



The Triad Times

Volume 8, Issue 4

Your Business. Your Way.

4th Quarter, 2010

2010 NATIONAL CONFERENCE BY JEFF ROSENTHAL



Chicago is my kind of town! And over 200 advisors and 35 partners who participated in our 2010 National Conference held September 15th – 17th at the historic Palmer House Hil-

ton, had the opportunity to enjoy the city and benefit from the many educational sessions presented at this year's event.

Ash Brokerage conducted a pre-conference discussing Insurance and Estate Planning. Attendees heard from industry leading companies about how to improve the value and service provided to their clients and ensure they are meeting the liability and risk needs of each individual household. Topics covered all individual insurance lines from Life, Annuity, Disability and Long Term Care. Premier Trust of Nevada, recently acquired by Ladenburg Thalmann, discussed the benefits and opportunities an advisor-friendly trust company can offer.

The opening day of the formal Triad conference provided insight on the firm, our parent company and the industry at large as we muddle through the implementation of the Dodd – Frank Law passed earlier this year. Through the State of the Company address, Mark Mettelman discussed projections for 2010 growth and specific initiatives we are taking to improve the service and expertise provided to you and your practice. We have seen a rebound in the overall markets and similarly a rebound in Triad's business. Thanks to your efforts and a favorable market environment, we are expecting a return to our double digit growth in revenue.

Dick Lampen, President and CEO of Ladenburg Thalmann explained the direction of the company and their focus on the independent advisor marketplace. As

a key component of their business model, they look forward to assisting you and Triad by adding resources to help grow your practice. With equity markets rebounding, Ladenburg's investment banking division has seen an increase in activity providing you with yet another unique opportunity to differentiate your practice.

Dale Brown, President of the Financial Services Institute (FSI), offered a "View from the Hill." As our industry's leading advocate, Dale and FSI have been busy over the last 12 months providing regulators and representatives guidance on many issues including 12b-1 reform, independent contractor status, implementation of a fiduciary standard and tax issues at the individual state level (just to name a few). Triad has been extremely active with this organization by adding a member to their Board (yours truly), a member to their compliance council (Chet Payne) and over 250 advisor members. This year we will conduct our membership program in conjunction with our year-end licensing renewals. Through our OPT-OUT program you will be able to renew your membership or become a new member for only \$99. Because the next 6 – 12 months will shape this industry for years to come and as an independent advisor you want to ensure your voice is heard, we highly recommend you renew or begin membership.


The first day wrapped up with a heated and passionate presentation from Dr. Jeffrey Buetow of Innealta Capital. With discussions around and through the economic environment, political consequences and overall opportunities that lie ahead of us, the group departed for the cocktail hour with plenty to debate.

We had two additional key note presentations provided by Bruce Johnstone of Fidelity and Steve Franklin of Wells Real Estate. Mr. Johnstone captivated the au-

dience with his economic forecast and discussion of the opportunities that lie within emerging markets (remember it was Mr. Johnstone that presented to our 2007 National Conference regarding the problem with the amount and availability of debt to the consumer). Mr. Franklin closed our conference with a lesson from our Centurions. Mr. Franklin has spent the last 5 years interviewing the nation's 100+ year olds regarding what they have learned about financial success.

The conference was a tremendous success due to the partners that attended and the resources they provided including timely and effective presentations. To review the presentations or view them for the first time, log on to Triad's INFO website under the Conferences tab >> 2010 National Conference.

Although spending the day in conference rooms can be tough, the group did find time to relax and enjoy the great city of Chicago. With dinner and dancing in the renowned Field Museum, attendees enjoyed free roam of all the exhibits including the world's most complete Tyrannosaurus Rex, Sue. Whether it was during breaks, over cocktails or during dinners, a tremendous amount of intellectual capital was shared and I would bet just as much value was gained during these casual conversations as was gained during formal presentations.

Triad is committed to providing educational opportunities for you to enhance your practice. Our schedule for 2011 will soon be announced and will include events focused on Alternative Investments, Insurance and Estate Planning, Advisory Services and Operations as well as our annual National Conference. We look forward to seeing you soon at one of these events. 




I want to take a moment to express how much Dana and I enjoyed seeing so many of you at our annual National Conference in Chicago. We had a record number of advisor attendees which speaks volumes to the caliber of advisors that are our partners. Taking valuable time away from your daily practice shows a commitment to staying educated and current on industry products, services and trends. It bears repeating that events like the National Conference, Fee Symposium, Technology and Operations Conference and the Alternative Investment Conference provide immeasurable value to engaged advisors. Well, not entirely immeasurable; since we have seen attendees of these meetings typically increase their production within a few months following these events. The idea is simple: learn what opportunities and challenges you face, then discover the tools available to meet those needs in order to build a better practice.

The third-quarter equity markets certainly presented both challenge and opportunity with an unusual September run up erasing the dismal August performance. What is notable is our advisors assets under management maintained a relatively steady growth over the quarter, despite the volatility. Credit that to both prudent investment management and the confidence an advisor's influence instills in individual investors. As I've said before and our advocates in the Financial Services Institute echo, you are acting as much as your clients' financial coach as you are their financial psychologist.

Whatever the fourth quarter holds for us in the markets, we can expect additional account activity as advisors help clients evaluate contributions and appropriate tax harvesting. I would like to make you aware of new legislation and tax regulations that may affect your trading habits and will

present an opportunity for growing your business starting in 2011. You will see details coming from Chet and Marilyn in the coming weeks, but essentially there is new legislation requiring NFS (and all custodians, transfer agents, etc) to report adjusted cost basis on the Form 1099-B for the sale of all covered securities and indicate if the gain/loss was long or short, beginning Jan. 1, 2011 for equities, 2012 for mutual funds and 2013 for options and other securities. Historically, firms like NFS reported gross proceeds from investor transactions "for information purposes only." At the end of the day, this means when you execute a sell, you will need to be particularly cognizant of which lot of shares you choose to sell and by what method since the details will be reported directly to the IRS by the custodian, and no longer at the discretion of the client's CPA. The same will apply to the gifting or transferring of securities. This presents a new opportunity to engage in a partnership with CPA firms, ensuring they are fully supporting their clients' prudent tax preparation by working directly with an advisor rather than being reactionary. Stay tuned!

As we close out the year, I anticipate we will see a continuation of flow of new assets to our advisors. Former clients of captive, biased, product-driven brokers are voting with their feet in favor of the independent model. While these volatile markets are challenging for us all, I know you are ideally positioned for success in the near and long term.

On behalf of all of us here in the home office, I thank you once again for your business, your partnership and most importantly, your friendship. Enjoy your holidays. 

Mark C. Mettelman

Mark Mettelman

President & CEO

ON THE COVER

2010 National Conference

By Jeff Rosenthal

IN THIS ISSUE

- P3 *e-Newsletters*
 P5 *Financial Planning Solutions*
 By Amy Rehn
 P11 *Ladenburg Thalmann's Alternative Strategies Fund*

FEATURED PARTNERS

- P4 *Innealta Capital*
 P6 *Prudential Annuities*
 P8 *Ash Brokerage*
 P10-11 *Capstone Asset Management Company*
 P14 *National Financial Services*

DEPARTMENT UPDATES

- P3 *Transition & Training*
 By Corey Pugh
 P7 *Brokerage Services*
 By Beth Stefanowicz
 P8 *Trading*
 By Clark Turner
 P9 *Commissions*
 By Candace Brown
 P13 *Brokerage Services*
 By Marilyn Hosten

IN EVERY ISSUE

- P2 *From The President*
 P2 *Market Movement*
 P5 *Triad Family Happenings*
 P6 *Key Contacts*
 P8 *INFO Updates*
 P12-13 *Best of Advisor Spotlight*
 P15 *Partner Connection*
 Back *Calendar Of Events*

Market Movement

S&P 500 as of 9/30/10: 1141.20	NASDAQ as of 9/30/10: 2368.62	DJIA as of 9/30/10: 10788.05
Q3: -2.41%	Q3: 12.30%	Q3: 10.37%
Q3 Low (Jul 2nd): 1,022.58	Q3 Low (Jul 2nd): 2,091.79	Q3 Low (Jul 2nd): 9,686.48
Q3 High (Sept 24th): 1,148.67	Q3 High (Sept 24th): 2,381.22	Q3 High (Sept 24th): 10,860.26
YTD: 2.34%	YTD: 4.38%	YTD: 3.45%
Trailing 12: 24.14%	Trailing 12: 29.08%	Trailing 12: 27.71%

News from the Home Office



For the past couple months, you may have noticed an email from us in your inbox every Wednesday morning. In an effort to streamline the amount of emails you receive from Triad Advisors, we began utilizing an online e-Newsletter to consolidate the information you receive from the home office. This distribution contains important and timely information from each department. Items such as compliance memos, brokerage services form updates and conference details are included in this new format. We recently moved to bi-monthly emails. You can continue to expect this important email every other Wednesday at 9AM EDT. We hope this form of communication simplifies and provides focus to the important information we share with you.

Partner News Flash



In addition to our bi-monthly e-Newsletter from the Home Office, we have also created our monthly Partner News Flash. These monthly distributions contain all the information you want to know about our participating partners. From new product rollouts to training sessions, everything you need is contained in these e-Newsletters.



Finally it's here! I had to get that off my chest. NFS will decommission Advisor Channel by year end. Yes, the dream is now a reality. I am not bashing Advisor Channel as it is, in fact, a very useful tool. But let's be honest, it was time for a change. That change comes in the form of a new solution called Streetscape Fee-Based Tools (FBT for short). FBT's primary functions are 1) downloading data from NFS for the purpose of importing into a 3rd party system and 2) sophisticated trading functionality including block trading and modeling capabilities. This is a web-based solution integrated directly into Streetscape under the Trading tab. Let me repeat, this is a WEB-BASED solution that is available through Streetscape. No more running software locally on your PC or server. As you can tell we are extremely excited about this news.

FBT in a nutshell replaces Advisor Channel. All of the functionality and capabilities that Advisor Channel offered will remain in FBT and then some (far too many enhancements to name in this article). Here are just some of the key components:


- FBT is entitlement driven through Streetscape so there is no need for separate log in credentials
- As long as you have an internet connection you will have access to FBT via Streetscape
- Rebalancing has been enhanced with intraday market and account updates, the ability to rebalance to target or tolerance, models can consist of other models (models of models), enhanced display of positions that are untradeable and daily drift reports
- Block trading can be allocated to multiple client accounts
- Trading has all been enhanced to include **real-time quotes**, specific share trading and new alerts to notify the end user of under, over or unallocated block trades
- Account data enhancements allow intraday balance, position and history updates
- Data Import/Export mechanisms
- Reports available to simplify the management of your accounts to enhance customer service for your clients and ease of meeting regulatory requirements

I am sure you are asking yourself, when will this be available to me? The answer to that important question is NOW! As with any new system, we participated in the proper training for FBT and then deployed the product first to the existing users of Advisor Channel.

Training is now available to you and your staff. All information is posted on our INFO website under Advisory Services >> Practice Management >> Fee-Based Technology. There you will find Brainshark overviews, Frequently Asked Questions and a schedule of advanced training sessions.

Please note that there are 2 different levels of access to this solution:

- **Full Access** which includes all functionality and capabilities such as block trading, modeling, rebalancing and downloads. The cost for this level is \$100/mo./user
- **Download Only** which allows you to export account data to a third party system like Portfolio center or Advent. The cost for this level is \$50/mo./user

I hope I have made everyone's day, week or even year with this important announcement and there will be more information to follow. For questions on pricing and to become entitled to this solution, please contact me at corey.pugh@triad-advisors.com. 

Introducing a New Private Managed Account Partner

Innealta Capital is a quantitative asset management firm specializing in the tactical management of Exchange Traded Fund (ETF) portfolios. Innealta manages multiple portfolio strategies based on a proprietary econometric model developed by its Chief Investment Officer and Founder, Dr. Jeff Buetow, Ph.D., CFA. The model has four sub-components which cover all major aspects of the investment climate. The models' components evaluate macroeconomic, fundamental, risk and technical factors.

These investment strategies aim to generate high total return with defined risk controls by trying to consistently invest in those asset classes with the strongest risk-adjusted performance potential. The investment management team seeks to deliver enhanced risk-adjusted rates of return by actively monitoring and quantifying the risk-adjusted expected returns of equities, both U.S. and international (developed and emerging), relative to fixed income and dynamically altering corresponding allocations accordingly.

Dr. Buetow provided his economic and market outlook during the keynote address to open the 2010 National Conference in Chicago. Based upon current economic and market conditions, he stated the following regarding his tactical insights:

- A preference for income generation – either in equities (Utilities, Staples), in REITs, or in the use of fixed income instruments
- In general, continuing to prefer bonds over most equities
- A willingness to revert to equities if values adjust to “honest” levels – 5% yields and single digit multiples. Our strategies will navigate to those asset classes that have the highest risk-adjusted return potential and over the years there have been times when we are 100% in equities.
- Continuing to like gold for its diversification and value retention as risk assets find their equilibrium
- Maintaining exposure to REITs for both income generation and as a preferred risk as real estate issues continue to work themselves out

Innealta Capital has six management strategies on Triad's PMA platform. In addition to offering three distinct Tactical ETF strategies, Innealta offers three Dynamic Portfolio Series (DPS) strategies. The Dynamic Portfolio Series is a multi-strategy solution provided in one turnkey portfolio. DPS combines an All Cap Value investing approach with the tactical management of ETF portfolios. The strategies include both a tactical asset allocation portfolio component that emphasizes risk management in the short-term and a long-term oriented strategic portfolio component focused on undervalued U.S.-traded equities.

To learn more about Innealta Capital's solutions, please contact:

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Innealta Capital is a division of AI Frank Asset Management (AFAM). AFAM is a Registered Investment Advisor, is editor of The Prudent Speculator newsletter, and is the Investment Advisor to two value-oriented no-load proprietary mutual funds and individually managed client accounts.



Innealta
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Ladenburg President & CEO, **Dick Lampen**, is a proud new grandfather to two healthy twin girls. Isabelle Leah and Sophia Arielle were born on September 11th. Isabelle was born 6 lbs 14oz, 19.75 inches Sophia was born 5 lbs 14 Oz, 19 inches. Congratulations to the Lampen and Sachar family!



Triad advisor, **Jennifer Hand**, was recently married on August 21st at the historic Barnsley Gardens in Adairsville, GA. Best wishes to the happy couple!



Congratulations to **Corey Pugh** and his wife Karen, who married on October 10th in Fort Myers, FL.



For the 5th year, **Amy Rehn** participated in the American Diabetes Association's *Step Out to Fight Diabetes Walk*. She raised \$900 to fund research and advocacy programs.

To learn more about the ADA, please visit their website at www.diabetes.org.

We'd like to give special recognition to members of the Triad team that have met important milestones:

- Michael Bryan**– 5 Year Anniversary
- Chet Payne**– 5 Year Anniversary
- Beverly Baldwin**– 10 Year Anniversary
- Kimberly Rocker**– 10 Year Anniversary

FINANCIAL PLANNING SOLUTIONS BY AMY REHN



Triad recently partnered with 3 industry-leading financial planning solutions. Advisors under Triad's corporate RIA may choose to use one of these options to create financial plans for a fee. To help gain insight into the choices available, each partner has summarized their offering below. Feel free to reach out directly to the providers for demos or additional details. Should you have questions about Triad's planning process, please contact Michael Bryan or Amy Rehn at 800-720-4003.

able, each partner has summarized their offering below. Feel free to reach out directly to the providers for demos or additional details. Should you have questions about Triad's planning process, please contact Michael Bryan or Amy Rehn at 800-720-4003.



\$679.15 initial annual cost

Manage your clients' goals and have total confidence in the plans you present. EISI®, developer of NaviPlan® Select offers a powerful yet flexible program that lets you pick your plan. For simple to sophisticated financial plans, you always have exactly what you need to engage more clients, keep more clients and obtain more referrals. Backed by more than 20 years of experience, it's the very latest in financial planning technology.

Get NaviPlan Select working for you. This solution is ideal for clients with investable AUM of \$500K to ultra-high net worth. Advisors can do an assessment to quickly gain deeper insights into clients' priorities, and then promote it to a plan. Plans are tailored to clients' needs by selecting relevant modules from a comprehensive list.

The Scenario Manager™ in NaviPlan Select instantly shows how a 'what-if' strategy would affect a client's plan, including goals, net worth and cash flow. It displays side-by-side comparisons, which can be included in reports.

Save Money. Triad advisors are entitled to a **15%** discount off NaviPlan Select. Talk to an EISI representative about your business needs, available client brochures and data-gathering tools, and FREE training. Visit www.eisi.com to download a FREE 30-day trial. Toll-free: (888) 692-3474, option 2. Email: sales@eisi.com



\$4800 initial annual cost

eMoney Advisor's web-based wealth management solutions are being used by the nation's leading advisors to increase assets under management, attract top tier prospects, generate increased fee revenue and distinguish themselves in a highly competitive market. Both eMoney 360 and 360 Pro provide advisors with an aggregated, comprehensive view of client assets, a secure online storage vault, personalized client websites, mobile access via iPhone, Blackberry, TouchPoint and more, a unique communication and prospecting tool.

eMoney 360 includes over twelve needs-based analysis modules, from education to estate planning, for advisors to address the specific needs of their clients. eMoney 360 Pro provides a suite of planning tools for advisors to meet the diverse needs of their high-net worth clients including advanced planning, needs analysis, retire-

ment income, investment planner and organization manager.

eMoney's flexible design integrates with other leading advisory tools such as Red-tail CRM, Morningstar Principia, Morningstar Advisor Workstation, Microsoft Outlook, Microsoft Excel, Albridge Solutions, iPhone, Mimeo.com and more. eMoney has enterprise relationships with 9 of the 15 largest insurance companies, over 70 of the nation's most successful broker-dealers and many of the nation's leading advisory firms. To learn more, visit www.emoneyadvisor.com or call Tom Frisch at 610-684-4669.



\$995 initial annual cost

MoneyGuidePro (MGP) provides an exciting new approach to Financial Planning. It replaces the unnecessary complexity of traditional, detailed-cash-flow planning software with a goal-oriented process that is faster, easier and more engaging for the client. With MGP, advisors can create a Retirement Lifestyle Plan to show clients how to maximize the satisfaction and enjoyment they will obtain from their money during their lifetime. It is particularly effective in helping restore client confidence during down markets.

MGP has been hailed as "the most innovative product to come along in a long time" and was selected as the "Software of the Year for 2008." For more information, please visit www.moneyguidepro.com or call your primary contact, Tom Roberts, at 800-819-2347. ■■■

Prudential Premier® Retirement Variable Annuities

Platform at a Glance

Triad's Key Contacts

FEATURES	X Series*	B Series	L Series	C Series
Annuity Type	Bonus Variable Annuity Purchase Credits 6% available in years 1-4, up to age 82 3% available in years 1-4, ages 82-85	Lower-cost Traditional Variable Annuity	4-Year CDSC Variable Annuity	100% Liquid Variable Annuity
Free Withdrawals	You may withdraw, without charge, up to 10% of each purchase payment (non-cumulative) per annuity year. You have access to 100% of each purchase payment without a CDSC nine years (X Series), seven years (B Series), or four years (L Series) after it is made.			You may withdraw 100% of your account value, at any time, without any sales charges or CDSC.
Minimum Purchase Payment	\$10,000	\$1,000	\$10,000	\$10,000
Maximum Issue Age (may vary by state and/or broker/dealer)	80	85	85	85
Latest Annuity Date	No later than the first day of the calendar month following the 95th birthday of the oldest of all owners and annuitants.			
Total Annual Insurance Charge	Years 1-9: 1.85% Years 10+: 1.830%	1.30% all years	Years 1-9: 1.70% Years 10+: 1.30%	Years 1-9: 1.75% Years 10+: 1.30%
CDSC Schedule (payment-based; may vary by state)	9 Years: 9%, 9%, 9%, 9%, 8%, 8%, 8%, 5%, 2.5%	7 Years: 7%, 7%, 6%, 6%, 5%, 5%, 5%	4 Years: 7%, 7%, 6%, 5%	No CDSC

* Because the X Series contains a purchase credit, it has higher fees and expenses and a longer CDSC period than other similar annuities without a purchase credit.

Over time, the higher expenses could be more than the value of the purchase credits. Carefully consider the expenses along with the features and benefits to be sure this annuity meets your clients' financial needs. Purchase credit age ranges are based on the oldest of all owners (or annuitant, if entity owned). Please consult the prospectus for further details on how the CDSC is determined.

Contact Information

National Sales Desk: 1-800-513-0805

PRUDENTIAL ANNUITIES RESEARCH	1-800-513-0805	CUSTOMER SERVICE SUPPORT	1-800-752-6342, press 1 (or press 3 and dial ext. 21409)
Research analysts are available for conference calls to answer competitive intelligence questions. Contact your internal wholesaler to arrange meetings.		Customer Service Support Team Client account information, death benefits, withdrawals, exchange business, problem resolution, compensation, broker services	
		E-Service- Web site Navigation/ Software Applications	1-800-293-4076
ADVANCED PLANNING AND SOLUTIONS	1-888-425-1022	SUBMISSION OF BUSINESS FOR VARIABLE ANNUITIES	
Advanced Retirement and Estate Planning, Charitable Remainder Trusts, Qualified Plans		Regular Mail: Prudential Annuities P.O. Box 7960 Philadelphia, PA 19176	Express Mail: Prudential Annuities 2101 Welsh Road Dresher, PA 19205

Investors should consider the contract and the underlying portfolios' investment objectives, risks, charges and expenses carefully before investing. This and other important information is contained in the prospectus, which can be obtained by contacting the National Sales Desk. Your clients should read the prospectus carefully before investing.

A variable annuity is a long-term investment designed to create guaranteed income in retirement. Investment returns will fluctuate and the principal value, when redeemed, may be worth more or less than the original investment. Withdrawals or surrenders may be subject to contingent deferred sales charges. Withdrawals and distributions of taxable amounts are subject to ordinary income tax and, if made prior to age 59 ½ may be subject to an additional 10% federal income tax penalty. Withdrawals, for tax purposes, are deemed to be gains out first. Withdrawals can reduce the account value and the living and death benefits.

"Prudential Annuities" is a business of Prudential Financial, Inc. Reference to Prudential Annuities as the "Highest Daily Company" is for marketing purposes only, and does not mean that Prudential Annuities is a corporation or any other legal entity organized under State or Federal law.

Variable annuities are issued by Pruco Life Insurance Company (in New York, by Pruco Life Insurance Company of New Jersey), Newark, NJ and distributed by Prudential Annuities Distributors, Inc.,

Shelton, CT. All are Prudential Financial companies and each is solely responsible for its own financial condition and contractual obligations.

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ANNUITIES:

NOT FDIC OR GOVERNMENT AGENCY INSURED	MAY LOSE VALUE	NOT BANK OR CREDIT UNION GUARANTEED
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Today you may only think of StreetscapeSM as the online tool from National Financial that you use to view accounts, trade and process client requests for your brokerage accounts. What you may not know is there are many features that allow you to be more proactive with your clients such as:

The Reporting Tab – Report Manager

Often overlooked, the *Reporting* tab on StreetscapeSM has a variety of valuable tools. The first is Report Manager, which provides a number of reports on your NFS book of business. All reports can be downloaded into Excel for easy grouping of information.

The first report listed, *Account Activity*, allows a query of your book of business on non-trade related activities such as dividends posted to accounts, deposits and disbursements, check writing and ACATs, just to name a few. This report allows you to quickly view activity that impacts the cash in your accounts, thus identifying opportunities to proactively call clients about the best way to invest that new money or even to help them better manage the money going out of the account.

Another great report is the one titled *Name and Account Information*. This report gives basic account information, but its primary value is in the level of detail available. Have you ever wanted a list of just your retirement accounts? Check writing accounts? Clients over a certain age? Who has a birthday in a certain month? All of these queries can be accomplished with this report. To pull types of accounts, use the Account Level, Reg Type, and then choose the option you want. Or for check writing accounts, use Account Level, choose Product Level, then choose *51-Brokerage Access* and *52-Brokerage Portfolio*.

I encourage you to spend some time with all the reports in this section as they provide an unlimited number of ways to sort and query accounts. They may help you become more proactive and identify opportunities quickly.

Position Page – Preferences

Did you know you can customize your view of the positions page? On the right side of the screen on your Positions page, under the green line is a link *Positions Preferences*. Click on this and a new window will open with a list of data fields to choose. You can add and remove items, as well as reorder items to design the view you prefer.

For advisors with margin accounts, the Closing House Req % and Closing House Req are great options to see what the margin requirements are on each position in the account. This can help you and your clients manage margin balances and avoid house calls. Once you have added and removed the fields you want from the list, you can highlight a field and choose the 'Move Up' or 'Move Down' tab. The closer to the top of the list, the further to the left of the screen it appears.

Other options to add include *Today's Change Per Share*, *Cost Method*, *CUSIP*, and *Moody's/S&P Ratings*. Once you have made your changes and choose the 'Save Preferences' tab at the bottom of the screen, you can then refresh the Positions

page and your new selections should appear. Once saved, StreetscapeSM will remember these preferences each time you pull up your Positions page.

Alert Manager

Did you know that StreetscapeSM can alert you when an account has been funded by a Transfer of Assets (TOA)? When a wire is received into one of your accounts? When a voluntary reorg has been announced? These and other options are available via the Alert Manger.


Alert Manger is accessed under the Service & Ops tab on StreetscapeSM. A new window will open showing your current alerts. Under the *Subscriptions* tab, you can see the categories available. Using the *Delivery Options* tab, you can add an email address to be used for alerts.

To get alerts via email, once you add your email address, click on the *Subscriptions* tab and choose *View/Edit* under each category for which you want to receive alerts. Then click the checkbox at the bottom next to your email address so that going forward you will receive an email when an alert is generated. You will have to click on the link provided in the email to get the full details of the alert.

We encourage you to sign up for these alerts as they provide helpful information on your accounts. **Note:** You should already be using alerts for notification of TOA deliveries.

Resources Tab

Often overlooked, the *Resources* tab has a wealth of information. The e-Learning link provides a number of quick training modules. These are mostly between 5 – 20 minute self-paced tutorials on everything from the basics of StreetscapeSM to trading and the ops functions. There are also some audio links highlighting *Habits of Highly Successful Representatives*. These tools are great for new employees and can provide a quick refresher for you and your existing staff. They are also a valuable tool for exploring the functions of StreetscapeSM that you haven't used before such as *Portfolio Analytics*.

Please take a little time and explore what Streetscape has to offer. You might be surprised how many reports and tools are available to help create efficiencies in your office. 





A closed-end fund is a publicly traded investment company that can invest in a variety of securities. Capital is raised by the investment company through an IPO of common stock and the funds are invested in accordance with the fund's objectives. Unlike conventional mutual funds, closed-end funds do not issue and redeem shares directly with investors at NAV. They have a fixed number of shares which are listed on a national securities exchange where they are bought and sold through transactions with other investors, just like other individual company stocks.

There are several advantages to investing in CEFs:

- **Diversification-** closed-ends invest in many securities which help to spread market risk
- **Advantage of professional management-** these funds are monitored on a full-time basis by professional portfolio managers and/or teams
- **Traded on a national securities exchange-** as such, they can be bought or sold throughout the trading day

- **Potential for boosted yields and returns-** to shareholders through the use of leverage
- **Ability for the manager to stay fully invested-** because there is no need to hold cash to buy back shares

Additionally, the recent Streetscape upgrade to the Trading tab allows the functionality to manage price risk through the use of 'Stop Loss' and 'Trailing Stop Loss' orders.

Triad is pleased to announce the availability for our advisors to participate in the IPOs of closed-end funds offered through our parent company, Ladenburg Thalmann & Co. Inc. We've recently informed you of two such IPOs: Guggenheim Build America Bonds Managed Duration Trust (GBAB) and Western Asset High Yield Defined Opportunity Fund (HYI) that closed October 26th. Offerings are typically announced at the beginning of the month, so look out for additional information on upcoming opportunities.

If you have any questions, please contact Chris Tyner at chris.tyner@triad-advisors.com or Clark Turner at clark.turner@triad-advisors.com. You may also call the trading desk at 770-840-8444 or toll free at 888-713-6446. Thank you for your business.

INFO Updates

Conference Presentations

Presentations from our National Conference are available on INFO under Conferences >> 2010 National Conference.

Some valuable FAQs about Triad's fee-based platform are available on INFO under Advisory Services >> Fee-Based Overview in the sidebar.

Interested in e-Notification? Share the video demo with your clients. Click the e-Notification link on the homepage of INFO. You will then see a link for the video demo which explains the benefits of the system and necessary steps your clients must take to sign up.

Know an advisor looking for a new home? Visit INFO under Incentive Programs >> TARP. Learn more by contacting Nathan Stibbs at nathan.stibbs@triad-advisors.com.

ASH BROKERAGE

Timing is Everything . . .

At the stroke of midnight on December 31, 2010 we will welcome a new year. We will also say goodbye to unused annual exclusions and other gifting opportunities. You can still take advantage of many year-end planning options now.

Making tax-free / taxable gifts by year-end	The annual gift tax exclusion amount in 2010 is \$13,000 per donee and can be made to an individual or trust. Also in 2010, the gift tax rate is 35% and is scheduled to increase back to 55% in January 2011. Consider making annual exclusion gifts by year end to maximize tax free giving, and where appropriate, consider the lower gift tax rate in 2010 in your lifetime giving plans.
Contributions to traditional and Roth IRAs	The maximum contribution for 2010 is \$16,500 with a \$5,500 catch up amount for people over age 50.
Stock Sales	To take advantage of Capital Gains or Losses for 2010, shares must be sold by December 31, 2010. Note long term capital gains rate increase from 15% to 20% in 2011.
Appreciated Assets Subject to Capital Gains	Capital gains rates are scheduled to increase from 15% to 20% in 2011 unless the tax cuts are extended through new legislation. Clients with appreciated assets subject to gain tax should take this change into account in their year-end planning.
Income Tax Rate Hikes	Since life insurance proceeds payable at death are not subject to income taxes, the value of the death benefit will increase as tax rates rise. Cash values of a permanent policy may also grow tax deferred and be distributed on a tax-favored basis.
Family Limited Partnerships and Limited Liability Companies	Consider making discounted gifts of FLP and LLC interests to a trust or beneficiaries in 2010, especially given possible legislative changes affecting valuation discounts.
Gifts of Business Interests at Valuation Discounts	Gifts of FLP and LLC interest to a trust or beneficiary in 2010 in some cases can be made at a valuation discount. Given recent legislation to change the rules on availability of discounting techniques, it is important for clients who are intending to transfer qualifying assets at discounts do so with urgency.
Gifts to Medical or Education Providers	No limit on qualifying gifts made directly to medical or educational institutions on behalf of another person, such as a grandchild.

For additional information on how Ash Brokerage can assist you in year-end planning please call 800-589-3000.





How do I get paid?

Direct Deposit – the funds will be deposited on the date of the payout. This option allows you to receive your payout faster with no snail mail delays.

When will I get paid?

To view the current Commission/Fee Payout Schedule which details the check/deposit dates and the cut-off dates relative to each payout, visit the INFO website as shown below.

Can you pay my company for commissions and/or fees?

Commissions can only be paid to an individual per FINRA regulations. Advisory fees may be paid to a company if you are working under an independent RIA, otherwise they must be paid to the individual.

Where do I send payments for debit balances?

Payments for any debit balances or prepaid expenses may be sent to the address below. Please indicate on the check or on a separate attachment what the payment is for and include the rep name and number.

Triad Advisors, Inc.
 Attention: Commissions
 5185 Peachtree Pkwy, Suite 280
 Norcross, GA 30092

How do I know if a commission has been received?

Received commissions will be posted to the Fetter website at www.fetterlogic.com.

Who do I contact for commission questions?

The commissions department can be reached at 770-840-1154 or toll free at 888-713-8440. You may also email the department at commissions@triad-advisors.com and one of the team members below will respond.

- Jason Sigmon, Commissions Manager
- Candace Brown, Assistant Commissions Manager
- Judy Peters, Commissions Coordinator
- Stacy Frierson, Commissions Coordinator



THETA GROWTH COMMENTARY THIRD QUARTER 2010

Quantitative Easing is Bullish

The correction that started in the second quarter (April 23rd) ended in the third quarter (August 27th) and the tone of the market changed from neutral/bearish to neutral/bullish. But generally the market is still stuck in neutral. The big uptrend that started in March '09 was derailed in the second quarter and then stocks spent the summer consolidating the second quarter drop. It's possible that the next move will continue to be higher, but we're not convinced of that thought just yet. Volatility is telling a different story than the equity market. Similar to stocks, volatility consolidated over the summer. However, when stocks surged higher in September, volatility failed to make new lows (volatility is inversely correlated to the stock market.) This canary in the coalmine is telling us that the market doesn't exactly believe in the intermediate-term benefit of Quantitative Easing II. If the market believed in the Fed action, volatility would at least be below 20%, and more than likely below 17% where it was last January. And why should the market trust this policy initiative? After all, QE II is being promoted because QE I hasn't worked. The Dollar has lost 10% of its value since March '09 and Gold is up 40% (suggesting that all currencies are weaker, but the Dollar is weaker than most.) The Fed has poured a lot of gasoline on the logs, but the fire can't sustain itself. The only solution we have? More gasoline. In the Theta/Growth Strategy, volatility is an asset. Incoming cash is generated by the sale of covered calls and the receipt of dividend payments. We currently have relatively high levels of volatility combined with high equity values. Technically, a high volatility market that slowly goes higher is the "sweet spot" for Theta/Growth, and that is exactly the type of market we believe we are in today.

The Results

Cash flow increased during the third quarter. The average account generated 3.71% which is above target for 10% or more cash flow this year. The options we sell are a function of volatility – lower volatility means lower cash flow for Theta/Growth. Volatility decreased in the third quarter, yet we were able to increase cash flow. This was done at the marginal expense of absolute return. We were more aggressive on the strike prices we sold this quarter to (1) maintain cash flow and (2) because for a while it looked like the downside risk of the market was more than the upside potential. Over full market cycles, we expect the Theta/Growth Strategy to keep-up with or outperform the S&P 500, but we expect that to happen with lower risk (i.e. lower volatility of returns.) So far this year, in addition to the above-average cash flow from option income, the individual stocks in the underlying equity portfolio are outperforming the S&P. The mar-

ket had a very good quarter (in fact, the stock market had the best "September rally" since 1929.) When the market does very well, the Theta/Growth strategy tends to lag the overall market (as most conservative cash compounding investments tend to do.) Over shorter time frames (a month, a quarter, etc.) we like to compare the strategy to the BXM Index. The BXM is a hypothetical index of covered calls sold against the S&P 500. Although you can't invest directly in the BXM, and the BXM does not produce tangible cash flow, in theory, the absolute return performance should be similar to Theta/Growth.

The Outlook – Positive

The correction that started on April 23rd has run its course. The broad positives in place at the beginning of the year are still there today. The domestic economy is expanding at a sub-par pace. Monetary policy is loose, corporate balance sheets are loaded with cash and debt markets are easy to tap. Combined, the equity markets have a foundation for success, and QE II gives the markets confidence the Fed will continue along this path until the underlying economy is back on its feet. Pouring gasoline on the logs hasn't started the fire yet, but they have assured everyone that they will continue to pour more gasoline until it does. There will, however, be setbacks. The short dollar/long gold theme is largely priced into stocks. As is a Republican victory in November. Should the Fed or the GOP fail to live-up to the hype, November could see some setbacks. And in the meantime, not everyone is thrilled with the US policy initiatives. Brazil's Finance Minister suggests that the world is "on the verge" of a currency war, and US politicians continue to label China a "currency manipulator." This is simply the reality of the new now (this is the model for years and decades to come.) The world economy is no longer led by the western consumer. And markets are anticipating the rise of the eastern consumer. As that reality sets in, markets need to adjust their thinking. Overall, it is a net positive, but we should fully expect a continued rise in volatility along the way. A perfect environment for a covered-call writing strategy like Theta/Growth.

The third quarter of 2010 was another one of those quarters that threw us a head fake or two but finished on a very strong note. In September, the S&P 500 rose 8.8%, the best September performance since 1939! Add to that the fact that September is historically the worst performing month for the major indexes and this looks particularly bullish. It is often said that markets "climb a wall of worry" and investors certainly have had plenty to worry about over the last year or two, from ballooning deficits to bank defaults to a credit crisis to bankrupt municipalities to Greece and Ireland, to a potential currency war as countries start to get into a "competitive devaluation" to make their exports more attractive (i.e., cheaper) to foreign buyers. So the worry list is long and the market is climbing. However, there are quite a few positives occurring that are also helping to lift the market averages. Chief among them are rising corporate profits and low interest rates, a combustible mix that generally sends stocks higher, especially when market valuations are as reasonable as they

are today. The S&P 500 is currently trading at about 13.8x 2010 estimated earnings and 12.1x 2011 estimated earnings. As noted, corporate profits have been strong. The S&P 500 earned \$57.64 per share in 2009 but earnings are expected to jump to \$79.80 per share for 2010, a 38% increase, and to \$92.01 in 2011, another 15% over 2010 according to Zacks Earnings Trends. Much of this is expected to be driven by further profit margin increases as revenue growth is currently in the mid-single digit area. Of course, analysts are known to get carried away so we should note that for the first time in over a year the consensus estimate for the S&P 500 for 2011 has been cut by about \$1 per share, according to Bloomberg News. On a sector basis, financials and materials have seen the biggest earnings haircuts. Also worth noting, there has been an increase in profit warnings in the just completed third quarter. Thomson Reuters' news service counted 77 S&P 500 companies that have issued downward revisions for their earnings estimates compared to just 34 that issued upward guidance. The negative to positive ratio of 2.3 to 1 is about double the 1.2 ratio experienced in the second quarter. Still, it is just slightly above the average quarterly reading of 2.1. Overall, the third quarter earnings season might not be quite the catalyst that it has been over the last several quarters.

Divided We Stand, United We Fall (Stock Returns, that is)

So what did drive the S&P 500 Index to its best September in 71 years? It certainly has not been a robust economy. Unemployment still hovers around 10% and the housing market remains moribund. Retail sales are also weak. One theory we are partial to is the likely return of divided government, a topic we have touched on before. If we can believe the current polls, it looks as though the Republican Party is set to score some big gains this November, particularly in the House of Representatives and possibly in the Senate, breaking the stranglehold the Democrats currently hold on the political process. Now this is not to say the Republicans did such a great job the last time they controlled all branches of government and that's the point. When power is concentrated in just one party we tend to get too many feet on the gas and not enough feet on the brakes. In their wisdom, the founding fathers designed a system of checks and balances to make it difficult to make big changes in policy but with one party control the checks and balances part seems to get short shrift (and if ever there was a time when we could stand to slow down, now is the time). A study by the CATO Institute found that, post-World War II there have only been two periods of "fiscal restraint." One was during the last six years of the Eisenhower Administration and the second was during the last six years of the Clinton Administration when the opposition party controlled Congress. During these two periods spending came to a virtual halt. Conversely, during periods of one party rule, spending soared. The distribution of political power also seems to impact the stock market. Several studies we have seen show that the stock market performs significantly better when government power is split between

Continued on Page 11 >>

parties. The most recent study we have seen comes from Eric Singer, founder of the aptly named Congressional Effect Fund. Singer first noticed a similar effect years ago and wrote an article for Barron's back in 1992 on the subject. Singer's study covers the period between 1973 and 2010. He found that when the government is controlled by only one party, the market has declined an average of 9.9%. On the other hand, when the government is in "gridlock" with split power the stock market has increased an average of 15.3%. Just as interesting, and the subject of the Barron's article, is the fact that the stock market does significantly better when Congress is out of session than when it is in session "doing the people's work." This brings to mind the famous saying first attributed to Daniel Webster that "no man's life, liberty, or property is safe when the legislature is in session."

Real Estate Mess, part II

Just when it looked like some headway was being made in cleaning up the real estate mess created by the subprime mortgage crisis, word comes to us that foreclosures on property in 23 states have been frozen after allegations were made of illegal practices. A few weeks back GMAC announced that it was suspending foreclosure and eviction proceedings in 23 states after admitting that a GMAC document processor had approved 10,000 foreclosure documents a month without so much as reading them (a process now being called "robo-signing"). Shortly after the GMAC admission both Bank of America and JP Morgan Chase also halted foreclosures in states that require judicial approval. Congress was in session (remember what that means) and quietly snuck through a measure in a voice vote that would "streamline the recognition of notarizations across state lines" to validate the robo-signings. President Obama, with the election just around the corner, smartly avoided political suicide and "pocket vetoed" the bill, meaning he rejected the bill by withholding his signature while Congress was out of session. If he had signed the bill it would have given his political opponents a juicy issue, that of Obama helping out banks that had already admitted skirting the rules while hurting the little guy who might lose his home. Look for some attempt to resolve this issue after the election. For now it's just one more impediment to finally getting some sanity back into the real estate business.

Capstone Asset Management Company | 5847 San Felipe, Suite 4100 | Houston, Texas 77057 | 800.262.6631 | Fax: 713.260.9025 | www.capstonefinancial.com

Introducing Ladenburg Thalmann's Alternative Strategies Fund *Internal Use Only*

After a careful evaluation of the current alternative investment marketplace, Ladenburg Thalmann Asset Management (LTAM) concluded that advisors would benefit from assistance in assessing which alternative categories are the best to create a diversified portfolio, determining which categories lead the market, and performing ongoing due diligence. LTAM has created a closed-end interval fund that incorporates the best of the alternative products and allows clients to access these investments with lower minimums and accreditation requirements.

What type of fund is it?

This is an interval fund which means it is registered and has qualities of both open-ended and closed-end mutual funds. An interval fund continually collects subscription at the time of valuation and trades daily, just like an open-ended fund. Similar to a closed-end fund, it can invest in illiquid assets and redemptions are only allowed quarterly.

What type of client is right for this investment?

This fund provides exposure to a diversified offering of alternative investments without the typical accreditation qualifications or lock up restrictions. With a minimum investment of \$5,000, most retail investors can now have access to an uncorrelated investment in their portfolio.

What types of investments comprise the fund?

The fund is a diversified portfolio of alternative investments which offers lower risk than individual holdings in each of the underlying assets. The fund has exposure to the following asset classes: REITS, MLPs, Managed Futures, Equipment Leasing, Mortgage REITs, BDC and Debt Offerings. These investments generally have no or low correlation to the overall market and each other.

What is the expected dividend?

The fund targets a steady yield of 6% paid through a monthly dividend.

What are the expenses?

The fund is an A share paying a 6% front-end load or can be sold at NAV in fee-based accounts. There will be a 25bps shareholder servicing fee payable to the referring broker-dealer and the internal expense ratio is capped at 1.75%.

In summary, the goal of the Alternative Strategies Fund is to take the best of the products available and build a comprehensive one that is even better. This solution helps investors reap the full benefits of owning alternative assets and helps advisors grow their business.

For questions or further interest in the Ladenburg Thalmann Alternative Strategies Fund, please call us at 800-523-8425 or email us at lamp@ladenburg.com.



Triad Times Staff

SENIOR MANAGEMENT

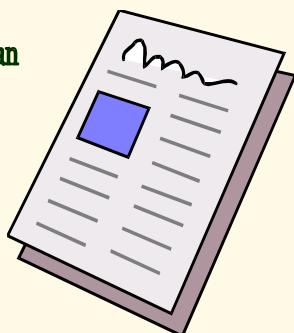
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"IT'S NOT ENOUGH THAT
WE DO OUR BEST;
SOMETIMES WE HAVE TO
DO WHAT'S REQUIRED."

~SIR WINSTON
CHURCHILL~



About 3 years ago, *The Triad Times* underwent a renovation. One of the additions that I was most excited about was an advisor interview. The Advisor Spotlight has been one of the most talked about features as it is both fascinating to hear about the unique practices our advisors run but also valuable as our interviewees have shared some great practice management ideas and thoughtful perspectives. With the addition of so many new advisors to the Triad family, I thought a look back at some of our previous interviews would be a worthwhile endeavor. We'll pick up with a new interview next quarter. Enjoy!

Interesting Hobbies

Bill Smith: I harvest rocks. I build stone walls and to do that, you have to collect rocks. You bring them to the spot where the wall is going to be, store them up and then you start the stone wall. I say it's no different than going out and getting clients. You build up a whole bunch of opportunities and then you put them together strategically, just like the stone wall.

Joseph Michaletz: I have a twin-engine Beachcraft Baron. I have a different business model than most people with 80% of my clientele located outside of Minnesota where I'm based. So I travel 2-3 days a week. I have an office in St. Louis so I may stop there for a morning meeting and then continue down to Naples. I may fly to Oklahoma City afterwards before heading home. I'll try to make 2 or 3 stops in one trip. I have a couple of large clients in Denver which is about half way to Vegas, so that works out nicely.

Starting Out

Bert Geiger: When I played for the Dodgers, I got an agent. He introduced me to a broker in L.A. I still had my high school bonus money and started working with him. About 6-8 months later, I'd pretty much lost it all. That's when I decided to teach myself more about the financial world and pass it on to my fraternity brothers in baseball.

Wayo Yegen: While I was living in the DC area, I went to the University of Maryland because it was cheap. Late in my junior year, I decided my immediate goal in life was to go to McDonalds twice in one week and be able to afford it. I knew I wanted to be in sales so I started interviewing with all the giants like Proctor & Gamble and Xerox. I found that I didn't want to work for any of them because of 3 important things: they con-

trolled who your customers were, when you worked and your income. A friend of mine was working for Manulife where I went to interview. I loved it! Within a year I was doing investments in addition to life insurance.

Marketing Strategies

Bill Kring: The most noteworthy thing about our practice is that we don't really have any niches. There are a lot of positives and negatives to that. Marketing is tough without a niche but we've always been good at offering advice and value that works for everyone. We try to position ourselves as being accessible to all which dictates a model of offering everything. We provide financial planning for fees which is reasonable retainer based. We also do investment management with the majority of new accounts being fee-based. We use a combination of accounts we manage and 3rd party money managers. We still do a decent amount of commission business. We typically build alternatives into our recommendations. We still use direct mutual funds for smaller accounts. We do insurance.

Joseph Michaletz: I have a motto in life that sums up every aspect of every business relationship there is: cost is only relevant in the absence of value. No one complains if they're getting what they're paying for. Our goal is to grow the wealth of our existing clients, not add new clients. We don't market, we don't look for new assets, but we will certainly take referrals that come in if they meet our perfect client profile. We probably turn away 10 referrals for every 1 we take. That's just our business model and it works for us. A lot of people are afraid to say no. But your good clients appreciate that because they don't want you to continually divide your time between more and more people.

Tactical or Strategic?

George Jackson: We're not market timers so we don't jump in and out of the market. We just follow market trends. My best analogy would be a horse race. We want to be with the lead horse and avoid laggards. For example in the first half of 2008 we were in commodities, energy stocks, short the dollar and very light in equities. When the commodities bubble burst in July, we rotated into treasuries. It's a fairly active process. We're not day traders; we like to catch those trends that last 3-6 years.

Craig Porter-Rollins: We don't believe there are any gurus or crystal balls that will demonstrate effectively and consistently that they can beat the market. We believe in a broad-based portfolio allocation. We have a lot of flexibility and have done an incredible job creating a great mix of funds that achieve the best possible return for the least amount of risk.

Commission or Fee?

Wayo Yegen: My big problem on the fee business is that I don't want to get paid for something I'm not doing. On the transactional business, I feel I'm getting paid if I do something. If I have a client that's active, I will use a fee account. Take a wire house broker for instance; he sells proprietary funds because he's getting a 1% trail. He builds up a gigantic book of business. The problem is you can't get out of the funds and he's continuing to make fees which is great for his business...but is this great for the client who literally bought a mutual fund that now hasn't been traded in years? A fee business benefits the client if it lowers the cost and adds value.

Bert Geiger: Up until this year, I'd been primarily commission-based. I've totally done an about face. All new clients are fee-based. I've done a tremendous amount of converting. The clients love it. I have had zero people say no. Of course we had to explain our position. For us to look at the whole universe of options and make recommendations such as selling an American fund and buying a UIT, the client does not have to ask "How much is that doing to cost me?" We don't have to worry about the every time we make a recommendation.

Continued on Page 13>>

Client Appreciation and Growth

Jim Walesa: Everything I do right now is referrals. I have a good take-away idea to build your client relationships. Instead of a birthday card (on average people receive about 5 cards each year), I send out chocolates. There is a service out there called Birthday Chocolates and for \$4.95 they send out 2 pieces of fudge in a nice box. I get rave reviews! I have a belief about the way this business should be done and it's not necessarily based on investments. I have a saying...people don't care how much you know until they know how much you care.

Charie Zank: 99.9% is referrals. We work very hard to make sure that we have no silos in our company. We have 3 integrated business lines: commercial banking, wealth management and private retail banking. We have monthly integration and prospect meetings that include members from every line. We have one focus and that is on the client. Nothing else matters except meeting their needs and exceeding their expectations. We all work together: it doesn't matter who we are or what we do or what our position or title is. To be effective, it's a combination of things and a daily event. Every time a client thanks

us or compliments us, we are proactive in saying "Thank you and we appreciate you referring any family or friends."

The Road Ahead

Chris Tolmacc: Our expectation is to add 8 more advisors through 2010 and another location in South Bend, IN. Five years down the road we want to be at 75 advisors with 3 additional locations. This industry has so much potential and there is a ton of business out there. The bad thing about the market we've had is a lot of people lost a lot of money. The good thing is it exposed an opportunity gap. The tools available allow us to do complete planning for the client and to be that one-stop-shop.

Charie Zank: Our goal is to continue with our mission of creating advocates for our company. We are focused on 3 primary lines of business. We want to be a hallmark in the industry and aim to differentiate ourselves from the competition with elegance and execution. We grow and increase our assets under management with care and true concern for our clients and a commitment to serving them, not selling them product.


Bill Kring: We need to continue to use technology effectively. There is always

going to be a lot of price pressure in the business so you have to be efficient. You have to get the client on board faster to be profitable. But you still have to talk to people and not lose that human touch. It's a balance.

A Few Words of Advice

Craig Porter-Rollins: Stay focused on the things you can control and the things you can't control just watch very closely. Don't lose sleep over the things you can't control.

Ashworth & Sullivan: My best tip is to bring in good people to help run your business. We can all get bogged down in the daily details of running a business, but you can minimize some of it by having the right people in place so your primary focus is on gathering assets and doing the right things for your clients. You can't spend all your time chasing dividends and correcting 1099s.

Bert Geiger: Love what you do! I don't know who to credit with this quote but it sums things up for me: "You will never have a job if you love what you do." One of the best compliments I ever had was when an ex-ball player called me when his mom died. He thanked me for everything I'd done for her over the years. That's what it's all about. 


BROKERAGE SERVICES UPDATE BY MARILYN HOSTEN



It seems like this year has just begun, yet we are already into 4th quarter 2010. For those of you who attended our National Conference in Chicago, you would have heard and seen a lot about I-Link, our new and improved INFO website which, in reality, will be your new workstation. If you were unable to attend, you will hear a lot more about I-Link and the functionalities it delivers. The estimated rollout date for this exciting tool is January 2, 2011 and will combine information from both your brokerage and direct client accounts.

Additionally, you have asked and asked and we will finally roll out New Account Set Up (NASU) in the 1st quarter of 2011 – hence the removal of the *Get Account Number* page on INFO. NASU will provide the ability for advisors to establish their own brokerage accounts online and then submit the paperwork to Triad electronically via *Upload Central*. Many of you may already use the *Upload Central* functionality and very soon, everyone will have that capability.

Recently National Financial rolled out the Trailing Stops functionality under the *Trading* tab on Streetscape. This gives you the ability to enter stops using either a dollar or percentage limit. We have received positive feedback about this new tool.

Triad continues to strive for excellence by providing you with the best of class service and the right tools you need to run an efficient branch office. With the help of Streetscape, offered through our partner, National Financial, we are keeping that promise. We look forward to bringing new functionalities to you and your staff in the near future. Thank you for your business. 





Market Analysis, Research & Education

A unit of Fidelity Management & Research Company

How Often is Cash King?

As a relatively low-risk investment, cash historically has provided relatively low returns

- Since 1926, cash returns (3.7%) modestly outpaced inflation (3.0%), and were surpassed by the returns from stocks (9.8%) and investment-grade bonds (5.5%).ⁱ

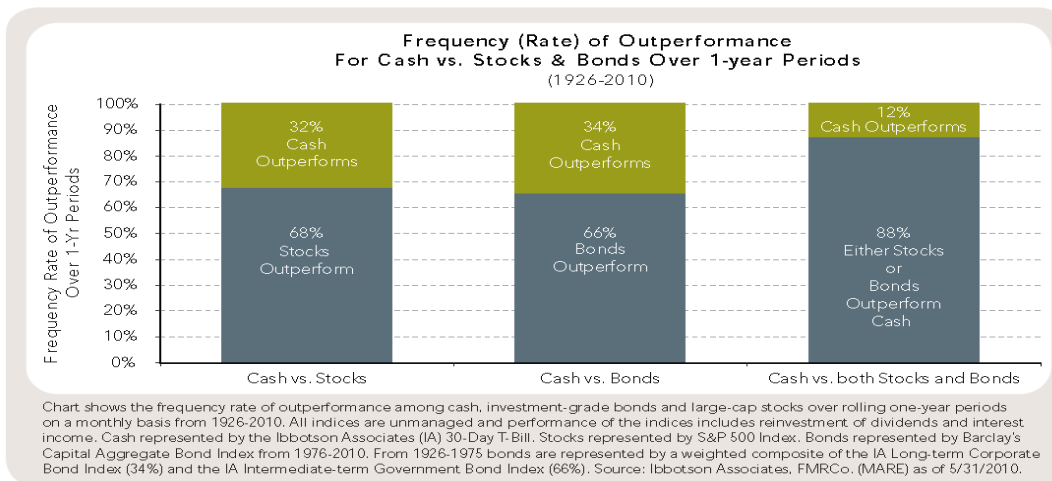
Cash has lagged stocks and bonds the majority of the time. During the past 84 years (1926-2010):

- Stocks performed better than cash on a one-year basis nearly 68% of the time.
- Investment-grade bond returns outpaced cash about 66% of the time.
- Cash outperformed both stocks and bonds during just 12% of all the one-year periods.

Investment Implications

- A certain amount of cash is generally recommended in a portfolio for short-term needs, liquidity and to reduce volatility.
- However, investors should be cognizant that excessive tactical allocations to cash can potentially result in significantly lower returns over extended periods of time.
- With historical odds of just more than one in ten that cash will produce superior returns to stocks and bonds, investors should be careful about tactically over-allocating to cash at the expense of other major asset classes.

Exhibit 1: While cash investments are less volatile and tend to have less downside risk than stocks or bonds, they also have outperformed these other classes far less frequently in any given year.



Past performance is no guarantee of future results. You cannot invest directly in an index.

Investment decisions should be based on an individual's own goals, time horizon, and tolerance for risk. Investing involves risk, including the risk of loss. In general, the bond market is volatile and bond funds entail interest rate risk (as interest rates rise bond prices usually fall, and vice versa). This effect is usually more pronounced for longer-term securities. Bond funds also entail the risk of issuer default, issuer credit risk, and inflation risk.

[i] Asset class performance from 1/1/26 to 5/31/10. The inflation rate is represented by the IA SBBI U.S. Inflation Index. Source: Ibbotson Associates, FMRCo. (MARE) as of 5/31/10.

The S&P 500®, a market-capitalization-weighted index of common stocks, is a registered service mark of the McGraw-Hill Companies, Inc. and has been licensed for use by Fidelity Distributors Corporation. The Barclay's Capital® (BC) U.S. Aggregate Bond Index is an unmanaged market-value-weighted performance benchmark for investment-grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The Ibbotson U.S. Long-Term Corporate Bond Index is a custom index designed to measure the performance of long-term U.S. corporate bonds. The Ibbotson U.S. Intermediate-Term Government Bond Index is a custom index set to measure the performance of intermediate-term U.S. government bonds. The IA SBBI U.S. Inflation Index is an inflationary indicator based on the Consumer Price Index (CPI) that measures the change in the cost of a fixed basket of products and services, including housing, electricity, food, and transportation.

The Market Analysis, Research and Education (MARE) group, a unit of Fidelity Management & Research Co. (FMRCo.), provides timely analysis on developments in the financial markets.

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Web: www.annuities.prudential.com

Calendar of Events

November

2nd 4: 15PM ET
BondTrader Pro– Streetscape

4th 1: 00PM ET
How to Use the Fidelity
Retirement Income Evaluator–
Streetscape

9th 3: 00PM ET
Getting Started on Investigo!

16th 1: 00PM ET
Investigo– New Features
4: 15PM ET
Introduction to Streetscape

17th 1: 00PM ET
Getting Started on Investigo!

3: 00PM ET
Investigo– New Features

18th 1: 00PM ET
New Account Setup and
Transfer of Assets–
Streetscape
4: 00PM ET
*Advisory Services Operations
Training*

23rd 3: 00PM ET
Getting Started on Investigo!

4: 15PM ET
Trading– Streetscape

25th Thanksgiving Day Holiday–
Market Closed

29th 1: 00PM ET
Cashiering, Retirement
Distribution and Journals–
Streetscape

4: 15PM ET
Fee-Based Tools (FBT)
Advanced– Streetscape

December

3rd 1: 00PM ET
Cost Basis– Streetscape

6th 4: 15PM ET
Introduction to Streetscape

7th 4: 15PM ET
Trading– Streetscape

8th 4: 15PM ET
BondTrader Pro– Streetscape

9th 1: 00PM ET
New Account Setup and
Transfer of Assets–
Streetscape

10th 1: 00PM ET
Cashiering, Retirement
Distributions and Journals–
Streetscape

14th 4: 15PM ET
Fee-Based Tools (FBT)
Advanced– Streetscape

15th 4: 15PM ET
How to Use the Fidelity
Retirement Income Evaluator–
Streetscape

16th 1: 00PM ET
Service Center– Streetscape
4: 00PM ET
*Advisory Services Operations
Training*

24th Christmas Day Holiday–
Market Closed

25th Christmas Day Observed

January

20th 4: 00PM ET
*Advisory Services Operations
Training*