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BELL FINANCIAL INC.
BOSING FINANCIAL PLANNING, WEALTH MANAGEMENT STRATEGIES

POSSIBILITIES

unleash your imagination

Volume # 01- Fall 1999

Welcome to the first edition of the Bell Financial "newsletter". As the title would suggest, we hope to stir your imagination (and quite probably ours) by opening your eyes to the art of what's possible.

We are a financial services company, that's true. And a reasonable portion of our newsletters will be devoted to financial issues. But we will endeavor not to simply repackage the "news" that you can find any day in any financial newspaper. And we won't try to "sell" you on any product or service. Instead, with respect to financial issues, we will try and provide you with thought provoking ideas and information, and we will try to answer the questions that are top of mind in the world of money. Forgive us if our answers lead to further questions.

We believe however, that the ultimate financial goal for all of us is to think about money much less, perhaps even not

at all. The truth is, money is not in and of itself an interesting or worthwhile pursuit. But one cannot deny that money quite often is the means to those pursuits we do find worthwhile. In this regard then, we hope to deliver some useful bits of information, and offer up some thoughts on life's more delectable and intriguing diversions.

Consequently, you will find in this particular issue a theatrical review, a book review, some trivia and quotes, and an article on a particularly notable dining experience you may wish to try if you venture to the east coast.

We are creating our own newsletter (as opposed to continuing to use a packaged product from a newsletter supplier) because we want the content to be ours. We want to tell you more about the people at Bell Financial and the clients of Bell Financial, and less about

whether interest rates are going up or down. We want the newsletter to take on our personality. We want the newsletter to help you to feel what we feel: a part of something new, exciting, and devoted to constant improvement.

Most importantly, we want to stretch the limits of our potential. We can do more, but only if we make the effort. We're not sure how this newsletter will evolve. That's exciting. We aren't sure yet of its true potential. We aren't sure of all the "possibilities" that this newsletter will help us, and you, to see. We hope you'll join us on this adventure. Call, write, e-mail or drop in.

Above all else, enjoy.

Bill Bell

Theatre Review:

"A Midsummer Night's Dream" Stratford Festival

I have to confess, I am a huge fan of live theatre, and even productions that are panned by critics will garner appreciation from me. I tell you this only as a warning that perhaps you should discount somewhat my gushing reviews, such as the one I am about to give you on the wonderful production of "A Midsummer Night's Dream" currently playing at the Stratford Festival in Stratford Ontario.

Perhaps it is the magic of Shakespeare's words. Perhaps it is the beauty and serenity of the little town of Stratford with its Festival Theatre so perfectly perched on the Avon River complete with white swans and the sounds of happy picnickers. Whatever it is, I have always found any production at the Stratford Festival to be nothing short of spellbinding. This production was even more than that.

"Dream" is quite literally a magical treatment of a magical time and place. Its sole purpose is to delight and titillate. This company makes the most of what Shakespeare has offered up.

Brian Bedford a veteran of 18 years with Stratford (those with children may recognize his voice as

that of Robin Hood in Disney's animated version), leads the cast in the role of Bottom. His comedic abilities are so well displayed here that I actually re-read his lines from the script after the play to convince myself that he hadn't added to Shakespeare's work in order to add more funny bits. Of course, he hasn't.

If there is deeper meaning in "Dream" (as I'm sure any high school teacher will tell you there is), it's best to forget about it. Simply allow yourself to be transported to a land where fairies play with people's hearts, and where people's hearts are more important than anything else. Escape for a few hours with no other agenda than to have fun, laugh, and perhaps to see and feel the power of love.

Few places exist that allow you to do this better than the current performance of "A Midsummer Night's Dream", playing until Nov. 5 at the Festival Theatre in Stratford. You can get more information by calling 1-800-567-1600.

Bill Bell

Demutualization:

Life Insurers go public

It's being billed as the "greatest wealth transfer in Canadian history", as approximately \$11 billion gets distributed to Canadian policyholders of five large life insurers: Mutual Life, Manulife Financial, Sun Life, Canada Life and Industrial-Alliance.

In a nutshell, demutualization is the process of converting a mutual life insurance company into a stock company. Mutual companies are owned by participating policyholders. Stock companies are owned by shareholders. So as each company in turn demutualizes, all participating policyholders will receive stock in the company, or if they prefer, cash.

For many, this will raise a few questions, not the least of which is "should I take the stock or the cash?" A number of factors must be considered in answering this question, including taxation, your desire to own stock and in particular this stock, and most important of all, your overall financial plan.

If you have any questions about this, especially about fitting this new entitlement into the big picture of your financial future, please give us a call.

Your Charitable Bequest . . . Discounted

John and Mary Smith recently informed their community hospital that they had made a bequest of \$100,000 in their will. In conversation with the hospital's Foundation office, Mary inquired whether there was a way to generate tax credits during their lifetime, even though the gift would not be realized until both John and Mary had died.

Mary learned that indeed there were strategies to create a tax benefit today for a bequest payable at death. A joint, second-to-die life insurance policy would create a tax-free benefit at death, with premiums generating tax credits today. Mary was intrigued, but worried that the costs of carrying a \$100,000 policy might be prohibitive. She was relieved to learn that the annual premium for such a plan would only be \$1,207, and all premiums would cease upon the first death (calculations

based on male and female both aged 60, non-smoker; quotation provided by Manulife Financial as of June 7, 1999).

The net cost of the insurance, after taking into consideration the impact of Federal and Provincial tax credits, was manageable enough to allow John and Mary to create a substantial gift at a fraction of the cost. In addition, the gift would flow directly to the hospital, thereby avoiding possible creditor claims, probate fees and estate litigation.

Finally, the Smiths used the resulting estate savings to increase the size of their bequest to their favourite "cause": their grandchildren.

David Frank

Great Minds, Great Thoughts:

"When I examine myself and my methods of thought, I come to the conclusion that the gift of fantasy has meant more to me than my talent for absorbing positive knowledge."

Albert Einstein

"All our dreams can come true - if we have the courage to pursue them."

Walt Disney

Book Review:

"Winning the Tax Game", Tim Cestnick

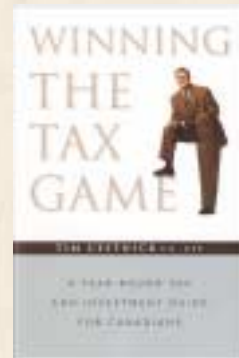
This is not a book that you read from cover to cover. It's not likely going to be made into a movie. But as a resource for good, easy to understand tax advice for Canadians, it is perhaps unmatched.

Tim Cestnick has quickly made a name for himself as a well-informed, interesting, enthusiastic, and even entertaining, tax advisor. Those aren't adjectives you will often find attached to tax advisors. He is a columnist with the Globe & Mail. He is a regular on the speaking circuit. And now he's an author.

If you want a book on your shelf that you can go to when you have a burning tax question, or if you want to scan through a reliable and

comprehensive tax guide in order to make sure you are taking advantage of all the available opportunities, or if you enjoy reading up on tax strategies, this book should be on your list the next time you visit the bookstore.

Want to win a copy of Tim's book? Send us a note or an e-mail with your comments on our newsletter before October 1/99. We will randomly draw for 7 winners.





P.E.I.'s Inn at Bay Fortune

Indulge a Little

The locals called it "the Inn at Pay-a-Fortune". Perhaps my wife Elizabeth and I had overstepped our financial bounds when we booked a room at the highly acclaimed getaway on Prince Edward Island's eastern edge. But, what the heck, we were on holiday after all, and evenings away from the children were few and far between. So with my Visa card clenched in my sweaty palm we drove from the austere cottage we had rented on the south shore, the kids in the reliable hands of a friend.

One hour later we arrived at a pretty series of rustic and friendly buildings nestled serenely in the countryside. Poppies, astilbe and delphiniums framed the property in blues and pinks, welcoming us as we walked up the path to the main building and dining room. Ah, the dining room... Its reputation for fine regional cuisine in the French style was the main reason for having chosen the Inn.

Elizabeth had reserved the "chef's table" months in advance. At the time I had envisioned us seated in a hot, sweaty kitchen with harried sous-chefs milling about under our noses in a frenzy of controlled chaos, our meals flung like frizbees from waiters on roller skates. Thankfully, I couldn't have been more wrong. Although technically we were seated in the kitchen, our table was elegant and set aside from the bustle of food preparation. Our enclave was partially enclosed in etched glass, offering us a measure of privacy without obscuring our view of what proved to be a sort of epicurian ballet.

Our chef Jeff McCourt greeted us and explained that our culinary experience could take two directions: either we could choose our meal and wine from the menu, or he could "surprise us seven times". The idea of placing ourselves entirely in the hands of an accomplished chef was exciting to

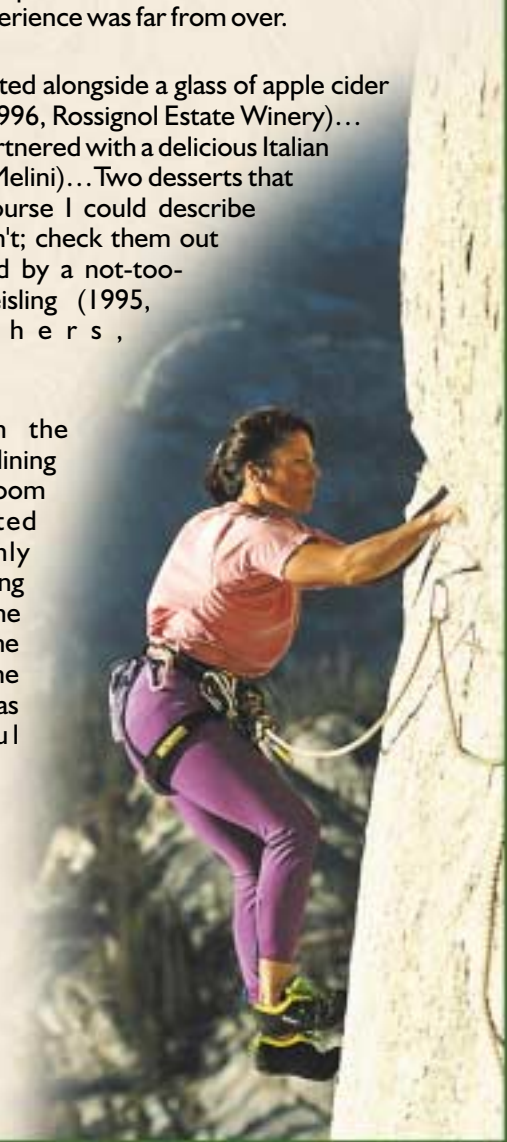
Elizabeth, who is extremely adventurous and broad-minded when it comes to food. I, on the other hand, worried that my relatively conservative palate might cause me to shrink away from seven courses of "exotic" (translation: expensive) dishes of unknown origin. However, after some prodding, I agreed to put aside my inhibitions for one night, and thus our odyssey began.

My first hint that something extraordinary lay ahead was the very first course: a refreshing strawberry gazpacho, accompanied by an Australian Semillon (1995, Ingleburne Estate) that forever erased any bias I had against white wines. Next, we were treated to sea-spice seared tuna with spinach risotto which was complemented by a bold, fresh Chardonnay from Niagara-On-The-Lake (1996, Inniskillin). At this point, we were happily conceding our evening a success, surpassing all expectations. But since seven minus two equals five, our experience was far from over.

Smoked salmon presented alongside a glass of apple cider from a local vineyard (1996, Rossignol Estate Winery)... Glazed duck lovingly partnered with a delicious Italian red (1995 Sangiovese, Melini)... Two desserts that defy description (of course I could describe them to you, but I won't; check them out for yourselves), capped by a not-too-sweet, full-bodied Reisling (1995, Wente Brothers, California)...Heaven.

As we floated from the kitchen through the dining room and up to our room (I'm sure we floated because we certainly couldn't walk), one thing was certain: not even the inevitable arrival of the Visa bill would tarnish the memory of what was truly a wonderful experience.

David Frank



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