

Financial Confidence is On the Horizon...

THE VAUGHN / MCLAUGHLIN TEAM

QUARTERLY NEWSLETTER FOR FRIENDS & CLIENTS

Fourth Quarter 2011

Our mission...

To build a partnership that will help our clients meet their financial goals and enjoy a more secure future. Our goal is your 100% satisfaction with the advice and service you receive – and the **confidence** that this can bring.

Your team...



Tracy Vaughn, CFP®
Branch Manager
Senior VP, Investments
tracy.vaughn@raymondjames.com



Jim McLaughlin, WMS
Senior VP, Investments
Trust Specialist
jim.mclaughlin@raymondjames.com



Amy Barbieri, CFP®, MBA
Financial Advisor
amy.barbieri@raymondjames.com



Nanci Roth
Branch Operations Specialist III
Registered Service Associate
nanci.roth@raymondjames.com



Kris Flanders
Registered Service Associate
kris.flanders@raymondjames.com

IN THIS ISSUE

From Jim's Desk.....	Cover
Jeff Saut.....	Cover
Dr. George H. Connell.....	Page 2
Reminders from Nanci & Kris.....	Page 2
From Tracy's Desk.....	Page 3
Community Notes from Amy.....	Page 3
Save the Date.....	Back

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and CFP, which it awards to individuals who successfully complete initial and ongoing certification requirements.

FROM JIM'S DESK: October 11, 2011

Ladies and gentlemen, I believe it is time to ring the bell. The bell I speak of is the “accentuate the positive” bell. For all of you that have a computer, please go to www.raymondjames.com/citrus, click on and play the video “A Message from Raymond James Chairman Tom James.” Many of you have heard Tom speak over the years and know he is one of the most respected thinkers on the planet! He is also widely known to be very conservative in his assessments of markets, economics and investing. I have heard Tom speak many, many times and he was never given to “irrational exuberance.” In this video he maintains that status for sure, but delivers what I think is a very cogent, positive take on where we are in the markets and the economy. Since I could not possibly improve on his message, I’m directing you to the site where you can hear it for yourself. If you are unable to access it (it takes a couple of clicks to get to it) just let us know and we’ll get it to you (it’s that important). There is one snippet from Tom’s video I just can’t help pushing out there. Remember, he’s very conservative, but he says corporate balance sheets may be the healthiest they’ve ever been in U.S. history! While markets have been driven more by geopolitical events of late, ultimately they reflect healthy balance sheets that produce healthy earnings.

While you are on the Raymond James site, please take the time to read our Chief Investment Strategist’s comments. You’ll find Jeff’s thoughts on the *Market View* page under *Investment Strategy*. I’ve mentioned him many times. For me, he is a beacon in an immense fog of information and opinion. His command of financial history is second to none in my opinion. That particular attribute has proven for me to be a most valuable guide. When I think about the famous poem by Rudyard Kipling where one stanza goes: “if you can keep your head when all about you are losing theirs”....well I turn to Jeff. What I know is that Jeff listens to many but seldom wavers from what his experience and market history have taught him and doesn’t get buffeted by the storm of the day. In navigating through time with investments, this is extremely valuable.

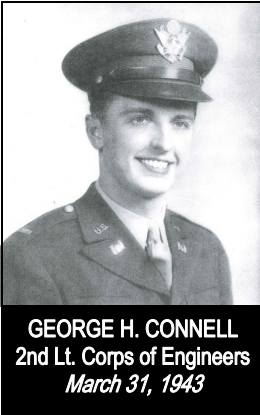
I hope that this prescription will serve all of you well and countervail some of the daily onslaught of worry and pessimism. The sooner we regain our confidence that we are the most resilient country the world has ever seen, the sooner the economy will return to stability and more normalized growth. It really is a matter of confidence.

SAUT TO COME TO CITRUS COUNTY

The Crystal River branch of Raymond James will be hosting a Market Update event on January 12th with keynote speaker, Jeff Saut, Raymond James’ chief investment strategist and a managing director of the firm’s Equity Research department. The event will begin at 12:00pm at the College of Central Florida conference center in Lecanto, with check-in beginning at 11:30am. Lunch will be served. Space is limited, so please RSVP as soon as possible if you plan to attend.

Meet Jeff Saut- A disciple of the markets for more than 30 years, Jeff possesses a breadth of experience in the field few can match. He was managing director of research at Roney & Co. when it became part of Raymond James in 1999. Prior to that, he was managing director of equity capital markets for Sterne, Agee & Leach. His responsibilities there included equity research, investment banking, institutional sales and syndicate.

After graduating from St. Andrews in early 1971, Jeff began his career on a trading desk in New York, becoming a trading desk manager in 1972. In 1973, he joined E.F. Hutton & Company, where he began following equities and providing research commentary. He subsequently worked as a securities analyst for Wheat First Securities, and then Branch Cabell & Co., where he was director of research and acted as portfolio manager for the firm’s affiliate, Exeter Capital Management. Jeff was also director of research

COMMUNITY SPOTLIGHT: Dr. George H. Connell

GEORGE H. CONNELL
2nd Lt. Corps of Engineers
March 31, 1943

Occupation: (Retired) Communicable Disease Officer. Original training was in engineering but several years in the Pacific during World War II and later with the World Health Organization and CDC opened my eyes to people problems on a large scale. **Years in Position:** 25 **Spouse:** George met his wife Jeannine at Washington State University. They have been married since 1952. **How long have you lived in Citrus County?** **What do you like most about Citrus County?** 32 years. Good climate, light population, not a tourist area. **Hobbies / Interests:** Photography, fishing, world travel, shop work. **Favorite place you've travelled to?** Philippines, Alaska– Mariana Islands. **Careers that interest you besides your own?** Flying, world travel, mechanical engineering. **Career accomplishment most proud of?** Vaccine development (communicable diseases). **How old were you when you became interested in your profession?** 25. **What did you enjoy most about being a Communicable Disease Officer?** Helping people who couldn't help themselves. **Biggest challenge as an officer?** Government interference. **Do you want to continue your education in any way?** **What do you want to learn more about?** Too late (to continue education formerly)- age 93. (Interested in) everything about public health. **If you had complete financial security, how would you spend your time?** World travel. **What do you strive for most in life?** Continued good health. **What do you try to avoid?** Ignorant people. **What do you want your legacy to be?** **How would you like to be remembered?**

As a people helper on a wide basis. **What values or philosophies would you like to pass on?** Learn all you can and pass it on.

SAUT (Continued from Page 1)

for the regional brokerage firm Ferris, Baker Watts, Inc., where he developed the firm's research and institutional sales efforts.

Jeff is well known for his insightful and colorful stock market commentary when appearing on various programs on PBS, NPR, CNBC, Bloomberg TV, USA Network and Fox News, as well as various local radio and television networks. He is often quoted in publications such as The Wall Street Journal, The New York Times, Barron's, The Washington Post, BusinessWeek, U.S. News and World Report, Fortune and SmartMoney, as well as on websites including thestreet.com and msnbc.com.

Strategic Moves- Respected for his in-depth expertise, Jeff is a valued, regularly featured participant in Raymond James' market overview conference calls. Financial advisors and portfolio managers appreciate the opportunity to participate in them, as each call offers invaluable access to Jeff's opinions on current market conditions, along with those of the firm's chief economist and chief investment officer. The market overview calls are designed to facilitate discussions on topics that further enable advisors to help their clients make informed decisions.

In addition to issuing commentary each Monday, Jeff highlights current market news, investment trends and individual stock recommendations in his daily morning strategy calls. Finally, Jeff works with other Raymond James market and economic experts as a member of the firm's Investment Policy Committee, contributing to the firm's quarterly asset allocation recommendations.

Philosophy: Maximize Capital Appreciation, Limit Principal Risk- Jeff generally advocates attempting to maximize capital appreciation while limiting risk to principal. This philosophy is founded on the belief that risk/reward opportunities exist throughout all market cycles. When sufficiently attractive prospects are not available, Jeff recommends holding cash. While that may differ from most investment philosophies, he believes one of the biggest challenges investors face is recognizing that potential investment opportunities today may not be the only possibilities worthy of consideration. Indeed, the investment opportunities of tomorrow – which could be better, worse or the same – are legitimate competitors for today's investment dollars. Clearly, taking advantage of the prospects requires cash.

Along with his investment philosophy, Jeff employs a bottom-up security selection approach, which emphasizes identification of undervalued securities and has often revealed business or investment trends of a broader nature – ones upon which investors may be able to capitalize. Jeff feels strongly that this bottom-up style, combined with the discipline of cutting losses, should produce above-average returns over the long term with below-average risk of principal.

Process: Disciplined, Pragmatic, Flexible- Jeff believes in taking a disciplined, pragmatic and flexible approach to analyzing investments. He generates ideas through company visits, corporate and industry reports, investment research, and personal experiences. Yet, further study and analysis is often needed to more precisely discern between a security's value and price, and how investors may profit from it. Once that is determined, various investment alternatives – which are typically concentrated in long- and/or short-term positions in common stocks, as well as convertible preferred securities, bonds and foreign securities – are employed.

SERVICE REMINDERS FROM NANCI & KRIS: Don't Forget Your RMD's

Remember to take your RMDs before year end. IRS regulations stipulate that for the year IRA owners reach the age of 70½ and for every year thereafter, a distribution must be taken from their IRAs. These distributions are called Required Minimum Distributions or RMDs. Your RMD is calculated each year based on your birth date, the prior year's end value of your account(s) and the applicable factor from life expectancy tables provided by the IRS. Your prior-year end value is divided by this factor to obtain the required distribution amount.

You must withdraw your RMD amount from your IRA no later than December 31. If you turned 70½ this year, you may delay your 2011 withdrawal until April 1, 2012. If you turned 70½ in 2010, you must take your 2011 distribution by December 31. It is important that we initiate your distribution by the appropriate deadline; failure to do so could result in an IRS penalty of 50% of the amount that should have been withdrawn.

Depending on your tax situation, you may want to take the RMD amount and make a Qualified Charitable Distribution (QCD). Briefly, a QCD, which can only be made by IRA participants who are at least 70½, may be as high as \$100,000. The funds must be sent directly to the IRS-approved qualified charitable organization, and the funds will be tax free. If you wish to take advantage of this provision, please let us know at your earliest convenience.

FROM TRACY'S DESK: *Capital Access Update*

Did you know you can receive the benefits of Capital Access free of charge when you establish direct deposit and have an account relationship between \$250,000 and \$500,000. By having your retirement funds— including Social Security and pension payments—deposited directly into a Capital Access account each month, you can rest easy knowing your money is available whenever you need it.

With this program, you will receive all of the features and benefits provided with the Capital Access account, complimentary. Maintain your direct deposits and the account will continue to be complimentary. We also understand your unique spending needs during retirement. Once direct deposit is established for two years and you are over the age of 65, you will continue to receive the credit for qualified direct deposits, regardless of account relationship size.

Capital Access provides you with all of the upgraded features you need, but you'll also experience a superior level of personal service and the attention you deserve—at no additional cost.

- ◆ Unlimited check writing
- ◆ Visa Platinum debit card
- ◆ Over 30,000 surcharge-free ATMs
- ◆ An optional rewards program that offers cash back, travel, merchandise, events and more
- ◆ Competitive interest rates
- ◆ Complimentary online bill payment
- ◆ Personalized deposit tickets and postage-paid envelopes
- ◆ Industry-leading fraud protection services

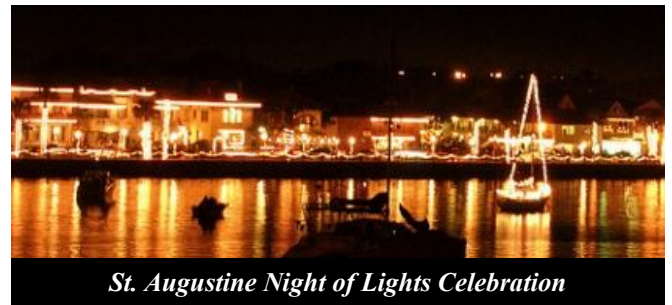
In addition to these features, Capital Access provides seamless integration with your other Raymond James brokerage accounts, giving you access to a powerful cash management solution that maximizes the return on your assets while minimizing the effort to do so. Should your account require special attention, the dedicated Capital Access client service team can assist you with your specific needs. To sign up for Capital Access - and to begin taking advantage of the \$100 direct deposit credit— give us a call today.

COMMUNITY NOTES FROM AMY'S DESK

Raymond James to participate in Relay for Life

The Crystal River branch of Raymond James is partnering with Seven Rivers Regional Medical Center to form Team HEALTH, an American Cancer Society Relay for Life team. Team HEALTH will be participating in the Relay for Life event at Crystal River High School beginning at 6:00pm on April 13th. At the event, our team will camp out overnight and take turns walking around the track to raise money and awareness to help the American Cancer Society create a world with less cancer and more birthdays. Learn more at facebook.com/just4life

To raise funds we will be selling candy in the office, participating in celebrity bartending, hosting bake and rummage sales, and selling donation cards and luminarias to honor those touched by cancer. Team HEALTH is also hosting a day trip to **St. Augustine's Night of Lights**, where 2 million holiday lights illuminate the town. Attendees will travel to St. Augustine via motor-coach for a full day of fun and exploration at their leisure on Saturday, December 17th. The cost is \$35 per person which includes transportation costs and a donation to the American Cancer Society (meal, trolley tours and other expenses are not included). The motor-coach will depart from Seven Rivers Regional Medical Center at 9:00am and will return at approximately 11:00pm. Call or e-mail Amy to reserve your spot.



St. Augustine Night of Lights Celebration

Cooking for a Cause to Benefit Jessie's Place

Attend the 1st Annual *Cooking for a Cause* event on Sunday, November 20th from 6:00 to 8:00pm at the Crystal River Mall. Tickets are \$25 per person (\$30 at the door) and all proceeds will help our local children who need Jessie's Place, a child-friendly facility based in Citrus County that functions as a central location to coordinate all needed services for unfortunate children who have been abused or neglected.

Those attending the *Cooking for a Cause* event will enjoy a variety of delicious menu items from Citrus County restaurants, who will be judged in six food categories, "Top Chef style." The fundraiser will also include a chance auction, live entertainment, and prizes. Only 300 tickets will be sold and are available for advance purchase at the following locations: Citrus County Chamber of Commerce, Citrus County Sheriff's Office, Crystal River Mall, Jessie's Place, KaCy's Portrait Studio, Nature Coast Banks, and Tuscany on the Meadows. For more information on the event or organization, visit: jessiesplacecitrus.org



Join the Raymond James family in making a child's Christmas wish come true.

For the 2011 holiday season, your local Raymond James office is a drop-off location for the Toys for Tots program. Since 1947, Toys for Tots has made a difference in the lives of less fortunate children. Last year a record number of children received toys through the program. This year we expect the need to be even greater, and we are asking you to help.

The gift of a shiny new toy - something many take for granted - means to needy children that someone cares, that they haven't been forgotten, that Christmas hasn't passed them by. Please bring in new, unwrapped toys to the Raymond James office in Crystal River by **December 20th**. *Every child deserves a little Christmas.*





The Vaughn / McLaughlin Team of
RAYMOND JAMES

Member New York Stock Exchange / SIPC

2101 S.E. Highway 19, Crystal River, FL 34429
(352) 795-6155 * (800) 443-4368 Toll Free

www.raymondjames.com/citrus

Your trusted family financial
planners of the Nature Coast
with over 100 years combined experience

SAVE THE DATE



New Day & Time: *Wall Street Coffee Club* meetings will be moving to the **first Thursday** of the month starting in 2012. The meetings will run from **9:00 to 10:00am** at the College of Central Florida, 3800 S. Lecanto Hwy, Lecanto (Conference Center Building C4, Room 103). Following the meetings, your team will host a monthly educational workshop (aka *Wellness & Wealth Workshops*) for your financial & physical health. These workshops will be held in the same room and will begin at **10:30am**. Go to our website or give us a call for information on monthly topics and guest speakers. *Wall Street Coffee Club* meetings and *Wellness & Wealth Workshops* are open to the public.



Start Something BIG Breakfast

What if every child fulfilled their potential? What could that start? It could be the start of something BIG. Join us to learn about our achievements and the goals we hope you will want to be a part of.

Dec. 7th, 8-9am
College of Central
FL in Lecanto.



Free to attend. Contact us if
you would like to sit at the
Raymond James table.

- ◆ **November 18 - December 24:** *An Ideal Husband* at Raymond James Theatre, St. Petersburg.
- ◆ **November 20:** *Cooking for A Cause* (see **Page 3** for details)
- ◆ **November 24:** The office & markets will be closed in observance of Thanksgiving. Markets will also close early (1:00pm) on **November 25**.
- ◆ **December 3:** Crystal River Christmas Parade, 6:00pm, starting on NE 3rd & heading south on Hwy 19.
- ◆ **December 4:** Tampa Bay Buccaneers vs. Carolina Panthers, 1:00pm, Raymond James Stadium, Tampa.
- ◆ **December 6-8:** Team member to attend educational workshop in Tampa.
- ◆ **December 7:** Big Brothers / Big Sisters *Start Something BIG* breakfast, 8:00am, College of Central Florida, Lecanto.
- ◆ **December 7:** *Wall Street Coffee Club*, 9:30am, College of Central Florida, Lecanto.
- ◆ **December 10:** Inverness Christmas Parade, 12:00pm, on Main Street.
- ◆ **December 17:** Night of Lights (see **Page 3** for details), buses leave at 9:00am, St. Augustine
- ◆ **December 17:** Tampa Bay Buccaneers vs. Dallas Cowboys 8:20pm, Raymond James Stadium, Tampa.
- ◆ **December 26:** The office & markets will be closed in observance of Christmas.
- ◆ **January 2:** The office & markets will be closed in observance of New Years.
- ◆ **January 4:** *Wall Street Coffee Club*, 9:00am, College of Central Florida, Lecanto (*Wellness & Wealth Workshop* to follow, starting at 10:30am; see **above** for details).

Call us with questions on any of the above events or if you would like to feature your organization's upcoming events in our next newsletter. Ticket prices apply to events held at Raymond James Theatre and Raymond James Stadium.

Views expressed in this newsletter are the current opinion of the author and are subject to change without notice. Investing always involves risk and you may incur a profit or a loss. No investment strategy can guarantee success. Foreign investing involves additional risks, such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. Changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with tax provisions of the issues presented herein, as Financial Advisors of Raymond James & Associates we are not qualified to render advice on tax or legal matters. Raymond James & Associates, Inc., Member New York Stock Exchange/SIPC.