

# A personal letter from Joe

*Dear Valued Client:*

It has been an awesome 25 years and I would like to thank all of you for your confidence, support and for being there when it counted.

My dad was a great believer in putting back into the community where you live and work; a pillar of integrity. He was without a doubt, the most influential role model in my life. Along with his encouragement and that of my friends, I have become very involved in the community of West Seneca. I was motivated to become involved in the West Seneca Chamber, West Seneca Rotary, DECA, and to be a part of Strategic Planning for West Seneca Schools. *Thanks for giving me the opportunity to serve my community.*

I have so many great clients who have been with me from the start, who continue to come back, and who continue to send their friends, family, and fellow business associates. Thanks to you and your demand for service and better products; I have had the opportunity to meet some very outstanding and very ethical business executives. We have grown together and as your needs became greater, I made sure that I went that extra mile just to deliver what you wanted and expected. *Thanks for giving me the opportunity to serve you.*

You all know how proud I am of my family and how supportive they have been. Having my own business has allowed me to make most football, basketball, tennis, soccer, track, volleyball, and baseball games during those high school and college years. On the other hand, it also meant that I had to work many evenings, weekends and holidays. I know now that they understand the reason for my total commitment. It's a delight to now have Betsy, Patrick and Jeff all working with me; we are still hoping that Jennifer and Greg will soon come on board. It's the ultimate compliment to have clients want to do business with our firm because of the leadership and the examples of my children. The most memorable example was a few years ago when a new client scheduled in. His son was on Patrick's summer baseball team and made this comment to his dad: "He's the finest human being I have ever known." The parents have become wonderful clients and friends because of this. *Special thanks to Betsy, the kids, and everyone they associate with for always being there for me.*

As I look back, I don't know where the years have gone, but I do know that I have enjoyed building the business and look forward to even more expansion in the future. I love what I do and as long as I have your continued support, I'm good for at least another 25 years.....maybe then I'll take weekends off!! 😊

# ***25 Years in the Making*** (CONT.)

Seneca Rotary Club.

**1985:** The U. S. economy is in the midst of a huge economical expansion with the Dow closing the year above 1500. Trivial Pursuit is the latest hot seller. *We Are The World* is released by Michael Jackson, Lionel Ritchie and others. The Gramm, Rudman-Hollings Act is signed into law to end deficit spending. Mikhail Gorbachov has been named the leader of the U.S.S.R. Bruce Smith is drafted by the Buffalo Bills. Gary Gasporov wins the World Chess Championship and Joe is named Jaycee's "Man of the Year."

**1986:** The Dow tops 1900. Nintendo and L.A. Law debut in America. The Phantom of the Opera debuts in London. Penn State wins the NCAA Football Championship, and Joe is elected President of the West Seneca Chamber of Commerce. He also establishes a professional relationship with Cadaret Grant to market investment securities.

**1987:** The Buffalo Bills start the season with a quarterback named Jim Kelly and end their season with a coach named Marv Levy. Over 12.5 million microwave ovens are sold in the U.S. The Dow peaks at 2722 in August and drops 508 points on "Black Monday" in October; volume for the day: 604 million shares. Stars and Stripes wins The Americas Cup, and Joe is presented with the "Youth Advocate of the Year Award" by the West Seneca Rotary Club.

**1989:** George Bush has just won the election. The Berlin Wall is torn down. Junk Bond king, Michael Milken, is indicted. Disney releases *The Little Mermaid*. Emerson Fittipaldi wins the Indianapolis 500, and Joe is awarded the Chartered Financial Consultant (ChCF) designation from The American College, Bryn Mawr, P.A., and is named the West Seneca Chamber of Commerce "Citizen of the Year." This is also the year Joe expands and renovates the offices at 965 Union Road to their current sizes.

**1990:** The Dow hits a high of 2,999.75, and Germany re-unites into one country. *Dance's With Wolves* and *Ghost* are box office hits. The Northern Spotted Owl is added to The Endangered Species List, and the Saturn Automobile is introduced under the General Motors Corporation. Buster Douglas knocks out Mike Tyson to win The World Heavyweight Boxing Championship, and Joe earns "Top of the Table" honors (Million Dollar Round Table's Top 500 World-Wide) for the first of

seven straight years. This also marks Joe's first year on The Mercy Hospital Foundation Board.

**1991:** Mikhail Gorbachev disbands the U.S.S.R. Operation Desert Storm removes the Iraqis from Kuwait. The U.S. population exceeds 250,000,000. A postage stamp is \$.29, and tuition, room and board is \$15,980.00 at a private university. The Dow closes over 3,000 for the first time ever. Scot Norwood's kick is forever wide right. Duke University wins its 2nd straight NCAA Basketball Championship. Joe and Betsy celebrate 25 years of marital bliss, and son Pat joins the firm.

**1993:** Bill Clinton is our President now. The Dow hits a high for the year of 3652. The Bills go to their third straight Super Bowl. Son Jeffrey graduates from Niagara University and joins the firm. Nelson Mandela and F.W. DeKlerk share the Nobel Peace Prize. NAFTA goes into effect. The Chicago Bulls win their third straight NBA Championship and H. Joseph Sgroi and Associates is awarded the West Seneca Chamber of Commerce "Business of the Year."

**1995:** This year is the most productive year in the history of H. Joseph Sgroi and Associates. The firm is now servicing over 4,000 clients, with a staff of 13 people. We have a working relationship with 65 school systems, hospitals and not for profit organizations. Son Patrick and John Clouden have joined Joe as full time financial planning professionals. Daughter Jennifer has graduated from Boston College and son Gregory is in his 3rd year at Long Island University. The Dow ends the year over 5000. Tom Watson wins The Masters Tournament and Joe is elected to The Principal Mutual Hall of Fame.

**1996:** *January 6th, 1996* marks the official 25th anniversary of the firm. *July 11th, 1996* is our 25th anniversary party at the Buffalo Marriott (please come join the party). *September 10th, 1996* will be Joe and Betsy's 30th year of marital tranquility. *October 12th, 1996* will be the wedding date for son Patrick and his fiancée, Christa Tuzzalo.

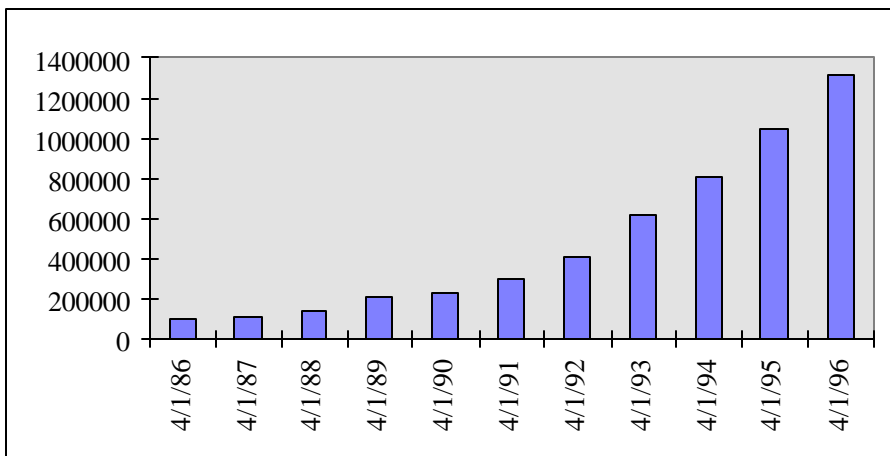
***Thank you all very much for a great 25 years!!***

# Case Study: *Mr. & Mrs. Business, 1986.*

In March of 1986, Mr. & Mrs. Business came to our offices with questions about Tax Sheltered Annuities. Mrs. Business is a teacher in a public school system. The Business' were in their early twenties at the time with 2 very young children. They had very good incomes for people their age, while Mr. Business is the part owner in a family owned firm. This information and much more was obtained through our standard fact-finding interview, a procedure we do with every one of our clients.

Mr. Business' company had been started by his parents who were now retired and turned it over to him and his brothers and sisters. The firm was doing very well with each being actively involved and working very hard to make it grow. When their retirement plans were examined, it was established that two small IRAs were already set up for both him and his wife; the company had no existing plan.

We started a TSA for Mrs. Business with a safe annuity paying 11.4% interest; we also funded both of their IRAs for tax year 1985. We also funded his IRA for 1986. We then assisted the company in putting together a 401k plan that started on 1/1/87. His 401k contributions were invested into a mix of mutual funds geared towards growth. Also in 1987 we started their first after-tax mutual fund. This was invested in a conservative growth and income mutual fund and was added to monthly rather than depositing money into savings accounts at the bank. As their income grew we added more to his 401k and her TSA.



In 1991, after both had made the maximum allowable contributions to their retirement accounts, we increased the funding of their after tax accounts. While continuing to invest in the more conservative mutual fund, a diversified mix of small company stock funds, large company stock funds and foreign stock funds was put together. They add money to these accounts on an annual basis at different times varying throughout

the year.

In 1994 Mrs. Business decided to be more aggressive with her TSA. Her fixed interest annuity was moved into a mutual fund TSA, split among three different funds from conservative to very aggressive. Also in 1994 we had to take additional steps to deal with a growing income tax burden. We had them invest in a short term municipal bond fund, this provides for a tax exempt income stream while protecting principal. Mr. Business was also able to invest some additional funds into an international emerging markets mutual fund.

Finally in 1996, due to even greater tax pressures and a desire to save more towards retirement, we started a non-qualified, tax deferred variable annuity. This is deferring the tax on all dividends and gains until it is used at a much later date.

When Mr. & Mrs. Business came to see us in 1986, their net worth was approximately \$100,000. Today, because they

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## What's Happening:

*We simply wanted to invite everyone to join us at the 25th anniversary party...*

Its being held in the **Buffalo Marriott's Grand Ballroom** (Youngman & Millersport Hwy), on **July 11th**. Doors open at **7:00 pm**. There will be short and informative presentations from Franklin-Templeton, MFS, Oppenheimer, Principal Mutual, Putnam, Royal Life, and Wells Real Estate. There will be plenty of refreshments, and you'll be able to talk with the representatives afterwards. We are promising a fun and informative evening.

*Seating is limited. Please RSVP by calling the office at 674-6700.*

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## H. JOSEPH SGROI & ASSOCIATES

### *25 Years in the Making*

The year is **1971**. President Nixon occupies the White House. The U.S. population is 203,000,000. First class postage is \$.08. The Dow Jones Industrial Average hits a high for the year of 951 and its daily volume high is 31,700,000 shares. One year's tuition, room and board at a private university is \$2,920. The Buffalo Sabres complete their first season and are led by the great rookie, Gilbert Perreault. Baltimore beats Dallas in Super Bowl V. Finally, Joe Sgroi, husband to wife Betsy and father of 2 young boys, Patrick (age 3) and Jeffrey (age 1), joins Bankers Life, working for the Long and Katzman Agency, located in The Statler Hilton.

**1973:** The Dow Jones Industrial Average hits a high for the year of 1052 in January, but the first year of oil shortage sparks a worldwide recession and The Dow closes the year below 800. Congressional investigations into Watergate begin. Bob MacAdoo of the Buffalo Braves is the NBA "Rookie Of The Year." Betsy and Joe celebrate the birth of daughter Jennifer and purchase their red VW Beetle. Secretariat wins the Triple Crown of Horse Racing, and Joe qualifies for "The Million Dollar Round Table" for the first of 24 straight years.

**1975:** After seeing President Nixon resign and The Dow hit a low of 572 in 1974, an economic recovery is underway and the Dow hits a high of 881. Drexel Burnham is formed and the "Junk Bond" is introduced. Arthur Ashe and Billie Jean King win at Wimbledon. Joe moves into offices at 3557 Seneca Street, sharing space with his father and his real estate company, Humphrey O. Sgroi Red Door Realty, Inc. Shortly thereafter, attorneys Ned Snyder and Nelson Cosgrove (now Supreme Court Justice) move into the building with Joe and his father. Son Gregory is born, Joe and Betsy's 4th and last child. Joe embarks on a little league coaching career, coaching older sons Pat and Jeff, for the 1st of 14 straight years.

**1976:** Jimmy Carter is elected president. Perrier is introduced to the U.S., Apple Computer Co. is founded, and almost 12 million C.B. Radios are sold. Ted Turner's WTBS Super Station begins broadcasting. Sugar Ray Leonard wins the Olympic Gold Medal in Boxing, and Joe earns the Chartered Life Underwriter (CLU) designation from The American College, Bryn Mawr, P.A.

**1979:** Paul Volker is named Chairman of the Federal Reserve Board with inflation running at 13.3%, and the Prime Interest Rate at 14.5%. The Three-Mile Island incident occurs and there are lines at the gas pump. Margaret Thatcher is elected the Prime Minister of Great Britain. The Camp David peace accords between Israel and Egypt are signed. "Walkman-radios" are introduced for the first time. The Montreal Canadians, under Scotty Bowman, win The Stanley Cup, and Joe moves his offices to 3755 Seneca Street, sharing space with attorneys Gerry Greenan, Ralph Lorrigo, Ned Snyder and Nelson Cosgrove.

**1981:** Ronald Reagan is now the President of the United States with the population at 228,000,000. First Class postage runs \$.20, while tuition, room and board at a private university runs \$5,888. Walter Cronkite retires from CBS and MTV starts broadcasting. The Los Angeles Dodgers win the World Series, and Joe purchases a building across from Southgate Plaza at 965 Union Road, and relocates his business there.

**1982:** The Dow hits 1070, it's all time highest ever on a volume of 147,000,000 shares. Canada gets its first Constitution, signed by Queen Elizabeth. The Vietnam Veterans' Memorial is dedicated in Washington D.C. Cabbage Patch Dolls are a hot seller. AT&T, "Ma Bell," is broken into 8 different regional phone companies, the "Baby Bells." The Space Shuttle goes on its inaugural flight. Italy wins the World Cup Soccer Championship, and Joe, a Vietnam Vet, is elected President of West