

The Financial Planning Association of Southern Arizona presents our Fall Schedule

We hope you've enjoyed our programming so far this year. Rest assured, although we're taking a break during this long, hot summer, we'll be back in September with more worthwhile programs to give you the knowledge you need to better serve your clients. We begin our fall schedule with our annual joint meeting with the CFA Society:

Wednesday, September 15, 2010 - Noon - 2:00 p.m. at Skyline Country Club
“Central Banking and Monetary Policy in Emerging-Markets Nations” by Dr. David DeRosa

See the separate registration form on pages 8-9 for registration information and program details.

Schedule for the remainder of 2010 is as follows:

Wednesday, October 20, 2010, 3:00-5:00 at Hacienda Del Sol - Professional Fiduciary Panel discussion. Local attorney Sally Simpson and colleagues will discuss choosing, working with and evaluating a professional fiduciary. **Following will be a social hour with cocktails.**

Wednesday, November 17, 2010, 3:00-5:00 at McMahon's Prime Steak House - Our annual tax update, from a financial planning point of view. Speaker to be announced.

December 2010 - Annual Holiday Gathering - Date, time and place to be announced.

Based on your feedback, we're looking for a new venue for next year's meetings. If you have a suggestion for a new meeting space, please e-mail janetdavis@trustedadvisorsconsulting.com. Janet is also looking for a program co-chair to coordinate facilities and event check in. Please also contact me if you can devote about an hour a month to the program committee.

We hope to see you at our September 15 meeting. Until then, enjoy the summer!

Janet Davis CPA, CFP
 Director, Programs



Wednesday, September 15 Chapter Meeting — Skyline Country Club 5200 E. St. Andrews Dr.

See pages 8-9 for details.

Wednesday, October 20 Chapter Meeting— Hacienda Del Sol 5601 N. Hacienda Del Sol Rd.

Professional Fiduciary Panel Discussion 3:00—5:00 pm Program 5:00 p.m.—Social hour with cocktails hosted by Steve Sullivan of Franklin Templeton Funds

Wednesday, November 17 Chapter Meeting— McMahon's Steakhouse 2959 North Swan Rd.

Annual Tax Update 3:00—5:00 p.m. Program

December—Annual Holiday Gathering with information To Be Announced.

IN THIS ISSUE:

Fall Meetings	1
Message from Chapter President	2
Financial Planning Week Activities & Membership News	3
Bd. Roster and Partners	4
Message for Partnership Director	5
Aquila Tax-Free Funds Message	6
Chapter Vision & Mission Statements & Contact Information	7
Sept. 15 mtg. information & registration forms	8 & 9



The President's Message

Many of us who have taken up distance running or riding in El Tour over the past few years know what it means to: "hit the wall". I've

been fortunate enough to have run several marathons and half marathons in different cities. At some point in your race, usually towards the end, you lose your energy, stamina, focus and maybe even the desire to finish. You ask yourself, what am I doing here? Most of us who want to finish, suck it up and find the necessary stuff to do it. But, it is difficult.

I have been listening to some of the comments from my colleagues in our profession and I wonder if many of us are hitting the wall early in the distance race we call our careers. Do you feel that way? Let's examine the situation.

When you are in a long race, most of what you do and how you perform stems from your mental toughness and knowing why you subject your body to the fatigue and torture. Well, if you haven't figured this out yet, our business is 99% mental and emotional. We should know why we're in it and what benefits we derive from being in it.

And, let me ask, why did you become a CFP, CPA, CFA or ChFC and what benefits do you receive from being one?

The obvious reason many people choose our profession is the potentially great financial reward. And we don't have to worry; our branch managers and registered principals will always remind us of this. But today, more and more professionals are looking beyond the financial aspects of a career for meaning and satisfaction. Allow me to give you two brief examples from my own life that illustrate why I continue in this profession and am involved with our FPA chapter.

First, my career. It is said you can't effectively sell life insurance until you deliver your first death claim check to a widow or family. Although I have delivered several over the years, it wasn't until I gave my own mother the check from my deceased father's policy that I really understood the purpose and meaning of the life insurance profession.

Also, last year I received a call from a long time client who was finally able to build dream home for retirement. Over the years we designed and developed a well balanced investment portfolio, even surviving some rocky markets. Feeling guilty, he asked, should we sell something to raise the cash? I was happy to remind him that the house was one of the items we planned for. I was delighted to help him fulfill a financial goal, a dream for him and his family.

Many of you can relate to these experiences, having had similar ones in your career. But why are you a CFP/CPA/CFA or ChFC, and a member of this FPA chapter? Please allow me to briefly share one more thought.

One of the reasons I decided to become part of this chapter was to be able to give back to our profession and contribute to our community, not just receive CE credits. If you feel that way and want to become a giver, not just a taker, we have several opportunities.

1) Our Board of Directors: We could use a few good people to work with us in special projects we have planned for the future. You won't need to become a full Director, just help us out. The future life of this chapter will continue with new people leading and contributing, not just the same individuals doing everything.

2) Financial Planning Week: An opportunity in October to teach what you know, to people who are asking for help and direction. Please read Brienne Dylewski's article in this newsletter and call her if you're interested.

3) Eller College of Business at the U of A: Scott Stymoe is committed to working with future financial professionals and can discuss the opportunities with you.

Being involved with our local FPA chapter these few short years has allowed me to build relationships with new people and help others become more educated who will in turn make a difference in someone else's life and future. As we enter the last quarter of the 2010 race, do you feel like you're at mile 21 of a marathon? Are you hitting the wall in your business? Let me suggest:

- Remember why you are doing it
 - Focus on the benefit you give
 - Suck it up! And
- Keep running the race strong!

See you at the finish!

Ron Wilson ChFC, CLU
Chapter President

Financial Planning Week Update

Preparation for a Financial Planning Week event is moving full steam ahead, thanks to the efforts of fellow FPA member Marianne Leedy.



National Financial Planning Week (FPW) runs from October 4th to October 10th. In honor of FPW, the Southern Arizona chapter of the FPA will host a financial education seminar on Saturday October 9th from 9am to 12pm, at the Sheraton Hotel, 5151 E. Grant Road, Tucson. The Sheraton has graciously provided a beautiful facility at a heavily discounted rate.

This educational seminar will cover three crucial foundation topics: “*Budgeting 101*”, “*Credit 101: All about Credit Reports & Scores*” and “*Retirement Planning for all Ages*”. We are excited to announce that Dana Coyle of Complete Credit Services (our May FPA meeting presenter) has agreed to present the topic, Credit 101. Fellow FPA members, David Ifflander of First Command Financial Services and Jon Magoch of Retirement Navigators have graciously volunteered to present the topics: Budgeting 101 and Retirement Planning for all Ages.

It would be very difficult to find a member of the financial planning community who doesn’t believe that financial education is deeply lacking among adults in our society. This event is the FPA of Southern Arizona’s way to start making a difference.

The event’s success is up to you. At the beginning of September you will receive an email with a flyer attached highlighting the details of the event. Please give some thought to your centers of influence (clients, colleagues, media connections, employers, non-profits, civic groups, etc.). Why not ask them, who do they know that would benefit from this event?

The event is free and open to the general public. It does not target a specific demographic. It will be especially helpful to people who are having a hard time balancing income and expenses, people who want to improve their credit score but aren’t sure

how, and people who wonder if they are doing enough to save for retirement. The list goes on and on.

The success of this event could be the catalyst for multiple pro-bono efforts in the years to come. Please do your part.

Questions about Financial Planning Week can be directed to Brienne Dylewski at – 884-7550 or Brienne@financial-architects.com

WELCOME TO OUR FIVE AND TEN-to-TWENTY YEAR MEMBERS

Whether you are a relative newcomer to our Chapter or someone who’s been around for years, we are glad you are members and part of our Chapter!

These are members with five years of membership:

Sal Esposito
William Fowler, CFP®, CMFC
Janet Holmes, CFP®, CDFA
Robert Martin
Wendy Von Fabrice, CFP®

Following are members with ten to twenty years of membership:

King Kearns, CFP®	10
Rick Kelley, CFP®	11
Sheryl Clark	12
Darrell Graber, CFP®	12
Martin O’Shea, CFP®	12
Douglas Mance, CFP®	12
Marianne Leedy, CFP®, CMFC	13
Gary Hultman, CFP®	14
David McMenamain, CFP®	14
Joe McGowan, CFP®	16
Myron Rottenstein, CFP®, CIMA	16
Judith Tocco, CFP®	16
Robert Geremia, CFP®	17
Frank Presson, CFP®	18

We are a diverse group of individuals with many talents, interests and goals. We welcome everyone’s involvement in the Chapter and ask for your support and activity.

**2010 FPA of
Southern Arizona
Officers and Directors**

PRESIDENT

Ronald E. Wilson, ChFC, CLU
520/512-5922
AXA Advisors, LLC

**SECRETARY & CORPORATE
PARTNER DIRECTOR**

Janet Holmes, CFP®, CDFA
520/202-7659
Nova Financial Services

TREASURER

Scott W. Styrmoie, CPA, CFP®
520/546-5503
Allied Portfolio Management, Inc.

CHAIRMAN/PAST PRESIDENT

Michael Guidroz, CFP®
520/529-5974
Wells Fargo

MEMBERSHIP DIRECTOR

Brienne L. Dylewski, CFP®
520/884-7550
Financial Architects

PROGRAMS DIRECTOR

Janet M. Davis, CPA, CFP®
520/722-3389
Trusted Advisors Consulting

**TECHNOLOGY/WEBSITE
DIRECTOR**

Rick Kelley, CFP®
520/512-5908
Charles Schwab

**OUR CHAPTER PARTNERS
They support us. Won't you
please support them!**

**TRUSTED ADVISORS
CONSULTING**

**Janet Davis, CPA, CFP®
(520)722-3389**

www.trustedadvisorsconsulting.com

AQUILA GROUP OF FUNDS

Al Stockman

(602)820-1859; (800)872-2740

www.aquilafunds.com

BLACK, GOULD & ASSOCIATES

Ruthann Laswick

(602)776-1342

www.blackgould.com

CHARLES SCHWAB

Rick Kelley, CFP®

(520)512-5908

RS FUNDS

Colleen Stugard

(480)822-9347

www.rsinvestments.com

**FRANKLIN TEMPLETON
FUNDS**

Steve Sullivan

(800)462-1216 X 23063

(602)999-6566

THANKS TO OUR 2010 CORPORATE PARTNERS

I want to give a **BIG** thank you to all of our 2010 Corporate Partners:



- **Trusted Advisors Consulting**
- **Aquila Group of Funds**
- **Black, Gould & Associates**
- **Charles Schwab and**
- **RS Funds**

This is the first year of our Partnership program and I am delighted with the support we have received from these companies. Our partners help us offset our costs and allow us to bring you better benefits. This can be seen this year through our speakers and some of the different venues at which we have met.

Corporate Partners help to lead FPA's message of building the community of the financial planning profession with their commitment to our members. In turn, we hope we are providing valuable opportunities and access to our membership.

Here are some facts about Us:

The FPA of Arizona has more than 60 financial professional members, representing a broad spectrum of specialties including financial planning, broker dealer services, insurance/annuities, mutual funds, banks/thrifts/trust, law, investment management and accounting. The entire FPA membership totals nearly 24,000.

- Fact Average member age = 54.75
- Fact 73 % of members have 10 plus years of professional experience
- Fact 78 % of members are CFPs
10 % are ChFCs
- Fact 77 % have at least a Bachelor's Degree
42 % have a Master's Degree
- Fact Long Term involvement equals lasting relationships

Partnership Benefits Recognition Exposure Opportunities

Please pass this newsletter on to anyone you feel may be a candidate, or send me an email and I will send them a Corporate Partnership Package. I can be reached at jLholmes@comcast.net.

Janet Holmes, CFP® CDFATM
Secretary and Corporate Partner Director

Partnership Benefits Recognition Exposure Opportunities

We are offering 3 Levels of Partnership:

PLATINUM LEVEL SPONSOR \$1000

All of the Gold Level benefits plus:

- We will promote up to 3 webinars if they qualify for CFP credit
- Two informative articles placed in our quarterly newsletter
- Recognition at our December Luncheon/Annual meeting

GOLD LEVEL SPONSOR \$500

All of the Silver Level benefits plus:

- Entry to chapter meetings for Partner and a guest at the member price.
- One informative article placed in our quarterly newsletter.
- Opportunity to promote one Corporate Event per year through our biweekly E-Blast

SILVER LEVEL SPONSOR \$250

Prominent recognition on our Chapter website as a Corporate Partner www.fpanet.org/Chapters/SouthernArizona/

- Link to your website from the FPA Southern Arizona website
- Business card advertisement on back page of our quarterly newsletter.
- Your Company name displayed on our "Corporate Partners Banner" at meetings
- Quarterly 5 minute spotlight at meetings to introduce yourself and your company.
- Verbal thanks and Acknowledgement at all meetings.

We welcome new partners!



AQUILA
GROUP OF
FUNDS®

The Municipal Bond Market in Arizona, A Manager's Commentary July 15, 2010



The municipal bond market has changed dramatically over the past 5 years. Nominal yields have declined, volatility has increased, municipal bond insurance is greatly diminished, and in some instances, creditworthiness is suspect. At the same time, income tax rates are scheduled to increase in 2011, which will enhance the appeal of tax-exempt income.

Consider the plight of Arizona investors, accustomed to buying individual municipal bonds. These investors, who 5 years ago might have purchased municipal bonds maturing in 2010, may be struggling to reinvest those assets. Interest rates were relatively low in 2005 and a cautious investor could have selected the Tucson general obligation bond maturing in 2010 with a coupon of 3.50% at a price of 101.284, for a yield of 3.22%. This was a high-quality issue with a AAA rating from bond insurer, FGIC. Let's examine some of the investment alternatives and dilemmas facing our hypothetical Arizona investor seeking tax-exempt income.

Matching the AAA rating available 5 years ago presents challenges. Arizona residents have followed media coverage of the efforts to balance the budget amid declining tax revenues, at every level of government in Arizona. Along with these budgetary problems comes the potential for rating downgrades. Bond insurers such as FGIC and AM-BAC have vanished from the market. Others have merged and experienced reductions in their own quality ratings; MBIA is now National Re with a Baa1 rating; Assured Guaranty and FSA are now the same entity, and rated Aa3 by Moody's but AAA by Standard & Poor's.

Matching the maturity and coupon available 5 years ago also presents challenges. As we look through bonds available in July, 2010 we see Benson Sales Tax revenue bonds, a small issue insured by Assured Guaranty (AGM) with a 5 year maturity, a 3% coupon and priced to yield 2.50%. Sierra Vista Municipal Property Corporation bonds are rated A1 by Moody's and AA by S&P but the 5 year maturity has a coupon of 3% (lower than the maturing 2005 bond) and is priced to yield 2.65%. The longer 10-year maturity has a 4% coupon and is priced at par.

The yield curve has steepened over the past 5 years, meaning that investors are receiving relatively more compensation for extending their maturities. In July 2005, the AAA yield curve provided 3.00% at 5 years, 3.55% at 10 years, and 4.30% at 30 years. The shortest of these 3 maturities provided 70% of the yield available in the longest. Market risk, as measured by modified duration, was 4.6 on the 5 year and 16.8 on the 30 year.

In July, 2010 the AAA yield curve provided only 1.70% at 5 years and 3.10% at 10 years, but 4.40% at 30 years. Interestingly, the 2010 market risk at 5 and 30 years, as measured by modified duration, is roughly the same at 4.8 and 16.6 respectively. However, now the shortest of these 3 maturities provides only 39% of the yield available in the longest. Only by selecting the 10 year maturity would an investor capture 70% of the 30-year yield, but doing so would increase market risk, or modified duration, to 8.5.

The level of new issuance in the Arizona municipal bond market has not changed dramatically in the past 5 years. In 2005 Arizona issued \$9.5 billion while total U.S. municipal bond issuance was \$408 billion. For the full calendar year of 2009, Arizona issued \$6.5 billion while total U.S. issuance was \$409 billion. Through the first half of 2010, \$3.8 billion was issued in Arizona and the total U.S. new issuance was \$200 billion; new issuance appears to be on track to finish 2010 without major variances relative to the recent past.

The Build America Bonds (BABs) program has thrown a significant new wrinkle in the municipal bond market. Approximately one-third of 2010 new issuance has been BABs, which are taxable municipal bonds with interest payments subsidized by the Federal government. The BABs program developed out of the economic stimulus efforts of 2009 in an effort to improve liquidity and access to capital for municipalities. Since the majority of BABs have maturities greater than ten years, the program has significantly reduced the supply of higher-yielding / long-maturity tax-exempt municipal bonds.

Continued on page 7

Continued from page 8

It is common to use Treasury yields as a point of reference when assessing the yields available on other types of bonds. In 2005, municipal bonds were considered overvalued if the yield on a 10-year non-callable AAA tax-exempt bond was less than 85% of the yield on the taxable 10-year Treasury bond. Over the past 2 years investors have eagerly sought the perceived safety of Treasury bonds amid jolts to the financial markets brought about by the credit crisis in 2007, the fall of Lehman Brothers in 2008, concerns about Dubai debt in 2009 and budgetary problems in Greece and Europe in 2010. This 'flight to safety' has resulted in higher prices, and therefore lower yields, on Treasury securities. In 2005, when the 10-year Treasury was at 3.90%, municipal bonds that provided 96% of the yield on Treasuries appeared to be a good value. With the current 10-year Treasury at 2.93%, a AAA municipal bond yielding 3.10% is priced at 106% of the Treasury. If the historical relative valuations were restored, that would imply a 10-year Treasury with a lower price and a higher yield of roughly 4.7% (not seen since July, 2007, and not seen consistently since 2002) and a 10-year AAA municipal with a higher price and a lower yield of 2.50%. Concerns over the financial strength of various municipal debt issuers may drive tax-exempt yields higher, rather than lower, in the near-term.

In a market environment of lower yields, heightened volatility, reduced supply, heightened demand and significantly diminished bond insurance, assembling a diversified portfolio of individual municipal bonds, and monitoring the credit-worthiness of the issuers, has become a more challenging task for the individual investor. When faced with the many factors at play in the tax-exempt municipal bond market today, professionally managed, well-diversified municipal bond mutual funds offer meaningful benefits to investors seeking tax-exempt income.

Thank you for your continued interest in Tax-Free Trust of Arizona.

Todd Curtis
Portfolio Manager

Aquila Distributors, Inc.
380 Madison Avenue, Suite 2300
New York, NY 10017
www.aquilafunds.com 800-437-1020

Chapter Mission & Vision Statements

Mission Statement: The Financial Planning Association of Southern AZ (SAFPA) strives to be our region's premier resource for Financial Planners and professionals seeking a career in financial planning. SAFPA is committed to open, inclusive and respectful relationships including collaboration among diverse parties on our common interests of growing the financial planning profession in southern Arizona. We are dedicated to growing our membership and advancing the awareness of the professional financial planners that support the standards of the CFP certification. The SAFPA provides our members with programs and services that support and enhance their professional development while promoting the value of financial planning in our community.

Vision Statement: We shall build and retain a growing membership with a shared vision of helping the public recognize the value of the financial planning process as a way to achieve their goals and dreams. We will recognize our responsibility to act with vision, ever mindful of the accountability we have to our community to serve them with the honesty, integrity and competence required of the true financial professional. Finally, we will be the body of the financial profession in Tucson to cultivate the knowledge and spirit of our members that we hold to the higher standards of the financial planning professional.

FPA CONTACT INFORMATION:

To join the FPA of Southern Arizona Chapter, visit www.fpanet.org and choose the appropriate membership category. You can apply online and pay by credit card—it's easy and quick!

FPA of Southern Arizona:
Phone Janet Davis at: 520/722-3389
Website: <http://www.fpanet.org/Chapters/SouthernArizona/>

FPA National: 1-800-322-4237
Website: <http://www.fpanet.org>

The Financial Planning Association of Southern Arizona
In Partnership with the Tucson CFA Society
presents
**Central Banking and Monetary Policy in Emerging-
Markets Nations**

Special Guest Speaker: Dr. David DeRosa,
author, adjunct professor and President of DeRosa
Research and Trading, Inc.

This presentation, based on Dr. DeRosa's monograph written for the Research Foundation of CFA Institute, discusses the main questions facing central bankers in emerging-markets countries. Through an investigation of the writings of professional economists and central bankers, with due consideration to economic history, Dr. DeRosa examines how emerging market central banks differ from the major central banks, what a central bank can do to prevent speculative bubbles, and why central banks choose different tools and targets — as well as the inherent limitations of monetary policy.



Wednesday, September 15th

Registration begins at 11:30am

Presentation and 3 Course Lunch start at 12 noon

Location: Skyline Country Club, 5200 E. Andrews Drive

Cost: \$30 for FPA members
\$50 for non-members
\$25 for students

Payment Due: Friday, September 3

Please note advanced registration and payment is required for all attendees. Walk-ins will be charged \$60 with no guarantee of lunch.

Please return Registration Coupon with Your Payment

Questions:

Registration/Payment: Please contact Janet Davis at 722-3389 or janetdavis@trustedadvisorsconsulting.com

**Financial Planning Association Presents Central Banking and Monetary Policy
in Emerging-Markets Nations**

Name: _____

Phone #: _____

Enclosed is my check for the September 15 event at Skyline Country Club

\$30 FPA Member

\$50 Non-Member

\$25 Student

Mail Check & Registration Form to:

FPA of Southern Arizona, 120 S. Houghton Rd, Ste 138-225
Tucson, AZ 85748
Attn: Janet Davis

Entrée Selection:

Grilled Sirloin with Onion Straws & Garlic Glaze

Herb Crusted Salmon with Citrus Buerre Blanc

Vegetable Napoleon with tri colored ravioli

Payment Receipt Required: Yes

No

If "yes," your receipt will be available at the registration table.

Questions:

Registration/Payment: Please contact Janet Davis at 722-3389 or janetdavis@trustedadvisorsconsulting.com