

# Leif Jensen and Associates

Newsletter

March, 2014

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## It Happened in March:

Monopoly board game is invented, 1933.

The most famous storm in American history begins... the Blizzard of 1888, 1888.

## Quick Links

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**Dear Reader,**

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

If you need help preparing your 2013 taxes, please call our office to schedule an appointment.

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## Money Market

Money market is a segment of the financial market in which financial instruments with high liquidity and very short maturities are traded. As money became a commodity, the money market became a regular component of the financial markets.

The money market is used as a means for borrowing and lending for short time periods, from several days to just under a year. Money market securities consist of negotiable certificates of deposit (CDs), bankers acceptances, U.S. Treasury bills, commercial paper, municipal notes, federal funds and repurchase agreements (repos).

The money market is typically seen as a safe place to put money due the highly liquid nature of the securities and short maturities, but there are risks in the market that any investor needs to be aware of including the risk of default on securities such as commercial paper.

Money markets and capital markets are parts of financial markets. The instruments bear differing maturities, currencies, credit risks, and structure. Therefore they may be used to distribute the exposure.



## Dates to Remember

- Corporate Tax Day
- St. Patrick's Day
- First Day of Spring

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## This Month's Featured Service

### Income Tax Preparation

We prepare income taxes for all business entities including:  
Corporations, S-Corporations, Partnerships, Limited Liability Companies, Sole Proprietors and Not-for-Profits. We also specialize in tax preparations for Trust, Estates and of course individuals

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## CD or Certificate of Deposit

CD or certificate of deposit is a time deposit, a financial product commonly issued and sold in the United States by banks, thrift institutions, and credit unions.

CDs work in a similar fashion as a savings account in that they are insured and are virtually riskfree; they are "money in the bank".

CDs are insured by the Federal Deposit Insurance Corporation (FDIC) for banks and by the National Credit Union Administration (NCUA) for credit unions.

They differ from a savings accounts in that the CD has a specific, fixed term (often monthly, three months, six months, or one to five years), and, usually contain a fixed interest rate.

It is intended that the CD be held until maturity, at which time the money may be withdrawn together with the accrued interest. Early withdrawal may be subject to penalties and fees.

## Stocks

Stocks: are a type of security that signifies a percentage ownership in a corporation and represents a claim on part of the corporation's assets and earnings. Stocks are also known as "shares" or "equity."

There are two main types of stock: common and preferred.

Common stock usually entitles the owner to vote at shareholders' meetings and to receive dividends.

Preferred stock generally does not have voting rights, but have a higher claim on assets and earnings than the common shares. For example, owners of preferred stock receive dividends before common shareholders and have priority in the event that a company goes bankrupt and is liquidated.

A holder of stock (a shareholder) has a claim to a part of the corporation's assets and earnings. In other words, a shareholder is an owner of a company. Ownership is determined by the number of shares a person owns relative to the number of outstanding shares. For example, if a company has 1,000 shares of stock outstanding and one person owns 100 shares, that person would own and have claim to 10% of the company's assets.

Believed to be the first stock issued is the Dutch East India Company's founded in 1602, this is contested others point to earlier developments. Economist Ulrike Malmendier of the University of California at Berkeley argues that a share market existed as far back as ancient Rome.

-Leif Jensen



## Featured Client



### Interim Executives

Abacus Business Leaders are hands-on Interim Executives. We perform in Interim Executive Management roles such as Interim CEO, Interim CFO, Interim COO or Project Leader. We work inside the client business on a part-time or full-time basis and provide management consulting.

Beginning with our 7-Step **PREPARE<sup>SM</sup>** Assessment, we focus on **significantly improving profits** of the client company within the shortest timeframe possible.

### Family Business Consultants

Abacus Business Leaders are family business advisors. Family business consulting provides the outside perspective that helps Chicago area businesses **PREPARE<sup>SM</sup>** to unlock their real value.

### M&A Advisors

Abacus Business Leaders **PREPARE<sup>SM</sup>** Chicago area business owners and their companies for merger and acquisition (M&A). Selling a business or finding a business acquisition is best facilitated with an M&A Advisor.

### Business Brokers

Abacus Business Leaders are licensed business brokers in the Chicago area. If you are thinking of selling your business or buying a business, we can help. Selling a business requires that the owner **PREPARE<sup>SM</sup>** themselves and their company for exit. Learn how to sell your business and cash out for more. Or, find the right business to buy. Abacus Business Leaders, LLC

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