

Dear David and Sally,

You already know our values, but it's good to get them all down in one place.

Our parents grew up in the old country in Texas. We grew up in the same kind of households, with the same kind of values. Our parents were all young adults in the crash of 1929. They never got over it, and they reminded us of this on a regular basis. "Finish school, get an education, get a good job. Be prepared." We were programmed with that, and as a result, we never, ever spent more than we earned or were in debt, even when we had bad years.

From the very beginning, we invested every month. We never missed a period of time without investing. Over the years, that really makes a difference. It's also important to get a will, proper amount of liability insurance, an education fund for your children, and have your taxes done properly. This brings some order and peace of mind to financial affairs. We emphasize this with our retirement and wealth planning business clients as well.

We have found that you really have to be proud of what you do for people. We treat clients as if they're family. We never sell anything we wouldn't or didn't buy for ourselves. Our representatives and financial planners all have to be nice, and we only deal with clients who are nice people. Life's too short to do it any other way. One of the reasons we've worked so long is our longtime relationships with clients, some for 25, 30, 40 years.

Don't just settle for a job—get a career. If you're enthusiastic, positive, work hard and help people, you are going to be rewarded in many ways, not just money.

The family business has been a real treat. Any job Kate, Lisa and Susan are given, they do beautifully. They add value. They are able to expand and improve on a lot of the programs we do. Having everyone working together and living close by just cannot be duplicated.

We are very proud of our family. We're a very happy, cohesive unit. We hope you keep the tradition of sharing birthdays and holidays as a group, and continue to use the Seal Beach compound in the years to come. We love that the grandkids all spend one week there with us every summer. It's like a country club with Grandma as the camp counselor. And when the families come down, they all come down. The property goes into a trust that was set up with income-generating investments for maintaining the place. For Kate, Lisa and Susan to sell it, all three will have to agree to it.

We also want to remind you that our Long Beach property has Prop 13 status. We've owned it for 45 years and you were brought up in it. The current property taxes are frozen at roughly \$2,800 a year. If someone were to buy the house, it would be \$35,000

a year. We would like one of you to inherit it because when you inherit it, you inherit the status. I just want to make sure you remember that.

In closing, pass on the family values to the next generation. Hopefully no trust fund babies will come from this group. (We have already told you if you don't handle finances properly when we're gone, we'll be coming back to haunt you. You may be sitting there watching TV and a lamp will fly across the room and smash against the wall.) Stay nimble, stay in motion, don't be afraid of making mistakes, and learn from the mistakes that you make.

Love,

Mom and Dad

P.S. Or in other words, how we did it:

- Parents depression survivors—constant reminders
- Never a salary (other than Army) straight commission—insecure
- Never spent more than we earned
- Wouldn't sell anything we wouldn't/didn't buy for ourselves
- Invested every month, however small

Our values:

Conservative, competitive, hard work, ambition, low key, achievement, helpful, risk, preservation, family, stewardship, motivation, money is like “energy” and has a life, not to be squandered, do not deny future generations the thrill of hard work and achievement, no sense of entitlement, no “trust fund” children, highest use is for education and health, reward good behavior not bad, our estate built over time by entrepreneurship, frugality, systematic investing, and good decision making.