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Focus issues at 2008 shareholder meetings

By LEE DURAN

Given the current economic downturn and changes in the reporting and regulatory landscape, this spring's annual shareholder meeting season is shaping up to be extremely challenging for management. During these uncertain times, emboldened investors will be demanding increased disclosure of risk management practices, board composition, executive compensation and accounting-related issues. More than ever before, the focus will be on effective reporting and communica-

Turmoil in credit markets

In 2007, numerous companies reported losses on a variety of investments such as subprime mortgages, collateralized debt obligations, assetbacked securities and auction rate securities. During the 2008 annual meeting season, shareholders may question why the losses were incurred, how much exposure to loss still exists and what risk management policies are being implemented to avoid further

Similarly, a number of companies and financial institutions are recognizing substantial impairment losses or bumping reserves for receivables. Investors and creditors are showing concerns for the potential "trickle of bad news." Investors will be questioning these companies and institutions hard about the likelihood of additional reserves or

In the coming year, companies that funded long-term assets with short-term liabilities may also face liquidity problems, such as distressed sales of assets, when creditors won't roll over the short-term loans and substantially increase the cost of borrowing. Shareholders may ask what the company is doing to mitigate any liquidity and interest rate risk problems.

Board composition

This year activist shareholders will put increased pressure on companies to move away from staggered board terms and force directors to stand for election every year. Staggered terms were put in place as a way to ensure continuity of the board and as a defense against hostile takeovers, but activist shareholders increasingly view the staggered board as a device to protect incumbents.

Additionally, this year has seen a growing number of hedge funds with capital positions pushing their own nominees for corporate seats. For example, to avoid a proxy fight, The New York Times recently granted a pair of hedge funds two seats on its board. Given the movement toward annual elections and majority voting, these initiatives may prove to be more successful than past attempts.

Executive compensation

Executive compensation will receive a great deal of attention at shareholder meetings in 2008 - as increased disclosure will be addressed by shareholders, board members and management in the dispute over what constitutes good corporate governance. Many companies are considering alternative compensation methodologies that may be more palatable to shareholders, including performance-based options or restricted stock grants. Whatever the type of grant, clear and complete disclosure will be the most prevalent

2008 marks the second time companies will have to

comply with the enhanced executive compensation disclosure rules that went into effect last year. After the first disclosure in 2007, the Securities and Exchange Commission (SEC) identified some areas of concern, such as the lack of analysis in the compensation discussion and analysis (CD&A) section. The SEC recommended changes so that shareholders will have better information when comparing among peer companies. Investors want to know that the company's CD&A meets the SEC's expectations, as more shareholders are seeking advisory approval of executive pay.

Additionally, shareholders may raise the topic of the SEC's 10b5-1 rule, which was enacted to prevent insiders from trading with private information during "lock-up" periods, such quarterly/annual financial results or other SEC filings. In a time when companies have "endless lock-up periods," these plans improve disclosure to shareholders by detailing executives' stock buying and selling schedules. Under 10b5-

1, the schedules are disclosed See **Meetings** on 8

Profiles inside



Jim Harris



Wayne Pinnell

USE Credit Union's Jim Harris, profiled on Page 3, has helped guide credit unions through boom times and recession for more than 30 years.

Wayne Pinnell, profiled on Page 2, monitors accounting and consulting firm Haskell & White's newest addition in

By failing to plan for your business, are you planning to fail it?

By MARK D. ERWIN

As an owner or executive of a successful small business, you are constantly engaged in the day-to-day tasks necessary to drive revenue. But as your business grows, so do your demands to keep up with maintaining a larger company. The truth is, you may be so busy working in your business that you might be failing to work on it.

It's obvious that you want your enterprise to be successful. Unfortunately, too many business owners focus less on building their own wealth for retirement and more on their company's ultimate value when they retire.

In other words, they assume that selling their business, or cashing out of it, will provide them with their retirement nest egg in one lump sum. And this is a dangerous assumption. You cannot guarantee the continued prosperity of your business, or even that you'll be healthy enough to run it. You cannot predict what the market will be for your business. You may face an economic downturn. You may be selling during a period of high interest rates. Or maybe you'll face broadened global and national competition, increasing supply costs, regulatory hurdles, insurance burdens or labor shortages.

That's why it's important to set up the most appropriate wealth structure, or retirement plan, for your company

before you need it. Most people do not properly save for retirement. And as you get older, you minimize the opportunity to build wealth due to the time value of money. Money that has been working for you longer is responsibilities and the money that works better for you: the magic of compound interest, for example, is a wonderful thing. Having a longer time frame also allows you to ride out ups and downs in the market without panicking over every bump in the road.

By setting up a plan, you not only lessen the risk of receiving a less-optimal sale and purchase price for your company, but, depending on your company structure and plan, you may also gain some corporate tax relief.

The first step is to envision where you want to be. Exactly how much income will you need to support your lifestyle, post-retirement? In addition to income needs, you need to account for travel, purchases, planned events and possible financial care for you or your spouse.

Next, evaluate and design the most appropriate pension/benefit plan. You need to consider a multitude of factors, including your desired funding levels, number of employees, current tax status, retirement and compensation objectives and desired tax benefits, as well as administration and service costs.

See Planning on 8

Study dispels misconceptions of Latino community

By JOSEPH CAMPANO

While business strategies commonly mischaracterize U.S Latinos, a report conducted by the Tomás Rivera Policy Institute and sponsored by Merrill Lynch titled, "Increasing Wealth in the Latino Community," released findings that the Latino community is not only on its way to becoming the nation's largest population — it also has the potential to be one of its most affluent. With a combined spending power into the trillion-dollar range, Latinos could have the power to influence the entire U.S economy in the coming years.

According to the study, the income and spending power of the Latino middle class is at its crest because this community is typically five to 10 years younger than the average U.S. population. The number of Hispanic households earning more than \$100,000 annually grew 126 percent from 1991-2000, compared with 77 percent for the general population. In fact, the number of Hispanics who earn \$100,000 and have at least \$500,000 in assets is growing eight times faster than the non-Latino market.

As these numbers suggest,

with second and third generations becoming increasingly affluent and accumulating far greater wealth than their parents or grandparents. This growing wealth has created a new class of burgeoning wealthy Latinos that is keeping its cultural proclivities as it blends into the American middle class. This acculturation, merging the traditions of Latino culture with American independence and ambition, is at the core of the Latino middle class and the growing ranks of the wealthy Latino community.

The study also found that Latinos use their wealth differently than non-Latinos and have largely different priorities for their wealth because of their Hispanic traditional and values. Because of acculturation, further differentiation exists between first, second and third generations. This is especially true for many Hispanic busiowners. Entrepreneurialism has long been a cornerstone of Latino heritage, yet many Hispanic business owners do not resemble the typical American entrepreneur, according to the report.

Often, the study found, Latino business owners have strong emotional attachments

the Latino community is con- to their business, which they tinually evolving and maturing view as more than a family dependence resonates in the enterprise. It is often their legacy and their children's inheritance. Yet this sentiment is one their children don't always share. The next generation tends to see their business with a more practical eye and may be willing to either sell it or bring in investors to expand it far beyond what their parents originally envisioned. These different perspectives represent the blending of long-standing Hispanic traditions American values.

> The study concluded that business decisions are further affected by the tradition of loyalty among the Latino community. According to the study, many Latino business owners are open to advice and generally choose to get it from other Latinos, usually from a friend or through the referral of a friend. However, though this may keep business in the Latino community, it is not always advantageous for the business owner. Experience has shown that loyalty can trump good business sense if a business owner follows advice because the adviser is Latino or a friend, rather than because the adviser has the appropriate level of knowledge or depth of experience.

The tradition of family interfinancial picture for the majority of Latinos as well. Their desire to ensure the financial futures of their children tends to appear in the purchase of life insurance or government securities rather than investments in IRAs, pension funds or stocks. Though many Latinos are sophisticated professionals and business owners, some have not realized the importance of making their money work for them, and would rather put it all in life insurance, according to the study.

The findings of the Tomás Rivera report uncovered substantial opportunities for the U.S. business community to reach the Latino community as it grows in population, wealth and influence. The opportunities and potential that now exist among middle-class and affluent Latinos are significantly impacting the way companies do business today. Many businesses are noticing the growing wealth among Hispanic households, and some have already expanded their businesses with a focus on serving Hispanic clientele.

The Tomás Rivera Policy Institute is based at the School

See Misconceptions on 4

Online sales expected to grow 17 percent in 2008, as slow economy hurts brick-based rivals

By ANNE D'INNOCENZIO

NEW YORK — Online spending is expected to rise a robust 17 percent this year, despite a sluggish economy that has bruised many brick-based retailers, according to an annual survey released Tuesday.

Retail sales online, excluding travel purchases, are set to grow to \$204 billion in 2008 from \$174.5 billion last year, fueled by sales of apparel, computers and autos, according to a survey conducted by Internet analysis firm Forrester **Research** for Shop.org, the online arm of the National Retail Federation trade group. That pro-

increase seen in the prior year, but shoppers turn to less expensive industry officials attribute it to the maturing of the business, not the sluggish economy.

E-commerce "is clearly the bright spot in retailing," said Scott Silverman, executive director of

The upbeat report contrasts with the outlook for many traditional retailers, which have been paring down store growth and closing shops as they struggle with consumers who don't feel like spending amid higher gas and food costs, a housing slump and a weaker job market. The exceptions are dis-

On Thursday, the nation's retailers are expected to report at best flat sales growth in March, according to the International Council of Shopping Centers. Same-stores sales are sales at stores opened at least a year and are considered a key indicator of a retailer's health.

Online retailers are not immune to the same economic challenges, but what has spearheaded e-commerce growth is a "tale of two shoppers that visit the Web for different reasons," according to Sucharita Mulpuru, a Forrester

jection is below the 21 percent counters and wholesale clubs, as Research analyst and lead author of the report.

There are the price-sensitive shoppers who appear to be buying more items online as they look for better prices. And then there are the more affluent customers, who have been increasing their online spending because of the convenience and vast offerings.

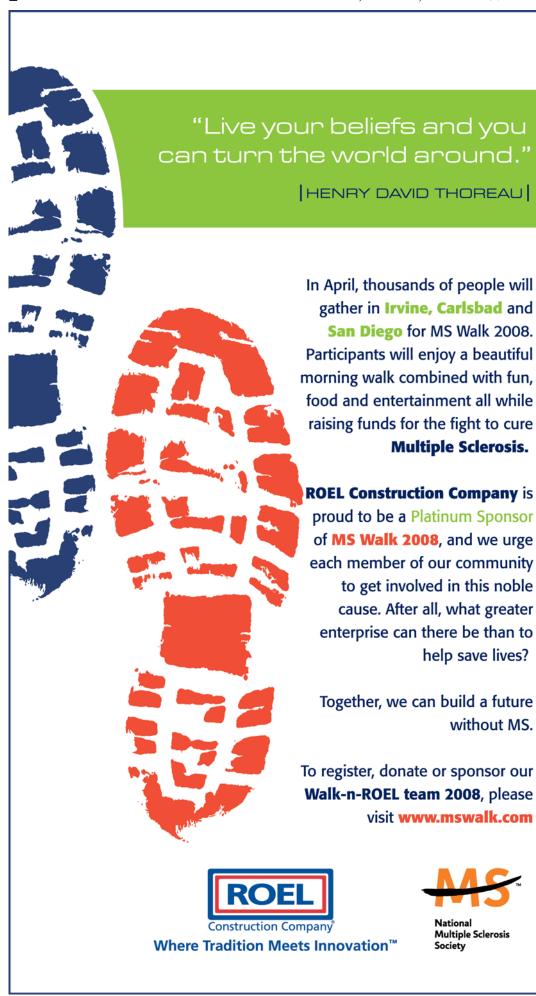
But those shoppers looking for a bevy of free online shipping deals may not find them as plentiful as they did last year. The study, which surveyed 125 online retailers in February and March, showed that merchants are less interested in using such promotions this year. While 85 percent of online retailers said they used some shipping incentive in the past year, just 35 percent said they would focus more on these types of deals in

Instead, retailers said they plan to invest more in advertising on social-networking sites such as myspace.com and facebook.com, according to the survey.

That may not be the best strategy, according to Mulpuru.

"It's great for brand-building and for buzz, but it's still unproven how social networking drives direct revenue" for retailers, said Mulpuru.

Source Code: 20080410crk



Close-up: Wayne Pinnell

OC accounting, consulting firm adds San Diego office

By BRIE IATAROLA Special to the Daily Transcript

Year-round tax deadlines, complicated audits and the threat of a recession do not faze Wayne Pinnell.

For nearly 13 years, the 44-year-old managing partner of Irvine-based Haskell & White LLP has thrived in an environment devoted to accounting and consulting, and helped build the firm's audit practice by extending services to the manufacturing, distribution and technology sectors.

"I was with another firm for 10 years before Haskell & White approached me through a recruiter," Pinnell said. "They wanted me to expand the firm's sphere of influence. Back then, their focus was on doing taxes for the real-estate industry, but (they) were looking to branch out into other areas. ... It was a risk that I took that I think has paid off quite well."

So well, in fact, that nowadays Haskell & White ranks as one of Orange County's largest accounting and consulting companies that offers services in tax consulting, planning, mergers, acquisitions, audits and Securities Exchange Commission-related issues, and employs 80 people (including 10 partners).

Pinnell's success as a managing partner reaches beyond earnings and profit margins, however. Throughout his career, he also has gained insight that he applies to his everyday workload.

"Management requires a lot of time devoted to people — watching, listening, building consensus," he said. "I have learned a ton of business skills in negotiating, and am continuing to learn lessons ... in people management (and) public-relations vision casting. All



Wayne Pinnell

the while, I have to continue to prioritize."

One of Pinnell's priorities includes monitoring the progress of Haskell & White's newest addition, a San Diego office that opened in January and aims to cater to the needs of public and private middlemarket firms. It is the first time the company, which will celebrate its 20th anniversary in fall, has set up shop beyond Orange County, where representatives have been appointed as independent registered public accountants conducting audits for big-name companies such as CorVel Corp. (Nasdaq: CRVL), Bridgford **Food Corp.** (Nasdaq: BRID) and Cortex Pharmaceuticals

"We have a lot of people here with expertise that we feel is on par with many of the larger firms out there," Pinnell said. "However, a major difference is the time our upper management spends with our clients with overall lower rate structures than those at larger firms. We believe this provides more value for our clients' fee dollars."

Testing the waters

With contacts and a client base already established in San Diego (although current contract terms prevented him from revealing which ones), Pinnell said the firm decided the timing was perfect to ven-

See Pinnell on 5

Boards of two area credit unions agree to unite

By DENNIS ELLMAN
Special to the Daily Transcript

(Amex: COR).

The boards of directors of First Future Credit Union and California Coast Credit Union have approved a consolidation of the two financial institutions, pending approval by state and federal regulators and members of First Future Credit Union.

The new organization, which would operate as California Coast Credit Union, would serve approximately 130,000 members with 26 full-service branches and nearly 500 employees. With combined assets of more than \$1.8 billion, it would become the second largest credit union in San Diego, based on 2007 year-end financials.

According to a joint announcement, First Future Credit Union's current president and chief executive officer, Marla Shepard, would head the new California Coast Credit Union. Kathy Cady, presently senior vice president of member services at California Coast, would serve as chief operating officer. California Coast's current president and chief executive officer, Jim McPheters, will be retiring after leading the credit union for 21 years and serving the financial industry for

35 years.
California Coast Credit
Union has been providing
service to its members since it
was founded in 1929 by several local teachers. The credit
union continues to place a
high importance on education
through various partnerships
with schools throughout San
Diego County and Southern
Riverside County.

First Future Credit Union, which formed as a result of a merger between Santel Federal Credit Union and Kearny Mesa Financial Credit Union in 2001, has been operating since 1939 and serves more than 62,000 members.

ore than 62,000 members. Shepard explained that as

not-for-profit financial institutions, both California Coast and First Future Credit Unions exist solely to serve their members and their families. Unlike other financial institutions that answer to profit-seeking shareholders, credit unions return their profits to members in the form of enhanced services, reduced fees, lower interest rates on loans and higher earnings on savings and investments.

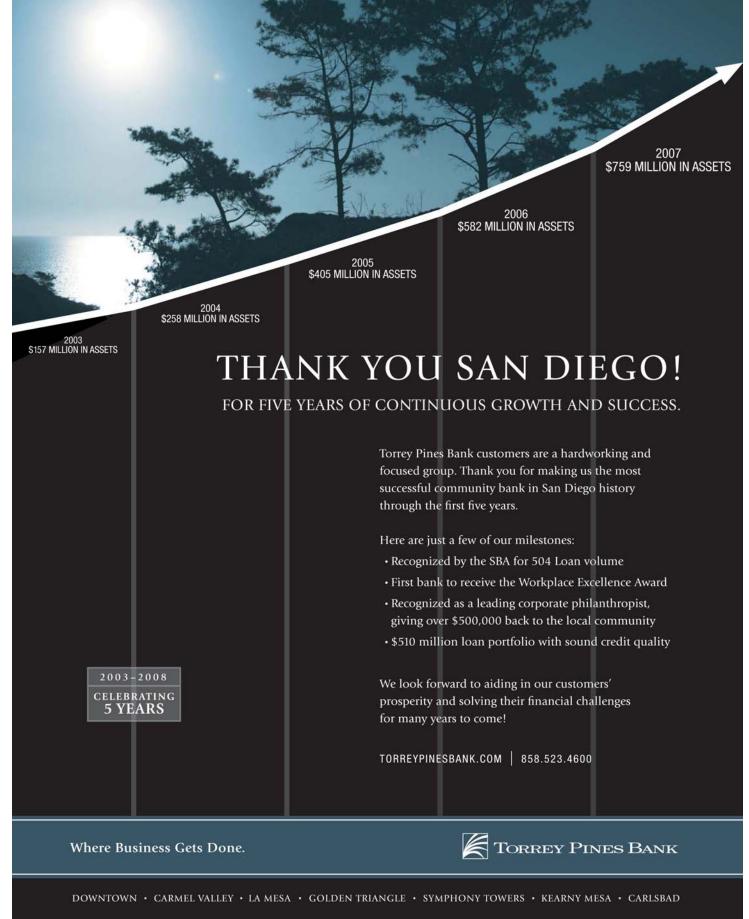
"The boards are enthusiastic about the benefits to the members of both credit unions that will result from this new entity," Shepard said. "We are excited about the combined strengths in this consolidation of equals. Both First Future Credit Union and California Coast Credit Union are financially sound, with strong capital positions that, combined, come to nearly \$180 million in reserves. Both also have a long history that clearly demonstrates a shared philosophy of providing exceptional value and service to members."

All staff would be offered a position within the organization, and the consolidation would provide greater career opportunities for employees, according to McPheters.

"This is not like a bank merger designed to make money for stockholders," McPheters explained. "This is a credit union consolidation to benefit members by providing more branch offices, very competitive rates, enhanced technology, new services and the same knowledgeable, friendly employees whom members value, as evidenced by their very high service ratings."

Shepard noted that the merger creates economy of scale savings in a competitive San Diego marketplace. First Future, for example, which

See **Credit unions** on 5



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Close-up: Jim Harris

CEO sees opportunities for credit unions amid economic uncertainty

By JILL ESTERBROOKS

Give Jim Harris a little

For more than 30 years, he has helped guide credit unions through boom times and recession, high interest rates and low ones, the advent of ATMs, debit cards and online banking.

The best part, said the president and CEO of San Diegobased **USE Credit Union**, has been helping members reach their dreams.

"There's nothing like helping a teen buy that first car, young families buy their first homes, parents put their kids through college and then later prepare them for their own retirement," Harris said. "It is a very rewarding and satisfying feeling.

Harris doesn't miss a chance to promote the credit union credo, saying the nonprofit financial institution is about "people helping people."

"You're not a number at the credit union, you are a member," he said. "And member-

help people improve the quality of their life.'

He'll need plenty of heart and can-do attitude in the turbulent times ahead, with stiff competition, high technology costs, increasing consumer demands and declining margins — just a few of the challenges facing credit unions today.

But the way Harris sees it, in this period of wide economic uncertainty, credit unions have opportunities to expand loans to those who've seen credit tightening due to the subprime mortgage fiasco.

Credit unions are not directly dependent upon the capital markets, so now is a good time for them to shine and grow.

"I do think there's some opportunity, and I think we can help more people," he

With his vast financial experience and extraordinary bona fides, Harris is well positioned to lead USE Credit Union — and the entire

ship services are all geared to industry — into the 21st cen-

Humble beginning

Harris started his credit union career in the 1970s at a time when there was tremendous growth and change in the industry, which traces its origins to mid-1800s Europe. Migrating to the U.S in the early 1900s, credit unions were unique depository institutions created not for profit, but to serve members as credit cooperatives.

For Harris, "It was exciting to be involved on the ground floor of several innovative industry initiatives, including the creation of a shared ATM network, a mortgage company and an indirect auto financing company."

His first job upon graduating with a business degree from Illinois State University was at the credit union that employees served Caterpillar Corp. (NYSE:

CAT), a company in his hometown of Peoria where his mother long worked.

"That really opened my eyes to the credit union industry and its founding philosophy of people helping people," said Harris, who has worked for three different credit unions in his three-decade career in financial services.

Prior to being named USE Credit Union CEO in 2006, he spent 16 years at Golden 1 Credit Union in Sacramento. There, he served in various leadership positions, initially as senior vice president and later as executive vice president overseeing all of the various operating units.

Today, he manages the 225 employees at 10 branches that service USE Credit Union's 60,000 members in San Diego, Sacramento, Davis, Berkeley and San Jose. Founded in 1936 originally to serve state highway and university employees, the fifth



Photo: J. Kat Woronowicz

"Credit unions by their very nature can boast a unique ability to weather the current economic ebb," says Jim Harris, CEO of USE Credit Union.

largest credit union in San Diego County (where it is headquartered) now ranks among the top 50 in asset size of the more than 700 credit unions in the state.

In addition to his duties as top executive, he's also an active advocate and prominent industry leader, having served on the board of directors for such organizations as the Credit Union Direct Lending, CU Mortgage, XCU Capital Corp. and CU Auto Sales & Leasing.

"I like to be supportive of the credit union industry, which is cooperative by nature, and this involvement also helps us compete at the highest level," said Harris, whose meteoric career parallels the industry's skyrocketing success.

Deregulation, increased flexibility in merger and field of membership criteria, as well as expanded services characterized the credit union industry expansion in the 1980s.

During the 1990s and into "Credit unions by their very the early part of this century, nature can boast a unique ability to weather the current Harris said credit unions like USE have been healthy and growing.

See Harris on 4

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Online banking advancements help small, mid-sized businesses

Technology innovation and the maturation of the Internet as a business tool have changed the banking landscape for small- and medium-sized businesses. From new Web-based services to enhanced online security, organizations across the country are engaging in a variety of electronic banking functions. Greater operational efficiency, costs savings and transactional security are just a few of the sizeable benefits the online banking arena affords today.

Remote deposit processing

A real advantage of electronic banking for many business owners is the ability to obtain funds faster. To better manage incoming checks and available cash resources, a number of growth-oriented businesses have recently engaged in a new service called remote deposit processing.

Remote deposit processing is a Web-based check image capture, storage and promakes check depositing quicker, safer, operationally efficient and more convenient. No longer is there a need for businesses to take the time to drive to their bank and stand in line to get a deposit confirmation. The role of couriers is virtually eliminated, and fewer hands are touching a company's monies, thereby enhancing privacy and reducing risk of

An Internet-enabled PC and a check scanner are the the computer location noronly tools needed to adopt this innovative service, which brings banking directly into a detected, the bank asks the company's day-to-day operations. Checks are passed tion to authenticate the transthrough the scanner and transmitted by an encrypted Internet connection for clearing. The funds are immediately deposited into the customer's bank account. Financial managers appreciate that every step of the process may be viewed online, and that check images are archived for easy retrieval and viewing.

Organizationally, companies may work hand-in-hand with their banks to ensure that all transactions are seamlessly integrated directly into in-house accounting software. Critical information will be posted immediately, offering businesses tighter control of financial operations.

Improved security controls

embrace the online banking on geography.



arena, financial institutions are spending considerable time and resources to ensure the privacy, security and stability of their customers' financial operations.

Banks nationwide are stepping up their online banking security systems to comply with updated requirements from the Federal Financial Institutions Examination Council (FFIEC). A handful of financial institutions are parlaying this transition into an cessing system. The offering opportunity to supply customers with superior security assurances.

Reflective of the most advanced online banking technology available today, multifactor authentication systems ensure the integrity of online banking transactions while helping to safeguard online banking customers against unauthorized activity. These advanced systems verify that a user's ID and password are correct, and also assess account activity and mally used. If any unusual or uncharacteristic activity is customer for more informaaction. Additionally, customers identify a picture or watermark as part of the login process.

> Leveling the playing field

Managers otherwise reluctant to bring the majority of their financial transactions online may now consider the revised landscape of compelling online banking opportunities.

Importantly, innovative Web-based services have enabled small- and mid-sized businesses to select banks that are sized appropriately. Organizations are no longer compelled to choose a national bank with a large number of branches. Technological advancements make it possible for businesses to make banking decisions As businesses increasingly based on service rather than

> Submitted by Paul Rodeno, president and CEO of Security Business Bank

The business climate just got better.



Going local

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BJ Services Co

Winners&Losers 20 BEST LARGE-CAP STOCKS

COMPANY	TICKER	CLOSE	\$CHG QTR	%CHG QTR	%RTN 1YR	P/E	
EOG Resources	EOG	120.00	30.75	34.5	66.4	28	
Celgene Inc	CELG	61.29	15.08	32.6	12.4	>99	
Emp Elec Chile	EOC	48.90	11.33	30.2	21.3		
CSX Corp	CSX	56.07	12.09	27.5	47.0	19	
Yahoo Inc	YHOO	28.93	5.67	24.4	-7.7	62	
Agnico	AEM	67.71	13.08	23.9	90.6	67	
Range Resources	RRC	63.45	12.09	23.5	89.9	41	
Chunghwa Tel ADS	CHT	26.02	4.91	23.3	36.4		
Nabors Inds	NBR	33.77	6.38	23.3	9.7	10	
Buenaventura	BVN	68.50	11.90	21.0	142.5	50	
Genentech Inc	DNA	81.18	14.11	21.0	-2.5	31	
Sthwstn Energy	SWN	33.69	5.83	20.9	63.4	52	
Public Storage	PSA	88.62	15.21	20.7	-3.7		
Siderurgica Nacl	SID	35.99	6.13	20.5	169.2		
XTO Energy Inc	XTO	61.86	10.50	20.4	38.8	18	
Kinross Gold	KGC	22.11	3.71	20.2	65.7	25	
Chesapk Engy	CHK	46.15	6.95	17.7	47.6	18	
Hudson City Bancorp	HCBK	17.68	2.66	17.7	33.5	30	
Zimmer Holdings	ZMH	77.86	11.71	17.7	-10.0	24	

10 WORST LARGE-CAP STOCKS

28.51 4.25 **17.5**

BJS

WellPoint Inc	WLP	44.13	-43.60	-49.7	-47.0	8
VMware Inc	VMW	42.82	-42.17	-49.6	0.0	
Sprint Nextel Corp	S	6.69	-6.44	-49.0	-65.0	
Schering Plough	SGP	14.41	-12.23	-45.9	-21.1	
Garmin Ltd	GRMN	54.01	-42.99	-44.3	5.5	14
Lehman Bros	LEH	37.64	-27.80	-42.5	-45.0	6
China Petrol&Chem	SNP	85.98	-62.22	-42.0	7.2	
Motorola Inc	MOT	9.30	-6.74	-42.0	-46.9	85
Nvidia Corporation	NVDA	19.79	-14.23	-41.8	1.0	15
Unitedhealth Group	UNH	34.36	-23.84	-41.0	-37.2	10

20 BEST MID-CAP STOCKS

BPZ Resources Inc	BZP	21.73	10.55	94.4	288.4	
Walter Industries	WLT	62.63	26.70	74.3	153.6	30
Stillwater Min	SWC	15.47	5.81	60.1	27.7	
EchoStar Corp	SATS	29.54	10.71	56.9	0.0	
Precision Drill Tr	PDS	23.20	8.03	52.9	5.9	
Corporate Express	CXP	11.69	3.83	48.7	-14.8	
Valhi Inc	VHI	23.39	7.45	46.7	68.8	
Lindsay Corp	LNN	102.47	31.78	45.0	228.9	49
Compass Minerals	CMP	58.98	17.98	43.9	89.4	35
Genesee & Wyoming	GWR	34.40	10.23	42.3	33.6	24
Big Lots	BIG	22.30	6.31	39.5	-29.3	13
Permian	PBT	22.15	6.17	38.6	63.6	16
Kronos Worldwide	KRO	24.15	6.70	38.4	-25.4	
Take-Two Interactive	TTWO	25.52	7.07	38.3	21.4	
Pulte Homes	PHM	14.55	4.01	38.0	-45.4	
Old Domin Frght	ODFL	31.83	8.72	37.7	11.3	17
Tele Norte Leste	TNE	26.54	7.26	37.7	92.6	
Buckle Inc	BKE	44.73	11.73	35.5	29.1	18
NewMarket Corp	NEU	75.45	19.76	35.5	80.7	13
Fording Cdn Coal Tr	FDG	52.20	13.60	35.2	144.6	16

10 WORST MID-CAP STOCKS

20 BEST SMALL CAD STOCKS											
Career Education	CECO	12.72	-12.42	-49.4	-61.2	20					
Tessera Technologies			-20.80		-45.6	22					
Thomson ADS	TMS	6.97	-7.05	-50.3	-61.4						
Suntech Power	STP	40.56	-41.76	-50.7	16.9	>99					
CIT Group	CIT	11.85	-12.18	-50.7	-76.0	>99					
Crocs Inc	CROX	17.47	-19.34	-52.5	-27.6	9					
Nortel Networks	NT	6.69	-8.40	-55.7	-73.8						
Yingli Green Engy	YGE	17.10	-21.60	-55.8	0.0						
MF Global Ltd	MF	9.91	-21.56	-68.5	0.0						
Bear Stearns	BSC	10.49	-77.76	-88.1	-91.8	17					

20 BEST SMALL-CAP STOCKS

MiddleBrook Pharm	MBRK	4.01	2.81	234.2	66.7	
Encysive Pharm	ENCY	2.35	1.50	176.5	-13.6	
Valence Tech	VLNC	4.41	2.42	121.6	271.3	
Finish Line	FINL	4.76	2.34	96.7	-60.0	
Star Scientific Inc	STSI	1.52	0.72	91.0	36.1	
Idenix Pharmaceutl	IDIX	5.02	2.32	85.9	-30.4	
CSK Auto Corp	CAO	9.31	4.30	85.8	-43.8	3
Emergent Biosolution	EBS	8.92	3.86	76.3	-34.2	14
CollaGenex Pharma	CGPI	16.57	7.02	73.5	24.9	
Amrep	AXR	52.30	21.75	71.2	-29.5	10
Clayton Engy	CWEI	52.49	21.33	68.5	63.0	>99
Gencor Inds	GENC	17.21	6.96	67.9	87.0	į
Stoneridge Inc	SRI	13.45	5.41	67.3	32.0	19
Georesources	GEOI	15.00	6.00	66.7	137.0	8
Vision Sciences	VSCI	3.27	1.29	65.3	197.4	(
Exide Technologies	XIDE	13.10	5.10	63.8	54.6	
Avant Immuno	AVAND	9.80	3.80	63.3	-44.0	
Orleans Homebuild	OHB	5.83	2.26	63.3	-37.0	
MI Homes Inc	MHO	16.98	6.48	61.7	-39.6	
Enterra Energy Tr	ENT	1.86	0.70	60.3	-62.6	

MoneyGram Intl	MGI	1.86	-13.51	-87.9	-92.3	
Thornburg Mtg	TMA	1.21	-8.03	-86.9	-87.4	
RH Donnelley	RHD	5.06	-31.42	-86.1	-92.7	8
SiRF TEchnology Hld	gSIRF	5.09	-20.04	-79.7	-81.7	
Idearc Inc	IAR	3.64	-13.92	-79.3	-84.7	1
Ambac Fincl Grp	ABK	5.75	-20.02	-77.7	-92.5	
Virgin Mobile USA	VM	2.03	-6.86	-77.2	0.0	
EnerNOC Inc	ENOC	11.40	-37.70	-76.8	0.0	
NxStage Medical Inc	NXTM	4.32	-10.85	-71.5	-68.6	
Fremont Gen Fin pf	FMTp	5.50	-12.99	-70.3	0.0	

Money&Markets

U StockReview

Stocks lose again in Q1

he Standard & Poor's 500 fell for the second straight quarter for the first time since 2002 as the ongoing credit and housing crisis led to a string of disappointing economic and company news. Liquidity was a key concern. A cash crunch nearly wiped out some compa nies including Bear Stearns Cos. which lost more than 90 percent of its value in mid-March, after fearful lenders and investors vanked their capital from the investment bank. In a deal facilitated by the Federal Reserve, JPMorgan Securities (JPM) bid a mere \$2 per share for the 85-year-old company, before raising the bid to \$10 to appease shocked shareholders. Wiretransfer company MoneyGram International Inc. also dropped on liquidity worries after its investment portfolio incurred big losses. It has tried to shore itself up by selling bonds convertible to a

concerns about turnaround prospects. Despite sluggish sales and a glut of unsold homes, the beleaguered housing industry man-

majority stake to private equity

wireless subscribers and

buyers. Meanwhile, Sprint Nextel

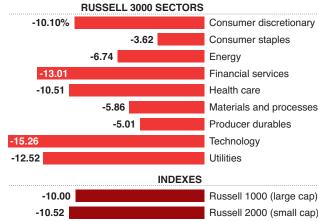
Corp. lost almost half its value on growing worries about defecting

aged to produce a few top per-SOURCE: Russell Investments

52-WEEK

All failures great and small





formers, including Pulte Homes Inc. and Orleans Homebuilders Inc. "We don't love them as businesses," says Morningstar equity analyst John Coumarianos, But he says their cheap share prices prompted the firm to recommend the stocks early this year.

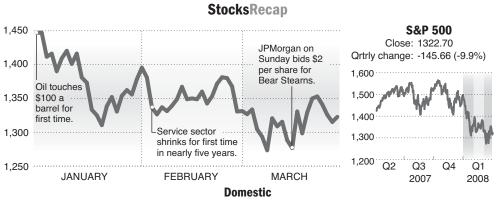
By sector, coal and energy producers and service providers benefited from high commodity prices. Consumer staples stocks also held up, as people need food

and medicine even as they cut back on discretionary items like restaurant meals and flat-screen televisions. Technology was the poorest

performing sector, faring even worse than financial services. Coumarianos says investors usually have higher growth expectations for technology than other sectors so the stocks fall further when economic worries take

Shaila Dani, Elizabeth Flach · AF

CHG —PERCENT CHANGE—



Domostic											
52-WEEK HIGH LOW		INDEX	CLOSE	JAN	FEB	MAR	CHG QTR	—PE QTR	RCENT YTD	CHANGE— 1YR	
5487.05	4032.88	Dow Transportation	4783.88		▼		213.33	4.67	4.67	 -0.7	
14198.10	11634.82	Dow Industrials	12262.89	_	•	_	-1001.93	-7.55	-7.55	■ -1.0	
926.67	731.29	S&P 400	779.51	_	•	_	-78.69	-9.17	-9.17	-8.6	
10387.17	8343.62	NYSE Comp.	8797.29	_	•	_	-943.03	-9.68	-9.68	-5.5	
1576.09	1256.98	S&P 500	1322.70	_	•	_	-145.66	-9.92	-9.92	-7.2	
555.71	460.68	Dow Utilities	479.00	•	•	A	-53.53 -	10.05	-10.05	-6.1	
15938.99	12653.07	Wilshire 5000	13332.01	•	•	_	-1488.84-	10.05	-10.05	-7.7	
856.48	643.28	Russell 2000	687.97	•	•	A	-78.06	10.19	-10.19	-14.4	
2861.51	2155.42	NASDAQ	2279.10	_	•	A	-373.18-	14.07	-14.07	-5.9	
										· · · · · · · · · · · · · · · · · · ·	

HIGH	LOW	REGION	INDEX	CLOSE	JAN	FEB	MA	R QTR	QTR	YTD	1YR
2388.74	1913.54	World	MS EAFE	2045.44	\blacksquare		\blacksquare	-208.61	-9.3	-9.3	- 4.8
1576.09	1256.98	U.S.	S&P 500	1322.70	•	•	•	-145.66	-9.9	-9.9	■ -7.2
6754.10	5338.70	U.K.	FTSE-100	5702.10	•		•	-754.80	-11.7	-11.7	- 9.7
6168.15	4416.71	France	CAC-40	4707.07	•	•	▼	-907.01	-16.2	-16.2	-16.6
31958.41	19386.72	Hong Kong	Hang Seng	22849.20	•		•	-4963.45	-17.9	-17.9	15.3
18297.00	11691.00	Japan	Nikkei	12525.54	•		▼	-2782.24	-18.2	-18.2	-26.4
8151.57	6167.82	Germany	DAX	6534.97	•	•	•	-1532.35	-19.0	-19.0	■ -5.8

IndustryRankings

	ANK QTR./P	vs. INDUSTRY		ENT CHAI	NGE 1YR
			6.8		
1 2	18 22	Industrial Transportation Personal Goods	6.8 -1.1	6.8 -1.1	■ 7.4 1-2.6
3	20	Industrial Metals	-1.1 -1.3	-1.1	1-2.0 ■ 12.2
4	35	Real Estate	-1.5 -1.5	-1.3 -1.5	-24.7
4 5	30	General Industrials	-1.5 -2.7	-1.5 -2.7	2.9
5 6	8	Chemicals	-2.7 -2.9	-2.7 -2.9	12.9 ■17.5
7	28	General Retailers	-2.9 -3.9	-2.9 -3.9	-15.8
8	26 12	Household Goods	-3.9 -4.1	-3.9 -4.1	-15.6 -1.7
9	2	Tobacco	-4.1 -4.3	-4.1 -4.3	I 4.5
10	16	Food Producers	-4.3 -4.4	-4.3 -4.4	4.5 -2.4
11	6		-4.4 -4.5	-4.4 -4.5	1 -2.4 ■ 14.6
12	1	Beverages Mining	-4.5 -6.2	-4.5 -6.2	41.0
13	15	Food & Drug Retailers	-6.2 -6.2	-6.2 -6.2	-11.9
14	13	Oil Equipment & Services	-6.2 -6.4	-6.2 -6.4	22.7
15	5	Oil & Gas Producers	-6.6	-6.6	18.5
16	14	Industrial Engineering	-0.0 -7.4	-0.0 -7.4	■ 10.5 ■ 13.0
17	24	Support Services	-7.4	-7. 4 -7.6	■ 13.0
18	23	Life Insurance	-8.2	-8.2	■ -5.0 ■ -6.8
19	9	Gas, Water & Multiutilities	-8.6	-8.6	■-8.3
20	17	Pharmaceuticals & Biotech.	-8.9	-8.9	■ -6.9
21	32	Media	-9.1	-0. 3 -9.1	-20.3
22	21	Aerospace & Defense	-10.5	-10.5	2.5
23	31	Travel & Leisure	-10.6	-10.6	-13.4
24	36	Banks	-10.7	-10.7	-32.5
25	3	Electricity	-11.1	-11.1	-6.4
26	11	Construction & Materials	-11.8	-11.8	11.1
27	19	Fixed Line Telecomm.	-11.9	-11.9	-7.7
28	34	Autombiles & Parts	-12.3	-12.3	-20.2
29	10	Electronic & Electrical Equip.	-13.4	-13.4	-0.4
30	27	Foresty & Paper	-14.2	-14.2	-24.1
31	7	Health Care Equip. & Serv.	-15.3	-15.3	-5.6
32	4	Software & Computer Serv.	-15.4	-15.4	1-0.5
33	25	Technology Hardware & Equip.		-16.2	-3.9
34	26	Leisure Goods	-16.5	-16.5	-15.9
35	29	Nonlife Insurance	-16.8	-16.8	-23.6
36	33	General Financial	-21.6	-21.6	-30.8

TopStocksTopIndustries

-41.1

%CHG

%RET

Mobile Telecomm.

INDUSTRY, CO.	TICKER	CLOSE	%CHG QTR	%RET 1YR
		CLUSE		
Industrial Transportati			6.8	7.4
Arkansas Bst	ABFS	31.86	45.2	■ -10.9
Genesee & Wyoming	GWR	34.40	42.3	■ 33.6
Old Domin Frght	ODFL	31.83	37.7	11.3
Personal Goods			-1.1	-2.6
Perry Ellis Intl Inc	PERY	21.83	41.9	-30.7
Inter Parfums Inc	IPAR	22.08	22.9	3.2
Maidenform Brands	MFB	16.27	20.3	■ -30.7
Industrial Metals			-1.3	■ 12.2
Olympic Steel	ZEUS	45.10	42.2	50.5
Century Aluminum	CENX	66.24	22.8	42.7
Mesabi Tr	MSB	25.41	22.6	■ 10.7
Real Estate			-1.5	-24.7
Olympic Steel	ZEUS	45.10	42.2	50.5
Century Aluminum	CENX	66.24	22.8	42.7
Mesabi Tr	MSB	25.41	22.6	■ 10.7
General Industrials			-2.7	2.9
Walter Industries	WLT	62.63	74.3	153.6
CAI Intl	CAP	12.85	22.1	0.0
Rock Tenn	RKT	29.97	17.9	-8.9
Chemicals			-2.9	■ 17.5
Valhi Inc	VHI	23.39	46.7	68.8
Quaker Chemical	KWR	31.29	42.4	■ 26.3
Gushan Env Engy	GU	13.07	39.8	0.0
General Retailers			-3.9	■ -15.8
Jackson Hewitt	JTX	11.47	-63.9	-63.5
Corinthian Colleges	COCO	7.23	-53.1	-48.8
AC Moore Arts&Crft	ACMR	6.82	-50.4	-70.3
Household Goods			-4.1	-1.7
Orleans Homebuild	OHB	5.83	63.3	-37.0
MI Homes Inc	MHO	16.98	61.7	-39.6
Hovnanian Ent	HOV	10.60	47.8	-60.9
Tobacco			-4.3	4.5
Imperial Tobacco	ITY	92.07	-14.2	7.1
Vector Group Ltd	VGR	17.59	-12.3	8.2
Schweitzer Mauduit	SWM	23.14	-10.7	-6.5
Food Producers			-4.4	-2.4
AgFeed Inds	FEED	13.35	58.0	166.1
Omega Protein	OME	13.65	46.9	96.0
Cal-Maine Foods Inc	CALM	33.38	25.8	190.0
Beverages	0,12	00.00	-4.5	■ 14.6
Boston Beer Co	SAM	47.54	26.3	43.9
Embot Andina A	AKO/A	19.25	14.9	■ 14.0
Coca Cola Femsa	KOF	56.33	14.3	60.4
Mining		33.00	-6.2	41.0
Stillwater Min	SWC	15.47	60.1	■ 27.7
James River Coal Co	JRCC	17.52	56.7	136.7
No Amer Palladium	PAL	5.46	47.6	-23.8

Notes on data: All data as of end of quarter. Quintile boxes show stock performance relative to all U.S.-listed shares, from top 20 percent (far-left box) to bottom 20 percent (far-right box). Bar chart for stocks with annu al returns of more than 100 percent not shown to scale. Stocks are grouped by market capitalization into three categories: small-cap (\$100 million to \$1 billion), mid-cap (\$1 billion to \$8 billion) and large-cap (more than \$8 billion). *Five-year returns annualized.

QuarterlyLocalStocks

		52	-WK RAN	GE		CHG	%CHG		%RTN	%RTN		
COMPANY	TICKER	LO		HI	LAST	QTR	QTR	RANK	1YR	*5YRS	P/E	YLD
Aldila Inc	ALDA	9.17		12.70	11.40	-4.99	-30.4		3.2	66.4	4	5.3
Amylin	AMLN	23.75	~	53.25	29.21	-7.79	-21.1		-24.8	11.4		
Ashworth Inc	ASHW	2.47	\$	8.61	2.88	0.03	1.1		-62.6	-14.1		
Biogen Idec Inc	BIIB	43.43	-\$	84.75	61.69	4.77	8.4		35.4	11.4	37	
Callaway Golf	ELY	13.94	~	19.49	14.68	-2.75	-15.8		-0.1	7.5	19	1.9
Cohu Inc	COHU	13.27	-\$	23.70	16.25	0.95	6.2		-14.6	2.0	46	1.5
Cubic Corp	CUB	20.00	-\$	50.68	28.43	-10.77	-27.5		32.8	11.4	17	0.6
Cymer Inc	CYMI	24.33	\$	45.16	26.04	-12.89	-33.1		-39.0	0.5	10	
Cypress Biosci	СҮРВ	6.66	\$	18.20	7.16	-3.87	-35.1		-10.0	22.1	90	
Isis Phrm	ISIS	8.79	-	20.15	14.11	-1.64	-10.4		50.6	34.3		
Jack In The Box Inc	JBX	22.57	~	39.77	26.87	1.10	4.3		-23.4	23.5	14	
La Jolla Pharm	LJPC	1.45	~ —	8.68	1.97	-1.95	-49.7		-72.6	-24.2		
Maxwell Technol	MXWL	7.10	-	16.50	10.19	1.92	23.2		-28.6	8.1		
Mission West	MSW	8.32	~	14.85	9.45	-0.06	-0.6		-27.0	6.9	11	8.5
NCI Building Sys	NCS	19.99	~	52.93	24.20	-4.59	-15.9		-50.8	7.7	8	

1		52	-WK RAN	GE		CHG %CHG			%RTN %RTN			
COMPANY	TICKER	LO		HI	LAST	QTR	QTR	RANK	1YR	*5YRS	P/E	YLD
NTN Buzztime Inc	NTN	0.32	-\$	1.25	.60	-0.02	-3.2		-53.9	-20.5		
Natural Alternat	NAII	5.64		9.20	9.00	0.37	4.3		11.7	20.4		
Neurocrine Biosci	NBIX	4.11	~ —	14.38	5.40	0.86	18.9		-55.4	-33.4		
Nitches Inc	NICH	1.29	~ —	5.45	1.55	-0.12	-7.2		-71.4	-7.7		
Overland Storage	OVRL	1.02	~ —	4.20	1.13	-0.34	-23.1		-71.5	-40.2		
Qualcomm Inc	QCOM	35.17	-	47.72	41.00	1.65	4.2		-4.2	17.5	20	1.6
Questcor Pharm	QSC	0.21		6.60	4.12	-1.65	-28.6		261.1	35.3	8	
Quidel	QDEL	11.98	-	21.07	16.06	-3.41	-17.5		33.2	37.1	39	
Realty Income	0	20.27		30.70	25.62	-1.40	-5.2		-1.8	13.9	22	6.4
ResMed Inc	RMD	38.34	~	54.58	42.18	-10.35	-19.7		-16.3	21.3	53	
Royale Energy	ROYL	2.18	-\$	4.49	2.91	0.58	24.9		-26.5	-1.8		
Sempra Energy	SRE	48.58	→ —	66.38	53.28	-8.60	-13.9		-12.4	19.4	13	2.4
ViaSat Inc	VSAT	19.20	~	36.49	21.72	-12.71	-36.9		-33.6	13.3	22	
WD-40 Co	WDFC	29.40	~	42.70	33.25	-4.72	-12.4		9.7	9.1	18	3.0

Harris

Continued from Page 3 economic ebb," he said.

And they and their members might actually benefit into 2008 and beyond.

Approximately 8,000 federally insured credit unions now serve 85 million members with \$600 billion on deposit. Members can take comfort in the fact that these financial organizations typically do not invest in exotic types of investments or subprime mortgages.

According to the 55-year-old executive, San Diego County is known as one of the most com-

petitive markets in the world. "There are a large number of very sophisticated and progressive credit unions here, as well as other major financial institutions," Harris said.

Trying to stay one step ahead of this fierce competition is the constant challenge "that keeps me awake at night."

The three-year goal for USE Credit Union is to grow assets from its current \$850 million to more than \$1 billion. To achieve this benchmark, Harris said the credit union must increase its membership by offering more branches, continuing to enhance online banking services and maintaining its suite of products.

The key to all of these, he said, "is delivering service to our members at every touch point by well-trained and highly engaged employees."

Since taking the helm, he's most proud of the change in corporate culture that now focuses on "satisfied employees who deliver excellent service."

"We really have two sets of customers: our members on the external side and our employees on the internal

side," said Harris, noting that in his world USE stands for Unbeatable Service Experience.

He gives employees ownership and participation in strategic planning so they can see how they contribute and play a vital role in the credit union's ongoing success and overall member satisfaction.

While an increasing number of members is one measure of success, more important is expanding offerings to its existing customers.

"We're always looking to establish more of a relationship with each customer," said Harris.

For instance, auto loans are the "bread and butter" for USE, which arranges these loans through partnerships with about 60 San Diego deal-

The key is to get these customers to use the credit union for other services. "Many consumers don't know they can do many transactions through

one institution," he said. Smaller and more nimble than large national banks, credit unions often can better anticipate and more quickly respond to member needs. Currently, he said, there's a huge need for educational services and financial counsel-

"Many of our members are very concerned about the economy and are feeling financial stress from job insecurities, wage freezes, housing value declines and debt burdens," Harris noted.

USE offers various programs to increase its members' financial literacy, as well as credit evaluations and debt consolidation. The educational efforts seem to be paying off, as members' savings are increasing and borrowing patterns are decreasing. But there's a down side to that, said Harris.

"There's an ongoing industry debate about whether credit unions are accumulating too much capital, and if so, how much should it give back in prices," he said.

Another topic that has long been - and most likely will continue — to simmer is pending credit union legislation that would impact regulation, classification, fees and taxes.

"It seems doubtful that regulation will be enacted during the current financial conditions," Harris predicted.

Esterbrooks is a San Diegobased freelance writer. Source Code: 20080410crf

Misconceptions —

Continued from Page 1 of Policy, Planning, and Development at the University of Southern California. The nonprofit organization was established to conduct and disseminate objective, policy-relevant research and its implications to decision makers on key issues affecting Latino communities. For more information or for a copy of the study, call the TRPI at (909) 621-8897 or visit the Web site at www.trpi.org.

Campano is a director for the San Diego Complex of Merrill Lynch. The preceding article represents the views of the Rivera Policy Institute study on Hispanics and wealth, not those of Merrill Lynch nor its financial advisers. Merrill Lynch and the Tomás Rivera Policy

Institute are not affiliated. Source Code: 20080410crc

-- PCT RETURN --

50 top U.S. general stock funds

FUND	TICKER	PEF QTR		RETURANK	
Rydex: InvOTC2xH b	RYVNX	31.6	-3.8		-22.3
ProFunds: UIShNDQIv	USPIX	31.5	-4.7		-22.4
Leuthold: GrizShort	GRZZX	20.0	29.2		-9.4
ProFunds: UltBearly	URPIX	19.9	13.4		-16.9
Rydex: InvSP500H b	RYTPX	19.9	13.8		-16.8
ProFunds: UShtSmCpl	UCPIX RYAIX	16.7	22.1 1.9		NA -9.4
Rydex: InOTCSInv ProFunds: ShtNASInv	SOPIX	16.2 16.1	2.0		-9.4
ProFunds: BearInv	BRPIX	10.5	10.3		-7.3
Rydex: SP500SInv	RYURX	10.3	10.3		-7.0
Rydex: InvRuStrH b	RYSHX	10.3	16.1		NA
ProFunds: ShSmCpInv	SHPIX	9.8	16.0		-12.3
Comstock: CapValA m	DRCVX	7.4	7.0		-11.7
Wilmington: MMRIEsIns	WMRIX	6.5	11.8		NA
Prudent: PrudentBr b	BEARX	5.4	16.5		0.8
Hussman: StrTotRet x	HSTRX	4.8	17.1		9.2
JPMorgan: HighStatS	HSKSX	4.1	1.2		NA
Old Westbury: RealRet	OWRRX		26.1		NA
Direxion: HYBearl b	PHBRX	3.8	4.1		NA
Permanent: Portfolio	PRPFX	3.8	13.8		14.2
PIMCO: AllAuthIn	PAUIX	3.5	11.0		NA
Federated: MrkOppA m	FMAAX	2.9	2.3		7.0
DWS-Scudder: Trgt2014 m	KRFEX	2.6	9.1		6.6
Comstock: StrategyO m	CPSFX	2.3	-5.7		-10.9
Fidelity: StratRRet	FSRRX	2.3	3.4		NA
Access: BearHYInv	AFBIX	2.2	3.4		NA
Managers: AMGFQGIAA m	MGAAX	2.2	3.8		NA
Pioneer: PtrPIIIB m	PPFBX	2.2	6.1		1.6
Heartland: ValuePlus x	HRVIX	1.9	-1.4		18.4
SunAmerica-Funds: 2010HWC m		1.7	6.0		NA
DWS-Scudder: Trgt2013 m	KRFDX	1.6	7.6		6.2
Direxion: PSITtlRtn b	DXTRX	1.4	7.3		NA
DWS-Scudder: Trgt2011 m	KRFBX	1.3	7.2		5.5
DWS-Scudder: Trgt2010 m	KRFAX	1.2 1.2	6.4 -2.9		5.0 NA
JPMorgan: MrktNeuSel Oakmark: EgIncl	OGNIX OAKBX	1.0	9.5		13.6
Gabelli: Mathers b	MATRX	0.9	3.2		1.2
DWS-Scudder: Trgt2012 m	KRFCX	0.8	6.3		5.9
American Cent: OneChVCon	AONIX	0.5	5.0		NA
FPA: Capital f	FPPTX	0.4	-6.4		15.7
PIMCO: AllAssetl	PAAIX	0.3	6.5		9.1
Waddell & Reed: InvConsA m	WICAX	0.3	5.1		4.4
Royce: ValueSvc b	RYVFX	0.2	-0.5		23.0
Hussman: StratGrth	HSGFX	0.1	2.7		8.2
John Hancock: LgCpEqA m	TAGRX	0.1	26.1		19.9
Manning & Napier: ProBICnsA	EXDAX	-0.2	4.8		6.5
Arbitrage: ArbtrageR b	ARBFX	-0.3	4.5		5.1
Fifth Third: Inclnst	MXIIX	-0.3	-4.7		4.3
Direxion: EvTotRtnl b	PETRX	-0.4	-4.4		NA
Wells Fargo: Otlk2010I	WFOAX	-0.4	4.9		NA

25 top U.S. industry stock funds

PIMCO: ComRIRStI BlackRock: CommStatC m	PCRIX MCCDX	14.4 10.4	34.1 10.9	 19.2 NA
Credit Suisse: ComStrCom x	CRSOX	9.2	19.9	NA
Evergreen: PrecMetA m	EKWAX	8.6	33.6	34.4
USAA: PrcMtlMin	USAGX	8.5	34.3	36.4
Vanguard: PrecMtls	VGPMX	8.5	35.6	39.9
US Global Investors: Gld&Prec	USERX	8.4	32.7	34.4
PIMCO: RIEstStRetI	PRRSX	7.7	-9.7	NA
Van Eck: IntllnvGA m	INIVX	7.6	35.5	33.6
DWS-Scudder: GdPrMS	SCGDX	7.5	33.7	32.5
Gabelli: GoldAAA b	GOLDX	7.4	34.7	29.0
First Eagle: Gold m	SGGDX	7.2	30.8	24.4
FrankTemp-Franklin: GoldPrM A m	FKRCX	7.1	30.7	32.3
AIM: GldPrcMIn b	FGLDX	5.4	28.0	28.6
Fidelity Select: Gold	FSAGX	4.9	31.5	26.4
Fidelity: RealInv	FRESX	4.8	-20.6	17.3
JPMorgan: ReEstSel x	SUIEX	4.7	-14.8	NA
American Cent: GlGold	BGEIX	4.3	23.3	25.1
Seligman: MDvRlEstA m	SREAX	3.7	-24.6	NA
Rydex: PrecMet	RYPMX	3.4	24.3	21.2
Cohen & Steers: RealtyIns x	CSRIX	3.2	-18.1	20.3
Morgan Stanley Instl: USReall	MSUSX	3.2	-17.7	21.3
Pacific: VKRelEstA x	PFARX	3.2	-18.0	NA
REMS: RIEstVIOp	HLRRX	3.2	-10.2	12.5
Van Kampen: RealEstA m	ACREX	3.2	-18.2	20.4

25 top international stock funds

UBS: DynAlphaA m	BNAAX	1.4	-2.0	NA
Third Avenue: IntlVal	TAVIX	0.6	2.4	23.3
MFS: GITotRtA m	MFWTX	-0.6	5.8	13.6
T Rowe Price: AfrcMdEst	TRAMX	-0.6	0.0	NA
First Eagle: GlbA m	SGENX	-1.6	5.6	20.0
Waddell & Reed Adv: AssetStrA	mUNASX	-1.6	36.7	21.7
DFA: JapnSmCol	DFJSX	-1.7	-14.6	15.5
BlackRock: GlobAlcA m	MDLOX	-1.8	12.4	18.4
First Eagle: OverseasA m	SGOVX	-1.9	2.1	21.7
Quant: ForValOrd m	QFVOX	-2.0	-8.7	24.4
ING: EmgCntrA m	NECAX	-2.4	10.7	26.9
Ivy: AssetStrA m	WASAX	-2.5	33.2	20.7
DFA: ContSmCol	DFCSX	-2.7	-3.9	32.6
Matthews Asian: PacEqInc	MAPIX	-3.1	11.7	NA
Fidelity: GlobBal	FGBLX	-3.6	6.4	15.7
Fidelity Advisor: LatnAmerA m	n FLTAX	-3.6	33.0	48.0
BlackRock: LatinAmA m	MDLTX	-3.7	31.2	50.6
DFA: IntSmCapI	DISVX	-3.7	-9.1	28.7
SPARX Funds: JapanInst	SPARX	-3.7	-15.4	NA
Fidelity: LatinAm	FLATX	-4.1	34.0	49.0
Mercury: IntlValR	NGRRX	-4.1	4.4	23.0
VALIC: GlobStrat	VGLSX	-4.1	3.4	NA
Direxion: LtAmB2XIn b	DXZLX	-4.2	66.2	NA
Matthews Asian: GrInc	MACSX	-4.2	13.6	23.2
Matthews Asian: Japan	MJFOX	-4.2	-15.5	14.0
		_		

25 top bond funds						
Delaware Invest: PoolIntlF	DPIFX	11.2	21.2		9.1	
PIMCO: ForBondI	PFUIX	10.8	21.0		NA	
Morgan Stanley Instl: IntlFxI	MPIFX	10.5	20.2		8.3	
Evergreen: IntlBdIs	ESICX	10.1	19.6		8.9	
Delaware Invest: PoolGloFx	DPGIX	9.9	19.8		9.2	
Federated: IntlBondA m	FTIIX	9.9	19.8		7.8	
UBS PACE: GIFxIP	PCGLX	9.9	20.1		8.0	
American Cent: IntlBd	BEGBX	9.3	18.9		9.2	
GMO: IntlBdIII	GMIBX	9.2	12.1		9.1	
Northern: GlbFxInc	NOIFX	9.1	18.2		6.9	
PIMCO: Globalls	PIGLX	9.1	17.9		8.2	
Munder Funds: IntlBdY	MIBYX	8.9	17.8		7.4	
BlackRock: IntlBdls	CINSX	8.8	18.2		7.6	
T Rowe Price: InstIntBd	RPIIX	8.8	0.0		NA	
T Rowe Price: IntlBnd	RPIBX	8.7	18.1		8.6	
FFTW: Intl x	FFIFX	8.4	18.4		8.4	
GMO: GloBdIII	GMGBX	7.3	9.3		8.4	
Oppenheimer: IntlBondA m	OIBAX	7.1	18.6		14.0	
Merk: HrdCurInv b	MERKX	7.0	21.0		NA	
BlackRock: WrldIncA m	MDWIX	6.8	13.5		12.0	
FrankTemp-Templeton: GlBond A r Prudent: GlbInc x		6.8	16.2		11.6	
American Cent: TarMat15	PSAFX BTFTX	6.8 6.5	16.9 15.5		8.6 6.8	
		6.5	16.1		4.8	
Legg Mason Partners: InfMgA x Pacific: InflMgdA x	PPAIX	6.4	14.8		6.1	
i acinc. Illillivigum x	LAIV	0.4	14.0		0.1	

Money&Markets



Stock funds take a bath

he first quarter offered few places to hide for mutual-fund investors. From large companies to small, from Asian to Latin American, mutual funds focused on stocks around the world suffered declines. "We haven't seen a fall like that for quite some time, this deep and this broad that the whole market got wiped out," savs Tom Roseen, senior re-

search analyst at Lipper. At the heart of the poor results the United States may be tipping into recession, unless it is already in one, as many economists believe. Housing prices are falling, the credit markets are in turmoil and Americans are finding it tougher to land jobs. Analysts ex-

SOURCE: Thomson Financial

pect consumer spending to slow in the face of the struggles, which could further pressure stocks.

International stock funds, meanwhile, struggled too. Economic growth predictions are being cut, as the global economy has become closely knit. Even China funds, among the biggest stars in recent years, plunged. High inflation and softening global demand for Chinese exports pulled the Shanghai composite index down more than 30 percent through the quarter.

Among the few fund winners for the quarter were, naturally, bear-market funds. These funds, losers during the big bull run of the past few years, are designed to do well when stock prices fall. Precious-metals funds also gained, buoyed by surging prices for gold. Investors often turn to gold as a safe haven during volatile times, believing it offers a hedge against inflation and a weakening dollar. Gold prices slumped sharply in late March but have recovered somewhat since.

Some bond funds also held up well, as investors flocked to safer assets. Both U.S. and foreigngovernment bond funds gained in the quarter. Many foreign government bonds sport higher yields than Treasurys, and the weakening dollar is enhancing the value of income paid in foreign currencies to U.S. investors.

Stan Choe, Ji Qi •AP

M ichael Cuggino's broadly diversified portfolio succeeded in the first quarter, when most stock-only funds lost money. The fund owns stocks,



Stocks tumbled in the first quarter. How did you respond? We were taking advan-

tage of those Cuggino declines to buy stocks we like for the long

And you were selling safer assets, like bonds?

It's a decision on valuation. With any balanced fund you are constantly reassessing your asset ı. We we vantage of buying some beaten-down asset classes with our cash and our short-term Treasurys, which had become over-

You're buying stocks and trimming safer holdings at a time when many believe we're headed into a recession. That

What about gold? The fact that it's come down in price (from recent highs) makes it more attractive to us. It's likely that we would be continuing to add to that. We believe inflation is going to be an issue.

What drives your decisions? This portfolio was designed as a preservation and protection vehicle as well as to provide an opportunity for growth.

And how do you do that? By investing in six asset classes: gold, silver, Swiss franc-denominated fixed income investments, U.S. and foreign real estate and natural resources company stocks, U.S. growth stocks, and U.S. Treasury and high-grade U.S. corporate

FundFocus	PERMANENT PORTFO	LIC	(PRPI	= X)	
ggino's broadly	doesn't worry you?		VALUE	BLEND	GROWTH
portfolio suc- st quarter, when funds lost	No, because we're long-term investors.	LARGE CAP			
l owns stocks, commodities.	What kinds of stocks do you have in your portfolio?	LA		0	
bonds and foreign bonds.	An example of a growth name is Genentech (DNA). Morgan Stanley (MS) may be the other	MID CAP			
Stocks tum- bled in the first quarter. How did you	side of the coin. Probably once a growth stock. It's basically been halved.	SMALL CAP			
respond?	What about gold?		Mo	rningstar Own	ership Zone™

Fund target represents weighted average of stock holdings Represents 75% of fund's stock holdings

Iorningstar Cagetory	Conservative Allocation				
Morningstar Rating Assets	\$2,191 million				
Expense Ratio	1.11%				
Minimum Init. Invest.	1,000				
ercent Return 3 MOS	+3.8				
1 YR	+13.8				
3 YRS (annualized)	+13.1				
	440				

TOP 5 HOLDINGS	PC1
Gold Canadian Maple Leaf	8.42
Gold/US Golden Eagles	8.42
Silver Comex	4.6
US Treasury Bond 6.25%	3.6
GOLD COMEX	3.42

PERCENT RETURN

20 top funds by assets

FUND, ASSETS (in billions)		TICKER	CAT	QTR	1YR	RANK	3YRS*	5YRS*
American Funds Growth Fd of America	\$84	AGTHX	LG	-7.9	0.8		9.7	14.6
American Funds CapWorld Growth/Inc	77	CWGIX	WS	-7.7	5.9		15.0	21.8
American Funds Capital Income Bldr	77	CAIBX	IH	-6.9	0.4		10.3	14.0
PIMCO Total Return Instl	75	PTTRX	CI	3.3	10.8		6.5	5.6
Fidelity Contrafund	72	FCNTX	LG	-11.2	4.9		11.2	15.7
American Funds Investment Co. Amer	66	AIVSX	LV	-9.0	-4.6		6.4	11.6
American Funds Income Fd of America	61	AMECX	MA	-6.7	-5.2		6.9	11.5
American Funds Washington Mutual	59	AWSHX	LV	-8.0	-5.2		5.9	11.2
American Funds EuropePacific Growth	58	AEPGX	FB	-7.9	6.4		17.4	23.3
Vanguard 500 Index	57	VFINX	LB	-9.5	-5.2		5.7	11.2
Dodge & Cox Stock	56	DODGX	LV	-11.9	-13.3		4.5	13.7
Fidelity Diversified Intl	50	FDIVX	FG	-9.6	1.7		14.6	22.2
Dodge & Cox International Stock	49	DODFX	FV	-10.8	-5.1		13.5	27.3
Vanguard Total Stock Index	48	VTSMX	LB	-9.5	-5.8		6.2	12.3
American Funds New Perspective	45	ANWPX	WS	-7.3	5.7		13.6	19.5
Vanguard Instutional Index	42	VINIX	LB	-9.4	-5.1		5.8	11.3
Fidelity Magellan	39	FMAGX	LG	-12.4	2.1		6.9	10.4
American Funds Fundamental Investor	36	ANCFX	LB	-7.8	2.2		11.9	17.4
American Funds Balanced	36	ABALX	MA	-5.9	-0.4		5.4	9.7
Vanguard 500 Index Admiral	33	VFIAX	LB	-9.5	-5.1		5.8	11.3

Notes on data: All prices as of end of quarter. Quintile boxes show fund performance vs. other funds in its category, from top 20 percent (far-left box) to bottom 20 percent (far-right box). *Three-year and five-year returns annualized.

U.S. general stock funds

CATEGORY, TOP FUNDS	TICKER	QTR	1YR 5	YRS*
Bear Market - 90 funds	BM	10.8	4.5	-11.2
Rydex InvOTC2xH b	RYVNX	31.6	-3.8	-22.3
ProFunds UIShNDQIv	USPIX	31.5	-4.7	-22.4
Long-Short - 134	LO	-3.0	-0.8	6.5
JPMorgan HighStatS	HSKSX	4.1	1.2	NA
Managers AMGFQGIAA m	MGAAX	2.2	3.8	NA
Conservative Allocation - 494	CA	-3.2	-0.2	6.2
Wilmington MMRIEsIns	WMRIX	6.5	11.8	NA
Hussman StrTotRet x	HSTRX	4.8	17.1	9.2
Target-Date 2000-2014 - 237	TA	-3.7	-0.2	7.0
DWS-Scudder Trgt2014 m	KRFEX	2.6	9.1	6.6
SunAmerica-Funds 2010HWC m		1.7	6.0	NA
Moderate Allocation - 886	MA	-6.3	-2.1	9.2
Old Westbury RealRet	OWRRX	3.9	26.1	NA
PIMCO AllAuthIn	PAUIX	3.5	11.0	NA
Convertibles - 66	CV	-6.6	-0.8	9.6
Victory IGConvtA f	SBFCX	-4.1	0.3	7.4
Vanguard Convrt	VCVSX TB	-4.8 -6.7	2.4	11.8 9.5
Target-Date 2015-2029 - 273 American Cent LS2015Inv	ARFIX	-3.2	-2.8 3.1	NA
SunAmerica-Funds 2015HWA m		-3.2 -3.5	1.2	NA NA
Small Value - 393	SV	-7.0	-14.9	14.3
Heartland ValuePlus x	HRVIX	1.9	-14.9	18.4
FPA Capital f	FPPTX	0.4	-6.4	15.7
Mid-Cap Value - 358	MV	-8.6	-11.7	14.6
Direxion EvTotRtnl b	PETRX	-0.4	-4.4	NA
Artisan MdCpValln	ARTQX	-3.0	-6.0	18.0
Target-Date 2030 - 413	TC	-8.9	-4.5	11.5
Barclays Global Inv Life2030I x	STLDX	-6.0	-5.1	11.0
State Farm LP2030ALg m	SAYAX	-6.1	-5.5	NA
Large Value - 1226	LV	-9.4	-9.2	12.0
AmericanIndependence StockIns		-2.7	5.5	16.7
Valley Forge ValForg	VAFGX	-3.2	-2.4	8.8
Mid-Cap Blend - 434	MB	-9.6	-9.1	14.2
Fidelity Select ConstHou	FSHOX	-0.5	-14.4	15.1
Gabelli ABC	GABCX	-1.0	3.8	5.8
Large Blend - 1734	LB	-9.7	-5.1	11.2
Fidelity Select ConsStpl	FDFAX	-2.5	13.1	16.9
Fairholme Funds Fairhome	FAIRX	-3.5	5.7	18.8
Small Blend - 557	SB	-9.9	-13.4	14.6
Royce ValueSvc b	RYVFX	0.2	-0.5	23.0
Thrivent SmCpValA m	AALVX	-2.5	-7.3	18.0
Large Growth - 1548	LG	-11.7	-1.3	10.3
John Hancock LgCpEqA m	TAGRX	0.1	26.1	19.9
Reynolds BlueChip b	RBCGX	-2.6	6.0	7.9
Mid-Cap Growth - 842	MG	-12.6	-3.6	13.6
Eagle Growth EagleGrow f	EGRWX	-5.9	3.3	10.7
Nicholas Nichol II I	NCTWX	-6.7	-3.0	11.8
Small Growth - 731	SG	-14.5	-10.7	13.0
Needham SmCpGr b	NESGX	-5.8	-9.5	14.5
Advisors' Inner Crcl ChSmlComp) CIPSX	-6.0	0.3	NA

U.S. industry stock funds

Precious Metals - 57 funds	SP	5.0	29.0	30.0
Evergreen PrecMetA m	EKWAX	8.6	33.6	34.4
Real Estate - 353	SR	-0.9	-18.4	17.5
PIMCO RIEstStRetI	PRRSX	7.7	-9.7	NA
Natural Resources - 171	SN	-3.4	26.3	29.4
PIMCO ComRIRStI	PCRIX	14.4	34.1	19.2
Utilities - 90	SU	-10.0	0.4	19.5
Advisors' Inner Crcl RvSelRsch	RSRFX	-8.2	4.4	NA
Health - 159	SH	-10.7	-4.0	9.7
Fidelity Select MedEqSys	FSMEX	-3.5	8.5	14.0
Financial - 119	SF	-12.2	-21.6	8.5
FBR SmCapFin b	FBRSX	-2.9	-19.3	6.2
Technology - 237	ST	-16.0	-3.9	12.4
Ivy ScTechA m	WSTAX	-8.5	8.3	17.1
Communication - 42	SC	-19.0	-12.2	15.7
Fidelity Select Multimed	FBMPX	-9.6	-17.6	9.6

International stock funds

Latin American Stock - 22 funds IS -4.4 33.9 47.5

Latin American Stock - 22 funds	LS	-4.4	33.9	47.5
Fidelity Advisor LatnAmerA m	FLTAX	-3.6	33.0	48.0
World Allocation - 114	IH	-5.1	4.3	15.2
UBS DynAlphaA m	BNAAX	1.4	-2.0	NA
Foreign Small/Mid Val - 72	FA	-7.2	-8.2	23.6
Third Avenue IntlVal	TAVIX	0.6	2.4	23.3
Foreign Large Value - 246	FV	-9.1	-4.4	20.8
Quant ForValOrd m	QFVOX	-2.0	-8.7	24.4
Japan Stock - 55	JS	-9.1	-18.2	12.7
DFA JapnSmCol	DFJSX	-1.7	-14.6	15.5
Foreign Large Blend - 677	FB	-9.3	-1.2	20.2
Activa IntrnatlA b	AINFX	-4.3	4.2	18.4
Europe Stock - 90	ES	-9.4	-1.2	24.2
DFA ContSmCol	DFCSX	-2.7	-3.9	32.6
Foreign Small/Mid Gr - 102	FR	-9.5	-3.2	26.9
BlackRock IntlOppA f	BREAX	-5.2	5.5	30.0
Foreign Large Growth - 196	FG	-9.6	1.9	20.4
Harding Loevner IntlEq	HLMIX	-4.8	4.7	20.0
World Stock - 490	WS	-9.8	-2.3	17.2
Forum PolGlbVal	PGVFX	-4.4	-12.0	19.6
Divers. Pacific Asia - 26	DP	-10.9	1.1	23.1
Matthews Asian PacEqInc	MAPIX	-3.1	11.7	NA
Divers. Emerging Mkt - 249	EM	-11.3	18.2	33.8
T Rowe Price AfrcMdEst	TRAMX	-0.6	NA	NA
Pacific Asia ex-Japan - 113	PJ	-19.9	16.8	29.8
Matthews Asian GrInc	MACSX	-4.2	13.6	23.2

Bond funds

l					
l	World Bond - 198 funds	IB	5.0	11.1	6.5
l	Delaware Invest PoolIntlF	DPIFX	11.2	21.2	9.1
l	Inflation Protected - 141	IP	4.8	12.5	5.8
l	Legg Mason Partners InfMgA x	SBGLX	6.5	16.1	4.8
l	Long Government - 28	GL	4.4	13.8	6.0
l	American Cent TarMat15	BTFTX	6.5	15.5	6.8
l	Short Government - 121	GS	2.2	6.9	3.0
l	Federated US2-5ls	FIGTX	4.1	11.9	4.0
l	Interm. Government - 325	GI	2.1	7.0	3.5
l	Fidelity Spartan FdSpIntlv	FIBIX	6.1	14.9	NΑ
l	Muni National Short - 112	MS	8.0	3.4	2.2
l	Fidelity ShIntMu	FSTFX	1.8	5.4	2.8
l	Interm-Term Bond - 939	CI	0.4	3.6	3.7
l	Target TotRtBd	TATBX	4.4	11.7	5.8
l	Long-Term Bond - 41	CL	0.3	2.5	5.2
l	Direxion EvoMgdBdl b	PEMVX	2.1	2.7	NΑ
l	Short-Term Bond - 374	CS	0.1	3.1	2.7
l	Federated IntGvCpSS b	FGCSX	3.3	9.7	NΑ
l	Emerging Mkt. Bond - 63	EB	0.0	3.2	12.0
l	PIMCO DevLocMktI	PLMIX	3.4	15.1	NΑ
l	Muni National Interm 220	MI	-0.1	2.0	2.9
l	Baird IntMunIns	BMBIX	1.7	5.8	3.6
l	Multisector Bond - 155	MU	-0.7	1.9	7.2
l	BlackRock WrldIncA m	MDWIX	6.8	13.5	12.0
l	Muni National Long - 214	ML	-1.5	-0.9	3.1
l	Waddell & Reed Adv MuniBondA m		0.4	2.9	3.3
l	Ultrashort Bond - 114	UB	-1.8	-0.8	2.1
l	Pacific Capital USGovtShY x	PSGYX	2.6	7.8	3.5
l	High Yield Muni - 106	HM	-3.0	-7.2	4.0
l	John Hancock HiYldMunA m	JHTFX	-0.9	-2.5	5.0
l	High Yield Bond - 429	HY	-3.5	-4.6	7.4
ĺ	Morgan Stanley HiYldSecA m	HYLAX	0.5	2.0	9.0
ĺ	Bank Loan - 84	BL	-5.6	-6.6	3.9
ĺ	Fidelity FltRtHiIn	FFRHX	-2.8	-1.9	3.9

Pinnell

Continued from Page 2 ture south and set the stage to bring "the value of experience" to other cities throughout Southern California.

"It is an expansion idea that we had considered for a while," he added. "Once we did some demographic review, we realized that San Diego and Orange County have many attributes in common. ... The population of the two counties is fairly similar, the growth rate of the economies is practically the same, and there is a fair amount of industry overlap" in real estate, biotechnology and technology.

What Haskell & White hopes is that the similarities help double revenues (though Pinnell declined to release any figures) by 2009, as well as increase opportunities for staff

seems to defy the current economic climate, in which other industries have struggled to survive by tweaking budgets, slashing work forces, outsourcing and abandoning plans for expansion.

"The economy overall is one to look at with an eye of caution, given the mortgage crisis, fuel prices and other uncertainties," Pinnell said.

Even so, he remains opti-

"The accounting industry is somewhat recession-proof in that our services are needed by companies in good and bad times due to regulations and covenants with lending institutions," he said. "For example, our client load may shift as some sectors of our industry focus will be slower — such as the homebuilders — and will associates. This type of growth not have the need, or perhaps

the available cash flow, for services of a planning or oncompliance nature."

In other words, Haskell & White has options. It draws sufficient return from various sources, including nonprofits such as arts and private-school entities, software developers, semiconductor producers, and manufacturing and distribution companies.

And after conducting countless audits, Pinnell - who graduated with a bachelor of science and arts in administrafrom Seton Hall University — has a few words of advice for both for-profit and nonprofit industries that want to be efficient and cost-effective:

"A key is to look at the core strengths of the people in the organization and identify the gaps," he said. "When the gaps

are identified, consideration should be given to hiring to fill those gaps or outsource to professionals who have the prerequisite experience. Tasks that are 'routine' should be delegated to the right level in the organization — if not outsourced entirely.

"When outsourcing, though, companies do need to periodically review the services they are receiving versus the dollars being paid to make sure the value proposition stays intact."

The idea of value plays an important role in Haskell & White's expansion, and not just in a profit-minded sense. Ever since co-founder Steve Haskell lost his battle to lung cancer in September 2005, the firm has made charitable contributions the American Lung Association and embraced the goal to giving more back to

society. The Orange County arts community has recognized the firm six times for its volunteer efforts and monetary contributions to several community theater programs.

"We like (our co-workers) to be involved," Pinnell said. "We're not about joining boards just to be on boards. ... We have a 'Casual for a Cause' program we run on Fridays where our people dress down ... even further to jeans and shorts ... in exchange for making donations to the charity we sponsor that month."

For San Diego, with a little bit of time, Haskell & White could end up bringing more to the city than accounting and consulting experience.

Iatarola is a San Diego-based freelance writer

Source Code: 20080410cre

Credit unions —

Continued from Page 2 has outgrown its current headquarters, will sell the facility and move into California Coast Credit Union's more spacious building in Kearny Mesa.

Shepard emphasized that though California Coast nor First Future have been involved in the subprime market, both credit unions are operating in a challenging environment for financial institutions.

"The good news," she said, "is that both institutions have remained fiscally responsible and will be even stronger as a combined credit union."

Ellman is founder and principal of the Beck Ellman

Heald Agency. Source Code: 20080410crg

Accounting Firms

Listed by Number of Local Professionals

	Company Name Address Phone, Fax E-mail URL	# of Local Professionals # of Companywide Professionals	# of Local CPAs # of Companywide CPAs	# of Local Partners # of Companywide Partners	Services Offered	Headquarters	Executive(s) & Title(s)	Year Established in San Diego	Year Established
1	Deloitte & Touche LLP 701 B St., Suite 1900 San Diego CA 92101 (619) 232-6500, (619) 237-1755 www.deloitte.com	201 35,000	wnd 8,000	2,750	Audit and enterprise risk services, tax services, financial advisory services, consulting	New York, NY	Theresa J. Drew, Managing Partner	1957	1895
2	Ernst & Young LLP 4370 La Jolla Village Drive, Suite 500 San Diego CA 92122 (858) 535-7200, (858) 535-7777 www.ey.com	193 n/a	193 n/a	19 n/a	Audit, tax, transaction advisory services, business risk services, technology and security risk service, transaction support	New York, NY	John Belli, Managing Partner	1958	1903
3	KPMG LLP 750 B St., Suite 1500 San Diego CA 92101 (619) 233-8000, (619) 696-0121 www.us.kpmg.com	175 ————————————————————————————————————	50 	16 	Audit, tax, advisory	New York, NY	David Down, Office Managing Partner	1961	1870
4	CBIZ and Mayer Hoffman McCann PC 10616 Scripps Summit Court, Suite 100 San Diego CA 92131 (858) 795-2000, (858) 795-2001 info@cbiz.com	121	40 631	18	Audit, tax, advisory services	Cleveland, Ohio	Paul Nation, President; Dave Shantz, Director of Tax Services; Steve Hermes, Director of Audit Services; Gregg Landers, Director of Consulting Services; Dana	2005	1955
5	www.cbiz.com / www.mhm-pc.com RSM McGladrey Inc. / McGladrey & Pullen LLP 1455 Frazee Road, Suite 600 San Diego CA 92108 (619) 281-7764, (619) 280-6902	89	44	7	Tax services, business consulting, wealth management, retirement plan services, financial process outsourcing, investment banking, audit and assurance (through	Bloomington, MN	Basney, Director of Litigation Support Matthew Bradvica, Managing Director	1977	1926
6	terri.huffman@rsmi.com www.rsmmcgladrey.com / www.mcgladrey.com Lavine, Lofgren, Morris & Engelberg LLP 4180 La Jolla Village Drive, Suite 300 La Jolla CA 92037 (858) 455-1200, (858) 455-0898	59	n/a 29	n/a 6	McGlandry & Pullen), international business services Audit, reviews and compilations, 401(k) audits, tax planning and return preparation, tax accrual/FIN 48 reviews, corporations, LLC/partnerships, estate and	La Jolla, CA	Dennis Lavine, Partner; Robert Lofgren, Partner; Vaughn Morris, Partner; Ray Gallagher, Partner; Sherif Dessouky,	1985	1985
	cpa@llme.com www.llme.com Moss Adams LLP 9665 Granite Ridge Drive, Suite 600 San Diego CA 92123	59 59	29	7	trusts, international and multi-state tax consulting		Partner; Larry Campbell, Partner Edward W. Kitrosser, Office Managing		
7	(858) 627-1401 (858) 627-1401 sandiego@mossadams.com www.mossadams.com	1,695	659	225	Tax, financial, business advisory services	Seattle, WA	Partner	1964	1913
8	Carlsbad CA 92008 (760) 431-8440, (760) 431-9052 info@gltcpas.com www.aktcpa.com	157	69	22	Audit, tax, pension, financial business, advisory services	Salem, OR	Steve Tatone, CEO; Ronald A. Mitchell, Managing Partner Theresa M. Drouillard, CPA,	1949	1949
9	701 B St., Suite 1300 San Diego CA 92101 (619) 238-1077, (619) 696-8614 swatson@lz-cpa.com www.lz-cpa.com	38	21	7	Tax planning, compliance, consulting, audit, review, SEC-related services, business advisory, consulting services	San Diego, CA	President/Shareholder; Bruce Strumlauf, MS, CPS, Director of Tax/Shareholder, Victor G. Ramsauer, CPA, VP/Shareholder; Thomas E. Rex, CPA, VP/Shareholder; Kim W. Ufford, CPA, AM, Shareholder	1964	1964
10	J.H. Cohn LLP 4180 Ruffin Road, Suite 235 San Diego CA 92123 (858) 535-2000, (858) 571-2700 jhcohn@jhcohn.com www.jhcohn.com	35 	16 ————————————————————————————————————	140	Public company consulting services, audit and attestation for public and private companies, tax compliance and planning, merger and acquisition, support and due diligence consulting, internal audit, cor- porate governance, SOX implementation	Roseland, NJ	Thomas J. Marino, CPA, Partner/CEO; Michael J. Stewart, CPA, Managing Partner, San Diego Office	1978	1919
11	Leaf & Cole LLP 1843 Hotel Circle S., Suite 300 San Diego CA 92108 (619) 294-7200, (619) 294-7077 leafcole@leaf-cole.com www.leaf-cole.com	28	16	5	Audit, reviews, compilations, business valuations, litigation support, tax planning and compliance, personal financial planning, management advisory services	San Diego, CA	Steven W. Northcote, Managing Partner; Michael S. Schreibman, Partner; Lawrence P. Baber, Partner; Michael J. Zizzi, Partner; Julie A. Firl, Partner; Nicolas M. Gines, Partner	1960	1960
12	BDO Seidman LLP 4250 Executive Square, Suite 600 La Jolla CA 92037 (858) 404-9200, (858) 404-9201 www.bdo.com	1,976	wnd	4 n/a	Accounting, auditing, international, federal, state and local tax planning, preparation and compliance, risk advisory and internal audit, compensation and benefits, mergers and acquistion due diligence, planning	Chicago, IL	Lee Duran, Partner, Assurance Services; Shelly McGuire, Partner, Tax Services; Mary Bielaska, Partner, BDO Consulting	2007	1910
13	PKF 2020 Camino del Rio N., Suite 500 San Diego CA 92108 (619) 238-1040, (619) 237-5177 pclark@pkfsandiego.com www.pkfsandiego.com	12,000	10 n/a	1,500	Full-service tax, audit, consulting	San Diego, CA	Curt J. Welker, Managing Director	1996	1869
14	Diehl, Evans & Co. LLP 2965 Roosevelt St. Carlsbad CA 92008 (760) 729-2343, (760) 729-2234 teresac@diehlevans.com www.diehlevans.com	19	16	5	Income tax return preparation, succession planning, audit, review and compilation, tax projection and planning, computer consulting	Irvine, CA	Harvey Schroeder, CPA, Partner; Thomas Perlowski, CPA, Partner; Kenneth Ames, CPA, Partner; William Pentz, Partner; Michael Ludin, CPA, Partner	1974	1954
15	Hutchinson & Bloodgood LLP 7676 Hazard Center Drive San Diego CA 92108 (619) 497-2415, (619) 497-2391 sthroop@hbllp.com www.hbllp.com	15	10 46	2 26	Accounting, audit, tax and business planning, cost segregation, business valuation	Glendale, CA	Stephen L. Throop, Partner in Charge; Tanya Lee Scott, Partner; Hanne R. LeLoup, Audit Manager; David M. Thompson, Tax Manager; Geri Wood, Audit Manager	1975	1922
16	Robert R. Redwitz & Co./The GDR Group/Redwitz Wealth 9404 Genesee Ave., Suite 220 La Jolla CA 92037 (858) 455-9000, (858) 455-8279 randy@redwitz.com	37	5 10	9	Tax services, accounting and auditing services, IT consulting, advisory services, financial planning	Irvine, CA	Robert (Randy) Redwitz, CPA, Sr. Managing Principal; Doug Clevenger, CPA, CFP, CCIFP, Regional Managing Principal; Ellen Dorse, Principal, The GDR Group; Eugene O'Brien, CFA, Managing Director, Redwitz Wealth Management Group; Gary	1980	1975
17	www.redwitz.com Millimaki Eggert LLP 13520 Evening Creek Drive N., Suite 500 San Diego CA 92128 (858) 748-5700, (858) 748-5777 mellp@mellp.com	10	7 7	2	Full-service accounting firm, tax consulting and related business planning, tax compliance and financial statement services	San Diego, CA	Hausdorfer, The Diamond Group Bruce A. Millimaki, Managing Partner; Michael Eggert, Partner	2005	2005
18	Stanfield, Newquist, Brennan, Greener & Alder, CPAs 810 Mission Ave., Suite 303 Oceanside CA 92054 (760) 722-7686, (760) 722-2410 tami@gsnacpas.com	7	5 5	5	Tax planning and compliance, financial statement preparation and attestation, year-round bookkeeping services	San Diego, CA	Tami Brennan, Managing Partner; Keith Greener, Partner; Mark Adler, Partner; Leslie Newquist, Partner; Daniel Stanfield, Partner	1974	1974
19	Cobb, Stees and Co. 16476 Bernardo Center Drive, Suite 100 San Diego CA 92128 (858) 487-4580, (858) 487-8033 success@cobbstees.com	6	5	2	Full accounting services, loan packaging, income tax returns for individuals, estate, trust and gift returns, partnerships and corporations, misc. information returns including 1099s, property tax, sales tax	San Diego, CA	Walter F. Cobb, CPA, Partner; Laura A. Stees, CPA, Partner	1996	1996
20	Www.cobbstees.com Kroichick & Co. CPAs 7424 Jackson Drive, Suite 1B San Diego CA 92119 (619) 469-9048, (619) 469-8920	2	2	2	and workers' compensation reports Tax, accounting and business consultation, tax return, financial statement preparation	San Diego, CA	Mike Kroichick, CPA, Partner/Tax Consultant; Betty Kroichick, Partner/Administrator	1993	1993
	kroichickCPAfirm@aol.com	2	2	2		المازم	Id not disclose. It is not the intent of this list to	andovas :t	

Data Source: The Companies. Listed by Number of Local Professionals. This is a partial list; a more complete listing can be found at sourcebook.sddt.com. N/A: Not Applicable, n/a: not available, wnd: would not disclose. It is not the intent of this list to endorse its participants, nor to imply that a company's size or numerical rank indicates its quality or service. We reserve the right to edit listings or to exclude a listing due to insufficient information. The following companies did not respond to our survey: Considine & Considine; Haskell & White LLP; RPR Partners; Squar Milner, A V Arias & Co.; LECG; Gatto, Pope, & Walwick LLP; PriceWaterhouseCoopers. Compiled by Robin Scott, robin.scott@sddt.com. Last updated 3/2008.

Bankruptcy filings up 18%

Avoiding bankruptcy in an uncertain economy

By JOSEPH SCHROEDER San Diego Metropolitan Credit Union

According to the New York *Times*, the rate of bankruptcy filings in February rose 18 percent from January and is up 28 percent from last year. There was an average of 3,960 bankruptcy filings nationwide each day in the month of February alone, according to bankruptcy data and management company Automated Access to Court Electronic

Records. California had the most significant increase in bankruptcy filings during the first two months of 2008, with a 33 percent increase over last year. Experts believe this trend could continue for the rest of 2008 as the housing market worsens. This rise in bankruptcy filings is not only due to a weakened housing market, but also as a result of rising energy prices and skypersonal debts. February was the busiest month for filings since Congress overhauled the bankruptcy law back in 2005, which made bankruptcies harder and more expensive to

Bankruptcy is a word that makes most people cringe. For others, it is relief from a situation that has brought them much dismay. But know that if you are in danger of filing for bankruptcy, there are many ways to avoid this from happening. Or, if you have already filed for bankruptcy, there are opportunities to rebuild your damaged credit.

Tips to avoid bankruptcy

Debt consolidation: If you find yourself unable to pay off all of your bills, a bank/credit union representative or reputable credit counselor can sit down with you and formulate a plan to free yourself from debt. This will make managing your bills easier and more comfortable. It is important to find the most appropriate

alternatives to paying off your debt to avoid filing for bankruptcy. Consolidation is an excellent first step in leading you to financial freedom.

Pay on time: Even if you find yourself deep in debt, there is still one way to keep on track - always pay your minimum balance on time. Late charges for tardy payments are an unnecessary and costly expense that should be avoided. However, if you know that your payment is going to be late, call your creditor immediately and pay over the phone. If you do not have the funds to complete a payment, call your creditor and ask about paying half of the amount this month and the rest next month. The most important thing is to work with your creditor. If you show that you are making an effort, they will be more willing to work with your financial situation. Having your account sent to a collections agency is a scenario that

should be avoided. Ditch unnecessary credit: In hopes of setting your credit card to a zero balance, eliminate the use of multiple, highlimit credit cards from your life. Cut up your credit cards and make purchases only with your debit card or cash. This will help reduce credit card debt and help you realize how much money you actually have in your bank account. You should only keep one card with a low balance for emergencies. If you are forced to use your credit card, it is important to make an effort to pay off the balance of the card each month.

Live within your means: Adjust your lifestyle to accommodate your own financial situation. This may involve eating out less, going to fewer movies and not driving your car as much as usual. The upside to this is that you will develop a better appreciation for cooking at home, checking

out DVDs from your local library for free and even getting to know how to use the bus and trolley.

Avoid temptation: First off, do not get a cart when shopping. If you have no room to toss an item into, you probably will not have the urge to pur-

chase it. Next, do not be fooled by eye-level items. These items are usually the most expensive. Don't be afraid to search the aisles for the product that gives you the most for the least amount of money. Lastly, resist impulse buys located next to the cashier. You've

need to set yourself back with frivolous purchases.

Rebuilding your credit after bankruptcy

The troubling ups and downs of our nation's economy can be stressful. If you

made it this far and there is no have already had to go through the harsh reality of filing for bankruptcy, don't worry; there are still options for cleaning up your credit.

Along with the pre-bankruptcy tips, a major solution

See Bankruptcy on 8

You've been training for this all your life. You've got the fire in your belly. And your business on your shoulders.





You're ready for everything. But your current business banker...he's ready for lunch.

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Why hire a financial adviser: The '80-20' rule

By MARK D. ERWIN

What do successful athletes, business executives and performing artists have in com-

They surround themselves with coaches, advisers, trainers and other professionals. Think about it, how many successful people do everything themselves? These people focus on their unique talents and delegate everything they can to others.

We all have unique talents. The most successful people have found a way to spend more of their waking hours doing what they are best at. Education, knowledge and life experience, while important to quality of life, have less of an impact on success than being able to focus on your strengths and not be distracted by everything else.

Vilfredo Pareto, an economist at Lausaane University in Switzerland, studied patterns of the distribution of wealth in many countries over time. In 1906, he discovered distribution of wealth was nearly identical regardless of the country or time — approximately 80 percent of the wealth ended up in the hands of 20 percent of the population.

Pareto's law is now known as the "80-20 Rule," or the Pareto Principle. While not a reflection of the distribution of wealth in modern America, with the freedom and opportunity we have compared to Europe in the 19th century, the Pareto Principle has been shown to apply to most aspects of everyday life as it applies to return of investment on time spent. For most people, 20 percent of their efforts generate 80 percent of their results. Approximately 20 percent of clients or customers generate 80 percent of profits.

spend your time each day, you ing a plan and being held will likely find that you spend approximately 20 percent of

your time on the activities that generate 80 percent of the results. What if you spent 30 percent instead of 20 percent of your time with your best clients or customers? Most everyday activities can be delegated to people who are better than you at those activities. You can hire experts to do almost anything today. You get the most leverage by hiring experts in areas where they are more knowledgeable than you. That is what the most successful people do.

If you needed minor surgery, would your read up and perform it yourself? If you were going backcountry skiing in an area with potential avalanche danger, would you hire a professional guide knowledgeable about snow conditions or would you read up and do it yourself? How about hang gliding or parachuting? There are plenty of good books out there, and with all the information on the Internet, why not just read up and not incur the cost of hiring a professional? These examples seem obvious. After all, they carry the consequence of a premature death if you make a bad decision yourself.

What about all the small decisions that mean the difference between getting the outcomes you want in life and just getting what you end up with? Aren't they just as important, even though it takes longer for the effect of a series of good or bad small decisions to become evident?

Who wants to be 65 having made enough money to retire and not be able to? Who wants to build a business that you consider your retirement nest egg and find that, because you didn't have an exit strategy in place, you ended up with a strategy you didn't like that didn't meet your needs? Just If you break down how you knowing what you want, hav-

See Adviser on 8



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Bankruptcy

Continued from Page 7

to rebuilding your credit is time. Although not permanent, depending on the type of chapter of bankruptcy you have filed, several years will have to pass before bankruptcy is removed from your credit report. You have to be patient and allow creditors to see that you are taking the initiative to build a better credit history for yourself. The following is important to keep in mind to rebuild your credit after filing for bankruptcy:

• Pay all bills on time

Meetings

once a year for errors

· Avoid excessive credit report inquires

· Limit the balances on open lines of credit

• Have a "mix" of credit over time (credit and retail cards, mortgage, installment loans)

· Credit longevity is very important — don't open and close accounts; keep the same ones for a period of time (but remember not to have too many open credit cards)

• Reduce unwanted credit

• Check your credit report card solicitations to reduce temptation (www.optoutprescreen.com or call 888-5-opt-

> When rebuilding credit, you must learn from the mistakes that got you into bankruptcy in the first place. The greater financial responsibility displayed now, the more beneficial the financial outlook will be for the future.

Schroeder is CEO of San Diego Metropolitan Credit Union.

Source Code: 20080410cri

cial statements were restated

effort to deter "fire sales" of stock in distressed situations. Accounting-related issues Shareholders this year may also request additional clarifi-

Continued from Page 1

to shareholders regularly in an

issues, such as restated financial statements and the adoption of international business practices.

cations for accounting-related

The number of restated financial statements filed in 2007 fell from the all-time record set in 2006, but remained at historically high levels. Shareholders of affected companies will want to

know why a company's finanand whether any internal conproblems have been repaired to reduce the chance

of future restatements. As the world become more interconnected, cross-border operations are becoming a way of life for many companies. Shareholders understand the need for international scope but are also becoming more attuned to the risks. They are asking for greater disclosure of geographic and business segments, clarification of foreign exchange translation, the financial impact of past or

potential acquisitions, etc.

In 2008, public companies ing public.

Duran is an assurance partner in the Technology Practice of accounting firm BDO Seidman LLP.

will continue to wrangle with the issue of what constitutes good corporate governance as they attempt to appease shareholder concerns. Ultimately, in the new area of increased disclosure and shareholder activism, public companies and their directors are now in a position of having to explain a great deal more to the invest-

Source Code: 20080410cra

Savers feel pinch of tight credit as banks slash rates on deposit accounts

By JANE J. KIM The Wall Street Journal

Now it's savers who are feeling the credit crunch.

Yields on savings accounts, certificates of deposit and money-market accounts are dropping en masse in the wake of the Federal Reserve's latest round of rate cuts.

That's a shift from just last fall, when banks were generally slower to follow the Fed's lead and cut rates as they continued to compete for customer deposits. That gave savers more time to enjoy yields of 4 percent to 5 percent or more. But now, facing their own higher credit costs and weakening loan demand, banks are quicker to pass along the Fed's more-aggressive rate

In recent weeks, a number of banks that had previously offered high yields on deposit accounts, including Emigrant Savings Bank's Emigrant-Direct.com, ING Groep NV's ING Direct and Washington Mutual Inc. (NYSE: WM), have slashed their rates. At the same time, average yields on CDs dropped below 3 percent in early February from close to 4 percent last fall, and are cur-

and 2.75 percent, according to Bankrate.com (Nasdaq: RATE).

For now, consumers can still find deals by foraging in some lesser-known corners. One option: limited-offer promotional-rate CDs. In recent weeks, for example, Countrywide Financial Corp.'s (NYSE: CFC) Countrywide began offering a 12-month promotional CD yielding 4.2 percent, even as it cut the yields across the rest of its CDs to 3 percent or 3.25 percent.

Savers can also find attractive yields at smaller banks. Century Bank Direct, the recently launched online banking unit of Century Bank of **Kentucky Inc.**, for example, is offering an online savings account that pays 4.01 percent. "We're new to the online banking world, and we're just basically trying to get a little attention," says Tamara Smith, the bank's marketing manager.

Credit unions and online banks also typically offer higher yields than big brick-andmortar banks. And some firms with big mortgage-lending arms, such as Countrywide and IndyMac Bancorp Inc.

rently between 1.95 percent (NYSE: IMB), that have had trouble raising money in the capital markets have been offering surprisingly high yields on some CDs through their banking units.

Cuts in yield for savers "have certainly picked up speed as the Fed accelerated their pace of rate cuts," says Greg McBride, a senior financial analyst at Bankrate.com, which lists current yields at various financial institutions. Since September, the Fed has cut its federal-funds rate six times, to 2.25 percent from 5.25 percent. Over that time, the top-yielding CDs have dropped from over 5 percent earlier this year, and 5.5 percent last summer, to a range of 3.75 percent to 4.55 percent today, according to Bankrate.com

The credit squeeze is also partly to blame for the lower rates. Now, amid rising loan losses and tighter underwriting standards, there are fewer places for banks to lend money to. And as banks court more credit-worthy customers, they are forced to charge lower rates on loans, which is squeezing their profits.

Some savers may be tempted to get a better payoff by seeking out higher-yielding cash alternatives, such as short-term bond mutual funds. But higher yields usually carry more risk. In recent months, for example, some investors holding "auction-rate securities" - investments that Wall Street pitched as cash equivalents - have gotten burned when that market froze up, leaving them stuck with uninsured holdings they thought they could easily

By contrast, when savers park their cash in bank deposit accounts, their money is typically covered by the Federal Deposit Insurance Corp. for as much as \$100,000 per depositor, per insured institution.

Source Code: 20080410crb

Adviser

Continued from Page 7 accountable exponentially increases your chances of getting what you want.

It is proven that people working with a financial professional generate higher returns over time than those doing it themselves. Combine that with working with a skilled financial professional who ensures you have great clarity regarding your financial goals and the reasons you want to achieve them, and you've got a powerful amount of leverage.

Knowing this, why would anyone want to manage their own money, or make their own decisions about buying or not

buying insurance, estate and business succession planning? Why would anyone want to make decisions about their financial hopes and dreams functioning in a part-time capacity with limited information? Why not do what the most successful people do delegate, leverage your time and focus on what you're best at and being with the people you care about?

Despite the clear evidence to the contrary, working with a financial adviser is not for everyone. Some people cannot let go and delegate things related to money. Some are incredibly competent at handling their own money. Not many, but some. For those who understand the power and leverage of hiring a trusted financial adviser and are willing to delegate, it's an easy decision. Remember the 80-20 Rule.

Erwin, ChFC, is president of Erwin Financial in Carmel Valley. He is an investment adviser representative with and offers securities and advithrough services Commonwealth Financial Network, a member firm of FINRA/SIPC and a registered investment adviser.

Source Code: 20080410crh

Planning Continued from Page 1

On the other hand, some employers are too quick to implement a basic 401(k) or SIMPLE IRA plan because it's the easiest option available. While that may be, these plan

designs may or may not be best suited for your company in light of the above factors. Defined contribution and defined benefit plans have many different designs and ultimate tax benefits. You should properly investigate your options with a financial professional who has expertise in this area.

The key is to start now. All of your financial assets -

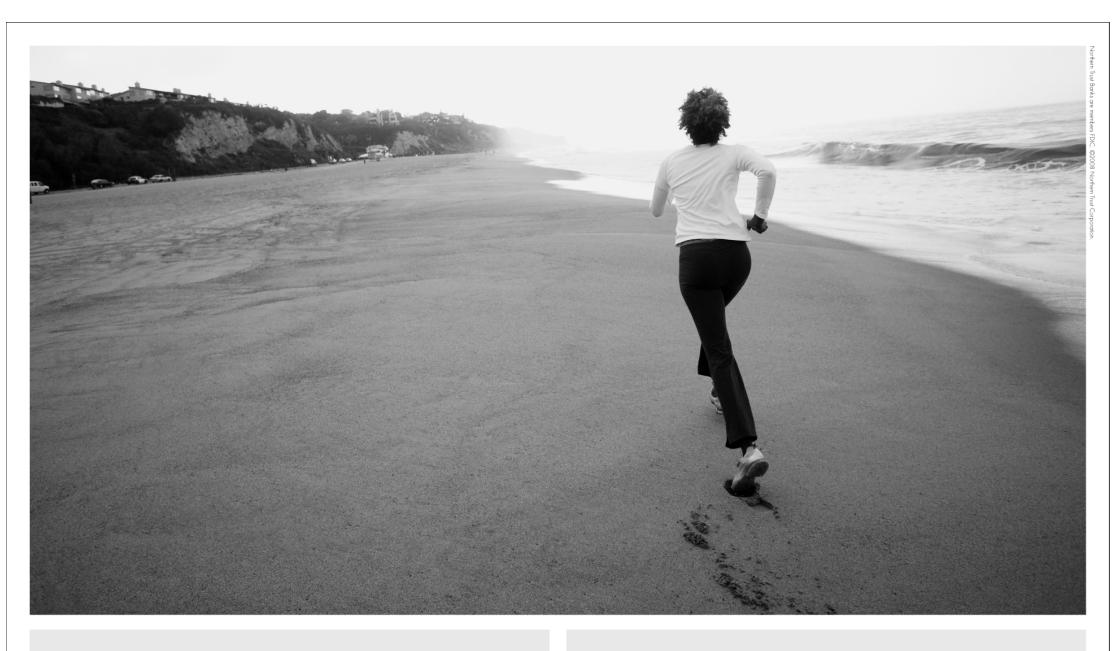
your business — should be evaluated today in order to build your blueprint for wealth and to best target your desired financial result at retirement. Erwin, ChFC, is president of

including your investments,

insurance and exit plan from

Erwin Financial in Carmel Valley. He is an investment adviser representative with and offers securities and advithrough sorv services Commonwealth Financial Network, a member firm of FINRA/SIPC and a registered investment adviser.

Source Code: 20080410crd



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