

Fall 2017

# FAMILY MATTERS



## Family Investors Company

### THE LIGHTER SIDE

**A single moment of understanding can flood a whole life with meaning.**

*Celebrate your successes. Find some humor in your failures.*

**A well developed sense of humor is the pole that adds balance as you walk the tightrope of life.**

*When you are dissatisfied and would like to go back to youth, think of algebra.*

**The easiest way to find something lost around the house is to buy a replacement.**

### THE EQUIFAX BREACH

The EquiFax data breach will cause countless Americans to suffer, but we may never know the exact number. Thieves made off with the personal data of as many as 143 million Americans, including what arguably is the most important piece of identification: their nine-digit social security number.

The data stolen in the Equifax breach included social security numbers, names, addresses and drivers licenses. These four pieces of identification are dubbed the “crown jewels,” as a thief in possession of them has all the keys to one's identity. There are steps you can take. Three types of fraud alerts are available:

**Initial Fraud Alert.** If you're concerned about identity theft, but haven't yet become a victim, this fraud alert will protect your credit from unverified access for at least 90 days. You may want to place a fraud alert on your file if your wallet, Social Security card, or other personal, financial or account information are lost or stolen.

**Extended Fraud Alert.** For victims of identity theft, an extended fraud alert will protect your credit for seven years.

**Active Duty Military Alert.** For those in the military who want to protect their credit while deployed, this fraud alert lasts for one year. To place a fraud alert on your credit reports, contact one of the nationwide credit reporting companies. A fraud alert is free. The company you call must tell the other credit reporting companies; they, in turn, will place an alert on their versions of your report.

Contact one of the three credit report companies:

EquiFax—1.800.349.9960; Experian—1.888.397.3742;

TransUnion—1.888.909.8872. To see if you are impacted by the security

breach, go to: <https://www.equifaxsecurity2017.com/potential-impact/> Click the button “Am I impaired” and enter your last name and the last 6 digits of your Social Security Number. Based on that information, you will see if you may have been impacted. Regardless if you have been impacted, EquiFax will provide you the option to enroll in TrustedID Premier. After checking if you were impacted you will see an option to enroll. The enrollment period ends on Tuesday, November 21, 2017. If you do not have internet access, or feel unsure how to take the above steps, please contact our office to speak to your representative. If you are not yet a client, we will be pleased to offer this service to you free of charge.

### Credit Karma

In previous issues of this newsletter, we have urged you to go to [creditkarma.com](http://creditkarma.com) to verify your credit report and get your credit score. With the EquiFax breach, we cannot stress how important this is! With Credit Karma., you can get free credit monitoring reports sent right to your phone, review and challenge any inaccuracies on your credit report and change any incorrect information.. Don't delay...get Credit Karma ASAP! It is absolutely FREE!!!

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# Mutual Funds Facts and Fancy

- In a report published by the ICI (Investment Company Institute in August 2017) the ICI found that Americans held \$7.3 trillion in defined contribution plans at the end of the first quarter of 2017 accounting for 28 percent of the \$26.1 trillion in retirement assets and about 10 percent of household financial assets. 69% of defined contribution plan assets, or \$5 trillion, were held in 401k plans, accounting for 19 percent of all US retirement assets.
- In that same August 2017 report, the Investment Company Institute found that domestic equity funds, international equity funds and domestic bond funds were the most likely investment options to be offered in 401k plans in 2014. Nearly all plans offered these types of funds, which can be mutual funds, collective trusts or separate accounts. Equity funds were the most common option with plans offering about 13 funds on average of which 10 were domestic equity funds and 3 were international equity funds. The next most common investment option in 401k plans were target date funds, with 9 funds offered on average in plans with target date funds.

## Compliance Facts

DARRAUGH A. VALLI, VP

The FINRA Conduct Rule 2280 requires investment firms to annually inform clients of the FINRA's Public Disclosure program regarding investment firms and individual representatives. You can check the background of the investment firms and the representatives with whom you do business by calling FINRA at their toll free number: **1-800-289-9999** or via the internet at [www.finra.org](http://www.finra.org). Family Investors Company also provides a link to FINRA's Broker Check on our website. There is also a brochure available detailing the Public Disclosure Program. Family Investors Company urges you to take advantage of this free service.

## Investment Idea

STEVE GOLDBERG

This is a great time to get your teenaged children involved in an investment program. If your child has a part-time job during school or works during the summer, it is a wonderful opportunity to teach them the advantages of investing. It is never too early to learn the discipline of a sound investment strategy.

The tendency for many teenagers is to spend their money as soon as they get their hands on it. Between trips to the mall, video games, movies, and such, there frequently is not much left to put aside. That's why it is important to speak to them about setting up a program to put money aside first.

Why not take half of what they earn and start an investment program. Let them be a part of the process to select the proper investment for them. They will feel good about the process and they will learn, at an early age, money skills they will use for their rest of their lives. If the child is under the age of majority, the account must be set up as a Custodian account. Call our office, speak to your representative to set up a meeting with you and your teenager.

## What's Happening!

On **Thursday, November 16, from 7PM to 9PM**, Steve Goldberg will present:

"Life Insurance 101" a primer for those who are not fully informed and aware of the different types of life insurance, how it is used in your financial plan and ways to determine the right amount of insurance that is appropriate for you in your financial situation. Light refreshments will be provided. Admission is free and there is no obligation. Please call the office to reserve your seat: **908.322.1800** or email: [lynngalgano@familyinvestors.com](mailto:lynngalgano@familyinvestors.com)

Bring a friend or someone who might benefit from this presentation!

## INSURANCE MATTERS by Steve Goldberg

Welcome to autumn!!! I hope you enjoyed the summer. I really enjoyed having the opportunity to play with my grandson. After spending years listening to people who raved about being grandparents, I really get it now.

Life insurance is a topic that most people would prefer to avoid. A recent industry survey showed that 40% of respondents said they didn't buy life insurance because they didn't know how much or what type to buy. The age old question in life insurance has always been: What's better—term insurance or permanent insurance? We can spend all day reading about it and getting opinions on both sides of the question. The bottom line is that they both have advantages and are suitable for various situations. The appropriate life insurance product is based on an individual's needs and objectives. Term insurance is great for a short to medium term need, but is not necessarily the solution to a long term need. Very often a combination of term and permanent is a way to take care of short and long term needs. It is important to analyze your own situation and determine the life insurance plan that is right for you.

As stated earlier in the newsletter, I will be hosting a Life Insurance 101 class in the office. It will be an opportunity to learn a bit more about the different types of life insurance and ask any questions you may have. If you have any questions prior to the class, please feel free to call me in the office. I am always happy to help.

### Congratulations!

The winner of the Client Appreciation Word Search contest in the Summer issue of Family Matters was Nicole Panzarella. Look for our Fall contest in this issues insert. The prize would come in handy with upcoming holiday shopping! Congratulations to Pina Toto of Fanwood, winner of the 42" TV raffle on Fanny Wood Day! Pina is pictured with her family and with FIC Vice President Darraugh A. Valli.



### Santa Goldberg

The Scotch Plains Business and Professional Association will hold their annual Holiday Festival on Sunday, December 3rd on the Municipal Grounds. Be sure to stop by and see Steve "Santa" Goldberg. Bring your children and/or grandchildren!

### Holiday Giving

As the holidays approach, we urge you to take pause and to donate your time or money to make the holidays special for those less fortunate than you. Contact your church, temple or favorite local charity for ways that you can help.

### Thanksgiving Day Reflection

We can only be said to be alive in those moments when our hearts are conscious of our treasures. ~Thornton Wilder

## Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange. Our office will be **closed on Thursday, November 23rd** and will **close at 1PM on Friday, November 24th**. The office will **close at 4PM on Friday, December 22nd** and be **closed Monday, December 25th**. The office will **close at 4PM on December 26th, 27th, 28th and 29th**. The office **will be closed January 1st and January 15th, 2018**. Happy Holidays!

## In Case of Severe Weather

In cases of severe weather, the physical location of Family Investors Company may be closed, but you can always call the office and your call will be forwarded to a licensed principal representative.

We would like to take this opportunity to wish our friends and clients a very Happy Thanksgiving and a joyous holiday season.

*Our office is open on Saturdays, by appointment only, for the convenience of our clients. You can receive "Family Matters" via email or online at our website. We would be happy to send it to you quarterly as soon as it becomes available. Please email us at: [info@familyinvestors.com](mailto:info@familyinvestors.com) to request this service.*

## HOMEOWNER'S INSURANCE

You have insurance on your home, condo or apartment. Are you fully aware of what is covered under your policy? If you have certain valuables such as furs or antiques, and there is a fire in your home, are your items covered under your homeowner's policy? Unless your policy has specific riders for these items, it is unlikely you will receive the full value of the items. Even those riders can have limitations, such as covering only \$10,000 of the item's value.

Your child is away at college and her personal computer is stolen. Is this covered? Your homeowner's policy should cover that, but only if the child is a full-time student living in a dorm.

Let your agent know of any matters that might concern you and make certain you are adequately covered for any loss. Take the time to read the fine print.

## FANNY WOOD DAY

Thank you to all our clients and friends who stopped by the Family Investors Company display on the 22nd annual Fanny Wood Day. We love that you take the time to come and talk to us and we enjoy seeing you!

**Please keep Puerto Rico in your prayers, and if you are able, consider donating to United Puerto Rico at: [unidosporpuertorico.com/en](http://unidosporpuertorico.com/en) or call 787.552.9141. Family Investors Company has associates and clients who have family there. It will be a long road to full recovery for the island. Puerto Rico Fuerte!**

### INVESTMENT TERMS

*You hear investment terms on television and read them in print media and on the internet. But what do they mean? Here is a primer of some common investment terms:*

**Account Executive:** An individual who is licensed to sell securities and has the legal power of an agent, having passed the Series 7 and Series 63 examinations. The individual usually works for a brokerage firm licensed by the SEC and FINRA (Also called a Registered Representative).

**Federal Reserve Board:** The 7-member Board of Governors that oversees Federal Reserve Banks, establishes monetary policies (interest rates, credit, etc.) and monitors the economic health of the country. Its members are appointed by the President, are subject to Senate confirmation and serve 14-year terms. (Also called the Fed)

**Head of Household:** A tax filing status that can be used by a married or unmarried person who maintains a household for a dependent (or non-dependent relative)

and provides more than half of the dependent's financial support.

**Defensive Investment Strategy:** A portfolio allocation strategy designed to minimize the risk of losing principal by concentrating on bonds, cash equivalents and conservative stocks.

**Laissez-faire:** is an economic theory that became popular in the 18th century. The driving principle behind laissez-faire (French for leave alone) is that the less the government is involved in the economy, the better business will be, and by extension, society as a whole. Laissez-faire economics are a key part of free market capitalism.

### FAMILY CHATTER

Congratulations to **Peter Chemidlin** and wife, Joan, who will celebrate their 25th wedding anniversary on October 24! **Darraugh Valli** and husband, Peter, have been spending a lot of time at the shore and are slowly getting used to being "empty nesters" with daughter Micaela, a freshman at Villanova and son, Sean, a freshman at Marist. **Matt Chemidlin** and wife, Janice, have realized how quickly children grow—daughter, Angela is a senior in high school and is driving while son, Scott, a sophomore, will get his driving permit in January! **Steve Goldberg** enjoyed a week in Punta Cana with his wife, Pat, and daughter Melissa. Congratulations to Steve's daughter, Melissa on beginning her studies at the Beasley School of Law at Temple University. **Edna Trujillo** and husband, Luis, went to Florida for a dual purpose—to enjoy vacation time and to assess the damage to their home from Hurricane Irma in Naples, Florida. **Lynn Galgano** and her daughters enjoyed vacationing at Newport, Block Island and Narragansett. She loved having her daughters home from college to enjoy the beach and the summer weather. **Janet Lesce** enjoyed the end of summer with her family. Daughter Gracie will return to Marymount University for her sophomore year and daughter, Caroline, has started her first year of Law School at Villanova University.