



2017 NEW YEAR NEWSLETTER

2017 - Some Thoughts from Cheryl

This New Year brings us the joy of celebrating Hart & Patterson's 25th Anniversary and the challenge of adapting to Trump's presidency.

First, our special anniversary. Without you there would be no Hart & Patterson Financial Group. All of us extend our heartfelt thanks and gratitude to each of you for your trust and loyalty. We are so fortunate to have you in our lives.

As I reflect on the history of our firm, I am humbled by the opportunity that I have had to help create something so special and unique. Lorraine and I had a very clear vision of the culture and philosophy that would be the cornerstone of our firm. That vision, combined with our employees, clients, and discipline created the experience of a lifetime for us; for that we are both truly grateful. We have given everything that we can to this enterprise and in return we have reaped the incredible benefits of personal relationships and experiences that have far exceeded anything we thought possible.

Looking ahead we are so incredibly proud to know that Hart & Patterson will live on, even after my retirement at the end of 2018. Vikki, Sue, and our entire team have worked hard to prepare for the years to come. With Vikki and Sue's guidance, the light shines bright at Hart & Patterson. "Thanks" only begins to express our deep gratitude to each of them. We are very excited about the future of Hart & Patterson. We thank each of you for your part in our journey.

Second – Trump. I did not see this coming. I was certainly very concerned and nervous about the election, but, I truly believed that Hillary was going to be our 45th President. I am one of the many who could not imagine a Trump Presidency and who continue to reel with the realization that this is exactly what we do have live with. I am still convinced that there is more goodness than bad in this world. However, it is incredibly disheartening to see the hate and feel the anger that seems to be a wave washing over all of us both here and abroad. There seems to be so much work needed to help the world realign its moral compass. Bullies, whether in the playground, the boardroom, or in the White House need to be met with the strength of conviction that is created by those of us who believe in the goodness of mankind and that we are all our brother's keepers in the best way.

19 Research Drive Amherst, MA 01002 p. 413.253.9454 800.581.7936 f. 413.256.0047

136 West Street Suite 106 Northampton, MA 01060 p. 413.585.0100 www.hartpatterson.com

Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representatives, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Hart & Patterson Financial Group and Cambridge are not affiliated. Cambridge does not offer tax or legal advice.

Stock markets, interest rates' and tax policies are all important and will be affected by this Presidency, but what is happening to the soul of our nation is much more important. I find a great deal of encouragement in knowing that our employees, clients, and friends are all good, caring people. Each and every one of us can and do make a difference. That counts for a lot. I truly do believe that we are all stronger together.

Sarah's Growing Family!

Sarah delivered a healthy baby boy on 12/29/16. Sarah and her husband Joel have decided that Sarah will stay home with their three young children. We will certainly miss Sarah and we all thank her for all of her hard work. Thankfully she has promised to keep visiting us! Thanks again, and good luck, Sarah.

Upcoming: New Department of Labor Regulations

Without going into the specific details, the Department of Labor (DOL), has created over 1,000 pages of new regulations that will significantly change the way advisers work with some clients. These regulations are scheduled to go into effect in April of this year. There is no doubt in our minds these changes will lead to even more consolidation within our industry as many firms will either not have the financial resources or the will to comply with these cumbersome new regulations. Sweeping changes are occurring in our industry as a result.

While the reasoning for the new regulations may have had some merit at the outset, the creation of these regulations (in our opinion) went seriously off the rails along the way. Regardless of how cumbersome these regulations are, we will deal with the challenges they have created and will continue to serve you in the best way possible.

The financial services industry is one of the most highly regulated industries that exist. In our view, there is always room for tightening and reviewing existing rules and regulations, and, in some cases, certainly, creating new regulations; but so much more could have been accomplished for the investing public by focusing on enforcement of current regulations rather than creating this labyrinth of regulations. Our goal is to make the challenges created by these new regulations ours, not yours.

As we face the challenges of the new legislative landscape, we would sincerely welcome the opportunity to work with your friends, family members, and colleagues.* There is no doubt in our minds there will be many individuals who you may know who may find themselves looking for another financial planning firm to work with because their current firm may choose to close their doors or sell to a larger entity as a direct result of these new regulations. We cannot overstate the significance of the changes these regulations have created. Our commitment to you is unwavering and so is our commitment to remain local and independent. We look forward to the future, even with all of these additional challenges. We believe, as we always have, that our best days lie ahead.

* The Hart & Patterson investment minimum is \$500,000.00.

Email Scams

Remember to be very alert for email scams. Recently the IRS warned tax professionals about a new phishing email scam. Never click on any suspicious email links.

Hold the Date – Friday, June 2nd - Client Appreciation Lunch and Shredding Day!

Back by popular demand...we will be hosting another Shredding Day! Last year you brought us between 2,400 and 3,000 lbs. of paper that was then shredded – let's see what we can all do this year!

Over the next six months, start collecting any sensitive paperwork material that you need destroyed and please plan on joining us.

More details to follow.

Tax Year 2016 Retirement Plan Contributions

Please note that we need to receive your 2016 retirement plan contribution checks by April 10, 2017. This will allow us time to process your transaction before the deadline. If you are not able to make this April 10th date, you may send your checks directly to the appropriate investment company.

Tax Year 2017 Retirement Plan Contribution Amounts

IRAs

Individuals under age 50 may contribute \$5,500 and individuals age 50 and older may make an additional "catch-up" contribution of \$1,000 for a total of \$6,500.

TSA/403(b), 401(k)

The contribution limit for participants under age 50 is \$18,000. Participants age 50 and older may make an additional "catch-up" contribution of \$6,000 for a total of \$24,000.

Simple IRA Deferral Contributions

Participants under age 50 may contribute \$12,500 in 2017. The "catch-up" contribution provision available for participants age 50 and older allows for an additional \$3,000 for a total of \$15,500.

Profit-Sharing Plan Contribution/Deduction Limits

The employer deduction limit for profit-sharing plans remains at 25%. This continues to allow substantially increased annual contributions for employers who use or allow multiple contribution options, such as profit-sharing, matching, and after-tax contributions.

RMDs (Required Minimum Distributions) from Retirement Plans for Individuals Turning 70½ in 2017

If you have retirement accounts through our office and you are going to reach the age of 70 ½ in 2017, we will contact you to discuss your RMD options. As always, please feel free to contact us if you have any questions.

Please contact us if you retired last year or are planning to retire in 2017 and are making systematic investments to retirement accounts through our office.

If you are no longer working, we will need to terminate any automatic/systematic investments that you may have had established for your various retirement accounts (i.e. IRAs, Simple IRAs, and SEPs) so that contributions are not made in 2017.

2017 Limits for Tax Deductibility of Long-Term Care Insurance Premiums (for “qualified” policies)

Premiums up to the limits below are considered unreimbursed medical expenses and are deductible to the extent that they, along with other unreimbursed medical expenses, exceed 10% of your adjusted gross income. (The deduction floor will be 7.5% through 12/31/17 for taxpayers over the age of 65; after that, all taxpayers will be subject to the 10% floor.)

Amounts above the limits specified below are not treated as a deductible medical expense.

Attained Age before the Close of 2017	Maximum Deduction
40 or less	\$401
more than 40, but not more than 50	\$770
more than 50, but not more than 60	\$1,530
more than 60, but not more than 70	\$4,090
more than 70	\$5,110

1099s - Just a reminder – revised or late 1099s from investment companies are always a possibility.

FYI – SEI usually mails out their 1099s on the last day of February. 1099-R’s are usually mailed from investment companies on the last day of January.

Representatives of Cambridge do not offer tax advice.

ADV Annual Offer (fee based clients only)

Each year, the Securities and Exchange Commission (SEC) requires that we offer our Fee Based Asset Management clients (i.e. SEI, IWM (Institute for Wealth Management)) the opportunity to request a copy of Cambridge Investment Research, Inc.'s ADV filing. If you are interested in receiving this ADV filing, please contact our office and we will forward a copy to you.

From Lorraine's Kitchen

My mother made the best pies and I think a big part of her success was that she used all butter in her pastry dough. So, here's her recipe. It can be doubled for a double crust pie. Any left-over dough? Roll it out, spread with soft butter, sprinkle with a combination of cinnamon and sugar and bake in the oven until brown and eat while still warm. It's a secret reward for the cook 😊.

Ingredients

1 1/4 C flour
1/4 teaspoon salt
1 tablespoon sugar (optional)
1 stick cold unsalted butter, cut into small cubes
3-4 Tablespoons ice cold water

Directions

1. In a food processor, pulse for a few turns to combine flour, salt and sugar (if using)
2. Add cubed butter to processor. Do not over-process or your pastry will be tough.
3. Add water one Tablespoon at a time, pulsing after each addition until dough just begins to come together and is the consistency of coarse meal.
4. Turn out dough onto a floured pastry board and shape into a disk. With the heel of your hand smear dough once or twice to distribute fat. Do not overwork. Wrap in plastic wrap and refrigerate for at least 30 minutes or overnight. Dough can also be frozen.

Your dough is now ready for a filling. Happy eating!

As always, please do not hesitate to contact us at any time with your questions or concerns.

We would like to end with an African saying that Senator Corey Booker quoted during the 2017 Democratic National Convention--

If you want to go fast; go alone.

If you want to go far; go together.

We wish all of you a New Year filled with peace and joy.

Cheryl A. Patterson
Registered Representative/Investment Advisor Representative
Cambridge Investment Research, Inc.

Vikki D. Lenhart
Registered Principal/Investment Advisor Representative
Cambridge Investment Research, Inc.

Rena A. Ransdell
Registered Representative/Investment Advisor Representative
Cambridge Investment Research, Inc.