

# WORTH A REED

*Do you recognize this local spot?  
Answer in next quarter's newsletter!*

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## Second Quarter 2013 Newsletter



### Note from The President

**Jim Reed, CEO**

In our last newsletter, I reflected back on our successes over the last 30 years. This time I wanted to highlight what I think are some of the reasons for our successes:

#### You Need Good People...Who Stay

The most obvious reason is having good people working for you. Carol Sidari has been with us for 22 years, Amanda Lisachenko for 15 years, Michelle Hohlbaugh for 14 years and Marsha Reed has been here from the beginning. John May and Nikki Huffman both have been here for five years and Janet Edwards and Mark Lisachenko are the newbies, with only one year with us but each have 15 years of relevant experience elsewhere.

Why do we have longevity in our staff and below industry average client turnover? I think there are two key reasons: (1) everyone shares my passion to do whatever it takes to help our clients achieve their goals and to maintain a lifestyle; and (2) we use a team approach for managing our clients' financial affairs, their investments, their anxieties and their expectations.

#### Keeping the Client's Needs First

Our passion grows out of the firm's mission, which is to **help others achieve their goals**. We have procedures in place to assure timely processing of various requests and that investment needs are being met. Every person on our staff has quarterly goals to meet, which are consistent with our clients' needs. We have an incentive bonus system which is tied to goal achievement with potentially significant bonuses.

#### Team Approach is Critical

Secondly, we think our team approach allows for more timely response to client needs and to let people do what they do best or have a strong passion for. The complexity of our business today needs specialists in client relations, planning, investments and advisory. This approach also allows at least three people to know our clients and potentially help them if the advisor is unavailable.

How do we keep our staff motivated? The simple answer is "sugar and money". Donuts and bonuses seem to work extremely well in our office. Beyond that, we constantly challenge everyone to get better at what they do. Quarterly, each department has a goal to either provide better service to our clients or improve department efficiencies.

Additionally, all staff are challenged for personal growth. Each person defines areas for their own

development and results are tracked. An organization is only as good as its weakest link; the stronger everyone gets, the more our company can grow.

#### We Get Paid for Results

I have a philosophy that permeates through the organization that "we get paid for results not for the time we put in". Accordingly, from time to time, everybody gets to work extra hours and conversely there are times when everyone takes time off. To compensate, we have a flexible work schedule, attendance at children's events are strongly encouraged, that much-needed haircut has been known to be scheduled early in the afternoon. Everyone is connected to the office, so if necessary, we can work from home in the event of bad weather or watching the children when childcare gets complicated.

While we push people, encouraging them to get better and expect results, we are also very aware of mental burnout. We strongly encourage taking vacations and if all else fails, we "kick" them out for a week or so to recharge the batteries.

Overall, I have been blessed with a great staff. We are not perfect but everyone tries really hard to make your goals and dreams a reality. Thank you for the kind words and notes about our staff over the years, that means a lot to us. ■

**“The secret to getting ahead is getting started.” - Mark Twain**

### Amanda Lisachenko

Anything is difficult to begin when you are starting from zero. Kind of like pushing a lawn mower, there is always that initial push to get it going but after that it is much easier. And nowadays some of the nicer mowers make this a little easier by being self-propelled. Where am I going with this you ask??

Many times at the end of meetings we hear clients say “I wish I would have had this conversation when I was younger” or “I think my child should talk to you.” While we are always more than happy to help family members of our clients, I thought that it might be helpful to provide the top three things anybody starting out should do.

#### 1. Participate in Retirement Plan

This may seem like a simple thing to do, but 30 percent of eligible workers do not participate in their 401(k) plan. Most people starting out feel that they cannot afford to save anything but with free money (employer match) and time on their side they can't afford not to participate. They need to remember that the amount that is being saved on federal taxes means these contributions do not translate into a direct dollar-for-dollar tradeoff on take-home pay. Normally a Human Resources person will be able to calculate the paycheck impact. We encourage new employees to participate enough to receive the match and if there is no match we suggest a 3% to 5% participation rate.

#### 2. Get Basic Estate Documents

There are four basic documents that all individu-



als should have; Will, Durable Power, Health Care Power of Attorney and Living Will. Whether a person is married or single, all of these documents help loved ones in the decision making process in regards to property and/or care.

A **Will** gives direction as to how to distribute assets or property. Beneficiaries on accounts can also play a key role in distribution and should not be overlooked. If an individual has children, guardianship will be dictated in a Testamentary Trust which is inside the Will.

A **Durable Power of Attorney** gives an individual the ability to handle your financial affairs, which means they have the ability to sign your name. This is a very powerful document and assigning this responsibility should not be taken lightly.

A **Health Care Power of Attorney** gives someone the right to approve medical care and the Living Will is the sustaining life provision.

#### 3. Adequate Life Insurance

Depending on your current situation life insurance may vary from the basic need to pay for a funeral (approximately \$10,000 to \$20,000) to advanced coverage for spousal support, children's education and outstanding debt. The good news is at a young age term insurance is normally the best choice and is relatively inexpensive.

While this may seem overwhelming to some, there is help available. A recent trend at the company level is to encourage a higher employee participation in retirement plans through automatic enrollment and/or automatic percentage escalations. Companies have also historically offered some amount of life insurance.

We feel that it is important to get started on the right foot. **New this quarter**, we will be offering a free consultation to review immediate family member's retirement plan options. Kind of like the “self-propelled mower.” Please be on the look-out for a forthcoming email and forward it on to those whom you think may have interest. ■



## Amanda Lisachenko named a recipient of the 2013 Five Star Wealth Manager Award!

Five Star Professional partnered with *Cleveland Magazine* and *Inside Business* to find wealth managers who satisfy 10 objective eligibility and evaluation criteria that are associated with wealth managers who provide quality services to their clients. Fewer than two percent of the 10,900 wealth managers in the Cleveland area were selected.

Award candidates were identified by one of three sources: firm nomination, peer nomination or pre-qualification. Five Star Professional relied on internal and external research data, including a survey to more than 1,494 registered financial services professionals and all identified financial service companies in the Cleveland area that are registered with FINRA or the SEC. Survey recipients were asked to nominate wealth managers they felt were worthy of consideration for the Five Star Wealth Manager award. Each wealth manager was reviewed for disciplinary actions, customer complaints and regulatory actions as reported by regulatory agencies.

Five Star Professional conducts market-specific research to identify service professionals who provide quality services to their clients. Five Star Professional joins forces with city and regional magazines to make the research results available to consumers in more than 45 markets across the United States and Canada. Five Star Professional was founded in 2003 and is based in Minneapolis, MN. For more information, go to: [www.fivestarpromotional.com](http://www.fivestarpromotional.com).

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# PERSONAL NOTES

Nikki Huffman, Executive Assistant



I have been with Reed Financial Services (RFS) for five years and have worked in the Beachwood area for 15 years. I was introduced to RFS by employee, Michelle Hohlbaugh, my old childhood friend that I have known since before kindergarten, back to days of big wheels and green machines.

As many of you may know I am the friendly voice that answers your call or greets you when you come in. In addition, I process quarterly statements, market updates and keep the office moving with lots of dictations, memos and letters. I also provide assistance to Jim Reed and staff from financial plans to estate summaries. I truly enjoy working with our great staff and clients!

I have been married for 16 years to my wonderful husband, John. We have a delightful 8-year old son, Matthew. Our son keeps us busy between all of his activities - wrestling, football and baseball. In my spare time, I enjoy running, gardening, shopping and spending time with my family and friends.

We recently added a new addition to our family, Bruno. He is a 9-month old Goldendoodle (currently weighing 61 pounds and still growing). He is such a loving dog and a joy to have around except when he is eating Matthew's homework, remotes, clothes or John's wallet. We also have a 13-year old cat, Emily (she would probably disagree with Bruno being a joy to have around).

I look forward to seeing you the next time you are in the office. ■

## Announcing our New Email Encryption / Data Leak Prevention Rollout Provided by Industry Leader, Smarsh



Protecting client data has never been more mission-critical. It is our goal at Reed Financial Services to protect sensitive client data, such as social security numbers or bank account information, and minimize any risks to our clients.

Sending messages using the Smarsh email encryption/data-leak prevention platform is an intuitive and easy user experience, and enables Reed Financial Services to continue our commitment to client data security.

When requesting sensitive client information in the future from us, do not be surprised to receive it from our SECURE Smarsh email system. If you have any questions or issues, please feel free to contact Mark Lisachenko, Director of Operations. (mark@reed-financial.com).

*The views and opinions expressed are those of Reed Financial Services. All views and opinions are as of this date and are subject to change without notice. All information is believed to be from reliable sources, however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. Investing involves risk and you may incur a profit or loss.*

## The Cash Withdrawal Process



You can withdraw funds from your Reed Financial Services (RFS) accounts by requesting a Check, Wire, or ACH transfer.

To initiate a cash withdrawal, please notify our Client Relations team. To prevent fraud, any **suspect requests will be confirmed verbally with our clients.**

**I requested a withdrawal. How long does it typically take to receive my funds?**

*If we receive your withdrawal request before 4PM, we will initiate sales to raise cash in your account that day. Trades will settle in 3 days (T+3) and funds will be available for release.*

*As an example, if you let us know Monday at 3:30 PM and we sell on Monday (trades must be in by 4PM), assuming there are no holidays, the settlement date will be Thursday.*

- Fed Funds wires (which have an additional fee) can be sent the same day.
- Withdrawals delivered via ACH will typically be in your bank account within 24-48 hours of settlement date.
- Checks can take several more days after settlement to reach their destination.

**ACH Transfers:** Electronically transfer funds to and from your bank checking account. ACH transfers typically take 24-48 hours to process and are available for no charge. Please be advised that you must have an active ACH relationship between your bank account and trading account before funds can be withdrawn via ACH.

**IRA Accounts:** To withdraw funds from your IRA account, we will need an IRA distribution form completed.

**Trust Accounts:** To issue a check made out directly to a person, versus in the trust name, we will need a letter of instruction signed by the trustee.

If you know you are going to need cash, please notify us in advance so we can be sure to have it to you when you need it.

## Don't Have ACH Set Up on Your Account?

Contact Us Today!

## Tired of all the mail from Pershing or perhaps you would rather view your accounts online?

Contact Us Today!

## Do you recognize this local spot from last quarter's newsletter?



This picture was taken in Peninsula, OH at Virginia Kendall Park which is located inside the Cuyahoga Valley National Park (CVNP).

The Virginia Kendall Park abounds in history. According to geologists, the hills, ledges, and rocks in this area date back as far as 300 million years.

According to geologists, during the Pennsylvanian Period of the earth's evolution, most of northeast Ohio was under water. As the Appalachian Mountains were being formed, erosion in the form of sand and gravel were carried here and deposited at the bottom of the inland sea. This became the Sharon Conglomerate and is the stone ledges that we see in the park today.

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