

THE CHOICE IS ALWAYS YOURS

THE choice is always yours was the theme of the seminars conducted by D'Costa Financial Group (DFG).

And the 400-plus people who attended the event, held over two weekends at the Shivani Banquet Hall, were literally spoilt for choice.

From the array of mouth-watering Indian cuisine to the wide range of topics covered by the speakers, there was a choice that more than satisfied the discerning palates and inquiring minds.

With master of ceremonies Guilroy Henriques conducting the proceedings with his customary flair and jocular interjections, the two hours passed very quickly, too quickly for many. A number of people stayed around long after the seminar to try and glean some more information from the speakers.

"Well-organised" and "very informative" was the consensus of those who attended, a few of whom were at both events.

DFG president Francis D'Costa was the keynote speaker focussing on investment and insurance strategies.

Earlier, Susan Aggarwal, senior financial services manager at the Bank of Montreal spoke on RRSP loans and later lawyer Doug Carrol outlined the modalities of wills and the needs for estate prevention.

Transamerica Life general manager Tom Kayser's presentation on Insured retirement was very well-received by the audience.

Nochur Ramanathan, senior account manager from the Royal Bank spoke on the focus of his institution to enable people set up new businesses and his colleagues Paul Whyte and Mike Ahilan spoke on common pitfalls to avoid while approaching banks for small business loans.

At the first seminar, Stan Shoolman, vice president at the Children's Education Trust spoke about the importance of parents saving for their children's future education and outlined how the government was helping with a grant of 20 per cent on contributions.

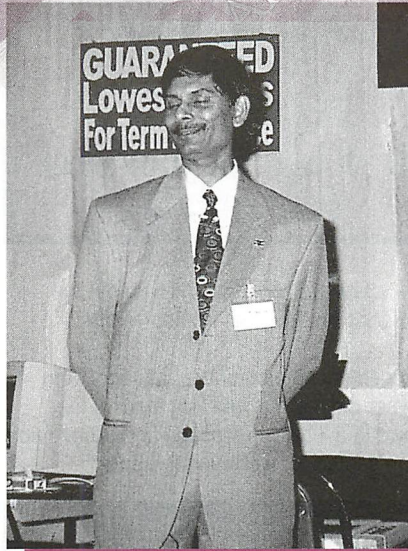
Those who attended went home with a lot more than knowledge about the various topics covered. DFG handed out generous raffle prizes in between speeches and every guest went home with commemorative gifts.

A number of longstanding supporters— people who have helped in the meteoric rise of DFG - were also honoured at the seminars.

"The secret of our success is very simple," says DFG president Francis D'Costa. "Our extensive client base has not been built on high-pressure sales pitches, we always believe that everyone should be allowed to make their own choice at their own pace."

"We have some of the best products in a competitive market and the fact that our business has grown largely on the recommendations of satisfied clients is the best testament we have of our commitment to personalized service and reliability."

Reports by Santosh Shetty



Francis D'Costa.....Making investment easy as 1 2 3

Proof of the Pudding is in the eating

There is no better way to enhance your investments and estate than through insurance, asserts DFG President Francis D'Costa.

"Originally an insurance policy was only meant to provide you a safeguard against risk but, today, the concept has changed dramatically," said D'Costa.

"We can show you ways to enhance your estate by as much as two and a half times through insurance," he told the guests at the seminar.

D'Costa has impeccable credentials to be talking on the value of insurance.

Francis D'Costa teaches insurance to new students in the field and is a Million-Dollar Round Table (MDRT) member.

The Round Table organization recognizes the achievements of the leading insurance agents in the world, who have achieved extraordinarily high business targets. Out of the 500,000 insurance professionals worldwide, only 22,500 (or 4.5 per cent of the total number) qualified for this elite organization.

D'Costa has taken his success one step further and is now one of the ultra-exclusive set of 0.6 per cent of the world's insurance agents, who are recognized as Court of the Table members. Again, out of the 500,000 insurance agents around the world only 2,954 qualified in this exclusive group. Out of an estimated 70,000 agents in Canada only 187 have qualified and he is one of them.

At the seminar, D'Costa took the audience through a simplified version of investment in different forms.

He began by explaining the use of RRSP's as tax deferral vehicles created by the government to help people save for their retirement.

"Put very simply, you can contribute a maximum of 18 per cent of your income or 13,500 whichever is less." He said. "Most people are in the 40 per cent marginal tax bracket if they invest an amount of \$5000 in their RRSP's they get a refund of \$2,000. In other words they are contributing only \$3,000 and the government is paying \$2,000 towards their retirement fund."

"Over and above that, your taxable income is reduced by the amount of your contribution i.e \$5,000 and the tax is calculated on the reduced amount."

D'Costa also underlined the advantages of a registered plan as opposed to non-registered.

He also underlined how a registered plan was creditor proof or outside the reach of anyone filing a suit against you to recover money for whatever reason.

D'Costa then explained the concept of segregated funds.

"They are the names given to funds invested with insurance companies and are the same as mutual funds with similar concepts like fund managers and surrender charges."
"But they are different in that the government mandates that the insurance companies keep the amount of insurance separate and the investment separate."

D'Costa also explained in detail another advantage of how investing in a segregated fund offered total peace of mind with the government regulations mandating a guarantee of the amount payable both in the case of death or maturity.

"The authorities ask for only 75 per cent guarantee but, because of the intense competition, companies are offering as much as 100 per cent which is great for the customer."

"In case of a mutual fund, there is no guarantee that you would get all your money back because the fund could be down in that particular year."

D'Costa also spoke at length on the reset facility in this plan. "This allows you to basically reset your guaranteed amount. For example, if the fund is higher in one year, you can reset your plan so that the guaranteed level is higher than the one you started out with."

"We offer a variety of international funds which are 100 per cent eligible for RRSP as opposed to the traditional 20 per cent foreign content you are allowed to keep". D'Costa wound up by saying "There is no such thing as a free lunch. In life, if you want

something you have to work hard for it. If you want to have a good retirement you have to plan right now for it."

"Ultimately the choice is yours."

How to have your cake and eat it too!

Few speakers have the ability to get the audience on their feet within minutes.

Transamerica General Life manager Tom Kayser did it at the seminar leading the crowd in a 'bottom massage' after they had been seated for well over an hour.



Tom Kayser.....explaining the concept of Universal Life

"The mind can only absorb what the rear end can endure," he chuckled as he proceeded to capture the riveted attention of the audience with his lucid presentation.

Kayser, with over 30 years of experience in investment and insurance, is also a national speaker on financial planning. He began his talk on insured retirement by focussing on three highlights.

"First, that the money in an insured plan does not attract tax until it is disposed of... Second that it has value as collateral for the purpose of borrowing and ... Third that the money does not attract tax when you borrow from the fund," he outlined.

"This combination of low cost term life insurance combined with an investment content that is voluntary throughout is called Universal life."

"The investment accumulates through a lifetime in a tax-free environment and this cash collateral is something the banks love. They are ready to advance up to 90 per cent of the policy of the loan."

With this basic concept of how a universal life policy works, Kayser went on to inform the audience how the concept of universal life had been pioneered by Transamerica and how it had been refined over the years to make it a very attractive product.

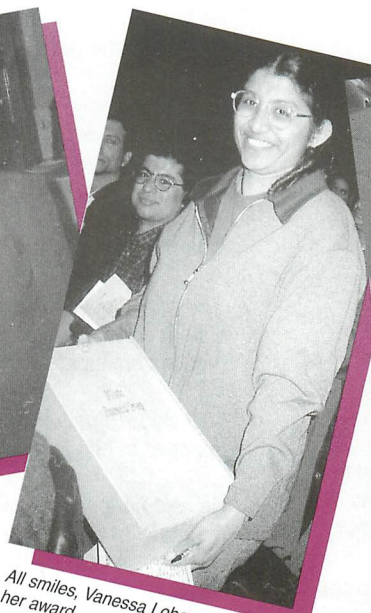
"In fact 70 per cent of all insurance sold in Canada is now of this type."

He said that with the recent acquisition of NN Life, a subsidiary of the Dutch bank ING, Transamerica Life was now the largest seller of universal life policies in Canada.

Kayser quoted statistics to show that people were living longer than before and that such an investment would provide a steady income for a comfortable retirement."



Bridget D'Costa, wife of Francis D'Costa with Diana & Maxi D'souza after presenting them with momentos



All smiles, Vanessa Lobo....after receiving her award



Youngest Volunteer at the seminar, Ashley D'Costa presenting award to Subhas Lobo



Claude Aflalo with

He underlined the close ties between D'Costa Financial Group and Transamerica and congratulated the audience for having chosen to work with D'Costa, whom he was all praise for.



Francis D'Costa is honoured by Tom Kayser, Transamerica for being "Top Producer of the Year".

Kayser also presented DFG President Francis D'Costa with a special memento to mark the latter's achievements of being the top seller for Transamerica.

Topping up your RRSPs

PEOPLE have a tendency to put off making their RRSP contributions because of the flexibility offered in carrying over the limits indefinitely.

But that isn't a wise choice, counselled Susan Aggarwal, senior financial services manager at the Bank of Montreal.

"If it isn't easy to put aside your money this year, you can imagine how much more

difficult it will be to contribute twice the amount next year," she said.

She advocated taking a loan to catch up on your RRSP contributions only if the returns from the investment was more than the cost of borrowing.

We have to bear in mind that loans taken for RRSP contributions are not tax-deductible," she said.

"That is why we tell our clients to settle part of the loan from their income tax refund and then clear off the balance within a year. Only in this way will they get the full benefit of borrowing."

Aggarwal also focussed on how first-time home buyers could withdraw their contributions tax-free to be used as a down-payment for their home, provided they met certain Revenue Canada conditions.

"But you must also bear in mind that this amount has to be paid back within 15 years."



Susan Aggarwal.....RRSP Information

And for those who already own homes, Aggarwal said the bank had introduced a new project just in time for the RRSP season, under which a homeowner could borrow an amount less than or up to the amount of down payment made on the home. There are a lot of options on RRSP

loans but people have to take the initiative.

"Remember, that if you refuse to accept anything but the best in life, you are sure to get it. However, the choice is yours," she concluded.

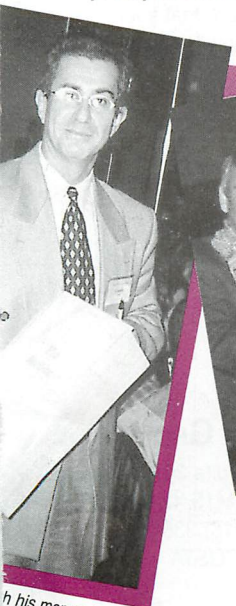
The Nuts and Bolts of loans for small businesses

The tremendous impact that small businesses have on Canada's economy was underlined by some startling statistics revealed by Paul White, a small business account manager with Royal Bank.



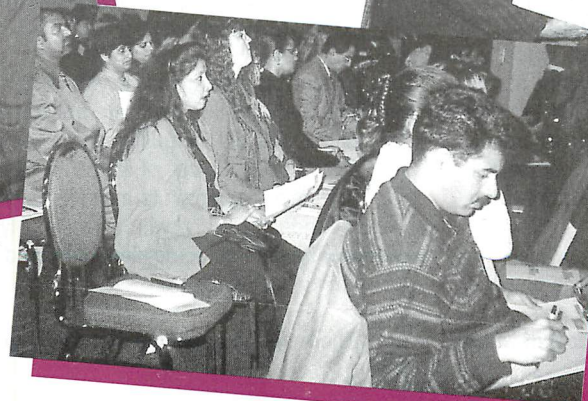
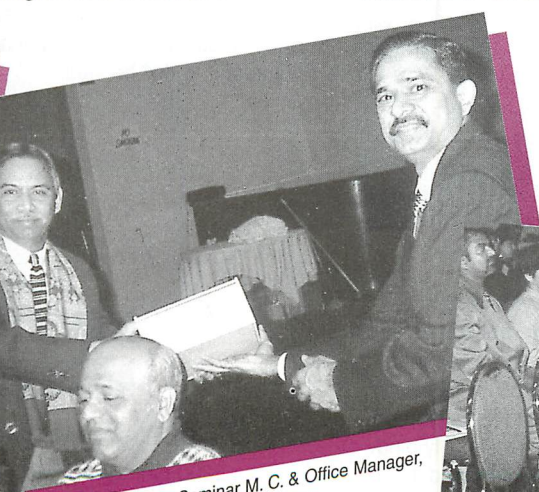
Paul Whyte.....tips on new businesses

"Ninety-nine per cent of businesses operating in Canada are termed as small business (with sales of less than \$2 million annually) and between them they employ 53 per cent of the labour force," White told the seminar.



Guilroy Henriques, Seminar M. C. & Office Manager, presenting award to Vincent D'souza

h his memento



Guilroy presenting Finton Marcedo his gift

Plenty of information to jot down, rapt & attentive audience

"There has been a mistaken perception that the big banks don't care for small businesses, but that is far from true. We consider them a profitable niche and we are there because we want to."

He said the bank did all it could to support small business, because "tomorrow those small businesses become big businesses." He cited the example of an entrepreneur who started with a loan of \$7500 and now ran an establishment that employed 20 people including his own father and which had sales of over \$5 million last year. The trend was towards automated banking systems with the younger generation preferring that method to the personal touch for all transactions including applying for loans.

White said that while the bank encouraged applicants to come forward to apply for loans to set up some small businesses, there were some ground rules to be followed that could make it easier for the applicant to have his or her loan sanctioned. One of the prime criteria the bank looked for was for loan applicants to have experience in the business that they were hoping to start. "We have had cases where a guy who has worked as a plumber all his life wanted to set up a restaurant which is not an easy proposition for us," said White.

And it was also very essential for people to be involved in the project hands-on. "It is no use saying I need money to start a business and my sister or brother will run it."

He said personal credit history played a major part in the sanctioning of loans. "You may have had a personal credit history for 15 or more years but your business is new and you need to build on it," he said

He warned people not to default on payments of even small bills on credit cards. "You will be surprised at how soon a default payment is reported by the financial institution which will unnecessarily give you a black mark on your credit history."

He said there was a general misconception that the more credit cards you have the better is your credit history. White said bankers are conservative by nature and when a person has 10-15 credit cards, even if he is not defaulting on payments, alarm bells start ringing with the banker wondering what he is going to do with all that credit. He said it was imperative that a prospective applicant put some of his own money into the proposed venture.

"About 20 per cent is a good rule of thumb, but we may be looking at more if its something like a restaurant, most of which

fail within two years of starting."

He also wanted people to make proper projections on expenditure and not return again and again looking for more credit.

"As an applicant you also need to know how much cash you want." He said. "It is no use going to a banker and saying how much can you give me. It just won't work."

Earlier, Nochur Ramanathan, senior account manager with the bank, underlined how the bank was committed to a mutual partnership with its customers.

"We can expand only by helping our customers to grow," he said.

Royal Bank was very active in the financing of Small and Medium Enterprises in the range of \$20 to \$ 25 million with focusing on franchising and real estate. He revealed that the bank had set up a special panel of experts comprising lawyers, accountant and consultants to help new entrepreneurs free of charge.

"We are also actively involved in seed financing especially in life sciences and knowledge-based industries."

Where there's a Will there's a way

Readymade wills from stationers advertised on radio and television as being legal across Canada are to be shunned at all costs, warns lawyer Doug Carrol.



Doug Carrol in action

"When you draw up a will, you want to be sure that your intentions are truly reflected in the bill," he told the guests at the seminar. "But if you make use of a stationer's will, there may be certain terms in it that you do not understand and which may legally bind your heirs to do something that you did not intend them to do."

"There are other people that can help you to

draw up a proper will like lawyers, trust companies and even paralegals. But don't use a printed will supplied by one of the stationers because you don't know what you might be letting yourself in for," he cautioned.

Carrol said the primary factor to keep in mind when drawing up a will is that you are doing it for the benefit of your family and your heirs and you should do everything you can to minimize the taxes on the estate they inherit.

He emphasized the need to set up a will as imperative. "There are different laws in different provinces and, if you do not have a will, the government will decide how your estate is to be divided which may not be the way you wanted it."

He defined probate as being simply the power of the court to say "yes this will is legal. He outlined that probate fees are \$5 for every thousand up to \$50,000 (or 0.5 per cent) and \$15 for every thousand above that (1.5 per cent).

On estate tax-saving tips, he recommended the roll over spouses option where the property and other inheritance automatically rolled over to the surviving spouse who would not be taxed on that unless he or she sold the property. Carrol also tackled a common fear that a Power of Attorney basically took away an individual's own rights. "It is not so," he reiterated. "What POA does is basically share your ability to decide and gives you a valuable tool to help with the management of your affairs when you may be absent for an extended period."

He also touched on a number of different types of wills including a living will which is basically an advanced health care that will make arrangements for your care when you are not able to provide it yourself.

"The bottom line is to make sure that your will is legally sound and will do what you intend it to do," he said.



D'COSTA FINANCIAL GROUP

5200 Finch Ave. East, Suite 304,
Scarborough, Ontario. M1S 4Z4
Tel: (416) 335-5314 Fax: (416) 335-3515
Toll Free: 1-800-97DCOSTA