



David A. Hjorth*, ChFC, CLU, AEP
Nicholas D. Hjorth**, CPA, CLTC

414 NORTH SECOND, SUITE C
UPLAND, CALIFORNIA 91786
(909) 981-4951
(909) 981-2768 FAX
www.dh-financial.com

A Registered Investment Advisory Firm

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2014, The Year of Reconciliation

Now that we are all a few weeks into 2014, probably still thinking about goals and directions, here's a theme to consider. Make 2014 the Year of Reconciliation.

Reconcile has several distinct meanings, yet all of them suggest putting things in order and connecting the dots, balancing and harmonizing the uneven and inconsistent elements of our lives.

We need that kind of year. The past five years have been tumultuous from every angle—economic volatility, political discord, international terrorism, national security constraints, financial and business uncertainty. And that's just the big picture. On a personal level, we're sure all of us have faced lifestyle pressures and family challenges we really did not want to go through.

2014 could be the clean slate, the breath of fresh air, or the square one—in other words, a great opportunity to reconcile all the loose ends, put the past behind us, and take control of the future. Here are some examples to give you a vision of what reconciliation can accomplish.

Personal Health, Fitness, and Lifestyle

Did you make a New Year's resolution to lose weight—again? If you go online for advice, you will find hundreds of "clinically proven" diet and exercise options. Unfortunately, many of the choices seem to cancel one another out. Instead of giving up, reconcile all these opinions according to your own motivations and habits so you can commit to your plan and assure success. On the other hand, maybe success is reconciling your fantasy body image with your real world one that has been with you through thick and thin. Love what ya got!

* David Hjorth, Registered Representative offering securities through NYLIFE Securities LLC, Member FINRA/SIPC, a Licensed Insurance Agency
3201 Temple Ave. Ste. 200, Pomona, CA 91768, 909-598-2333

**Nicholas Hjorth, Registered Representative offering securities through NYLIFE Securities LLC, Member FINRA/SIPC, a Licensed Insurance Agency
675 Placentia Avenue, Ste. 250, Brea, CA 92821, 714-255-5100

However, don't stay in the dark about health issues that concern you. The Year of Reconciliation should spell the end of doubt and denial and be the beginning of renewal and vitality. Set the appointment for the test you have been avoiding. Jump into the resources of the many reliable health websites to get educated on symptoms, treatments, medicines, side effects, and prognosis. Search out good advice to get you out of unhealthy decisions. While politicians may have over-complicated the delivery of healthcare, medical science has made incredible strides simplifying how to treat illness and stay healthy.

Could you achieve a more balanced life if you reconcile lifestyle and workstyle commitments? It could be as simple as a disciplined approach to time management or replacing family routines with spontaneity and celebration. Maybe you can discover the key to reconcile your material and spiritual aspirations with more prayer and meditation. Or when are you going to take that Italian cooking class you keep talking about or complete the backyard English garden you designed in your mind or hike the Appalachian Trail while your joints are still springy? There is no end to the reconciliation projects you could finish in 2014.

Business and Family Success

As advisors to private businesses and the families who own them, we have seen a lot of planning paralysis over the past five years. Uncertainty was at its highest point, leaving decision-making a choice of the lesser of two evils. As a result, everyone has a lot of planning catchup to be reconciled this year.

Start with the biggest issue that keeps heads buried in the sand. We all want to retire on our own terms, but that takes preparation and reconciliation. If you ask anyone to name the age when they expect to feel old, they will pick a decade or two ahead where they are now. Yet, when they get close to that age, guess what—they don't feel old after all. We all continuously push old age back, and in the same way we are going to continually push retirement and retirement planning back.

However, medical science has broken through past longevity barriers. The age group with the highest growth rate today is centenarians. How are you going to reconcile your life expectancy potential with your asset management strategies? Waiting to answer this is not advised. The longer you wait, the more at risk you will be.

For those who are business owners, they have the opportunity of monetizing their years of struggle, hard work, and success through ownership transition. They can sell to an external buyer, sell to an internal management team, or transfer ownership to family successors or protégés. That is, they can, if they take the 5-10 years to carefully plan and aggressively execute. Those who wait, liquidate. Business founders have to reconcile the hands-on entrepreneurial style with which they built the business with the need for systems, organization, and accountability that will attract buyers or successors and assure the business will adapt successfully to the future.

Then the legacy challenges begin. For more than ten years, the estate planning environment has been dealing with shifting sands if not quicksand. Tax law changes, sunset provisions, and last-minute legislative duct tape created many headaches—plus occasional opportunities—for our high net worth clients. Everyone we work with realizes how much effort, coordination, and trust was required.

But the ground has settled at last—for now—making 2014 the best year in over a decade to reconcile for the future all the planning decisions you made or avoided in the past.

We all need to look closely at the planning strategies, structures, and documents designed to make sure family and business assets will go to the right people at the right time in the right manner with the lowest tax erosion. Our *Estate Planning Basics* presentation will guide you with its high altitude perspective, while an in-person planning session will clarify the street view.

That's half of legacy planning. Next comes the funding of estate tax liabilities as well as achieving multigenerational fairness even with assets of unequal value. We can help you reconcile your legacy intentions. In addition, we can help you review the performance of currently owned life insurance policies.

We are eternal optimists, so for us every year starts with enthusiasm. But in each of the past several years, enthusiasm seemed to turn into endurance by year end. This year, we see many signs of stability and strength to overcome challenges. You may be interested to know the Chinese New Year just ushered in the Year of the Horse with the same theme—a year that rides on fast-paced energy waiting only for the right direction.

We hope you see similar signs and we invite you to share your confidence with us. Wishing you a prosperous 2014!

Best Regards,

David A. Hjorth, CLU, ChFC, AEP - Partner

Nicholas D. Hjorth, CPA, CLTC - Partner

Joanna L. Denny, CLTC - Director of Operations

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