8/28/07	EMPL
James	Morton	Indiatlantic	FL	Richard Gerepka	8/28/07	REP
Rodney	Breyer	Reading	PA	Thomas Perry	8/31/07	REP
R Joseph	Interrante	Reading	PA	Rodney Breyer	8/31/07	REP
Jay	Lemelin	Ephrata	PA	Rodney Breyer	8/31/07	REP
Paul	Wright	Brooklyn	NY	Timothy Rossiter	8/31/07	REP
Julie	Heintz	Novi	MI	Michael Lytle	9/5/07	ASST
Lawrence	Weiner	Novi	MI	Michael Lytle	9/5/07	REP
Patricia	Hunter	Rockville Centre	NY	Steven Sherman	9/7/07	ASST

new rep affiliations continued on page 34

Richard	Paul	Novi	MI	Michael Lytle	9/11/07	REP
Brian	Krell	Brooklyn	NY	Timothy Rossiter	9/14/07	REP
Marcia	Alonzo	Rockford	IL	Marjorie Larson	9/20/07	ASST
Marjorie	Larson	Rockford	IL	John Crockett	9/20/07	REP
Howard	Neff	Jensen Beach	FL	John Wiswell	9/25/07	REP
A. Geoffrey	Wade	Jensen Beach	FL	John Wiswell	9/25/07	REP
John	Wiswell	Jensen Beach	FL	Richard Gerepka	9/25/07	REP
David	Bateman	Jensen Beach	FL	John Wiswell	9/27/07	REP
Michael	Grinnell	Jensen Beach	FL	John Wiswell	9/27/07	REP

Fig. 2

employee growth



Joined APFS in August 2007

Name:
Christopher Michlowski

Position:
Media Operations Coordinator

Department:
Corporate Communications

Contact Information:
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Fax: 631.439.4698

E-Mail:
cmichlowski@americanportfolios.com

responsibilities:

As Media Operations Coordinator for the firm's in house information broadcast production studio, Christopher orchestrates all of the company's web based video streaming events. He also participates in the research and decision making process for the procurement of appropriate digital media hardware and software for the expansion and future growth of the studio.

biography:

Christopher graduated from the State University of New York at New Paltz with a BS in Radio and Television Production. While in college, he interned for a television station. Immediately following his graduation in 2005, Christopher accepted a position as an Audio Visual Technician for IBM, editing video for corporate news releases, product demonstrations, customer interviews and executive briefings. Some of Christopher's personal accomplishments are becoming an Eagle Scout, the highest ranking in the Boy Scouts of America, and receiving his black belt through the American Taekwondo Association. Formerly a resident of Poughkeepsie, NY, Christopher relocated to Long Island to take this position at American Portfolios.

Joined APFS in August 2007

Name:
Dee Gibbons

Position:
Advisor Compliance Associate

Department:
Investment Advisory Services/Managed Accounts

Contact Information:
Phone: 800.889.3914 ext. 265
Fax: 631.439.4698

E-Mail:
dgibbons@americanportfolios.com

responsibilities:

As a Compliance Associate with over nine years of RIA investment management compliance experience, Dee's responsibilities emphasize the compliance and regulatory side of the department. She conducts surveillance for all incoming investment advisory business by identifying areas of risk. She interacts with all advisors to resolve issues concerning compliance and keeps abreast with all SEC and FINRA regulatory requirements for the RIA. Dee also trains advisors and their staff on compliance policies and procedures. She is responsible for the annual compliance review, the updating of the compliance manual, fee sampling for all custodial accounts and third party management due diligence. Additionally, she creates documentation of policies and practices and reviews and approves any marketing requests, seminars, client notifications and correspondence. She holds her series 7, 6 and 63 securities licenses, as well as her life and health insurance licenses.

biography:

Prior to working with American Portfolios, Dee was an Equity Operations and Compliance Specialist with Park Avenue Securities. There, she conducted trade and e-mail surveillance, as well identified areas of risk for the firm. Dee also worked with A.G. Edwards & Sons as a Registered Financial Associate, where she trained and managed operations personnel. She assisted high-end producers with daily activities and maintained RIA and wrap account compliance files while managing daily customer contacts and trades.

Name:
Michael Boccio
Position:
Operations Associate
Department:
Operations
Contact Information:
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E-Mail:
mboccio@americanportfolios.com

Joined APFS in August 2007

responsibilities:

Michael's responsibilities as Operations Associate involve all day-to-day functions of the operations department for the brokerage business through our clearing firms, but more specifically for Pershing.

biography:

Michael graduated from Marist College in Poughkeepsie, NY - an accredited institution of the Association to Advance Collegiate Schools of Business (AACSB) - in May of 2007, and received his Bachelor of Science in Business Administration, where he majored in Finance and minored in Economics. He was actively involved in various university events such as Team Captain for the 2007 Johnson and Johnson University Case Competition, a four-year member of the Marist College Business Club and a participant in leadership seminars on managing one's finances, leadership styles and business etiquette. Mike is a resident of Smithtown, NY.

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

New York Life
Genworth Financial
Putnam Investments
Integrity Life Insurance Company
Nationwide On Your Side — Investments Retirement Insurance
TD Ameritrade
AIG SunAmerica Mutual Funds
Prudential
Principal Funds
AssetMark
Franklin Templeton Investments — Franklin · Templeton · Mutual Series
AXA Equitable
Jackson National Life Insurance Company
American Funds
John Hancock — the future is yours
Curian Capital
OppenheimerFunds — The Right Way to Invest
Allianz Global Investors
Penn Mutual — A better way of life
OFI Private Investments — The Right Way to Invest
Brinker Capital
AIM Investments

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