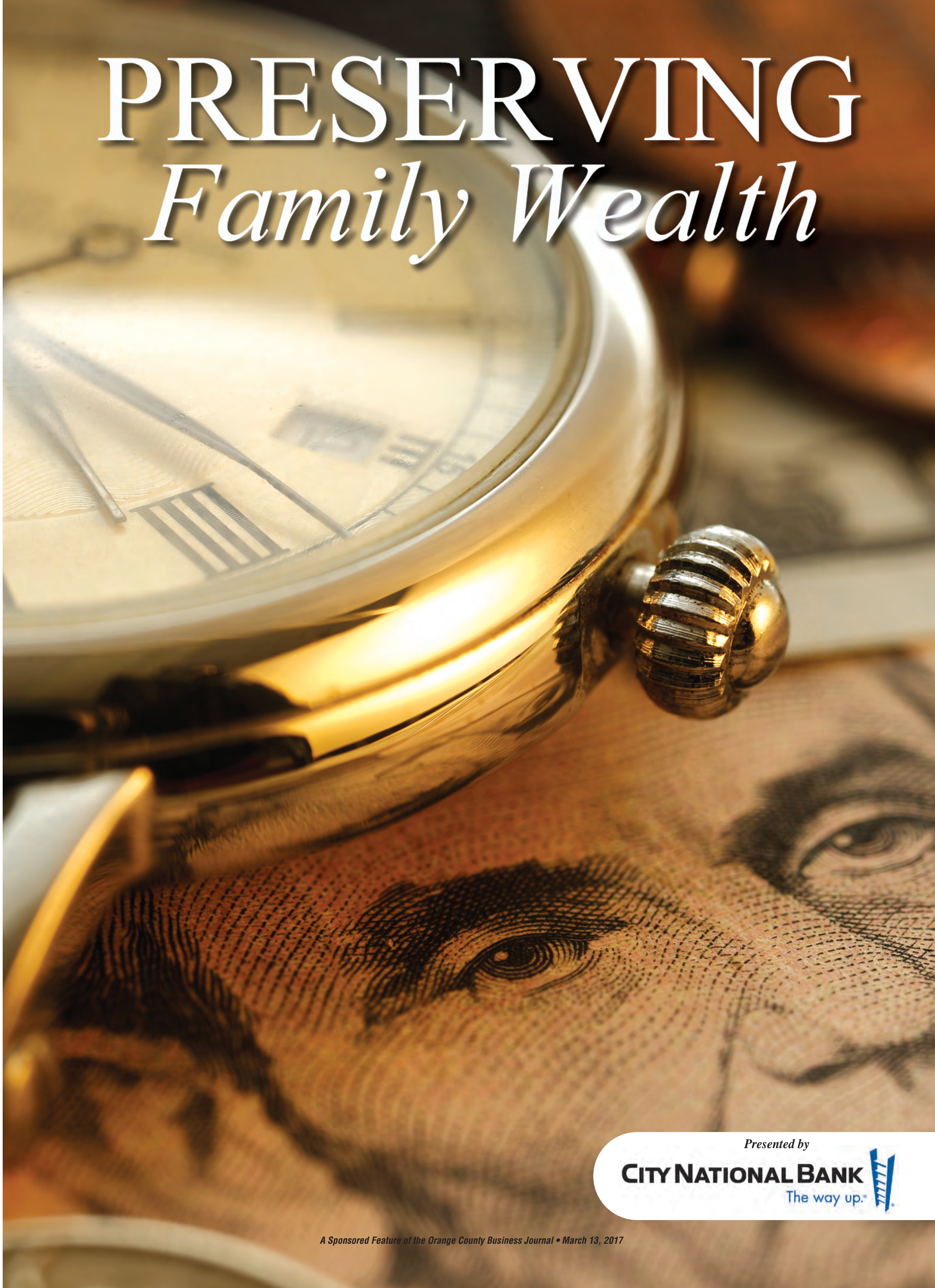


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Financial Empowerment for Women

As a woman of the baby boomer generation, I along with many of my contemporaries find ourselves living as part of the “sandwich generation,” meaning a generation caring for both aging parents and dependent adult children.

Financial empowerment for women, which includes both independence and knowledge, are important facets that I would like to address in contributing to our overall well-being. This empowerment is paramount in reducing stress, but most importantly, it provides us with critical facts that allow us to make informed decisions about the feasibility and sustainability of financial options and choices that will sustain both our loved ones and ourselves.

I think there are three key components to this idea of financial empowerment; securing the right advice, having a plan and implementing that plan.

Finding an advisor who commits and takes the time to thoroughly understand you and your family’s current and ongoing needs are important. This understanding should also encompass discerning the family’s unique “aspirational state” and what that might be on an on-going basis.

Your advisor should demonstrate that they are effective listeners and communicators. Their questions should be centered not only on just quantitative information, but seek to understand you and your family’s preferences, values, goals and objectives, as well as the aspirations that drive them. Throughout the process, it should feel very interactive and focused on gaining a deep understanding of what is most important to you. This includes understanding the dynamics in the family, as well as past experiences, preferred method of communication for each family member and any special needs.

Your advisor also needs to have ready resources to provide you and your family with comprehensive and holistic solutions. Engaging an advisor affiliated with an organization with broad resources, in my opinion, is a solid start since this allows the advisor to utilize these resources and accompanying team of experts on your behalf.

The next empowerment component is the importance of a plan. A prepared and written plan is critical for any desired outcome. Having an advisor who takes the time to understand what is important to you and your family and has the expertise you need to provide plan options to make fully informed decisions is critical. Since no one person can be an expert in all areas, this requires the resources of a team approach through which an effective advisor works to coordinate these resources with expert specialists, including your own tax preparer or accountant and trust and estate attorney to name a few.

But what capabilities or resources are critical for the right plan? There are a number that come to mind:

First is sophisticated fiduciary investment management. It is important your advisor has the ability to employ an intelligent personalization approach to investment management that includes an iterative process of gathering specific qualitative and quantitative information. This is in order to gain a deep understanding of your current state and circumstances, as well as the conditional needs, expectations and preferences of the wealth management process for your family and the future.

I would ask how they work with their investment professionals in balancing the need for capital preservation and growth of principal while meeting any cash flow requirements. Not only addressing long- and short-term needs, but importantly understanding how the advisor assists in determining the family’s unique “personal benchmark” through what we call an intelligently personalized investment strategy – customized for each family. This is so important in optimizing sustainable outcomes for families and their beneficiaries.

The second is incorporating any investment management approach with the broader plan mission of providing tailored solutions to grow, protect, and ultimately transfer

wealth by addressing the banking and borrowing current situations and future planning needs. Required here are an understanding of effective and tax appropriate cash management and credit usage planning.

Also incorporated in this broader plan approach is your trust and estate planning activities and objectives including any philanthropic goals. Lifetime gifting is often important for many women and families. I believe asking an advisor to describe their process in which they gain an understanding in assessing and assisting families in either developing or reaffirming their core values and goals will reveal the advisor’s depth and experience in philanthropic giving.

An important aspect of developing an overall plan is seeking out full-service trust capabilities that provide essential fiduciary services such as special needs trusts, address philanthropic aspirations and any real estate management needs. With complicated family dynamics, and resources one needs when juggling the interests of many family members, a corporate trustee can offer you and your family benefits beyond those of an individual trustee, including objectivity and continuity of service. Plus, as fiduciary, financial institutions are held to stringent legal and ethical standards - relieving you of the fiduciary burden associated with the management of probates, trusts and estates and providing peace of mind.

This entire plan building process will also be one that incorporates both key tax and nontax advantages. So it’s really important that one knows how their process also incorporates working closely with each families’ outside tax and legal advisors, in a coordinated and thoughtful way to optimize impact, tax and estate efficiencies.

Last, but by no means least of the empowerment components, is implementing a plan. Everything will depend on the proper and effective implementation of a plan. But what does that really mean? An effective advisor should provide you and your family with a multi-step plan that specifies both the procedures and timing of each step of implementation and be with you for each in order to ensure the effectiveness of the overall plan. In addition, appropriate periodic reviews of the plan implementation and resulting overall plan progress in conjunction to your stated goals and objectives should be done. This includes the discussion and development of investment objectives will be memorialized in an Investment Policy Statement. This will also be reviewed periodically along with your specific tax and non-tax considerations to ensure optimal results.

These three key components can provide the financial empowerment for women that are an ever growing part of most women’s lives as they begin to shoulder the growing responsibility for the financial health and well-being of themselves and those they love.

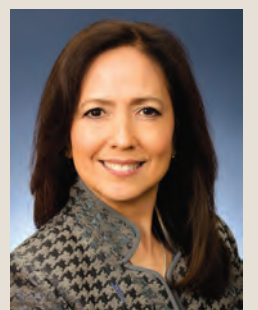
Carla L. Furuno, CIMA®, CPWA®

Senior Vice President

Regional Manager, Private Client Services

Carla Furuno, Senior Vice President, manages City National Private Client Services in the San Diego and Orange County region, leading a team of skilled professionals who provide holistic wealth management and banking solutions to high net worth individuals and their families, professional firms, real estate investors and non-profit organizations.

Ms. Furuno holds Certified Investment Management Analyst and Certified Private Wealth Advisor designations as well as certificates in Personal Financial Planning and Advanced Portfolio Management. She earned a Master’s Degree in Business Administration from Pepperdine University. To contact Ms. Furuno, call 949.223.4047.



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INVESTMENT & WEALTH MANAGEMENT

Just Because You Live in California, Doesn't Mean Your Assets Have to.



Whittier's Nevada trust situs is a convenient and an advantageous choice for West Coast-based individuals and families.

California is expensive, no two ways about it, especially for those of us who call the Golden State home. California residents are subjected to the highest combined federal and state income tax rates in the nation. Californians also have the second highest capital gains rates in the world, second only to Denmark. Most residents of the state assume they have no choice but to tolerate it, and accept that higher taxes are the tradeoff for beaches and great weather. What they probably don't know is that just because you live in a certain state, it doesn't mean your money has to. Stocks, bonds and most alternative investments held in a Nevada trust are not subject to California income tax, which provides significant advantages for wealthy individuals and families who live in the Golden State.

In 2013, the IRS issued a ruling validating the tax treatment of the Nevada Incomplete Gift Non-Grantor (NING) Trust. The NING is most beneficial to residents of a high income tax state looking to reduce their tax liability on investment income by taking advantage of the fact that Nevada does not have a state income tax.

Take for example, Susan, who is the beneficiary of a California trust established by her parents. Susan and her husband recently decided to buy a new home in Corona del Mar and needed to sell \$1M worth of low basis trust assets to help with the purchase. The California income tax liability from capital gains was nearly \$100,000. Had Susan's parents initially funded a NING Trust, the \$1M distribution would not have been subject to any capital gains tax at the state level.

Orange County's most sophisticated trust and estate attorneys, accountants and tax planners recognize Nevada's significant tax advantages and superior benefits of locating a trust in the state and its status as a Tier 1 trust situs. In recent years, more and more wealthy individuals and families are turning

to Nevada for the greatest flexibility, optimal tax savings and maximum protection in their financial and estate planning. By taking advantage of a Nevada trust situs, clients are able to continue enjoying the California lifestyle while avoiding state taxes and enjoying greater asset protection and the ability to prospectively modify existing trust documents to reflect changing laws and circumstances.

Among Nevada's benefits are:

- No state income tax on individuals, business entities, or trusts
- No state inheritance taxes
- Ability to establish dynasty trusts through a perpetuity period of 365 years
- Protection from personal creditors through a Domestic Asset Protection Trust
- Ability to establish a directed trust and use trust protectors
- Ability to appoint, or "decant," property to take advantage of changes in laws

Whittier's Nevada trust situs is a convenient and an advantageous choice for West Coast-based individuals and families. If you would like to learn more about the advantages of a trust domiciled in the state of Nevada or explore how this estate planning technique may benefit you and your family, ask to speak with a client advisor at Whittier Trust.

Whittier Trust is the oldest and largest private multi-family office headquartered on the West Coast. We focus on preserving, growing and transitioning wealth intergenerationally. Our family office, fiduciary, foundation and investment platforms have been serving families for over six generations.

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Delaware Trust?

You May Want to Consider Betting on Nevada Instead

By Jeffrey M. Verdon

Managing Partner

Jeffrey M. Verdon Law Group, LLP



A court decision opened the way for claims stemming from divorce. Nevada may now be a better jurisdiction for domestic asset protection.

For decades, creating a trust in the state of Delaware has been the go-to option for investors looking for ironclad asset protection. The First State is rated one of the four most high-profile and highly ranked trust jurisdictions in the U.S. Many families have established a Delaware Dynasty Trust (DDT) or a Delaware Asset Protection Trust (DAPT).

A DDT is generally established by Mom and Dad or Grandpa and Grandma to benefit their decedents over multiple generations. The DDT may last up to 110 years. The DAPT is a trust established by one or both couples in which they are also beneficiaries into which they place their assets at a time when they have no current, pending or threatened lawsuits. If later a lawsuit arises, the assets in the trust are protected even though they may be defendants in such a lawsuit.

But a 2014 court decision has put Delaware's vaunted trust shields to the test. The case: *Kloiber v. Kloiber*. It involves a dispute about a Delaware Dynasty Trust (DDT) during the divorce of Daniel and Beth Kloiber.

One Family's Drama Has Wide Implications

In 2002, Daniel's father, Glenn, established a DDT for the benefit of Daniel, Daniel's spouse, and his descendants. The trust was drafted as a "support trust," which is a form of dynasty trust, to provide support for the benefit of his children and grandchildren. The case

reads like a TV drama. Over the years, the trust accumulated assets of hundreds of millions of dollars.

In 2002 Glenn initially made a gift to the trust of \$15,000. But in 2003, son Daniel sold 99.45% of his shares in Exstream Software, a company he co-founded, to the trust for an estimated \$6 million, according to court documents. Four years later, in 2007 the trust sold about 80% of those Exstream Software shares to a third-party company for \$250 million. Finally, in 2008 the trust sold its remaining shares to a third-party company for about \$60 million.

By the time Daniel and Beth decided to divorce in 2010, the trust was estimated to include about \$310 million. Beth demanded a piece of this trust in the divorce settlement based on a precedent set in the 1973 Delaware case *Garretson v. Garretson*. *Garretson v. Garretson* concluded with a divorcing spouse getting access to the assets in a Delaware Dynasty Trust established for the support and maintenance of the beneficiaries.

The settlement agreement in the Kloibers' 2014 divorce case eventually severed the original dynasty trust and created a separate trust for Beth, which was funded with some of the assets of the original DDT. Beth received the mansion in Florida, which was assessed at a property tax value of about \$29 million, along with other assets not disclosed.

The assets that Glenn (the father-in-law) had intended solely for Daniel and his spouse and descendants were taken by his now ex-wife, Beth, rendering the original protection of assets useless.

Court Decision Means Nevada is a Safer Bet

There were other legal complications that arose out of this Delaware Dynasty Trust around health, education, maintenance and support. But the case has since led some investors to consider the efficacy of creating dynasty trusts in Nevada instead of Delaware.

Statutory case law in the Silver State doesn't allow for claims from so-called "exception creditors," which would include claims for alimony and spousal support. So, in Nevada, a divorced spouse will not be permitted to bust into a validly formed DDT or DAPT that was timely and properly established without the intent to defraud a creditor.

With the *Kloiber v. Kloiber* decision, Delaware's case law now clearly allows for claims from these exception creditors. Therefore, as any qualified Nevada trust

lawyer will tell you, the safest way to form a dynasty trust is to draft it as a discretionary trust, in a no-exception creditor state like Nevada, in which only the trustees have the sole authority to provide funds to beneficiaries.

What you should consider doing

- If you are considering establishing a dynasty trust for your family or a domestic asset protection trust, you may want to consider establishing it in a state that is more user friendly.
- If you have already established a DDT or DAPT in Delaware, consider redomiciling your trust to Nevada for greater protection.

Asset protection in Delaware can be a risky venture, and it may be beneficial for individuals and families to look elsewhere to establish asset protection trusts.



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Ensuring Your Family's Legacy Continues Past the Next Generation A Roadmap to Your Children's Financial Success

by Loreen Gilbert, Founder, WealthWise Financial Services

Many families spend their lives accumulating and building their family wealth, only to have the next generation squander away that hard-earned fortune. So what can be done to avoid having the fruits of your labor end with the next generation?

It all starts with teaching your children from a young age the important lessons about money. Here are some financial tips to help you raise children through adulthood to help them become financially responsible:

- ▶ You can never start too early in teaching children that money doesn't grow on trees. Many parents think that giving children an allowance will teach them the value of money. However, an allowance without work associated with it, sets up children with an unsustainable and perhaps, an unrealistic expectation of their financial future. Teach your children that work has value and dignity, with work bringing a paycheck, and no work meaning no payday.
- ▶ Educate your children that there are three categories for allocating the resources you acquire: you can spend, invest or give away money. All three categories have their place. If children learn at an early age that these are equally important categories, they will think about money in a different way than only equating that money=spending.
- ▶ Children are by nature, focused on their own needs and wants. It takes an adult to help children understand that not everyone in the world has the same lifestyle that they do. When my niece was seven years old, I sponsored a child in Africa on her behalf so that she would begin to understand how privileged she was and how important it is to help others who live in different circumstances. Consider how you can engage your children in connecting to other families who do not live your same lifestyle.
- ▶ Seek out teaching tools that can make learning about finances fun. Dave Ramsey has dedicated his adult life to teaching others how to be financially free and at peace. His game for children called "Act Your Wage Board Game" is designed for children and parents to interact together through a game in order to teach children to be good financial citizens.
- ▶ Once your children become teenagers, financial status and keeping up with the Jones' come to the forefront like never before. This is where parents tend to succumb to an entitlement mentality. However, if your goal for your family's wealth is to outlive your children's children, this is the time to remain firm with your teenagers. The important decisions at this time may include: buying their first car, spending money for dating, trips with other families and the all-important wardrobe. While these items have their merit, if they are all obtained immediately and completely, they can easily be taken for granted. When I bought my first car, my parents matched me dollar-for-dollar on what I contributed. I was able to choose the make and model of the car that I wanted. Because I contributed to the purchase, I was a stakeholder with pride of ownership.
- ▶ In high school, it is time to lock down the basics of implementing financial management strategies for your children while still under your roof. This is the time to open a checking account and learn how to balance it, fund a savings account and start an investment account. My father helped me start investing in stocks while I was in high school and well, the rest is history! A great way to start your teenager investing is by funding a Roth IRA. They can currently contribute up to \$5,500 per year as long as they have at least that much in earned income.
- ▶ Now is also the time to involve your children in how money is distributed to various charities. I suggest you schedule a family meeting in order to determine what values are important to your family in giving, to vet potential charities and to determine which charities will or will not be funded. Make sure to involve your teenagers' interests so that they feel a part of the giving process.
- ▶ In college, it's time to start and maintain a budget. I suggest doling out a monthly stipend for your child to then be responsible for managing expenses. College is now the work that they are responsible to complete. Expect a few rough patches as your child makes spending mistakes. However, it is best for them to make these mistakes in college, before they get out in the real world. The biggest mistake to help them avoid is getting into debt by overspending.
- ▶ It is also a good time to educate your child on how buying a house works. They need to understand how much it costs, how much they need for a down payment and how important a good credit score will be for their financial future. Many parents buy a house or condo for their child to live in college so that they can collect the rent from other college friends living in the same place. This is a great idea to show your child that you always want to be the one who owns the property and collects the rent rather than the one renting it from someone else.
- ▶ After graduation, it's time for your young adult child to start saving for retirement. Teaching them to save 10-15% of their income from the beginning of earning years will set them up for disciplined investing. Perhaps you will have them work in the family business or help them fund a new business or nonprofit. No matter how you help your young adult children launch into the workforce, help them understand that they must now make their own way and that the purse strings are not forever.
- ▶ Now what if your child wants to move back home? You may want to consider purchasing a condo where the young adult pays you rent. That way, they are not moving back home and hopefully, you can collect some revenue.
- ▶ The next step is to transfer your family's financial values in a written format. Having a handbook on what your family stands for in the world is a beautiful gift to give your child. This is a tool that can be passed on to their children to start a family legacy.
- ▶ Finally, whether you're using a revocable living trust or an irrevocable trust in transferring assets to the next generation, utilize sub-trusts and a corporate trustee with specific directives as to when and for what money can be accessed. You not only have to protect your children from themselves, but also from any future spouses who may have different ideas on how to preserve family wealth.

For additional information, contact us at 949.748.1177 or info@wealthwisefinancial.com.



Loreen Gilbert

Loreen Gilbert is an experienced wealth manager who has spent more than 25 years creating comprehensive wealth strategies for her clients. Upon graduating from the University of Texas at Austin with a degree in Business Administration, she launched her career in investment management services. Gilbert has been in private practice as a wealth manager since 1997, and is the founder and president of WealthWise Financial Services, which offers securities and investment advisory services to individuals, business owners and corporations through her affiliation as a registered principal with LPL Financial.

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FAMILY OFFICES

What Is a Multi-Family Office?

by Chris A. Walters, Managing Director, Western Region

Family offices are believed to have existed for centuries, beginning with aristocratic European families and later adopted by American industrialists. The concept of the family office in the United States evolved out of necessity during the late 19th century as some of the great American families of wealth, such as the DuPonts, Fords and Rockefellers, accumulated their vast fortunes. With significant wealth came considerable complexity, and the establishment of single family offices (SFOs) to exclusively manage the financial, business and personal affairs of these multi-generational families. The demand for family office services increased as more families achieved significant wealth, but the cost of running a SFO also grew, making it prohibitive to all but an elite few. After that, families began to combine offices and share resources to defray the cost of specialized personnel. Thus, the multi-family office (MFO) was born.

GenSpring Family Offices was founded in 1989 by a single family with the support of a small group of founding families and industry luminaries. Frustrated that they could not find a wealth management firm who “sat on the same side of the table,” they set out to improve the original family office model in three ways:

1. Create a “Multi-Family” Office

From the beginning, GenSpring was founded to serve multiple families. With that comes the ability to exercise much greater buying power on behalf of clients to reduce costs and improve access to leading providers while creating a collaborative community of families to share best practices.

2. Advise Over All Aspects of Wealth to Best Manage Complexity

Integrate and cost-efficiently manage all elements of family wealth, financial and non-financial, to improve the likelihood of long-term success and family unity.

3. Professionally Manage for Sustainability

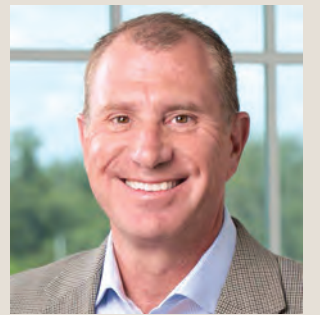
Create a professional family office organization that can provide wealth management stability through life events and continuity across generations.

GenSpring’s integrated service model not only focuses on the family’s financial capital but, importantly, centers on the family’s human and intellectual capital – *who they are and what they know*. Further, to prepare family members for a life with wealth and meaning, GenSpring categorizes their needs into ten distinct, but interrelated elements, which include Lifestyle, Expense Management, Taxes, Document Management, Fiduciary, Investments, Education, Estate, Philanthropy and Governance. From these ten elements, we are able to construct the distinct family office that uniquely meet the needs of your family.

For more information, visit www.GenSpring.com.

Chris Walters

Chris Walters is the Managing Director for the Western U.S. and responsible for all aspects of GenSpring’s business in assisting families on a wide variety of wealth management needs, including estate planning, tax, financial planning, fiduciary, philanthropy and family governance issues. Chris works closely with our Member Families and their client relationship team, as well as other professional advisors outside of GenSpring, to ensure that all aspects of a family’s wealth management plan are closely coordinated. Additionally, Chris is a noted speaker on behavioral finance, family dynamics and family legacy planning, Chris has been interviewed in Barron’s, Wall Street Journal, Bloomberg and Business Week. Contact Chris at 714.641.1402.



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There are about 400 known specimens of this, the most common variety of the \$4 gold coin, the 1879 Flowing Hair "Stella."

PCGS price guide lists this at \$425,000 for a NON-CAC example. With CAC values of most coins ranging from a low of 20% premium to a high of 100% premium this extra-ordinary rarity would conservatively be worth in excess of \$500,000.

The sister coins, the 1880 Flowing Hair, 1879 Coiled Hair and 1880 coiled hair Stella's in this grade range from \$1,000,000 to \$2,000,000. Any connoisseur wanting a superb Stella must buy this specimen or pay much much more.

History of the \$4 Dollar Gold Stella - a Beautiful Failure

Western gold and silver discoveries in the middle 19th century changed the world economic picture. A decade later, the US Civil War erupted. The government began hoarding precious metals. Meanwhile, Europe was plagued by different currencies



John A. Kasson

from one country to the next, with constantly fluctuating exchange rates. During the next two decades, there were several attempts to solve the varying international economic issues. In 1879, America's minister to Austria-Hungary, John A. Kasson, proposed a \$4 gold coin with a metallic content stated in the metric system, making it easier for Europeans to use. Per Kasson's proposal, this new coin would approximate in value the Spanish 20-peseta, Dutch 8-florin, Austrian 8-florin, Italian 20-lire, and the French 20-franc, among others. The purpose of the \$4 gold coin was to facilitate international trade for traveling Americans. Even though it didn't really achieve that goal, the 1879 Stella is truly an iconic embodiment of the late 19th Century American pioneering spirit.

The 1879 Flowing Hair Stella is the most available of the 4 varieties, as this was the version produced for Congressional review. It is estimated that 725 were minted. Congressman would present their "Stellas" to mistresses as gifts. This is why a number of ex-jewelry specimens turn up. The other 3 varieties, the 1879 Coiled Hair, the 1880 Flowing Hair, and the 1880 Coiled Hair, are all exceedingly rare.

The Stella is one of the most popular U.S. Coins ever produced. Wealthy collectors have created such a demand for this important coin, that even circulated examples command upwards of a 6-figure price tag. This is a significant coin. Any serious collector would be proud to have one, even in worn condition, in their collection.

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Design by James Barton Longacre



President Andrew Johnson painting by Washington Bogart Cooper

PCGS Price Guide \$295,000 in PF65



President Ulysses S. Grant painting by Henry Ulke

Less than 1 million 1868 Liberty Head Double Eagles

were made at the Philadelphia and San Francisco mints combined.

They are among the rarest of the \$20 gold coins. These coins are popular among collectors and investors because of their heavy weight and large size.

The 1868 Double Eagle is a scarce issue in any grade. The mintage is below 100,000 coins, and most of the remaining coins are in Very Fine or Extremely Fine condition. Few were saved by contemporary collectors: Proof examples were the preferred method of collecting. The Smithsonian lacks a circulation-strike example for this reason. This is a coin that is very rare in full Mint State. There were only 25 Proofs made and less than 10 are known to exist today. This makes the Proofs even more desirable, and this is the finest known example. The surface of this coin glazes with a stunning luster. The exquisite details of Longacre's design appear in deep cameo.

History and the 1868 Double Eagle

The scarce 1868 Double Eagle was released against the stormy backdrop of President Johnson's turbulent last year in office. He would be impeached by the House of Representatives at the beginning of the year only to be acquitted during his trial by 1 vote in the Senate. The following November, Ulysses S. Grant would defeat Horatio Seymour in the next presidential election. The territory known as Wyoming is organized. The 14th Amendment guaranteeing African Americans full citizenship and all persons in the US due process of law passes.



The First Volume of Louisa May Alcott's novel LITTLE WOMEN is published

Writer Louisa May Alcott publishes the first volume of her novel LITTLE WOMEN. One of President Johnson's last official acts as President is to grant unconditional pardon to the rebels who fought against the Union during the Civil War.

Pre-1877 Gold coins are rare, much more so than their mintages would suggest. This incredible rarity represents a once in a lifetime opportunity to add a truly flawless specimen to your collection and is a solid investment.

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Make an appointment to view our stunning collection of ultra-rare U.S. coins. We're located at 1910 S. Coast Highway in Laguna Beach. For more information and pricing, please call 949-441-4646 or email info@gocoins.com. "Like" GoCoins on FaceBook.

CREATING A FAMILY HEIRLOOM JEWELRY COLLECTION

by Lugano Diamonds

Investment Value

An heirloom is defined as "a valuable object that has belonged to a family for several generations." The sentimental value, while significant, should not overshadow jewelry's collateral value that can be worth millions. For ages, jewelry has been borrowed against and used as payment and gems, like many other investments, appreciate over time. As heirlooms increase in value, heirloom jewelry collections can be used as a powerful form of financial support for future family generations.

"Many of our customers purchase jewelry knowing it will be gifted to family members," said Lugano Diamonds CEO and Design Director Moti Ferder. *"We advise they select pieces with large and rare diamonds, pearls and colored gemstones of the highest quality,"* he added.



Classic, Timeless Style That Will Stand the Test of Time

Lugano creates the ultimate heirloom with this spectacular Asscher Cut Tennis Bracelet. Set in platinum, 25 sparkling Asscher Diamonds totaling 54.43 carats will truly take your breath away. It's covetable, breathtakingly beautiful, and will increase in value over time.

Expertise in the Jewelry Industry

Lugano Diamonds proven expertise and worldwide contacts in the global jewelry industry ensure that our clients receive the best value for their investment. The timeless appeal of our designs and superior craftsmanship using only the highest quality stones are why Lugano Diamonds is the premiere jeweler to consult with and create the perfect pieces for your family heirloom collection. Why not create your collection that can be worn and enjoyed today? We welcome you into our Salon to try these rare and spectacular pieces on for yourself.



Conch Pearls are One of the World's Most Rare Pearls

Our worldwide connections to procure the most rare, unique and large stones are exemplified in this stunning Conch Pearl Necklace. Conch pearls are from the Caribbean's Queen's Conch with only 15-20% suitable for jewelry and attempts to culture them have failed. As a result, conch pearls remain one of the world's most rare pearls. This Lugano Diamonds design is a beautiful vine of diamond flowers with lustrous pink conch pearl centers. It boasts oval pink conch pearls, 22.43 carats of rose cut diamonds, and 3.62 carats of round diamonds.



Large Colored Gemstones Achieve Record Prices at Auction Houses

This 7.36 Radiant Fancy Yellow Diamond Ring with two Heart Diamonds of 1.61 carats with .87 carats of round diamonds by Lugano illustrates not only splendor, but the distinction of significant stone size. Large, rare and colored gemstones continue to achieve record prices at auction houses such as Christie's and Sotheby's and there is strong demand for large, high-quality white diamonds along with rare colored diamonds.

LUGANO
DIAMONDS

An experience as remarkable as our collection

View Lugano Diamonds' stunning collection at the Grand Salon located at 620 Newport Center Drive, Suite 100, in Newport Beach, or at Lugano's Montage Laguna Beach Jewelry Salon, conveniently located within the resort at 30801 S Coast Hwy in Laguna Beach. For more information and pricing, please call 866.584.2666 or email info@luganodiamonds.com. "Like" Lugano Diamonds on Facebook and follow them on Twitter and Instagram.



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SBS Payroll Meets the HCM Needs of Southern California

SBS Payroll has served organizations throughout Los Angeles, Orange County, Riverside, and San Diego with payroll services since 1997. We are committed to making business easier for you by providing the knowledge, tools and resources to successfully manage your payroll and related human capital management (HCM) functions as SBS is more than just payroll.

The SBS Payroll Difference

There are many payroll provider choices. Here's why you should consider SBS:

- ▶ **Complete HCM and Workforce Management:** we offer more than just payroll, including time and attendance, benefits administration, and HR solutions including employee self-service
- ▶ **Payroll Billing Structure:** you are charged based on active employees, not per payroll
- ▶ **Shared Service from Payroll Tax Management:** a sister company, also owned by FBG Holdings
- ▶ **Customer Focused:** we are proactive, responsive and answer our phones
- ▶ **Complete Security:** we are SSAE SOC 1 Type II certified, have a \$50 million crime bond, and conduct both annual and semi-annual financial audits
- ▶ **Long-Term Experience and Stability:** we've worked with some of our current customers for more than 20 years

Payroll

Our core payroll solution is cloud-based and user-friendly, making processing your payroll easier and more accurate than ever before. It also establishes a foundation on which you can add time and attendance, benefits administration and HR solutions – all within one source. You'll never have to worry again about duplicate data entry, or importing and exporting payroll or employee information between separate applications.

Time and Attendance

Benefits of our automated timekeeping solution that is integrated with our payroll

system include:

- ▶ Ensures compliance with labor laws, government and union regulations
- ▶ Maintains employee data in one location
- ▶ Identifies and alerts you of potential payroll issues before they occur
- ▶ Captures assignments, projects and expenses regardless of location of the employee or office

Benefits Administration

Our benefits administration module helps you quickly and easily manage:

- ▶ Employee benefits enrollment and changes
- ▶ 401(k), workers' compensation
- ▶ COBRA administration
- ▶ Cafeteria Plan/HRA/HSA administration
- ▶ Affordable Care Act (ACA) reporting and management

HR

Our HR module helps you manage the following:

- ▶ Personnel file management
- ▶ Job applicant tracking
- ▶ Performance reviews
- ▶ Online employee scheduling
- ▶ Online file cabinet
- ▶ PTO tracking

A Few of Our Longest Client Engagements

We believe that an important sign of a partner that you can trust is one with a long track record of client success. We celebrate the following four clients and their long-term history with SBS Payroll.

- ▶ **Hodge and Hodge** – Since October 10, 1997: insurance brokers protecting assets in Orange County since 1959
- ▶ **Irvine Scientific** – Since January 1, 1998: a worldwide leader in the innovation and



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Payroll's Director of Sales, Matthew Whiteley at a recent payroll industry event panel discussion

manufacture of cell culture media, reagents, and medical devices
 ▶ *AeroAntenna* – Since January 7, 1998: an antenna and RF technology design and manufacturing company
 ▶ *CGM* – Since January 1, 1995: a findings and wholesale jewelry supplier serving retail and jewelry designers for 30 years

Your Payroll Service Partner

These and many other clients count on SBS to provide complete payroll and HCM solutions with the best in customer care. SBS's seasoned executive team has benchmarked several standards used in the financial trade today.

We service clients across all industries with specializations in non-profit

organizations, manufacturing, professional services, and construction services. Professional, knowledgeable and responsive account executives enable SBS to maintain a client retention rate that is above the industry average.

SBS is located in Santa Ana and is part of the FBG Holdings family of companies, all of which are 100% employee-owned by nearly 100 people with additional offices in Pasadena and Corona.

What can we do for you?

For more information, call 855.591.9860, email info@SBSPayroll.com or visit www.SBSPayroll.com.

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The 2017 State of the U.S. Personal and Family Wealth

Consumer confidence hit 114.8 in February this year. That's the first time it beat the pre-recession high of 111.9 reached in July 2007. It's also higher than 111.6 which it hit this past January.

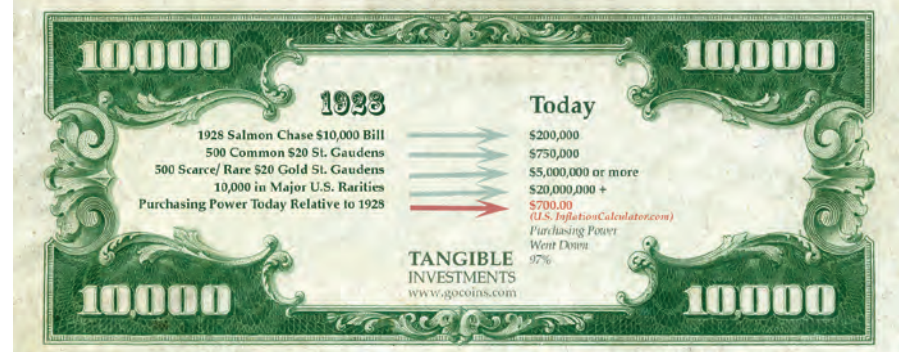
The Consumer Confidence Index measures American's attitudes about current and future economic conditions. It tells us how optimistic people are about the current economy, their ability to find jobs and how open they are to shopping. From a quick glance, this seems like very good news for our financial future. Yet if consumer confidence goes too high, the excessive demand could trigger inflation, or create a much larger and global complication.

What isn't often reported is the very same survey always lags because most people don't feel that the economy has changed *until after it actually has*. In fact, only 5,000 people of an estimated 242,470,820 adults living in America are surveyed each month to determine the confidence index, yet that study guides the stock markets and the value of the U.S. dollar for us all.

building numerous investor's portfolios. Mr. DiGenova is an internationally recognized expert in the field of numismatics (rare coins and paper currency). As co-founder of the Professional Coin Grading Service (PCGS) – the highest standard in third party grading and certification of rare coins, Mr. DiGenova and his team at Tangible Investments take personal care to artfully shape and build strong financial portfolios one client at a time.

Tangible Investments is an accredited member of the Professional Numismatist Guild (PNG) – a non-profit association of elite coin dealers providing topics, knowledge and enforcing integrity. To be a PNG member, an individual must have extensive experience in the rare coin field, prove significant financial worth and be elected to sustain this privilege. Mr. DiGenova has, along with the rest of his executive team, maintained this accreditation for decades.

The growing attraction for gold is that it preserves wealth and has done so throughout the history of mankind. Add numismatic and collecting benefits to this



The \$10,000 bill was offered between 1928 and 1934 to settle bank-to-bank transactions - few bills made it into general circulation. Today, that same bill, in prime condition, would be worth \$200,000 amongst numismatics. If you had used the \$10,000 bill to purchase 500 \$20 St. Gaudens gold coins, you'd have \$750,000 today. If the money had been used to invest in \$10,000 in ultra rare coins, you would see gains as strong as \$20,000,000. If you had cashed the bill and had \$10,000 total in various denominations, the value of the same money today would be about \$700.

America's economy is an on-going balancing act between deflation and inflation; and, with the United States on a financial trajectory similar to both Greece and Japan, even at a slower rate, more inflation will be needed to stave off deflation. History proves the U.S. Federal Reserve will do whatever it can do to prevent deflation from taking a foothold. Inevitably, that means printing more money and attempting to shrink the national debt. Inflation is obviously bad news for retirees and savers because their fixed incomes and bank accounts may quickly weaken.

precious metal and you shape a structured, long-term, protective and wealth-focused future. This is the message that Silvano DiGenova, President of Tangible Investments, wants to communicate to the public.

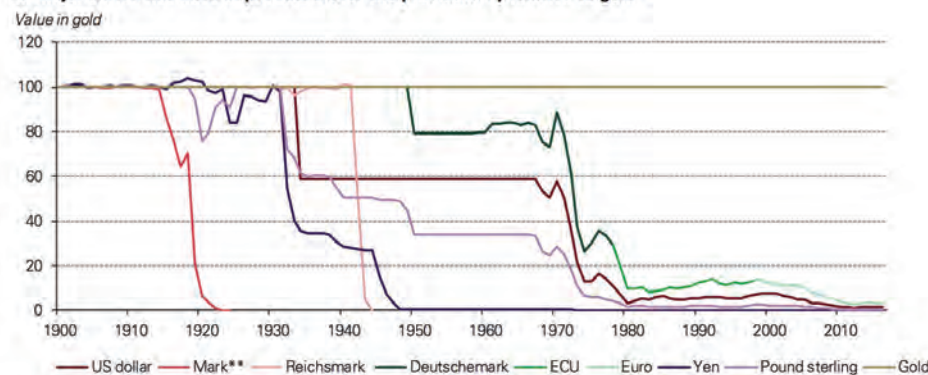
The Value and Benefits of Ultra Rare U.S. Coins Beyond Gold & Silver
Specializing in the acquisition and selling of prestigious, rare and ultra-rare U.S. coins, Tangible Investments is the country's leading purveyor of coins. Coins that are nearly impossible to purchase for most investors, yet often available through Tangible Investments. "It's about cultivating lasting relationships built on trust," says Mike Bonham, VP of Client Relations with the firm. Mike had sold an 1865 \$20 gold coin PCGS Proof 65 to an investor in 1994 at the fair market value of \$312,500, a price based on this particular coin in immaculate condition. Twenty years later, in 2014, Mike helped the investor sell the same coin to an interested party for \$2 million, a substantial 600% return on investment. There are many similar situations, where Tangible Investments sold a coin to a client then, years later, through their well-connected network of buyers and sellers, was able to broker a sell so that the original buyer benefited from the increased value of the rare coin.

Holding physical assets like gold and silver rare coins can provide a hedge against currency devaluation, inflation, and even economic collapse. This is especially true in volatile stock market conditions. The stock market has crashed twenty times in the past 100 years and we are due for another. Gold has always sustained or increased its value during these turbulent times.

Moreover, it is important to remember paper or digital stocks do not have intrinsic value on their own. Coins that are made from precious metals like gold and silver do have an intrinsic value *and* often hold a collectible value. While the value of bullion coins lies primarily in their precious metal content, the value of rare coins is determined by their quality, rarity, and historical significance. Investors have total control over the type and amount of coins in their portfolio. Investors have little control over the actions of the company they invest in.

To learn more about using gold and silver to diversify and protect your wealth, or if you're interested in looking at the unique investment opportunities associated with some of the rarest coins in U.S. history, please call 949.441.4646 or visit www.GoCoins.com.

All major currencies have depreciated over the past century relative to gold*



*As of December 2016.
**The 'Mark' was the currency of the late German Empire. Originally known as the Goldmark and backed by gold until 1914, it was later called Papermark.
Source: Bloomberg, GFMS-Thomson Reuters, ICE Benchmark Administration, Metals Focus, World Gold Council

There is a tax-free and protective means for you and your family to preserve and increase your wealth. The answer surrounds gold. Gold coins, especially rare gold coins, are in high demand now. As investor's flock to the haven of gold and the increasing benefits of rare coins, there is a local business model catching global attention. That business focus has long been Laguna Beach's Tangible Investments.

Tangible Investments has been in business for over 30 years and has processed over \$2 billion in successful transactions. Before his 21st birthday, Mr. DiGenova became a millionaire through astutely buying and selling rare U.S. coins. Since then, he has continued to increase his own net worth and takes great pride in