

In The News

Mike Jones promoted to president of JSW Financial Joel to serve as chairman



Mike Jones, CFP®, has been promoted to president of JSW Financial. In his expanded role, Mike will focus on client service and daily operations while continuing to serve as your

trusted financial advisor and planner. Joel will continue his role as chairman of the company. Joel is not retiring, selling the company or slowing down. He will remain deeply involved in the company and our clients.

In announcing the promotion, Joel

says, "Since joining JSW in 2005, Mike has been a valuable member of our team. His leadership and financial knowledge and experience will ensure that our focus remains on client service and developing innovative, long-term solutions to grow investments, potentially reduce taxes, produce income, and enhance charitable giving."

"I look forward to continuing to guide clients through these unprecedented times," Mike says. "Now, more than ever, clients need expert advice and focus. That's why Joel will continue to provide macro-economic insight and industry connections that are so valuable in steering our investment decisions and activities. He will continue to immerse himself in the

latest trends and will continue to be available to help you make the right decisions and recommendations for your situation."

Mike is a Certified Financial Planner™ and holds the Series 7 and 66 Securities Registrations, as well as Virginia life and health insurance licenses. He earned an MBA from Purdue University's Krannert School of Business and a bachelor's degree in mechanical engineering from Virginia Tech.

Joel says Mike's promotion is part of his plan to "give other members of the team the ability to lead this organization into the future."

Contact Us

Office hours: Monday - Thursday | 8 a.m. - 5 p.m.
 Friday | 8 a.m. - noon

- Beth Ashe | betha@joelwilliams.com
- Joel Williams | info@joelwilliams.com
- Mike Jones | mikej@joelwilliams.com
- David Harder | davidh@joelwilliams.com
- Sara Bohn | sarab@joelwilliams.com
- Robin Clark | robinc@joelwilliams.com
- Amanda Lahaie | amandal@joelwilliams.com
- Patrick Carroll | patrickc@joelwilliams.com

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Beware of mini-tender offers

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<http://www.sec.gov/investor/pubs/minitend.htm>.

So what should you do if you receive an offer to purchase shares in a limited partnership or other investment you have?

In the vast majority of the cases, you should treat it like any other unsolicited offer you receive by mail and toss it in the trash. As with any other mailing, if you're unsure what to do, ask us about it. Even if you are interested in selling, there are many cases where we may be able to find you a better price than the one offered.

And, if you're the one wanting to make a tender offer and buy shares at significant discounts, call us as well. One company we work with pools investors' money and does exactly that. Their approach is a little different than most of the other companies out there in that they are upfront about why they are making the tender offer and they typically offer prices that are fairer to the seller.

– Mike Jones

Beware of mini-tender offers Unsuspecting investors are vulnerable

Recently some of our clients received a letter with an offer to buy shares of a real estate program they own. The letter made an extremely low offer for the shares along with some negative comments meant to cast doubt on the financial strength of the program.

We sent responses to those we thought may have received this offer and advised them to disregard it because we felt the shares were worth significantly more than the offer being made.

Unfortunately, we are hearing more

and more about these types of offers, referred to as mini-tender offers. There are a number of companies that mail these offers out with the intent of catching investors off-guard and getting their shares for well under current value.

They do this because enough unsuspecting people sell their shares and because the companies stand to gain tremendously at the expense of investors who do sell their shares to them. In the example I mentioned above, the company will make over 50 percent per year just in the dividends the

real estate program is currently paying!

Because these companies do not intend to purchase more than 5 percent of the shares in the program, they can bypass the normal SEC requirements for a tender offer, which includes allowing investors time to change their minds and disclosing important information about themselves. The SEC has issued a warning about these types of tender offers. You can read more here:

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Welcome Sara Bohn



JSW Financial is pleased to welcome Sara R. Bohn, CFP®, CLU®, CLTC, MBA. Sara joins us as a Certified Financial Planner™ with a solid background in comprehensive financial strategies and strong client relationships.

Her areas of expertise include insurance, investments, educational, retirement, wealth and inherited estate strategies, asset management, trust services, and business retirement

accounts management as well as succession strategies and employee and executive benefits.

She has worked with clients in the medical, legal, technical, academic, and professional/executive areas.

The New York state native earned a bachelor's degree in mechanical engineering and an MBA from Rensselaer Polytechnic Institute.

She serves on the board of directors of the Montgomery County Chamber of Commerce and on the Community Investment Committee for the United Way of Montgomery, Radford and Floyd. She is active with Boy Scouts of America and is a member of the New River Valley Estate Planning Council.

Sara has lived in Blacksburg with her husband (a Virginia Tech engineering professor) and two sons for the last 17 years. Sara and her family enjoy traveling, camping, canoeing, hiking, bicycling, and spending time in our great outdoors.

We invite you to contact Sara at sarab@joelwilliams.com or by calling the office at 540.961.6706.

Too much mail? Go paperless

Financial-related accounts always lead to paperwork. Numbers, graphs, legal details and constant changes are a sure way to fill the mailbox.

There's something you can do about it. For those of you receiving updates from First Clearing, you can set up an online account to see your information securely. To learn how, visit our web site at www.joelwilliams.com or contact Robin or Amanda, who can take you through the steps.

– Robin Clark



Database conversion

JSW Financial is about to undertake a database conversion as we switch to more effective software. Our staff may be reaching out to you to make sure all of your information transitions accurately to the new system. Thank you for your patience as we upgrade our ability to serve you.

– Beth Ashe

E-newsletter reminder

As you know, JSW Financial augments these newsletters with electronic versions that are sent via Constant Contact, an e-mail marketing provider. When you receive these – even if they may end up in spam – please add it to your safe sender list so we can continue to provide you with valuable and timely information.

– Beth Ashe

Quotables

“The percentage of workers reporting they are not at all confident has climbed to a new high of 27 percent (up from 22 percent in 2010.)”

Source: *The 2011 Retirement Confidence Survey*

Inflation to replace unemployment as headline news

Imagine paying a monthly mortgage of \$1,000 with a VISA card. And making the minimum payment, say \$50. It gets even better: VISA continues to raise the limit when more money is needed, say from \$5,000 to \$10,000.

Now try \$600 billion for six months. Sounds crazy, right?

This is the simplest way to explain what the government is currently doing. QE2 (Quantitative Easing, for the second time) is what they call it and few voters even understand it. This ends June 30.

In my opinion, the government is likely to once again skirt the real issues and offer a QE3, which means more stimulus. If that happens, I anticipate that the market will continue to move up into 2012 until a few things begin happening. You can look for the following items.

QE3 is not implemented. That would be the correct decision to make for the long-term health of our economy. If that happens the various stock markets would likely trend down more rapidly. Some of the alternative markets may react differently, like commodities and precious metals. But we would begin to stop the bleeding of mounting debt. Not doing QE3 would be equivalent to cutting up the VISA card. If this is not done, the media will be carrying more stories about the U.S. going bankrupt. Watch for this if QE3 is implemented.

Corporate profits begin dropping due to increasing costs of basic materials. Commodity prices increase, particularly in energy and food. Inflation will become headline news before the end of 2011, in my opinion.

Shortages in the supply of parts and components produced in Japan will impact the automotive and electronics industries, compounding the impact of inflation.

Residential real estate market will take another hit as interest rates increase and the expiration of first-time buyer credits is felt. Delinquent payments have peaked but the peak in foreclosures has yet to come, making 2012 another tough year for the housing market. The good news is that demand for rental property will improve with rates going up, IF the small- to mid-sized business sector is provided incentives to expand the work force.

Consumer sentiment numbers have continued to drop; people still are unemployed and underemployed; and foreclosures continue to climb. The stock market is simply a six-month barometer and is a short-term phenomenon. Long term, for the stock market to go up, real production of goods and services must happen!

I often talk about using alternative investments and

absolute return managers to provide some protection against volatile times, yet participation in strong up markets 2010 is a good example as we have been positioned for a couple of years for difficult investment climates, but our performance was very good. You may have noticed particular managers outperforming the S&P due to nervous markets. It comes as no surprise that those portions of your portfolios allocated to gold and commodities did very well. This helped raise the overall average returns and has our portfolios off to a good start in 2011.

There are obviously no guarantees of future returns, but once again I am pleased we are allocated the way we are.

So, what can you do?

Continue to be patient. The information is really difficult to analyze from week to week as our country's leaders are trying their best to figure out the best path. At the same time you can support efforts to help the small- to mid-sized business sector because that is where jobs will be created.

Try to understand the true problems so you will not be surprised when sudden changes occur in our economy or the stock

market. That is when major mistakes are made by investors that can take years from which to recover. Using the VISA example, it should be no surprise that there will be some pain for all of us to correct the situation.

Understand that regardless of the overthrow in Egypt, the earthquake in Japan or the drought in Australia, the financial crisis will not be solved with continued government spending. It must come from cutting expenses and creating jobs in the private sector. Until this happens we are simply delaying the discomfort of correcting the problem. We may enjoy increasing stock market returns, but we have to eventually clean up the mess and pay off the bills.

Make sure you have a stable income/cash flow plan going forward, if you are in retirement. This allows you the peace of mind to make informed, objective decisions. This type of planning will be essential going forward.

Again, with change comes opportunity. But to have change, we must appreciate there will be some discomfort. It is natural, because we are human. That's the way God made us.

Until next time,

– Joel

“I anticipate that the market will continue to move up into 2012.”

Markets

March 21, 2011

DOW | 12,036.53

Nasdaq | 2,262.70

S&P 500 | 1,298.38

Thank you

Thank you to our clients and friends for attending our 17th annual Client Appreciation event. Mark Palmer, co-founder of Bayhawk Asset Management, provided a fascinating overview of how the recent world events are impacting investments. Every year, we strive to bring in national experts to help you better understand global events and investment strategies.

And thank you to everyone who joined us to hear the Old Pros Band at the Lyric! Proceeds benefited the Lyric Theatre and the YMCA at Virginia Tech.