



## Been There, Done That

**Todd Brand, President**

Owen D. Young – “Markets as well as mobs respond to human emotions; markets as well as mobs can be inflamed to their own destruction.”

Dave Weinbaum - “The most predictable thing about the stock market is the number of experts who take credit for predicting it.”



The graph below looks at the price for the Vanguard Total World Stock Index (Exchange Traded Fund with ticker symbol “VT”) over the last twelve months. I chose it as a decent proxy for both the sentiment and the wealth of the planet’s six billion residents. It is effectively a world

equity market index much broader than say the 30 stocks of the Dow Jones Industrial Average. I share it as a hopeful confirmation that whatever ground has been lost, will someday be regained. At this point, a notable amount of it already has.

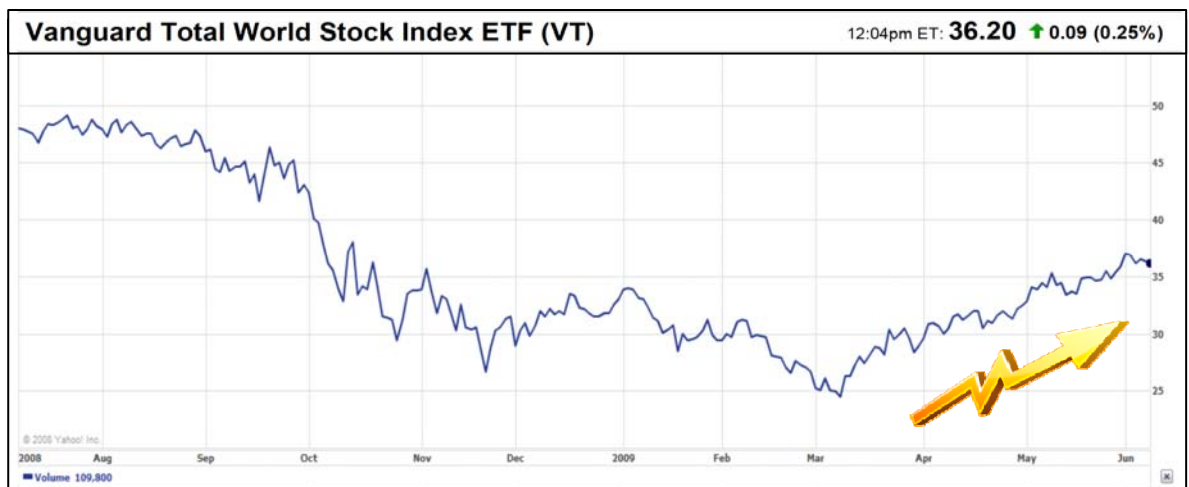
While the visually modest slope of the graph starting early in March through today doesn’t look particularly abnormal, I’ll refer back to my thoughts shared with you in an e-blast last

November (20<sup>th</sup>) where we expressed a hope and a guess that we had “found the range in which the bottom lives,” and may be “approaching a global rally of some note.” That upswing since March 9<sup>th</sup> is in reality, the fastest global upswing in asset prices that I find in the historical record. In the roughly 13-week period from March 10<sup>th</sup> through June 8<sup>th</sup>, the VT is up more than 47% with the US Stock Market (S&P 500 Index) appreciating about 40%, Developed Foreign Stocks

(MSCI EAFE Index) climbing about 46% and Emerging Markets (MSCI Emerging Markets Index) racing up a staggering 60%.

Commentary abounds on both sides of this observation ranging from disbelief, to shock, to “I told you so”. Truth be told, many around the world had just finished getting out of their stocks when this *event* began. As you might guess, a wide array of market prognosticators feel that this is a “dead cat bounce” or a “false start” or a “short – term rally in the middle of a longer term decline.” Others predict “full steam ahead” as liquidity is freed up, fear abates, and volatility comes down.

Me, I have no idea. I hate to share that thought but it’s true. I’d have to predict political actions, terrorist plots, Fed policy, consumer sentiment, global money flows, etc. Then, overlay price, earnings, volatility, and solvency data. Then guess. Today, I know only that the equity markets are a confounding thing. But, they always work.....eventually. They rarely work like I want them to or when I tell them to. If they worked any differently, they might not work period. After all, if markets offered linear appreciation of their longer term



growth (about 10% annually), who wouldn’t buy them? It would be a risk free world and as my Dad is fond of saying, “it’s risk that creates the return in the first place.”

# Identity Theft: What You Can Do About It

**Phil Daniels**

Crisis can come at a macro level like the recent reshuffling of the financial sector, or at the micro level like being a victim of identity theft. We'd suggest that you have more control over the micro level events through the decisions you make and by altering your actions. So with that, here are some of our thoughts on protecting yourself from the growing problem of identity theft.

Imagine that you've become a victim of identity theft. Thoughts race through your mind: How did this happen? What do I do now? Could I have done something to prevent it? We'd like to focus on that last question as a proactive way to suggest steps that you can take now to reduce the likelihood that you'll have to deal with the other two questions later.

Identity theft occurs when your name, social security number, or credit card number is used without your authorization. The Federal Trade Commission (FTC) estimates that the identity of 9 million Americans is stolen each year. One of our clients was added to that list last year when he was notified by his mortgage company that a former employee had sold customer information. Fortunately, that information hasn't been used to get credit in his name so far.

If you'd like to learn more about how these criminals get your information or what they do with it, I'd encourage you to visit the FTC website at: [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft). At their site the FTC also provides suggestions for how to respond if you are a victim of identity theft. Of course, if you are ever in that situation, please give us a call and we'll share our thoughts as well.

The most important step you can take to protect yourself from becoming a victim of identity theft is to be very protective of your personal information like your social security number and account numbers. You should only provide that information to known and trusted organizations and even then, only when you are absolutely certain that you are dealing with that entity.

For example, if you receive a call from someone claiming to be from a legitimate organization with whom you would share information, the most secure course of action would be to call them back at a number you know to belong to that organization rather than just giving your personal information to the person who called. You simply can't be too cautious.

There are also services available that can help you protect your identity. One of the largest providers with over 1.3 million customers is LifeLock. You may have seen their ads. They are the firm that openly publishes their CEO's Social Security number as evidence that they can protect you.

So what does LifeLock offer to do for you? First, they have established a partnership with TransUnion, one of the credit bureaus, that allows them to submit fraud alert requests to them and to have them reinstated every 90 days when they expire. TransUnion then passes that request on to the other two credit bureaus. A fraud alert notifies anyone doing something with your credit that they should be diligent in confirming your identity and verifying that you want to proceed with the transaction. LifeLock also requests that your name be removed from pre-approved credit card and junk mail lists and annually order credit reports that will be sent directly to you for your review.

LifeLock will also help you if you ever lose your wallet. After you notify them, they will contact your credit card companies and bank and will even help replace other items like your driver's license and social security card. They monitor for the sale of your personal information and contact you if they detect it. Finally, they let you know if they detect a change of address in your record, which is often a precursor to a criminal's fraudulent use of your credit.

All of this service comes with their \$1,000,000 guarantee. To be clear, that is the amount that they are prepared to spend on professional fees to correct the problem and help you clean up your credit record. It is NOT a guarantee to replace any lost funds.

The decision to use LifeLock, or any of the other identity theft protection companies like Pre-Paid Legal's Identity Theft Shield, Zander Insurance, Identity Truth, TrustedID, or DEBiX is really a decision to outsource tasks that for the most part you could do yourself for free. While their value proposition is to help prevent the theft of your identity, you may find their assistance in restoring your credit if you ever become a victim to be even more valuable. It is worth noting that while the measures they employ shouldn't impact your ability to get credit, it may delay instant credit applications.

Now, for the bottom line. We contacted LifeLock and received a promotional code that you can use to get a 20% discount from their retail rates for the first year or two of your membership. That discount reduces the annual rate for an adult to \$88 and the rate for kids to \$20.



## Identity Theft

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While they recommend enrolling each member of your family, the value of adding kids could be debated particularly if they are under 16 though there are cases of children's identities being stolen. The promotional code is BAMEMP and can be entered when you enroll online or given to a representative if you enroll by phone at 1-800-LifeLock (1-800-543-3562).

We should mention that LifeLock is currently in litigation with Experian, one of the credit bureaus, who claim that their process for requesting the fraud alerts is not consistent with the law allowing those alerts. In our opinion, if LifeLock were to lose that lawsuit, it could dilute the value of their service if they can't find a work-around. In fact, within the past few weeks Experian won a summary judgment against LifeLock in federal court. However, in a call to LifeLock we were assured that they are working on ways that they believe will allow them to continue delivering the same services, though their processes may need to be adjusted. If you choose to hire them, this is an issue to be aware of and keep an eye on.

To learn more about LifeLock, please visit their website at [www.lifelock.com](http://www.lifelock.com) and if you decide to enroll, let us know how you like it. If you have additional questions about identity theft, please give us a call.

## 2009 Ladies Lunch & Learn Save the Date! October 2, 2009



### Fifth Annual Ladies Lunch & Learn

10:30 a.m. to 1:30 p.m.

For more information contact Jessica  
Duvall at [jduvall@brandamg.com](mailto:jduvall@brandamg.com) or  
call 636.532.7333

## Symposium Survey Results

We enjoyed seeing those of you who could attend our Client Symposium on May 29th. Your speaker reviews (average of 4.6/5.0) were encouraging and your suggestions were very helpful. I thought a quick recap of the other survey responses would be enlightening. Of the 43 responses received thus far, the results were as follows:

1. Twelve months from today, will the state of the following five categories be Better, Same, Worse?

- |                      |                                   |
|----------------------|-----------------------------------|
| A. Stock Market      | = 77% Better, 19% Same, 4% Worse  |
| B. Overall Economy   | = 63% Better, 26% Same, 11% Worse |
| C. Business Spending | = 60% Better, 30% Same, 10% Worse |
| D. Consumer Spending | = 55% Better, 35% Same, 10% Worse |
| E. Real Estate       | = 49% Better, 33% Same, 18% Worse |

2. List of the top issues facing our nation today:

- #1 = Political Climate/Direction
- #2 = War/Terrorism
- #3 = National Debt/Deficits/Spending
- #4 = Loss of Morals/Values/Culture

3. Will the bailouts and stimulus work?

- Answers: 60% No  
31% Maybe/Short Term  
9% Yes

We appreciate your attendance and would ask that if you haven't submitted either of your surveys at this point, you please do so at your convenience. If you'd like a copy of either survey sent to you, please feel free to contact Jessica and she can forward it to you.

Thank you,  
Todd

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## Compliance Checks and Balances

**Cindy Dolniak**



As a follow-up to the article in our last newsletter titled “How Do I Know You’re Not Stealing My Money”, I want to discuss the “checks and balances” that are in place to address issues arising from the Madoff fraud. In addition to the procedures we have in place internally, the Securities and Exchange Commission (SEC) performs routine audits of advisory firms.

A new step in their process is to contact the clients of advisory firms (you), and third parties used by advisory firms (i.e. Fidelity, Vanguard, etc.) to verify account data. If you receive a request please remember that it is not an indication that a violation has occurred, nor should it reflect adversely on the advisor.

Let me take a moment to discuss reporting accuracy:

- It is our policy to use qualified independent custodians. The custodian holds (or “custodies”) client assets and provides statements (in most cases at least quarterly) that list holdings, transactions, prices, etc. for your review. In some cases, you have the opportunity to access your statements via the internet. If you choose to receive paper copies, they are sent directly to you (instead of being sent through our office). Reports received directly from the custodian (electronic or paper) can be compared to reports generated from our office. This is designed to ensure the integrity of the information and permit you, the client, to identify any erroneous or unauthorized transactions.
- Brand AMG enlists an outside reporting firm to provide you with reports that consolidate account data from multiple custodians. We perform monthly audits to verify that the reporting firm is accurately reflecting prices and market values from the custodians.
- If at any point in time you work with us to change your address, you should receive a notice directly from the custodians confirming the old address and the new address. If you receive notice of a change of address that you did not request, you can contact the custodian directly to resolve the issue. Custodians do notify us when a statement mailed to you is returned to them due to a wrong address.

Should you have any concerns or questions, please do not hesitate to contact me directly.

To the extent that a reader has any questions regarding the applicability of any specific issues discussed above to his/her individual situation, he/she is encouraged to consult with his/her advisor. Remember, past performance may not be indicative of future results. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or position. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Brand Asset Management Group.

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