



ON THE FINANCIAL HORIZON

THE VAUGHN MCLAUGHLIN TEAM

Quarterly Newsletter for Friends & Clients

SECOND QUARTER 2016

Our mission...

To build a partnership that will help our clients meet their financial goals and enjoy a more secure future. Our goal is your 100% satisfaction with the advice and service you receive.

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FROM JIM'S DESK: *May 2, 2016*

I thought I'd revisit a theme we've talked about a lot over the years and a subject of great importance. Perhaps one of the most studied phenomena about investing is the paradox that bedevils most individual investors and that is, the market will do pretty much the opposite of what the majority of investors think it's going to do. This has been called by many names- "contrarian investing" to "the system is rigged." How can the majority opinion be wrong so much of the time, and what can we do about it?

First, as is often said about most problems we have as individuals in life, is to admit or be aware that the problem exists before we can do anything about it. There's nothing like a current situation to serve as an example. Since the correction that we experienced in January/February of 2016, U.S. equities have added back approximately 3 trillion dollars to share value in just 10 weeks. The individual investor at the same time has decreased trading and adding into equity investments during this time. The institutions, on the other hand, have been buying. This is what makes individual investors feel the market is rigged, when in fact the big money institutions have figured out that buying when the market is down is the thing to do, quite profound.

Here's the good news. We still have that "wall of worry" among individual investors, and it's a pretty big wall. So, that makes us constructive and perversely hope that wall of worry continues- and we think it will. We have been on record for some years now that we are in a secular bull market and by our pencil, may have at least another 8 years to run mostly to the upside, (no, it won't be a straight line). So how do institutions and big money entities negate the human element which trips up the individual investor (unless you're Warren Buffett or someone of his skill)? You eliminate (as much as possible) the human emotion from driving the investment process. Yes they use algorithms, computer programs, etc. in very large part to "decide" when to buy or when to sell or to stay the

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FROM TRACY'S DESK: *Summer development*

As summer approaches, I look forward to a long-standing Raymond James tradition of travelling to our Summer Development Conference in July, which for many of us who have been with Raymond James for most of our careers, is a reunion of sorts. Every year for most of the firm's 54 year history, advisors and our families meet at an off-site location to share ideas to better serve our clients. This year, our very large group will convene in Orlando where we will be in the company of the Raymond James management team, as well as experts normally housed in our corporate headquarters in St Petersburg. We will also be joined by many outside resources that have become an integral part of building a financial planning practice.

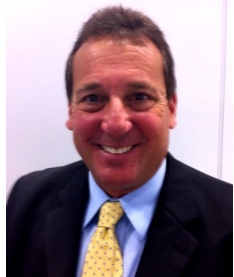
It is critical to continue to hone our skills in areas of tax and estate planning, portfolio construction and risk management, and we will have the very best experts providing continuing education in these disciplines. Raymond James recognizes that clients have an ever expanding universe of choices to meet their investment needs. Technology puts tools at your fingertips, and we continue to put major emphasis on investment in this area, but these programs are only tools to help get the job done. Our conferences focus on the quality of life issues that go beyond what software can do. In the world today, financial planning includes preparing for the expected events in life: marriages, children, college planning and of course, retirement. But we must not forget about dealing

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COMMUNITY SPOTLIGHT: *Q&A with Ken Brown, Senior Manager & City Council Member*



Position: Senior Manager Sales Training, Dentsply Sirona Orthodontics; Crystal River City Council Member, Seat 3.

Years in Position: 25 years in July, with 33 years in orthodontics. I'm on my 4th year as City Council Member.

Family: Married to Mary-Ellen for 34 years, a former ESE educator with Citrus County Schools. Our son Jeffrey is a fireman / first responder in Volusia County. Jeffrey has two children- our grandson Lucas is 5 and our granddaughter Dylan is 18 months. Our daughter Jessica by trade is a Speech Pathologist; currently she is a stay-at-home mom with her daughter Daisy (15 months) and is expecting her second child in May. They live in the Orlando area.

How long have you lived in Citrus County? Six years as residents, many more as visitors. I received my dive certification in 1977 from Pinellas County and began visiting Crystal River every other weekend. We've held many important family events here- birthdays, anniversaries- so much so that when our daughter decided to get married, she chose the Plantation as the venue- despite having a plethora of places to choose from in Orlando.

What do you like most about Citrus County? We love the river, being on water, fishing and boating, all of the water activities, the beauty, so diversified. My wife and I like to hike and bike- there are great trails here- the Withlacoochee, Nature Reserve- and camping opportunities nearby. It's not the "Nature Coast" for nothing. We like the small town feel. When we finally decided to buy a home here, we had two criteria- on the river and within walking distance to town. And if we need the big city feel from time to time, we're close enough to Tampa, Orlando, Ocala, etc.

Hobbies & Interests: Since joining the city council, time for hobbies has declined. Prior to holding Seat 3, I had interest in civic duty and attended many council meetings to find out what was important to this community and to express what was important to me. I joined the Water Advisory Board, whose mission is to seek out protection of and economic opportunities on water. I've also been a liaison for the city's Tree Board. We're a small city with less than 4,000 full time residents, but with almost 220,000 visitors a year. We are one of the top natural places in world because of Three Sisters Springs. We deal with global issues, protection of manatees. We work closely with the Fish & Wildlife Commission. We have to work to protect the environment; there's also a business interest. When I have free time, I'm usually on a boat, walking, outside as much as possible. We have a boxer hound we rescued, who can walk all day long.

Community Involvement & Causes You Are Passionate About? Doing the right thing for our community. Almost every vote, every issue, we talk about the long term impact. I'm passionate about making our parks system better. We received a grant from the state of Florida last year for the purchase of additional property to add to Hunter Springs Park, a seven month renovation project. It has been the jewel of the city, and it will be fabulous. I continue to work on Three Sisters with the Fish & Wildlife Commission. We've had a significant reduction in pollutants. These are decisions that will affect my kids, my grandkids long after I'm gone.

Favorite place you've travelled to? I had the opportunity to lecture in France, one of the most unique travelling experiences. We also love the New England area- the lakes in New Hampshire, Maine, the cities of Massachusetts - the history, the beauty.

Places you'd still like to visit? I would love to go to Israel and Italy. I would love to visit every national park within the United States; I've checked off a bunch but still more to go, especially out west.

Career that interests you besides your own? The military has always interested me, as well as seafarers- to be in the U.S. Navy, the Merchant Marines, or even captain of a private vessel.

Career accomplishments most proud of? I've worked for three different companies with multiple promotions and never had to relocate. My wife had to relocate many times when she was in high school and made it clear that she did not want our kids to do the same. Staying in one place, working remotely is different now than it was in the 80's. I run one of the largest SBU's for one of the largest orthodontic suppliers, and through negotiations or perhaps stubbornness, I never had to uproot my family.

How old were you when you became interested in your profession? I've always been a salesman. I owned a car detail business at 14 and vending machines before I had a driver's license- riding a bike to my locations. My first job out of college was in sales. Today I train sales professionals.

What do you enjoy most about your profession? Besides the money, it was the sale, the close. I always worked for lower salaries and higher commissions. I love the challenge of seeing the whole sales process through- the relationship building, problem solving, finding solutions. I always tell my students that I never 'sold' anything. A client can second guess after they leave the office, which can lead to order delays or cancellations. You need to strategically identify needs and then satisfy those needs. Give them solutions and the sale will stick.

Biggest challenge in your profession? Time management. Finding the right balance between family, work and the city- especially with an A-type personality and not wanting to do anything subpar.

Do you want to continue your education in any way? What do you want to learn more about? Not formally, but I never stop learning. I was a history minor. If I ever went back to school, perhaps to audit a class, I would lean towards history. I absolutely love history. Getting my captain's license would be neat, as well as learning more about the environment.

If you had complete financial security, how would you spend your time? Volunteering as much as possible.

What do you strive for most in life? Happiness- health and happiness for myself, family and friends. World peace.

What do you try to avoid? People who point fingers. I love to talk, to have discussions, but not to feel like I'm being lectured or preached to. Opinionated people that point fingers and tell me what is best for myself or my family.

How would you like to be remembered? For the training department at Dentsply. The book "Good to Great" is a good read on what makes organizations successful or unsuccessful. Historically, businesses have failed when there was extremely strong leadership and no succession planning for when leaders step down, Lee Iacocca at Chrysler, for example. When I decide to retire, there will be ample time to identify and train the person or team who will take my position. When I walk out the door, they will be ready to carry on. For the city- that I made the right choices, made it better for future generations.

What values or philosophies would you like to pass on? Mutual respect. We live in a very diverse world. Everyone has different personalities, religions, appearances, opinions. We don't live in a Stepford society. Get to know other people before passing judgement.

What on the horizon are you excited about? Hopefully my reelection in November, my fourth grandchild in May, my grandson going to kindergarten, my two granddaughters, my son's career- I'm excited about family.

AMY'S COMMUNITY CORNER: *The last 30 days*

During the last month, my family and I have been reminded over and over again of the generosity of this community. On April 9, the third annual *Schoolhouse Hustle* (SH) fundraising event was held in Lecanto with the support of over 30 sponsors and 500 participants to benefit the Citrus County Education Foundation (CCEF). Some SH participants had been up all night at the Inverness *Relay for Life* event (to benefit the American Cancer Society) starting the day before and then came to run for our schools in the morning. The following Saturday, April 16, saw the 18th annual *Superintendent's Golf Classic* (another CCEF fundraiser), including 120+ sponsors and 144 players. On April 18, two Centurylink technology grants were awarded to local teachers. On April 21, we heard from Withlacoochee Technical College and some of their programs made possible by grants and volunteers, including a free robotics/STEM summer camp this June. On April 22, we enjoyed the CCEF-sponsored *All County Chorus* concert, showcasing the talents of local elementary, middle and high school students. On April 28, nineteen sponsors supported the *Golden Citrus Scholars* ceremony to honor high school seniors excelling in academics, athletics, and community service— one student gave over 600 community service hours during her high school career! On April 29, we dined at the *Chamber Pillar Awards*, applauding community leaders and all the ways they're giving back. On April 30, we travelled to a youth basketball tournament; Citrus Youth Basketball, a local nonprofit, sent six teams to that tournament with the help of donations and sponsorships. That same day, CCEF and other school partners supported Math Field Day for 380 students. On May 1, the Citrus Memorial Health Foundation YMCA branch officially opened after eight years of fundraising. On May 2 (during teacher/staff appreciation week), CCEF prepared lunch for the staff of a local elementary school, with many others around town performing similar acts of gratitude for our very deserving educators. On May 6, the last read-in of the school year was held for 22 pre-kindergarten classes through CCEF's *First Library* program, which gave over 2,000 books to students since October. On May 7, our kids swam, biked and ran in the United Way's 4th annual Kids Triathlon with 220 other kids and the support of 20+ sponsors. On May 9, CCEF awarded scholarships at Citrus High School (as well as at Crystal River and Lecanto High Schools on May 5 and 12); over \$600,000 in local scholarships will be awarded to county graduates this May. And that was just our calendar. So many other philanthropic efforts were taking place during this time and will continue year-round. Thank you to those donating time and money here at home and beyond. If you are looking to give back this summer and are undecided on the beneficiary, may I suggest scholarships for summer camps for students needing financial assistance, to Citrus County Blessings (\$125 provides food to a child each weekend for an entire school year or bring food donations to our office, a CCB drop-off location), to the YMCA to build Phase II of their new facility already impacting local families, or donate school supplies on July 23, 10:00am-2:00pm, at the county's Publix or Walmart locations during "Stuff the Bus 2016." Thank you again and keep up the good work!

FROM NANCI & KRIS: *eSignature introduction*

We are happy to let you know that as part of our efforts to make managing your finances easy and convenient for you, we are now offering you the capability to sign documents for your account electronically. We've partnered with DocuSign, a leader in the digital transaction management world, to offer this safe, secure, fast, easy and effective means to deliver and sign documents online. This not only eliminates paper and postage, but it will minimize unexpected and unnecessary trips into our office. eSignature can be used on your personal computer, tablet or smartphone. There is no account setup or registration required. All you need is a device with Internet access, an active email address and a text-enabled phone (text and data rates may apply). Paper forms are still available if preferred. As always, please do not hesitate to call us with any questions.

FROM JIM'S DESK: *Continued*

course. Staying the course is our preferred methodology for being successful in helping our clients achieve their goals. But our investment platforms are driven by what? You guessed it. Investment decisions on what to own, how much of what to own and when to change allocations are driven these days by research- hard, cold, unfeeling research. Then all we need is patience and a nice wall of worry. Sound simple? It can be, as far as methodology, but we as advisors must never forget that our clients are human beings. Educating them to the paradoxes of the markets is one of our strongest tools. Listen to your friends, family or just people in general, and when they say we're headed for trouble, smile- there's a high probability they are wrong.

FROM TRACY'S DESK: *Continued*

with the unexpected events, like the loss of a loved one, or the probability of a decline in abilities as we age. I believe we must find the best expert resources and experienced professionals to help us walk clients through all stages of life, and this is a core part of the Raymond James culture.

As the conference week unfolds, we will have time to catch up with old friends, and, in our growing company, make some new ones. One consistent theme of the conference is sharing the stories of how we can change the direction of our clients' lives, and truly enhance the quality of one's life. This is a business of people, and there is no shortcut to getting to know a person and what is important to them. So in addition to spending time with the technical experts in the traditional aspects of financial planning, I consider it a privilege to join together with my peers and the senior management of our firm to talk about the closeness that develops between advisors and clients that reminds me of why, 17 years ago I chose to become part of this challenging profession.

I look forward to sharing the highlights of this year's conference with you when I return. In the meantime, I hope you and your family are able to enjoy the end of the school year and beginning of summer fun!




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SAVE the DATE

- May 20:** YMCA Grand Opening Celebration, 10:00am, CMHF YMCA Branch, Lecanto.
- May 21:** *Kings Bay Pirate Fest*, 10:00am-10:00pm, Citrus Avenue, Crystal River.
- May 27:** *Sixth Annual School's Out - Rock the Block*, 5:00-9:00pm, Liberty Park, Inverness.
- May 30:** The office and markets will be closed in observance of Memorial Day.
- June 2:** *Wall Street Coffee Club*, 10:15am, College of CF, Room 103, Lecanto.
- June 9:** *Paint the Town Citrus* fundraiser to benefit Citrus County Blessings, 6:30pm, Crystal River Mall.
- June 11:** *Blues & Brews on the Bay* to benefit One Rake at a Time, 10:00am-10:00pm, Kings Bay Park & Downtown Crystal River.
- June 11-12:** 32nd Annual *Big Fish Cobia Fishing Tournament*, Homosassa River & MacRae's of Homosassa.
- June 21:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- July 2:** *Fourth of July Celebration* by Rotary club of Central Citrus, 10:00am-2:00pm, Civic Circle, Beverly Hills.
- July 3:** *Patriotic Evening*, 5:00-10:00pm, Liberty Park & Wallace Brooks Park, Inverness.
- July 4:** The office and markets will be closed in observance of Independence Day.
- July 5:** *Wall Street Coffee Club*, 10:15am, Central Ridge Library, Beverly Hills.
- July 19:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- July 23:** *Stuff the Bus*, 10:00am-2:00pm, county Publix and Walmart locations.
- August 2:** *Wall Street Coffee Club*, 10:15am, Central Ridge Library, Beverly Hills.
- August 6:** *Pine Street Jam Parrot Head Party*, 5:00-10:00pm, Pine Avenue & Old Main Street, Inverness.
- August 16:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- September 5:** The office and markets will be closed in observance of Labor Day.
- September 6:** *Wall Street Coffee Club*, 10:15am, Central Ridge Library, Beverly Hills.
- September 10:** Chamber of Commerce Free Business Expo, 9:00am-2:00pm, Citrus County Auditorium, Inverness.
- September 20:** *Wall Street Coffee Club*, 9:30am, Juliette Falls country club, Dunnellon.
- September 24:** BWA Women's Health & Fitness Expo, 9:00am-2:00pm, Crystal River Armory.

Call us with questions on any of the above events or if you would like to feature your organization's upcoming events in our next newsletter.

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