

# QUARTERLY REPORT

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## MINDING YOUR BUSINESS

Last April, my identity was stolen. An envelope from the bank with my new ATM card was removed from our curbside mailbox and the thief began using it as a charge card. While Identity Theft is not considered a violent crime, the violation of personal space is much more than a nuisance and can be devastating. In this issue, we discuss ways you can prevent or limit your risk of becoming a victim of identity theft. In a later issue, we'll provide some suggestions about what to do if you find yourself in the same unfortunate position as I was.

On the back page we acknowledge author Dr. Lois Frankel, a corporate coach and psychotherapist, who makes several complimentary references to Wimmer Associates in her insightful new book, *Nice Girls Don't Get Rich*.

We hope you are enjoying a happy and safe summer.

Cordially,

Kathy Wimmer, CFA  
President



## OUTLOOK FOR THE THIRD QUARTER OF 2005

The U.S. stock market ended the second quarter with a yawn. The benchmark S&P 500 index was up only 0.9% for the quarter, not quite making up for the 3.3% loss in the first quarter. Rising oil prices and continuing concerns about the level of the U.S. twin deficits (budget and trade) continued to restrain growth in equity prices. Although we remain optimistic about stock prices for the remainder of this year, we do not expect significant returns for the market in general, barring an amelioration of today's high oil prices. With respect to energy, we continue to see good long-term value in most of the stocks and maintain an over weighted position in this sector for our clients' portfolios. The demand for oil and natural gas remains strong despite the

dampening effect of higher prices on consumption. Indeed, on June 27<sup>th</sup>, the price of oil surpassed the \$60 a barrel mark for the first time and has remained in a close trading range ever since. While oil prices have risen 62% since June of 2004, the U.S. economy has shown resilience by growing at a 3.5% yearly pace. Although higher energy prices do have an inflationary impact, we should not see a rerun of the 1970s oil shocks, as industrialized countries use half as much energy as a percentage of industrial output today than in the 1970s.

The stock market should rebound further in the second half of the year as economic output continues to grow at a healthy

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## KEY FACTS FOR 2005

- Annual gift exclusion \$11,000
- Estate tax exemption  
\$1.5 million in 2005  
\$2.0 million in 2006-2008
- Highest marginal estate tax rate  
47% in 2005, 46% in 2006
- IRA contribution limits  
\$4,000, plus another  
\$500 for those over fifty
- 401(k) contribution limits  
\$14,000, plus another  
\$4,000 for those over fifty
- SEP IRA contribution limits  
25% of compensation or  
maximum of \$42,000
- Top Federal tax rate is 35%  
on income over \$326,450.  
Highest combined effective  
tax rate for California  
residents is 41%

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## OUTLOOK FOR THIRD QUARTER OF 2005

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3.5% pace, unemployment hovers around a "natural" rate of 5% and U.S. deficits decline. Corporate earnings are expected to continue rising at a 10% year-on-year pace in line with 2004 growth. Inflation remains benign despite higher oil and home prices. The latest Department of Labor bulletin has inflation running at 2.2% excluding food and energy. Short-term interest rates will continue their path higher as



the Federal Reserve follows a policy prescription to thwart inflation before it works its way into the economy. Adding to their resolve is concern that historically low interest rates may be creating a housing bubble or "bubbles" in the marketplace.

In addition to higher short-term rates, we expect rates in longer bonds to rise as well. The yield curve will remain flat, i.e., long rates will be marginally higher than short rates, and investors will benefit by staying invested in quality notes versus junk bonds.

## ARE YOU AT RISK FOR IDENTITY THEFT?

**Each one of these questions represents a possible avenue for identity theft. Test your "Identity Quotient" by adding up your points.**

- I receive several offers of pre-approved credit every week. (5 points)
- Add 5 points if you do not shred them before putting them in the trash.
- I carry my Social Security card in my wallet. (10 points)
- My state driver's license has my SSN printed on it, and I have not contacted the Department of Motor Vehicles to request a different number. (10 points)
- I do not have a PO Box or a locked, secured mailbox. (5 points)
- I use an unlocked, open box at my home to drop off my outgoing mail. (10 points)
- I carry my military ID in my wallet at all times. (10 points)
- I do not shred or tear banking and credit information when I throw it in the trash. (10 pts.)
- I provide my Social Security number whenever asked, without asking questions as to how that information will be safeguarded. (10 points)
- Add 5 points if you provide it orally without checking to see who might be listening.
- I am required to use my SSN at work as an employee ID. (5 points)
- My SSN is printed on my employee badge that I wear at work or in public. Or is on other documents frequently seen by many others in my workplace. (10 points)

- I have my SSN and/or driver's license number printed on my personal checks. (10 points)
- I am listed in a "Who's Who" guide. (5 pts)
- I carry my insurance card in my wallet and either my SSN or that of my spouse is the ID number. (10 points)
- I have not ordered a copy of my credit reports for at least 2 years. (20 points)
- I do not believe that people would root around in my trash looking for credit or financial information or looking for documents containing my SSN. (10 points)



### Understanding Your Score:

- 100 + points - 9.9 million people were victims of ID theft last year. You are at high risk. We recommend you purchase a paper shredder, become more security-aware in document handling, and start to question why people need your personal data.
- 50-100 points - Your odds of being victimized are about average.
- 0-50 points - Congratulations. You have a high "IQ." Keep up the good work and don't let your guard down now.

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www.privacyrights.org.*

## MINIMIZING YOUR RISK OF IDENTITY THEFT BY KARIN DREYER

What would you do if a complete stranger approached you and said, "Please give me your credit cards and driver's license. Oh, and by the way, could I also have your Social Security number?" This may sound ridiculous but identity thieves do it all the time, not only without your knowledge but without your consent.



Many of the transactions you make reveal little tidbits about you and your lifestyle that can, collectively, enable someone to open bank accounts, obtain credit cards, driver's licenses and even file fraudulent tax returns in your name. You could even find yourself named in an arrest warrant because someone identified themselves as you when they were arrested for a crime.

The Department of Justice calls it the crime of the new millennium. Identity theft can be accomplished anonymously and easily - and the impact upon the victim can be devastating. Last year nearly 10 million Americans are believed to have been victims of identity theft at a cost of roughly \$5 billion. And this figure doesn't include the cost in time, estimated at an average of 81 hours by one source, that it takes the victims to straighten out the problems caused by the theft.

While identity theft can't be entirely prevented, you can minimize your risk by managing your personal information wisely, cautiously and with an awareness of the issue. Here is some information that can limit the potential damage.



**Be stingy about giving out your personal information.** Don't give out personal information on the phone, through the mail or over the Internet unless you've initiated the contact or are sure you know with whom you're dealing. Identity thieves may pose as representatives of banks, Internet service providers (ISPs) and even government agencies to get you to reveal your

SSN, mother's maiden name, account numbers and other identifying information. Before you share any personal information, confirm that you are dealing with a legitimate organization.

Guard your mail and trash from theft. Deposit outgoing mail in post office collection boxes or at your local post office instead of in an unsecured mailbox. To thwart a thief who may pick through your trash or recycling bins, tear or shred your non-essential financial documents such as charge receipts, copies of credit applications or offers, insurance forms, physician statements, checks and bank statements, and expired charge cards.

Take the same precautions with your personal data online that you would in person, by mail, or on the phone. Remember, computers don't make messages more official or trustworthy - just more anonymous.

**Check your financial information regularly.** This includes credit card and bank statements. If someone has your financial data and makes unauthorized debits or charges against your financial accounts, checking your monthly statements carefully may be the quickest way for you to find out. Also, you should be aware that banks typically allow only a 30 to 60 day window to make claims, so it is up to you to be vigilant.

**Periodically, ask for a copy of your credit report.** Your credit report should list all bank and financial accounts under your name, and will provide other indications of whether someone has wrongfully opened or used any accounts in your name. See below for details.

**Maintain careful records of your banking and financial accounts.** Even though financial institutions are required to maintain copies of your transactions for five years, you should retain your statements and checks for at least one year. If you need to dispute a check or transaction, your original records will be more reliable and immediately accessible.

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**You are now entitled to receive one free credit report every 12 months from each of the nationwide consumer credit reporting companies – Equifax, Experian and TransUnion.**

Obtain your report by calling (877) 322-8228

Or, by mail by completing the Request Form (available online at [www.annualcreditreport.com](http://www.annualcreditreport.com)) and sending it to: Annual Credit Report Request Service P.O. Box 105281 Atlanta, GA 30348-5281.



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We're on the web  
[www.wimmerassociates.com](http://www.wimmerassociates.com)

We strive to optimize our clients' financial well being by coordinating investment decisions with other professionals in the fields of taxation and estate planning.

### WIMMER ASSOCIATES IS RECOGNIZED BY AUTHOR BY KATHY WIMMER, CFA

I was flattered when Dr. Lois P. Frankel approached me for information to be used in her new book, *Nice Girls Don't Get Rich: 75 Avoidable Mistakes Women Make with Money*. In her book, Dr. Frankel, an internationally recognized corporate coach and author, tackles 75 financial mistakes that keep women from having the wealth they deserve. Her coaching tips help women take control of their finances.

Dr. Frankel gives several references to our financial services and advice. We particularly agree with Lois on Mistake #45, in which she points out that women should be investing instead of saving. Lois suggests women become educated about investing and work with a professional advisor who will support their goals and provide comfortable communication.

Lois P. Frankel, PhD, is president of Corporate Coaching International, a Pasadena, California-based consulting firm



that specializes in executive coaching, leadership development, and team building. She is also a sought-after keynote speaker and the author of the bestselling books, *Nice Girls Don't Get the Corner Office* and *Overcoming Your Strengths*. You can hear Dr. Frankel twice daily as she shares the best of her coaching tips on KNX 1070 News Radio, serving the Los Angeles area. Listen for her 90-second feature spot, "Eye on Your Career," Monday - Friday at 7:25 am. and 1:25 pm.

Her book, *Nice Girls Don't Get The Corner Office*, is an international bestseller translated into seven languages. The sequel, *Nice Girls Don't Get Rich*, published by Time Warner Books, is poised to become another hit with readers around the world.

To learn more about Dr. Frankel, Corporate Coaching International or reviews of her books, you can visit the following websites:

[www.drloisfrankel.com](http://www.drloisfrankel.com)    [www.corporatecoachingintl.com](http://www.corporatecoachingintl.com)  
[www.twbookmark.com](http://www.twbookmark.com)    [www.amazon.com](http://www.amazon.com)

### MINIMIZING YOUR RISK OF IDENTITY THEFT

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If you are a client of Wimmer Associates, please feel free to call us so that we may assist you in requesting free credit reports, opting-out of mailing lists or placing a security freeze on your credit report to prevent the unauthorized opening of accounts in your name. With Identity Theft, "an ounce of prevention is worth a pound of cure."

We have provided some tips on how to reduce your risk of becoming a victim, but what should you do if you are a victim? We have addressed this topic on our website [www.wimmerassociates.com](http://www.wimmerassociates.com) where we provide links to some of the many resources available to help you.

*Internet sources for article: [www.idtheftcenter.org](http://www.idtheftcenter.org); [www.privacyrights.org](http://www.privacyrights.org); [www.annualcreditreport.com](http://www.annualcreditreport.com); [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft); [www.usdoj.gov/criminal/fraud/idtheft.html](http://www.usdoj.gov/criminal/fraud/idtheft.html); [www.ssa.gov/pubs/idtheft.htm](http://www.ssa.gov/pubs/idtheft.htm); [www.usps.com/postalinspectors/idthft\\_ncpw.htm](http://www.usps.com/postalinspectors/idthft_ncpw.htm); [www.privacy.ca.gov/cover/identitytheft.htm](http://www.privacy.ca.gov/cover/identitytheft.htm)*