THE ADVISOR

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FRAGASSO FINANCIAL ADVISORS

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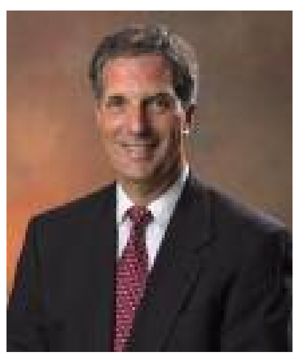
OCTOBER 2007

Retirement Security as a Reality

Many folks think of retirement as an abstraction, something to work on "later." But achieving security after a lifetime of work is not a guarantee, granted by right of citizenship. It must be planned and earned. Let's examine the dynamics that are shaping the new retirement security scenario.

First, Social Security is a program in transition. Spending even a few minutes with the realities of today's laws governing Social Security and the population demographics centering on the baby boom generation retiring must lead you to conclude it cannot be the main platform upon which your retirement is to be built. Even if the program works as designed, the benefits are not large enough to sustain a middle class, retired lifestyle. Now add on the already-legislated issues of taxing Social Security and confiscating some of its benefits if you continue to work part time and make more than the low, allowed earnings and you see how Social Security benefits can not be more than added income in retirement.



BOB FRAGASSO, CFP®
President

Second, defined benefit pension plans are mostly a thing of the past. Employees and company owners must rely on defined contribution plans, such as 401K plans, to build a secure nest egg. So you must understand the principles of building assets and know how to utilize that store of wealth once you have created it.

Third, individuals and families must create personal investment portfolios while reducing their debt burden as they move inexorably toward their retirement years.

The good news is that you do not have to make this up on your own. Textbook principles in the hands of qualified advisors are available to assist you in your success journey. But the ingredients you must furnish are your willingness to learn, save and manage. You truly can accomplish your life's goals if they are fashioned in the context of a solidly constructed financial plan. What is the alternative to getting started right now? Waiting until "later?" Awaiting a congressional bailout, of what? Of course the answer is to take your life's direction and success into your own hands. We are here to help. Talk to us now - we make your financial success personal.

Reaching Retirement -- Now What?

Your contact for this article:

GREGG DAILY
Vice President of Investments

You've worked hard your whole life anticipating the day you could finally retire. Well, that day has arrived! But with it comes the realization that you'll need to carefully manage your assets so that your retirement savings will last.

Review your portfolio regularly

Traditional wisdom holds that retirees should value the safety of their principal above all else. For this reason, some people shift their investment portfolio to fixed-income investments, such as bonds and money market accounts, as they approach retirement. The problem with this approach is that you'll effectively lose purchasing power if the return on your investments doesn't keep up with inflation.

While generally it makes sense for your portfolio to become progressively more conservative as you grow older, it may be wise to consider maintaining at least a portion of your portfolio in growth investments.

Spend wisely

Don't assume that you'll be able to live on the earnings generated by your investment portfolio and retirement accounts for the rest of your life. At some point, you'll probably have to start drawing on the principal. But you'll want to be careful not to spend too much too soon. This can be a great temptation, particularly early in retirement.

A good guideline is to make sure your annual withdrawal rate isn't greater than 4% to 6% of your portfolio. (The appropriate percentage for you will depend on a number of factors, including the length of your payout period and your portfolio's asset allocation.) Remember that if you whittle away your principal too quickly, you may not be able to earn enough on the remaining principal to carry you through the later years.

Understand your retirement plan distribution options

Most pension plans pay benefits in the form of an annuity. If you're married you generally must choose between a higher retirement benefit paid over your lifetime, or a smaller benefit that continues to your spouse after your death. A financial professional can help you with this difficult, but important, decision.

Other employer retirement plans like 401(k)s typically don't pay benefits as annuities; the distribution (and investment) options available to you may be limited. This may be important because if you're trying to stretch your savings, you'll want to withdraw money from your retirement accounts as slowly as possible. Doing so will conserve the principal balance, and will also give those funds the chance to continue growing tax deferred during your retirement years.

Consider whether it makes sense to roll your employer retirement account into a traditional IRA. IRAs usually offer greater withdrawal flexibility than employer plans. A rollover to an IRA also allows you to consolidate your retirement assets.

Plan for required distributions

Keep in mind that you must generally begin taking minimum distributions from employer retirement plans and traditional IRAs when you reach age 70½, whether you need them or not. Plan to spend these dollars first in retirement.

If you own a Roth IRA, you aren't required to take any distributions during your lifetime. Your funds can continue to grow tax deferred, and qualified distributions will be tax free. Because of these unique tax benefits, it generally makes sense to withdraw funds from a Roth IRA last.

Know your Social Security options

You'll need to decide when to start receiving your Social Security retirement benefits. At normal retirement age (which varies from 65 to 67, depending on the year you were born), you can receive your full Social Security retirement benefit. You can elect to receive your Social Security retirement benefit as early as age 62, but if you begin receiving your benefit before your normal retirement age, your benefit will be reduced. Conversely, if you delay retirement, you can increase your Social Security retirement benefit.

Consider phasing

For many workers, the sudden change from employee to retiree can be a difficult one. Some employers, especially those in the public sector, have begun offering "phased retirement" plans to address this problem. Phased retirement generally allows you to continue working on a part-time basis--you benefit by having a smoother transition from full-time employment to retirement, and your employer benefits by retaining the services of a talented employee. Some phased retirement plans even allow you to access all or part of your pension benefit while you work part time.

Of course, to the extent you are able to support yourself with a salary, the less you'll need to dip into your retirement savings. Another advantage of delaying full retirement is that you can continue to build tax-deferred funds in your IRA or employer-sponsored retirement plan. Keep in mind, though, that you may be required to start taking minimum distributions from your qualified retirement plan or traditional IRA once you reach age 70½, if you want to avoid harsh penalties.

Phased Retirement

According to a recent survey by the AARP, 61% of respondents named the need for money as the primary reason for working beyond retirement age. Over 50% named the need for health care.

Other reasons given were a desire to stay mentally and physically active, and the desire to remain productive and useful.

AARP, "Attitude of Individuals 50 and Older Toward Phased Retirement," 2005.

If you do continue to work, make sure you understand the consequences. Some pension plans base your retirement benefit on your final average pay. If you work part time, your pension benefit may be reduced because your pay has gone down. Remember, too, that income from a job may affect the amount of Social Security retirement benefit you receive if you are under normal retirement age. But once you reach normal retirement age, you can earn as much

as you want without affecting your Social Security retirement benefit.

Facing a shortfall

What if you're nearing retirement and you determine that your retirement income may not be adequate to meet your retirement expenses? If retirement is just around the corner,

Reaching Retirement
Continued on Page 12

Rollovers

Your contact
for this article:

CHRISTINE ROBINETTE, CDFA, MSW
Vice President of Investments

In general, a rollover is the movement of funds from one retirement savings vehicle to another. You may want, or need, to make a rollover for any number of reasons--your employment situation has changed, you want to switch investments, or you've received death benefits from your spouse's retirement plan. There are two possible ways that retirement funds can be rolled over--the 60-day rollover and the trustee-to-trustee transfer.

Some distributions can not be rolled over including:

- *Required minimum distributions (to be taken after you reach age 70½ or, in some cases, after you retire)*
- *Certain annuity or installment payments*
- *Hardship withdrawals*
- *Corrective distributions of excess contributions and deferrals*

The 60-day, or indirect, rollover

With this method, you actually receive a distribution from your retirement plan and then, to complete the rollover transaction, you make a deposit into the new retirement plan that you want to receive the funds. You can make a rollover at any age, but there are specific rules that must be followed. Most importantly, you must generally complete the rollover within 60 days of the date the funds are paid from the distributing plan.

If properly completed, rollovers aren't subject to income tax. But if you fail to complete the rollover or miss the 60-day deadline, all or part of your distribution may be taxed, and subject to a 10% early distribution penalty (unless you're age 59½ or another exception applies).

Further, if you receive a distribution from an employer retirement plan, your employer must withhold 20% of the payment for taxes. This means that if you want to roll over your entire distribution, you'll need to come up with that extra 20% from your other funds (you'll be able to recover the withheld taxes when you file your tax return).

The trustee-to-trustee transfer, or direct rollover

The second type of rollover transaction occurs directly between the trustee or custodian of your old retirement plan, and the trustee or custodian of your new plan. You never actually receive the funds or have control of them, so a trustee-to-trustee transfer is not treated as a distribution. Trustee-to-trustee transfers avoid both the danger of missing the 60-day deadline and, for employer plans, the 20% withholding problem.

With employer retirement plans, a trustee-to-trustee transfer is usually referred to as a direct rollover. If you receive a distribution from your employer's plan that's eligible for rollover, your employer must give you the option of making a direct rollover to another employer plan or IRA.

A trustee-to-trustee transfer (direct rollover) is generally the safest, most efficient way to move retirement funds. Taking a distribution yourself and rolling it over makes sense only if you need to use the funds temporarily, and are certain you can roll over the full amount within 60 days.

Should you roll over money from an employer plan to an IRA?

In general, you can keep your money in an employer's plan until you reach the plan's normal retirement age (typically age 65). But if you terminate employment before then, should you keep your money in the plan or instead make a direct rollover to an IRA?

There are several reasons to consider making a rollover. In contrast to an employer plan, where your investment options are limited to those selected by your employer, the universe of IRA investments is almost unlimited. Similarly, the distribution options in an

IRA (especially for your beneficiary following your death) may be more flexible than the options available in your employer's plan.

On the other hand, your employer's plan may offer better protection from your creditors. In general, federal law protects your total IRA assets up to $1,000,000 if you declare bankruptcy. (The laws in your state may provide additional protection.) In contrast, protection from your creditors in an employer retirement plan is generally unlimited.

Use the Rollover Guide below to help you decide where you can move your retirement dollars. A financial professional can also help you navigate the rollover waters.

Rollover from:	Rollover to: Traditional/SEP IRA	Simple IRA	Roth IRA	Qualified Plan (incl. 401(k))	Roth 401(k) /403(b) Account	403(b) Account	Government 457(b) Plan
Traditional/SEP IRA - taxable dollars [1,2]	Yes	No	Yes [3]	Yes [7]	No	Yes	Yes [9]
Traditional IRA - nontaxable dollars [1,2]	Yes	No	Yes [4]	No	No	No	No
SIMPLE IRA	Yes [5]	Yes	Yes [3,5]	Yes [5,7]	No	Yes [5]	Yes [5,9]
Roth IRA	No	No	Yes	No	No	No	No
Qualified Plan - taxable dollars (incl. 401(k))[6,7]	Yes	No	No [11]	Yes	No	Yes	Yes [9]
Qualified Plan - nontaxable dollars (incl. 401(k))[6,7]	Yes	No	No [11]	Yes [8]	No	Yes [8]	No
Roth 401(k) Account[7]	No	No	Yes	No	Yes [10]	No	No
Roth 403(b) Account	No	No	Yes	No	Yes [10]	No	No
403(b) Plan - taxable dollars[6]	Yes	No	No [11]	Yes [7]	No	Yes	Yes [9]
403(b) Plan - nontaxable dollars[6]	Yes	No	No [11]	Yes [8]	No	Yes [8]	No
Government 457(b) Plan[6]	Yes	No	No [11]	Yes [7]	No	Yes	Yes

1 Required distributions and nonspousal death benefits can't be rolled over.

2 In general, if you make a tax-free rollover from a traditional IRA, you can't make another tax-free rollover from that same IRA for one year. This does not apply to direct (trustee-to-trustee) rollovers.

3 Taxable conversion. Income limits apply.

4 Nontaxable conversion. Income limits apply.

5 Only after employee has participated in SIMPLE IRA plan for two years.

6 Required distributions, certain periodic payments, hardship distributions, corrective distributions, and certain other payments cannot be rolled over.

7 May result in loss of qualified plan lump-sum averaging and capital gain treatment.

8 Direct (trustee-to-trustee) rollover only; receiving plan must separately account for the after-tax contributions and earnings.

9 457(b) plan must separately account for rollover--10% penalty on payout may apply.

10 Nontaxable dollars may be transferred only in a direct (trustee-to-trustee) rollover.

11 Yes, beginning in 2008 (subject to income limits in 2008 and 2009).

NOTE: Plans are not legally required to accept rollovers. Review your plan document.

Retirement Planning Key Numbers

Your contact
for this article:

BRIAN ROBINETTE, CRPS
Vice President, Group Fringe Benefit Plans

An increasing number of retirement plan and IRA limits are indexed for inflation each year. For 2007, most of the limits eligible for a cost-of-living adjustment (COLA) did in fact adjust upward. In addition, 2007 marks the first year that many IRA compensation limits are indexed for inflation. Some of the key numbers for 2007 are listed below, with the corresponding limit for 2006. (The sources for these adjustments are Information Release 2006-162 and Revenue Procedure 2006-53 from the IRS.)

	2006	**2007**
Elective deferral limit		
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs1 (includes Roth 401(k) and Roth 403(b) contributions)	Lesser of $15,000 or 100% of participant's compensation	Lesser of $15,500 or 100% of participant's compensation
SIMPLE 401(k) plans and SIMPLE IRA plans[1]	Lesser of $10,000 or 100% of participant's compensation	Lesser of $10,500 or 100% of participant's compensation
IRA contribution limits		
Traditional IRAs	Lesser of $4,000 or 100% of earned income	Lesser of $4,000 or 100% of earned income
Roth IRAs	Lesser of $4,000 or 100% of earned income	Lesser of $4,000 or 100% of earned income
Additional "catch-up" limits (individuals age 50 or older)		
401(k) plans, 403(b) plans, 457(b) plans, and SAR-SEPs[2]	$5,000	$5,000
SIMPLE 401(k) plans and SIMPLE IRA plans	$2,500	$2,500
IRAs (traditional and Roth)	$1,000	$1,000
Defined benefit plan annual benefit limits		
Annual benefit limit per participant	Lesser of $175,000 or 100% of average compensation for highest three consecutive years	Lesser of $180,000 or 100% of average compensation for highest three consecutive years
Defined contribution plan limits (qualified plans, 403(b) plans, SEP plans, SIMPLE IRA plans)		
Annual addition limit per participant (employer contributions; employee pretax, after-tax, and Roth contributions; and forfeitures--not applicable to SIMPLE IRA plans)	Lesser of $44,000 or 100% (25% for SEP) of participant's compensation	Lesser of $45,000 or 100% (25% for SEP) of participant's compensation

	2006	2007
Retirement plan compensation limits		
Maximum compensation per participant that can be used to calculate tax-deductible employer contribution (qualified plans and SEPs)	$220,000	$225,000
Compensation threshold used to determine a highly compensated employee	$100,000 (when 2006 is the look-back year)	$100,000 (when 2007 is the look-back year)
Compensation threshold used to determine a key employee in a top-heavy plan	$1 for more-than-5% owners $140,000 for officers $150,000 for more-than-1% owners	$1 for more-than-5% owners $145,000 for officers $150,000 for more-than-1% owners
Compensation threshold used to determine a qualifying employee under a SIMPLE plan	$5,000	$5,000
Compensation threshold used to determine a qualifying employee under a SEP plan	$450	$500
Income phaseout range for determining deductibility of traditional IRA contributions for taxpayers:		
1. Covered by an employer-sponsored plan and filing as:		
Single	$50,000 - $60,000	$52,000 - $62,000
Married filing jointly	$75,000 - $85,000	$83,000 - $103,000
Married filing separately	$0 - $10,000	$0 - $10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	$150,000 - $160,000	$156,000 - $166,000
Income phaseout range for determining ability to fund a Roth IRA for taxpayers filing as:		
Single	$95,000 - $110,000	$99,000 - $114,000
Married filing jointly	$150,000 - $160,000	$156,000 - $166,000
Married filing separately	$0 - $10,000	$0 - $10,000
Annual income limit for determining ability to convert traditional IRA to Roth IRA	$100,000	$100,000

[1] Must aggregate employee deferrals to all 401(k), 403(b), SAR-SEP, and SIMPLE plans of all employers; 457(b) contributions are not aggregated.

[2] Special catch-up limits may also apply to 403(b) and 457(b) plan participants.

Profiles in Progress:
Client Stories
John and Dotti Bechtol

The owner of the company where they were employed thought they would make a nice couple, so he introduced them. He was right. Dotti and John Bechtol are an accomplished and interesting couple, and that prescient introduction by the company president resulted in a 28-year marriage.

John is the founder of Bechtol and Lee, a Pittsburgh labor law firm. After high school in New Castle, John attended Slippery Rock University and was employed by Rockwell International in its Human Relations Department. He worked in the same capacity for Granite City Steel in St. Louis and then Levinson Steel in Pittsburgh. That is where he met Dotti through that fortunate introduction by Aaron Levinson, who later wrote of it in his autobiography. While working full time, John attended Duquesne University's School of Law in the evenings and was employed by Reed Smith Shaw & McClay as a labor lawyer upon graduation. He founded Bechtol and Lee in 1992.

John enjoying one of his favorite hobbies.

Meanwhile, on the other side of town, Dotti attended Elizabeth-Forward High School and, later, Chatham University, where she was graduated summa cum laude with a dual major in Economics and Psychology. Her career path began at Consolidated Natural Gas Service Company's Technical Department and continued through Eckert Seamans, Levinson Steel, and then in Hodgkins, Illinois, where she served as the General Manager of a steel fabricating company. Dotti became the Administrative Manager for Bechtol and Lee upon the completion of her assignment in Illinois.

So far, we have read of a stereotypical Western Pennsylvania, if not American, success story for both John and Dotti. In discussing this article with Dotti, we agreed that the children born of the World War II Greatest Generation are the most fortunate in their ability to have leapt far ahead of their parents' stations in life because of educational opportunities and America's unprecedented prosperity.

Dotti at the Vintage Grand Prix
(Photo taken by Tom Altany)

But now the story adds the elements of fun and Western Pennsylvania altruism. Dotti's father, an electrician for U.S. Steel Corp., enjoyed all kinds of automobiles. Dotti's mother worked as an operations officer for Western Pennsylvania National Bank. Dotti grew up with a love of cars; her first car was a British MGB. Coincidentally, John also grew up with a love of cars and raced sports cars. John sold a Jaguar to help fund law school. So it was natural for them to begin racing together. They now compete with their three autos in eight vintage grand prix races per year. They take their 1959 Lotus, 1969 Caldwell and 1959 Elva Mark IV and pit crew to races all over the east coast and Canada. Both

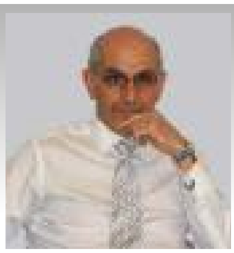
race, and that puts Dotti in a select group of rarely more than four women who compete in those vintage races, and she may be the only grandmother. And don't think of vintage as slow. Speeds hit 120 miles per hour!
But there is still more. John grew up playing music and, in response to a need for entertainment at a charity event several years ago, formed *Johnny B and the Accelerators*. The entire group sings and John plays lead electric guitar. While the genre is classic rock and roll, the repertoire is quite eclectic. They can be seen and heard at the Rivers Club, the Fox Chapel Yacht Club and at various restaurants and charitable events in the Pittsburgh area.

Dotti, in addition to work and auto racing, devoted her time to sitting on the Board of Governors of the Rivers Club, the Marketing and Admissions Committee of Chatham University, and the board of a stroke survivors' resource program called Health Hope Network. When that organization needed new guidance, Dotti stepped in at the departure of its Executive Director to take over that role. It meant leaving Bechtol and Lee, but Dotti felt an obligation to put the organization back on track. And she did. Health Hope Network is solvent and fulfills its role of providing flu shots at multiple locations throughout Allegheny County in a program called "FLU B-GONE" and uses the proceeds raised through that effort to fund free physical, emotional and cognitive therapy at 30 locations in Western Pennsylvania for stroke survivors. See *www.healthhopenetwork.org*

John and Dotti live in O'Hara Township and round out their varied interests with Dotti's cooking skills and their joint interest in rigorous daily exercising at the Rivers Club. But Dotti's voice lilts when she speaks of their 5-year old granddaughter, Maya, and how she loves to see her grow. Maya and her parents, Maralee and Shawn Williams, are central to John and Dotti's life. When asked about their future, the response is, "More music, more racing and more Maya."

When asked to provide advice to other couples about their finances, the response is, "Start earlier than you think you should and, if you didn't, still start," referring to saving and investing. Dotti added that Fragasso Financial Advisors encouraged John and her to do that and offered complete financial planning service and guidance. She said FFA "took the complete picture and oriented them toward their goals." For that confidence, and for the friendship of John and Dotti, Fragasso Financial Advisors is sincerely grateful.

The Client Survey - What We Learned



RAYMOND AMELIO
Vice President, Seminars and Marketing

In March we asked you to complete a survey seeking your evaluation of our professionals and the services we provide. The results have been compiled and we are pleased to share them with you. We want to thank all of you who took the time to complete the survey.

The survey asked a number of questions regarding dimensions of service provided by our Financial Consultants. The dimensions included:

- Interpersonal skills
- Client knowledge
- Investment knowledge
- Communication skills
- Responsibility

There were between five to seven questions under each dimension of service and in each case you responded from two perspectives; how important this skill/ability is to you as a client and then how well your Financial Consultant is performing in this category. A seven-point scale was provided.

What We Learned

Your responses indicated that all of these dimensions of service are important to you and that our Financial Consultants are performing quite well. There were a total of 32 statements associated with the five dimensions and the overall average score of "importance to you" was 6.48 and the overall average score of your evaluation of our Financial Consultants was 5.94. We were pleased to see such good scores, but also realize that there is room for improvement. Our goal, therefore, is to have ongoing discussions and training with our Financial Consultants and other staff members so that when we do the next client survey the gap between importance to you and our ability to provide the service will move closer to that perfect score of 7.0.

In addition to the dimensions of service we learned that:

- 32.8% of the respondents have been with the firm 6 to 10 years and 13.9% have been with the firm more than 10 years.
- 80% use Fragasso Financial Advisors exclusively.
- 45.7% either don't have a will or state their wills need adjustments.
- 53.9% state they don't have an estate plan or their estate plan needs to be reviewed.
- The top three investment priorities are:
  - –Retirement 85%
  - –Tax Reduction 26.8%
  - –Estate Distribution 27.4%

A question on rating the firm's professional team in the following characteristics (accommodating, courteous, respectful, knowledgeable, responsive, helpful and understanding) was asked and on a seven point scale each characteristic was rated 6.5 or higher.

88.0% of the respondents said they were extremely satisfied with their Financial Consultant and 89.9% were extremely satisfied with the firm and because of this 89.3% said they are willing to recommend the firm to a relative, friend or colleague.

Finally, there were three "open comment" questions asking participants to comment about our strengths, weaknesses, and suggestions to improve our service. We received hundreds of comments that have provided insight into the things we do well and those things that need to be addressed. We intend to make changes that will enhance our service to each and every client.

Several initiatives are starting as a result of this survey including meeting with our Financial Consultants, Portfolio Managers and the Administrative Team, sharing the survey results and asking for their input and suggestions for improving service to our clients.

We will also begin to remind clients that they should review their wills, estate plans, insurance coverage and other important documents to ensure they are up-to-date. Hopefully, by virtue of this article, the first step to reminding you of these important tasks has occurred.

The 29% Solution: 52 Weekly Networking Success Strategies

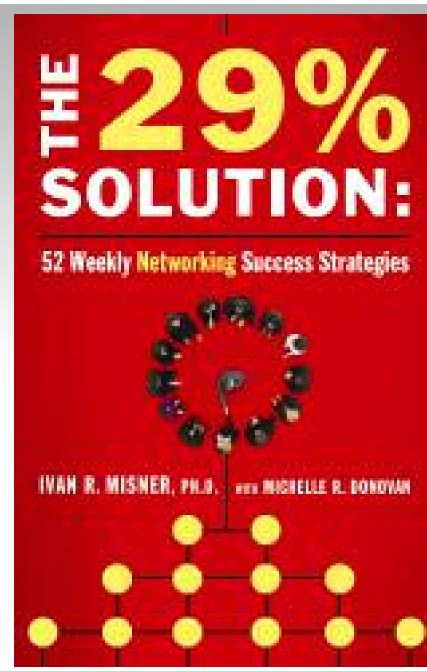
Co-Author Michelle Donovan

Did you know that not everyone is connected by six degrees? In the study that produced the six degrees of separation theory, "217 chains were started and 64 were completed—a success rate of only 29%." That's right—a success rate of less than 1/3 of the participants!! So, what this means is that 29% of the people in this study were separated on average by six degrees from the final contact person. However, that also means that 71% were NOT CONNECTED AT ALL!

The good news is that it's possible to become part of the 29% through ongoing education, practice, and training. We can be connected to anyone through the power and potential of on-going networking. In fact, by understanding this, we can set ourselves above our competition. We must accept that being able to make successful connections is not a given entitlement. Instead, it is a learned skill that only some actually fully develop, leverage and employ.

For most business owners, networking is a reactive business strategy and not a proactive marketing tool. While they know word-of-mouth is one of the most powerful forms of marketing, their networking approach is often scattered and very ineffective, producing a low return on their investment.

The 29% Solution is a "must have" strategic plan that blows away the traditional mindset of business networking. It is the first weekly instruction manual designed to **integrate networking into how you do business**. It is structured into 52 quick, focused networking strategies, offering one specific application for each week of the year. These proven strategies will find their way into a weekly planner, a PDA, and an Outlook calendar helping business owners maintain their focus on current clients while identifying and developing new referral revenue streams. Before they know it, the business owner will be driven by the intention to get new business by word of mouth. By applying the strategies in this book, networking will become a proactive daily business activity and not a desperate panic reaction when business gets slow.



Anticipated Release: February 2008
Ten City Book Tour: February - April, 2008

Michelle Donovan is the owner and founder of Pinnacle Training Services, offering customized educational programs and coaching to business professionals. She is also the owner of Referral Institute-Pittsburgh, offering unique programs on referral marketing and business networking. In addition, she is an adjunct faculty for Penn State and a guest faculty for the University of Pittsburgh's Katz Center for Executive Education. With Ivan Misner she has co-authored The 29% Solution. During the first half of 2007 Michelle worked with members of the Fragasso team helping us to sharpen our networking skills. Contact Michelle R. Donovan at 412-741-1926 or via email at michelle@pinnacletrainingservices.com for more details about this soon to be best seller!

Reaching Retirement

Continued from Page 3

you may need to drastically change your spending and saving habits. Saving even a little money can really add up if you do it consistently and earn a reasonable rate of return. And by making permanent changes to your spending habits, you'll find that your savings will last even longer. Start by preparing a budget to see where your money is going. Here are some suggested ways to stretch your retirement dollars:

Refinance your home mortgage if interest rates have dropped since you obtained your loan, or reduce your housing expenses by moving to a less expensive home or apartment.

Access the equity in your home. Use the proceeds from a second mortgage or home equity line of credit to pay off higher-interest-rate debts, or consider a reverse mortgage.

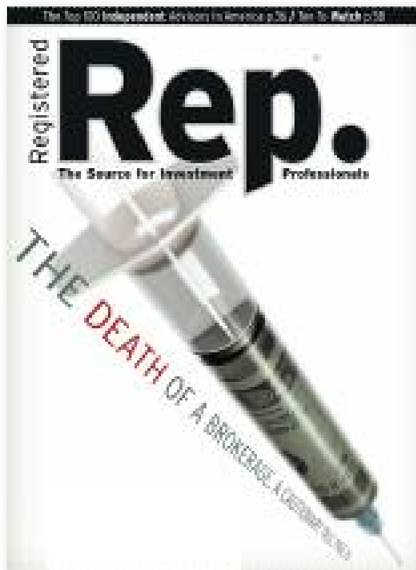
Sell one of your cars if you have two. When your remaining car needs to be replaced, consider buying a used one.

Transfer credit card balances from higher-interest cards to a low- or no-interest card, and then cancel the old accounts.

Ask about insurance discounts and review your insurance needs (e.g., your need for life insurance may have lessened). Reduce discretionary expenses such as lunches and dinners out.

By planning carefully, investing wisely, and spending thoughtfully, you can increase the likelihood that your retirement will be a financially secure one.

Fragasso Cracks Top Ten of U.S. Independent Financial Advisors



Robert Fragasso was recognized as one of the nation's ten top independent financial advisors according to the August issue of Registered Rep Magazine.

"As a firm, we certainly appreciate this recognition," said Bob, "And frankly, I would never have this opportunity if it wasn't for my other managing directors and incredible support team of analysts and financial managers. They are the ones that are the most deserving of this recognition." Fragasso commented on the growth strategy that has elevated the independent advisory to reach assets under management of over six hundred and nineteen million dollars. "Our growth strategy has been built through an intense focus on the customer and unlike so many other large investment service firms - we do it one customer at a time. We sell no internal, proprietary products so there is absolutely no conflict of interest. We like to say that we make our client's financial success personal and we are extremely proud to provide this high-level of financial planning excellence right here in Pittsburgh."

About Registered Rep. Magazine

Registered Rep. is the most trusted magazine for the retail investment professional, serving more than 125,000 brokers, financial advisors and financial planners with award-winning coverage of industry trends, news about the firms, and the latest products and innovations.

HUNDRED ACRES MANOR
THE SITE FOR FRIGHT

Hundred Acres Manor is Pittsburgh's premier haunted-house attraction. Located in South Park (Allegheny County) it is the longest single haunted-house experience in Western Pennsylvania. Our 45-minute tour of terror and mayhem will leave you shivering with fright. Come and see for yourself!

Managed by a group of dedicated volunteers that want to make a difference in our community, Hundred Acres Manor is sure to become a Halloween tradition.

All proceeds from this year's event will benefit two of Pittsburgh's most exceptional charities:
- Homeless Children's Education Fund
- Animal Friends Inc.

Homeless Children and Homeless Animals…
You can make a difference and have a frightfully good time along the way!
- Group discounts available for parties of 25 or more
- Private showings for corporate functions

For more information, please visit www.hundredacresmanor.com or call 412-851-HAUNT.

LOCATION: South Park (Allegheny County) on 100 Acres Drive
PRICE: $10 (look for discount coupons in local stores)
DATE: September 21 - October 28
(Closed Mondays & Tuesdays).

TIME: Dark till 11:30 p.m. (Friday and Saturday),
Dark till 10 p.m. (all other nights).

Animal Friends
www.animal-friends.org

HOMELESS CHILDREN'S EDUCATION FUND
www.homelessfund.org

RONALD RIVERA MEMORIAL
5K Run and Dog Walk
South Park Fairgrounds
Saturday, October 27, 2007
Proceeds Benefit Animal Friends, Pittsburgh's Only No-Kill Shelter

EVENTS

5K RUN
The 5K Run will begin and end on the Fairgrounds track, rain or shine. For the safety of the animals, please no dogs in the 5K Run. The 5K Run will begin at 9:00 a.m. Everyone registered for the race is eligible for the raffle drawings on October 29th. Monetary prizes will be awarded to the top three overall men and women runners. In addition, prizes will be awarded to age category winners for the race.

DOG WALK
The Dog Walk is a fun walk where owners are encouraged to dress their dogs in costumes for Halloween. Prizes will be awarded for the most creative dog costumes. The Dog Walk begins at 9:10 a.m. on the Fairgrounds track, rain or shine. Everyone registered for the Dog Walk is eligible for the raffle drawings on October 27th.

PUPPY PADDY BINGO
We invite you to participate in our Annual Puppy Paddy Bingo. Simply purchase one or more squares for a grid that will be laid out at the South Park Fairgrounds. A puppy will be led onto the field in the fenced-in grid area to "do its business". The square with the most "business" will win. A lottery drawing will determine who owns each specific square. The cost for each square is $5. The winner receives $1,000. Second and third prizes will be determined by a lottery drawing from the tickets purchased. If interested in helping sell or buy Puppy Paddy Bingo tickets, please contact Kathy Fertig at 412-831-6236. The individual who sells the most Puppy Paddy Bingo tickets will receive $50.

Don't forget to bring some extra money to take a chance on lots of surprise items in our Chinese Auction!

REGISTRATION
To pre-register for the 2007 Dash for Dogs & Cats before October 10, 2007, the cost is $17 per person.

To register from October 10, 2007 until race day, the cost is $20 per person. Please fill out the registration form and mail it with a check made payable to Animal Friends to:

Dash for Dogs & Cats
2580 N. Lightwood Ave.
Bethel Park, PA 15102

If you register the day of the race, please do so between 7:30 a.m. and 8:30 a.m. in the Museum Building at the Fairgrounds. (T-shirt is not guaranteed on race day.)
If pre-registered, please plan to pick up your registration packet and long sleeved T-shirt at the following location:

PETCO
Fort Couch Road - Bethel Park
Thursday, October 25, 2007
2:00 p.m. - 8:00 p.m.

For more information, Call: 412-831-6236
Check out www.dash-for-dogs.org
Register online at www.active.com

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FRAGASSO FINANCIAL ADVISORS

Feel free to pass this newsletter along to any friends and family members who might find it useful and contact us with any questions you may have.

FRAGASSO FINANCIAL ADVISORS
KOPPERS BUILDING, SUITE 300
436 SEVENTH AVENUE
PITTSBURGH, PA 15219

NEW FACES

William Wolfe
Portfolio Administrator

Bill joined the portfolio management team after graduating from the University of Dayton with a B.S. in Finance and Economics. His job responsibilities include preparing annual reviews, implementing recommendations of client portfolios, and processing the re-allocation of various funds.

Daniel Dingus
Portfolio Analyst

Daniel works in the Portfolio Management Department. As a Portfolio Analyst he has responsibility for assisting with implementing recommendations of client portfolios and the assembly of client annual reviews. He also supports the Financial Consultants by handling trades, processing requisitions and allocating funds for new accounts.

Daniel obtained a B.S. in Economics and a M.B.A. in Finance from Duquesne University.

Jennae Bakosh
Receptionist

Jennae provides valuable assistance to the administrative staff by utilizing her interpersonal and organizational skills to greet clients, provide clerical support, answer incoming calls and schedule appointments.

Jennae graduated from Robert Morris University with a bachelors degree in Fine Arts.

Please join us in welcoming our three new employees!