

# Wealth Watch

Just a Reminder

March, 2010

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## **The Importance of Not Using Your Investments Like a Checking Account**

As an investor, it is good financial planning for you to have an adequate cash reserve in a checking account, savings account and/or money market fund. The amount of cash you should hold varies by need, income level, and life style. Using your investments as a place to find funding for emergencies, immediate wants or needs is not a sound financial practice. Liquidating investment assets for emergencies can result in unnecessary losses, penalties and tax consequences; let alone that most investments are not liquid enough to be available quickly. It can take 10 days or more to receive money from an investment; and we also need time to properly assess your situation.



As we are currently in a volatile market atmosphere, it is even more important to recognize that you may be pulling money out of your investments when the market is going down. This is always a dangerous situation, especially for retirees. We strongly recommend that your retirement income come from cash or cash equivalents for your protection.

If you do need to liquidate an investment, we also want to remind you that even when you receive your check it may not be immediately liquid. Many banks place holds on these funds if you try to cash or deposit them. And liquidating assets to be sent to a third party requires even more time. Current money laundering laws have had an impact on how these transactions are handled.

As your financial advisors it is most important to us that we can be helpful, especially in time of emergencies. Some prior planning can make this easier for all involved. If you would like to discuss your personal liquidity needs, please e-mail us or give us a call.

## The Importance of Understanding Changes At Your Bank

It has come to our attention that with some of the changes that are occurring with financial and lending institutions, there may also be systems that have changed. So we wanted to mention that if you are receiving systematic withdrawals that are coming from your investments, or if you are making investments by having money transferred from another account, it would be wise to check these to see that they have occurred. Some banks and financial institutions have changed the dates as to when they are posting their income transfers, and based on the type of investment account you have, some transfers are taking longer than in the past. We highly recommend that you monitor these. This is especially important if you have money being transferred into your checking account that you use to pay bills. We would not like to see you be subject to overdraft or insufficient funds charges.



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We are able to choose from a broad array of financial resources. In doing so we take a holistic approach to a client's planning needs, bringing together new ideas, professional expertise and knowledge to work for the benefit of the client. We believe that our independent objectivity can mean a world of difference when planning for your future. Go to the ["Our Services"](#) section on our website to see how we can help you.

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