



Spring is here already!

"Flowers always make people better, happier, and more helpful; they are sunshine, food and medicine for the soul." Luther Burbank

Cybersecurity *By Sandy*

Several clients were affected by Blue Cross/Anthem hack of their personal data and called for our advice. Personally, I use Lifelock. I get alerts via email, text and phone if someone accesses my credit data. And, Lifelock will persist until they speak with me to confirm it was something I initiated. We see fake emails from clients and they are getting more sophisticated and real looking. People are hacking clients email accounts, they email us and then monitor the email inbox to look for a reply, which they swiftly delete before the client sees it. Carol recently involved the FBI on a potential wire transfer request she suspected was fraudulent. *Continued on page 2*

New Law Allowing Pension Cuts *by Erin*

Underfunded pension plans have been a widely reported concern in the US in recent years. Though, the majority of multiemployer pension plans are in decent financial health, 35% are endangered or critically nearing insolvency. Unfortunately, lower monthly pension income will soon become reality for some retirees now that a new law has paved the way for cuts.

The Multiemployer Pension Reform Act, recently signed into law, allows cuts to current retiree benefits in pension plans deemed in the "Red Zone". A Red Zone pension is characterized as a "critical" plan projected to become insolvent within 15-20 years, or less than 65% funded, and/or having twice as many retirees than active participants. You can find a list of Red Zone plans at the below sites. The good news is, none of the names on the list looked familiar as pension plans that our clients are participants in.

www.dol.gov/ebsa/criticalstatusnotices.html

www.pensionrights.org

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Market Ramblings *by Carol*

As predicted the stock market in 2015 has been volatile. But for all the ups and downs the index returns for the 1st quarter were mostly flat: S&P 500 increased .95%; Dow Jones was up .33% and bonds were up 1.61% overall. Oil is holding steady around \$45-\$50/barrel. Foreign/Global stocks are showing a recovery.

Going forward we expect the volatility to continue due to strong reaction to any news. We are now in the sixth year of a bull market and investors are jittery. While we expect the economy to continue growing, the rate of corporate earnings growth might miss expectations (forecasts) and bring large swings (up and down) in the market. As long as there is no threat of a recession we look to take advantage of the dips.

Social Security *by Carol*

If you or your spouse are near eligibility and need help in deciding how and when to start benefits please call and make an appointment with us. Social security is a major part of your retirement income so you should be aware of the different options you have before you file the paperwork.

Pension Cuts continued...

The new law could cut retiree benefits up to 60% but no less than 110% of the amount guaranteed by the federal pension agency. However, the maximum multiemployer pension guaranteed by the PBGC is only \$1,080-\$12,870 per year depending on your years of service and benefit amount. The law also gears the majority of cuts to younger retirees so that the elderly that have no chance of reentering the workforce will be less impacted. The Pension Rights Center Website has a calculator to estimate retirees' (75 and younger) minimum guaranteed amount under the new law. Reductions to any plan must be approved by the Treasury Department. To block cuts, the majority of ALL plan participants would have to vote no.

As disheartening as it is that some companies will not be able to make good of their employees' retirement benefits, there is not much any of us can do to turn back the clock on decades of poor planning. The best advice I have to those heavily reliant on a multiemployer pension plan for retirement income is to make it a point to read pension plan notices, save or preserve more in individual accounts, and or consider lump sum pension payouts if available. More info about the new law can be found at the Pension Benefit Guaranty Corp's website or the two previous mentioned sites.

Cybersecurity continued...

I will repeat again: we will not transfer out client funds for any reason until we speak with our client on the telephone to confirm they made a request. We will verify the telephone number we have on record, as hackers have given a different phone number in the email, saying they just got a new number and to use that one. This may cause a delay in funds being sent or wired out until we can reach you but we carefully monitor and guard our clients' accounts to the best of our ability. Cyber security is a growing problem and rest assured that TD Ameritrade and Schwab are also very diligent in defending hackers from the accounts. Have a child or grandchild undecided on a college major? There are now undergrad and graduate degrees in cyber security and this will be a growing and thriving trend as more information moves online and wireless. Some Cal State Universities just added the major also.

ADV Notice by Carol

It is that time of year in which we have to update our SEC registration and ADV disclosures. There were no material changes this year. Our total assets under management as of December 31, 2014 were \$183,418,000. This is a 15% increase from the prior year due to new assets and growth of current assets. Please contact us if you would like a copy of the ADV mailed to you. You can also access our ADV on the internet via our website under resources or directly through the SEC at: <http://www.adviserinfo.sec.gov/> Our SEC file number is 801-62993.

New Baby!

We are very pleased and excited to announce the arrival of

David Michael Garcia! He was born 1/28/2015 and weighed 8 lbs and was a whopping 21 inches long. Everyone is happy and healthy. Samantha will be coming back to work part-time in April while she eases back to full-time status.