

RETIREMENT COACH NEWS

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The monthly newsletter for seniors who want to stay on top of their game and make their retirement the very best it can be.

Home at Last!

We have finally moved into our new office, after spending two weeks down the hall in a temporary office with no phones and limited e-mail service. For those of you who tried to contact us during the first two weeks of March and were unsuccessful, please accept my apology - we are now up and running with all systems in full working order.



The primary reasons for moving to this new location were our need for room to grow and our desire to be more centrally located for the vast majority of our clients. It appears we have chosen the right location because we have had a steady stream of clients coming in over the first two weeks. We will be holding an Open House in May and we look forward to seeing most of you then. In the meantime, if you find yourself in the Park Meadows area and want to stop by and say hello, please feel free to do so - you will find a map and directions on our web site ([www.hallmarkconsulting.com](http://www.hallmarkconsulting.com)) under the "Our Location" link.



The Coach's Corner -  
by Don Hartmann, CSA, ChFC



More Abuses by an Indexed Annuity Company

I had lunch with one of my favorite clients last week, on his 89th birthday, and he showed me his recent annual statement from one of the indexed annuity contracts he purchased the year before he became a client of Hallmark. At the time this annuity was sold to him and his wife, it was obviously not in their best interest - but that didn't stop the annuity company nor the agent who was overpaid to sell the annuity.

When this annuity was sold to this couple, he was 86 and she was 84, yet the agent chose to sell them an annuity with 15 years of withdrawal penalties. In other words, all they had to do in order to get their money back without a penalty was live to age 101. Then, to make a bad situation even worse, the agent recommended they elect the Monthly Point-to-Point method of calculating the annual return on the contract each year.

This type of annual return calculation places a cap on the amount of gain in the S&P 500 Index that is credited to the contract each month. The cap, however, only applies to gains, not losses, and therein lies the problem. When I reviewed his annual statement, which ran

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Key Rates

Money Market Accts.	2.48%
Money Market Funds	2.77%
6-mo. CD	2.81%
1-yr CD	2.90%
5-YR CD	3.22%
30-YR Mortgage	5.37%

Source: Bankrate.com and Bloomberg

This Month

## How to Conserve Gas - Now More Than Ever!



With the price of regular gasoline now above \$3.00 a gallon, and possibly headed to \$4.00+ this summer, here are some tips from Ron Hollenbeck, author of The Gas Mileage Bible (which includes 45 suggested ways to improve fuel efficiency):

**Use synthetic oil.** Synthetic lubricants give you twice the bang for your buck. By reducing friction among your engine's moving parts, synthetic lubricants improve your gas mileage-and the life span of your engine.

**Pay attention to your tires.** You'll get higher fuel mileage if you check your tire pressure weekly. If tires are just 20% underinflated, which is five to seven pounds per square inch, your fuel mileage can drop by 10% to 15% (2 to 3 miles per gallon).

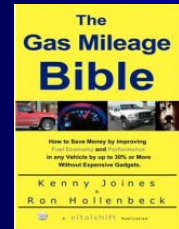
**Check your gas cap.** A faulty seal on your gas cap can allow 30 gallons of gas to evaporate every year. Plus, each leaky gas cap is responsible for at least 200 pounds of pollutants released into the air over one year.

**Clean out your car.** The federal Department of Energy estimates that you gain a 1% to 2% improvement in fuel economy for every 100 pounds your vehicle sheds. That's the equivalent to paying three to six cents per gallon less for gas.

**Stop Idling.** If you're tempted to let your car idle for more than a minute, don't. On cold mornings warm up your car for only 15 to 45 seconds - that is plenty of time for the engine to get lubricated.

**Avoid pedal to the metal.** Accelerating aggressively is a notorious energy waster. To avoid the lead-foot phenomenon, drive as if there is an egg under your gas pedal.

**Use cruise control wisely.** Cruise control is best on long, flat stretches of road. Drop cruise control when driving on hills or steep grades - it's likely to accelerate more quickly than you need (thus wasting gas) when going uphill.



You can get all 45 gas saving tips in Ron Hollenbeck's book .  
(Amazon.com \$16.95)

## The Coach's Corner continued from page 1

from March 8, 2007 through March 7, 2008, the first thing I noticed was the annual return over that 12 month period was zero and when I looked at the monthly calculations it was evident why. Since this annuity contains a Monthly Cap of 2.50% on the S&P 500 index return, no matter how much the index gains in any given month, the most that can be credited to the annuity is 2.50% for that month. But here's the rub: there is no cap on monthly losses in the index! Here's an example of how these caps work:

Note that the real S&P 500 Index in this hypothetical example yielded a positive 19.17% return for the year, while the 2.50% cap on gains in the indexed annuity (while no cap was applied to monthly losses) yielded a mere 2.00% positive return. Had the insurance company capped the losses at 2.50% (similar to the cap on gains) the net return in the indexed annuity would have been a positive 10.0% for the year.

To make matters worse, on this same annual statement, the insurance company informed the client that for the next contract year they were arbitrarily lowering the monthly cap on gains from 2.50% to 2.10%. If this client were to realize the exact same monthly performance as indicated in the chart above, his net return for the next 12 months would once again be zero. Is this any way to treat senior citizens?

Month	S&P 500 Index Gain/(Loss)	Gain/(Loss) Credited
1	+4.10%	+2.50%
2	(-)1.50%	(-)1.50%
3	+5.20%	+2.50%
4	(-)5.60%	(-)5.60%
5	+6.00%	+2.50%
6	+5.54%	+2.50%
7	+7.48%	+2.50%
8	(-)6.35%	(-)6.35%
9	+3.85%	+2.50%
10	+2.25%	+2.25%
11	(-)3.55%	(-)3.55%
12	+1.75%	+1.75%
<b>Annual Return</b>	<b>+19.17%</b>	<b>+2.00%</b>



Too many seniors are being victimized by abusive indexed annuity agents!

To make matters worse, the Insurance company informed the client that they were arbitrarily lowering the monthly cap from 2.50% to 2.10% for the following year!

The

## Fred of the Month

This month's *Fred of the Month* is actually named Fred - Fred Pasternack to be exact. Fred and his lovely wife, Karen, have been clients of Hallmark for the past eight years and I guess I have known since almost the beginning that Fred was a *Fred*.

According to Mark Sanborn's book, The FRED Factor, a *Fred* is "someone who has demonstrated a passion in their work and life that can turn the most ordinary of things into something extraordinary" and I can't think of a more fitting description for Fred Pasternack - he is one of the most passionate people I have ever known.

Fittingly, I met Fred through my past association with the Optimist International Foundation, while I was serving as the foundation's planned giving consultant on a three year contract. Part of my consulting services included traveling throughout the nation and speaking at district meetings and annual conventions, and I met Fred at such a meeting right here in Denver.

The first thing you notice about Fred Pasternack is his enthusiasm for everything he does. He has a heart as big as Mile High Stadium and he is always reaching out to help those who are suffering and in need of a lift. I remember getting a call from Fred the day after the tsunami struck seven countries in Southeast Asia and he said: "Don, I want to write a big check to help those poor people - who should I give it to?" I told him World Vision was the greatest worldwide disaster relief organization I knew of, and an hour later Fred walked into my office and handed me a big check.

As it turned out, I met Heidi Morgan (*Fred of the Month* in the October 2007 issue of Retirement Coach News and Regional Director for World Vision here in Colorado) through Fred. When Heidi called Fred to thank him for his generous gift, he said: "Thank Don Hartmann, he is the one who told me about World Vision." Heidi called me that day and she has become a valued friend of mine ever since. The day after Hurricane Katrina struck New Orleans, Fred was back in my

office with another check to be sent to World Vision.

This past summer Fred and Karen joined us for our annual client fishing trip to Bolton Lake in Canada and his enthusiasm over the entire four days is something none of us will soon forget. Once he tasted the first shore lunch, prepared by the five guides with our group, Fred knew instantly that those guides would be his best friends for the remainder of the trip. To say Fred loved their cooking would be a huge understatement.

Let me explain it this way, in the five years I have been fishing at Bolton Lake, Fred is the only person who ever took a doggie bag from the shore lunch so he could continue eating the freshly cooked Canadian Walleye all afternoon.



Fred (red bandana) and his 'best friends' at Bolton Lake

Then there is the annual St. Patrick's Day parade here in Denver. There was Fred, (along with some of his friends from his local Optimist Club) wearing a white tuxedo with a bright green shirt and tie, following some of the horses in the parade and scooping up their droppings so other marchers wouldn't step in them - and knowing Fred the way I do, you can be sure he did it with great enthusiasm!



Many of you have heard me say that the thing I love the



Fred and Karen enjoying a few laughs at Bolton Lake

most about the work we do here at Hallmark is the relationships I enjoy with our clients. Fred is one of those clients who became a good friend - one of my favorites!

**Fred Pasternack is one of the most passionate and enthusiastic people I have ever known!**



**Fred & Karen at the 2007 Client Appreciation Dinner**

**The day after Hurricane Katrina struck, Fred was back in my office with another big check for World Vision.**



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## March Retirement Workshops:

### *“The Truth About Annuities”*

See the web site - [www.hallmarkconsulting.com](http://www.hallmarkconsulting.com) -  
for locations and reservations or call 303-756-8900.



### Another Will Rogers favorite:

*“When you are dissatisfied and would like to go back to your youth — think of Algebra.”*

## Upcoming Clients Events:

### Special Appreciation Night at The Ballpark

There’s nothing like a Friday night at the ballpark and on May 23rd, Hallmark will be hosting a group of clients who have been instrumental in helping us grow our business. As a token of our appreciation for these clients referring their fellow employees and friends to Hallmark, we have arranged for a private box at Coors Field (sponsored by ING) to watch the Colorado Rockies play the NY Mets. Referrals are an important aspect of growing our firm and we will be hosting at least two more appreciation nights for other clients later this summer.



### Only Three Spots Left for Canadian Fishing

In less than four months, we will be heading north to Bolton Lake in Northern Manitoba for our third annual client fishing trip. If you like to catch big fish and you have never fished in Canada, this is your chance to sign up for a trip you will never forget. We leave Denver on July 19th and return on the 24th. For more information, call either Judy or Katherine at 303-756-8900. You won’t regret it!



## How to Stop a Thief

I read an article recently about the wisdom of keeping some very important phone numbers among the ‘Contacts’ recorded in your cell phone in the event your wallet or purse gets stolen (which means you should never carry your cell phone in your purse, ladies). There are two immediate concerns once you realize your wallet or purse has been stolen—especially if you are traveling. First, the threat of the thief using your credit cards to run up some large purchases, and second, the thief’s ability to steal your identity for even more serious abuses in the future.

So here are the numbers you should record in your cell phone—to stop the thief immediately:

1. Equifax: 800-525-6285
2. Experian (formerly TRW): 888-397-3742
3. Trans Union : 800-680-7289
4. Social Security Admin. (fraud line): 800-269-0271



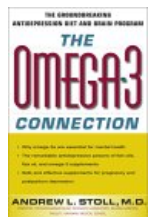
**In addition, record the 800# from the back of each of your credit cards and ATM cards, as well as the main customer service number for your bank.**

Now here is the most critical point—**Do It Now!** Your “good intentions” won’t stop a thief, but having the above phone numbers recorded in your cell phone will give you that opportunity!

## Omega-3: Nature’s Miracle Panacea

Here’s a little secret your doctor probably never told you: a simple fish oil could be the key ingredient to a long and happy life! This miracle fat might not only prevent heart attacks and help you avoid a stroke—it could also protect you from depression and other brain disorders.

In 1998, researchers surveyed a variety of populations (countries included France, New Zealand and Japan) and found strong correlations between heart attack incidences and major depression. Subsequent studies demonstrated that populations consuming fish as a main staple had the lowest incidence of both disorders. This indicates the convergence of two diseases that are seemingly different yet share a common nutritional origin.



Mountains of evidence clearly show that special fats known as Omega-3 Fatty Acids (or N-3 fats) greatly enhance the health of the brain, as well as virtually every cell in the body. To read a fascinating study on the subject, “Google” Dr. Andrew Stoll on the web and read the first article that appears. You might live longer and be a lot happier in the process!



**Dr. Andrew Stoll**  
Harvard Medical School