

The Resonate Touch

Third Quarter 2011

RESONATE INC. A FINANCIAL COLLABORATIVE

Barb's Bit



Can you believe that we are already halfway through 2011? As the months and years continue to fly by, I find myself increasingly aware of the importance to focus on what matters most to each of us in life. Not surprisingly, there are certain categories common to most everyone which include family, friends, faith, community and career.

Yet we "get so busy with life", that many of us continue to miss (or fail to create time for) what is actually most important about life to us.

Resonate is committed to helping our clients define and live their ideal lives. As a reminder, each of us actually has two life legacies. We create a Living Legacy each day by what we do and say (or do not say and do). At death, we also have a Leaving Legacy. Many of you have worked with us and other trusted advisors to plan your ideal Leaving Legacy. I will focus on your Living Legacy with the balance of this article.

Here is a typical comment we hear when talking with our clients about some of their regrets in life. "The greatest regret I have from the years when my children were going to sleep under my roof was that I didn't make more time for them." In fact, when 2000 children of all ages and backgrounds were asked what they appreciated most about their fathers, they answered universally, "He spends time with me".

Research shows that there are three keys to building successful families. They are: Taking time to communicate about what matters most to you in life; Preparing your heirs to be the next generation of family leaders (as opposed to letting this occur by default); and Remembering others through charitable giving.

Several members of your Resonate Team have just completed a training in "The Priceless Conversation". This fits directly into the "communication link" in creating families that last. Here's how it works. Typically Mom and Dad (Or the survivor of them) will select from a variety of topics which they want to discuss. The topics might include "The

(Continued on Page 4)



Economic Outlook

As we near the end of the first half of 2011, the market has continued its rollercoaster-like ride. For perspective, here are the monthly returns for the S&P 500 and Dow Jones Industrial Average from 1/1/2011 through 6/20/11:

Month	S&P 500	DJIA	Month	S&P 500	DJIA
January	2.81%	2.93%	April	2.93%	3.48%
February	-0.10%	0.15%	May	-3.43%	-4.04%
March	1.23%	2.64%	June	-2.09%	-1.71%

(Continued on Page 2)

In This Issue

Barb's Bit	1 & 4
Economic Outlook	1 & 2
Estate Planning for Families with Minor Children	3
Sweet 'n Heat Recap.....	3
Upcoming Events	4

Resonate, Inc.

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

Fee-Based Planning offered through Resonate Advisors, Inc. a State Registered Investment Advisor
Securities offered through ValMark Securities, Inc., Member FINRA, SIPC.

Third Party Management offered through ValMark Advisers, Inc., a SEC Registered Investment Advisor.
130 Springside Dr., Suite 300, Akron, OH. 44333, 800-765-5201.

Resonate, Inc. and Good Samaritan Hospital Fd. are independent of ValMark Securities, Inc. and ValMark Advisers, Inc.

Economic Outlook

(Continued from Page 1)

After their June 22nd meeting, the Federal Reserve acknowledged that “the economy is growing more slowly than it expected.” They also stated “that the main causes of the economy’s slowdown, such as high gas prices and supply disruptions from Japan’s disasters, are temporary. Once those problems subside, the economy should rebound.” The challenge

is the fact that there is no way to know for certain when those problems will subside, if at all.

(Source: www.finance.yahoo.com and Washington AP writer Martin Crustinger 6/22/11)

One popular indicator for the direction of the market is to compare the average price to earnings ratios (P/E) of the S&P 500 to its historical highs and lows. “In past bull markets, the high for the S&P 500 P/E was between 19 and 23.” Currently, the S&P has a forward PE of 13 which is below that range. This indicates that US stocks have room to grow, although, that growth will likely be much slower than we have seen in the past. (Source: Jim Powell’s *Global Changes & Opportunities Report June/July 2011*)

Another indicator is the New York Stock Exchange (NYSE) Bullish Percent Index. To determine this percentage, all of the companies listed on the NYSE that are on technical buy signals are divided by the total number of stocks listed on the exchange. If the trend is declining, it indicates the market could continue to drop. If the trend is increasing, the market may go up. This indicator is currently declining which means more companies are dropping in share price than are increasing.

So, while P/E ratios appear to be attractive, the trend in prices appears to be negative. What else we know at this point is that the Fed will end QE2 in June. While they have indicated they will not have a QE3; only time will tell if this is true. The broad market needs to return to its equilibrium, which is unknown at this point. Due to so much artificial stimulus over the past several years, “the market is likely to be chaotic as investors overreact to every bit of news that appears to show the way ahead.”

(Source: Jim Powell’s *Global Changes & Opportunities Report June/July 2011*)

Most recently, this news is coming out of Europe as Greece continues to struggle with its debt crisis. Greece must implement more “austerity measures” in order to secure financing from the European Union and International Monetary Fund. While this news is not new, it does fan the flames of fear and uncertainty in the markets.

Shifting focus, unemployment remains largely unchanged. According to the US Bureau of Labor Statistics the unemployment rate is 9.1% through the end of May. (Source: <http://www.bls.gov/home.htm>)

We have seen a steady rise in the rate of inflation this year as measured by the CPI. January started at 1.63% and has increased to 3.57% in May. This does not include food or energy which some may argue have increased even faster. Even with this increase, the Fed has indicated they will not raise rates at this time. (Source: www.inflationdata.com; <http://marketnews.com/node/28181>)

Only time will tell how the global markets will ultimately respond to the rapidly changing global landscape. While there are no guarantees, your Resonate investment team is diligently exploring potential opportunities to both preserve and grow your principal. We continue to strive to create allocations and find fund managers that minimize volatility and optimize risk adjusted returns. 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 6/17/11 ^C	Return
DJIA	18.80%	DJIA	11.00%	DJIA	3.06%
Total Stock Market	26.50%	Total Stock Market	15.60%	NYSE Composite	0.45%
S&P 500	23.50%	S&P 500	12.80%	S&P 500	2.03%
NASDAQ	43.90%	NASDAQ	16.90%	NASDAQ	-1.40%
EAFE	27.70%	EAFE	4.90%	EAFE	-0.96%
Barclays Aggregate ^D	5.93%	Barclays Aggregate ^D	6.54%	Barclays Aggregate ^D	3.30%

Sources: ^A WSJ January 2, 2009; ^B WSJ Wednesday January 3, 2010; ^C Morningstar Monday June 20, 2011

Indices are not managed and do not incur fees or expenses. Returns are listed on a total return basis which assumes all dividends are reinvested. It is not possible to invest directly in an index. Past performance is not an indication or guarantee of future results.

**Visit our website for more articles and a new Weekly Economic Update.
Click on the Resources Link in the top right corner of the home page.**

Estate Planning For Families With Minor Children

By: Edward D. Bender

As always, please contact your Resonate Team if we can help with a review of your estate plan, and please read this important information for those with children or grandchildren under age 18.

Families with young children need to be aware of certain guardianship concepts when planning their estates. In most cases, if assets are left to a minor child, either through a Will, a life insurance policy beneficiary designation or retirement plan beneficiary designation, the asset will not be distributed directly to the minor child. Instead, the law in many states requires that a guardianship be established and that the guardian receive the funds on behalf of the minor.

For example, if parents have a life insurance policy and name their three children, ages eight, six, and two, as the direct beneficiaries of the policy, the life insurance company often insists that a guardian be appointed for the children before the claim is paid. In Ohio, most Probate Courts require the establishment of a guardianship if the amount of the minor's inheritance exceeds \$10,000. Once the guardianship is established in Probate Court, the life insurance company will pay the claim to the Guardian for the children. In Ohio, Probate Courts often require the Guardian of the minor child's estate to demonstrate that the child's parent(s) are unable to fulfill their responsibility to support the child before the Court will consider allowing expenditure from the child's guardianship account for the purpose of that child's support, maintenance, medical care or education. This rule is triggered when, for example, a grandparent, uncle, aunt or other person who is not the child's parent has left money directly to a minor. But this rule is also commonly triggered when a married person leaves some of his/her estate to a spouse and some of it directly to a minor child.

Edward D. Bender is an attorney at Wood & Lamping, LLP in Cincinnati, Ohio. He concentrates his practice in the areas of estate planning, probate & trust administration, taxation and closely held businesses.

Under Ohio law, minor guardianships terminate when the child attains the age of 18. At that point, the money is owned, without restriction, by the 18-year old.

Many parents wish to set up their estate plan so that money is not distributed outright to their children at such a young age. Parents commonly want their children to have their basic needs provided for while waiting for the child to become older before outright distributions are made.

All of this can be accomplished by having a Trust as the beneficiary of the life insurance policy or the retirement account. The Trust can also be the beneficiary of the Will. If the Trust is named as the beneficiary of the life insurance policy, the life insurance company will pay the claim upon the death of the owner of the policy to the Trustee of the Trust. The Trust can be written so that the Trustee is required to use the Trust assets to provide for the food, clothing, shelter and education expenses of the child until the child reaches an age that is much older, such as 25 or 30. The Trust can be written so that upon reaching those ages, distributions are made either outright or in percentages to the child beneficiary.

Bottom line: if you are contemplating leaving all or a part of your estate to a person who is under age 18, consider leaving their portion to a Trust.

Sweet 'n Heat Event Recap

A good time was had by the many clients and friends who join us for the second annual Sweet 'n Heat event on June 16th. A magician and barbershop quartet provided entertainment as guests enjoyed (among other things) pies, ice cream and spicy salsas. Thanks to all who made generous donations to Resonate's Philanthropic Partners: The Lord's Rose Garden and the Parish Nurse Program supporting the Burundi Refugees.



Barb's Bit *continued from page 1*

Importance of Family”, “My/Our Most Important Life Lessons”, “How My Faith has Influenced Me”, “The Keys to Healthy, Happy Living”, “What I Learned from Being in Business”, “How You’ve Been an Influence in My Life”...or whatever subject resonates with you.

We would then set aside an hour or two so that we can interview you about the topic. The interview is recorded and we create the “Gift of the Priceless Conversation” on a CD to give to whomever you select. You also decide if you want to make this a part of your Living Legacy (give it to them now) or save it as part of the Leaving Legacy. Whatever you decide, this quickly becomes one of the most treasured parts of your legacy to your loved ones.

Please note that these gifts also are priceless treasures when children give them to parents or grandparents, nieces or nephews to aunts/uncles. What I have learned about this process is that having the “right questions” makes all the difference in the quality of the outcome. I believe that we offer the “right questions” and want to invite each and every one of you to think about creating the “Gift of the Priceless Conversation”. Simply call Samantha to set a time to talk about this further with Sharon (Chip), Kathleen or me.

The possibilities are endless. The memories you make will be priceless.

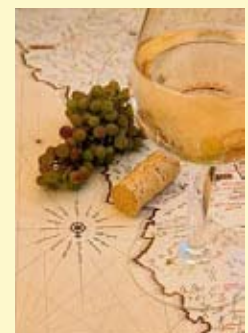


Upcoming Events

'Round the World Wine Tour

September 22nd, 2011, 7:00 – 9:30 PM

Back by popular demand, the Resonate Team will host a wine tasting event featuring wine and other delights from around the globe. No need to pack a bag, just wear your favorite festive attire and join us for a night of merriment. Just like last year, we will transform the Resonate office into ports of call. Book your and your guest's reservations today by contacting your travel reservationist Samantha at 513-605-2500 x214 or snichols@resonatecompanies.com. If you are a wine aficionado and would like to help plan the event or staff one of the ports of call, please let us know!



Who to Contact

Nancy Burnham - Ext. 221

Client Records & Special Projects Coordinator
burnhamna@msn.com

Cheryl Clevenger - Ext. 218

Client Service Coordinator
clevenger@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 - Ext. 223

New Business & Insurance Coordinator
kdunn@resonatecompanies.com

Sharon Harrison - Ext. 245

Client Centered Wealth Advisor
sharrison@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

Samantha Nichols - Ext. 214

Appointment Coordinator
snichols@resonatecompanies.com

Sarah Read - Ext. 281

Client Accounts and Financial Reports Coordinator
sread@resonatecompanies.com

Gale Wolker - Ext. 282

Client Service Coordinator
gwolker@resonatecompanies.com