



**RAYMOND JAMES®**

**Standing, left to right:** Branch Manager Don Harrison, Financial Advisors Roger Moore, Amy Taylor, Joel Dovi, Paul Burdett, Valerie Howe-Cooksey, Brian Ernest, John Burkhardt, John Barnes. **Seated:** Client Service Assistants Dawn Roux, Karen Harrison, Pat Rene

When someone meets a Financial Advisor in a social setting, they typically assume that the advisor's work mostly involves the purchase and sale of securities. They ask questions such as "What's your favorite stock?" or "What do you think the market will do this year?" Though the Financial Advisors at Raymond James in Severna Park certainly advise their clients about the challenges of the investment markets, they have also, over the years, developed a wealth of professional expertise and practical experience counseling their clients about another financial challenge that many individuals and families experience: a significant wealth event.

A significant wealth event can take many forms: a lump-sum retirement payout, the sale of a business or real estate, a substantial inheritance, divorce, legal settlement, or exercise of stock options. Whatever the specifics, the financial challenge is generally the same: the client now has a substantial amount of money that must be managed carefully to preserve their wealth, provide income, and achieve their legacy planning objectives.

Branch Manager Don Harrison frequently counsels clients in these types of cases. A typical example might involve a husband who unexpectedly passes away at a young age, but who had the foresight to leave a significant estate to provide for his wife and their children. However, the bulk of his estate is in an annuity and an IRA, which means that drawing income from these assets is complicated because his wife is under age 59 and a half. "In a case like this, she may have initially been advised," says Don, "by a well-meaning relative who did not understand the intricacies of 72(q) distributions and beneficiary IRAs. A widow like this could be on the verge of making some irreversible decisions that might lead to unfortunate tax and income consequences. If she was referred to us, we would attempt to structure these assets in a way that minimizes her taxes and maximizes her income. One of the main reasons our

office was named to the Raymond James Leaders Council this year was because all of our Financial Advisors\* are willing to go above and beyond to help clients handle these types of situations."

Unlike this hypothetical example, most wealth events can be anticipated, and a plan developed to manage them. There are a number of components to a successful wealth-event plan. First, you should assemble a team of capable professionals: your financial advisor, insurance specialist, accountant and attorney. Because wealth will affect not only your life but the lives of those close to you, issues such as early retirement, charitable giving and college funds all need to be discussed and evaluated. Current investments should be reviewed. Financial goals may change considerably, with capital preservation and income generation becoming more important than future growth.

Because the issues surrounding the management of wealth are complex, capable professional advice is essential. Although the challenges of wealth may be new to many clients, they are familiar to the financial professionals at Raymond James in Severna Park, who have many decades of experience working together with clients to meet these types of challenges.

\*Membership is based mainly on assets under management, education, credentials and fiscal-year production. Re-qualification is required annually. Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC.

**RAYMOND JAMES FINANCIAL SERVICES®**

645 Baltimore-Annapolis Blvd., Suite 200  
Severna Park, Md. 21146  
410-544-6823

**Don Harrison**

Raymond James Financial Services

**Q:** What is the biggest challenge people face managing their investments to achieve a successful retirement?

**A:** Managing their reactions to the financial news media. According to Dalbar, in the 20-year period ending 12/31/2010, the Standard & Poor's 500 returned 9.14% annually while the average equity mutual fund investor had a return of only 3.83%. Why? Because so many investors overreact to the emotionally-charged reporting they see on TV financial news, and buy and sell at inopportune times. They don't understand that the purpose of this reporting is not to provide prudent

investment counseling, but to drive eyeballs to the TV and sell advertising. And what captures attention today are extreme appeals to the prevailing mood of fear. I believe the antidote to this is a rational, well-ordered investment process that is grounded in an understanding of investment history and current conditions. That's why we keep our clients informed and on track with our Commentary Blog at [www.capitalistinvestment.com](http://www.capitalistinvestment.com).