Argus Financial Consultants

A. Christopher Engle, LUTCF, CFP®, ChFC®, AEP®

Ryan P. Smith, ChFC®, CASL™, CFP®, AEP®

Brian C. Sandberg, ChFC®, AEP®

Peter M. Smith

Geoffrey C. Sadek

Joy L. Britton

Lisa M. May

971 Spaulding SE, Suite B
Ada, MI 49301

616.949.8300

www.EyeOnArgus.com

Hello Everyone,

We would like to congratulate Ryan Smith for being newly certified as an Accredited Estate Planner (AEP®) designee by the National Association of Estate Planners & Councils (NAEPC). This designation is a graduate level specialization in estate planning, obtained in addition to already recognized professional credentials within the various disciplines of estate planning.

To suggest topics or sign up for an electronic versions of our newsletter, send an email to Joy Britton, Client Services Manager, at joy@EyeOnArgus.com or Lisa May, Communications Manager, at lisa@EyeOnArgus.com.

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ARGUS FINANCIAL CONSULTANTS

Excellence is Defined by the Success of Our Clients

Autumn 2015

Don't Be Generous with Scams

It has been amazing watching the transformation of our world over the last 20 years or so. We now have information at our fingertips that previously would only have been available by a visit to a library and hours of research. We can now communicate with our friends, do our banking, and read our daily news sitting at a keyboard or with a device that fits in the palm of our hand. While this has created incredible possibilities, it also has its challenges. One of those major challenges is protecting our personal information from scammers.

It seems that recently our clients, friends, and family are running into more and more types of digital fraud. They have become a lot more savvy than the old "Nigerian Prince" emails. Here are some of the common scams that we have run into:

Fake Website Scam:

This scam starts with an email that appears to come from a reputable source such as a bank, a package company (Fedex), or a social media site such as Facebook. These emails look very convincing often with the official logo of the organization. The email will say that you need to go to their website and login to complete some very important and urgent task. The link to the website is provided for your convenience. Unfortunately, the link goes to a fake website whose purpose is to capture your login information when you type it in. To help in avoiding this fraud, type the website into your browser or use your favorites to link to the website that is known to you. Remember that banks, financial institutions, or government agencies will never request personal information though an email.

Advance Fee Schemes:

This scam usually starts out with an email that says that you have won a valuable prize, gift, or inheritance. Sometimes it is a once-in-a-lifetime investment opportunity or "found" money that had been lost or forgotten. To claim your winnings, you only need to send a cashier's check or money order to cover some nominal administrative fees or other expenses. Sometimes you are asked to provide banking information so that your funds can be directly deposited into your bank account. This is a double whammy. You are out the fees and have also opened up your account to the thieves. Often, these schemes are technically legal because they have the victim sign a form that states that the fees are nonrefundable if it is later determined that they are ineligible for the windfall.

The old adage that "if it sounds too good to be true…" always applies. Be wary of businesses that operate out of PO boxes or mail drops. Are you able to find the business online? If not, be extra cautious. Thoroughly read any agreements prior to signing them.

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Computer Ransom:

A computer ransom scheme starts with a computer malware attack. Malware is a hostile computer program that can invade while you are on the internet. This nasty bug gets into your computer and freezes everything. You then see a warning that you have been infected and the only way to use your computer is to buy their anti-virus software. Typically, they want anywhere from $300 to $900 to get your computer back. Sometimes there is a phone number to call so that you can talk to a high pressure salesperson pretending to be a helpful computer technician. They will then convince you to allow them remote access to your computer.

Make sure that you have a reputable anti-virus and anti-malware program. Make sure that it is kept updated and that you run a computer scan every now and then. If you find yourself infected with a malware program, disconnect from the internet and have a trustworthy computer technician remove the program.

No longer is locking your doors and windows adequate for keeping thieves out of your home and business. Theft is now committed by digital signals from across the globe. It is very important that we stay up-to-date on how to avoid being victims of these attacks.

- A. Christopher Engle
LUTCF, CFP®, ChFC®, AEP®

What Did You Think Was Happening?

In seven recent trading days—climaxing on Tuesday, August 25—the broad equity market, as represented by the S&P 500, went down 11%. From its all-time high in May, it had declined 12.4%. This was the first time in nearly four years that equities had experienced a correction as that term is customarily defined: a decline of at least 10% on a closing basis. That in itself was somewhat remarkable, in that since 1980 the market has experienced such a correction on an average of once a year, and these corrections have averaged just over 14%.

Those, at this writing, are the dry facts, but they have nothing whatever to do with this little essay. The subject at hand is not what happened, mundane and even overdue as it was. Rather, the question is: as this short, sharp market decline was unspooling, ***what did you think was happening?***

It is clear from the statistics showing huge and even record net liquidation of various equity investment formats during those seven days that many if not most market participants thought there must be a deep and/or long-lasting decline at hand. It is less clear why people thought that.

Much of the blame was laid by the financial press at the feet of communist China. There, a wild stock market bubble was in the process of imploding, with the government inexplicably trying to prop it up. At the same time, China's economic growth was perceived to be continuing to slow—or perhaps the fiction of the government statistics regarding that growth was beginning to unravel. It doesn't make much difference to the inquiry we're pursuing.

To thicken the plot, China then devalued its currency to some noticeable degree, in what seemed a desperate attempt to restart growth through exports, an economic model which the country's leaders had avowedly been trying to leave behind.

Since less than one percent of America's exports are to China, and since cheaper Chinese goods are an unalloyed boon to the American shopper, it was as I say unclear what the genuinely negative effects of China's difficulties might be. But financial journalism was both clear and unanimous to the effect that China was the cause of our swooning equity market.

A secondary issue was said to be widespread concern that the economy might stall and equity values topple if and when the Federal Reserve, for the first time in nine years, raised its short-term interest rate from effectively zero to just slightly above zero. Again, the negative causality was not made clear, but sufficient unto the

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day are the manufactured terrors thereof, especially when the proverbial spaghetti is hitting the proverbial fan. Yet these, too, are actually outside the narrow focus of this essay.

Which, as you remember, is *what did you think was happening?* And what did you feel impelled to do in response?

When seized by moments of incipient fear—which might, if we gave in to them, cause us to abandon our long term investment plan and "get to safety"—I've always found it helpful to begin reciting my mantra until the dread passes. My mantra is, **"Remember that stocks are companies."**

The practical fact seems to me to be that the prices of stocks in the short run are significantly more volatile than are the enduring values of well-financed, well-managed companies in the long run. And it is the long run that my family and I—and every rational investor I've ever personally known—are investing for. Hence my discipline, in moments of stress, of drawing a sharp distinction between **stocks** and **companies.**

If we process the day-to-day experience of being equity investors through the prism of the phrase the ***stock market,*** we are liable to all sorts of negative and downright frightening emotions. The phrase itself, particularly to those of us reared by Depression survivors, connotes instability at best, and dire peril at worst.

If on the other hand we are investing in, just for purposes of illustration, the S&P 500 Index, we may be more apt to think of the experience as ***owning five hundred of the larger, better-financed, more profitable companies in America and the world.*** If you're anything like me, you may find yourself breathing a little easier just reading that long phrase. And just see what happens to your mood when you read it out loud.

In the case of a sudden sharp decline in stock prices—say, 11% in seven trading days—consider the following exercise. Write down the names of ten large companies, irrespective of whether you own them, directly or indirectly. Just: your idea of ten large companies that intuitively strike you as being intrinsic to America's (or, even better, the world's) economy.

Then ask yourself: ***do I really believe that the enduring values of these businesses have suffered long-term impairment of anything like eleven percent just in these seven days?***

I don't know how I'd go about demonstrating this to you. But I believe that the torrents of panic selling during the recent decline were not so much from people who got the wrong answer to this question. Rather, I think the emotion-driven selling came from people ***who were incapable of framing this question in the first place.***

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. S&P 500 is an unmanaged index which cannot be invested into directly. Past performance is no guarantee of future results.

The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

Social Security Tip

We rarely need to show our Social Security card, which is why you should never carry it with you. Keep it in a safe place with the rest of your important papers. For those of you that have lost your Social Security card and need a replacement, visit the below website to ensure that you have correct documentation before visiting the local Social Security office.

For more information on how to get a new or replacement or corrected Social Security card, go to www.socialsecurity.gov/ssnumber

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Pumpkin Cookies

Ingredients

- 2 1/2 cups flour
- 1 cup oats
- 1 teaspoon baking soda
- 1 teaspoon ground cinnamon
- 1/2 teaspoon salt
- 1 cup brown sugar
- 1 cup granulated sugar
- 1 egg slightly beaten
- 1 teaspoon vanilla
- 1 cup pumpkin

Directions

Preheat oven to 350°

Combine flour, oats, baking soda, cinnamon, and salt

Mix butter, brown sugar, granulated sugar, egg, vanilla, and pumpkin together slowly adding in the dry ingredients. Stir in chocolate chips.

Drop by rounded teaspoons onto lightly greased cookie sheet

Bake approximately 10 minutes or until golden brown

Frost with vanilla frosting

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971 Spaulding SE Suite B
Ada, MI 49301