

THE Stanton Report

*Views and opinions for
the friends and clients
of Investment Advisor
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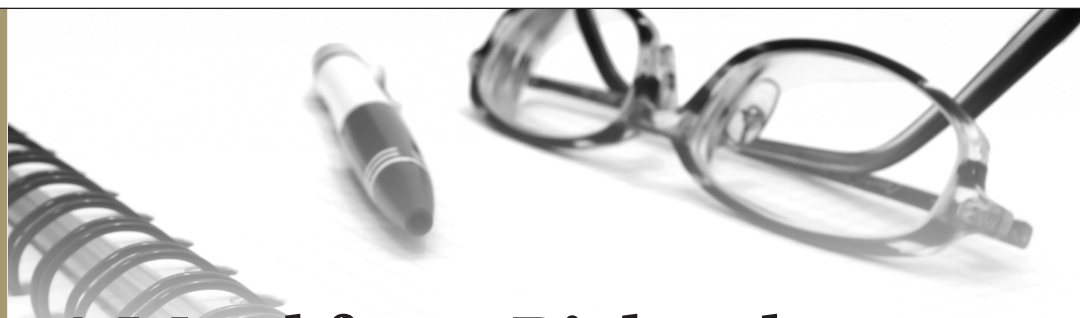
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A Word from Richard

Summer is finally in full swing and we are enjoying the hot humid days. I don't know about you, but this past winter was a long drawn out event that I couldn't wait to get over.

The girls are on summer break and Jenelle enjoyed her first year of public school. Both girls are growing, learning and experiencing at such a pace it's hard to keep up. We are enjoying every minute of it! A main event in our house this past spring was the purchase of a piano for our home. Olivia (our oldest) has been taking lessons for a couple of years now and her piano teacher gave us the ultimatum ... if you want her to improve you have to buy a real piano. So we did and she plays everyday and loves it. Who knew the right instrument can make all the difference? I also have been plunking away and am tossing the idea of lessons around myself. I'll keep you posted.

July 9 also marked 15 years of wedded bliss with my treasured bride, Laura. We celebrated quietly at home with the kids. I don't know how she's put up with me this long and I'm hoping her patience will last at least another 15 years ... only time will tell.

Here's what's been happening in the markets...

- **The S&P/TSX Composite Index** finished June at 10,374.91 (+15.4% YTD) and the Dow Jones Industrial Averaged finished June at 8,447.00 (-3.8% YTD).
- **The Bank of Canada** cut its lending rate to 0.25%, the lowest possible rate allowable. It intends to keep this rate for at least a year.
- While predicting a mild recover in 2010, the **Canada Mortgage and Housing Corporation** announced an expected 33% drop in new housing starts across the country this year.

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- Finance Minister Jim Flaherty assessed the **Canadian deficit** will widen to \$50 billion, a sharp spike from the \$33.7 billion deficit that Flaherty forecast in the January budget.
- **Molson Canada** announces a 20% boost in their first quarter dividends.
- The Molson family bought the **Montreal Canadiens** from George Gillet Jr. This purchase was in keeping with family tradition, as the Molsons had previously controlled the 100-year-old franchise from 1957 – 1971.
- As of June 30, the U.S. **unemployment** rate reached a 25 year high at 9.5% while Canada was at 8.6% and B.C. at 8.1%.
- **Apple** defied a post-holiday slump with an expectation-exceeding profit of US\$1.21 billion. The company credited a redesign of its popular iMac computers.
- The world's cheapest car, the Nano, was launched by India's **Tata Motors**. American and European models are planned for the car, which retails for about US\$2000.
- **General Motors Corp** unloaded several of its assets: Hummer was bought by Sichuan Tengzhong Heavy Industrial Machinery Company; Saturn was bought by Penske; SAAB was bought by Koenigsegg.



Tax-Free Savings Account (TFSA)

- › As of earlier this year, Canadians aged 18 and older can save up to \$5000 every year in a TFSA.
- › Contributions to a TFSA will not be deductible for income tax purposes but investment income, including capital gains, earned in a TFSA will not be taxed, even when withdrawn.
- › Unused TFSA contribution room can be carried forward to future years.
- › You can withdraw funds from the TFSA at any time for any purpose.
- › The amount withdrawn can be put back in the TFSA at a later date without reducing your contribution room.
- › Neither income earned in a TFSA nor withdrawals will affect your eligibility for federal income-tested benefits and credits.
- › Contributions to a spouse's TFSA will be allowed and TFSA assets can be transferred to a spouse upon death.

HOW IS A TFSA DIFFERENT FROM A REGISTERED RETIREMENT SAVINGS PLAN (RSP)?

An RSP is primarily intended for retirement. The TFSA is like an RSP for everything else in your life.

Both plans offer tax advantages, but they have key differences.

- › Contributions to an RSP are tax-deductible and reduce your income for tax purposes. In contrast, your TFSA savings will not be deductible.
- › Withdrawals from an RSP are added to your income and taxed at current rates. Your TFSA withdrawals and growth within your account will not — they will be tax free.

A FLEXIBLE ACCOUNT FOR A LIFETIME OF SAVINGS

Not everyone is able to save each and every year.

Those who cannot contribute \$5000 in a given year will be able to carry forward their unused contribution room to future years.

In addition, Canadians may want to use their savings – to buy a new car or a cottage or start a small business – and the full amount of withdrawals can be put back into the TFSA in the future.

Couples often save and plan together, so Canadians can contribute to their spouse's or common-law partner's TFSA, depending on the spouse's or partner's contribution room.

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ATTORNEY'S ADVICE – NO CHARGE

Read this and make a copy for your files in case you need to refer to it someday. Maybe we should all take some of his advice.

1. The next time you order cheques have only your initials (instead of first name) and last name put on them. If someone takes your chequebook, they will not know if you sign your cheques with just your initials or your first name, but your bank will know how you sign them.
2. Consider putting "ASK FOR ID" next to your signature on the back of your credit card. Be sure to check with your credit card company before doing so.
3. When you are writing cheques to pay on your credit card accounts, DO NOT put the complete account number on the, "For" line. Instead, just put the last four numbers. The credit card company knows the rest of the number, and anyone who might be handling your cheque as it passes through all the cheque processing channels won't have access to it.
4. Put your work phone number on your cheques instead of your home phone.

If you have a P.O. box use that instead of your home address. If you do not have a P.O. box, use your work address. Never have your SIN# printed on your cheques. You can add it if it is necessary. But if you have it printed, anyone can get it.
5. Place the contents of your wallet on a photocopy machine. Do both sides of each license, credit card, etc. You will know what you had in your wallet and all of the account numbers and phone numbers to call and cancel. Keep the photocopy in a safe place. I also carry a photocopy of my passport when travel either here or abroad. We've all heard horror stories about fraud that's committed on us in stealing a name, address, SIN or credit cards.

Here is the unfortunate story of someone whose wallet had been stolen: Within a week, the thief ordered an expensive monthly cell phone package, applied for a VISA credit card, had a credit line approved to buy a Gateway computer, received a PIN number from DMV to change his

driving record information online and more. But here's some critical information to limit the damage in case this happens to you or someone you know:

1. We have been told we should cancel our credit cards immediately. But the key is having the toll-free numbers and your card numbers handy so you know whom to call. Keep those where you can find them.
2. File a police report immediately in the jurisdiction where your credit cards, etc. were stolen. This proves to credit providers you were diligent, and this is a first step toward an investigation (if there ever is one).

But here's what is perhaps most important of all:

3. Call the two national credit reporting organizations immediately to place a fraud alert on your name and Social Insurance Number. The victim had never heard of doing that until advised by a bank that called to tell him an application for credit was made over the Internet in his name. The alert means any company that checks your credit knows your information was stolen, and they have to contact you by phone to authorize new credit. By the time he was advised to do this, almost two weeks after the theft, all the damage had been done. There are records of all the credit checks initiated by the thief's purchases, none of which he knew about before placing the alert.

Now, here are the numbers you always need to contact about your wallet, etc. has been stolen:

- 1) Equifax Canada: 1 (877) 249-2705
- 2) TransUnion: 1 (877) 525-3823

We pass along jokes on the Internet; we pass along just about everything. But if you are willing to pass this information along, it could really help someone that you care about.

TFSA continued from page 2....

BENEFITS FOR SENIORS

The TFSA will also provide seniors with a tax-free savings vehicle to meet ongoing savings needs, something they have only limited access to once they reach age 71 and are required to begin drawing down their registered retirement savings.

NO IMPACT ON INCOME –TESTED BENEFITS

Neither income earned in a TFSA nor withdrawals will affect your eligibility for federal income-tested benefits and credits, such as the Guaranteed Income Supplement and the Canada Child Tax Benefit. This will improve incentives for people with low and modest incomes to save.

Raspberry Coffee Cake

¼ cup butter or margarine

⅓ cup sugar

1 tsp vanilla

1 egg (beaten)

1 cup flour

1½ tsp baking powder

¼ tsp salt

⅓ cup milk

2 cups (approximately) raspberries*

¼ to ⅓ cup of your favourite frosting
(butter or cream cheese frosting are delicious)

Mix first eight ingredients in the order given and spread in an 8x8 or 9x9 baking dish. Sprinkle the raspberries on top. Bake at 375° for 35 minutes. Cool for 15 – 20 minutes. Warm the frosting slightly in microwave so that it has a runny consistency and drizzle over cake.

**Raspberries may be fresh or individually frozen. Berries that are still frozen should be pressed slightly into batter.*



"You steered the proper course, Cap'n, when you had us bury this instead of investing it in the market!"

OUT OF TOWN SCHEDULE



Terrace / Prince Rupert / Nass Valley: SEPTEMBER 14, 15

Houston / Burns Lake: SEPTEMBER 11



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