CONCIERGE FINANCIAL ORGANIZATION
ADDING CLARITY TO YOUR LIFE

February - Newsletter

Party Like It's 1999

by: Bill Cummings, CPA/PFS

"Happy New Year!" I heard Prince's"1999" blaring from the speakers at a recent New Year's Eve party. The song, with its infectious energy, captures the excitement of ringing in a new year—a time when we leave the old behind and welcome fresh opportunities with optimism. It's the perfect anthem for that moment of celebration.

But as the festivities continued, the conversation took an unexpected turn. Someone asked me what I thought about investing in Bitcoin. That simple question instantly took me back to the early 2000s, during the dot-com bubble. I couldn't help but think, "Here we go again." I answered simply, "Investments based purely on hype and enthusiasm usually end in a crash. It's what I call the Dot-Com and Bitcoin Euphoria—greed driving irrational decisions."

Every few years, it seems like a new investment or technology emerges with little to no intrinsic value—something that doesn't produce anything tangible, doesn't pay dividends, and is entirely driven by investor enthusiasm. And just as predictably, we hear the familiar refrain: "This time, it's different." When the euphoria takes hold, the sense of risk fades away. What's left is a collective fear of missing out—people are afraid that someone, somewhere, is getting rich without doing any real work. They feel left behind as the money seems to flow freely to others.

The truth is this cycle of speculative greed has happened before—and it will likely happen again. But I firmly believe that true wealth is built not on hype, but on thoughtful, long-term investments in solid companies that create real value. These companies have products, generate profits, and —eventually—share those profits with their investors. This is the essence of capitalism, not a "gold rush" mentality.

For long-term investment success, nothing beats genuine diversification and patience. While it may be hard for some to sit back and wait, I believe it's the strategy that pays off in the long run. It's the reason my clients trust me and my team to handle the hard work—so they can retire comfortably and stay comfortably retired, without worrying about the next fleeting trend.

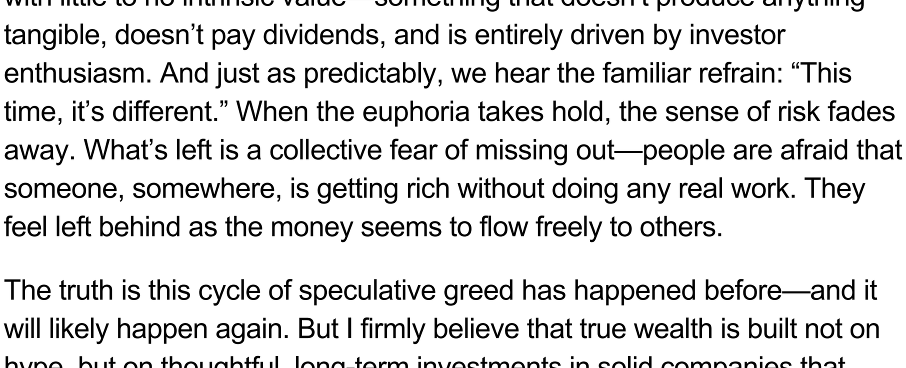
So as we enter this new year, I'm reminded that the best investment strategy is one built on proven principles. It may not be as exciting as the latest craze, but it's one that could consistently deliver results.

Happy New Year, and here's to making smart, enduring choices in 2025!

CFO Holiday Gathering

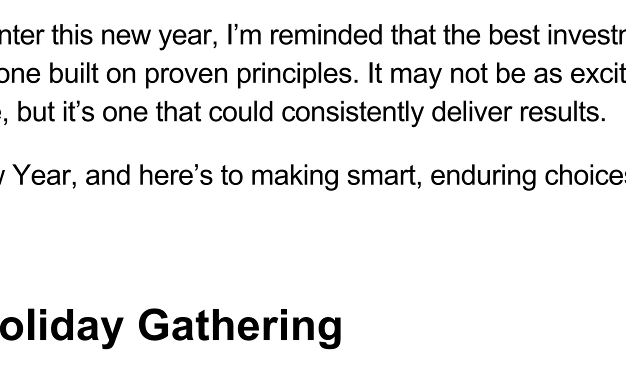
Concierge Financial Organization again selected Florida CraftArt as the location for our annual holiday client appreciation gathering. Located in downtown St. Petersburg, the CraftArt space is a terrific venue for mingling while doing some Christmas shopping and viewing the fine craft art and handmade works on display. It is always remarkable to see the creativity of these locally-based artists. We also brought in Robert Wegman's acoustic talent for a repeat engagement, along with Renzo's catering and those ever-popular Chick-fil-A nuggets. Our bar hosts, Scott Russell's wife and daughter, kept the smiles going as we truly enjoyed the great time had by all attendees.

Below are some of our favorite pictures from the event:



2024 Hurricane Season

By Scott Russell, CFP®



Five hurricanes hit the US Gulf Coast in 2024, causing devastation across a broad swath of our country and in a variety of ways. For many who were directly affected, it will forever change their lives and be a catalyst for major life decisions. Families that live in storm surge areas must decide if they rebuild or move on. Pecan farmers in Georgia, who reportedly lost 1/3 of their trees (many over 50 years old), must decide a path forward for their agricultural businesses. Mountain communities devasted by overflowing rivers must decide how to rebuild entire business districts. The list goes on and on.

For our local Tampa Bay area, these major life decisions are greatly affected by the type of damage incurred and the municipalities in which you live. Each municipality elected how they moved forward with reconstruction permitting to ensure continued FEMA support. It's difficult to relay broad guidance as each situation comes with its own variables.

That said, there are resources available depending on your situation. There are personal and business SBA Disaster Loans. There is the Increased Cost of Compliance (ICC) claim for flood victims whose house was determined to be 'Substantially Damaged' and must be raised or demolished and rebuilt. There might be small grants through the state of Florida to help raise a house. Victims should ask their tax preparers about Casualty Loss Deductions. If moving, there might be benefits of leaving your Homestead Exemption on your damaged property (with limitations). When investigating any of these resources, make sure to evaluate and understand the caveats (e.g., the requirement to continue to carry home and flood insurance on damaged property, etc.)

As for the Russell family, I'm grateful to relay that on February 5th we ended our gypsy lifestyle and have a new home in the area. We will continue our evaluation of what to do with our home on the water in Treasure Island. Again, I thank my colleagues at CFO for their support, our family that have graciously hosted us, our friends for being there for us, and our clients for their thoughtfulness regarding our situation.

If the 2024 Hurricane Season has prompted major decisions in your life, give me a call. I'm happy to pass on any lessons learned that apply to your situation.

A Wrinkle in the Rules (IRA Required Minimum Distribution Rules, that is!)

By: Ruth E. "Robin" Delaney, CFP®, CLU, ChFC, ADPA

It's a new year and we have a new Required Minimum Distribution (RMD) to take by the end of 2025.

According to the new guidance issued by the Internal Revenue Service (IRS), any distribution made this year from your Traditional IRA, SEP IRA or SIMPLE IRA is first considered to be your RMD. This includes any Qualified Charitable Contributions (QCD). As you know, RMDs cannot be rolled over or used as Roth Conversions. Therefore, you must first satisfy your RMD (i.e., take it as a taxable distribution or QCD), before any additional distribution for a Roth conversion can be made. The order is important in the eyes of the IRS. This seems simple enough.

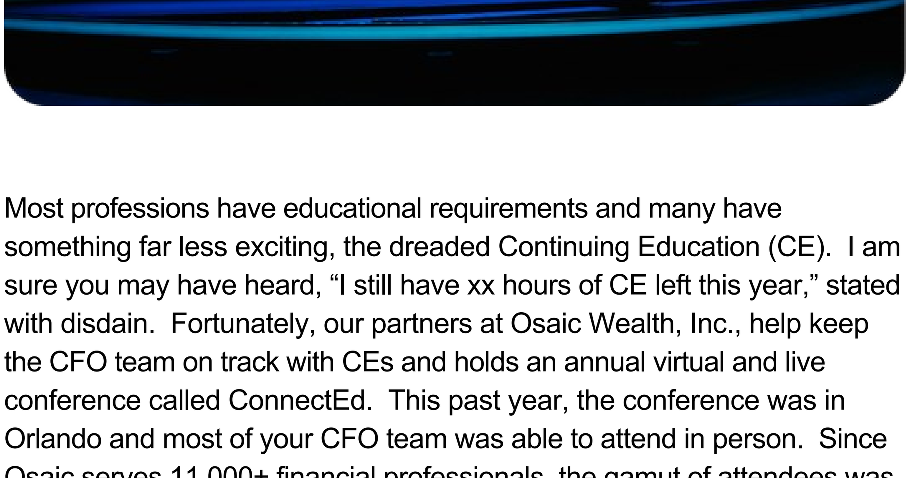
The complication comes when you have more than one IRA account, for example. As you know, the IRS allows you to aggregate the RMDs for all your IRA accounts and then take that amount from just one IRA. But what if you don't do this and take your RMD from each of your IRAs? Let's say you have two IRA accounts, and you want to do a Roth conversion from one of them. According to the new rules, you must first take your RMD from each of your IRA accounts before you can make that Roth conversion. You will not satisfy the rule by taking your RMD from one IRA and then doing a Roth conversion from that same IRA, while leaving your RMD on the second IRA until later. Both RMDs must be satisfied first. In other words, **your total RMD obligation must be satisfied before any additional distribution can be converted to a Roth.**

This is a tricky new rule that can make life complicated if you have multiple accounts subject to the RMD rules. If you are taking your RMD from any account on a monthly basis, that can further complicate matters. We are not sure how the IRS is going to police this new rule. But you need to be aware of this new wrinkle in the rules.

If you have any questions or need expert guidance on this issue or others, do not hesitate to reach out to your advisor at Concierge Financial Organization.

Continuing Education Does Not End

By: Tim Keeports, MBA



Most professions have educational requirements and many have something far less exciting, the dreaded Continuing Education (CE). I am sure you may have heard, "I still have xx hours of CE left this year," stated with disdain. Fortunately, our partners at Osaic Wealth, Inc., help keep the CFO team on track with CEs and holds an annual virtual and live conference called ConnectEd. This past year, the conference was in Orlando and most of your CFO team was able to attend in person. Since Osaic serves 11,000+ financial professionals, the gamut of attendees was immense.

Much more than just CE, ConnectEd offered classes on nearly every topic our office and professionals could be interested in and provided world-class interaction between product vendors, investment advisors, support staff, and the supervisory professionals responsible for financial regulation compliance. While educational, the "Connect" portion of the program was truly beneficial (and fun) and the interaction with just some of the 4,500 attendees from around the country, was inspirational.

Nick Saben was our kick-off speaker and focused on his expertise; coaching and developing teamwork. The CE portions enabled us to fulfill requirements across Ethics, Technology, the Secure Act and IRA RMDs, Social Security, Taxes, Insurance, ROTH Conversions, Estate Planning, Health Care, and much more. While that's a laundry list, peppered among those classes, were intriguing insights on AI, volatility, emotional intelligence, and behavioral finance implications. All this was wrapped in an engaging format which fostered connections during breaks, meals, and evening activities. Every attendee and all of CFO, came away with something new to put into practice and we are all better professionals for getting our "CEs" complete.

William Cummings
bill@ourcfoteam.com
813-374-9676

Concierge Financial Organization
Wealth Advisor

http://www.ourcfoteam.com