

One Plan Does Not Fit All. Let Us Help You Prepare For Your Future.



An independent financial advisor can help you craft a plan based solely on getting you where you want to go. Contact us today and learn how our team of experts can help you pursue the life you want. And let a truly objective guide broaden your horizons.



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Securities and Advisory Services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser.

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OUR PHILOSOPHY

We entirely believe in the power of individual choice. After all, it was that same power that founded our firm!

When you go to a big financial professional with a famous Wall Street name, you don't necessarily get that choice. While many big-name firms offer quality investment products, the ones that a financial professional can offer you are often chosen by a big corporation. That choice is made by people who don't know you, and they often impose sales quotas on the financial professional helping you.

Instead, **we want to earn and maintain the trust and respect of each and every one of our clients.** We feel we do that by maintaining our promise to always deliver to you:

- Honest, expert planning and investment management
- Customized solutions based on your needs and objectives

ABOUT NPB – WHO WE ARE

Nan P. Bailey, MBA, CFP®, AIF®
CERTIFIED FINANCIAL PLANNER™ Professional
ACCREDITED INVESTMENT FIDUCIARY™



From wealth management to financial planning and retirement strategies, Nan has been helping her clients make smart decisions for more than 20 years.

Utilizing a simple and elegant wealth management process, she makes sure that the client's goals, dreams and interests always come first. As an independent wealth manager and Investment Adviser Representative of Commonwealth Financial Network, Nan stays true to her core values, trust and integrity, while delivering exceptional service.

To maintain the highest standards possible, Nan is a CERTIFIED FINANCIAL PLANNER™ Professional, member of the Financial Planning Association and has earned the prestigious AIF® (ACCREDITED INVESTMENT FIDUCIARY™) designation. She received her BA from New York University and an MBA from Baruch College. Believing that giving back to the community is important, she has served as treasurer of Lambda Legal Defense Education Fund and is currently treasurer of In The Life Media, Inc.

Personal

On the home front, Nan and her partner, Maria reside in Larchmont, NY. Nan is the proud mother of an 19-year-old son attending Skidmore College and a 14-year-old daughter in high school. In addition to delighting in each of her children's creative performances and sporting events, Nan enjoys sailing, kayaking, and hiking.

Our approach

We're known for taking a conservative approach to wealth management. We've built a reputation based on sound judgement and prudent decision-making—values that have helped so many of our clients protect their existing assets and successfully pursue their goals.

The benefits of independence

Our commitment to always putting your interests first is evident in every aspect of our business. We've chosen to partner with **Commonwealth Financial Network®**, and independent broker/dealer with a 30-year history of focusing solely on the needs of its affiliated advisors and the clients they serve. This partnership means that that we remain free to make recommendations based solely on what's right for you, without bias or pressure to promote a particular product or strategy—which is not the case with some other types of financial advisors.



CFP®, CERTIFIED FINANCIAL PLANNER™ and/are certification marks owned by the Certified Financial Planner Board of Standards, Inc. These marks are awarded to individuals who successfully complete the CFP Board's initial and ongoing certification requirements.

WHO IS COMMONWEALTH?

Commonwealth Financial Network® was founded to serve as the home office for investment professionals committed to providing unbiased financial guidance to their clients.

Unlike traditional Wall Street firms, Commonwealth does not produce or market any proprietary investment products, nor does it impose any sales quotas on its affiliated advisors. Accordingly, its national network of independent financial professionals is unique in its ability to make your needs the only motivating force—and that is the way it should be.

As Commonwealth advisors, we are provided access to all national exchanges, as well as to a full range of quality investment products and services. After working to understand your risk tolerance, personal values, and time horizons, we can recommend a suitable combination of:

- Mutual funds
- Full-service stock and bond trading
- Unit investment trusts
- Real estate investment trusts (REITs)
- Fixed and variable annuities
- Life insurance
- Managed investment programs
- Limited partnerships
- CDs and money market accounts
- Retirement plans

Commonwealth's goal is to ensure that we are able to direct the maximum amount of energy possible toward our role as financial caregivers. It makes this feasible by supporting us with:

Technology

Commonwealth's continual investment in leading-edge systems strives to provide superior account processing and management, as well as access to critical data.



Commonwealth is a 10-time recipient of *Investment Advisor* magazine's prestigious Broker/Dealer of the Year award, which is based on criteria that includes overall service and payout (1991, 1992, 1994, 1996–99, 2001, 2002, 2005).

Research

In-house experts at Commonwealth pore over vast amounts of financial data to offer advisors an additional perspective on investment decisions.

Professional Education

As Commonwealth advisors, we participate in a rich curriculum of technical seminars and educational programs reflecting the best practices in the growing complexity of financial issues.

Account Support

Informed investors enjoy greater personal comfort. Through consolidated monthly statements, online account access, and Commonwealth's Service Center, we can provide you with all the information you'll ever need.

In today's complex economic environment, the major difference between making money and keeping money is knowledge. Investment decisions vital to your economic security are far too important to be ignored or left to a machine—or to anyone whose primary responsibility is not you, the investor.

Commonwealth believes in supplying primary financial care through independent financial professionals.

Commonwealth Financial Network is a member of the SIPC, which protects securities customers of its membership up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available on request or at www.sipc.org.

WHERE DO WE ADD VALUE?

With so many professionals, corporations, and even websites offering investment advice, it's easy to get confused by the array of services, products, and plans. Prospective clients often ask us, "Where do you add value? What distinguishes you from the pack?" What follows is a brief response designed to assure you that partnering with our firm could be among the wisest decisions you ever make.



There are literally hundreds of thousands of people in the field of financial services who act as investment advisors, managing a client's portfolio for a fee or earning commissions on trades. But few of them ever consider doing anything beyond investments. We believe that we can offer superior investment guidance while providing something more—comprehensive wealth management.

Our approach to planning is carefully designed for our clients. Our planning services are as unique and diverse as the clients we serve. Because there is no cookie-cutter solution when it comes to managing our clients' financial futures, we stock our shelves with the finest financial ingredients and cook up customized solutions that leave our clients calling for seconds. The cooking analogy aside, we partner with our clients to help make their goals a reality—preserving their wealth, preparing for tomorrow, and putting it all together.

As stated above, accumulation of assets is just one of several areas that we focus on. We also provide expertise in retirement planning, estate planning, risk management, taxation, business planning, and asset allocation. This commitment to a life planning approach makes financial planning personal and addresses specific individual needs.

We employ a dynamic educational process that allows clients to visualize their personal goals and model the financial consequences of their choices. We rely on state-of-the-art software to plan and illustrate our strategies. We have partnerships with CPAs, attorneys, and other professionals dedicated to working as a team to meet all aspects of our clients' needs.

Most important—what separates our firm from the others—are the relationships we develop with our clients. We built our firm based on the fundamental elements of mutual trust, honesty, and respect, which helps us better strive to help make your goals a reality.

WEALTH MANAGEMENT

As you strive to grow your personal net worth, the financial challenges you face become increasingly complex. While some investors have a long-term strategy in place to grow their assets and manage risk within their portfolios, many do not have strategies in place that align with the tax implications that result from the distribution and transfer of the assets they have worked so hard to accumulate.

Capitalizing on opportunities to preserve, grow, and transfer your wealth requires the sophisticated guidance of a professional who knows and understands your long-term financial goals.

As an Investment Adviser Representative of Commonwealth Financial Network®, I have the ability to offer wealth management services that address the complex financial planning issues that many of my clients face. Commonwealth's Wealth Management program provides me with the infrastructure to offer you a comprehensive array of services to help plan and manage your wealth.

For the phases of your financial life

Wealth management refers to the coordination of various strategies that encompass all phases of your financial life, from the accumulation of assets, to risk management, to tax strategies, to retirement and estate planning.

The easiest way to conceptualize wealth management is to think of it as the logical transitions of your financial life:

- **The accumulation of wealth.** Construction of a solid, financial base sufficient to pursue your financial objectives.
- **The protection of wealth.** Creation of a strategy aimed at preserving your assets from erosion due to unexpected expenses, inflation, market decline, and taxes.



- **The tax-advantaged distribution of wealth during life.** Development of a sophisticated tax management plan to enhance your asset base by minimizing your tax burden and allowing you to distribute your assets according to your wishes.
- **The tax-advantaged distribution of wealth at death.** Planning for the controlled distribution of your assets at death—to whom you want, when you want, and at the lowest possible cost.

Strategies for complex issues

Wealth management planning seeks answers to those tough economic questions and decisions that come with modern living. Commonwealth's Wealth Management program divides these issues into six modules—each focusing on a different area of your financial life:

- **Accumulation** addresses your individual needs, asset allocation, and the suitability of different types of securities in light of your goals and risk tolerance. Accumulation strategies help to ensure that your investment portfolio remains closely aligned with your overall financial goals as you continue to build your asset base.
- **Risk management** works to minimize financial and other losses potentially associated with risks to your assets, business, or health. Some examples of risk are personal and professional liability, business ownership, property loss, and catastrophic illness or disability. Your first line of defense is to identify your sources of risk and then to either avoid or minimize the major exposures.



- **Taxation** considers the tax implications of individual, investment, or business decisions, usually with the goal of minimizing tax liability. While decisions are rarely made solely on their tax impact, you should have a working knowledge of the income or estate tax issues and costs involved.
- **Business planning** focuses on issues specific to business owners and shareholders. For most business owners, the business is their most significant asset, and the financial success of that business has an immediate impact on the economic security of the family. Without proper planning, you may have difficulty tapping the value of your business to support your retirement, or your family may lose the value of the business at your death.
- **Retirement planning** involves evaluating your current financial status and creating an accumulation strategy that will help to ensure your desired retirement lifestyle. Because your retirement years can span decades, retirement planning generally dominates other financial goals. A successful plan put into place during the wealth-building lifespan should address ways to maximize growth and tax-efficient distributions, as well as how to leave retirement assets to the next generation.
- **Estate planning** creates a master plan for the management of your property during life and the distribution of that property at death. For most people, estate planning gives you more control over your assets during your lifetime, provides care when you are disabled, and allows for the efficient, low-cost transfer of wealth at your death.

While not all of these modules will apply to your situation, we believe that identifying and addressing those that are pertinent will help you to better manage your financial future.

Planning for the long term

No matter what your level of wealth, working closely with a trusted professional who knows and understands you can help you target your goals. Working together, we can help you simplify the complexities of your financial life by focusing on your wealth in a systematic way and implementing a plan that will benefit you for the long term.

WEALTH MANAGEMENT CHALLENGES UNIQUE TO LGBT INDIVIDUALS AND SAME-SEX COUPLES

In recent years we have seen great progress in the quest for marriage equality for same-sex couples. But for wealth management purposes, all same-sex couples are still treated as two single people without the same rights and benefits of a heterosexual married couple.

At the federal level, the antigay federal law titled the Defense of Marriage Act (“DOMA”) limits marriage for federal purposes to the legal union of a heterosexual couple, denying same-sex couples any federal marital rights and responsibilities, including federal income, estate, or gift tax benefits. While the Department of Justice recently (February 2011) announced that it had determined DOMA to be unconstitutional, the law remains in force for now. Expert advice by informed advisors is essential in the estate and financial planning process for same-sex partners and LGBT families.

Marriage, Civil Unions and Registered Domestic Partnerships

There can be tangible benefits for same-sex couples to entering into a formalized relationship, such as state inheritance rights, state estate benefits, parentage presumptions, or health insurance benefits. Equally, if not more, important to many is the emotional significance of marriage or civil union as a public declaration of their family unit.

There are, however, other considerations that might make marriage, civil union, or domestic partnership not right for some couples. Some may not want to formalize their relationship for personal reasons, such as a desire to remain financially separate, or due to particular legal or privacy issues.

For example:

- These forms of recognition usually have property ownership and state tax consequences that may not be optimal for your situation.
- If one of you is an immigrant to the US without permanent legal status, that may be a factor.
- Medicaid eligibility or debts and liabilities held by one partner may be a consideration.

Domestic Partnership Agreements

Regardless of which state you live in, a domestic partnership agreement allows you to put in writing details about your relationship, which can be helpful in negotiating your relationship jointly while you are together or should you split up. For many of us, our intentions regarding our property and our finances don't always fit inside the box...and a domestic partnership agreement can clarify what you both intend so your wishes can be honored.

Working with a qualified wealth manager or financial advisor allows for coordination of your financial affairs as life partners with account registrations coupled with attention to income and gift taxes and each partner's estate plan.

Planning for the Security of Your Partner and Children

Be sure to understand what your 401(k) and pension distribution options will be at the time of your death—they may be more limited than you expect. Due to DOMA, your non-spouse beneficiaries do not fall under the same rules as a spouse. There are different provisions for a non-spousal beneficiary that must be followed in order to avoid substantial taxes and penalties.

Co-parent adoptions and agreements form the basis for ensuring financial arrangements and security for your children.

Social Security only provides retirement benefits to family members and opposite-sex spouses; same-sex partners, even if married, are not recognized for retirement benefits by Social Security.

Life insurance is often a key tool for creating financial security for a loved one, but you should consider other coverage as well. Disability insurance may be important for income replacement in the event of a long-term disability. Long-term care insurance may be highly advisable for the financial protection of the family. Special attention must be paid to medical insurance for same-sex couples and their families. Even if one partner is able to carry the other on his/her medical insurance through work, the costs of the premiums are taxable income. Furthermore, COBRA, the federal health coverage program for departing employees, does not extend to unmarried partners (which, due to DOMA, encompass all same-sex marriages).

Steps to Building a Solid Estate Plan

LGBT individuals, couples, and their families have a particular incentive to plan their estate matters deliberately to ensure their wealth is transferred according to their wishes and not according to the default rules that often don't recognize our relationships and families. Strategies to avoid having one's will contested can be particularly important for LGBT individuals.

Heterosexual married couples have a considerable federal estate tax advantage when it comes to gifts and bequests to each other, which currently does not apply to same-sex couples due to DOMA. This disadvantage, coupled with the LGBT community's tradition of charitable giving makes estate planning with a gay knowledgeable professional particularly important.

Basic estate planning documents for anyone include the following:

- A *will* controls the distribution of your property at death—but it can be challenged in court.
- A *power of attorney* allows someone else to handle your financial affairs, which helps avoid a court-ordered conservatorship.
- A *health care power of attorney* designates someone to make medical decisions on your behalf should you become unable to do so yourself.
- *Transfer on Death* (TOD) and *Paid on Death* (POD) registrations for brokerage and bank accounts allow named beneficiaries to inherit the account outside of your will.
- A *living will* states your wishes about artificial life support, among other things
- A *living trust* allows you to transfer assets privately, outside of probate.

INVESTMENT MANAGEMENT VS. WEALTH MANAGEMENT

The first step along the road to financial security is taken entirely by you. Are you looking for an investment manager or for a wealth manager?

An investment manager will concentrate primarily on managing investments, aiming to meet specific targets and objectives; a wealth manager will oversee the management of your total financial picture, looking to preserve, protect, and transfer wealth in a cost- and tax-efficient manner. With expertise in both areas, we

can work with you in either capacity, depending on your individual needs.

For a quick review of the differences between an investment manager and a wealth manager, please see the chart below. Will you turn to a financial professional for investment guidance or for holistic wealth management? The choice is yours.

Regardless of which path you choose, you can be confident that we will always work with your best interests in mind.

	Investment Manager	Wealth Manager
Concentration	Investment management	Investment management, retirement planning, tax/estate planning, risk management, business planning, etc.
Typical Asset Level	At least \$50,000 investable assets	At least \$500,000 investable assets
Strategies	Asset allocation	Asset allocation, distribution planning, college planning, taxation planning, succession planning, gifting, risk planning
Implementation of Products	Investment products only	Investment products, insurance, trusts, cafeteria plans, education savings accounts, and more
Associated Professionals	None	CPA, tax/estate planning attorney
Scope	Primary focus on investment portfolio	Focus on total financial situation
Review	Quarterly analysis, annual meeting	Quarterly analysis, annual meeting
Compensation	Asset management/advisory fee	Asset management fee, consulting/planning fee
Seeks to:	Manage investments to goals and objectives	Preserve, protect, and transfer wealth in a cost- and tax-efficient manner

IDEAL INVESTOR PROFILE

We work with clients in a variety of financial and life situations:

- Retired and pre-retired couples
- Financially independent individuals
- Successful small business owners

But we won't work with just anyone who falls into these categories. We want to work with people whose opinions about money are similar to ours. More specifically, our ideal clients are:

- **People who own their own homes and have investable assets of greater than \$750,000.** Our business plan is designed for a limited number of select clientele. This allows us to spend more time helping our community of clients to enhance their quality of life.
- **People who are looking for a trusted relationship with a financial professional.** Our clients have sought out a trusted professional to help them pursue their financial goals, not a salesperson who only wants to sell them the next hot product.
- **People who are serious about making smart decisions about their money and who trust us to create and implement a plan that will help them.** Our clients recognize that consolidating all their investable assets with us makes our work together more effective, allowing them to spend more time on living their lives to the fullest and less time worrying about money.

- **People who understand that there are no shortcuts to any place worth going.** Our clients have a plan where all their investments work in harmony. So regardless of events in the market, the economy, or the world, our clients can feel confident that they are effectively pursuing their long-term financial goals.

- **People who look beyond their own wealth and want to create wealth transfer strategies or gifting programs for the benefit of their loved ones and communities.** Our clients recognize that there are more important things in life than money. With us as their financial coach, they appreciate our efforts to keep them focused on what is truly important.

- **People who are genuinely nice.** Our clients are some of the nicest people we know.

- **People who are eager to introduce our practice to others.** Our clients realize that our relationship gives them confidence about their current and future financial situation, so they are eager to refer our practice to others they care about.

If the criteria outlined above describe you, we'd like to meet with you to discuss your financial situation and goals. Please give us a call.