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Thanksgiving & Healthcare.gov

I can't believe Thanksgiving has come and gone. It's my favorite holiday of the year; I always look forward to it, but it just seems to zip by. As you already know, there are no bigger creatures of habit than me and I pretty much followed my usual pattern with the exception of the gym. We actually did two Thanksgivings although one was really Hanukah. Some of our closest friends flew in from CA and we all met at a bar on Wednesday to catch up, kid around and enjoy adult beverages.

Normally on Thanksgiving, I do a quick run to synagogue and then head to the gym for the rest of the morning, waiting to be thrown out at noon. But this year, I added some real excitement to the mix as my brother came over and we did some house projects for much of the day. It's hard to believe that a reality TV show didn't want to film us!

After that, it was football and more football until dinner. As usual, I was already stuffed from the appetizers and wine before we even sat down for an amazingly delicious meal. Shockingly, all three kids were very well behaved at both meals. That has to be a first! If all that didn't have you on the edge of your seat, hold on, there's more. Teri and I patched, sanded, taped and painted our family room. Yes, we are a crazy couple, but I am so anal when it comes to my walls that I can't deal with imperfections.

Anyway, I hope you had a meaningful and fantastic Thanksgiving and are enjoying Hanukkah if you celebrate.

By the way, each and every year, we send Thanksgiving cards to those whom we have addresses on file. This year, we got an early jump and Renee had everything organized way in advance. But apparently the local post office service is run by the same folks who created Healthcare.gov.

One day when our regular mail carrier was out, the substitute came in, dropped off our mail and took an entire box off Renee's desk. Now if that box was a signed, sealed, addressed and stamped box of cards, that would have been great! However, what little I do know, I know that when the postal carrier grabs a box of addressed, unstamped, unsealed envelopes without any cards inside, that is a problem! Yes indeed.

And the bigger problem is that we never knew which names were in that box. So from the bottom of my heart, if you did not receive our Thanksgiving card or received an unsealed, empty envelope without postage as some of you did, I sincerely apologize. Just as it took Healthcare.gov a few months to right the ship, almost, I am hopeful that the post office will as well.

I always like to close with something interesting I saw on TV or online. Click on the link below for an absolutely fascinating 60 Minutes piece on the [Nile Crocodile](#). Trust me. It was amazing!

Don't forget to check our blog for intra-issue updates.
www.Investfortomorrowblog.com.

Stock Market Sentiment at Rally Killing Levels

The stock market is tired, again. That seems like a phrase I have used often this year without much follow through. There have been many times in 2013 when the market had risen sharply and then looked just plain weary. Instead of correcting or even pulling back smartly, the stock market behaved like it does when it's in a powerful bull trend; it's consolidated sideways within a few percent of its high and then blasted off again.

"Is this time different?" That's one of the scariest phrases in our business!

The only difference I see now with other 2013 overbought markets is that sentiment is now and has been at rally killing levels, something I mentioned on CNBC (<http://www.investfortomorrow.com/InMedia.asp>) and Fox Business over the past few weeks as well as here and on the blog. If this was not early December, I would have much stronger conviction to be negative, but it's almost unheard of to see a meaningful peak or significant decline at this time of the year. That's tough to ignore. While I absolutely hate when people say they are "cautiously optimistic", I will say that I am a nervous bull who is dancing very close to the door.

So here we are, during the most positive time of the year. Something like 8 of the last 10 Decembers have been up. Stocks are at all-time highs. There is no impetus to sell. There are few downside catalysts. Even the bears are bullish until January. Yet all is not right. Today (December 2) and tomorrow are historically very good days in the market. Stocks opened well and moved higher into lunch, but then the bears tried to make another stand. This time, they were successful, closing the market just off the lows of the day and ending with a semi nasty looking candlestick on the daily chart.

If we do not see an immediate about face on Tuesday, the evidence will point to a sometimes typical early December pullback of 2-5% that should bottom within five days of option expiration on the 20th. Don't forget there is a two day Fed meeting on the 17th & 18th where taper talk will be all the rage. What a great excuse for a low if the market sold off into that meeting!

While small caps and technology have led the rally for the past few weeks, it looks like they are trying to cede leadership to large and mid caps. IF there is a pullback and IF the small caps and tech underperform for a week or two or so, that would set up such a nice trade into January for buying the Russell 2000, S&P 600 and NASDAQ 100 for the final 5-10 days of the year. There is also a tendency for the semiconductor group, which leads tech, to perform poorly over the next two weeks. It would all fit together nicely.

But that is putting cart so far in front of the horse. Let's wait and see what happens over the coming few days. There is no need to push and rush here as stocks are extended and tired regardless.

On a separate note, gold was bludgeoned today and is now set up to see sub \$1200 sooner than later. Sentiment has been worse than awful, but even that hasn't been able to thwart the bears. At some point it is going to matter, but that will likely be from lower levels on the metals and perhaps all-time bearish levels of sentiment.

Year-End Tax Tips from an Expert

Health Care Reform - Despite last-minute postponements in the effective date of some provisions of the Affordable Care Act (ACA), it's important to determine now what impact this law will have on your business. By acting now, we can identify a long-term plan that anticipates the eventual rollout of the reporting and penalty provisions of the employer mandate.

The **Small Business Health Care Tax Credit** can help offset the cost of coverage for many companies by providing a credit against taxes, but there will be changes beginning in 2014. The credit rises to 50% of premiums paid (35% for small tax-exempt employers), but it only applies to small businesses that participate in the Small Business Health Options Program (SHOP) Marketplace. We will be happy to answer your questions about the SHOP, as well as other provisions of the ACA.

Employers should also be aware that a number of other provisions will go into effect as originally scheduled, such as the 90-day limit on the period before a new hire can become eligible for employer-provided health coverage.

New Tax Laws in Effect

- Extended small business expensing under Section 179 through 2013, as well as the availability of first-year "bonus" depreciation, which helps lower the after-tax costs of new business property.
- The highest individual income tax rate rose to 39.6% in 2013. Taxpayers at this income level also will see tax rates on dividend income and long-term capital gains rise to 20% (up from 15% in 2012). High-income business owners who find themselves paying more in taxes under the new law should consider options for minimizing their outlays.
- There is a new tax starting with 2013 returns, the 3.8 investment income tax. It applies to single taxpayers with adjusted gross income of \$200,000 and joint filers earning \$250,000. This new tax may affect the return on the sale of your investments, but proper planning may serve to minimize the impact. Flow-through entities have been very popular in recent years, but the higher tax rate and new 3.8% net investment income tax could significantly erode their tax benefits. We can advise you on the form of entity that suits your business needs and tax situation.
- Although the alternative minimum tax (AMT) originally was aimed at high-income taxpayers, it has increasingly affected more and more middle-income taxpayers over the years. Although the AMT now is indexed for inflation, the use of certain tax breaks still could subject you to the tax.
- **DOMA Decision's Impact on Financial Planning for Same-Sex Couples** - If you are a member of a married same-sex couple, then the U.S. Supreme Court's recent decision to strike down the Defense of Marriage Act could have a substantial effect on many aspects of your financial life. You may want to consider, for example, filing an amended income tax return if you now qualify for deductions or credits available to married couples under federal law. Since same-sex couples are now eligible for the estate tax exemption available to surviving spouses, it may also be time to review your estate planning.
- **Using IRA Distributions for Charitable Deductions** - Have you considered using the funds in your individual retirement account (IRA) to make a charitable contribution? If so, it's a good idea to follow up on your plans sooner rather than later. Under the American Taxpayer Relief Act of 2012, individuals who are age 70½ or older can make a qualified charitable distribution from an IRA directly to a charity. You can exclude donations up to

\$100,000 of an otherwise taxable distribution from your gross income and count them toward the current tax year's required minimum IRA distributions.

Other Key Considerations

- **Is Your Will Up To Date?** When was the last time you reviewed your will? People generally make wills to guarantee the proper disposition of their money and property, which is why it's a good idea to consult your CPA when it's time to create or update your will. We recommend that you revisit your will every time you experience a major life event, such as marriage, the birth of a child, retirement or other significant milestones. Even if there is no meaningful change in your life, it's smart to review the document every couple of years to ensure it still addresses all your estate concerns and reflects your wishes. Changes in the value of your investments, such as a stock portfolio or real estate may also require adjustments in your estate plans.
- **Stop Tax Identity Theft in Its Tracks** - Imagine after sending in your annual tax return, you receive a notice from the Internal Revenue Service saying that another return has already been filed using your name and Social Security number and claiming a refund. Sound impossible? It can happen if you become one of a growing number of victims of tax return identity theft. According to one estimate, tax-related identity theft cases have soared more than 650% since 2008. At the least, this crime can lead to a delay in your refund, but the consequences may be much more serious. In addition, you may face a larger problem with identify theft if the scammer is also running up credit card debt or taking out loans in your name.
- To avoid becoming a victim, we recommend steps such as safeguarding your Social Security number and other financial information, keeping an eye on changes to your credit ratings and taking precautions with electronic transfers of confidential information. Be sure to contact us if you believe you have been a victim of identity theft or would like advice on the best ways to secure your financial information.

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Thomas Jefferson Part I

This is not new. It's been passed around the Internet for years. But every time it is emailed to me, I stop, read and am in awe of Thomas Jefferson's brilliance. Please take a few minutes and read to the bottom.

At 5, began studying under his cousin's tutor.

At 9, studied Latin, Greek and French.

At 14, studied classical literature and additional languages.

At 16, entered the College of William and Mary. Also could write in Greek with one hand while writing the same in Latin with the other.

At 19, studied Law for 5 years starting under George Wythe.

At 23, started his own law practice.

At 25, was elected to the Virginia House of Burgesses.

At 31, wrote the widely circulated "Summary View of the Rights of British America? And retired from his law practice.

At 32, was a Delegate to the Second Continental Congress.

At 33, wrote the Declaration of Independence.

At 33, took three years to revise Virginia's legal code and wrote a Public Education bill and a statute for Religious Freedom.

At 36, was elected the second Governor of Virginia succeeding Patrick Henry.

At 40, served in Congress for two years.

At 41, was the American minister to France and negotiated commercial treaties with European nations along with Ben Franklin and John Adams.

At 46, served as the first Secretary of State under George Washington.

At 53, served as Vice President and was elected president of the American Philosophical Society.

At 55, drafted the Kentucky Resolutions and became the active head of

Republican Party.

At 57, was elected the third president of the United States.

At 60, obtained the Louisiana Purchase doubling the nation's size.

At 61, was elected to a second term as President.

At 65, retired to Monticello.

At 80, helped President Monroe shape the Monroe Doctrine.

At 81, almost single-handedly created the University of Virginia and served as its first president.

At 83, died on the 50th anniversary of the Signing of the Declaration of Independence along with John Adams.

Upcoming Appearances

Yahoo Finance Breakout - January 23, 2014

You can view most of the past segments by clicking below.

Media Appearances

(<http://www.investfortomorrow.com/InMedia.asp>)

Investment Quotes/Adages To Live By

"The only easy day was yesterday."

- The U.S. Marines

"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's money." - Margaret Thatcher

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."

- Mohamed El-Erian

Friends And Family Plan

Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

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