

WELCOME!

This summer has been a busy and interesting one for the markets, politics and our office. The Presidential race continues to dominate the news while broader market indices reached new highs despite dire warnings from the media after the so called Brexit vote on June 23rd and multiple terrorist attacks globally. Many people have been concerned as the market has climbed a 'wall of worry' continuing to move up despite dire media predictions, political uncertainty and an economy that is experiencing subdued growth.

Pursuant to the Brexit vote, the immediate reaction was a drop in broad markets globally. This was the result of the uncertainty the exit created regarding trade in Europe, whether more countries will try to follow suit and what the longer term economic impact of the exit will be.

Markets can assimilate both good and bad news but uncertainty usually creates increased volatility. The Brexit Vote, U.S. elections, and other global events continue to create uncertainty despite strong underlying fundamentals for the U.S. markets. We remain optimistic about the longer-term growth prospects for the broad equity markets domestically but expect continued volatility in the near term. Ultimately as there is more turmoil overseas it may drive investments to the United States. This can be true in terms of manufacturing and real estate which ultimately would be a good thing for the financial markets.

Carver Financial Services Inc. has developed and refined a process for Personal Vision Planning® which takes a customized and holistic approach to helping you meet your personal goals. We believe in a proactive methodology that takes into consideration the type of volatility we are experiencing now, and that we anticipate in the future. Understanding your personal vision is why periodic reviews and ongoing conversations with your advisor are so important. Events such as the Andy Friedman presentation can supplement these meetings. We do expect continued and perhaps increased market volatility but this should not impact financial plans as much for those who are properly allocated. As always we recommend having enough cash on hand for near term expense or emergencies. On the other hand we do not believe in trying to time markets or sitting on too much cash that earns little or nothing.

Our team continues to earn new designations, complete advanced training and receive new accolades. Nik Wearsch earned his CERTIFIED FINANCIAL PLANNER™ certification – joining Mark Spoerke, Greg Sazdanoff, Kale Schulz and Mike Kelley. Becky Mullenax passed her Ohio Life & Health licensing exam; Nancy Williams passed another two modules of the rigorous CFP® course; and Deanna Kochensparger passed her series 7 exam. On August 3rd Forbes Magazine recognized Randy Carver as one of the top 200 advisors in the country – from

among more than 490,000.¹ This follows the March recognition by Barrons Magazine which named Randy Carver as one of the top advisors in the Nation.²

We continue to host events to update and inform you such as the September 7th and 8th Andy Friedman Election Update. Events help to keep you informed on general matters and personal development while personal planning meetings are to focus on your vision and portfolio. As always will reach out to you with any recommendations specific to your portfolio and planning in-between regularly scheduled meetings.

The media would have you believe that these are new and uncharted times. These are the same people who have predicted forty of the last eight market downturns! What we are experiencing is not unprecedented. The key is to avoid being distracted or scared so that we do not deviate from our long term plans. It is important to plan for the worst and be realistic in expectations; however, that does not require one to have a negative outlook or perspective.

There are a lot of firms that seek to provide financial planning advice or sell investments; we are not one of them. We are here to help you achieve your personal goals and vision while simplifying your life. Our firm was founded in 1990 with the simple vision of making peoples' lives better – yours and our community. Regardless of what the markets and economy may bring we are here for you. We will contact you for your regular review, and may reach out to you with any recommendations in the meantime as we continue to monitor your portfolio. As always, please contact us with questions, concerns or whenever we may otherwise be of service. We are here for you!

We hope you have a great fall and look forward to seeing you at some of our events.

Respectfully,

Randy Carver, President Carver Financial Services Inc./RJFS Registered Principal

¹Rankings based on quality of practice, including: telephone and in-person interviews, client retention, and industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms. Investment performance is not a criteria because client objectives and risk tolerances vary, and advisors rarely have audited performance reports.

²Factors included in the rankings: assets under management, revenue produced for the firm, regulatory record, quality of practice and philanthropic work. Investment performance isn't an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment-picking abilities.

Some of the content contained herein has been prepared by Broadridge Investor Communication Solutions, Inc. The information contained in this Client Memo does not purport to be a complete description of the securities, markets, or developments referred to in this material. The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Any opinions are those of Randy Carver and not necessarily those of RJFS or Raymond James. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Diversification does not ensure a profit or guarantee against a loss. This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. You should discuss any tax or legal matters with the appropriate professional. Past performance may not be indicative of future results. Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, CFP® (with plaque design) and CFP® (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements."

Winter Schedule and Expanded Team

Our experienced team of professionals is always here to serve you and is structured to do so for generations to come. The large team means that you have access to a professional on shorter notice and if the person you may normally speak with is out of the office.

For the winter 2016 – 2017 Randy will be spending one to two weeks per month in Miami and two to three weeks per month in Mentor. While in Miami Randy is available to meet personally with anyone in the area and will continue to do phone and Skype reviews. Thanks to all of the great technology Randy can work from the Miami office just as if he is in Mentor and vice versa. For planning purposes here is the planned schedule between the two locations. If booking an appointment just let the office know how you prefer to meet – in person, via phone or via Skype.

December 25th – January 7th – Miami

January 29th - February 3rd – Miami

February 4th – February 13th - Client Trip to Cuba
(still space if you would like to join us!)

February 26th – March 11th – Miami

April 2nd – April 8th – Miami

Please contact Randy personally, or any team member, with any questions on the schedule or to set up your next review. We are here for you!

Referrals & Relationship Size

We are often asked if we are taking on new clients. The answer is yes, we are accepting a limited number of new clients in 2016 by referral only from our existing clients and local professionals. We appreciate your referrals and look forward to helping any of your family, friends or business associates who can benefit from our services. If you know of someone who we could help we are always happy to meet with them without cost or obligation. Simply ask the person contacting us to let us know that you referred them.

The other question we get asked is if we have an investment minimum. Our relationship minimum is generally \$500,000; however, if you have family members who do not meet our investment minimum we are happy to meet with them at any time. There is neither a cost nor any obligation to do so.

The relationship minimum for new clients does not affect any existing client, regardless of your portfolio size. Moreover we will work with children and relatives of existing clients who fall below our current minimum. The purpose of the account minimum and referral only practice is so that we can continue to provide our existing clients with the highest levels of service and attention. We are proud of the fact that our associate to client ratio is the highest it has ever been so that we can continue to provide the highest levels of personal attention that you need and deserve.

"It's an honor and privilege to be included in such an elite group. This recognition reflects the professionalism and commitment to our clients of our entire team" -Randy Carver



Randy Carver named to Forbes list of America's Top Wealth Advisors 2016: The Pros Millionaires and Billionaires Trust With Their Money

August 3, 2016 Randy Carver was named to this prestigious list which lists the top 200 advisors in the United States from among more than 490,000 eligible individuals. Ranking algorithm is based on quality of practice, including: telephone and in-person interviews, client retention, industry experience, review of compliance records, firm nominations; and quantitative criteria, including: assets under management and revenue generated for their firms. Investment performance is not a criteria because client objectives and risk

tolerances vary, and advisors rarely have audited performance reports. Rankings are based on the opinions of SHOOK Research, LLC which does not receive compensation from the advisors or their firms in exchange for placement on a ranking. "It's an honor and privilege to be included in such an elite group. This recognition reflects the professionalism and commitment to our clients of our entire team"- Randy Carver

Rank	Wealth Advisor	Company	Headquarters	Typical Account Size	New Account Minimum ¹	Total Assets Under Mgmt. ²
57	Randy Carver	Raymond James	Mentor, OH	850K	\$500,000	\$1B

¹Minimum account sizes are general since it can vary depending on a range of circumstances. ²Advisors are judged on individual contribution but total team assets are shown

Visit <http://www.forbes.com/top-wealth-advisors/#38a75f617051> for the full story.

Why You Should Consolidate Your Accounts

The world is a complicated place and the more we can simplify our lives the better. Consolidating various assets can help to do this. Understandably we still hear the question "Is it safe to keep all of my assets with one company, such as Raymond James?" The underlying concern seems to be that if Raymond James goes out of business, that all of your investments could disappear with it. We understand the concern; however, it really is unfounded when the facts are reviewed. Moreover, there are a number of reasons, which we outline below, that consolidating your investments may be very advantageous for you and your family.

First and foremost Raymond James doesn't generally hold the investments that are in your account, but rather only consolidates the reporting. The investments are held at the issuing company and Raymond James simply consolidates the recordkeeping in one convenient platform for you to view it.

At Raymond James, safeguarding your assets and personal information is one of the highest priorities. That's why, in addition to relying on the financial integrity, strength and stability of the firm itself, they offer account protection through the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) and various syndicates of Lloyd's of London for protection beyond SIPC limitations. An explanatory brochure regarding SIPC insurance is available at sipc.org or by calling 202-371-8300. Account protection applies when a SIPC-member firm fails financially and is unable to meet obligations to securities clients, but it does not protect against market fluctuations.

To account for clients whose losses may be such that a deficiency still exists after they have received the full SIPC entitlement Raymond James has purchased excess SIPC coverage through various syndicates of Lloyd's of London. Excess SIPC is fully protected by the Lloyd's trust funds and Lloyd's Central Fund. The additional protection currently provided has an aggregate firm limit of \$750 million.

Accounts held at Raymond James Bank (RJ Bank) are insured by the Federal Deposit Insurance Corporation (FDIC), an independent agency of the United States government.

We understand and appreciate the natural concern to not have 'all your eggs in one basket'. We hope that the above explanation helps alleviate some of the concerns so that you can focus on the many advantages that consolidating your assets can provide. As always your advisor is happy to address any specific questions or concerns.

These advantages include, but are not limited to:

- Simplifying your monitoring and saving you time by giving you a complete

and accurate view of your entire portfolio via one hard copy statement and/or electronic access rather than having to go through a number of different sources.

- Simplified recordkeeping and tax reporting. You receive a single consolidated 1099 at year end rather than multiple tax reports from different firms. The online Investor Access will also allow you to authorize your tax preparer to review and monitor all tax information in real time.
- Comprehensive and holistic planning based on your needs is facilitated by seeing your entire portfolio. Your advisor can make more comprehensive investment, estate planning and tax management recommendations.
- Having access to the full portfolio allows us to monitor the underlying holdings within the various portfolios you own and reduces potential investment overlap, concentration & redundancies.
- Having a greater valued account will potentially qualify you for lower management and advisory fees based on account size.
- Having a consolidated larger account can give you lower interest rates should you utilize the security line of credit.
- Having a consolidated account can simplify your estate planning, monitoring and ultimately the transfer to your heirs.

While some assets may not be eligible for consolidation, such as your current 401(k), it is still important for you to discuss these with your financial advisor so that we can make the best recommendations possible based on your overall situation. Similar to when you visit your doctor – you provide the professional with an updated list of the medications you're taking so that he/she doesn't run the risk of prescribing you something that may have an adverse reaction with your current medications. If your doctor does not have a full understanding of your situation they cannot effectively help you. The same is true of your financial advisor.

Please contact us if you would like us to take a look at your outside investment accounts to review them and determine if consolidation of your holdings would be advantageous for you. There is neither a cost nor any obligation for us to do so and it may make a big difference for you and your family. You will want to have recent statements and any other information pertaining to the holdings when you meet with your advisor.

New DOL Rule and IRAs

On April 6, 2016 the Department of Labor (DOL) announced a new Conflict of Interest rule related to fiduciary responsibility for retirement accounts. The new rule will mandate that Individual Retirement Accounts (IRAs) to be covered by ERISA, similar to most employer sponsored retirement plans such as your 401(k). This may have a large impact on individuals with IRA's and the financial services industry. The new rule will be effective April 10, 2017 and we expect that you will hear more about this as we get closer to that date. There has not been a lot of discussion on this as the news cycle seems to be filled with election coverage. Some have said that this is the biggest change to the financial services industry in more than 50 years and we do expect more attention as we get closer to next April.

Up until the rule goes into effect those licensed to give financial advice are only required to act on a "suitability standard" for a client's IRA, as opposed to acting on a "fiduciary standard". A suitability standard does not require the advisor to make recommendations that are necessarily in the client's best interest; rather it only requires that they choose investments that are suitable. A troublesome issue with the suitability standard is that it does not require the advisor to disclose any conflicts of interest. This means that the advisor could potentially recommend their firm's proprietary products, resulting in a higher commission to themselves, even though said products may be more expensive to the client than other options available. There has also been little guidance on the disclosure of fees or expenses prior to this rule.

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Under a fiduciary standard, advisors are required to disclose any such conflicts and put their client's best interests ahead of their own. Carver Financial Services Inc. has always worked in our clients best interest and does not offer any proprietary products. We have always fully disclosed all fees and expenses associated with accounts. Accounts set up on a fee basis have always been held to the fiduciary standard from a regulatory standpoint and we have always put our clients' interests first. Many of our team members hold the CERTIFIED FINANCIAL PLANNER™ certification, which has also always required them to act on the fiduciary standard, the highest legal standard of devotion in the industry. We are pleased to see that this rule will raise the bar for the industry as a whole.

While it is likely you will hear much about the impact of the new rules and many firms may be affected we do not foresee this negatively impacting our clients. The media will most likely focus on the negative and sensational. We view this rule potentially having the same impact on the financial services industry as the Affordable Health Care Act (aka Obamacare) had on the medical and insurance industries. The intention was good – but the execution resulted in higher cost and more complexity for many. We will proactively work with you to comply with any required changes and will continue as always to put our clients' interests first. We expect to hear more about the rule in the coming months and will continue to update you on all developments. As with anything please contact your advisor if you have any questions or concerns. We appreciate the opportunity to serve you and provide the best experience possible. ■

The Ability to Avoid Income Tax on Required Minimum IRA Distributions with a QCD is Now Permanent

The Pension Protection Act of 2006 first allowed taxpayers age 70½ or older to make tax-free charitable donations directly from their IRAs as part of their required minimum distribution. Taxpayers were allowed to exclude from gross income otherwise taxable distributions from their IRA ("qualified charitable distributions,") or QCDs, up to \$100,000, that were paid directly to a qualified charity. These gifts are also known as "Charitable IRA rollovers." The law was originally scheduled to expire in 2007, but was extended periodically through subsequent legislation, and finally made permanent by the Protect Americans from Tax Hikes (PATH) Act of 2015.

QCDs offer advantages over taking a taxable IRA distribution and then contributing the proceeds of that distribution to a charity. That's because taxable IRA distributions must be included in adjusted gross income. As a result if you take the funds from the IRA, and then donate them:

- Income taxes on Social Security benefits can increase,
- Adjusted gross income (AGI) limitations on annual charitable deductions can defeat current deduction of the charitable contribution of IRA distribution proceeds (carryovers to a limited number of future tax years is available).
- AGI limitations trimming itemized deductions can apply, and
- Medicare insurance premiums can increase.

Having the funds go directly to the charity via the QCD can prevent these issues. The charitable donee must be an organization that qualifies for a charitable income tax deduction of an individual, other than a private (grant-making) foundation, a donor-advised fund or a supporting organization under Internal Revenue Section 509(a)(3). The charity that receives the donation must provide the same contribution acknowledgment needed to claim a charitable income tax deduction. Failure to obtain the acknowledgment will negate the QCD. QCDs may be made from any IRA or individual retirement annuity, but not from a simplified employee pension, a simple retirement account or an inherited IRA.

If you wish to make a QCD, we will need to know the name and address of the charity you wish to donate to along with the tax id number. We will then provide a form. You can contribute to more than one charity in a given year. Please note that it may take a week or so to process the QCD so you will not want to wait until the end of the year to do so. Whether taking a QCD or just your regular required minimum distribution it is important that you do so when required as there is a 50% IRS penalty for not meeting the deadline!

Please contact your advisor if you are interested in doing a QCD, if you have questions on your required minimum IRA distribution or if we can otherwise be of service!

Bad News & Violent Crime

It seems that everytime we turn on the news we hear or read about more violent crime. The country just seems to be coming apart. This is one of the major issues that both presidential candidates are focusing on. The reality is that violent crime continues to dramatically drop in the United States – not increase! Our perception is being impacted by the news media focusing more on crime, and in a more dramatic way. This often creates the perception that we are living in a war zone. The reality is that According to the FBI¹ violent crime has decreased dramatically over the last twenty years!

There were 23,326 murders in the United States in 1994 and 14,196 in 2013. Not only did the number of murders drop by more than 40% - at the same time the US population grew from 260,327,021 in 1994 to 316,128,839; so not only did the number of murders drop the rate dropped from 9 per 1,000 people to 4.5 per 1,000.² Moreover, we do not hear about all of the good things that law enforcement is doing.

Similarly on June 28th immediately after the so called Brexit vote, the headline was "World markets lost \$3 trillion in the two days of trading following the United Kingdom's Brexit vote."² What we did not hear was that the markets increased by more than \$3 trillion in the weeks following. In fact, in the two weeks following the Brexit vote the major market indices moved up more than 7% and set several record highs over the next few weeks.

It's critical to understand that the media will focus on the negative and short term. With increased competition for viewers and readers, the main stream media uses fear, drama and negativity to get people to tune in. A trusted advisor can help you navigate the sea of information and remain focused on your long term plan. The role of the trusted advisor is not so much to select investments but to help you develop, enact, monitor and update a plan based on your needs, goals and vision. The advisor can sort through what information is relevant to you and what is just noise. Beyond helping you develop a sound plan based on your needs a trusted advisor can help you avoid making poor decisions based on fear and emotion rather than facts.

Do we face challenges in society and with regard to investing? Absolutely. Are things as terrible as the media would have us believe – certainly not. There are tremendous potential opportunities to help build wealth and maintain our standard of living today. A trusted advisor can help you to take advantage of these while avoiding the various pitfalls that we face. *Feel free to contact us without cost or obligation to discuss your personal needs and vision at (440) 974-0808 or carverfinancialservices@raymondjames.com.*

¹https://ucr.fbi.gov/crime-in-the-u.s/2013/crime-in-the-u.s.-2013/tables/1tabledataoverviewpdf/table_1_crime_in_the_united_states_by_volume_and_rate_per_100000_inhabitants_1994-2013.xls

²<http://www.aol.com/article/2016/06/28/world-markets-lose-3-trillion-after-the-brexit-vote/2142054/>



CARVER PETS

Hello Animal Lovers! If you would like to have your pet featured please email their picture and brief bio to Theresa.goldhardt@raymondjames.com.
We will feature as many of your special furry friends as we can.

From Sara O'Neil- Once our son turned 2 years old, we started our journey to add a puppy to our family. We had several criteria, the new addition would have to be good with kids, our cat, and our bird. One day after running errands, our now 4-year-old said, "we need to go to the Dank the dog store to get Dank the dog". My husband and I looked at each other puzzled and then asked our son, "who is Dank the dog and where is the Dank the dog store?". After months of additional searches, having our son look at pictures of dogs and us asking him questions, we finally had an answer. Dank the dog is all brown with no other colors. He is a big dog with floppy ears, short hair, and a long nose. We showed him a picture of a chocolate lab and we had our winner! We found our chocolate lab at a breeder in Mansfield, Ohio. Once our son held the little puppy he whispered to my husband and I, "It's Dank". On April 30th, 2016 Dank was 8 weeks old and was ready to be picked up to make the trip with our son to bring him to his forever home. Dank is growing fast but we are taking the time to enjoy him every step of the way.

YOU'RE INVITED!

PRESERVING & PASSING ASSETS

a town hall meeting

You are invited to join us for a town hall style meeting looking at how you can preserve and protect your assets before passing them on to your beneficiaries.

Topics will include, but not be limited to:

- Having proper beneficiary designations
- The estate planning documents everyone should consider
- Importance of Long Term Care asset protection
- Consolidating IRA's and 401(k)s
- Taking advantage of the direct Charitable Contribution
- Dealing with out of state real-estate
- Fee based versus commission based investing
- Fiduciary Standard versus Suitability Standard
- Tax Exempt Investing

TUESDAY, NOVEMBER 8TH, 2016

8:30 am (breakfast served) or 7:00 pm (pasta bar)
LaMalfa Center, 5783 Heisley Rd., Mentor, OH 44060

You are encouraged to invite family and friends to this important meeting. There is neither a cost nor any obligation; however, due to limited space reservations are requested. **To RSVP please contact our office (440) 974-0808.** Reservations will be taken on a first come first served basis!

Securities offered through Raymond James Financial Services Inc. Member FINRA/SIPC.
Raymond James and its advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.





2016 Summer Events

Golf Outing

The 19th Annual Tim Groves Memorial Charity Golf Outing was held on June 20, 2016. We had 120 golfers play in this event and raised almost \$9,000 for six well deserving charity organizations; Mentor Rotary Bone Marrow Matching Program, The Ronald McDonald House of Cleveland, Crossroads, Magnolia Clubhouse, Hospice of the Western Reserve, Big Brothers Big Sisters of Northeast Ohio.

Wings & Wheels

On August 6th the Carver/Classic Car and Plane Show was held at Classic Jet Center. With over 150 historic vehicles, hot rods and classics and almost 20 planes on display, Classic Jet was the center of lots of activities for the 350 spectators that flocked to the airfield. In addition to the show; food trucks, a DJ, a pin-up girl and a special section for the kids were all part of a fun day! Trophies were awarded for Best of Show, and other categories as well as crowd participation in voting for the People's Choice award.

Visit www.carverfinancialservices.com/events to learn more about our upcoming functions.

eSignature – making your life easier!

If and when forms need to be signed you may now take advantage of our Electronic Signature (ESign) program. If you have a text-enabled cell phone and an email address, this is the way to go! We will prepare the form(s) for you and you will receive an email. Upon opening it, you will receive a code on your phone to view the form. Once this is entered the form will direct you where to "sign" with yellow tabs. It will upload your name and when you choose which signature you like, click on it and it will automatically sign the document. No writing instrument is necessary! Once you click "finish", your form is on its' way to Raymond James. The process takes just a minute or two and doesn't involve having to inconvenience you by waiting for the form to reach you by mail or coming into our office – although we do enjoy seeing our clients! There is no postage or any other cost and this will expedite the processing of your important documents. The next time you need a form, just ask about "Esign".