

January 21, 2012

Dear Clients and Friends:

***I wish you & your family a very healthy, happy & peaceful New Year!***

The financial markets during 2011 ended with little change, although the volatility was at historic levels, making it a scary year if you watched the markets too frequently! For the year, most see it as a relatively stable performance, especially after the difficult ones in the earlier three years. Dividend paying stocks continue to be quite attractive for one's portfolio.

The economy is continuing to improve gradually as is the serious level of unemployment we faced during the recession. The necessary costs incurred to not only fight two wars but to prevent a total collapse of our economy were enormous, leading to future deficits, increased inflation and, of course, higher income taxes. The national election coming in 10 months will reflect how we unhappy and frustrated citizens are with the issues, the candidates and with a terribly divided Congress. Hopefully, the legislators will do what they were elected to do. Their behavior this past year is unacceptable.

Numerous minor tax changes have occurred, both in the income tax and estate/gift areas but many more significant ones are expected within a year from now. A special letter is contemplated on these matters.

***Regarding the preparation of your tax returns, I urge that you start collecting your data now and call for an appointment as soon as possible.*** Please provide me with the actual tax forms from your retirement benefits and from all of your bank and investment accounts, plus detailed lists of your taxable deductions! After "tax season," I encourage the consulting services I provide to help you with your financial, tax and estate planning.

I am very grateful for your past loyalty and look forward to assisting you in the future. Your referrals are always appreciated!

Best personal regards,

Gerald P. Flagel, CPA, JD

P.S. Please note that my correct fax no. is 239-513-9812. I can be easily reached at [jerry@flagel.com](mailto:jerry@flagel.com) or if it's urgent, on my cell no. 239-248-6352.

