

105 S. York St, Suite 450
Elmhurst, IL 60126
Voice: (630) 530-1191
Fax: (630) 530-1442


MENTOR
C A P I T A L

October 2009

Wealth Management Team: John Davis, CFP - Tom Adams, CPA - Dan Carey, CFP

Mentor Monthly Missive

In this issue:

- Document retention guidelines
- Voting proxies

Document retention guidelines

Despite our good intentions and being well-organized, paper piles up. Often, it's because we're uncertain about how long we need to keep documents, so we tend to keep them longer than we need to.

For most documents, retention for three years is a good rule. (That's as far back as the IRS can go if it decides to audit, unless tax fraud is involved.) Here are some general guidelines:

- Documents should be thoroughly shredded so that sensitive information doesn't fall into the wrong hands.
- Tax returns and documentation – Keep three years. Right now you should have state and federal returns from 2006, 2007 and 2008; you can destroy (shred) any previous. Once you have filed your 2009 return, you can destroy 2006.
- Bank statements – Once reconciled, they can be destroyed. Deposit and withdrawal slips can be destroyed once reconciled with the statement. Make sure you retain copies of any checks that have a tax impact (to charities, for example). These checks can be destroyed when you destroy the tax return on which you reported the deduction.
- Confirmations and statements from brokerage or fund accounts – Keep all trade confirmations until three years after you have reported the final sale of a position in a stock, bond or mutual fund. Destroy monthly statements after you have reconciled them with your confirmations. Keep three years of year-end statements and destroy with your tax returns.
- Credit card statements – If they show payments that have any tax impact (charities etc.), keep until you destroy the tax return on which you reported the payment. Otherwise, keep 12 months of statements and destroy the rest.
- Real estate records – Property tax bills should be kept until you destroy the tax return on which the payments were reported. Closing documents and receipts for capital improvements on the property should be retained until three years after you sell the property.

If you have a large number of documents that you need to destroy, you can have them shredded for free. From 9 a.m. to noon on Saturday, Oct. 24, DuPage County and the city of Elmhurst will hold a document shredding and electronics recycling event at the Elmhurst Public Works facility, 985 S. Riverside Drive, Elmhurst. Up to three boxes or paper grocery bags of documents can be shredded, and all kinds of electronics devices can be recycled. Details are here: http://www.dupageco.org/pressDetail.cfm?doc_id=4280.



Voting proxies

From time to time throughout the year shareholders receive proxy statements on investments they own. Fund companies and corporations are required to seek shareholder approval on matters that come before their boards of

directors.

Many shareholders ignore these proxies. However, we recommend that investors cast their votes on matters contained in the proxies.

Usually, issues under consideration are mundane: Election of board members, appointment of an auditor. Sometimes, though, shareholder approval is sought on other items. Other shareholders may submit proposals for a vote, for example whether a company should be more “socially responsible” in the way it operates. Also, votes may be sought on a change in one or more fundamental aspects of a mutual fund.

It is the policy of Mentor Capital Management Inc. not to vote proxies on investments held in client accounts. Our policy normally is to recommend that clients vote their proxies in the manner that the board of directors recommends.

On occasion there are issues on which we recommend a vote contrary to board recommendations. In these cases we contact clients with our recommendation.

Fund companies and corporations make it easy for shareholders to vote. They can either mail back the proxy statement, vote by phone or vote over the internet. All these methods are secure.



Every attempt is made to assure accuracy; however, the publisher assumes no responsibilities for errors or omissions. Readers should not assume that material contained in this newsletter serves as personal financial advice from Mentor Capital Management Inc. Readers should seek professional assistance before acting on any recommendations herein. Past performance is not a guarantee of future results.

If you would like us to remove your name from our newsletter mailing list, please reply to this email with the word “unsubscribe” in the subject line.