



MAKE

The LeBron James money machine; top emerging retail markets; 10 rules of successful entrepreneurship.

GROW

What women want in a financial advisor; how Wall Street reform passed; history's biggest IPOs.

LIVE

10 unique ways to travel; the best summer camps; protecting your family from electronic spies.

Worth[®]

THE EVOLUTION OF FINANCIAL INTELLIGENCE



P¹⁰⁰

THE 100 MOST
POWERFUL PEOPLE
IN FINANCE

WORTH.COM

08

VOLUME 19 | EDITION 05



Los Angeles—Orange County, CA | **Leading Wealth Advisor**

Signature Estate & Investment Advisors LLC

Brian D. Holmes, MS, CFP®, CMFC, President and CEO

“Is California a state to invest in or a state to avoid?”

By Brian D. Holmes

The economic demise of California is greatly exaggerated. It has been portrayed by the media and investment community as economically and politically dysfunctional, taxing to business and facing debts that rival Greece's. While much of this criticism is certainly warranted, it is important to not just focus on what could go wrong, but on what will probably go right.

Although California has been coined as unfriendly to business, it is home to Apple, Google, eBay, Intel, Cisco and Disney. It still has the world's eighth largest economy, accounting for 13.4 percent of the U.S. GDP. It is the country's largest agricultural producer and will continue to be a leader in technology and biotech innovations.

The state that “invented” movies and the Internet has always been an entrepreneurial boom-and-bust place, notably the technology boom in the late 1990s and the subprime mortgage/real estate debacle last decade.

California's unparalleled success with innovation and new economic trends also leads to temporary times of economic hardship, making it the most volatile economy nationwide. Boom-and-bust economies drive temporary revenue gaps as governments spend what they have and fail to build

reserves. California has past experience of double-digit gaps as a percentage of annual budgets, but its debt-to-GDP ratio is approximately 6 percent, lower than in Massachusetts, New Jersey, Michigan, New York and Florida.

The state's fiscal mess is real, and tough cuts must take place, but if the past is any indication, the pendulum will swing back. The next California Gold Rush may be just around the corner. Its general obligation bonds are attractively priced and are relatively safe. The stable income is federal and state tax exempt for California residents and is not subject to the alternative minimum tax. These bonds are backed by the taxing power of the state, and attractive yields exist in the short and intermediate California Municipal Class 1 debt (i.e., an intermediate bond at 4.5 percent equals 7.65 percent taxable equivalent at the top bracket). Class 1 municipal debt includes state and local general obligation, school district, power, water, sewer and higher education. The default rate has been less than 1 percent over the past 25 years on this type of debt.

Opportunities will also exist with equities of publicly traded and new companies. Arguably, the world's largest incubation center of technology

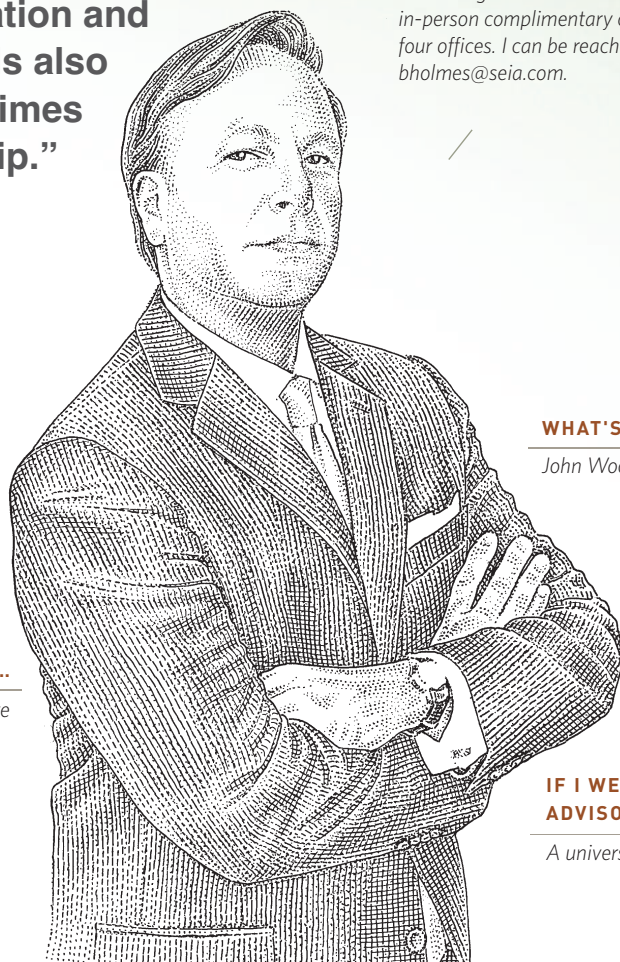
lies in the Bay Area and Silicon Valley. San Diego's biotech cluster is expanding rapidly, and Los Angeles continues exporting entertainment and is the gateway to Asia with the largest ports in the country.

The University of California system, which continually feeds these three epicenters of innovation, is the envy of the world. Six of the country's top 15 public universities, as reported by *U.S. News & World Report*, are part of the UC system. Cal Berkeley and UCLA occupy the top two spots.

The comparisons between California and Greece should stop at their picturesque coastlines. Although Greece is only 2 percent of the European Union's GDP, the contagion factor recently forced the EU to band together to temporarily protect Greek debt. California is more than one-eighth of the U.S. economy and is critically important to both the U.S. and world economies. **Ben Franklin said it best: “We must, indeed, all hang together or, most assuredly, we shall all hang separately.”** I believe investment opportunities will continue to exist in the Golden State, and it will lead our country's economy while producing the next generation of economic innovations.

“California’s unparalleled success with innovation and new economic trends also leads to temporary times of economic hardship.”

– Brian D. Holmes



How to reach Brian D. Holmes

I encourage a short initial conference call and then an in-person complimentary consultation in one of SEIA's four offices. I can be reached at 310.712.2323 or at bholmes@seia.com.

I NEVER LEAVE HOME WITHOUT...

Kissing my wife and children goodbye

WHAT'S ON MY DESK...

John Wooden's Pyramid of Success

IF I WEREN'T A WEALTH ADVISOR, I'D BE...

A university professor

About Brian D. Holmes

Brian D. Holmes, MS, CFP, CMFC, is the president and CEO of Signature Estate & Investment Advisors LLC. For four consecutive years (2007, 2008, 2009 and 2010), Mr. Holmes has ranked in the top 25 in *Barron's* annual list of the top 100 independent financial advisors. He has been in the securities and insurance business since 1984 and is the managing partner of the Century City branch of the John Hancock Financial Network. Mr. Holmes is a past member of the Schwab Institutional Advisory Board and the UCLA Department of Economics Board of Visitors. He received his bachelor of science degree from the University of California, Los Angeles. A longtime resident of Malibu, Calif., he is involved with numerous charities throughout Southern California.

Assets Under Management
\$1.7 billion (firm)

Minimum Fee for Initial Meeting
None required

Minimum Net Worth Requirement
**\$4 million (planning services);
\$500,000 (investment services)**

Largest Client Net Worth
Confidential

Financial Services Experience
27 years

Compensation Method **Asset-based fees**

Primary Custodian for Investor Assets
Charles Schwab & Co.; Fidelity Investments

Professional Services Provided

Planning, investment advisory, money management and private client wealth management services; estate planning

Association Memberships **Investment Advisor Association, Financial Planning Association, UCLA Department of Economics Board of Visitors, Financial Services Institute, National Association of Insurance and Financial Advisors**

Website
www.seia.com

Email
bholmes@seia.com



Brian D. Holmes, MS, CFP®, AIF®, CMFC®
President and CEO

Signature Estate & Investment Advisors LLC
2121 Avenue of the Stars, Suite 1600
Tel. 310.712.2323

bholmes@seia.com
www.seia.com

REPRINTED FROM
Worth[®]
THE EVOLUTION OF FINANCIAL INTELLIGENCE

Signature Estate & Investment Advisors is featured in *Worth*® 2010 Leading Wealth Advisors™, a special section in every edition of *Worth*® magazine. All persons and firms appearing in this section have completed questionnaires, have been vetted by an advisory group following submission by *Worth*®, and thereafter paid the standard fees to *Worth*® to be featured in this section. The information contained herein is for informational purposes, and although the list of advisors presented in this section is drawn from sources believed to be reliable and independently reviewed, the accuracy or completeness of this information is not guaranteed. No person or firm listed in this section should be construed as an endorsement by *Worth*®, and *Worth*® will not be responsible for the performance, acts or omissions of any such advisor. It should not be assumed that the past performance of any advisors featured in this special section will equal or be an indicator of future performance. *Worth*®, a Sandow Media publication, is a financial publisher and does not recommend or endorse investment, legal or tax advisors, investment strategies or particular investments. Those seeking specific investment advice should consider a qualified and licensed investment professional. *Worth*® is a registered trademark of Sandow Media LLC. See "About Us" for additional program details at <http://www.worth.com/index.php/about-worth>.