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REMINDER

If you had an American Funds Cash Management account, please destroy any unused checks, as these checks are no longer valid. The American Funds Cash Management was converted to American Funds Money Market in July 2009. Any checks that you use now should reference the American Funds Money Market.

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BATES

Briefings

Fall/Winter 2010



from George's Desk

The ELECTION is over! No more political ads for at least a few months and there is much to be thankful for!

With a desire to be politically unbiased, I think the outcome of the election should be gratifying to all Americans on an overall basis. I have heard from Democratic leaders that they now realize they have lost touch with "Main Street." The Republican leaders have discovered that their wins are not so much an endorsement of the Republican agenda, as it is a statement from "Main Street," saying they are unhappy with the direction the country has been traveling over the last two administrations.

It appears that the President and Congress will at least extend the existing tax laws for every household earning less than \$250,000 annually for two years. What happens beyond that is anybody's guess.

It is my opinion that many of the international markets are likely to outperform the U.S. in the next few years. I believe the action of the Federal Reserve Bank is a recipe for the dollar to decline against most foreign currencies. I also believe that a number of foreign countries such as India, Brazil, Indonesia, Singapore and several others will grow their economies faster than the U.S. until we solve the unemployment problem.

Turning to a more personal topic, many of you probably remember me mentioning Bob Trumpy. Bob was my mentor in this business almost 48 years ago. Many thought I was too young to be successful

in this business. Truthfully, I think Bob did as well, but he finally gave me a chance to enter the financial planning business. As they say, the rest is history, however, that would not tell the whole story.

Bob was like a second father to me in my adult years. He admonished me, challenged me, and never let me be satisfied or comfortable. There were always higher mountains to climb. The letters he sent to me were signed "Old Dad." On Saturday October 23, 2010 his children, grandchildren, Carol and I lost him.

He was truly a hero: a POW, a Purple Heart recipient, a father to three wonderful children, a grandfather to eight grandchildren as well as several step-grandchildren. Bob and the love of his life Marion, who predeceased him by a year, spent over 65 years together. He was truly a member of the "Greatest Generation," and I will miss him more than I can explain. I believe that I will see him again in heaven. I see this as his promotion and my furlough from his influence, words of encouragement and his frequent reminder, "Whether you think you can or whether you think you can't, you're probably right."

His long time associate in Springfield wrote a wonderful poem about Bob for his 80th birthday, which follows. Bob was a patriot who loved his country, but like many of his generation worried that we are spending too much, going too much in debt, and losing our moral compass.

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SAVE the DATE:
Client Appreciation Day
is April 2, 2011

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Group, Inc.

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Call us at
815-332-4020 or
1-800-223-2137

An Uncommon Man

*From the plains south of Pekin he did come,
A gangly lad, filled with mischievous fun.
He banded with brothers, Al and Frank,
To laugh and play, joke and prank.*

*The folks of Boxcarville weren't all weird and scary,
They worked the iron road, until they were buried.
Stories of Martino, Mae, Ma and the plates of Lula,
Are some true characters, and not meant to fool ya.*

*His high school days were filled with sun,
For the Chinks of Pekin, he did run.
Hurdling high, or hitting hard,
Opponents knew they'd played the bard.*

*Normal College, meant gridiron glory,
But this is only the first part of the story.
While washing dishes, at Fell Hall,
He met Miss Miller, and she was best of all.*

*As the world grew dark, he was called to swear,
The Army Air Corps cap, he would next wear.
Then came the day, the call he was dreading,
But first he and Marion, would have a wedding.*

*As their 24 soared into the blue,
Of fate, he and Homer would have no clue.
Fire, Fire, all around,
Then their first journey came to the ground.*

*Sophia's kindness mended all,
Then next the Stalag would come to call.
Life became weary, with comfort for none,
Only faith and hope, could this battle be won.*

*After liberation, and a world away,
He, Marion and Bobby, would now stay.
Back at ISU, home at Cardinal Court,
A career in teaching would be his support.*

*Benson, Tremont, a principal, Masters too,
Along came Beckie, as the family grew.
As he planned in the future, he could see,
Markets and investments was the place to be.*

*Commander of a division, he would attain,
David arrives, as he receives more acclaim.
Through financial mazes, his clients he guides,
Now George Bates is at his side.*

*In the year 85, George is dealer-broker,
Bob sits back; he knew that guy was no choker,
With Golomb, Smith and Brown,
Into the 901 Building, he settles down.*

*A sage he becomes, as years go by,
Counseling others as to why.
Beckie comes on board, to help with the load,
But he still wants to service, what was sold.*

*All through his life, he strove to do right,
When even his dreams, were still out of sight.
Now let us stand, clap together our hands,
For an uncommon man,*

THAT ROBERT TRUMPY man.

– By John Moroney

YOU CAN AVOID BECOMING A VICTIM OF FRAUD



Warning Signs of Fraud

- Sounds too good to be true
- Pressures you to act “right away”
- Guarantees success
- Promises unusually high returns
- Requires an upfront investment – even for a “free” prize
- Buyers want to overpay you for an item and have you send them the difference
- Does not have the look of a real business
- Something just does not feel right

Play It Safe

- Never click on a link inside an email to visit a website. Type the address into your browser instead.
- It is easy for a business to look legitimate online. If you have any doubts, verify the company with the Better Business Bureau.
- Only 2% of reported identity theft occurs through the mail. Report online fraud to the Federal Trade Commission at ftc.gov/complaint.
- Retain your receipts, statements, and packing slips. Review them for accuracy.
- Shred confidential documents instead of simply discarding them in the trash.

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I was having lunch with one of my friends last week and the conversation turned to the government's recent round of tax cuts.

"I'm opposed to those cuts," the friend declared, "because they benefit the rich. The rich get much more money back than ordinary taxpayers like you and I and that's not fair."

"But the rich pay more in the first place," I argued, "so it stands to reason that they'd get more money back." I could tell that my friend was unimpressed by this meager argument. Many people are a prisoner of the myth that the "rich" somehow get a free ride in America.

Nothing could be further from the truth.

Let's put tax cuts in terms everyone can understand. Suppose that everyday ten men go to a restaurant for dinner. The bill for all ten comes to \$100. If it was paid the way we pay our taxes, the first four men would pay nothing; the fifth would pay \$1; the six would pay \$3; the seventh \$7; the eighth \$12; the ninth \$18. The tenth man (the richest) would pay \$59.

The ten men ate dinner in the restaurant every day and seemed quite happy with the arrangement until the owner threw them a curve. "Since you are all such good customers," he said, "I am going to reduce the cost of your daily meal by \$20." Now dinner for the ten only costs \$80.

The first four are unaffected. They still eat for free. Can you figure out how to divvy up the \$20 savings among the remaining six so that everyone gets his fair share? The men realize that \$20 divided by 6 is \$3.33, but if they subtract that from everybody's share, then the fifth man and the sixth man would

end up being paid to eat their meal.

The restaurant owner suggested that it would be fair to reduce each man's bill by roughly the same percentage and he proceeded to work out the amounts each should pay.

So the fifth man paid nothing, the sixth pitched in \$2, the seventh paid \$5, the eighth paid \$9, the ninth paid \$12, leaving the tenth man with a bill of \$52 instead of \$59. Outside the restaurant, the men began to compare their savings.

"I only got a dollar out of the \$20," declared the sixth man pointing to the tenth, "and he got \$7!"

"Yeah, that's right," exclaimed the fifth man. "I only saved a dollar, too. It's unfair that he got seven times more than me!"

"That's true," shouted the seventh man. "Why should he get \$7 back when I got only \$2. The wealthy get all the breaks."

"Wait a minute," yelled the first four men in unison. "We didn't get anything at all. The system exploits the poor."

The nine men surrounded the tenth man and beat him up. The next night he did not show up for dinner, so the nine sat down and ate without him. But when it came time to pay the bill, they discovered something important. They were \$52 short!

That, boys and girls, is how America's tax system works. The people who pay the highest taxes get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy, and they just may not show up at the table anymore. There are lots of good restaurants in Switzerland and the Caribbean.

YOU CAN AVOID...*(continued from page 2)*

Fraud Facts

- Your bank will never e-mail or call you for your account number.
- Do not wire money to people you do not know.
- Be cautious of work-at-home job offers.
- Check out the company with the Better Business Bureau.
- There are no legitimate jobs that involve reshipping items or financial instruments from your home.
- Foreign lotteries are illegal in the U.S. You cannot win no matter what they say.
- Check your monthly bank statements for charges you do not recognize.
- Order a copy of your credit report from each of the three national credit bureaus once a year from annualcreditreport.com.

Get Involved

- It is never too early to become an informed consumer. Point out "too good to be true" offers to your kids, and teach them to be skeptical.

- Take an active interest in the financial activities of your aging parents.
- Share information about scams with friends and family. Use social networking to help keep them safe.

If you have received a suspected fraud through the U.S. Mail, or if the mail was used in the furtherance of a crime that began on the internet, telephone, or in person, report it to the U.S. Postal Inspection Service at:

U.S. Postal Inspection Service
Criminal Investigations Service Center
ATTN: Mail Fraud
222 S. Riverside Plaza, Suite 1250
Chicago, IL 60606-6100

Postalinspectors.uspis.gov
1-877-876-2455

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