



THE EDUCATED INVESTOR

A Guide to Retirement Planning



FEATURED ARTICLE

Hucksters and Hype: Sign of a Stock Scam

If an investment opportunity sounds too good to be true, it probably is. Here are a few tips to help you determine if a stock is worth taking a chance on -- or best avoided. Consider the "why." Why would a complete stranger give you a tip about a lucrative investment opportunity? The answer: The opportunity probably doesn't exist.

You've probably received them -- e-mail or text messages touting a "hot" stock and directing you to a website for more information.¹ Be cautious. You might be the target of a con in a "pump and dump" scheme. By creating demand for the stock of a small, thinly traded company, hucksters pump up the price, sell their shares, and leave investors holding worthless stock. How can you avoid being taken in by investment scams?

These tips can help:

- Consider the "why". Why would a complete stranger give you a tip about a lucrative investment opportunity? The answer: The opportunity probably doesn't exist.

- Consider the "who". Be skeptical when a flurry of promotions and press releases make exaggerated claims about a company's revenue, profits, and future stock prices, particularly if there's no mention of the investment's risk.

- Research the company. Search the Internet for information on the company, its corporate officials, and major stakeholders. Changes to the company's name or business focus, indictments or convictions of officers, or investigative articles should make you wary.

- Read the SEC filing. The SEC's EDGAR database may have helpful information about the company. Keep in mind, though, that filing with the SEC doesn't make the company a good investment or ensure that financial information has been independently reviewed.

- Find out where it trades. Stocks quoted in the over-the-counter (OTC) market instead of on a major exchange may trade infrequently and be extremely volatile. And companies typically don't have to meet any minimum standards for their securities to be quoted in the OTC market.

Talk to your financial professional. Your advisor can help you determine if the investment represents a legitimate opportunity.

Personal Protection for Wealth Holders

This article highlights the reasons why wealthy individuals should have a comprehensive risk management plan to protect against virtually any type of loss.

Most people think of life insurance as the first line of defense for their families and assets. But just as you maintain sophisticated investment and estate plans, experts argue that wealth holders should have a comprehensive risk management plan to protect themselves, their families, and their businesses against virtually any type of loss.

Making Your Success More Secure

When designing a personal risk management plan, the types of insurances, protections and strategies you may want to explore include, but are not limited to:

- Residential homes, condominiums, apartments, and cooperatives
- Life, disability, accidental death & dismemberment, and long-term care
- Highly valued assets including fine art collections, antiques, jewelry, furs, stamps, firearms collections, and valuable memorabilia
- Personal liability, not-for-profit liability including directors and officers coverage, and incidental business liability
- Workers' compensation for domestic employees
- Kidnap and ransom protection

Sign of the Times

Of these potential protections, kidnap and ransom (K&R) policies -- typically not the most sought after insurance -- have grown in demand in recent years. Certainly the events of September 11, 2001, sparked new concern about personal security. Conflicts in the Middle East and other global troubled spots have fueled anxiety among Americans about terrorism risks at home and abroad.

Emotions aside, how urgent is your need for this level of personal protection? Experts suggest that K&R policies are most appropriate for high-profile individuals, such as celebrities or wealthy businesspeople who travel to places where kidnapping is common. If you work for a corporation and travel for business, your employer is increasingly likely to offer the coverage you need.

K&R Coverage and Costs

Standard K&R policies generally cover the most obvious expenses associated with kidnapping, such as ransom reimbursement, hostage negotiation fees, counseling fees and medical coverage for the victims and their families. Corporate policies typically range between \$1,500 and \$5,000 annually for \$1 million of coverage, while the cost of coverage for individuals depends on a personal risk assessment, with the high-risk individual -- a frequent traveler to danger zones who is also in the public eye, such as a prominent corporate executive -- paying the most.

Many affluent individuals prefer to take matters into their own hands and set aside enough assets to pay a ransom and hire security specialists in the event of a kidnapping. Perhaps the most practical, and least costly, strategy is to take precautions to stay out of harm's way, be it in a foreign setting or in your backyard. Simple common sense measures, such as taking non-stop flights and using hotel transportation at airports, are sound safety practices. In addition, being "present" and aware of your surroundings is important whether you are in New York City or Mumbai, India.

So, how real is your need for K&R protection? Only you can judge.

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Dad's Baked Beans Recipe



Source: <http://www.tasteathome.com/recipes/dad-s-baked-beans>

Total Time: Prep: 15 min. Bake: 1 hour

Ingredients:

3 cans (15-1/2 ounces each) great northern beans, rinsed and drained
5 hot dogs, sliced
1-1/2 cups ketchup
1/2 cup packed brown sugar
2 tablespoons molasses
1 medium onion, chopped
1/2 teaspoon ground mustard
1/4 teaspoon salt
1/4 teaspoon pepper

Directions:

In an ungreased 2-qt. baking dish, combine all ingredients. Cover and bake at 350° for 1 to 1-1/2 hours or until heated through.

Yield: 8 servings



Source: <http://www.kiplinger.com/article/business/T019-C000-S010-retail-sales-consumer-spending-forecast.html>

Despite March Snow, Retail Sales Solid

Retail sales, excluding gasoline, are expected to rise by 4.1% this year, better than the 3.8% growth rate in 2016. A pickup in merchandise sales will more than balance out an expected slowing in the growth of motor vehicle sales and restaurant meals.

A March blizzard in the Northeast corridor likely affected March auto, restaurant and building materials sales. Excluding all these and gasoline sales, March “core” retail sales jumped 0.5%, a healthy gain. Core sales are likely to rise 4.1% this year, which would be their best showing since 2014.

Electronics buying surged in March, and specialty retail stores continued their strong performance. E-commerce sales were steady, rising at an annual rate greater than 10% for the third straight year.

Department stores held their own in March, but the recent string of closure announcements for general merchandise stores makes it likely that the long downward slide in their market share will continue.

Food service sales are expected to slow a little this year as a moderate increase in gasoline prices leaves a little less money in drivers’ pockets for impulse buys at convenience stores.

Higher gasoline prices will make it appear that total sales are surging at a 5% rate this year. But this will be deceptive, because while gas prices are likely to rise, the volume of gas sold will stay fairly flat.