

# YourWealth



Views and opinions  
for the clients and friends of

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Luukkonen Partners  
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Please visit us on the web at  
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Welcome to those clients  
who joined us this quarter  
and thank you to those who  
recommended our services.



## Where there's a will... What if there isn't?

Along with many others we have emphasized the need for the world to accept austerity. Unfortunately the nightly news shows us that millions of people in many countries do not want to see a reduction in government handouts. We speak primarily of certain European countries where the population feels a sense of entitlement to benefits from the government irrespective of the fiscal conditions within its borders. The weakest members of the European Union have only themselves to blame. Yet once again it is the intricate web of borrower/lender nations that is behind the financial crisis. Understandably the fiscally prudent countries are tired of seeing their "lending hand" abused by the weak siblings. Unfortunately commercial banks are very heavily involved and interbank loans affect the entire world. This so-called counterparty risk was the background behind the credit crisis from October 2008 to March 2009 when no one trusted anyone else's financial strength.

So on a short term basis yes Houston, we have a problem. No one wants a crisis of

confidence and we believe that central banks will prevent that from happening. The intermediate picture (two years) is cloudy with a chance of clearing. The winds of change must include a reduction in benefits and expectations, a reduced level of consumer borrowing, a greater work ethic and a much higher level of fiscal responsibility on the part of corporations and governments. Instant gratification and greed must be put on the back burner.

Long term the picture is sunny with few cloudy periods and a risk of scattered thunderstorms. The lenders of the world have lost a lot of money. They don't want to do that again. We will see very slow economic growth but growth will be fuelled by real money. Interest rates will rise in those countries currently viewed as safe havens, Canada included, but will actually demonstrate a higher level of confidence in the world. Money will come out of the mattress. The world will still need discipline and responsible leadership. Governments would do well to follow Theodore Roosevelt's advice to "speak softly and carry a big stick; you will go far."

# Identity Theft: How to Protect Yourself

The growing problem of identity theft makes it increasingly important that individuals know both how to protect themselves from it as well as how to handle things in the event that they fall victim to identity theft.

Criminals use a wide variety of methods to collect information on a target for identity theft. While online phishing and computer hacking is playing an increasing role it is important not to overlook the fact that low tech information gathering methods like going through someone's trash (dumpster diving) remain popular. Identity thieves are looking to get enough information to impersonate their victim. Things like full name, date of birth, Social Insurance Number, mother's maiden name, passport/driver's license number and banking/credit card details are all high priority targets.

Once identity thieves have stolen sufficient information they may either sell it to others or use the data themselves. In either case your information could be used to access your bank accounts, transfer funds, apply for loans or credit cards, obtain a passport or hide criminal activity.

Some of the signs that you may be a victim of identity theft include:

- Receiving bills or statements for credit cards, loans or other bills that you did not apply for.
- Being contacted by a creditor to inform you that a credit application was made in your name.
- No longer receiving bills or statements for certain accounts.

To reduce your risk of identity theft you should first and foremost be cautious with your personal information:

- Shred your personal and financial documents before throwing them out
- Change your address promptly when you move
- Know when your credit card bills are

scheduled to arrive and make sure that they do.

- Review your credit, bank and financial statements regularly and report any irregularities.

- Check your credit report periodically and look for unusual activity

- Never write down the PIN's for your debit/credit cards.

- Be suspicious of unsolicited phone calls, letters or emails attempting to have you reveal personal or financial details.

- Limit the documents you keep in your wallet/purse in case it is lost or stolen. If you don't need something regularly leave it in a secure location.

If you do fall victim to identity theft it is very important to deal with it immediately:

- File a police report with the local police department.
- Contact all your financial institutions and advisors: banks, credit card companies, investment dealers.
- Flag your credit profile with a fraud alert at both of the national credit bureaus (Equifax Canada and TransUnion Canada).
- Report the fraud to the Government of Canada's Anti-Fraud Centre ([www.antifraudcentre.ca](http://www.antifraudcentre.ca)).

Please contact us if you would like more information on dealing with identity theft.



## RMG Exposed: Call for Submissions

This fall RBC Dominion Securities will again be the title sponsor for RMG Exposed, a juried photography competition and auction at the Robert McLaughlin Gallery. In addition to showcasing the works of regional and national photographers the event is also open to local photographers. Submissions to the competition are open until September 23 with the event held on the evening of Saturday November 10.

A new prize category has been added this year: the RBC Emerging Photographer Award. The winner of this prize will win a solo exhibition project at the gallery to be held in the spring of 2013.

Complete details and entry forms are available at [www.rmgexposed.com](http://www.rmgexposed.com).

## Client Corner: David Hopkinson & Identity Theft

We have all heard that identity theft is a growing problem but few of us have actually been affected by it. Unfortunately for David Hopkinson he can no longer count himself in that group.

Last month Dave became a victim of identity theft. One afternoon in early June just as Dave was finishing up at work for the day he got a call from the RBC fraud department asking him if he had been into an RBC branch in Hamilton that day. As Dave was about eight hours north of Hamilton it was fairly clear that he had not just been in a branch there. What quickly emerged was the background to the first in a series of frauds and thefts that Dave would have to deal with over the ensuing weeks.

Earlier that day someone had walked into a bank branch in Hamilton, told the teller that he was Dave and that he had lost his bank card. After showing two pieces of (fake) photo-id the bank issued "Dave" a new bank card. Over the next few minutes, "Dave" quickly cleaned out the bank accounts, deposited a "cheque" and then withdrew the funds. "Dave" then went to an electronics retailer and went shopping using the new bank card

for debit purchases.

While the bank account fraud was quickly detected and halted, Dave still had to get new bank account numbers and update all of his automatic payments. Unfortunately the fraudster's use of Dave's identity did not stop there.

Over the course of the next few days, "Dave" opened up a new bank account at a different bank, signed up for overdraft protection and then withdrew all that he could. From there "Dave" went and signed up for three different mobile phone contracts. By the time the first bill arrived there were sixteen pages of long distance calls listed.

Dave quickly contacted the national credit bureaus and placed a fraud alert on his profile. Since then he thankfully has not had any new problems come up. Each existing problem has however taken hours of phone calls to resolve. And



unfortunately some of the problems are still unresolved. Between dealing with two different police departments and multiple corporate fraud groups Dave has become somewhat of an expert in identity theft. This expertise however is something that he wishes he had never had to acquire.

## Lightning Safety

In mid-July the festivities at the Whitby Rotary Ribfest were brought to an abrupt end when a lightning strike hit a shelter tent. Seventeen people were injured by the strike and many more shaken by the experience. This incident will be only one of many damaging lightning strikes this year. Every year about 10 Canadians are killed by lightning and further 150 are injured.

The safest place to be during a thunderstorm is indoors but even inside it is good to follow some safety tips:

- For a building to be safe it must be fully enclosed and have either plumbing or an electrical system. Sheds, greenhouses and tents for example provide no

protection from lightning.

- Remain inside until the storm has passed.
- Disconnect electrical appliances including stereos, televisions and computers.
- Stay away from doors and windows.
- Keep as many walls as possible between you and the outside.
- Stay away from electrical outlets and plumbing fixtures (so no showers!).

If you are unable to take shelter indoors the next best alternative is to seek shelter in a car. (Science note: The vehicle will act as a Faraday cage to protect you from a lightning strike). This only applies to all-

metal automobiles, not convertibles.

If neither a safe building nor vehicle is available the following tips may slightly increase your safety:

- Stay away from objects that conduct electricity: tractors, golf carts, golf clubs, baseball diamonds, metal fences, wet ropes, etc.
- Stay away from water as lightning can travel through water a considerable distance.
- Stay away from tall, isolated trees or other tall objects.
- Avoid being the highest object in an open area.
- Seek shelter in a low-lying area like a valley or ditch.



# A Review of Online Communication Options

There are several online options for clients to access information either from us or regarding their RBC Dominion Securities accounts. Please let us know if you would like more information regarding any of the following:

- Email Updates:** Once or twice a month Luukkonen Partners sends out an email highlighting things that we feel are important for our clients to know.

- DS Online:** The DS Online web site provides real-time access to your RBC Dominion Securities account. You can use it to check account values and holdings, review recent transactions and monitor the status of active orders. If you use RBC Online Banking your RBC Dominion Securities accounts can be linked to your main online banking home page.

- Sign up for e-Statements:** Switching from paper statements to e-statements allows you to view your regular monthly statements online. Up to seven years of monthly statements are archived online in PDF format. The e-statements are typically available within a few business days of a month-end and since they avoid the postal system you can potentially be viewing them up to a week earlier than paper statements.



- Sign up for Electronic Funds Transfer (EFT):** We can electronically send funds directly from your investment accounts here at RBC Dominion Securities to virtually any pre-authorized bank account in Canada. RBC Dominion Securities does not charge a fee for transferring the funds to a Canadian bank.

- Apple iPhone/iPad App:** RBC has released an updated version of the RBC Mobile App that in addition to banking allows clients to access their RBC Dominion Securities accounts. The new version of the app allows clients to conveniently:

- View account information and portfolio details such as balances, holdings, transaction history as well as order and fill status.

- Immediate ability to transfer of funds from RBC bank account to DS account during regular business hours.

- Add, modify and delete watch lists.

- Access real-time detailed quotes and stay on top of late breaking market news and information.

The RBC Mobile App is available in the iTunes App Store.



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