

STANFORD

eagle

A world of financial information
from Stanford Group.

look to the long- term

*For those with an eye on the future,
long-term planning makes all the difference.*

to focus on your lifetime objectives, and to continually meet those objectives as you change and grow. Once we know where you are today and where you need to go, we can then make appropriate recommendations designed for you alone.

Long-term planning offers a panoramic view of your financial holdings, which might include stock, bond and cash investments, retirement programs, educational investments, insurance, tax strategies and estate plans. In fact, the financial planning process can help put your entire life into perspective, so you can stop dreaming and start taking action.

Remember, it's not the hot stock of the day that counts, but the accumulated results of a lifetime of investing. Once you take a long-term view of your financial future, the task suddenly comes clearly into focus. It's an ongoing strategic process that takes forethought, discipline and time. 🚩

The future has a way of suddenly appearing unannounced. Are you prepared for retirement, a change in employment, marriage, children, an unexpected death?

There's a lot to consider when looking ahead, but planning your financial future isn't as daunting as you might expect. While the world is inundated with mammoth financial supermarkets that offer everything under the sun, there are other options for those seeking a more personalized approach.

At Stanford Group, we put an emphasis on you, our client. Our goal is

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**protecting investors
from Y2K bug**

As the year 2000 looms near, Stanford Group and other financial institutions finalize comprehensive Y2K testing.

plus:

*Key Economic and Market Indicators
First Quarter 1999*

estate planning



reality and reason

When you reach a certain stage in life you begin to take stock of all you possess. For most, the process begins when you start a family or when your children start theirs. As individuals begin to contemplate their own mortality, many look to professionals for guidance and direction on how to best provide for their loved ones after they're gone.

By establishing an estate plan, you can ensure a smooth distribution of assets without passing on the added burden of excessive taxation, time and trouble. This is the foundation of Stanford Group's estate planning process.

The main misconception about estate plans is that you have to be rich to have one. In reality, estate planning is for anyone who owns property, a home, a car, investments, collectibles, insurance and personal belongings.

At the most basic level, estate planning includes a *will* and specifies how to provide for your beneficiaries in the event of your unexpected death. Without a will, a state court

will choose an administrator for your estate or even a guardian for your minor children. In addition, the administrator will distribute your assets and property according to the state intestacy laws, which may or may not be as you intended. Another important estate planning tool is a *power of attorney*, a document that provides legal authority to act as your agent should you become incapacitated.

The scope of an estate plan can be simple or complicated. There are many factors to consider, such as state property laws, insurance policies, retirement benefits, tax rates and the expanse of your financial holdings. For those with accumulated wealth, estate planning can provide the added benefit of asset preservation through a *trust*, which protects your financial privacy, avoids the time and expense of probate, and administers and manages your assets throughout your lifetime or thereafter.

A trust arrangement lets you transfer ownership of assets to a trust, which is administered by a *trustee* (a person or an institution). While you're alive, a trust can be *revocable* or *irrevocable*, meaning you can either maintain control over how your assets

are distributed or defer decision-making to a trusted professional who administers your assets according to the objectives outlined in your trust documents. After your death, all trusts become irrevocable.

Unlike a will, the assets in a trust are held private and are not subject to probate or public scrutiny. In addition, a trust can consolidate your assets under one manager and provide continuous management services for your family, business or heirs.

To get a handle on your true net worth and how to begin the estate planning process, talk to your Financial Consultant, tax advisor or lawyer. 🏡

insurance update

Often referred to as risk management, insurance is an important financial planning tool that provides income protection with an added asset-building component. Life insurance proceeds, along with annuities, 401(k)s and IRAs, can go directly to your beneficiaries instead of through probate, which makes life insurance an important estate-planning tool as well.

Since company-paid life insurance is rarely enough to cover individual needs, Stanford Group offers a wide range of insurance options. How do you know if your current policy is good enough? Before switching policies or increasing contributions, review the following information with your Financial Consultant:

- ▶ The financial strength of your current insurance company
- ▶ How much you have accumulated to date
- ▶ Tax consequences of your policy
- ▶ How your policy is positioned within your estate
- ▶ Medical/health issues
- ▶ Fees and expenses

At the highest levels, estate taxes can reach 55 percent of your assets. So if you think you're passing on a large inheritance, you might actually be giving half of your hard-earned dollars to Uncle Sam. That's a calculation you'll need to figure out before you get started.

online trading: not for everyone

If you are a Stanford Group client, then you already know the advantages of working with an investment professional. You know that a Financial Consultant provides a level of expertise beyond what you could possibly gather on your own, even if you filled every spare hour of your day researching the market.

All that said and done, investors continue to seek information about the relatively new phenomenon known as online trading, which allows anyone with access to the Internet the ability to execute trades at a reduced cost, though without benefit of a financial advisor. So how do we respond to this emerging market?

First, know that Stanford Group remains committed to our foundation of long-term planning and client support. We do not offer online trading, nor do we plan to anytime soon. For those who are testing the waters, we offer the following advice.

If you're going to dabble online, you need to fully understand the market and all the financial components involved. You must do your research and be willing to live with your own uncertainty and

possible misjudgments. You must also be willing to invest a considerable amount of time and effort. If that's not you, stay with the professionals.

With new technologies at our fingertips, it seems only natural that discount brokerage firms now offer online trading for clients seeking quick, inexpensive trades. But be aware, just because you have access to do-it-yourself trading doesn't mean it's the best thing to do.

"For clients with accumulated wealth and well-defined goals, personalized service and financial expertise will always be a valued commodity," states Jay Comeaux, president of Stanford Group. "We see online trading as a sign of the growing interest in investing, not as a threat to our own viability. Feel free to explore the medium, but don't jeopardize your life savings."

Financial advisors, along with lawyers, accountants and tax advisors, are not threatened by the new electronic age because the very nature of the medium lacks the essential benefits of their professions: service and expertise. While many investors

continue to sample online options, those seeking a long-term investment perspective continue to turn to full-service firms that provide high levels of professional advice. With the tremendous growth in the financial industry, there's plenty of room for everyone.

As we enter a new millennium, Stanford Group remains cognizant of the expanding opportunities the Internet offers, yet also concerned about what is in our clients' best interest. We are a company where people and relationships have a real and significant impact. Web sites, Intranets, networks and online communications will continue to be a growing part of our corporate language; yet when dealing with important financial concerns there is nothing that can replace true human interaction. ✉

For the latest news and information about Stanford Group, bookmark: www.stanfordgroup.com. You'll find professional insights, details about our new offices and contact information, along with a variety of special highlights.



jack
of all
trades

Online traders are like the quintessential do-it-yourselfers— the guys who lay their own patios and spend countless hours running relays to Home Depot. Though do-it-yourselfers might have the means to hire someone else to do the job faster and better, they enjoy the challenge and sense of accomplishment of doing it themselves. They are also willing to live with the results—good and not so good. And in the end, it may cost more than expected. The big difference is that we're not talking about patios, but the growth and preservation of your assets. And while there are plenty of investors testing their talents online, the vast majority still prefer working with experienced professionals. We believe that those who look for the highest levels of expertise will continue to partner with the most respected firms.

Key Economic and Market Indicators First Quarter 1999

TREASURY/MONEY MARKET MONTH-END

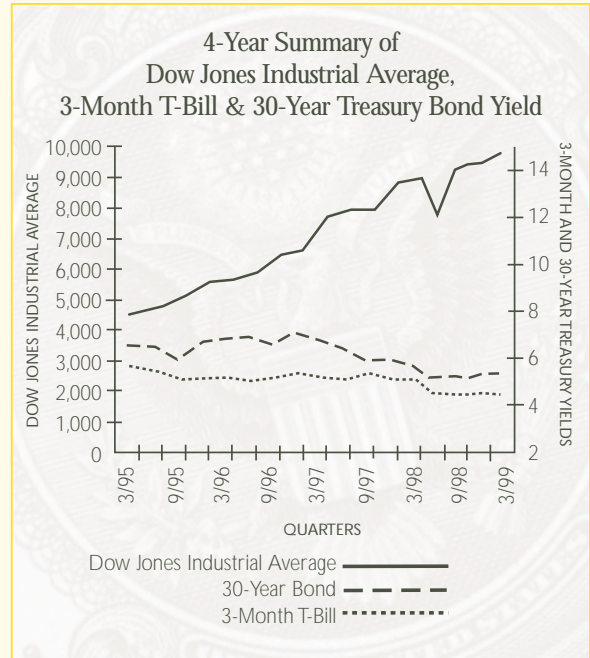
	Jan '99	Feb '99	Mar '99	Mar '98
Prime Rate	7.75%	7.75%	7.75%	8.50%
3-Month T-Bill Yield	4.49	4.68	4.49	5.13
2-Year Treasury Note	4.57	5.14	4.99	5.56
10-Year Treasury Note	4.65	5.29	5.24	5.65
30-Year Bond Yield	5.09	5.58	5.63	5.93

EQUITY AND COMMODITY MARKET MONTH-END

	Jan '99	Feb '99	Mar '99	Mar '98
Dow Jones Industrials	9358.83	9306.58	9786.16	8799.81
Standard & Poor's 500	1279.64	1238.33	1286.37	1101.75
Gold 100 oz Futures	\$290.00	\$290.10	\$281.90	\$314.90
Crude Oil Futures	\$12.96	\$12.52	\$16.73	\$17.34

U.S. MACROECONOMIC STATISTICS MONTH-END

	Jan '99	Feb '99	Mar '99	Mar '98
Gross Domestic Product	-	-	-	(Q1'98/5.50)
Housing Starts	1820	1790	1766	1583
Leading Economic Ind. (% chg.)	.50	.20	-	.20
U.S. Unemployment Rates	4.30	4.40	4.20	4.60
Consumer Product Index (YOY)	1.70	1.60	1.70	1.40



protecting investors from Y2K bug

Experts on the millennium bug say it could pose a serious threat to economies throughout the world simply because computers have been programmed to use a two-digit figure instead of a four-digit number to represent the year.

The Y2K glitch might affect finance and commerce in several ways, hampering the stock market's ability to open or a bank's capacity to complete transactions, calculate interest or process payments. With such pressing concerns, investors are questioning whether financial institutions are doing all they can to protect client accounts. In reality, financial organizations nationwide are leading the way in the development of Y2K programs.

To process date information beyond 2000, the Stanford companies began assessing and correcting the problem with a corporate-wide Year 2000 initiative last April. According to Sherwood Powell, manager of the companies' Y2K compliance program, scheduled completion for the millennium project is June 1999. "Our overall commitment is to ensure that all hardware and software is compliance-ready by mid-1999, so our clients will enjoy a seamless transition as the new century begins," Powell explains.

The assessment phase of that initiative included a comprehensive evaluation and analysis of computer systems, communication networks, building facilities, utility systems and much more. Stanford Group has also reviewed all third party interfaces and external partners to ensure that they, too, are meeting their Y2K deadlines.

The company has dedicated a team of senior technical staff to lead this important initiative, which includes development of written strategies and testing procedures for all operating systems. Networks and software are being tested, retested and verified, while regulatory authorities are kept abreast of ongoing progress.

Though January 1, 2000, looms in the near future with uncertainty, Stanford Group and its affiliates stand prepared and confident to face any and all challenges ahead. 🚀

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