
FAIRHAVEN JOURNAL

FALL/WINTER 2021

FAMILY:
In Work
In Play
In Life



Fairhaven
wealth management



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NOTE FROM MARC HORNER

Welcome to our fall issue of the Fairhaven Journal! While our last issue screamed “Community” (or so I claimed), this issue is all about “Family.” Many of the stories are also connected by a ribbon of golf flowing through them like a bowl of fudge ripple ice cream.

Inside you will read about a serial entrepreneur revolutionizing the golf industry one tee at a time; a granddaughter carrying on the vision of her grandmother who turned a hobby into a global business; an executive who left corporate America to start a candy company to both honor his grandfather and support his local community; and the story of the 100 Club, founded back in 1952 to support families of first responders (keep your eyes peeled for a golf-related connection between each of these stories and Fairhaven).

Of course, you can also count on our consistent topics of healthcare, financial planning strategies, team member profiles and a tasty recipe from my celebrity chef sister and brother-in-law.

Different from previous issues and representing an exciting new chapter for Fairhaven, you will find a profile of Devon Bank. Fairhaven and Devon have embarked on a strategic partnership to make available to each of our clients ever-broader capabilities; commercial and retail banking/lending from Devon and broad-based financial planning and investment solutions from Fairhaven.

Lastly, I have included the story behind the Fairhaven name. It too has a strong family-influence from my own grandparents. Perspectives on family dynamics cover a wide range:

*“You don’t choose your family. They are God’s gift to you, as you are to them.”
Desmond Tutu, South African cleric and theologian*

*“The other night I ate at a real nice family restaurant. Every table had an argument going.”
George Carlin, American comedian*

*“They always say the key to a solid marriage (family) is laughter.”
Mrs. Doubtfire, British nanny*

Positive, negative or a bit of both, the influences of family are undeniable. We hope you enjoy the Journal and, as always, encourage you to share it liberally!

Sincerely,

MUNICIPAL BONDS & THE END OF EASY

Finding security as monetary policies begin to tighten.



Vice President
Bernardi Securities
& Bernardi Asset Management
Matt Bernardi

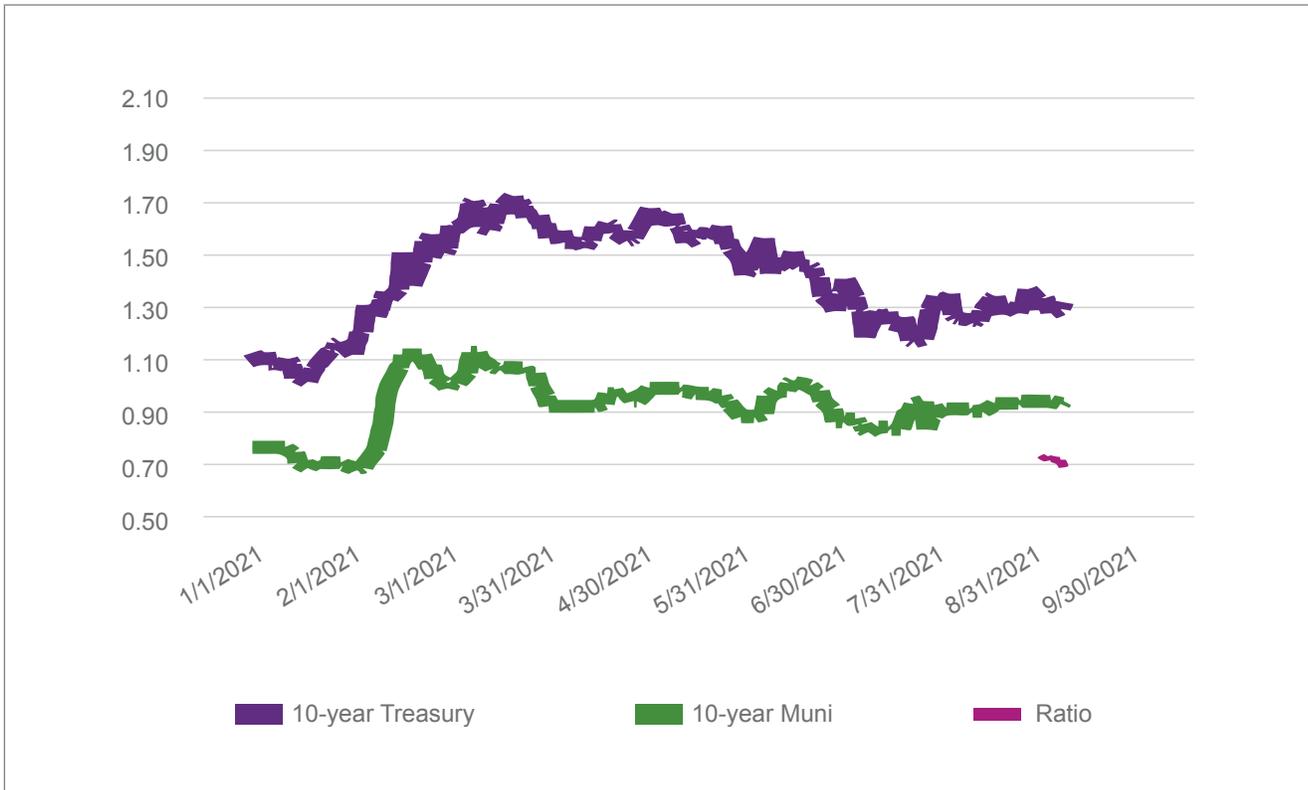
As the Fed publicly discusses it is nearing the end of its emergency approach to the pandemic and begins scaling back its pace of securities purchases, we thought it would be a good time to review the current status of the municipal market and potential outcomes for the 4th quarter.

Municipal yields – and bond yields in general - have stagnated since the early spring, even though economic growth is robust and inflation readings are high. The market has largely looked through these metrics, as many believe this dynamic will be short-lived. What underpins this stance is the view that growth and in-

flation metrics are simply boosted by fleeting catalysts such as supply chain bottlenecks and one-time federal stimulus measures. Also, the immense presence of the Fed's growing balance sheet has served as further support for current market yields.

Municipal yields have trended sideways since mid-summer. The market has experienced robust demand as many investors rebalance out of the equity market following another year of outsized gains. Muted new issue supply, coupled with expectations for higher tax rates, has swelled demand as well.





VALUATION OUTLOOK

At the moment, the ratio of AAA-rated, 10-year municipal bond yields (0.94%) relative to the taxable 10-year treasury bond yield (1.32%) sits around 71%. This compares to a pre-COVID crisis level average of 83%. So relative to pre-crisis levels, today’s municipal yields are lower vis-à-vis treasuries. Given the current backdrop mentioned above and very strong underlying credit fundamentals for the majority of state and local governments, we expect the ratio to remain in 70-80% range through year-end.

During the previous Fed-tightening cycle, municipal valuations tightened. There were certainly bouts of volatility, but over 6 years, the 10-year ratio moved lower from 105% in May of 2013 (when the Taper Tantrum began) to 72% in the period right before the COVID-19 outbreak. During this time, the Fed hiked short-term rates from 0.25% to 2.50% and reduced its balance sheet by \$700 billion from its height.

Though valuations may be tight from past history, ample spread is still available across the yield curve for smaller-to-medium-sized issuers. For income-oriented investors, we believe portfolios should be overweight these types of solid quality issuers within a separate account structure.

CREDIT & DURATION OUTLOOK

Credit security (i.e. principal preservation) is a primary reason for investing in municipals and we forecast continued stability in this metric through the end of the year. That said, due to ongoing concerns about COVID-19, tax revenues may continue to be pressured within certain issuers that are dependent on tourism, urban commercial property, and urban transit. Alternatively, suburban and many non-metro credits will continue to benefit from the millennial generation’s march to the suburbs and their demand for larger housing footprints. These locales will also continue to derive benefits from families working in hybrid work-from-home environments.

DURATION OUTLOOK

Duration positioning within the fixed income market – and likely most assets classes in general - will be a very important aspect of portfolio construction over the next 6-12 months. We seek to protect portfolios from excessive duration risk through the ladder maturity structure. This strategy diversifies portfolios across the yield curve while maintaining a conservative average maturity. Additionally, it establishes a level of discipline to stay invested and helps us avoid the mistake of attempting to time the next cycle.

Investors should also take heart in the typical relationship of municipal bond yields to treasury yields, in that they tend not to move in lockstep. Our regression analysis showed that for every 100 basis point (1.00%) increase in the 10-year treasury yield, the mean increase in the 10-year municipal yield was 0.82%, which means municipals are less volatile when compared to treasury bonds.

As we enter the 4th quarter of 2021, the Fed's role continues as the main ingredient in market fluctuations. Overall, we remain optimistic on municipal credit with the essential purpose and essential revenue sectors. We expect current valuations to hold in the current ranges of recent months, though the market could experience higher levels of volatility as the Fed begins stepping off the pedal of its easy monetary policies. 🌱

After starting his municipal bond career in 1961, Ed Bernardi founded Bernardi Securities, Inc. in 1984 with his son Ronald. Today, the entire team including the third generation of the Bernardi family remains committed to the original mission of their grandfather and father: Provide in-depth research and credit analysis, execute in-house portfolio management and investment banking expertise and serve their clients honestly and forthrightly through old fashioned hard work. For more information including complete disclosures, please visit bernardisecurities.com



Matt Bernardi, Principal, Vice President, Investment Specialist; Ronald Bernardi, Principal, President, Chief Executive Officer, and Chief Compliance Officer; Thomas Bernardi, Principal, Vice President, Portfolio Manager.



TEAM MEMBER SPOTLIGHT



Wealth Advisor
Jennifer Taylor

To some, the pace of life in a busy Chicago suburb may seem a far cry from the ever-summery slow living of Southern Louisiana. But for Jennifer Taylor, it's easy to see the beauty in both. A little over 26 years ago she swapped lush Southern springtimes for cozy Midwestern autumns, and counts herself lucky to have multiple places to call home.

Though Jennifer sometimes misses the vibrancy of Louisiana, she's been lucky enough to find a little piece of her home state in her work as a wealth advisor at Fairhaven: "I love the transparency and collaborative spirit of my coworkers. The seriousness of accountability to clients and to each other also perfectly combines with a pleasant celebration-of-life spirit throughout the office. In New Orleans they call this *joie de vivre*, and it certainly exists at Fairhaven."

Outside of work, that *joie de vivre* can be found sprinkled throughout Jennifer's daily life as well. She likes to

spend her free time reading, decorating her home, and cheering on her alma mater's football team: the LSU Tigers. "I always look forward to both the excitement and anguish of the five-month college football season—and really enjoyed LSU's special undefeated national championship season in 2019."

Jennifer's love for sports also extends beyond football. Her son, who will be a senior in high school next year, has been playing ice hockey since he was three years old. "When he was younger he once told me, 'when you're out on the ice, it feels like magic.' Before I moved to Illinois, I was not at all familiar with this "cold weather" sport. Now, however, I am a Blackhawks fan, and they are a close second to whichever team my son is playing for!"

As someone who's moved around a lot, it's unsurprising that traveling is also one of Jennifer's great loves. Her most recent trip was to visit a client on Singer Island,

“We have a very talented and experienced group hyper-focused on delivering a great client experience.”

Florida, where she witnessed the power and beauty of the Atlantic Ocean and even got to see a glimpse of sea turtle tracks on the beach during nesting season. Jennifer and her family also took a recent trip to the Blue Harbor Resort in Sheboygan, Wisconsin: “We got to see beautiful Lake Michigan, hike next to the water, and see the largest free-flying American Flag in the world. A great weekend trip!”

When Jennifer started working at Fairhaven in March

of 2020, the team-oriented culture of the firm was immediately apparent to her. She is continually inspired by her coworkers, and excited to be working in an environment that values fun and accountability equally. “I have so much appreciation for the knowledge and tenure of my fellow wealth advisors and client care specialists, who have spent years honing their crafts. On our website, there is one sentence that always spoke to me. It says simply ‘At Fairhaven, our commitment is simple - we exist to serve our clients ... period.’” 🌱

Photo by Kevin C. Cox/Getty Images



MEET THE FAIRHAVEN TEAM

The best people, carefully chosen, for service and results.



*Gerald King
Wealth Advisor*



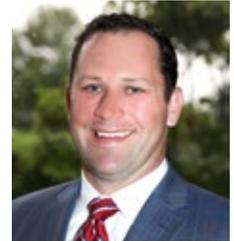
*Gina Hornbogen
Client Care Specialist*



*Marc Horner
Wealth Advisor and Founder*



*Jennifer Taylor
Wealth Advisor*



*Trent Warren
Wealth Advisor*



*David Fluett
Investment Advisor*



*Denise Jahns
Client Care Specialist*



*Heidi Orth
Client Care Specialist*



*Kurt Anderson
Wealth Advisor*



*Blair Fuchs
Wealth Advisor*



*Susan Kostecki
Emeritus*



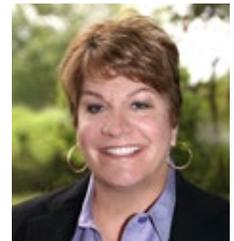
*Barb Schrage
Client Care Specialist*



*Jim Sullivan
Medicare/Social
Security Specialist*



*David Edstrom
Emeritus*



*Jean Lyon
Client Care Specialist*



*Michael Kronk
Emeritus*



*Julie Papievis
Brand Ambassador*



*Dave Wilson
Communications Specialist*



*Lori Iwaniszyn
Client Care Specialist*



*Paul Mardoian
Wealth Advisor*



SOLVING THE MEDICARE PUZZLE

Four Easy Pieces



Medicare/Social Security Specialist
James Sullivan , MS, CPA, PFS

To make Medicare less intimidating, think of it as a simple puzzle consisting of just four pieces. Once these four pieces are assembled, traditional Medicare coverage is complete.

Each piece pays for a specific category of health care expense. We will discuss each piece in turn, and how together the completed puzzle provides full health care coverage.

TRADITIONAL MEDICARE

The four puzzle pieces consist of:

PART A: This piece is in many ways the most im-

portant. It covers the cost of hospitalization (after a deductible). In some cases, it may be the only piece you have. For example, you may be age 62 or older and receiving Social Security. In that case, you may be required to enroll in Part A. Part B and Part D are voluntary. You need not sign up for either of those plans, leaving you with just Part A. For most beneficiaries, Part A has no premium.

PART B: This part is voluntary. It covers 80% of the cost of doctors and durable medical equipment. In 2021, the monthly standard premium is \$148.50. It changes annually with inflation. The monthly premium is means-tested, meaning the higher your income, the higher the premium you pay. Most beneficiaries pay the standard premium. Those in the highest in-

“Keep in mind, each puzzle piece has its own enrollment rules that must be carefully followed.”

come bracket can pay up to \$504.90. In addition, if you are late enrolling in Part B, you will be subject to a late enrollment penalty that will be applied for the remainder of your life.

PART D: This part covers prescription drug costs. Each plan has a monthly premium, an annual deductible, co-payments, and co-insurance. Part D is voluntary. Premiums are also means-tested. Depending on your



“With traditional Medicare, you have more freedom — you may see any doctor or go to any health care facility that accepts Medicare.”

income, the additional premium can range from \$12.50 to \$77.10. A late enrollment penalty applies (for the rest of your life) if you fail to enroll during regular enrollment periods.

MEDICARE SUPPLEMENT (MEDIGAP): Unlike Parts A, B, and D, Medicare Supplement plans (aka Medigap plans) are not offered by the federal government. Rather, they are offered through private insurance companies. The policy’s purpose is to pay for Medicare-covered health care expenses not otherwise paid by Medicare. For example, in 2021, you pay a \$1,484 deductible per hospital stay. Several Medigap plans (such as Plan G) will pay this amount.

There you have it, the four puzzle pieces joined together provides your health care coverage.

Keep in mind, each puzzle piece has its own enrollment rules that must be carefully followed. Check with your Fairhaven Wealth Management adviser.

WHAT ABOUT PLANS THAT OFFER VISION, HEARING AND DENTAL BENEFITS?

Fairhaven advisers are often asked about Medicare plans that offer additional benefits such as dental, vision and hearing. Such plans are often heavily advertised during the annual enrollment period that runs from October 15th through December 7th.

During this period, clients may elect to enroll in Medicare Advantage (MA) plans. Such plans are often referred to as coordinated care plans. The plans are offered by private insurance companies. Most plans include a Part D prescription drug feature. These plans are known as Medicare Advantage Prescription Drug plans (MAPD plans).

The majority of these plans are either Health Maintenance Organizations (HMOs) or Preferred Provider Organizations (PPOs). Beneficiaries in an HMO plan must use the health care provider in their network, or their expenses will not be paid for by the plan. Beneficiaries in a PPO plan will pay extra money for care expenses if they go to an out-of-network provider.

As an incentive to join their plan, companies often offer additional benefits, including dental, vision, hearing, fitness club memberships, etc. In addition, these plans often have zero monthly premium policies. Unlike traditional Medicare with a Medigap plan, MA plans typically have greater out-of-pocket costs.

Is a Medicare Advantage plan for you? With traditional Medicare, you have more freedom -- you may see any doctor or go to any health care facility that accepts Medicare. On the other hand, an MA plan has restrictions as to which care givers or care facility you may use. In exchange, you enjoy the benefits of a dental, hearing or vision program. Some MA plans also offer fitness programs, free transportation to and from health care appointments, and other benefits.

Talk to your Fairhaven Wealth Management adviser. He or she can assist you with comparing the benefits of being in traditional Medicare with its flexibility versus enrolling in a MA plan. 🌿

James Sullivan, CPA/PFS, is a Medicare & Social Security Specialist with Fairhaven Wealth Management in Wheaton, Ill. In addition, he serves as a resource for individuals suffering from chronic illness. He is also a volunteer for Seasons Hospice & Palliative Care.





HELP WHEN IT'S NEEDED

Supporting the Families of Fallen First Responders

In 1952, a wealthy automobile dealer in Detroit, Michigan, saw a gaping problem in his community and set out to find a worthy solution. William Parker was troubled by the way that families of fallen first responders were left with traumatic financial hardships on top of the grief of losing a loved one. Parker sought to create an organized way to collect and build funds to aid these families, and out of these efforts the concept of the Hundred Club was born.

Today, there are Hundred Clubs all throughout the nation—each working to ease the financial burdens of families of firefighters and police officers killed in the line of duty. DuPage County's own Hundred Club was established as an independent, 501(c)(3) non-profit charitable organization in 1982. It was formed by a group of local, prominent DuPage County business professionals passionate about supporting law enforcement and firefighting personnel, and has been serving its community for nearly four decades.

Along with financial support for families, The Hundred Club of DuPage County also hosts an annual Valor Dinner that honors a handful of law enforcement officers and firefighters. The Award of Valor is a life-long honor, and

is bestowed upon those chosen by their peers for heroic actions above and beyond the normal expectations of their duties. Award recipients and their spouses are celebrated at the dinner, and are welcomed as honored guests at future ceremonies.

The Board of Directors keeps the organization running smoothly, and is made up entirely of volunteer civilians committed to the mission of providing financial support to those who serve and protect us in our time of need. Club Administrator Michelle Rice supports the Board's efforts to provide financial aid when tragedy strikes, and is proud to have a hand in this work: "My job provides a way for me to give back and show support to the first responders who serve and protect us every day within our communities in DuPage County."

This year, Fairhaven is proud to be supporting the important work of The Hundred Club of DuPage County through its golf outing this September. Marc Horner, Fairhaven Founder, says, "We are grateful to partner together to bring visibility and additional funding to the incredible work of our local Hundred Club, and to support its mission in any way that we can." 🌱



GOLFING FOR HEROES

Halfway to St. Patrick's Day Charity Golf Invitational

It was another sell-out at the Second Annual Halfway to St. Patrick's Day Charity Golf Invitational, the golf event that some have called, "The best charity golf event in Chicago held during September that features bagpipers and benefits families of first-responders!"

The mood was set early with an appearance by the world-famous Shannon Rovers Irish Bagpipe Band. After their performance, several members of the band ditched their kilts and joined the on-course action. The fun continued during the post-event awards ceremony when the pipe band surprised the crowd with an impromptu performance, including band member, bagpiper and Fairhaven founder Marc Horner. In his thick Irish brogue, band manager Marty McAndrew opined, "Since our founding in 1926, we've played for heads of state, stars of the silver screen and dignitaries

from around the world, but the Fairhaven golf event is one of our true highlights!"

All the fun was had to support the important work of The 100 Club of DuPage County. President of the 100 Club, Lisa Savegnago, and a number of both active and retired first responders were in attendance. Some to golf. Some to share the 100 Club story. All VIPs!

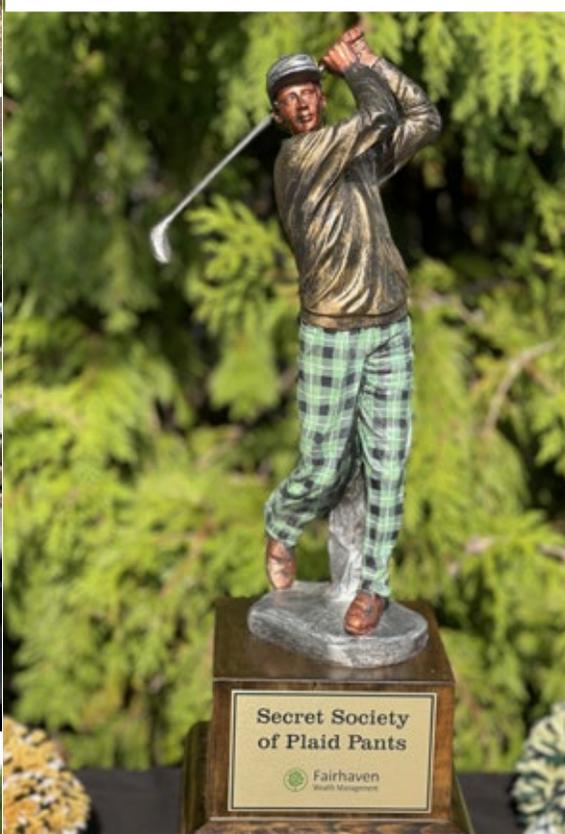
2022 will be here before you know it. Whether you were part of the fun or missed it, do not wait to register for next year's event. Visit www.fairhavenwealth.com/golf to register today!

slainte!

hundredclubofdupage.org
shannonrovers.com









A NEW ALLIANCE ROOTED IN SHARED VALUES

Extending the Family

For over 75 years Devon Bank has served as a cornerstone of its community. It all started just after World War II, when a group of local merchants began thinking that Chicago's North Side (then "North Town") might benefit from a community bank. Since it opened in September of 1945, Devon Bank has grown into a truly successful independent community bank offering an extensive array of products and services.

Like many banks, Devon Bank understands that a healthy and functional banking system is crucial to a flourishing society. What sets it apart is the way it's built upon a genuine foundation of community service—Devon is an active participant in its clients' lives and strives to be the bank its neighborhood desires by tailoring its offerings to the particular needs of its community. Over time this customized suite of services has expanded to include retail and commercial banking, flexible lending, faith-based financing, and trust & wealth management.

"This central commitment to outstanding and adaptive service to both client and community is a value that deeply resonates with Fairhaven. Common values brought Fairhaven and Devon Bank together to imagine what a partnership might look like," says Marc Horner, Founder of Fairhaven. While many institutions merely talk about partnership, Devon Bank and Fairhaven have formalized an agreement to benefit from each other's breadth of expertise.

Devon considers itself a family bank in every sense of the word. On a more genetic, literal level, the bank has been primarily owned and operated by the Loundy family since 1953. But Devon Bank takes the definition one step further by fostering a close-knit and respectful work environment that can truly be described as a "family atmosphere." Fairhaven is extremely proud to be joining this extended family, expanding the range of products and services available to Devon's client base in wealth management, integrated financial planning,



“With complementary services and shared values, this partnership model has the potential to create outstanding value for all of our clients.”

and broader advisory services. With complementary services and shared values, this partnership model has the potential to create outstanding value for all of our clients. David Loundy, Chairman of the Devon Bank Board of Directors, summed it up beautifully when he said: “If you take care of your community, your community will take care of you.”

After nearly seven decades of consistent growth and adaptation alongside its community, Devon Bank remains true to its original mission to “provide personalized solutions to diverse financial needs.” Collaboration with Fairhaven will only enhance the opportunity to serve clients and community for decades to come. 🌱

devonbank.com

The Fairhaven and Devon Bank teams discuss moving forward during a recent working lunch.



FAIRHAVEN BRAND AMBASSADOR



Brand Ambassador
Julie Papievis

As a brand ambassador for Fairhaven, I am able to blend my personal passion for and lifelong journey within the financial planning process, my many ties to the community, my public speaking opportunities, and my knowledge of my coworkers' unparalleled expertise in investment and financial planning tailored to each and every one of their clients.

At Fairhaven, I get to wear many hats! From helping out with day-to-day responsibilities within the firm -- like supply management and event planning -- to broader engagements within the greater Chicago area speaking with professional groups regarding my experiences, to supporting our Medicare and social security specialist with my own firsthand knowledge -- there is never a dull moment for me since joining Fairhaven!

I began working for Fairhaven in 2020 after meeting our Medicare Specialist, Jim Sullivan. Jim co-wrote the updated version of my book, and we would work at his office at the Fairhaven office, which is like a museum with its beautiful artwork! During that time, I also met the owner/founder Marc Horner and the staff, and it

felt like a place I could call home. Every employee at Fairhaven treats each client like a family member. Longtime friends of my parents have been clients of Marc's for over 20 years, and have formed a lifelong, trusted relationship.

I have always loved this industry. I feel it is truly foundational for each person's life. Truly. My life is proof of that. I have my degree in accounting and have worked at Price Waterhouse, McDonald's Corporation in accounting, and for Estee Lauder as an account executive. I learned the value of managing your money well and reaching out to those who are trusted and knowledgeable in their areas of expertise. I was also raised with those same values. I believe and know -- with all my heart -- that managing your money and insurance properly will give you stability and security in your life when life happens.

THE ACCIDENT

Speaking of when life happens -- in 1993 I was in a severe car crash that actually caused my death.

“Although medical experts said I would never walk again, or be able to take care of myself, I didn’t listen.”

Let me explain. On May 10 of that year, my life was changed forever because a teenager ran a red light at 50 miles per hour. I suffered a severe brain stem injury, and medically died. Immediately, I was transported to heaven’s doorstep. Knowing I was surrounded by loved ones, I felt like I was “home.” I saw my grandmothers, who told me my body would heal. They said, “Go back and be happy.” My mom and dad’s stubborn refusal to allow the doctors to disconnect life support gave me the opportunity to return to life.

Six weeks later, I awoke and found myself paralyzed in a rehabilitation hospital. Although medical experts said I would never walk again, or be able to take care of myself, I didn’t listen. I believed the words of my grandmothers in heaven.

Through extensive therapy, I relearned how to stand, walk, and swallow. Though I faced daunting physical challenges and battled depression, I embraced my gift of recovery as a true miracle. Just five years later, I ran a 5k race and in 2007 completed a triathlon.



The night of my crash by Loyola University Medical Center in anticipation of my death

“Managing your money and insurance properly will give you stability and security in your life when life happens.”

After my injury, I have been so fortunate to be able to do good work in several industries that have allowed me to share my gift of recovery in a way that can benefit the persons associated within those industries.

Now, I locally and nationally speak as a survivor of traumatic brain stem injury. I have appeared on CNN, ABC, WGN News and many others. I have also been featured in First for Women Magazine, The Chicago Tribune, Woman’s Day Magazine, Lifetime TV’s “Beyond Chance,” the 700 Club Show, WGN’s “Chicago’s Very Own” and the Dr. Oz show to share my story.

I love to advocate for others looking for hope and guidance and a place to belong after a life-changing event -- as we are all experiencing in one way or another presently. I have worked with the Brain Injury Association, the Spinal Cord Injury Association, and as a peer advisor to the Midwest Brain Injury Clubhouse. As a VIP member (voice for injury prevention) for the international program of ThinkFirst (a National Injury Prevention Foundation founded by the American Association of Neurological Surgeons and the Congress of Neurological Surgeons), I speak to students about injury prevention and safe driving. I volunteered at the now Shirley Ryan Ability Lab of Chicago in their Peer Support Program. I co-wrote my book, “Go Back and Be Happy,” which is the story of my life and death. I worked as a community relations advisor for a top Chicago law firm for over 20 years, before beginning my position at Fairhaven Wealth Management in January, 2020.

On a personal note, I have been very fortunate to have a loving, supportive family. We recently lost my dear father to cancer; however, my mom remains such a strong support to me and my brother and sister and their spouses. I have three active, youthful and loving nephews. I am also so fortunate to have many friends in my life -- some of whom I have known since the 1st grade. I have always been and love to stay as active as possible. I try to spend time in the pool at my health

club on the weekends, as I grew up with a pool in my backyard and have always enjoyed swimming. I have participated in a 5K, biathlon, and triathlon. I enjoy sharing time with my good friends eating and laughing and enjoying each other’s company.

Thank you for allowing me the opportunity to share my story with you! I’ll end it by sharing one of my favorite quotes, this one from someone pivotal to the Chicagoland area. Frank Lloyd Wright said, “You have to go whole-heartedly into anything in order to achieve anything worth having.” This sums up my personal philosophy and Fairhaven’s beliefs in one wonderful statement! 🌱





WHAT'S IN A NAME?

Ours is particularly personal and thoroughly fitting

Marc Horner

Many (maybe most) businesses get started from a passion to deliver a product or service in a unique or different way. Said more simply, a passion to provide a better client experience. In high-performing businesses, that passion for the client experience flows through the entire team.

Running a business also comes with a lot of decisions to make, some driven by passion and others not so much: Selecting your office location, designing and furnishing the office, picking a phone number, building your website, selecting your bank relationship, crafting a marketing plan, identifying technology and computer solutions, evaluating benefit plans, picking your payroll provider (if you want to keep your team passionate, payroll is an important decision) ... the list can seem endless. But before all those decisions comes one of the first, picking a company name.

In the New York Times bestseller *Shoe Dog*, Nike founder Phil Knight recalls the company naming process. Originally founded as Blue Ribbon Sports, Phil and his team were looking to make a change. They wanted something short with a strong sound. One of the early employees came into the office with the solution – it had come to him in a dream. The new company name should be Nike, after the Greek goddess of victory.

Less dramatic, Steve Jobs once said the name Apple came from one of his fruitarian diets. Fresh from an apple farm, Jobs thought the name sounded “Fun, spirited and not intimidating.” Dreams, diet ... there are many stories behind company names.

During the planning of Fairhaven Wealth Management, the name did not come easily. Common in our industry are names based on the founder's name or words



associated with strength and security. While those work for others, they just didn't resonate with me.

As a kid, I spent a lot of time with my paternal grandparents. Nana and Poppa would come over to the house for dinner during the week when Mom was working on one of her graduate degrees and Dad was busy with the demands of being a college president. Sunday dinners were commonplace, as were weekend road trips. After Poppa died, I even lived with Nana for a summer before college.

They were both hardworking immigrants: Nana from Canada and Poppa from Ireland. They were also lovers of sports. The diminutive and soft-spoken Canadian, Nana, enjoyed sipping her tea while watching the great hockey player Bobby Orr of the Boston Bruins (he was a Canadian before a Bruin, you know).

Poppa played professional soccer in Ireland and later New York. His toughness was developed early. Unfortunately, his father (my great-grandfather) spent too much time in the Belfast pubs. After the 5th grade, Poppa had to drop out of school to go to work to support his mother and 12 brothers and sisters.

In 1948, Nana and Poppa saw an opportunity. They believed the emerging technology of "pre-hung" doors would provide carpenters a more efficient experience

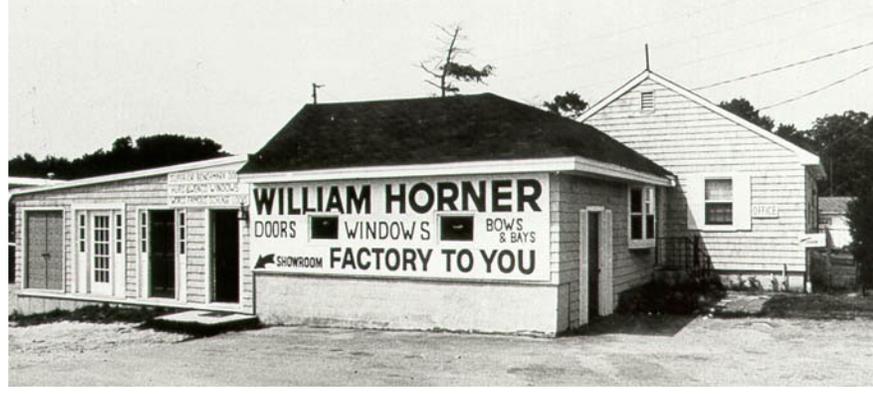
than mortising frames by hand. Horner Millwork was born.

Fast-forward. Struggling with the company name, one day it hit me. Poppa was in his 40s when they started the millwork. He and Nana had a young family. They took a big risk walking away from a job to start a business. Clearly believing the opportunity outweighed the risks, they took the plunge together. The similarities with my own circumstances were too obvious to ignore.

After they had both passed away, I learned Nana and Poppa had named the street they lived on for most of their lives ... Fairhaven Avenue. I do not know for certain why they chose that name but I do know they were remarkably generous in sharing their home, supporting summer camps for kids and even helping to build their local church. Among the definitions of the word "Fairhaven" are a place of solution or comfort ... a safe harbor. That definition lines up well with the people I knew Nana and Poppa to be and the experience we try to deliver to our clients. Fairhaven Wealth Management was born.

Shoes and Greek goddesses. Technology and fruit. Financial planning and hard-working immigrants who saw an opportunity and took a risk. What's in a name? Sometimes more than we might think. 🌳

(Facing, clockwise from top) Irishman Poppa Horner on a soccer team circa 1932; Horner Millwork's humble beginnings; Nana and Poppa later in life; Marc and his parents and grandparents with Nana and Poppa; Horner Millwork today; Newspaper article showing how Poppa was undeterred by a fiery setback



—Journal-Bulletin Photo by REYNOLD R. PANICCA

RUINS: A shell is all that's left of the Horner Millworks in Somerset after Thursday night's fire. Other parts of the complex were leveled by the blaze.

Owner of millworks ruined by fire says that he's not too old to rebuild

By TOM MULLIGAN

SOMERSET, Mass. — Brian McMahon of the state fire marshal's office walked through the ruins of the William Horner Millworks on Route 6 yesterday morning and concluded that the cause of the previous night's fire probably will never be known.

Any clues about why or even where the fire began were obliterated by the intense heat of the blaze, the heat that pushed back hundreds of spectators and melted the plastic dome light of one of the fire engines parked there. So it will go into the fire marshal's books as "officially undetermined," according to Fire Chief Leonel Parent.

In terms of property damage, the Thursday night fire was the worst in town history, Parent said. He agreed with owner William Horner's estimate that the losses reached about \$1 million in buildings, machinery and the large inventory of doors, window frames and other wooden construction products.

WHILE McMAHON AND Parent were wading through the ashes and blackened beams that had been the area's biggest millworks, Horner, 71, was having "a little meeting" with about 18 employees — about half of his workforce.

"The emotional and mechanical problems, that's what we were dealing with today," said Horner, who came to the United States from Belfast, Ireland, at age 21, a professional soccer player with \$100 in his pocket.

Horner's men were glum, he said. They

were afraid that the enormous task of rebuilding would drive an old man to retire. "But I've not the faintest thought of it," said Horner. Instead, he was talking about starting over.

"We'll be keeping on about six workers and the general manager (Curt Holmes of Somerset)," Horner said. The men who keep their jobs will be "the ones with kids or families," the ones in greatest need, he said. The others will collect unemployment insurance.



'A remarkable display of sympathy and affection' followed news —Horner

"But I said if there's anyone with a special financial problem that we would help them as best we can," he maintained.

"I have in my pocket now the people who have bulldozers to knock down the walls," said Horner. He needs an engineer to design the new building, which will be steel this time. When he started the business 25 years ago, wood was "all we could afford."

"I told them we would be in there fighting, but it will be slow progress. When you build a house, that's merely the shell, isn't it? It's the furniture you put in it that makes it a home."

Asked if he thought he could be back in business in a year, Horner scoffed. "If you don't think I can do it in half that time, then you don't know me."

THE BLAZE THAT decimated more than two-thirds of the 53,000-square-foot millworks complex brought out the best in the firemen. Somerset Deputy Chief Arthur Soares and five or six of his men saved a corrugated metal warehouse adjoining the burning building, Chief Parent said.

Firefighters first tried to save the warehouse by spraying a curtain of water between it and the main building. That tactic did not work and the heat was so intense it kindled the lumber inside the smaller warehouse.

Finally by entering the warehouse by a side door and attacking the fire from within the firefighters managed to hold off the flames and rescue a piece of Horner's company.

When Horner got back from the meeting with his workers yesterday, he started taking his calls. If you wanted to talk to him, you had to be persistent because the phone was ringing nonstop.

"It was a remarkable display of sympathy and cooperation, an amazing display. I'm writing down their names here. I'm trying to remember them. A lot said they were sorry, and for some reason, they all called me a righteous man," Horner said with a chuckle.

The loss didn't touch him? "Here's something for you. I had a good night's rest. I was able to sleep right through."



RICH, CREAMY, & WARMING



Chef Owners, Academe Brasserie
Shanna and Brian O'Hea

We all have childhood memories of having a grilled cheese with tomato soup on a cold winter day. After a snowball fight or a skate around the lake, nothing tasted better. This was the inspiration behind my tomato basil soup; but like most childhood memories, your grown-up tastes buds have matured a bit. By infusing the basil in the cream, using

high-quality products like San Marzano tomatoes, and roasting the garlic to give the soup a rich caramelized roundness, we have turned a simple lunch soup into a worthy starter for any dinner party.

Bon appetit! >

Shanna and Brian O'Hea are the Chef-Owners of Academe Brasserie and The Kennebunk Inn in Kennebunk, Maine. This 1799 property, with 23 guest rooms and a 100-seat restaurant, anchors Main Street in one of Maine's most-popular tourist destinations.

The O'Heas have gained international recognition by participating in cooking programs around the world, including The Walt Disney World, Epcot International Food and Wine Festival and Holland America Cruise Line. Shanna has appeared on Food Network's "Chopped," "Beat Bobby Flay" and winner of "Rewrapped." Brian and Shanna both appeared on a Food Network show called "Best in Seafood."

Academe's signature Lobster Pot Pie has been featured in Oprah Magazine as one of Gayle King's favorites, on Food Network's "The Best Thing I Ever Ate," Travel Channel's "Food Paradise," and 2014 Travel and Leisure Holiday Gift Guide. Their Lobster White Truffle Pizza has appeared on the "O List" in Oprah Magazine and was also featured on Travel Channel's "Food Paradise." Both products are available on MaineLobsterPotPie.com, a website the O'Heas developed to ship fresh Maine seafood overnight across the United States.





TOMATO & BASIL SOUP

Yields 1 1/2 quarts

5 cups canned peeled Roma tomatoes
(good Italian quality)

1 each Spanish onion, medium dice

2 tablespoons olive oil

1 tablespoon tomato paste

1/2 head roasted garlic (place head in tinfoil with
1 tablespoon olive oil and roast in 350 degree
oven for 45 minutes or until soft, squeeze out
of skin)

1 cup V8

1 bay leaf

1 bunch fresh basil and stems, washed

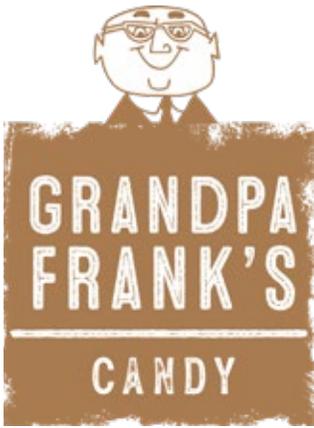
2 1/2 cups heavy cream

Kosher salt and black pepper to taste

METHOD

- Place basil leaves and heavy cream in saucepan over medium heat
- Let basil steep in cream for 30 minutes to infuse
- Sauté onions in olive oil until onions are translucent (7-10 minutes)
- Add tomato paste, mix with onions until combined
- Add Roma tomatoes, V-8, and roasted garlic
- Add bay leaves and all basil stems to sachet bag
- Stir in cream cheese, butternut squash, pasta water, lemon juice and zest and 4 oz. of both cheese
- Bring soup to boil and then lower to simmer for 30 - 45 minutes
- Remove sachet bag and puree in blender or with emulsion stick
- Add warmed heavy cream and season to taste
- Drizzle with extra virgin olive oil and garnish with shredded sharp cheddar cheese and fresh basil





A DELICIOUSLY WINNING LEGACY

A true champ, from the football field to the kitchen

Grandpa Frank might sound like the name of a devoted, doting senior, happy to lounge in a rocking chair on the porch, but Frank Bridges was more than that: He was, at various points of his life:

- A hall of fame running back for Southern Illinois University (SIU) who charged the gridiron in the leather-helmeted 1920s
- A wise professor at SIU known for his scholarly work on health, first aid and physical education
- A hall of fame football coach at Carbondale (IL) Community High School whose 1937 team was undefeated, unscored upon, and set the state scoring record
- A wise mentor who instilled the value of “returning the favor” in his grandkids by volunteering at a hospital, senior community center and church
- A multifaceted teacher who instructed his grandkids on the finer points of fishing, driving a stick shift, nature and making candy

- A loving husband to Ladaw, and their adopted son Bart
- A gifted baker with a knack for creating delicious pecan caramels, which he gave to neighbors and friends around the holidays

The last point above inspired Frank’s grandson, Mark Bridges, to turn his and his grandfather’s hobby into a bona fide candy company after a 25-year career as a consultant (which included tasks in computer programming, client management and financial operations). Later on, he spent two years at an insurance company. The current Bridges family includes Mark’s wife, Nikki, and children Nick (22) and Rachel (19).

“For the past 30-plus years, I have been carrying on the tradition of making Grandpa’s Pecan Caramels and giving to neighbors and friends around the holidays,” Mark says. “In February, I made the decision that I was going to start a candy company. In addition to sharing grandpa’s candy, I wanted a platform where I could give back to the community.”



*(Clockwise from top left)
Grandpa Frank's classic Pecan Caramels; Frank leading his team to victory in 1928; Mark Bridges and his family continuing the tradition; Grandpa Frank in his playing days and his candy making days*

In that spirit, Mark carries on his grandfather's tradition with Wheaton-based Grandpa Frank's Candy. The home-made, hand-crafted caramels ("It's impossible to have just one," Mark notes) are backed by a unique philosophy that supports the fundraising of local nonprofit organizations. "We are also working with several companies on unique gift-giving programs where we can personalize and co-brand the gift," Mark says. "In addition, a portion of each sale for companies that make our company part of their

gift giving program will go to a mutually agreed-upon charity."

The buttery-smooth caramels, crafted with a secret recipe known only to the Bridges family, are the perfect byproduct of a rich heirloom, baked with charity and steeped in tradition. 🌱

Learn more at: grandpafrankscandy.com



ZERO FRICTION™

OLD DOG, NEW TRICKS

From wood pins to cutting edge golf supplies

Not everyone knows that the late, great Chicago newspaper columnist Mike Royko was an avid golfer. He was also a believer in the potential for technology to help struggling golfers better enjoy the ancient game. He summed up his own acumen and appreciation of the game's advancements in a 1964 column: "It happens that I am that rare creature, an outstanding golfer. Or at least, I could be. It all depends on whether my new sticks with the shafts made of compressed moon fragments are as good as they say."

Royko's 20th-century golf sentiments perfectly embody the 21st-century mindset of serial entrepreneur John Iacono. His company, ZeroFriction, was founded in 2001 and continues to blaze the trail revolutionizing an ever-increasing range of products for both the golf and non-golf industries. Amazingly, this journey began with perhaps the humblest of all golf accoutrements: the golf tee.

But the ZeroFriction story actually started with another company owned and operated by Iacono ... a company not even associated with the golf industry! The company produced wood dowels and wood pins used in the assembly of cabinetry and furniture.

Wooden dowels are also used in the production of traditional wooden golf tees. Iacono and his team started producing these tees and his natural creativity led him to reimagine the golf tee. "The traditional wood tee market had been overrun by cheap imports and commodity pricing. The entire sports world had turned to performance products. We thought, why not the tee?"

A performance golf tee? Absolutely. Iacono scientifically explains, "When studying golfers and their shot preferences, the one shot all golfers like is a pooched-up flyer lie out of the rough, or the second fairway cut. This lie gives a golfer greater confidence, as the served-up presentation of the ball appears to be just asking to fly. In thinking about the golf tee, we worked through a variety of designs seeking that "pooched-up" look. Ultimately, our testing revealed the three-prong golf tee to be the best, eliminating 66% of the tee contact with the ball. Less tee contact translates into greater opportunity for more clubface contact which in turn reduces spin and drag producing longer ball flight. And what golfer does not want to hit the ball longer?"

The ZeroFriction team then took its design from the shop to the test course. "We had our tees tested at golf labs in Carlsbad, California. Using the mechanical arm,



the testing found our tees produced an average of about five yards more distance over a conventional tee. But that wasn't all. Our tee also produced an average of seven feet of dispersion, that is right or left of center line, versus fourteen foot of dispersion for a conventional wood tee. Longer and straighter ... not bad!"

For a game as old as golf, one might think it difficult to innovate. "The old saying you can't you teach an old dog a new trick? Well, yes you can! All industries, and maybe especially mature industries, need new products and ideas to keep the marketplace engaged."

On that note, ZeroFriction has branched out into golf gloves. In addition to being first to market with an assortment of exciting color schemes, ZeroFriction pioneered the one-size fits all glove that is equally at home on the most petite and largest of hands. Their glove lineup also includes a GPS-enhanced golf glove linked via the ZeroFriction app to more than 35,000 golf courses around the world. No more walking off distances or shooting them with a laser rangefinder,

with the ZeroFriction GPS glove, your yardage is literally on the back of your hand.

The company's innovative gloves have drawn the interest of one important golf enthusiast: "Apparently, President Trump tried our glove and really liked them. They ordered 100 with the Presidential Seal made as a ball marker on the flap of the glove. We are honored to have been selected to produce a product adorned with the Presidential Seal!"

John credits his wife and family for their support and encouragement on his entrepreneurial journey. His wife of 21 years, Tina, and their two children John Philip (19) and Juliana (16) call Chicago their home and love travel, watersports and, of course, golf. When not in Chicago or on the road spreading the ZeroFriction story, you can find the Iacono family enjoying their second home in Southern California. 🌳

Learn more at: zerofriction.com

Jan Craig

U-KNITTING GENERATIONS OF GOLFERS

The original classics, still made to order

Wanna go play some golf?”

When Janet Craig met her future husband, Bert, in college, this was one of the first questions he asked her. Not only did it lead to a successful first date and eventual marriage, but it also got the ball rolling on the kind of life that this couple would build—and the legacy they’d leave behind.

Jan had never golfed before meeting Bert, but fell in love with the game over the course of their marriage. With practice and determination Jan soon became a talented golfer, and she and Bert played—individually and as a team—in many amateur tournaments around Ohio. This time spent on the links with friends and family quickly became some of the couple’s favorite memories.

Despite Jan’s passion for golf, her headcover business was born almost accidentally—in the beginning she didn’t intend for it to be anything beyond a hobby. She simply couldn’t find a set of headcovers that matched the quality of her new clubs, and decided to take matters into her own hands—literally. Her hand-knit headcovers featured

bright colors and large pom-poms that immediately caught the eyes of her friends and family. Bert saw the potential in Jan’s creations and encouraged her to turn it into a business, and after that it wasn’t long before she was taking orders.

In the early days, Jan Craig Headcovers operated out of a small, rural town northeast of Cincinnati. After Jan’s sudden passing in 1977, the office HQ was relocated several times as different family members pitched in to keep the business running as Jan would have wanted. Over 20 years ago Jan’s oldest son and his wife took up the reins of the family business, and ever since then the “world headquarters” has remained in Chicago.

What hasn’t changed over the years is Jan’s original vision and design: “The only change we’ve made in 50 years is the addition of an elastic band inside our driver covers for a more perfect fit.” The business has also remained true to its original commitment to quality; today each headcover, pom-pom, and tassel is still hand-knit in the USA from the finest 100% worsted wool available. These headcovers are customizable and made to last, and with



Photo courtesy of redclaysoul.com

proper care should brighten up golf courses with their joyful colors for years on end.

The classic headcovers have been gracing the clubs of golfers for over 50 years, and Jan's family is proud that her name and spirit are kept alive with each new purchase: "We cherish every request for a new Jan Craig Headcover because her name goes with each one, thereby keeping her legacy alive and well." This is a true family business, and Jan's legacy is at the heart—and the head—of it all. 🌿

Learn more at: jancraigheadcovers.com





GIFT AND ESTATE TAX PLANNING IN 2021



Wealth Advisor
Gerald King

With a new White House administration and Democratic control of Congress, there are potential estate and gift tax changes being discussed that could have a meaningful impact on your existing estate plans.

As the law currently exists, each individual has a lifetime credit of \$11.7 million — this figure is increased by inflation from 2020's limitation of \$11.58 million. The current exemption will sunset on Dec. 31, 2025, and will return to the previous exemption of \$5 million, adjusted for inflation. The adjusted exemption in 2026 is projected to be between \$6 million and \$7 million. The maximum gift and estate tax rate is 40% and will increase to 45% in 2026. The tax is imposed on the fair market value of

all assets valued at death. Beneficiaries receive a step-up in basis to the fair market value — all capital gains are eliminated.

Current proposals being discussed include:

1. Reducing lifetime exemption to \$3.5 million
2. Increasing rate to 45%
3. Eliminating step-up in basis to fair market value on death

THE FAIRHAVEN SOLUTION

In order to reduce your taxable estate, you may want to consider different gifting strategies. The sooner you remove assets from your estate, the more likely it is your estate will not be subject to estate tax. Since the gifts are

irrevocable, a donor needs to be sure their remaining assets will be sufficient to live off. Here are some options to consider if the current exemption is reduced:

1. **Direct gift of cash** – Everyone can give up to \$15,000 a year to any beneficiary with no gift tax implications. This does not count toward your lifetime exemption discussed above. Giving more than \$15,000 will go against your exemption and immediately remove assets from your taxable estate. This gives your beneficiaries maximum flexibility and control over the assets.
2. **Direct gift of securities** – This has similar tax considerations as gifts of cash. In this case, the cost basis and holding period of the securities will transfer to the beneficiary. They would then incur any capital gain taxes upon sale. The beneficiaries still retain maximum control over the assets.
3. **Gifts to 529 Plan Accounts** - A gift to a 529 plan account for the educational needs of a child or grandchild may be an option. A transferor can pre-fund up to five years of annual exclusion gifts (currently \$15,000/year) in a single year per beneficiary (i.e., \$75,000 in 2021). A married couple can fund up to \$150,000 to a beneficiary in one year. This planning option would “use up” five years of annual exclusion gifts for that beneficiary.
4. **Gift to Irrevocable Trust** – This can be done with cash or securities. The advantage to this is the donor can control how and when the beneficiaries get access to the assets. This is more complex as it involves establishing a trust, which may need to file its own tax return. The holding period and cost basis of securities would transfer along with the gift as well. All future appreciation of the assets is excluded from the estate as well. A donor has different options for this strategy.
 - a. **Irrevocable Life Insurance Trust** – You either transfer an existing life insurance policy to a trust or purchase a new life policy through the trust. All premium payments are paid by the trust and are gifts to the trust each year. Because the policy is owned by the trust, the eventual death benefit is excluded from the taxable estate.
 - b. **Intentionally Defective Grantor Trust (IDGT)** – In this case, the grantor creates a trust that is outside of their estate for estate tax purposes, but

the grantor is still treated as the owner of the trust for income tax purposes. By continuing to pay the income tax on the trust, the assets in the estate are further reduced and the beneficiaries retain the full amount of the trust (plus appreciation).

- c. **Spousal Lifetime Access Trust (SLAT)** – This is a version of the IDGT discussed above. A SLAT is an irrevocable trust created by one spouse to benefit the other spouse (and potentially other family members), while still removing the assets from their estate. The trust must be structured in a specific way, as the non-donor spouse can only have limited access to income and principal. However, this technique can alleviate concerns about whether the gifted assets will be needed in the future. Most attorneys recommend that the non-donor spouse not request distributions unless it is necessary, after exhausting other available resources.

ELIMINATION OF STEP-UP IN BASIS

Another possible policy change includes the elimination of the basis “step up” at death, which has the potential to affect more taxpayers than the reduction of the tax exemptions. For decades, assets have been valued at the time of the owner’s death, even if the value had increased or appreciated. For example, if your mother bought a stock for \$50,000, but at the time of her death the stock is worth \$200,000, the gain on that stock is \$150,000. However, that gain is wiped out when that asset is passed on to her heirs because the basis has “stepped up” to \$200,000. Thus, no capital gains tax is owed.

If this rule is eliminated, it can potentially cause significant tax consequences for people inheriting highly appreciated assets. In this case, individuals should look at their entire financial portfolio and strategize about which assets might benefit from being put into a trust. Assets with a greater embedded capital gain could be placed in the trust while other assets, like cash, could be gifted now or otherwise left directly to heirs. This could potentially help minimize the capital gains tax their heirs would pay.

BE PROACTIVE

We will be monitoring the events in Washington as these proposals get put into new potential legislation. In the meantime, it is never too soon to discuss potential gifting strategies with your advisor. If you wait until after the legislation is passed, you could miss out on future tax savings. 🌱

FAIRHAVEN IN THE MEDIA



**CHICAGO
TONIGHT**



**WBBM
NEWSRADIO**
780AM • 105.9FM



In addition to sharing valuable financial knowledge and education on social media, we're also a frequent presence on radio and TV. Follow us on Facebook and LinkedIn and see all of our media appearances at www.fairhavenwealth.com/media

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