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MSAMentoring.com

CLIENT NEWSLETTER

INSIDE THIS ISSUE:

Faces of MSA	2
Join Us to Celebrate Independence!	2
Legislative Corner	3
The Coming Stock Market Apocalypse	3-4
Annuity Solutions	5
Insure Your Income!	5
Avalon Rx Announcement	6
Supplemental Health Insurance	6
Nursing Home, Assisted Living Costs Increase	6
Inspiration to Live By	7
Recipe Corner	7

Celebrate our Independence!

LETTER FROM THE PRESIDENT

Dear Clients,

This quarter's newsletter is intended to celebrate MSA's strong belief in INDEPENDENCY.

Congratulations on being an American! I'm sure that each one of you would like to continue to live in this awesome FREE country with a spirit of health, wealth, and prosperity in your forefront. We Americans are going to have to work together to ensure we maintain that.

It is my passion to educate and inform you about this upcoming election season and the volatility that it could bring to America's free enterprise healthcare systems. If we're not careful and proactive, we could be facing a socialistic healthcare system in the near future. Imagine the government in charge of the entire healthcare system in America! Haven't they already messed things up enough via our entitlement policy known as Medicare and worse our applied for and State funded programs for the poor known as Medicaid or welfare? For the truth to be known, both systems are on schedule to bankrupt before the year 2030 and where do you think the money's going to come from to support the exorbitant claims that an additional government driven system would propose? My bet's from your pocket and mine, known as TAXES. So much for being entrepreneurial minded in a FREE country, huh. It's amazing how the government is proposing to take years of hard work, education, and dedication and just eliminate our free enterprise system by their choice, not ours. Approximately 15 years ago, the government proposed copays too. Previous to this proposal, healthcare was affordable, accessible, and Americans understood 1+1=2. Now, because of a $5 copay, Americans have become disassociated with the true cost of healthcare and are easily swayed. Clients beware!

I'm sure many of you have heard by now that Governor Crist has signed the Cover Florida Plans into law. What that means is Florida consumers will be invited to participate in this plan, which was designed strictly for the uninsured after July 1, 2008.

What an appropriate season, the Week of Independence. That's important to you because you may very well be on your own in deciding if you want to take the liability to go uninsured for 6 months in order to qualify. And then, to do so only to become eligible for a first dollar benefit plan that will cover a few doctor's office visits, some wellness and yet NOTHING if you have a heart attack!

The definitions of coverage are still atrociously vague and are very concerning. The cost of the two plans offered are $150 a month each, but for what????? Are we seeking to teach INDEPENDENCE or is this one step closer to teaching Floridians that dependence on the government to

overcome simple irresponsibility is an answer? And why should we, the insured, pay higher taxes to offer an irresponsible plan to those who won't purchase it anyway? We're already paying additional taxes to offset their expenses for uninsured and unpaid claims.

Keep your eyes open, gang, the same type of proposals, ie, FIRST DOLLAR BENEFITS are the true buzz in Washington as well. If you do not understand the difference between first dollar benefits and a catastrophic policy, then you may unintentionally vote with unawareness. It is our responsibility as Americans to be educated and make decisions based on knowledge, truth, and preservation of our INDEPENDENCE and FREEDOM! I'm all about less government, more America, and celebrating our blood bought INDEPENDENCE!

Finally, as we celebrate INDEPENDENCE in this upcoming July 4th holiday, I'd like to invite you to a party at MSA's Corporate Headquarters. See Page 2 for more details.

Respectfully submitted,

Michele

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You're Invited to Join Us and Celebrate Independence!

MSA is a unique mentoring agency which strongly believes in *Independency*. Therefore, we take celebrating America's *Independence* and *Freedom* very seriously!

Accordingly, our Corporate Offices will be closed to the public the week of June 30 for our staff's annual planning session and an extended week to celebrate *Independence*.

You're Invited
To join us on Tuesday, July 1

We are inviting all of our clients and agents to our office for an Open House. Please mark your calendars to stop by our Corporate Office and celebrate with us from 4:00 pm to 7:00 pm.

We're located in the Sarabay Plaza @ 6513 14th St W #139, Bradenton.

We hope to see you then!

Legislative Corner

Florida Health Access Program Act

Here's what's happening in Tallahassee. Governor Crist presented very heavily in the press the Florida Health Access Program Act. This act is to designed to provide affordable healthcare options for uninsured residents.

The Enrollment Eligibility Requirements are as follows:

- Resident of Florida
- Ages 19 to 64
- Not covered by private insurance or eligible for public insurance
- Uninsured for at least the prior 6 months with exceptions for persons who lost coverage within the past 6 months under certain conditions

The agency and the office are required to issue an invitation to negotiate no later than July 1, 2008, to health insurers, health maintenance organizations, healthcare provider-sponsored organizations, and healthcare districts ("Cover Florida plan entities").

The Coming Stock Market Apocalypse

Author Unknown

"I met with every market expert I could think of. We closed the doors. And we came to only one possible conclusion: There are at least FIVE MORE DEVASTATING NEW FINANCIAL SHOCKS ahead."

Market Shock #1: The NEXT "Property Time Bomb" Nobody Dares to Talk About

Banks lent money—a lot of money—to people who couldn't pay it back. And now they're in trouble. Last year, an average of 50,000 homes *per month* went into foreclosure. That number could jump to 200,000 per month very soon. But there's an even bigger property bust on the horizon that could be even worse for the US economy than the current collapse in housing prices: a complete crash in . . . Commercial property.

See, the banks didn't just dole out billions of loans to unqualified homeowners. They also shelled out big money to build strip malls, "big box" stores, fast-food shops, movie theaters, office parks, warehouses, parking garages . . . but with the bust, those businesses are going broke.

Applications to build new homes are off by 43%. Foreclosures hitting 37-year highs. And the glut of unsold homes has left more than 17.4 million US houses completely empty. Who's left to go to the strip malls? Nobody. Think broke homeowners will go to more movies or less? How about eating out at all those chain restaurants? And with no job, who needs an office complex? Shopping? Forget about it. And no customers means no commercial businesses to support them. Apartment building sales are half what they were since June 2007. Banks are withdrawing funding. And the cost of commercial mortgages has soared, in lock step with the rise in subprime defaults. Bloomberg says we could see the worst drop in commercial property since the 2001 recession. Morgan Stanley is calling for a 15% drop over the next two years.

Already, real estate investment trusts (REITs) that deal in commercial property have gotten slammed. But don't mistake that for a buying opportunity. Because in this case, commercial property REITs could fall even further. In fact, many of these commercial property REITs still have yields trading way below 10-year Treasury notes. If the yield spreads rebalance to historical averages, some of these REITs could easily fall by half or more. Even Bloomberg is saying, "US commercial real estate prices may fall as much as 15% over the next year." The current owners just can't find buyers. "There are so many deals falling apart," says David Lichtenstein, head of a New Jersey group that manages over 20,000 apartments and 30 million square feet of retail space, "People who can get out are getting out."

Continued on page 4

Election 2008

And the remaining candidates are: Senator John McCain and Senator Barack Obama.

A point to ponder as you prepare to vote in November: Beware of the 1st Dollar Benefits. They may very well be proposed as our new government-run health insurance. But imagine having 30% more in taxes and then still having to buy a catastrophic policy out of pocket. That's not a solution!

MSA's position on the upcoming election will be further discussed in our Fall newsletter.

The Coming Stock Market Apocalypse

Continued from page 3

Author Unknown

Market Shock #2: A New $2.48 Trillion "Black Hole" That's About to Swallow up American Borrowers

It's the secret shame of millions of Americans. It's also another massive, looming market threat that's at least as big as the recent housing bust, and many times bigger than the write-offs we've seen with banks. What's this enormous shock? A mind blowing $2.48 TRILLION in looming *consumer credit debt*.

See, while houses went bust, millions of Americans could no longer draw off home equity to pay for all those flat-screen TVs, SUVs, and other toys. So they turned to their credit card. Credit card debt alone has hit a record $915 billion. That's already bigger than the estimated $900 billion locked up tight in subprime loans. And remember, on credit card debt, you're talking interest rates 3-5 times higher.

And that's just the start. Piles of *other* consumer installment debit have piled up. We're talking life on the layaway plan. Just how much? *Total* consumer debt stands at mind-blowing $2.48 trillion. That's more than China makes in a year. It's more than the entire United Kingdom's GDP. And more than the GDPs of Italy, France, Canada, Spain, Brazil, or Russia. Only they're making that money. We just owe it. And millions more house-broke or unemployed Americans have *stopped paying off* their credit balances. Just like other defaults on mortgages, defaults on other consumer credit are expected to soar. Card issuers are already bracing for a 20% explosion in credit card defaults over the months ahead.

Market Shock #3: The "Bailouts" That Could Soon Cost You Everything

Remember Katrina? The war on drugs? The war on terror? Bureaucrats love to "fix" problems they can't fix and make promises they can't keep. The latest : a string of "bailouts," tax rebates, and foreclosure "forgiveness" programs that are supposed to save America from going into a tailspin. But it's all too little, too late, and just too plain stupid to work. These are multi*trillion* dollar problems.

Families are flat broke. Jobs are gone. Stocks have tanked. Giving everyone a $600 advance on their tax rebates, or 30 extra days to come up with mortgage money they don't have, won't do squat. Worse, the fix could even compound the problem.

Take the Fed. Central banking is, for the most part, a fraud. *Instead of wiping out bad decisions, the Fed's radical policy of slashing rates and printing more dollars has only redistributed the losses to the most innocent bystanders—namely, the savers and dollar-earners.*

Look, the Soviet Union was all about central planning. And that didn't work. Are we supposed to believe somehow that central planning will work differently here, just because it's Washington that's mismanaging our national wealth?

Meanwhile the total credit in the US has grown from 150% of GDP to an eye-popping 340%! Meanwhile the White House wants to blow $3 trillion this year. No wonder China is dumping our dollars. Even as it lures away our factories and makes new deals with Europe, leaving America in the dust.

Market Shock #4: The Secret Embarrassment That "FAS 157" Will <u>Force</u> Wall Street to Reveal

You'd better brace yourself for US general accounting rule "FAS 157." This is the regulation that now says banks can *no longer* hide what are called "level three" assets.

What's a "level three" asset? Stocks, bonds, and all the investments you've already heard of are what are called "level one" investments.

"Level two" includes some of the less-traded mortgage-backed investments that started blowing up late last year. The five biggest brokerage houses and the biggest universal banks have over $4.1 trillion of these level two assets alone. That's almost 10 times the combined share value of all five of these huge firms. Imagine how much money vaporizes if these tricky level two assets fall even 5% in value.

But here's the biggest risk: At "level three" you've got the hidden investments that almost never trade. These are the huge derivative positions, the private equity investments, and enormous slices of the mortgage market. Banks don't talk about them. The market doesn't put a price on them. So the only way for accountants to figure out what they're worth is . . . to guess. Each firm can basically set the value of its own assets, using its own formula. And that's exactly the problem.

Until recently, financial firms could pretend those hidden assets were worth plenty. But with law "FAS 157" cracking down, that's getting harder. Especially since many of these hidden "level three" assets are based on failing subprimes, collapsing lenders, and defaulting consumer debt.

Market Shock #5: How at LEAST $4 Trillion More in Worldwide Wealth Could be About to Disappear

How far could this really go? How deep will the final damage be, thanks to this "perfect storm"? The feds say the investment banks alone could lose $100 billion. Even an economist for Moody's says losses could reach $225 billion. And what happens if total housing wealth drops to another 15%, to 20%? Now you're talking as much as $4 tillion in housing "wealth" gone just like that.

If the stock market or bond market slips another 10%, that's another $5.1 trillion ro $4.5 trillion respectively also gone. Plus losses in the dollar itself. Total wealth of Americans, priced in dollars, is about $50 trillion. If the dollar drops just 10% more, that's another *$5 trillion up in smoke*!

At $10 trillion down and sinking, I haven't even mentioned what a crash in the $480 trillion derivatives market could do. Let alone the fact that an estimated $200 trillion of that is with major US banks! And remember, these are often the "Enron" type of investments—hidden off the books where you can't see them. These toxic leveraged instruments could easily be sharing shelf space with your own capital, right now!

Annuity Solutions

It's no secret that playing the market has its risks, and losing money is only half the story.

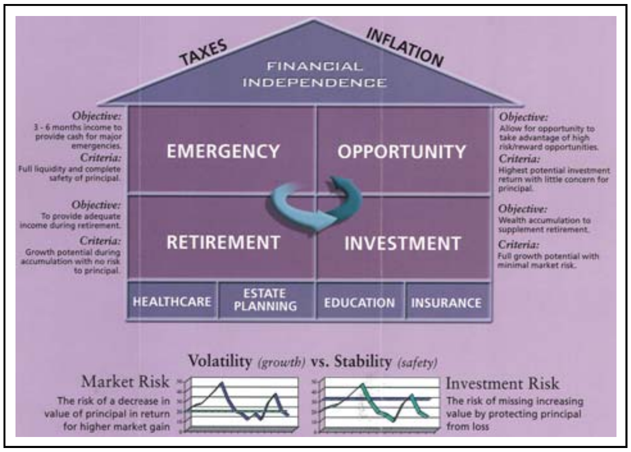
Have you ever thought about the time it would take for you to make up those losses? Here's how long it would take to rebuild your nest egg after a loss in the market. (See MSA's Financial House & Graphs.)

A fixed interest or index annuity with annual reset from one of our preferred carriers can help protect against downside risk. If the market drops in a year, your annuity's value will remain constant. Later, if the market return is positive, your annuity's value will increase—even if the market doesn't make up its previous losses.

For example, consider a fixed index annuity with $100,000 in initial premium.

(1) Let's assume that the first year the market had a 12% loss. Had you invested your premium in the market, your portfolio would then be worth just $88,000. But with your fixed index annuity, you are protected from decreases in the market, and your annuity's value remains at $100,000.

(2) Now assume that in the second year, the market "bounced back" with a full 12% return. If you were invested in the market, your market value would still be less than your original investment. But in an fixed index annuity with a 7.5% cap, your original $100,000 annuity value would grow to $107,500—worth almost $9,000 more than your money would be in the market.



With the potential for downside risk protection, your annuity's value increases or stays the same and never has to regain costly losses. Just imagine the potential for growth without the threat of decreases.

Questions? Contact MSA at 941-753-0031 to further discuss protecting your retirement income during these uncertain financial times.

Insure Your Income!

Have you ever asked yourself, "What is my greatest asset?" We have heard all types of answers when we have posed that question, from my spouse to my home to my children to my sports car. In answering this question, think about this—what makes many things possible in your life? Your home, your lifestyle, your children's college education?

Ultimately, your answer should be "my ability to work and earn an income," because without that, many of these things you and your family enjoy would not likely be possible.

Next question: Have you insured this valuable asset?

Can you insure income? Yes! Absolutely! You can do it with an individual disability income policy which can help replace a good portion of your salary if you are unable to work due to a sustained injury or illness.

Is this important? How long could you go on paying regular expenses before draining your existing asset base if no paycheck was coming in? In a 2008 survey of employees done by Met Life, the #1 concern for an employee was having enough money to pay bills during a sudden loss of income.

Disability income insurance is the one source of funds that can help you financially through this difficult time. This ease of burden can help you focus on your physical recovery rather than being weighed down with money concerns. Your family can continue their lifestyle as your health improves.

Contact us today at 941-753-0031 for information about protecting your greatest asset. You'll enjoy the peace of mind in putting this protection in place.

Did You Know . . .

. . . That September is

Life Insurance Awareness Month?

If your income disappeared, how long would your family:

- *Continue to live the same lifestyle as today?*
- *Maintain a residence in your home?*
- *Fulfill your current financial obligations?*
- *Fund future expenses like education, retirement strategies, etc?*

Contact MSA at 941-753-0031 to discuss securing your family's income with adequate life insurance protection.

Avalon Rx Announcement

For those that have the Avalon Prescription coverage, please be advised that at renewal, the prescription provider will change from Medco to Partners. You should get your new cards prior to your renewal, but if not, please call Avalon and let them know.

HSA Info for 2008

Don't forget to update your HSA contribution limits. Note: if you are between 55 & 65 years old you may be eligible for a catch up.

2006: $700

2007: $800

2008: $900

2009 and after: $1,000

How will you pay for home healthcare when your health insurance runs out? Will you use your retirement dollars or purchase LTC (Long Term Care) to leverage your portfolio's shortfalls?

Supplemental Health Insurance

What is Supplemental Insurance?

Supplemental insurance is a form of "extra" health insurance that assists in bridging the gaps or holes in basic health insurance policies created by deductibles and co-pays. Depending upon what kind of supplemental insurance is purchased, additional expenses such as lost income and additional living expenses incurred during a long illness or injury.

There are a number of different types of supplemental insurance benefits, such as critical illness, accident, hospital indemnity, sickness, dental, cancer, disability and more . . .

Characteristics of Supplemental Insurance

The four most common types of supplemental insurance coverage include:

- Disease Specific/Critical Illness
- Accident Health Insurance
- Hospital Indemnity
- Disability
- International Healthcare policies, as your Healthcare may not cover you abroad

Remember, there is more. These are an example of individual policies that claims are filed for EVERY DAY!

Who Would Benefit From Supplemental Insurance?

EVERYONE! Individuals who are self employed, large families who are ill equipped financially to handle a sudden onslaught of medical bills, the retired who want to protect their retirement from the high cost of out-of-pocket expenses, such as experimental cancer treatment, will all benefit from supplemental health policies. What will happen to those whose financial situations would suffer if they were suddenly unable to work? At MSA our goal is to help our clients eliminate as much out-of-pocket expense as possible while gaining financial security by protecting their assets.

If you're interested in learning more about this type of insurance, feel free to call our Corporate Voluntary Specialist, Melody Overland, at 941-753-0031 for more information.

Nursing Home, Assisted Living Costs Increase

Costs for nursing homes and assisted living centers rose again from 2007 to 2008, making this the fifth consecutive year of price increases.

Costs for nursing homes have jumped 17% since 2004 and now average $76,460 annually or $209 per day for a private room. Assisted living charges escalated even more during the same period, rising 25% to average $36,090 nationally.

In contrast, in-home care costs for **non-Medicare certified** workers have remained relatively stable since 2004 and continue to average $18/hour for homemaker services and $19/hour for a home health aide. The cost of a **Medicare-certified** aide, however, has changed, rising 7% over the past 4 years to reach $38/hour on average in 2008.

For the first time, a survey looked at adult day health care. The annual cost for five-day-a-week participation in a community-based care setting is $15,000, with an average daily price of $59.

Studies speculate that costs will rise further if the shortage of long-term care workers continues.

Are you prepared for your long-term care needs? Call MSA at 941-753-0031 to discuss securing your future with a Long Term Care policy.

Inspiration to Live By

Most Americans can quote Patrick Henry's famous "Give me liberty or give me death," but how many of them would identify Henry as the originator of this statement: "It cannot be emphasized too strongly or too often that this great Nation was founded not by religionists, but by Christians; not on religions, but on the Gospel of Jesus Christ. For that reason alone, people of other faiths have been afforded freedom of worship here."

People these days are very quick to point out Jefferson's wall of separation letter to a Danbury Church meant that Christianity had no place in the heart of the writer of the Declaration, but are they aware of what is written in Jefferson's personal Bible: "I am a real Christian, that is to say, a disciple of the doctrines of Jesus. I have little doubt that our whole country will soon be rallied to the unity of our Creator." To say that Christianity had no influence over his writing is to diminish Jefferson's personal faith.

And do people also realize that more than half of the signers of the Declaration of Independence received divinity school training from Christian denominations? Most of the political giants who founded America were Christians, and their faith shaped their principles of fierce independence and rugged radicalism. In fact, in 1774 Thomas Jefferson wrote, "The God who gave us Life, also gave us Liberty." Indeed, the First Continental Congress during the War of Independence sent for an order from Holland for 20,000 Bibles to ensure that the people and troops could maintain their Christian faith. And during times of trouble and indecision in their meetings, the same Congress resorted to prayer. Even George Washington, the Father of our Nation, wrote in his personal journal: "Make me to know what is acceptable in Thy sight, and therein to delight, open the eyes of my understanding, and help me thoroughly to examine myself concerning my knowledge, faith, and repentance, increase my faith, and direct me to the true object, Jesus Christ the Way, the Truth, and the Life." And when he addressed the Delaware Indian Chiefs in 1779, he said, "What students would learn in American schools above all is the religion of Jesus Christ."

These are but a few examples of the beliefs that were held by our Founding Fathers. Those who seek to deny their faith and, subsequently, the founding of the United States of America as a Christian nation, are only imprinting upon the past their own present secular opinions and unhistorical misconceptions.

Finally, let us remember that the Constitution guarantees a freedom of religion, not from religion.

Let us remember that the Constitution guarantees a freedom of religion, not from religion

Recipe Corner

Our Own Melody Overland's Awesome Mac 'n Cheese!

3 Cups of Elbow Macaroni (or whatever pasta you like)
2 Cups of your favorite VERY SHARP Ceddar Cheese
Vidalia Sweet Onion, pureed
2 Cans Campbells Cheese Soup
1 1/2 Cups Regular Half & Half or Cream
Sea Salt

In a 2 quart pan, bring Sea Salted water to a boil. Add the Macaroni. While boiling, grate the Cheddar Cheese. In a separate bowl, add the Vidalia Sweet Onion, Campbells Cheese soup, and the Half & Half. Add the cooked pasta and toss in a 4 quart long casserole dish. Spread the grated cheese on top and "tuck" into the pasta with a fork. Sprinkle with Salt & Pepper. Bake at 350 degrees for 30 minutes. Serves 4—6 people. Goes GREAT with burgers and watermelon for the Summer BBQ's!!!

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Mission

MSA Marketing is a unique mentoring agency which strongly believes in independency. We equip clients and colleagues with the tools and strategies necessary to access financial success. **Our agents represent the entire industry, not a specific company,** *and educate and inform their clients with these tools and strategies as opposed to just selling them products.* **Our agents have the opportunity to be vested;** *therefore, they are in business for themselves but not by themselves.*

Vision

MSA Marketing's vision is to secure pension-like retirement income streams and debt free life-styles for its clients and colleagues, while at the same time teaching both to save the free enterprise healthcare systems in America through Health Savings Accounts.

Goal

Educate and inform clients and colleagues by providing mentoring strategies and tools to assist both in understanding the simplicities of the health and financial service industries.

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