



# Lions Bridge Financial — Financial News To Use

732 Thimble Shoals Blvd. Suite 304, Newport News, Virginia 23606

Securities and Financial Planning offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.



Jayne Di Vincenzo, CEP  
® President

**Plan Well.  
Sleep Well.**

SPRING 2011

## LIFE CHANGES—MAYBE YOUR LIFE INSURANCE SHOULD TOO.

Jayne Di Vincenzo, President, Lions Bridge Financial ph 757-599-9111

Life insurance needs are as dynamic as life itself. Changes in your life – a new job, new home, marriage or divorce – may dilute the effectiveness of existing coverage, as could a change in your net worth. So, *does* your life insurance policy still fit your life?

An appropriate level of life insurance protection can make a significant difference in the lives of your beneficiaries by helping to preserve a standard of living or to transfer a legacy of wealth. However, your current coverage

may not be as effective today as it was when you first bought it.

Determining the coverage you need depends on several factors:

- ◆ Current debts and assets
- ◆ Current income, age, and career stage
- ◆ The needs of your dependents/children/grandchildren
- ◆ Business owners have special concerns to consider regarding liquidity of their business and more.

A policy review is not necessarily a precursor to pur-

chasing new or additional coverage.

Underwriting advancements and the latest statistics drive new products and pricing. Depending on your situation, your costs could actually be reduced.

To find out how these changes have affected your financial strategy, contact us for a complete policy review for **LIFE and LONG TERM CARE** in light of today's facts (757) 599-9111.

*Lions Bridge Financial life and long term care insurance reviews cost nothing and have no obligation.*

## IRS 401(k) COMPLIANCE QUESTIONNAIRE PROJECT

Ellyn E. Bess, CPA, CPC McPhillips, Roberts & Deans, PLC ph 757-567-8812

During May of 2010, the Internal Revenue Service launched the **401(k) Compliance Check Questionnaire Project** which involves the IRS randomly contacting sponsors of 401(k) plans that filed Form 5500-series annual reports for the 2007 plan year. Once contacted, plan sponsors are required to complete an online Questionnaire which contains 69 questions, some in multiple parts, within 90 days.

It is anticipated that plan sponsors will require the assistance of their service provider, recordkeeper, third party administrator and/or legal

counsel to answer technical questions included in the Questionnaire. Because of the complexity, completion of the Questionnaire is expected to be time consuming and some questions contain potential answers that could lead to follow-up enforcement. Questionnaire categories are:

- ◆ **Demographics**
- ◆ **401(k) plan participation**
- ◆ **Employer and employee contributions**
- ◆ **Top heavy and nondiscrimination rules**
- ◆ **Distributions and plan loans**
- ◆ **Other plan operations**

- ◆ **Automatic contribution arrangements**
- ◆ **Designated Roth features**
- ◆ **IRS voluntary compliance programs**
- ◆ **Plan administration**

The IRS has stated that the Questionnaire is not an audit or an investigation but instead a tool to assist the IRS with additional "education, guidance and outreach" as needed. However, failure of a plan sponsor to complete the Questionnaire will result in enforcement action.

*McPhillips, Roberts & Deans is not affiliated nor endorsed by LPL Financial or Lions Bridge Financial.*

## HAPPENINGS :

Understanding REIT Investments

Conference Call March 30

@ 6:00 p.m. RSVP via

TEAM@LionsBridgeFinancial.com

for call in instructions

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Can't make it in for an appointment? We'll hold the meeting live online at



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# Lions Bridge Financial —News To Use

**PRESS NEWS AT LIONS BRIDGE FINANCIAL** [www.LionsBridgeFinancial.com](http://www.LionsBridgeFinancial.com)



David M. “Mike” Smith, MBA, Investment Executive, has joined Lions Bridge Financial, bringing with him 22 years of experience working with individuals on a wide-range of financial and insurance services.

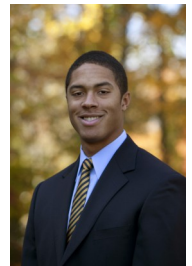
After earning his bachelor’s degree in business administration and economics from Vanderbilt University in 1975, Smith served in the U.S. Navy, then received a master’s degree in business administration from the College of William & Mary in 1982.

He has worked in the financial services industry since 1988, most recently at Langley Federal Credit Union, where he focused on helping individuals manage their assets and insurance.

“We, at Lions Bridge Financial, are thrilled to have someone with Mike’s background, experience and skill level on our team,” said Lions Bridge President Jayne Di Vincenzo. “I’m especially pleased to know he will be a great resource for investors at our full-service firm.”

Smith served for 15 years in the U.S. Naval Reserve, retiring as a commander in 1996. He lives in Hampton and works out the Lions Bridge’s Newport News office, in Oyster Point Centre, 732 Thimble Shoals Blvd., Suite 304. Newport News, VA 23606.

**Mike Smith, MBA can be reached at [mike.smith@LionsBridgeFinancial.com](mailto:mike.smith@LionsBridgeFinancial.com) or (757) 599-9111.**



Michael W. Burns, Wealth Planning Assistant, has successfully passed the Series 7 Securities exam and the Series 66. Please join us in congratulating Michael at [michael.burns@lionsbridgefinancial.com](mailto:michael.burns@lionsbridgefinancial.com)

## **IS SOMEONE READY TO HANDLE YOUR ADULT CHILD’S AFFAIRS?**

**Geneva N. Perry, McDermott & Ward, P.C. Phone 757-722-0611**



Relationships with our children are some of the most treasured and enduring of life’s experiences. After children “leave the nest” for college or to embark on their first career parents continue to be a part of their children’s lives. Adult children often seek their parents’ advice well after they have left the family home or ask for help coordinating that first big move.

What parents and adult children do not realize is that without the proper legal documents in place the parent may not be able to help the adult child when help is needed most. This is so because the law presumes that if someone is over 18 years of age then they can handle their own financial and medical affairs. This is true even if the adult child is in fact unable to do so. The experience of the Taylor family illustrates what can happen without proper legal documents in place.

Marcus and Jane Taylor recently helped their youngest daughter Julianne move to Alexandria. Julianne graduated *summa cum laude* with a degree in economics and will be working for a policy development organization in Washington, DC. They are all thrilled that she secured her first “real job” in her chosen field, and Julianne is excited to be living out on her own.

Unfortunately, while walking to work Julianne was struck by a bicyclist courier. Her condition is stable, but critical, and she is unresponsive. Marcus and Jane want to access Julianne’s bank accounts to ensure that Julianne’s bills are paid. They also want to access the medical records of the doctor who treated Julianne’s epilepsy while she was in college.

Will Marcus and Jane be given access to these accounts and records? Not likely. The only person with authority to access the bank account is Julianne. Also, privacy laws prevent physicians from sharing patient information without authorization from the patient. If Julianne remains unresponsive, even though they are her parents, Marcus and Jane will need to formally petition the court and request authority to act on her behalf. The cost of the petition will likely range from \$3000 to \$5000 and may take several months.

This situation could have been easily avoided. Before Julianne left home (actually as soon as she turned 18) she could have named Marcus and Jane as agents on financial and medical powers of attorney. These legal documents permit the named agent to “step into the shoes” of the incapacitated person to make decisions within the scope of authority granted in the document. The powers of attorney are private, may be used without delay, and are much less expensive than court proceedings.

If you were the Taylor family, would you be able to handle life’s unexpected challenges? If the answer is no, consider talking with an estate planning attorney today. *McDermott & Ward, PC is not affiliated nor endorsed by LPL Financial or Lions Bridge Financial.*



## Headlines and Market Facts

- **The U.S. economy grew 2.6%** in the third quarter of 2010, according to the Bureau of Economic Analysis's final figures. That's slightly higher than earlier estimates, and was driven largely by personal consumption, business investments, inventory buildups and exports. The \$26.0 billion increase in corporate profits was less than the second quarter's \$47.5 billion, while corporate cash flow was down \$68.4 billion from Q2.
- **New orders for durable goods** were down 1.3% in November, according to the Department of Commerce; that's the third decline in the last four months. However, transportation accounted for most of the drop; excluding transportation, new orders were up 2.4% (although if defense is excluded, new orders were down 2.3%).
- **Americans had more income in November and promptly spent it.** The Commerce Department said personal consumption rose 0.4%, while incomes rose 0.3%. The savings rate dropped slightly, to 5.3% of income.
- **Sales of new single-family homes rose 5.5%** in November from the month before, but were still 21.2% below last November. The Commerce Department said the inventory of unsold homes represented more than eight months' worth of backlog. Meanwhile, the National Association of Realtors<sup>®</sup> said sales of existing homes rose 5.6% in November from the previous month. However, that's still only about three-quarters of the 6.49 million homes sold at the same time last year, when buyers were rushing to meet the first deadline for the home buyer's tax credit.
- **Oil rose above \$90 a barrel** for the first time since the fall of 2008.
- **Last quarter of 2010 was the best performing quarter for the S&P 500 in the last 20 years (1990-2009)**, up +4.6% total return on average.
- **Most Ever:** \$425 Billion of Municipal Bonds were issued nationally in 2010, an all-time record (Thompson-Reuters).
- **Through the use of deductions, exemptions and credits** 52 million tax returns (37%), of the 140 million filed, paid zero federal income tax. (Source: IRS).
- **3 in 10 American households own no life insurance** on any family member (source: LIMRA).

*Data source: includes data from Brounes & Associates. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. Equities data reflect price change, not total return.*

## RECIPE CORNER—CRANBERRY MUFFINS

### Ingredients

1/2 cup butter or margarine, softened \* 1 cup sugar \* 2 eggs  
 1 teaspoon vanilla extract 1 cup sour cream 2 cups all-purpose flour  
 1 teaspoon baking powder 1/2 teaspoon baking soda 1/2 teaspoon  
 ground nutmeg  
 1/4 teaspoon salt  
 2 cups chopped fresh or frozen cranberries

**TOPPING:** 2 tablespoons sugar, 1/8 teaspoon ground nutmeg

### Directions

In a mixing bowl, cream butter and sugar. Add eggs and vanilla; mix well. Fold in sour cream. Combine flour, baking powder, baking soda, nutmeg and salt; stir into the creamed mixture just until moistened. Fold in sour cream. Combine flour, baking powder, baking soda, nutmeg and salt; stir into the creamed mixture just until moistened. Fold in cranberries. Fill greased or paper-lined muffin cups two thirds full. Combine topping ingredients; sprinkle over muffins. Bake at 400 degrees F for 20-25 minutes or until muffins test done. Cool in pan 10 minutes; remove to a wire rack.

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**From LPL Financial Research  
 MARKET OUTLOOK 2011**

**BOND MARKET PERSPECTIVES**

**WEEKLY MARKET COMMENTARY**

**Published Columns by Jayne Di Vincenzo  
 LIVE RICHER IN 2011**

**BEYOND THE WORLD OF CDs:  
 BOND BASICS**



## Income Tax Brackets

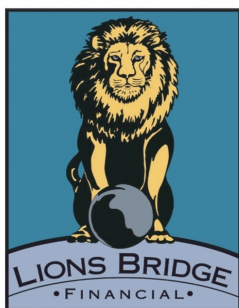
Income Tax Brackets	Single		Married Filing Jointly	
	2009	2010	2009	2010
Standard Deduction	\$5,700	\$5,700	\$11,400	\$11,400
10% Rate	\$0 - \$8,350	\$0 - \$8,375	\$0 - \$16,700	\$0 - \$16,750
15% Rate	\$8,350 - \$33,950	\$8,375 - \$34,000	\$16,700 - \$67,900	\$16,750 - \$68,000
25% Rate	\$33,950 to \$82,250	\$34,000 - \$82,400	\$67,900 - \$137,050	\$68,000 - \$137,300
28% Rate	\$82,250 - \$171,550	\$82,400 - \$171,850	\$137,050 - \$208,850	\$137,300 - \$209,250
33% Rate	\$171,550 - \$372,950	\$171,850 - \$373,650	\$208,850 - \$372,950	\$209,250 - \$373,650
35% Rate	over \$372,950	over \$373,650	over \$372,950	\$373,650+

Find the income range based on your taxable income. The leftmost column is your effective tax rate

## Tax Breaks Increase Small Businesses' Ability to Make Investments and Cut Taxes

- \$ Permits up to \$500,000 in capital investments that a businesses can expense
- \$ Extends Bonus Depreciation, allowing small business taxpayers to immediately write off 50% of the cost of new equipment
- \$ Increases to \$10,000 the tax deduction for start-up expenditures – doubling the current levels.
- \$ Improves tax fairness by preventing small businesses from incurring large tax penalties aimed at large corporations and wealthy individuals investing in tax shelters.
- \$ Allows self-employed individuals to deduct health insurance costs for purposes of paying the self-employment tax.

Source: SavingToInvest.com This information is not intended to be a substitute for individualized tax advice. Please consult with your tax advisor regarding your situation.



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To:



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