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Northern Financial Advisors Quarterly Capsule

THE NEW COMPANY – FACES OLD (OR AT LEAST FAMILIAR) AND FACES NEW

We are pleased and delighted to bring you this, our first capsule review, under the Northern Financial Advisors' banner. We feel confidently poised to serve you with both the seasoned team of professional financial advisors you've come to rely on for your financial peace of mind and new associates who bring new talents, rich backgrounds and a fresh enthusiasm to advance our mission of empowering you in the fulfillment of your dreams. Long time clients are certainly familiar with and rely on the work of Una, Rosanna, Gary, LaKhaun, Christine and David. However, you may not yet have had the pleasure of meeting. . .

Karin Anderson who joined us last December. A graduate of Oakland University, Karin earned her Bachelor's Degree in Finance. As a financial advisor associate, she provides key support services for clients and other team members, even as she builds her experience and knowledge. In this regard, Karin completed the Cambridge Alliance Training Program this past August. You may have difficulty reaching Karin in the immediate months ahead. She is on a short maternity leave, delighting and enjoying her first child, Sean. New mother and new son are faring very well, thank you very much! Look to see Karin again in the New Year.

Dalibor Nenadov ("Dali") joined the Northern team this past June. He completed the arduous undergraduate program in economics at the University of Michigan and now works primarily with David and his clients. Dali has already begun tackling a variety of technical projects to advance our overall effectiveness and has done this with youthful enthusiasm. He, too, completed the Cambridge Alliance Training Program in August. With his pleasant personality, a healthy ambition and thirst for knowledge, Dali has decidedly shown himself to be a valued addition to our new company.

Mick Porter returns! This a great headline, if you have been a client here dating back to 1997. We can't help having little doubt that you are positively delighted with this news. Mick enjoyed great popularity with clients owing to his sagacious insight, creativity and competence in all phases of our financial planning program. Freer now that his infant daughter is older, Mick wanted to make every good use of his fine University of Michigan business education. The combination of his Bachelor of Business Administration degree and his rich experience with Northern inclines us to shout joyfully that we are delighted as you surely will be, in welcoming the return of his cheerful continence, positive attitude and generous contribution. Mick is here part-time, working on special company projects.

Lennette Price certainly has made life easier for all of us on the Northern Financial team. A graduate of the famous Mumford High School in Detroit, Lennette comes to us as a certified MS Office expert. Before joining us, she worked for a small computer services business, managing office operations, including the customizing of software and web pages development. Lennette has jumped in with both

feet here at Northern, coordinating the demanding and tedious process of effecting account transfers and setting up new Schwab accounts. She has already shown herself quite adept in learning our many investment operations. She's off to a great start and we welcome her.

Michael Rudy is our most seasoned "new-comer." He spent a few years with Cambridge in the early 1990s before launching his own specialized financial planning practice. Holding a Master's Degree in Social Work from the University of Iowa, as well as the Certified Financial Planner and Enrolled Agent designations, Michael specialized in money-centered conflict resolution. Immediately before returning in January, he worked as a leadership development consultant. He reacquainted himself with our approach by completing the Cambridge Alliance Training Program and has focused his initial year as a Northern Financial Advisor on tax preparation, tax planning and Goal Setting. Michael is heading up our tax operations re-engineering project about which we'll have more to say shortly. In the meantime, we warmly welcome him back to our team!

CONGRATULATIONS, LAKHAUN!

LaKhaun McKinley, one of our more esteemed advisors, has completed five years of outstanding service to our valued clients. LaKhaun, who is highly respected on our team for his wealth of knowledge and the generous sharing of his wisdom, continues his own development, recently receiving notice from the Internal Revenue Service that he has been admitted to practice before its agency as an Enrolled Agent! It was easy for us in choosing the perfect way of acknowledging his fine accomplishment: we got him his own cheesecake. He may sometimes appear unflappable, but we can assure you, chocolate cheesecake brings out his unabashed glee. We're just so happy and so very proud of his accomplishments and appreciative of his many, unsung contributions to all our clients and the whole Northern team!

TAX OPERATIONS TO BE OVERHAULED

Without question, our most demanding season is the Tax Preparation Season which begins late in January and runs (more like "sprints") to mid-April (extensions, notwithstanding). It is taxing and difficult for a whole host of good reasons. Striving to extend you consistent quality service, we have not liked clients having to call us, late in the season concerned, not knowing when or in some cases even if they will get their tax returns in time to meet the filing deadline. It really doesn't work for you and we can absolutely assure you, it doesn't work for us either! Still, we do many, often very complex returns each year, but at the end of the day, you want your return done right, right now. We do too.

Behind the scenes each year we deploy people, acquire equipment and refine processes to the end of ferreting out every deduction you may be entitled to receive with the avowed goal of accomplishing this within the deadlines and requirements of various taxing entities, from the IRS to the state and local agencies. As you might easily imagine, this is a complicated business! Even before the tax season officially begins, we are busy printing and mailing organizers, calculating renewal fees, checking and setting team rosters and appointments, mailing appointment dates and setting up the various computer programs tweaking the endless options. And this is just to get us to the starting gate! From your side, under the same deadlines, you search for forms, wait for forms, fill out forms to the extent you can, get confused about these forms, lose forms, find forms and then mail the whole thing off. You lose papers and have emergencies at the last minute that compel you to guiltily cancel the already stressful appointment. Were this not enough, we all then cope with or become vexed with the

inevitable breakdowns of lost papers and faxes, critical documents forgotten or left at home or a workhorse printer or copier going down. In its own odd way, the whole process, with its complications and twists more often resembles a Dickensian plot than a well engineered, fully oiled and humming manufacturing plant. This takes its toll on you, to be sure and we can assure you, again, it takes at least as heavy a toll on us as well.

One of David's and Christine's first and highest priorities has been to re-engineer the tax season to make it work more effectively for all of us—we're in it together, after all. We want to be more supportive of your efforts to prepare for your tax appointment. At the same time, we want to take care of our team who ultimately serve you well or ill, depending on whether or not they have something resembling a normal life during winter. Under Michael Rudy's leadership, we have conducted surveys, had organizational meetings and completed a day long workshop to develop a vision and design to produce a peace-of-mind tax experience for you and an efficient and effective tax season for us. We are focusing our efforts in identifying and fixing critical bottlenecks and breakdowns. One important tactic we are exploring is to provide you with the additional education and support in your efforts to provide us with timely information. **We are committed to having your returns fully completed by the time we shake hands goodbye at the end of this appointment.** No more waiting for the postman with his overnight delivery on April 15th!

So, as a preliminary introduction, be advised that some changes are coming as we begin to ramp up for the tax season. Look for innovations like using e-mail to request a specific time and date for your appointment and/or to submit your completed organizer. Expect paperless, electronic filing to be the norm. We're exploring offering you a Tax Prep Workshop at which you will be able to fully complete your organizer and know which papers you'll need to have in order to successfully complete your taxes at your appointment. We are looking at even giving you a bonus if you actually complete your taxes at this appointment! Look, especially, to see whether or not you will experience greater peace of mind when you leave your tax appointment with your taxes fully, totally and absolutely done.

TAX APPOINTMENT REQUESTS BEING ACCEPTED

A quick visit to our website (www.northernfinancialadvisors.com [hardhats recommended – under construction]) will give you access to an internal link which you can use to request a specific tax preparation appointment. Click on “Dates to remember,” page down and click on “Tax Season.” Click on the email link to submit your request. The open season for this option is from November 1st to December 15th. This is, properly speaking, a pilot project. We will do our very best to honor your request, but *please keep in mind, there are some factors on our side* (date and advisor availability and other complexities) *which may require us to offer you something other than your first preference.*

KEOGH CONVERSION – IS THIS SIMPLE OR JUST A SEP?

Every year, changes are made to the tax laws. A recent change now allows individuals with small businesses to contribute the same percentage of profit into a Simplified Employee Plan (SEP) as they were able to do in a traditional Keogh plan. And if you have a Keogh plan, you know that the reporting requirements alone felt draconian. The law also demands that you provide the Service with an updated statement that certainly has its own set of complexities and requirements. We have taken the position that it makes a great deal of sense to simply close existing Keoghs and transfer the assets into a new SEP. Mick Porter has been spearheading this project; so, if you have a Keogh, as a double check, give Mick a call if you know he has not spoken with you about this important change.

NEW CLIENT BENEFIT: EARN COLLEGE TUITION CREDITS JUST BECAUSE YOU’RE A NORTHERN FINANCIAL CLIENT

Finally, addressing the ever emerging Is-there-such-a-thing-as-a-free-lunch question, in this instance, our answer is, “Pretty close.” Northern Financial Advisors has learned of a program that will allow you to build up tuition credits that you will be able to use at 150 private colleges nationwide, without any cost to you. How is this possible? Northern will enroll in this program on behalf of all its’ clients. As part of our retainer we bring assets under management and implement strategies from our investment planning meetings. These assets, under this new benefit, will be used to calculate the credits you accrue at a rate of 5% of your combined invested assets. You can earn up to \$16000 / child / college with no limit on the number of your children eligible. Grandparents could also do this, but you cannot combine credits (e.g. \$32,000 / child). The private colleges are happy to do this so as to have a chance at your patronage. Talk to your advisor to begin the enrollment process or get additional information.

CLIENT PARTIES MOVED INTO JANUARY – WE’RE NOT DEFERRING INCOME INTO THE NEW YEAR!

“Good Lawd, not another holiday party invitation!” Come on, admit it, this sounds familiar, even when the invitation comes from Northern. We understand this perfectly. So, we moved the festivities into January, specifically, January 18th or January 24th. Check our website for the locations.

Until our next update, we wish you Happy Holidays and continued financial peace of mind!

– The Northern Financial Advisors Team