

## Geier Asset Management, Inc.

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### Highlights of the Stimulus Plan

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The plan has been approved, but let's sift through the fluff and get down to the bare basics:

#### Where is the money going?

**\*Tax Relief**  
- \$288 Billion

**\*State & Local Fiscal Relief**  
- \$144 Billion

**\*Infrastructure & Science**  
- \$111 Billion

**\*Protecting the Vulnerable**  
- \$81 Billion

**\*Health care**  
- \$59 Billion

**\*Education & Training**  
- \$53 Billion

**\*Energy**  
- \$43 Billion

**\*Other**  
- \$8 Billion

#### Taxes

The recovery package has tax breaks for families that send a child to college, purchase a new car, buy a first home or make the one they own more energy efficient.

\*Millions of workers can expect to see about \$13 extra in their weekly paychecks, starting around June, from a new \$400 tax credit to be given out through the rest of the year.

\*Couples would get up to \$800.

\*A \$1,000 child tax credit would be extended to more low-income families that don't make enough money to pay income taxes, and poor families with three or more children will get an expanded earned income tax credit.

\*Middle-income and wealthy taxpayers will not have to pay the alternative minimum tax, which was designed 40 years ago to make sure wealthy taxpayers paid at least some tax but was never indexed for inflation.

#### Health insurance

Most people working for medium or large employers can continue their coverage for 18 months under the COBRA program when they lose their jobs. The coverage is expensive, often more than \$1,000 a month, because the newly unemployed pay the share of premiums once covered by their employer as well as their own share from the old group plan.

\*Under the stimulus package, the government will pick up 65% of the total cost of that premium for the first nine months.

\*The subsidies will be offered to those who lost their jobs from Sept. 1, 2008, to the end of 2009. Those who were put out of work after September but didn't elect to have COBRA coverage at the time will have 60 days to sign up.

\*The plan also offers \$87 billion to help states administer Medicaid. That could slow or reverse some of the steps states have taken to cut the program.

#### Energy

\*The package contains more than \$42 billion in

energy-related investments, from tax credits for homeowners to loan guarantees for renewable energy projects and direct government grants for makers of wind turbines and next-generation batteries.

\*There's a 30% tax credit of up to \$1,500 for the purchase of high-efficiency residential air conditioners, heat pumps and furnaces. The credit also can be used by homeowners to replace drafty windows or put more insulation into the attic. About \$300 million would go for rebates to get people to buy more efficient appliances.

\*The package includes \$20 billion aimed at "green" jobs to make wind turbines and solar panels and to improve energy efficiency in schools and federal buildings. It includes \$6 billion in loan guarantees for renewable energy projects, as well as tax breaks and direct grants covering 30% of wind and solar energy investments. An additional \$5 billion is marked to help low-income homeowners make energy improvements.

\*About \$11 billion goes to modernizing and expanding the nation's electric power grid and \$2 billion to spur research into batteries for future electric cars.

**"Securities offered through Triad Advisors. Member FINRA/SIPC."**

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## Highlights of the Stimulus Plan Continued...

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### Higher education

\*The maximum Pell Grant, which helps the lowest-income students attend college, will increase from its current limit of \$4,731 to \$5,350 starting July 1 and to \$5,550 in 2010-11.

\*The stimulus also increases the tuition tax credit to \$2,500 and makes it 40% refundable, so families that don't earn enough to pay income tax can still get up to \$1,000 in extra tuition help.

\*In addition, computer expenses will now be an allowable expense for 529 college savings plans.

### The Unfortunate

\*People who get food stamps -- 30 million and growing -- will get more.

\*People drawing unemployment checks -- nearly 5 million and growing -- would

get an extra \$25, and keep those checks coming longer.

\* People who get Supplemental Security Income -- 7 million poor Americans who are elderly, blind or disabled -- would get a one-time extra payment of \$250.

\*Many low-income Americans also are likely to benefit from tax credits: expansions to the existing child tax credit and Earned Income Tax Credit, and a new refundable tax credit for workers.

### Housing

\* **A temporary first-time home buyer tax credit.** The tax credit is supposed to stimulate home buying, reduce excess supply in housing markets and shore up home prices.

\* **FHA modernization and expansion.** A revitalized FHA will have greater flexibility to respond to the needs of borrowers, enable more working families to become home owners and play an important role in the mortgage markets. To address the foreclosure crisis,

the FHA is given additional authority to insure up to \$300 billion of mortgages to refinance loans headed for foreclosure.

\* **GSE (government-sponsored enterprise) reform.** The law reforms the regulation of Fannie Mae and Freddie Mac and permanently increases the conforming loan limit to help buyers in high-cost markets. The government will temporarily expand its line of credit to Fannie and Freddie and allow the U.S. Treasury to purchase an equity stake in the companies through the end of 2009.

\* **Mortgage Revenue Bond Program.** The measure gives states the ability to issue an additional \$11 billion in mortgage revenue bonds, which will help strapped borrowers seeking to refinance their home loans.

Information found at:

<http://www.articles.moneycentral.msn.com>

## King Midas - 2009 Man of the Year?

Gold has always predominantly been viewed by most as a good diversification tool and hedge against inflation. One of the typical suspects in a portfolio line up so to speak. There is talk and we suspect a lot of credence to the notion that it may take on a larger role in portfolios for 2009.

The government is injecting trillions of dollars into bailouts and stimulus plans, a purposefully inflationary policy aimed at rescuing the economy and fighting off deflationary pressures.

If inflation results, or if the dollar weakens as the supply of dollars increases under the stimulus plans, gold is a winner because of its ability to counteract inflation. Increased investor interest, depreciation of the U.S. dollar, low international interest rates and benefits of diversification, coupled with the reality of being smack dab in the middle of a severe economic downturn are also likely to be supportive for gold in general.

We have positioned our portfolios in such a way to capitalize on this opportunity. Focused Trend is heavily

"We are all faced with a series of great opportunities brilliantly disguised as impossible situations."

-Charles R. Swindoll

concentrated in gold due to our long-term view that gold will fair well. Other models such as Strategic Balanced will have a portion invested in gold to serve as a hedge against inflation, and take advantage of the opportunity gold provides.

## Geier Asset Management, Inc.- One of the Largest Money Managers in the Baltimore Area Yet Again!

Geier Asset Management, Inc. is ranked #23 by the Baltimore Business Journal as one of the largest money managers in the Baltimore area.

We could not have achieved this without the support, loyalty, and trust of our clients!



We thank you for entrusting us with your financial lives, and value each and every relationship we have had the honor of helping to build. We look forward to continuing to help you achieve your goals and secure your financial future.

Thanks again for making us one of the top money managers in the Baltimore area!

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*Keeping You Ahead of the Game!*

## **Commitment, Excellence, Experience and Reputation!**

These are the basic cornerstones of Geier Financial Group!

Our total wealth management services provide financial peace of mind and a relationship built on trust, hard work, and dedication because we are truly independent and objective financial advisors uncontaminated by proprietary products.

We stand in an elite class being second to none in the areas of responsiveness, diligence, knowledge, professionalism, honesty, and client satisfaction. We provide exceptional solutions tailored to each individual client derived from our experience in the industry, unique client base, and talented team of professionals.

## **Stanford Financial Scandal!**

As if there weren't enough drama taking place within the financial markets, Texas banker R. Allen Stanford has brought fear, frustration, and injustice to many investors stemming from an alleged \$8 billion fraud scheme carried out by luring customers into buying certificates of deposit that carried "improbable and unsubstantiated high interest rates." Stanford claimed the CDs were backed by the U.S. Federal Deposit Insurance Corporation, but they were issued by Stanford's offshore Antigua-based bank and are not insured by the government.

The Securities and Exchange Commission froze all assets of the three entities managed by Mr. Stanford—Stanford International Bank, Stanford Group Co., and Stanford Capital Management. As a result tons of innocent investors including those who didn't have money invested in these CDs, but rather just had their investments with dealers whose accounts were with a Stanford company such as brokerage accounts sitting there with securities and cash currently being held at Pershing LLC, a unit of the Bank of New York Mellon Corp, one of the world's biggest custodial banks. Mr. Michael Gellar, spokesman of Pershing said, "until further notice Stanford's clients'

brokerage accounts held at Pershing have been frozen on request of the receiver and no funds or securities may leave the accounts without the receiver's approval."

This atrocity has extended beyond the average investor to professional athletes. Three of New York's well known baseball players, Johnny Damon, Xavier Nady, and Mike Pelfrey have all fallen victim to this scandal. Damon told FoxSports.com, "I can't pay bills right now. I had to pay a trainer for working out during the offseason. I told him just to hold on for a little bit and hopefully this stuff gets resolved." Nady stated, "I have the same advisor as Johnny. I didn't have any money with Stanford investments, but all my credit card accounts are frozen right now because of that situation. I'm trying to get an apartment in New York, and can't put a credit card down to hold it." According to New York Daily News all three players are clients of Scott Boras.

As financial advisors it is our fiduciary responsibility to protect our client's from situations such as these. We at Geier Financial Group take this responsibility very seriously! We have been in the business for 19 years, and have secured a solid reputation based on a conservative

approach towards investing. We strive to keep things simple and transparent at all times. Our professional athletes chose us for this, and understand there is absolutely no reason for them to take the risk inherent in these glamorous agencies.

We are proud to say none of our client's money is in any way shape or form tied to this scandal, nor do we participate in unethical dealings such as the one referenced above. This is yet another example which lends strong support to the theory that it is prudent and wise to look beyond the glamour and glitz, and focus on the tried and true. Having your money exposed to someone whose floors are made with black marble, rooms flanked with luxurious leather armchairs, and walls lined with vintage books, and whose 6 hangers are filled with \$100 million worth of a fleet of private jets begs the question...where is my money really going? Firms such as this focus on status and appearance, political allegiances, and personal greed. You, our clients can feel secure in the knowledge that we take the opposite stance. It is about quality—not status, about comfort and trust—not political allegiances, and about trust and value brought to you—not personal greed.

At Geier Financial Group we are always here keeping you ahead of the game!