



**RBC
Dominion
Securities**

THE Stanton

REPORT

Views & Opinions For The Clients & Friends
Of Investment Advisor
Richard Stanton
RBC Dominion Securities Inc.

Volume 2, Number 4

Fall 2006

A Word From Richard

This fall meant back to school for Olivia and back to preschool for Jenelle. Olivia started grade one so the long days were a bit of an adjustment. Both are in the routine now and happy with their classes as well as their extra curricular activities of swimming and dancing.

At the end of September, Laura, the kids and I took a brief trip down to Vancouver. Laura and I and a few close friends went to see Elton John in concert; a show we have been looking forward to seeing for years and it was worth the wait. He is such an accomplished artist with so many hits, three hours was over in an instant! After a brief visit with family and, of course, shopping for the girls, we were back in Smithers.

With October coming to a close, our family will just be getting over Olivia's sixth birthday party. The theme this year is Halloween with lots of games and festivities planned. My birthday falls on the same day as my first-born's, however I have a feeling my celebration will be much more low key than 12 children racing around the house. Halloween is a fun time around our house with the kids these days, lots of excitement for trick-or-treating and dressing up as fairy princesses!

And finally, as you may or may not know I am now in the insurance advisory business; but don't expect me to pressure you into a hasty decision to buy insurance. Sleep on it tonight. If you happen to wake up in the morning give me a call.

LOOKING BACK ON THE THIRD QUARTER OF 2006 HERE ARE FEW OF THE HIGHLIGHTS:

- **Toyota** will build a \$65 million plant in Woodstock as part of its \$1.1 billion complex planned to open in 2008.
- Although Canada lost 4,600 jobs in June, the **unemployment rate** of 6.1% is still at a 32-year low.
- **Telus Corp.**, Canada's second largest phone company, will spend \$600 million to greatly improve its high-speed internet access in BC, Alberta and Quebec. Telus stock jumped on news that it is converting to an Income Trust structure.
- The Energy market saw declines with lower **crude oil and natural gas** prices that fell to \$60.08 and \$4.62 as of September 22, down from \$77.00 and 7.00 US the month before.
- The **Canadian dollar** ended September at \$0.8945 US.
- More job cuts: **Intel** CEO announced 10,000 job cuts in order to achieve \$3B savings; **Ford** plans to accelerate 30,000 cuts.
- The **Federal Reserve** kept the benchmark interest rate at 5.25% maintaining the status quo for the second straight month.
- **Nestle**, the world's biggest food company saw its net profits rise by 11.4% in the first half of 2006.

My quarterly travel/meeting schedule appears on Page 4. If you haven't booked a review and would like one, please call the office at 1.888.834.3311.

I am looking forward to meeting with you over the next quarter.

Thanks for reading,

Richard

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If you know anyone who would like to receive a copy of this newsletter or be added to our mailing list, please contact **Shauna Peterson** at (250) 847-6680. Please contact Shauna Peterson if you would like secure internet access to your accounts. Use our toll free number 1-888-834-3311 from anywhere in North America.

Creating Your Legacy

In making his landmark \$31 US billion gift to the Bill & Melinda Gates Foundation, legendary investor Warren Buffett acknowledged that there's much more to philanthropy than simply writing cheques. The world's greatest investor – someone who knows a thing or two about money – chose someone else to help him distribute his vast wealth to charity.

While you may not have Buffett's mega-wealth, you do face the same basic choice when deciding how to create your own charitable legacy. Do you entrust others with the responsibility for managing your legacy, as Buffett did? Or do you take a more active role by establishing your own private foundation, like the Gates?

If fact, you're faced with a number of different choices when deciding how to give to charity. There are nearly 80,000 registered charities in Canada alone. There are also many different ways to give – everything from the relatively simple (donating cash or other assets) to the more complex (creating a trust or foundation) – each offering their own pros and cons.

SIMPLE DONATIONS

The most common way people give to charity, of course, is by simply donating cash or other assets. When you make an eligible gift to a qualified charitable organization, you receive a donation receipt you can claim on your tax return. A simple donation usually makes most sense when you're making a one-time gift and want to provide an immediate benefit to the charity, while receiving some tax relief.

BEQUESTS

Many people also designate charities as beneficiaries of their estate in their will. You can choose to leave an absolute dollar amount, a certain percentage of your estate or a residual amount that goes to a specific charity after your other beneficiaries have received their bequests. A bequest makes sense when you want to make a one-time gift to your chosen charity at a future date, while providing a tax credit for your estate.

CHARITABLE REMAINDER TRUSTS

A charitable remainder trust may be suitable if you are considering a significant charitable gift – at least \$200,000 to justify the trust's various expenses – and would prefer an immediate tax credit versus one for your estate. With this alternative, you contribute cash or other assets during your lifetime to an irrevocable living trust. You receive income generated by assets within the trust. On your passing, the initial capital passes directly to the charity named as beneficiary, bypassing probate.

CHARITABLE GIFT ANNUITIES

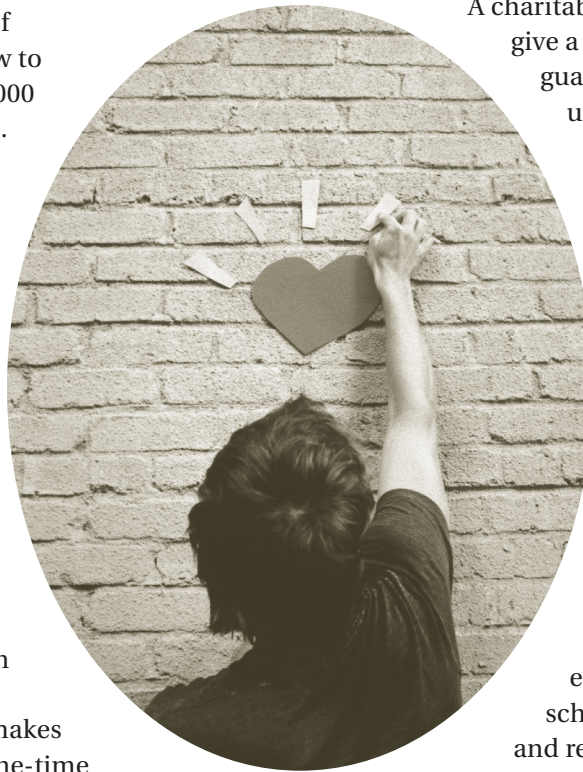
A charitable gift annuity enables you to give a lump sum to a charity and receive guaranteed periodic income in return, usually monthly, making it an attractive option for retirees. The older you are when you establish the annuity, the higher your income. The charity generally retains 25-30% of the donation and uses the balance to purchase the annuity from an insurance company. Charitable gift annuities are irrevocable, so you should be willing to give up control of any money you commit to it.

ENDOWMENT FUNDS

Many institutions operate endowment funds that provide scholarships, fellowships, bursaries and research grants. In some cases, wealthy individuals or families provide very large donations to fund, for example, a professorship. Endowment funds invest your gift and use only the income stream to fund ongoing projects.

PRIVATE FOUNDATIONS

A private foundation is a non-profit organization usually funded by a single source or a small group. The foundation awards grants to support specific work by others or make contributions to other registered charities. Private foundations provide the greatest flexibility in



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What to Tell Your Kids About Money –

THE 7 ESSENTIAL LESSONS

PART III

The last two issues of our newsletter have featured the first four lessons of the seven essentials lessons to teach your kids regarding money management.

1. **MONEY CAN BE EXCHANGED FOR GOODS OR SERVICES**
2. **ONE SHOULD BE CAREFUL WITH MONEY.**
3. **MONEY HAS TO BE EARNED.**
4. **ENCOURAGE ONE-THIRD SAVINGS, ONE-THIRD DONATIONS, ONE-THIRD SPENDING.**

This issue we'll cover the final lessons.

5. **AVOID BORROWING MONEY WHEREVER POSSIBLE.**

It is always much harder to repay money that has been borrowed, than to save your money. Some loans, such as home loans, tend to be unavoidable though. A good rule of thumb is if you don't have the cash to buy it, you can't afford it!

6. **MONEY ISN'T YOUR BEST FRIEND SO DON'T LET IT CONTROL YOUR LIFE.**

Quite simply, try not to become so over-committed with your finances, that you are forced to work 60 to 70 hours a week to continue the lifestyle. If you do, then you are letting the money control your life. You don't usually need the fancy car (and car loan) or overseas



holiday (and personal loan). All these things are nice, but only if you can easily afford them!

7. **SHOW THEM HOW TO BUDGET & LIVE WITHIN THEIR MEANS.**

This is one of the most important skills that your child must know, that so, many people don't seem to know how to do it. Recent surveys have shown, that many people are spending 10% to 20% above what they earn. They are earning enough money to fund their lifestyle, but they simply aren't budgeting it, and so are wasting large amounts of money each week.

CREATING YOUR LEGACY | CONTINUED FROM PAGE 2

charitable giving. You can donate a wide range of assets to a foundation, including money and other assets, such as stocks and bonds. You can also control how your foundation's assets are managed, and how they are dispersed to charities.

While offering the most control, a private foundation also involves a significant time commitment and ongoing administrative expenses. To justify the time and cost, a private foundation is best suited for individuals with at least several hundreds of thousands of dollars to commit to philanthropic endeavours.

PUBLIC FOUNDATIONS

A public foundation is a non-profit organization funded by public donations. There are several different types of public foundation, including community foundations that support charities in a specific geographical area and special-purpose causes. You can set up your own charitable gift fund with a public foundation, and decide which charities benefit from your fund. Alternatively, you can donate to the foundation's general fund, and allow the foundation to decide which charities receive support.



RECOMMENDED READING

SMART WOMEN FINISH RICH

Author: David Bach

David's first book, *Smart Women Finish Rich*, was released in hardcover in 1999 and quickly became a national bestseller. With over 100 new pages of newly revised information, find out why this book is the most successful finance book written for women.

WELCOME AND THANK YOU

A warm welcome to the clients who have joined us since our last newsletter. Thank you to the people who recommended our services.



PEPPERCORN RANCH TACO CHICKEN SALAD

- Sprinkle 2 cups crushed nacho chips, 2 cups tex-mex nachos shredded cheese, 1 cup salsa and 4 sliced grilled chicken breasts on top of 1 head of washed, torn lettuce.
- Toss with 2/3 cup Kraft Classic Twist Peppercorn Ranch Dressing.

*We encourage our clients and readers to submit their favourite recipe.
E-mail any suggestions to shauna.peterson@rbc.com.*

OUT OF TOWN SCHEDULE

**TERRACE /
PRINCE RUPERT /
NASS VALLEY**

JANUARY 22 & 23

HOUSTON / BURNS LAKE

JANUARY 26



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