

*"Knowledge is power. Information is power." - Robin Morgan*

Dear Friends:

It's Halloween morning as I write this note. The holiday season is here. It's time to take a very quick look back and then focus some attention on year-end planning – as the last line of my favorite song (Desperado) says, "...before it's too late."

It has been an interesting year in the world of economics and portfolios. Economic growth remains below historical averages – expanding, albeit at a slow pace. Housing and unemployment may be both causes and symptoms hampering growth. Business profitability has been rather robust, but not inspiring expansion. There seems to be a larger-than-normal aversion to risk that is dampening business investment and therefore not solving our unemployment situation through increasing business activity. Some of this risk aversion may, indeed, be related to a high level of uncertainty stemming from our political arenas.

Although July, August and September were rather uncomfortable months in the equity (stock) markets – perhaps some reality set in regarding some or all of the above – as of this writing, the large-cap U.S. stock market (S&P 500) is up significantly for October and modestly for the year. Bond yields (interest rates) remain at historically low levels. Diversified portfolios have had an ok year. Note – this ok'ness follows two straight years of higher than historical average returns which followed a sort of "bottoming out" in early March of 2009.

So, let's talk about some year-end items:

### Tax

- We suggest you provide year-to-date information and schedule a session with your accountant. We will be happy to be part of that session whether in person or as a provider of information.
- This information provision and analysis may indicate benefits from acceleration of deductions, "harvesting" of any available capital losses, retirement plan contributions, acceleration or deferral of income, charitable contributions, etc.

### Minimum Required Distributions (MRD) from IRAs

- If you are 70 ½ or older anytime in 2011, or if you have a non-spousal inherited IRA, we have already calculated your MRD for the year (this applies to any IRA accounts under our care).
- It is likely preferable to do the actual MRD following your accountant year-end session. In any case, we will need to know of your preferences regarding the destination of the proceeds and the proper percentage for tax withholding. If we do not have information by early December, we will process the appropriate distributions with a tax withholding of 25% of the distribution. In addition, we will either direct the net proceeds to the same place as in prior years, or be in touch to discuss.

### Portfolio Planning

- As always, we will be doing an extra dose of analysis of each portfolio under our care – during the first quarter of 2012.

- We will likely be making some modest changes to our model portfolios to reflect the extra “stuff” we’ve learned this year.
- These analyses and tweakings are significantly enhanced by information about you. So, if we can kill two birds with one stone by being part of your year-end tax planning, we can also inquire about the happenings in your personal and financial lives. Part and parcel of this late year conversation should be a frank discussion of your historical and anticipated cash needs from your portfolio.

### *Around TD Capital*

- We have not moved, but have changed our mailing address. Since Thompson Dunavant has become CBIZ, we ask you to begin addressing any correspondence to TD Capital’s address which is: Clark Tower, 5100 Poplar Avenue, **Suite 2904**, Memphis, TN 38137.
- We also ask that as you visit us, simply come to our suite (**2904**) and rap on the door or ring our door bell (we keep the door locked to further enhance our security and privacy efforts on behalf of our clients).
- We welcome the addition of Rachel Motes to our staff. Rachel will be assisting Peggy Campbell (and all of us) in our client service efforts as well as being part of the TD Capital team.
- Finally, we congratulate Lee Lacy on passing all parts of the Certified Financial Planner™ exam. This is a major step in attaining the CFP® designation.

So, here’s the message – we are at your disposal, call or come see us. We’ll be happy to meet with you and your accountant. We’ll be happy to meet with you after your session with your accountant. We’ll be happy to meet with you and discuss anything you wish. If we can’t work out the physical logistics of a visit, let’s chat by phone.

If you wish to meet with me (Doug), let us know. If you have developed an affection for some of the other folks on the TD Capital team (John, Peggy, Jay, Lee), let us know and we’ll make arrangements to include them in your visit. If you have a preference for meeting out of the office, we’ll try to make ourselves available for early coffee or breakfast, lunch or around the happy hour (worldwide there are twenty four happy hours each day). If Monday thru Friday are not convenient for you, we’ll make most Saturday mornings available.

Give us a call. Peggy or Rachel answer the phone from eight ‘til five every day. Tell them that you wish to schedule your chat and they will make the arrangements.

I, and the rest of your TD Capital team, look forward to visiting with you.

God Bless,

*Doug*

Douglas Smith, cpa/pfs

p.s. If you are not a client, but interested in having a chat, please let us know. We love to meet new folks and describe our services and work on behalf of our clients and friends.