

The Resonate Touch

First Quarter 2012

RESONATE INC.
A FINANCIAL COLLABORATIVE

Connecting Client-Centered Financial Planning and Lasting Legacies

Barb's Bit



During this holiday season, I am once again reminded of the measurable effect gratitude has proven to have over our total well-being... from physical health to spiritual connection and financial peace. Since we remain committed to helping our clients achieve wealth (well-being), I chose to share some thoughts on gratitude as we begin our New Year together.

From the physical perspective:

Researchers Drs. Blair and Rita Justice at The University of Texas Health Science Center in Houston have found that when we **think** about someone or something we really appreciate and **experience the feeling that goes with the thought**, the parasympathetic or calming-branch of the autonomic nervous system is triggered. When repeated, this pattern bestows a protective effect on the heart. The electromagnetic heart patterns of volunteers tested become more coherent and ordered when they activate feelings of appreciation. There is evidence that when we practice bringing attention to what we appreciate in our lives, more positive emotions emerge, leading to beneficial alterations in heart rate variability.

What is particularly interesting about this is that when we recall **all** events and people – even the more challenging or difficult ones – we decrease physical symptoms of pain and illness and “increase our sense of well-being.”

Their research also supports that the **frequency** of appreciation for the small things and the **intensity** with which we feel gratitude have an exponential growth potential. “The more often we tap into joy, the more joyous we’ll feel **and** the deeper we’ll feel it. The body’s immune system, cardiovascular system and pain receptors then reap the benefits.”

Sensing gratitude is the simplest possible gift we can give to ourselves that yields the highest possible return on our investment. “Letting ourselves feel that sense of wonder that surrounds us every single minute is what elevates our hearts beyond a mechanical pump and turns them into instruments of love and kindness.”

From the financial perspective: Lynn Twist reminds us in her book, *The Soul of Money*, that our American culture teaches us to focus on what we **do not have** and on what’s missing in our lives as opposed to what we **do** have. Our culture teaches us that “More is Better,” which means we can never have enough. We can escape this place of competition and greed simply by choosing to change our perspective. When we begin to notice, focus on and name what we do have and to believe that we can experience “enough,” we land solidly in the place of *Sufficiency*.

Many of us have already surpassed *Sufficiency* and live in *Abundance*. Grateful acknowledgement throughout each day keeps us in a thankful

(Continued on Page 4)



Economic Outlook

Let’s begin 2012 with a brief review and short commentary on a few of the core US economic indicators.

Unemployment, as reported by the Department of Labor for November, has slightly improved from over 9% unemployed to 8.6%. As we have discussed during our meetings and phone calls, there are large numbers of individuals that are not included in this number and true unemployment may be much higher. *(Source: www.dol.gov)*

Interest Rates remain unchanged and the Fed is continuing its pledge to keep rates low. Inflation remains under control as reported by inflationdata.com. Through November, the CPI is 3.39% which is actually a decrease from September’s figure of 3.87%. The Purchasing Managers Index (PMI) was reported at 52.7 for November. You may recall from previous newsletters that any numbers over fifty

(Continued on Page 2)

In This Issue

Barb's Bit	1 & 4
Economic Outlook	1 & 2
Choosing an Executor	3
Employee Spotlight	4
Upcoming Event	4

Resonate, Inc.

8837 Chapelsquare Drive, Suite B
Cincinnati, OH 45249
(513) 605-2500 (phone)
(513) 605-2505 (fax)
www.resonatecompanies.com

Economic Outlook

(Continued from Page 1)

indicate expansion and numbers under fifty indicate contraction of the US economy. So, 52.7 is considered slow expansion and is likely to remain steady barring any unforeseen negative event.

(Source: <http://www.ism.ws/ISMReport/content.cfm?ItemNumber=13339&navItemNumber=12958>)

Gold and other precious metals remain volatile yet attractive as perceived safe-haven investments despite continued volatility in Europe. In December, gold dipped from its high of \$1,920/oz to just above \$1,500/oz. Most of this was in reaction to the actions taken by the European Central Bank (ECB) to stabilize the financial markets in Europe. (Source: http://www.cnbc.com/id/45686175?__source=yahoo%7Cheadline%7Cquote%7Ctext%7Cpar=yahoo)

While the following comments are subject to change due to the ever evolving nature of the situation, here is what appears to be happening. Germany and France have strengthened their leadership in the European Union (EU) as they work to unify and strengthen the European banking system. Many countries are facing credit downgrades similar to the US. Countries that require bailouts which will have to enact serious reforms to get help from the ECB. French banks are underfunded and can't provide significant assistance to other nations which leaves Germany as the clear leader right now.

As such, Germany is in the process of getting member nations to agree individually or as a group to major treaty changes. This is important because unlike the US, EU members cannot print money to ease their financial troubles. They rely on the ECB to buy their sovereign debt and thus provide cash to the country's central bank. If the member nations don't agree to the changes, they run the risk of the ECB not buying their bonds. This is similar to having your allowance taken away for not cleaning your room! EU members need to "clean their rooms" if they want the ECB to continue with their allowances.

With regard to Britain, "Merkel said that British Prime Minister David Cameron was 'never really at the table with us.' He came to the summit wanting special deals for 'the City' (the financial district in London, similar to Wall Street), in order to agree to treaty changes. Sarkozy and Merkel said no." While Britain retains its own currency, it is still a major player in European banking similar to Wall Street in USA. Germany appears willing to allow short term pain and volatility to create a much stronger EU. They have taken a long term view and want an alliance of strong countries. It is very likely this evolution in Europe will continue to drive headlines and shape the markets as we head into 2012. (Source: *John Mauldin's Thoughts from the Frontline*)

Following are the annual and year-to-date returns for the major indices:

Year End 2009 ^A	Return	Year End 2010 ^B	Return	YTD Through 12/22/11 ^C	Return
DJIA	18.80%	DJIA	11.00%	DJIA	5.11%
Total Stock Market	26.50%	Total Stock Market	15.60%	NYSE Composite	-6.32%
S&P 500	23.50%	S&P 500	12.80%	S&P 500	-0.29%
NASDAQ	43.90%	NASDAQ	16.90%	NASDAQ	-2.01%
EAFE	27.70%	EAFE	4.90%	EAFE	-13.36%
Barclays Aggregate ^D	5.93%	Barclays Aggregate ^D	6.54%	Barclays Aggregate ^D	7.37%

Sources: ^A WSJ January 2, 2010; ^B WSJ Wednesday January 3, 2011; ^C Morningstar Friday, December 23, 2011

Indices are not managed and do not incur fees or expenses. Returns are listed on a price return basis which does not account for any dividends. It is not possible to invest directly in an index. Past performance is not an indication or guarantee of future results.

We are bombarded with so much monetary and economic information that it can be very difficult to discern the importance of any one action. However, we believe that the announcement on November 30 by the Federal Reserve and five other central banks to support the global financial system is worth noting.

Although coordinated moves like this are rare, they are not unprecedented. For reference, dates stretch as far back as 1931 and include 9-11-11 and 2008. So how does this influence our thinking regarding portfolio management? This could help US and emerging market stocks to outperform European equities. In the US specifically, we like dividend paying stocks in growth companies with rising earnings.

In the emerging markets sector, we prefer Asia and Latin America over countries more exposed to Europe. A healthy dose of US Treasuries and cash continues to make sense to us as well potentially interspersed with convertible bonds.

Reference: Wall Street Journal December 3-4, 2011 Weekend: "How to Play the Central Bank Intervention"

Choosing an Executor and Trustee for Your Estate Plan

By: Edward D. Bender, attorney at law, Wood & Lamping, LLP, Cincinnati, Ohio.

One of the most important decisions a person must make when preparing their estate plan is who to name as the executor of their Will or trustee of their Trust. The person in charge of your estate after you have passed away will have multiple and serious responsibilities. The person or institution you choose can often determine the success or failure of your plan.

Minimum Age 18

At a minimum, an executor or trustee must be at least 18 years of age if you are choosing an individual for this role.

Nonrelative & Nonresident Issue

Each of the 50 states have rules that determine if an individual who is a “nonrelative & nonresident” can serve as executor even if nominated in the decedent’s Will. Additional bond or other assurances concerning custody of the estate’s assets may be required if a “nonrelative & nonresident” is nominated as an executor. State residency requirements for the trustee of a Revocable Living Trust are not as problematic compared to the executor of a Will since the Probate Court is typically not involved with the administration of a Revocable Living Trust.

Executor responsibilities

The executor will be responsible for collecting all of the decedent’s assets, paying final debts and expenses (including estate taxes and income taxes) and distributing the assets to the beneficiaries of the Will. You will need to determine whether the person you are contemplating nominating as executor has sufficient skills to do the job. Is the person financially responsible? Do they have any experience balancing a checkbook? Can the person nominated understand some of the basic rules concerning income taxes? If there will be a significant amount of assets passing through probate, most state probate laws require that a precise inventory and accounting be filed with the probate court. The inventory and accounting must be documented with bank account statements, canceled checks and receipts to prove where the assets came from and where they went. Court deadlines must be adhered to. Is the executor you have nominated a “detail oriented” person, capable of organizing all of this information and capable of meeting deadlines?

Trustee responsibilities

Most of the same questions apply concerning the selection of the trustee to handle the administration of a Revocable Trust after the maker of the Trust has died. If the Trust contains provisions that call for long-term administration, you will want the trustee to have experience making investment decisions. Fundamentally, is the

individual able to understand the parameters you have set in the Trust Agreement for distributions to the trust beneficiaries? For example, you may have established a trust that will pay income only to a trust beneficiary. Or you may have established a trust that will pay income and principal to a trust beneficiary sufficient to pay for the beneficiary’s “health, education, maintenance and support.” Does the trustee know what this terminology means? Can the trustee be relied upon to seek professional advisors to help him or her meet these responsibilities?

If the answer to too many of the questions above is “no,” then consider naming a professional or institutional executor or trustee. Most banks or trust companies assign a team of experienced and knowledgeable financial and legal professionals to handle estate and trust administration. Ask about fees that the bank or trust company will charge for trustee services. Especially for long-term trusts, the fees are usually worth the price.

Back-up

Be sure to name at least one back-up executor in the Will and one back-up trustee in the Trust. Recognize that the first person named may predecease you, or simply may not wish to accept nomination as executor or trustee. After all, we live in a free country, and a person is not legally obligated to accept your nomination. This is another reason to name a bank or trust company as a final back-up executor or trustee, just in case.

ILITs and QDOTs

If you are establishing a specialized trust to hold life insurance, known as an “irrevocable life insurance trust” or “ILIT,” special IRS rules apply to the selection of the trustee. You cannot serve as the trustee during your lifetime, and certain relatives may be prohibited from being trustee of the ILIT under IRS rules. If you have a non-U.S. citizen spouse and are considering a “Qualified Domestic Trust” or “QDOT” as part of your plan, the trustee must be a U.S. citizen or a U.S. based bank. Consult with an experienced estate planning attorney when deciding who should be trustee for these specialized trusts.

In addition to the valuable information shared by Ed, we also find that matching the natural skills and abilities of people with the various roles that need to be filled lead to the most successful outcomes. For example, rather than simply defaulting “to the one that lives in town or our oldest child,” ask yourself who is really best matched with the responsibility and type of work that the various roles require.

10 Lessons from a Snowman

- Wearing white is always in style – even after Labor Day!
- Getting outside in the winter is good for your health.
- It’s fun just to hang out in your front yard.
- We’re all made up of mostly water.
- Accessories don’t have to be expensive.
- Don’t get too much sun!
- If you’re a little bottom heavy – hey, that’s okay!
- If you look down and can’t see your feet – you’re probably not very active.
- You know you’ve made it when they write a song about you.
- Sometimes sweating too much can have disastrous results.





Susan Zink

Susan has been with the Resonate team since September of 2011. She currently serves as the executive assistant and appointment coordinator. With several years of experience in the banking industry, Susan brings knowledge and professionalism to our team. Susan is especially responsible for client correspondence, mail, database management, and scheduling client appointments. Seated at the front desk, Susan greets our clients and guests with warmth and good cheer. Her creativity has added a personal touch to our team and office surroundings. Susan is personally just finishing school with one year to go for her bachelor's in English. She loves a good book and is currently in the process of writing

her first novel. She is an avid movie lover who hopes to one day dabble in a bit of screenplay writing as well. Susan is also a glowing first time mother and with her husband at her side they are raising a true blessing of their own. She loves to write, sing, dance and camp in her free time. She is a native of Arizona and is quickly learning there is more than one existing season. Susan loves to celebrate anything and everything with her "go big or go home attitude" and is quickly creating memorable events here at Resonate.

Barb's Bit *continued from page 1*

state which leads to financial peace of mind.

From the spiritual perspective: Whether through new awareness, prayer or a nature walk, we focus our attention on the gifts in our lives...and the gift of life itself. In our own way, we feel thankful for these gifts and sincerely express our appreciation. We choose to live life with a sense of awe, wonder and gratefully acknowledge our blessings.

To continue to cultivate gratitude throughout 2012, may I give you the gift of three questions to use at the end of each day?

What has surprised me? What has touched me? What has inspired me?

As you gather with friends and family this holiday season and reflect on what is most important about life, please know how grateful I am for each of you.

Who to Contact

Nancy Burnham - Ext. 221

Client Records & Special Projects Coordinator
nburnham1@aol.com

Cheryl Clevenger - Ext. 218

Client Service Coordinator
cclevenger@resonatecompanies.com

Kathy Culver - Ext. 220

Business Operations Manager
kculver@resonatecompanies.com

Steve Culver - Ext. 217

Technology Supervisor & Events Coordinator
sculver@resonatecompanies.com

Kimberly Dunn-McGrath - Ext. 223

New Business & Insurance Coordinator
kdunn@resonatecompanies.com

Kathleen Graham Marteney - Ext. 240

Client Centered Wealth Advisor
kmarteney@resonatecompanies.com

Chris McLaren - Ext. 225

Director of Investments and Research
cmclaren@resonatecompanies.com

Sarah Read - Ext. 281

Client Accounts & Financial Reports Coordinator
sread@resonatecompanies.com

Gale Wulker - Ext. 282

Client Service Coordinator
gwulker@resonatecompanies.com

Susan Zink - Ext. 214

Appointment Coordinator
szink@resonatecompanies.com

Upcoming Event

Resonate Lunch and Learn - February 2, 2012

11:15 AM: Registration

11:30 AM - 1:00 PM: Luncheon program featuring Dr. Quincy Krosby

Cincinnati Marriott Northeast

9664 Mason Montgomery Road, Mason, Ohio 45040

(easy access off of I-71)



**What a way to start the year!
Resonate is thrilled to present:**

Dr. Quincy Krosby, the Chief Market Strategist for Prudential Annuities in the United States.

In 2008, Dr. Krosby stated that "... we won't reach the bottom until a major bank fails." Within months, Lehman Brothers collapsed and the dominos started falling.

Where are we three plus years later? Dr. Krosby's analysis and insight of the current US and global economic and political situation is certain to be of high value.

Prior to joining Prudential, Dr. Krosby was chief investment strategist for The Hartford, and global investment strategist for Deutsche Bank Asset Management. She also worked in the global markets groups at Credit Suisse and ING Barings.

Earlier in her career Quincy Krosby was a US diplomat, serving in Washington as well as US embassies abroad. In addition to numerous assignments at the US State Department, she served as Assistant Secretary of Commerce, and represented the United States within the International Monetary Fund. Dr. Krosby studied at the London School of Economics, where she earned her master's and doctoral degrees.

RSVP by January 30th to Susan Zink at 513-605-2500 x214 or szink@resonatecompanies.com