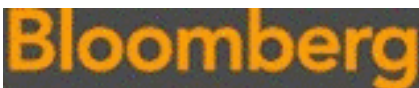


QUARTERLY UPDATE

January 2006

IN THE NEWS

The national media considers Webb Financial Group a credible and reliable source for financial expertise on various topics. This section of our newsletter is designed to share with you some brief article summaries of a few publications. For full access to all articles go to www.webbfinancial.com/media.html



Watch Michael Bischoff on television...

December, 2005



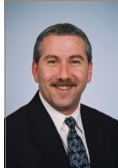
Michael Bischoff, CFP® at Webb Financial Group, lends his expert opinion in a segment of *Bloomberg Personal Finance* about retirement planning. He says husbands and wives should think twice before planning a coincidental departure from the workforce. *Tune in at www.webbfinancial.com/images/Clip_3001.wmv*.

Michael Bischoff



"Regulators Expected to Crack Down..."

July, 2005



Gary Webb, Chief Executive Officer, explains why the SEC believes that equity-indexed annuities should be sold by those who have a securities license. *Full article at:*

Gary Webb www.webbfinancial.com/AMBestWeek1.pdf



Jerry Webb

Celebrating 25 Years of Service!

On the eve of our 25th year in business, I thought you might be interested in learning about the history of Webb Financial and how our firm came into existence.

I was born in 1929, at the beginning of the Depression, and grew up poor on the West Side of St. Paul. I served in the United States Navy for two years. I got married in 1953 and we had seven sons.

In 1964, I realized that I needed to increase my income to help feed my seven growing boys. I answered an ad in the Minneapolis Star: "Wall Street Investment Firm wants part-time help". I attended a meeting where I learned that most people at age 65 were living on Social Security and possibly a small pension. Only 10% were financially independent and 25% depended on friends, relatives and charity. WOW, what a revelation!

I was also informed that, if people had time, discipline and faith in themselves and the American economy, an investment in a Mutual Fund could build their assets, education funds and a retirement fund which could provide them with an income for their lifetimes, their children's lifetimes and their grandchildren's lifetimes. I had never even heard of a Mutual Fund and I was not alone! In 1964, only 10% of Americans owned a Mutual Fund. There were only 450 Funds and the total assets of all Funds amounted to only \$50 Billion, and it took 40 years to reach that number.

Needless to say, I was excited. Here was a company, First Investors Corporation of NY, that was willing to train me to sell Mutual Funds so that I could help people achieve financial security. What a calling! In addition to working my day job, I set up appointments in people's homes four nights a week and Saturdays. I was on my way, but it was not easy. I had to call 100 people per week just to make 20 appointments. I was doing so well after two years that I resigned from my day job and went to work full time in the investment business. I built my business by asking my clients for referrals. If I had not done that, I could not have survived. My clients were excited that I had started them on an investment program that would provide them with money and income in their later years, so they were happy to refer me to friends, relatives and business associates who could benefit by hearing about my ideas.

Between 1973 and 1974 the stock market declined 40% over an 18th month period. During that time, 50,000 stockbrokers quit the business. My manager kept telling me to go out and see more people: "Buy low, sell high." So I kept seeing people, but it was tough. The daily headlines kept saying the stock market was dropping and there was no end in sight. Newspapers screamed, "The Mutual Fund Industry is going down the tubes." Despite all the negativity, the sales kept coming. Before long, I was one of the top 20 salespeople in the company. The clients who invested with me during that two-year period, had the best long-term performance and many are still with us today.

(Jerry continued on page 2)

IN THE NEWS



“Common Retirement Myths...”

November, 2005

Webb Financial Group founder, Jerry Webb, CFP®, discusses common retirement myths that can threaten financial security. These common myths jeopardize retirement success and counter sound investment strategies. *Full article at www.webbfinancial.com/InvestmentAdvisor1.pdf*

ANNOUNCEMENTS

*Check Out What is
New on Our Website!*



To help simplify the decisions in your life, we have developed Strategic Alliance - a network of trusted business professionals to serve your other finance-related needs. We have confidence that these professionals will uphold the same level of integrity and service that we set for ourselves at **Webb Financial Group**.

The network categories include:

- Accounting & Tax Preparation
- Cobra Administration & Human Resources
- Employee Benefits & Group Insurance
- Estate Planning Attorney
- Mortgage Agent
- Personal Insurance
- Property & Casualty Insurance

To view information on a professional who can help you, visit:

www.webbfinancial.com/sa.html

Other Features on our interactive website include:

- Financial calculators
- Online account access
- Updated market quotes
- Media page

In 1981, I established Webb Financial Group after 17 years with First Investors. I decided to go out on my own at the age of 52, so I could offer my clients the full panorama of investments available to benefit them, not just one firm's proprietary investments. I had three partners over the years and, over a period of several years, we all went on to head our own companies.

In 1982, KSTP asked us to come on the radio to answer listeners' questions. We thought we would only be on the program a few times but the show was so successful that we were asked to inaugurate a regular Sunday one-hour show called KSTP Money Talk. We were off and running and we stayed on Money Talk until 1992. I had a great time, and those ten years were the most enjoyable to me, helping so many people with their investment questions.

I became a CFP® (Certified Financial Planner) in 1987 and, by 1989 we could see that the industry was heading toward money management on a fee basis. Webb Financial was one of the first investment firms in the Twin Cities to make the switch to No Load Mutual Funds, fee-based as opposed to commission sales. This reflects the change in Mutual Funds over the years to emphasize ongoing service as opposed to one-time sales. That means spending more time on managing money and client service by providing information, quarterly reports, newsletters and client meetings.

We are now entering our 25th year in business. Last year, I transitioned the firm over to my son, Gary Webb, RFC®, and Michael Bischoff, CFP®. I have watched both of them grow and mature over the years. I am very proud of them and I have the utmost confidence that they will carry on our firm's tradition of client service and placing the interest of our clients first.

Our wonderful staff – Michelle, Crystal and Andrea – continue to assist our clients in every possible way and they also make our job a lot easier. We are very thankful to have them with us.

And last, but not least, I expect to continue my work for as long as I live, doing what I enjoy most: helping people. I have no plans to retire and I will work as long as my health permits. Continuing to work helps me live a healthy, happy and longer life.

In closing, I have a gut feeling about 2006 and I believe you will be pleasantly surprised!

Happy New Year!

Sincerely,

Jerry Webb, CFP®

Chairman



~ Wear a smile!

It increases your face value ~

All of us at Webb Financial Group wish you a healthy and prosperous New Year.

Best wishes in 2006!

In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

Portfolio Managers

Jerry Webb, CFP® & Chairman
 Michael Bischoff, CFP® & COO
 Gary Webb, RFC® & CEO

Insurance Division

Crystal Holmen, Insurance Consultant

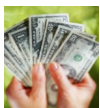
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MoneyTalk

The Importance of an Estate Plan

By Michael Bischoff

In order to plan for the future, you must consider it before it occurs. Whether your assets are large or small, estate planning can facilitate the administration of your affairs after your death, help you manage money during your lifetime, and preserve wealth.

Creating an estate plan will:

- Ensure that assets are distributed according to your wishes.
- Help minimize taxes and court costs, as well as improve the distribution to beneficiaries.
- Protect your young children or grandchildren from receiving a large sum of money without any planning or direction.
- Allow you to nominate a guardian for your child.
- Allow you to choose a person whom you trust, who knows your wishes, knows your family, and has knowledge of your assets to administer your estate.
- Allow you to plan for the succession of your business, minimizing the risk of a forced sale.

Many individuals are under the impression that a will is a sufficient means of estate planning. "Having a will is a great first step, but it may not be enough to attain all of your estate planning goals and objectives," said Sabrina Dolan, Estate Planning Attorney.

According to Sabrina, an estate plan should include:

- A valid, up-to-date will, containing instructions to your personal representative regarding the disposition of your assets, as well as other requests.
- A durable power of attorney.
- A living will or health care directive.
- An inventory of your estate.
- Life insurance, as appropriate, to provide additional funds for your survivors, help pay debts and estate taxes, help fund a business succession plan.
- The designations of appropriate beneficiaries on all life insurance policies and retirement plans.
- A trust, depending on the size of your estate and your particular goals.



Sabrina Dolan
 Strategic Alliance

If you have a basic estate plan, you're in better shape than the majority of Americans. Estate planning is an involved process, requiring the knowledge of experienced professionals. It is one of the six areas of a comprehensive financial plan. The first step is to contact your Financial Advisor with Webb Financial Group. We can help you start the estate planning process and assist in finding a qualified estate-planning attorney. The earlier you start, the more likely you are to have a comprehensive plan in place that will care for your heirs in the event of your death or disability.

Information You Might Want to Know...

Congress has recently passed new rules that will tighten eligibility for Medicaid coverage of nursing home costs, under the Medicaid Reconciliation Act of 2005. Some of the changes include the lengthening of the look back period for asset transfers from three years to five years and the disqualification of long-term care assistance for individuals with home equity that exceeds \$500,000. This means that more Americans will likely be on their own later in life when it comes time to paying for long-term-care needs. If you would like more information on Long Term Care Insurance, call Crystal Holmen, Insurance Consultant, at 952-837-3235 or contact your advisor.

