

The Society's purpose is to substantially enhance the wisdom and capabilities of credentialed financial service professionals. The Society makes its members more productive and better able to serve clients by delivering advanced knowledge and networking on a peer to peer basis. We provide ethical guidance and the prestige of belonging to a respected financial society.

We are the only professional organization in the industry that requires its members to be credentialed or actively pursuing one of these widely-recognized financial service designations or degrees: CLU, ChFC, CFP™, CPA, JD (licensed attorney), RHU, REBC, CLF, CFA, CTFC, MSM, MSFS, CASL™ or CEBS®. If you have a FLMI or LUTCF you may become an Associate member.

Why Should You Belong? – www.gpsfsp.org or www.financialpro.org



President's Message

Jonathan S. Corle, CLU, CFP
Tycor Asset Management, Inc.

Since my last message to you, I had the pleasure of traveling to Phoenix, Arizona with Immediate Past President, Jeff Podraza, to accept the Chapter of the Year award. The award was presented at the Society of FSP's Annual Forum. Winning it once is a great accomplishment and to repeat it as we did for a second year is even sweeter. Your committees are hard at work to provide valuable services and benefits to you and we hope to win the award again this coming year. Please encourage your colleagues to join and to get involved in the best chapter in the country.

(photo caption: Society CEO Joe Frack, Chapter President Jon Corle, Immediate Past President Jeff Podraza and Society President Elect Tom Petsche show off the Chapter's Award)



Our littlest future member, Audrey Shea Hall, was born to our Treasurer, Trish Hall, Esquire and her husband and Society member, Ben Hall. Mother and baby are just fine. Congratulations Trish and Ben.

Our calendar is now complete and you can find it on our Web site. My thanks to Steve Target, Rich Thomas, Bill Cooper, and Paul Velho for all their hard work in putting together a great program of educational and networking meetings for the year. If you would like to be involved in any of their committees, just let them know.

Marian Coffey and her committee are hard at work on our annual Financial Professionals Dinner. The date for this sell-out event is May 12th, so mark your calendar for a night you won't want to miss. Our speaker this year is **Adam Taliaferro, Esquire**. Adam was a freshman football player at Penn State when a tragic football accident paralyzed him. Doctors gave Adam only a 3% chance of ever walking again. Today he not only walks very well, but he tells an inspiring story of determination and perseverance. In the words of coach, Joe Paterno, "He is the personification of triumph over tragedy, an inspiration to his teammates, his Penn State family and anyone who hears his story".

Some of our programs this year are specifically geared to practice development and succession planning for our members and their firms. The program at Haverford Trust that featured Norm Lubin was well attended and the content was excellent. Thanks to Board member, Frank Files of Haverford, for putting together this great program. Along these same lines, our February 18 program, "Succession and Acquisition Planning for a Financial Services Practice", will be of interest to practitioners looking to buy or sell a practice and those who advise them. For full details, check out our calendar below or on the Web site.

We are exploring study group formation as a way to increase the value of Society membership and, if you are interested in being involved in a study group, email the Chapter office. John O'Neill and his membership committee are doing a great job in reaching out to existing and new members.

I want to thank David Brain and Michael Fellmeth for their work on the student meetings at both Widner and Drexel. Ron Capone and Jeff Podraza have again represented us very professionally at the Habitat for Humanity meeting on financial topics. This is an important pro bono effort and we thank them for taking time to do this.

As you can see, we are off to a fast start and looking forward to a great year. I hope you had a wonderful holiday season and best wishes for a happy and healthy new year.

Last Chance to Renew Your Membership

Membership in SFSP and your local Chapter is due October 1 but you are kept on the rolls until January 31, 2010. After this date you will no longer be able to take advantage of membership benefits and when we post the new Membership Directory online your name will not be able to be included. Please take a few minutes and renew TODAY!

If you wish to renew online OR if you would like to pay your dues by a monthly bank draft, go to:
www.financialpro.org/Membership/memberapp2.cfm

The Bank Draft payment option allows you to break down your FSP membership dues and Foundation contribution into monthly installments. Thank you for your membership and participation.

Member News & Notes

Welcome Back to Former Members and to the New Chapter Members

September to December 2009

John Reidy - DVFG Advisors, LLC

Michael HENZES, CFP - Reinsel Kunitz Leshner

Michael Stephano, CPA - Stephano Slack LLC

Michael Briglia, FLMI

Nicolas Kemp, CLU, ChFC, CFP - Northwestern Mutual

William Reiner, MBA, CFP, ChFC - Reiner Financial Group, LLC

Stephen Olsen, JD - Gawthrop Greenwood PC

Roger Huggins, JD - Gawthrop Greenwood PC

Scott S. Small, JD – Mellon Wealth Management

Nik Tsouros, JD - MacElree Harvey

In the News:

MacElree Harvey, a law firm with offices in West Chester and Kennett Square, announced that **Wealth Manager** has recognized one of their partners, **Lou Teti** for achieving outstanding client satisfaction in the areas of will preparation and estate planning. Mr. Teti is a member of the firm's estates and trust planning department. The honor comes as a result of extensive surveying of consumers, financial services professionals and Philadelphia Magazine subscribers.



17th Annual Financial Professionals Dinner

Join us for an inspirational evening with a former Penn State football Hero – Adam Taliaferro.

Wednesday, May 12, 2010

5:30 – 9:30 PM

The Desmond Hotel, One Liberty Blvd, Malvern, PA 19355

If you are involved in the insurance, investment, accounting, legal, banking or financial field, **this event is a must.** Bring your clients, colleagues, spouse, friends and support staff to this exciting and inspirational evening.

This is also a great opportunity to showcase your company and receive high visibility in the **Sponsor Forum.** During the Cocktail Reception and the Dessert Party, attendees will have an opportunity to visit with approximately 20 Sponsor Companies.

If your company is interested in becoming a Platinum Sponsor and wants to be listed with your web site address on the event brochure mailed to 1,000 professionals, please reserve your sponsorship by January 31, 2010.

Gold and Silver Sponsors need to be confirmed by March 15. In addition to prominence at the event, Sponsors will also receive year-long visibility through the Chapter Web site, educational programs, and online membership directory. Go to www.gpsfsp.org for a Sponsor Form.

This year we are very privileged to be bringing you an inspiring person and story --

On a Saturday in September of 2000, with less than two minutes remaining in the game against rival Ohio State, Adam Taliaferro made a routine helmet to helmet tackle that would change the course of his life. The Voorhees, New Jersey native had broken his neck -- the same injury suffered by Christopher Reeve. He lay motionless on the field.

Given only a 3% chance of ever walking again, Adam had a very different idea of what was possible! Today he not only walks, but walks well and tells a story of determination and perseverance. His inspirational story and life make Adam a celebrated speaker to all who hear him.

Prior to his injury, Adam was an NFL prospect if there ever was one. A cornerback, he was ranked the seventh best high school player in the nation when he graduated as a National Honor Society member. Offered scholarships to numerous schools, Adam chose to play for Penn State and Coach Paterno.

Adam did graduate from Penn State and then went on to law school. In his remaining time at Penn State, he received the Maxwell Football Club's Spirit Award and served Coach Paterno as a student assistant coach. Though playing football is no longer in Adam's future, his inspirational tale of recovery has been followed by many, which led the authors Scott Brown and Sam Carchidi to chronicle his remarkable story in their book ***Miracle in the Making***. Adam is currently an attorney in the litigation department at the Philadelphia based law firm Montgomery, McCracken, LLP.

Make plans now to become a Sponsor and join us on May 12th!

Spreading the Word to Students

Your Chapter has developed a partnership with several local universities where the Chapter provides presenters to lead meetings on various topics for student audiences. On October 29, 2009, Chapter past President David Karr led a discussion for Faculty Instructor Ken Tacchino's business graduate class at Widener University. David spoke about executive compensation packages. He gave an overview of the types of plans and then focused on non-qualified deferred compensation – the design, funding and plan administration.

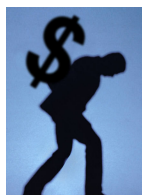
On November 3, 2009, GP-SFSP members Paul Velho, Eileen Chambers and Brenda Duska spoke to Faculty Instructor Sandy Miller's business graduate class at Widener. They had a discussion of ethics as seen through the eyes of the various segments of the financial business.

On November 10, 2009, GP-SFSP member Michael Fellmeth led a meeting of Drexel's undergraduate finance group with Professor Sandberg and the group's leader Richard Lavner.

If you are interested in helping at a future event, or would like to start a program at a local college or university, please contact David Brain at 610-660-4304.

Article: 2010 – The Year of Debt

William C. Dunkelberg, Ph.D., Economic Strategist, Boenning & Scattergood, Inc.



2010 is going to be about debt. Sovereign debt, GSE debt, mortgage debt, consumer debt, commercial real estate debt, these will continue to be the subject of market concerns. Institutions will “fess up” to the real quality of their assets as they abandon the hope that a sharp economic recovery might help restore a lot of debt quality. Foreclosures will stay high, although many will not put families out on the street since the housing units were never occupied! The number of un-needed (based on demographics) housing units will still number in the millions. Only population can ultimately solve this problem.

The Federal deficit, projected and actual, is unsustainably high. So far, the Treasury has been able to sell over a trillion in new debt and roll over existing debt without much of a rise in interest rates. This has been made possible by (1) an increase in savings and (2) a huge decline in private credit demand. In simple terms, if the consumer saving rate out of disposable income (equal to about 70% of GDP) rises 4 points (from 1% to 5%), the pool of savings available to borrowers increases by about \$400 billion (back of the envelope .04 x .7 x \$14 trillion of GDP), most of this seeking a safe place to be. With car sales off by 40% and housing starts running at 600,000 units instead of 2.2 million units at the peak of the housing boom in 2006 or at a longer term trend level of about 1.4 million, with capital spending and inventory investment plans among small firms (who produce half of private GDP) at 35 year low levels, hundreds of billions of dollars of potential credit demand are sidelined, freeing up funds to support Treasury borrowing at low rates. But this will

not last. Crowding out will become a reality, raising interest rates and slowing any recovery that might be taking hold as the Treasury soaks up available capital.

Economic growth would mitigate some of the problems associated with debt for individuals, companies and governments. But growth will be sub-par in 2010, solid in the first half, fading in the second and overall will fall short of the kind of explosive rebound that might be expected after such a sharp and prolonged decline in economic activity. "Pent-up demand" should be substantial but other factors will blunt the return of spending. Government stimulus spending will help in the first half as will a reversal of the intense inventory reductions that characterized 2009. Consumer spending will be disappointing, but at least we will have to order more inventory to meet the demand, tepid as it may be. "De-leveraging" will continue, driven in part by write-offs of uncollectible debts (completing a transfer of wealth from savers to debtors) and a higher savings rate (which includes debt payments funded by reduced spending).

The fall in economic activity in 2008-09 was the worst since the depression. At least in the 1980-82 recession period there was a "relief rally" (the NBER identified two distinct recessions in that period with growth in between). At the bottom of the 1981-2 recession (1982Q4), 47% of all small business owners expected business conditions to improve over the following 6 months (net of those expecting conditions to deteriorate). Assuming a bottom is called in the fourth quarter of 2009, the comparable statistic is 11% (-3% if Q3 is the bottom). Clearly there is no confidence that the economy is going to improve in 2010. Why? One can only speculate. Massive deficits, huge reform legislation that few think will work, promised tax hikes at every turn, problems with debt, all these must weigh heavily on owner (and consumer) expectations about the future of the economy and impact their spending and savings decisions. The biggest danger is that Washington (filled with people with no private market experience) will take it upon itself to fill the void in demand and create jobs, exacerbating the current situation and reducing the likelihood that the private sector can regain its feet.

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National Society News

FREE Podcast

April Caudill, JD, CLU, ChFC, AEP focuses on the challenging issue of funding a **special needs trust** using retirement benefits. Click [HERE](http://www.financialpro.org/member/sec/onpoint/index.cfm?sec=FP) <http://www.financialpro.org/member/sec/onpoint/index.cfm?sec=FP> or visit www.financialpro.org.

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Article: 2010 Outlook

Frank T. Files, CFP, The Haverford Trust Company

Historically, one of the most important determinants of the strength of an economic recovery is the severity of the recession that preceded it. If history were to repeat itself, we would be experiencing a massive recovery, but significant and stubborn headwinds have muted both economic growth and the market's rebound off its lows.

The state of the U.S. economy can best be characterized as a battle between multiple, stimulative tailwinds and formidable headwinds. Powered by the tailwinds of monetary stimulus, a global synchronized recovery, productivity gains, and fiscal stimulus, U.S. GDP growth was positive in both the third and fourth quarters of 2009. The economy will likely continue to expand throughout 2010, albeit at a below average rate, due to the headwinds of consumer deleveraging, the financial system deleveraging, and government regulatory intrusions. Overall, we believe the tailwinds will prevail over the headwinds, resulting in positive GDP growth with minimal chance of the economy dipping back into recession.



The performance of the equity markets in 2009 has been contrary to the results of 2008: lower quality stocks have significantly outperformed. If we are correct in our outlook for a muted economic expansion, the market should begin to favor higher quality companies for several reasons: they have lower leverage, easier access to capital, significant cash reserves, more predictable earnings that are less impacted by the level of GDP growth, ability to grow their dividends, and the capacity to invest for market share gains through strategic acquisitions. In fact, this trend began to take hold in the fourth quarter and we expect it to continue throughout 2010.

Last year in anticipation of this recovery, we took profits in some of our very defensive companies and incrementally purchased companies with more economic exposure. In the coming year we anticipate reducing some of our economic exposure as we add to stable, highly predictable companies whose earnings can grow regardless of a slow growth economy. We continue to emphasize companies with global exposure, particularly to emerging economies whose growth rates are faster than developed economies.

Even after this year's market advance, stocks are attractively priced at 14.5x normalized earnings. This is well below the historical average of 16.9x. When you consider the low levels of interest rates and inflation, equity valuations appear cheap. Furthermore, higher quality stocks offer the most attractive valuations and risk reward characteristics. Even if the economy slows, corporate profits will continue to lead the recovery as productivity drives margin expansion. Finally, we believe the equity markets will continue their reversion to the mean, and equity investors will be well rewarded over the next 5 to 10 years.

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Chapter Calendar

To register or to obtain more information, go to www.gpsfsp.org

Wednesday, January 27, 2010

Topic: 19th Annual View from the Top

Time: Registration and Continental Breakfast: 8:30 a.m.; Meeting: 9:00 – 11:00 a.m.

Location: Green Valley Country Club, 201 W. Ridge Pike, Lafayette Hill, PA

Cost: FREE for members of GP-SFSP and NAIFA-GP; \$30 non-member.

Sponsor: Karr Barth Associates

Thursday, February 18, 2010

Knowledge & Networking Program

Topic: Maximizing the Value of a Financial Services Practice

Time: Registration: 3:30 p.m.; Meeting: 4:00 – 5:30 p.m. Networking Reception: 5:30 – 6:30 p.m.

Location: Crowne Plaza Hotel, Valley Forge, 260 Mall Boulevard, King of Prussia, PA 19406

Cost: \$55 Chapter Members; \$65 non-members

Sponsor: Strategic Exit Advisors

Thursday, March 18, 2010

Knowledge & Networking Program

Topic: How to Build A Seven Figure Practice

Time: Registration: 3:30 p.m.; Meeting: 4:00 – 5:30 p.m.; Networking Reception: 5:30 – 6:30 p.m.

Location: Talamore Country Club, 723 Talamore Drive, Ambler, PA 19002-1872

Cost: \$55 Chapter Members; \$65 non-members

Sponsor: Independence Financial Associates

Thursday, April 15, 2010

Breakfast Forum

Topic: An Update On Life Settlements

Time: Registration and Continental Breakfast: 8:00 a.m.; Meeting: 8:15 – 9:30 a.m.

Location: Coventry, 7111 Valley Green Road, Fort Washington, PA 19034

Cost: \$15 Chapter member; \$25 non-member

Sponsor: Coventry

Wednesday, May 12, 2010

17th Annual Financial Professional Dinner

This evening reception and dinner is the premier networking event of the year

Time: 5:30 to 9:00 p.m.

Location: Desmond Hotel, One Liberty Blvd., Malvern, PA

Sponsorship Opportunities are available! Go to www.gpsfsp.org

Thank you to our 2009 Platinum Sponsors!

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