

July
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*Doing all
the things
other
advisors
forget to
do.™*



Twenty years
from now you
will be more
disappointed
by the things
that you
didn't do than
by the ones
you did do.

So throw off
the bowlines.

Sail away
from the safe
harbor.

Catch the
trade winds
in your sails.

Explore.

Dream.

Discover.

- Mark Twain



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"We do all the things other advisors forget to do"™

How Does the US Congress Help Me.....?

You know, as we watch those in Washington bicker back and forth and run up the debt for our children and grandchildren, I thought maybe we should sit back and take a look at some of the other things our elected officials have done for us. I ran across an interesting report in the Financial Services Review done by four professors at the University of North Carolina. They looked at Stock Market returns over 97 years as they related to the times when the US Congress is in session and when they are not. They wanted to see if there was any relationship to stock market returns and when Congress was in session.

I think what they found will confound you as it did me. First, let's consider a few facts. The dates that Congress was in session and not in session were collected from the Congressional record. The number of days Congress was in session during the 97 years was 16,387. The number of days Congress was closed was 9,950. So, Congress is typically open for about 2/3's of the year. Congress is in session almost twice as long as it is closed.

Since the stock market has trended upward over the last 100 years, the observation that Congress is open much more than it is closed should lead us to believe that the returns should be higher during the period that they are open since they are open twice as long as being closed. Make sense?

For example, if the temperature is going up steadily we would assume that the temperature would go up more during a two hour period than a one hour period because it had more time to do so.

However, the average daily returns and average annual returns of the Dow Jones are actually higher when Congress is closed...even though it is closed just a third of the year! Get this! To the tune of almost **8 times greater return when Congress is closed verses when it is open even though it is open almost twice as long!**

About 89% of the total returns occurred while Congress was closed. Only 11% occurred when Congress was open. That is 89% of the market returns are being generated in only 1/3 of the time (when Congress is not in session.)

It gets worse! It appears as if, in recent history, the disparity is even higher reaching the level of 95% of returns occurring while Congress was in recess!

What's the lesson here? We had better hold our Congress people very accountable for what they are supposed to be doing because as far as our day in and day out lives, they certainly don't seem to be helping the financial markets much!

(cont.)

*As reported in the Financial Services Review, 6(1): 19-25. Reinhold Lamb, K.C. Ma, R. Daniel Pace, William F. Kennedy

A Note from Donald O'Connor, MA, and Ph.D

And, as far as your day in and day out lives, there are many things that can improve it. Please give me a call to give a quick review of your financial affairs.

There have been many changes recently that we may be able to take advantage of to decrease your taxes or increase your income with a few simple changes.

Give me a call 860-667-8444. Hope you have a great summer!

Sincerely,
Donald O'Connor, MA, abd Ph.D.

Recipe Corner:

SWEET POTATO SALAD

Courtesy of: www.oprah.com



For an interesting twist to the tried-and-true potato salad, try this version made with sweet potatoes and pineapple. There's no better match for spareribs or baked ham. The yellow-fleshed "true" sweet potatoes aren't as flavorful as orange Louisiana or jewel yams.

INGREDIENTS

4 orange-fleshed yams (sweet potatoes)
1/4 cup mayonnaise, regular or reduced-fat
4 celery ribs, cut into 1/4-inch-thick slices
1 small red bell pepper, seeded and cut into 1/4-inch dice
1 cup diced (1/2-inch) ripe fresh pineapple
2 scallions, white and green parts, finely chopped
Salt and freshly ground pepper
1/2 cup (2 ounces) coarsely chopped pecans, toasted. Chopped fresh chives, for garnish

Directions:

Wrap the individual potatoes in foil. Bake in a pre-heated 400°F oven for 1 hour, until tender. Cool until easy to handle. Peel, then cut into 3/4-inch chunks.

In a large bowl, mix the mayonnaise and mustard. Add the yams, celery, red pepper, pineapple, and scallions and toss gently, seasoning to taste with salt and pepper. Cover and refrigerated until chilled, about 1 hour. (The salad can be made 1 day ahead, covered, and refrigerated. Adjust the seasonings before serving.)

Just before serving, fold in the pecans and sprinkle with the chives. Serve chilled.