BUILDING AND PRESERVING WEALTH

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Quarterly Update
January 2008

IN THE NEWS

Gary Webb
RFC® & CEO

StarTribune.com
Minneapolis - St. Paul, Minnesota

December 1, 2007

Gary Webb, RFC® discusses the up and down patterns of the market, and the best way to react. Despite the uncertainties, it is not prudent to try to time the market.

October 14, 2007

In the Star Tribune, Gary talks about educating young people about money. It is up to each of us, to teach children to spend wisely and to save their money.

CNNMoney.com℠

October 1, 2007

Gary is quoted in one of the top stories on the Fortune Small Business portal within CNN. The article mentions how entrepreneurs may be affected by the recent turmoil in the credit markets.

September 18, 2007

Recent Federal Reserve interest rate cuts prompted investors to share their different opinions on the issue. Gary responds to the current condition of the financial markets and the availability of capital.

To view an entire article please visit
http://www.webbfinancial.com/media.html

Why Attitude is a Matter of Survival

This land is your land, This land is my land,
From California, to the New York Island,
From the Redwood Forest, to the Gulf Stream waters,
This land was made for you and me.

I Love that song!

I have trained my thinking process to focus on what is great in my life. Accomplishing this, I know is not easy, but necessary for survival and good health. Just do the best we can in life and we will leave this place better than how we found it. This is a great goal. Which leads me to what I want to say…

Just take a moment and think about how fortunate we are to live in a country with so many opportunities and freedoms around us everywhere.

It's unfortunate that, on December 11, a ¼% reduction in the Fed Funds rate instead of the ½% reduction the market wanted (and expected) plunged the Dow from a positive return to a 300-point deficit within one hour. That ¼% was the difference between having a great market year-end rally and the so-so performance we got. It completely depressed the psyche of investors. This event made it even more clear that no one can predict what interest rates will do, what the stock and bond markets will do, what ANYTHING will do, or how investors will react. When you think about it, the Fed had within its power to get a wrap around the mortgage mess, to create confidence in the Fed and the Administration and to reduce the fear about the economy.

It is in times like these that we may be tempted to lose confidence. This temptation is normal. We are all human beings with highly emotional feelings. If you don't know how to resist this loss of confidence, just remember that we all have a choice. Should I take the low road and think negatively or do I take the high road and think positively? Bad things happen all the time but somehow, over time, everything turns out OK. Believe me, this time is no exception. This is a temporary situation that, like everything else, with the proper changes and maneuvering will turn out just fine.

Peter Lynch said, "There's always something to worry about." The successful investor knows how to mostly ignore these distractions. Right now, the big bugaboo is the credit market turmoil. Two years ago, it was the avian flu. At the beginning of the millennium, there was the dot-com crash. Before that, we feared that Americans couldn't keep up with the Japanese. The 1970s had inflation and an oil crisis. The 1950s had fears of a nuclear winter.

Do you see a pattern here? Although the market always has something to worry about, the worry has never meant the end of the investing world. Strong businesses survive and keep growing, taking the market along for the ride. Not every company survives, and people do lose money investing. That's why we'll all do well to focus on good mutual funds and superior management teams.

America is blessed. It doesn't pay to bet against America.

Sincerely,

Jerry Webb

Jerry Webb, CFP®

WEBB FINANCIAL GROUP LLC
WEALTH MANAGEMENT

Michelle Ganske, RP℠

Registered Paraplanner, RP℠

Michelle Ganske earned the designation for Registered Paraplanner to gain more knowledge about a wide range of financial topics.

Topics:

- The Financial Planning Process
- Investment Principles
- Tax Planning
- Retirement Planning
- Life & Health Insurance
- Estate Planning

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

Best wishes in 2008!

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.

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over twenty-five years, we have helped our clients achieve financial security.

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Minnesota's New Long Term Care Insurance Partnership Program

By: Crystal Holmen, Insurance Consultant

The Minnesota Long Term Care Partnership is an arrangement between private long-term care insurers and Minnesota's Medicaid program. It enables people who purchase certain long-term care insurance policies to have more of their assets protected if they later need the state to pay for their long-term care. For example, if you receive $100,000 in benefits under your long-term care insurance, you may be allowed to protect an additional $100,000 in assets at the time you apply for Medicaid.

Minnesota law requires that Minnesota Long Term Care Partnership coverage provide inflation protection based on an insured's age at the time the policy is issued. Policies must provide at least the following levels of inflation protection:

- For issue ages under 61. The policy must provide at least 5% compound annual inflation protection.
- For issue ages 61 through 75. The policy must provide some level of inflation protection for the first five consecutive years following the date of purchase, or until age 76.
- For issue ages 76 and over. The policy may, but is not required to provide some level of inflation protection.

Minnesota law allows for the exchange of existing long-term care insurance policies for a policy that qualifies for Partnership status. If you already have a long-term care insurance policy you will be getting a "Notice of Long Term Care Partnership Status" form from the insurance company regarding the your long-term care insurance policy by December 31, 2008.

The Charitable Gift Account: Personalized, Private, Tax-Smart.

By: Michael Bischoff, CFP®

The Charitable Gift Account is an efficient way to give, with many premium benefits:

Flexibility: You can contribute cash or securities to your account and recommend grants at any time, to any number of public charities.

Lower Costs: Unlike a private foundation or trust, your account requires no set-up fees, tax returns or legal filings.

Fiduciary Oversight: You can be confident knowing that the assets in your account are professionally managed.

Privacy: Unlike a private foundation, the account is not subject to public disclosure.

Administrative Support: Due diligence and other administrative services are completed for you. You will receive quarterly summaries of account activity and annual summary for tax purposes.

The Charitable Gift Account can be a great way to give

Retirement Account Contributions

By: Ryan Shannon, Wealth Advisor

A new year has begun, so now is the time to make the final contributions to your retirement accounts. You have until April 15th, 2008 to make eligible contributions for 2007 to an IRA, Roth IRA, or SEP IRA, but we encourage you to do so now to prevent a last minute rush. For 2008, the limits for IRAs have increased to $5,000 for an individual. Persons who are age fifty and older can put away additional dollars into retirement accounts, which is called the "catch-up provision."

2008 Contribution Limits	Age < 50	Age ≥ 50
IRA/Roth IRA	$5,000	$6,000
401(k)	$15,500	$20,500
Simple IRA	$10,500	$13,000
SEP IRA	$45,000	$45,000

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