

IN THE NEWS: April 3rd, 2018

Welcome to the April issue of *Advisor Insights*, an e-newsletter that provides you a roundup of the most important financial services industry news.

[Musk's April Fools' Joke Falls Flat as Production Fears Abound](#)

Tesla Inc. investors aren't laughing after Elon Musk's April Fools' Day joke that the electric-car maker went bankrupt, as months of problems making the mission-critical Model 3 sedan risk compromising the company's cash reserves. After the steepest monthly drop in more than seven years, Tesla shares fell as much as 8.1 percent on Monday, while unsecured bonds the company issued in August traded near record intraday lows. Early this week, analysts widely expect the company to report that Model 3 production trailed its projection of 2,500 units during the last week of March.

[JPMorgan's \\$8 Billion Jury Loss to Widow Faces Massive Reduction](#)

JPMorgan Chase & Co. will probably face a judgment of no more than \$90 million in a lawsuit claiming mismanagement of an estate that initially brought a jury verdict of \$8 billion in punitive damages. A Dallas jury in September awarded excessive punitive and duplicate actual damages, the widow and children of Max Hopper, a former American Airlines executive, said in court filings. Lawyers for Stephen Hopper and Laura Wassmer asked a Dallas probate court to limit punitive damages to them and their father's estate to about \$70 million, down from a total of \$6 billion awarded by the jury. Hopper and Wassmer also asked for \$3.9 million for losses and attorneys' fees. The widow, Jo Hopper, asked the court to lower her award to \$14.4 million, according to a filing from her lawyers disclosed Friday. The final award could go even lower. JPMorgan is seeking to reverse the entire judgment.

[How to Harness Tech to Better Serve Growing HNW Demographic](#)

According to a [recent report](#) from the Federal Reserve, the top 1 percent of earners in the United States now possess 38.6 percent of the country's total wealth, up significantly from 36.3 percent in 2013. Converting these high-net-worth and ultra-high-net-worth individuals into clients is a financial advisor's dream come true considering the boost they can add to any advisory practice's bottom line.

With more assets, however, comes more responsibility; advisors must implement the right financial technology offering to serve this demographic effectively and holistically. Here are a few areas where financial technology can add value to any financial advisor's relationship with a high-net-worth client: Organizing A More Complex Financial Situation, Collaborating and Responding to Volatility And Regulatory Changes In Real Time, and Estate Planning With Confidence And Clarity.

[Russian Billionaire Arrest Jolts Stocks as Political Impact Seen](#)

The arrest of one of Russia's best-connected billionaires on charges of fraud and embezzlement knocked shares in his companies lower and fueled speculation it could be the harbinger of a shake-up in the cabinet this spring. Tycoon Ziyavudin Magomedov was arrested Saturday along with his brother Magomed and jailed as he prepared to fly to the U.S. In court, he denied the charges but was ordered held without bail for two months. The unexpected legal troubles set off fears among investors that the Summa Group of which he's a co-owner could be under threat. At the same time, political analysts said his jailing could mean problems for top officials thought to be close to him, Prime Minister Dmitry Medvedev, who faces reappointment with the start of a new presidential term in May.

[Plan Ahead to Protect Your Collection from Natural Disasters](#)

The time to think about protecting your art collection is not when high winds are propelling a raging wildfire toward your community. Just as museums prepare for natural disasters, so should private collectors who live in areas vulnerable to wildfires, hurricanes and earthquakes. Failing to plan for an emergency is the number one mistake collectors make, and it's an understandable one. Your home is very personal, and it's hard to contemplate that it could be badly damaged or destroyed. But if you don't develop a plan, you could find yourself making hasty decisions ahead of an evacuation. If you can't take everything, know which possessions—both artwork and sentimental belongings—you most want to save. It's hard to think clearly when disaster is upon you. Your evacuation process will move faster if you have developed a strategy.



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