



ZUEHLKE KARCZ

FINANCIAL GROUP  
AN INDEPENDENT FIRM

# MONEY MATTERS

Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC.  
Investment Advisory Services offered through Raymond James Financial Services Advisors, Inc.

4TH QUARTER 2016



## Fiduciary Rule Q& A

In our Money Matters 3rd Qtr. 2016 Newsletter we discussed the new law being implemented by the Department of Labor effective April 2017. As promised, below are more details as to how this law will affect our industry, and more specifically how it affects the structure of our relationship with clients.

### Who does this affect?

This affects anyone with a retirement account such as a Traditional IRA, Roth IRA, Simplified Employee Pensions (SEP), and 401(k) plans. If your retirement account is already fee-based, the impact to you will be minimal. If your retirement account is currently commission-based-per-transaction, there will be noticeable changes.

This affects any and all firms in the investment industry. It is NOT unique to Raymond James and their clients.

### What does it mean to the client?

Since the rule seeks to mitigate potential conflicts of interest between the financial advisor and client, the DOL has taken the position that charging a commission for a transaction could be an incentive for an advisor to initiate numerous trades that might not be in the clients' best interest and thus cause a conflict. In the opinion of the DOL, that conflict can be avoided if a level fee is assessed as a fixed percentage of the assets, thereby ensuring the advice given is neutral to any possible commission generated. Clients with retirement accounts that are commission-based-per-transaction will need to meet with us prior to April 2017 to discuss alternatives.

### How does it affect the Financial Advisor?

The best way to demonstrate that our investment recommendations are in the client's best interest is to employ a disciplined process to arrive at an investment recommendation, and almost equally important, document that process. We will be doing a deep dive with families to be sure we gain a clear understanding of goals and objectives, even more than we did before.

### How will this change our relationship?

Change is difficult for most people, including us. We embrace this challenge as an opportunity to deepen and expand the services we provide our clients. This includes more comprehensive annual reviews & financial planning, ongoing asset allocation, and other ancillary services such as employer plan reviews and insurance services.

### What are the side effects?

As a result of the requirements placed on firms to follow the new guidelines, any accounts held direct at a mutual fund company (excluding 529 College Savings Plans) will need to be transferred into a Raymond James brokerage account. This includes non-retirement accounts. Since there is no way for the firm to effectively monitor if direct mutual fund accounts are following the guidelines, Raymond James will be resigning as broker dealer from any accounts remaining at the fund company during 2017. That means the only way we, as your financial advisors, can continue to service these accounts on your behalf is to move them in-house to Raymond James. The sooner we work together to get this accomplished, the better it will be for all of us.

### What can you expect?

Clients can expect to have a conversation with us to discuss the specifics of each situation. Plan on making a Financial Plan with us. Consider your goals and share them with us as we outline and monitor your progress towards achieving them. We are currently filling our calendars with individual appointments to make the necessary changes prior to the deadline. If you are eager to schedule something and don't want to wait until the last minute, please call.

# The 12 Days of Financial Holiday Gift Giving



If you are looking for a gift idea for youngsters in your life, you can give the gift that keeps giving, a financial tool.

## On the First Day

The classic piggy bank is a simple place to store money. This is the beginning step of understanding that you're putting money away toward a goal. The ideal piggy bank is one the child could build or customize.

## On the Second Day

Helping a child open his or her first savings accounts is a milestone. At age 5, children begin to understand the concept of money.

## On the Third Day

In the social world of early teens, a pre-paid card can serve as a welcome of relief. This won't prepare kids for credit cards but if your child needs more boundaries this is the way to go without affecting credit.

## On the Fourth Day

The first interaction with checks will be as presents or payment from a job. A checking account allows children to learn about deposits. Parents can guide children on how quickly funds will show up in their account and the importance of an overdraft buffer.

## On the Fifth Day

The first credit card in one's own name has become a rite of passage. This definitely depends on the capability of the child.

## On the Sixth Day

Once a young person masters the understanding of a checking and savings account, it's time to introduce them to the automatic transfer. This is important to start the habit of paying yourself and setting goals for the future.

## On the Seventh Day

Start teaching children early why people love the stock market. Investing small amounts in companies is a good way to show the ups and downs of how the market works.

## On the Eighth Day

For older teens who have income, saving for retirement could include bonds, CDs or an IRA. This idea truly brings home the idea of delayed gratification.

## On the Ninth Day

With the rapidly rising cost of college, getting started on saving for it with a tax-advantage 529 plan is a great way to start the year.

## On the Tenth Day

An emergency fund is a great gift for those in their 20's. For those things you don't know when will happen but you can be certain they will at some point, it is important to start having 3-6 months of income stashed away.

## On the Eleventh Day

Teaching those in your life of the importance of charitable giving. Thinking charitably is a way to help kids appreciate the value of money. If you are giving the gift of money, give them three \$10 bills. This helps to facilitate that you want your child to spend some, donate some and save some for later.

## On the Twelfth Day

Lastly, express smart spending and making good choices. It's more effective to let kids save for something meaningful to them and let them have their moment when they achieve their goal to go out and purchase the item. It's important that kids are excited about saving for later and that starts by them having early, fun success.

## Welcome Amanda!

Amanda joined the team in mid-September. Her kindhearted nature can be seen through her interactions with clients and co-workers. Throughout her career, she has learned the value of strong relationships and to offer the highest level of service to clients.

Amanda grew up in a small rural community outside of Green Bay. She graduated from Concordia University, Mequon, and received a Bachelor's degree in Business Management and Marketing. Amanda is the Marketing Coordinator. She can assist you with any questions or concerns regarding your statements, account transfers, and money movement. Amanda can also schedule meetings.

Outside the office, she regularly volunteers at her child's school and church. She enjoys golfing, playing and attending basketball games, watching movies, and traveling with her family.



## Congratulations Richard and Adam!



We want to Congratulate Richard on achieving one of financial planning's highest standards of knowledge and trust from the American College of Financial Services! It is the most extensive educational program required for any financial services credential. After completing 9 courses on all aspects of financial planning and 18 hours of supervised examinations, Richard has received his Chartered Financial Consultant Designation Certificate (ChFC®).

Richard has also recently achieved

the AEP® designation from the National Association of Estate Planners & Councils. The Accredited Estate Planner® designation is the only graduate level accreditation that focuses on estate planning including law, accounting, insurance, financial planning and trust services along with the expertise, experience, multi-disciplinary focus, and a strict code of ethics.

Please join us in congratulating Adam Borths on his professional accomplishment!

After passing his Series 7 examination back in May of this year, Adam has now taken his Series 66 examination that is administered in conjunction with the North American Securities Administrators Association (NASAA) in October. He completed the rigorous training and passed the two and a half hour allotted examination. The exam covers everything from economic factors, business information, investment vehicle characteristics, investment recommendations and strategies, laws, regulations, and guidelines.

He will continue to work closely with Richard and Heather. He can now help clients with questions regarding stocks, bonds, mutual funds, limited partnerships, and act as an investment advisor representative.



### *Money makes the world go round, did you know...*

- Until the US Federal Reserve was created in 1908, individual banks could create their own money
- The Federal Reserve estimates that there is around \$1 trillion in US Currency currently in circulation
- McDonalds makes about \$75 million per day
- The International Space Station is the most expensive object ever built, at \$150 billion
- Apple earns \$300,000 per minute
- A penny costs 2.4 cents to manufacture
- There is more Monopoly money printed every year than actual cash.
- The largest bill ever printed was the \$100,000 bill during 1934 and 1935 but quickly became a thing of the past
- Pennies buried in a garden will repel slugs, which get electric shocks from touching copper and zinc.
- America issued a 5-cent bill during the civil-war to combat the coin shortage at the time

*(Facts found on [www.factslides.com](http://www.factslides.com))*

## A Chance to Win:

If you haven't already, "Like" us on [facebook.com/ZKFinancial](https://www.facebook.com/ZKFinancial). We will be doing quarterly raffle giveaways, randomly selected from our Fans on Facebook.

## Support the Community

Kick off the Holiday Season with the Green Bay Holiday Parade on Saturday November 19th at 10:00 a.m. downtown Green Bay.

Then on November 21st, join in on the Lighting Ceremony on Broadway with a small ceremony, live music and a visit from Santa. Also enjoy a hayride and beautiful holiday window displays.

## Upcoming Holiday Schedule



Our office, along with the financial markets, will be closed on the following days:

- Thursday, November 24, 2016 - closed
- Friday, November 25, 2016 - - closed at 12:30
- Monday, December 26, 2016 - closed
- Monday, January 2, 2017 - - closed
- Monday, January 16, 2017 - - closed
- Monday, February 20, 2017 - - closed

## Update Your Client Info

Oftentimes, events that occur in your life will affect your financial goals and plans. Please take a minute to update your information with us.

This could include: change in beneficiaries, marriage, divorce, birth of child or grandchild, change in job or plans to retire.

Also, have you recently moved? Or would you like to add your email address to your account? Please let us know so we can update our records.



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Monday - Friday 8:00 a.m. to 4:30 p.m.  
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### We will continue to meet clients by appointment in Pound, Wisconsin

ZK Financial is on Facebook and LinkedIn. We will be using these social media channels to post informational articles and to keep you up to date on the industry and events happening at our office.



ZK Financial Group—Raymond James  
Financial Services



Richard Zuehlke



Heather Karcz