



Generations
of
Trusted
Advice



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DOING WHAT IS RIGHT !

KARL ELSASS

We realize that it can be confusing for investors to decipher the many titles and designations - the "alphabet soup" of letters after an advisor's name. One aspect that may easily get overlooked without much thought is the title of the person working in the industry. There are many different titles such as Broker, Financial Consultant, Financial Advisor, Registered Representative, and Investment Advisor Representative; the general public might think these people all have the same responsibilities to their clients. They do not. It can be difficult to compare these titles, as there are differences in not only licensure, educational requirements, and the types of products / accounts each can use, but also the regulatory board or agency that oversees them. These subtle differences in titles make it difficult for most folks to interpret. Interestingly though, there is a debate in Congress right now over one aspect of these differences -- the standard of care owed to clients and who has to work within a fiduciary standard and who does not.

As Investment Advisor Representatives, we are required to put our clients' interests before our own. This is what is called the fiduciary standard, and it is something we feel strongly about and have practiced for many years now. We feel it is an integral part of our moral compass and the right thing to do for our clients rather than just something we are required to do.

Brokers, Registered Representatives, Insurance Agents, et al., however, are not subject to this fiduciary standard; instead they are subject to what is called the suitability standard. This means they can recommend any investment to a client as long as it is consistent with the client's broad investment objectives and risk tolerance even if there is a conflict of interest (which they do not have to disclose). This allows them to recommend proprietary products or products that pay the broker a higher commission, even if better products are available. As long as the recommendation is suitable to the client's needs (rather than being in the client's best interest), the broker can make the recommendation and be within regulatory guidelines.

To us, this is an interesting debate and one that is not new. The Certified Financial Planner Board of Standards (CFP®) has looked at this as well and has recommended that all financial "advisors" be required to operate under a fiduciary standard, the same as holders of the CFP® designation. We feel this debate is more important to the public than to us as we have already been working under this higher standard for some time now. A little over 7 years ago, we officially became independent investment advisors. We wanted to be able to work within a framework that is as unbiased and as independent as possible. We did this for the benefit of you, our clients. Although we have many licenses and letters behind our names, we work primarily as Investment Advisor Representatives and therefore under the fiduciary standard. Although the debate in Congress goes on, it will not affect the way we have and will continue to do what is right for our clients.

For more information on licenses and designations, check out our website at www.elsass-efg.com or call our office.

WHEN WAS YOUR LAST CHECK UP?

Your family's financial health may depend on it.

As your lifestyle changes, so do your life insurance needs. The following life-changing events can have a significant impact on your life insurance needs.

- * Marriage or divorce
- * New job
- * Home purchase
- * Nearing retirement
- * Childbirth or adoption
- * Significant salary increase
- * Starting or owning a business
- * Financial support of elderly parent or special needs child

We can perform a check up with you to help make sure your current life insurance coverage meets your current needs.

Registered Representatives, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC.
Investment Advisor Representatives, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor.
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NOT FDIC OR NCUA INSURED • NOT OBLIGATIONS OF OR GUARANTEED BY A CREDIT UNION • INVOLVE INVESTMENT RISK • MAY LOSE VALUE.

*Office of Supervisory Jurisdiction located at: 125 West Boyer Street, Wadsworth, Ohio 44281

MONEY MANAGER SHOWCASE: RUSSELL INVESTMENTS

Since 1936, Russell has honed its expertise through decades of market cycles. Russell provides a full range of investment opportunities and services to retirement plans, foundations and endowments, such as the Bill & Melinda Gates Foundation Trust, Boeing, Caterpillar and Coca-Cola Bottling Co., to name just a few.

Russell acts as a "manager of managers"; they utilize what is regarded as the most thorough due diligence process in the industry to pick some of the world's best investment managers. From a global pool of 8,200 money manager products, only 196 were selected for specific assignments in one of Russell's portfolios.* With the manager of manager approaches, diversification is the focal point of the portfolio building process. Russell allocates not only among investment styles and asset classes, but among leading investment managers as well. All managers chosen are

continually monitored for quality and performance, and are replaced or reassigned whenever necessary. In Russell's own words, "This careful blending emphasizes return potential while attempting to manage risk and may help provide more consistent returns. This diversification means that your investment is working for you no matter what investment approach or style is in favor at any given time."

Please check out the information on Russell and how they construct portfolios that we have placed on our website under the tab *Investment/Market Articles & Updates*. If you would like to learn more about Russell or some of our other fine money managers, please give us a call.

* As of 2/2010



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HAPPY THANKSGIVING

As Thanksgiving and the end of year holidays will be upon us soon, we wanted to take this time to thank you for your continued trust and confidence. This is what our business is built around and without it; we could not have been in business for so many years. It has been a trying few years in many aspects with the economy, the investment markets and all of our lives in general. We are truly fortunate to have you as our clients and we are looking forward to many more years being your financial partners. From all of us at the Elsass Financial Group, thank you so much and have a wonderful Thanksgiving and a blessed holiday season.

CONGRATULATIONS CIR !

Many of you are aware that our broker/dealer is Cambridge Investment Research. What you may not know is that Cambridge was recently named 2010 Broker/Dealer of the Year by Investment Advisor Magazine. This is the third time Cambridge has won this honor. The quality of Cambridge starts at the top with its founder and CEO, Eric Schwartz. Cambridge, which Mr. Schwartz started 15 years ago in Fairfield, Iowa, is a rarity among independent broker-dealers of any size: It is privately owned and still run by its founder. When asked, "When are you going to sell the company?", Mr. Schwartz's reply is direct: "We don't intend to sell in my lifetime. We believe that just destroys all the values that we stand for."

Those values are centered on an entrepreneurial spirit that gives latitude to advisers. The firm is known for giving advisers strong support and, in Mr. Schwartz's words, "lots of choice and flexibility in how they manage their business." †

We have been proud to be associated with Cambridge for the past 7 years and are thankful that the flexibility we enjoy allows us to work with you, our clients, in the way best suited to your goals.

Congratulations to Cambridge and Eric Schwartz! We look forward to many more years together.

† "Wealth Adviser Rides Alone, Proudly", Wall Street Journal, Oct. 19, 2010