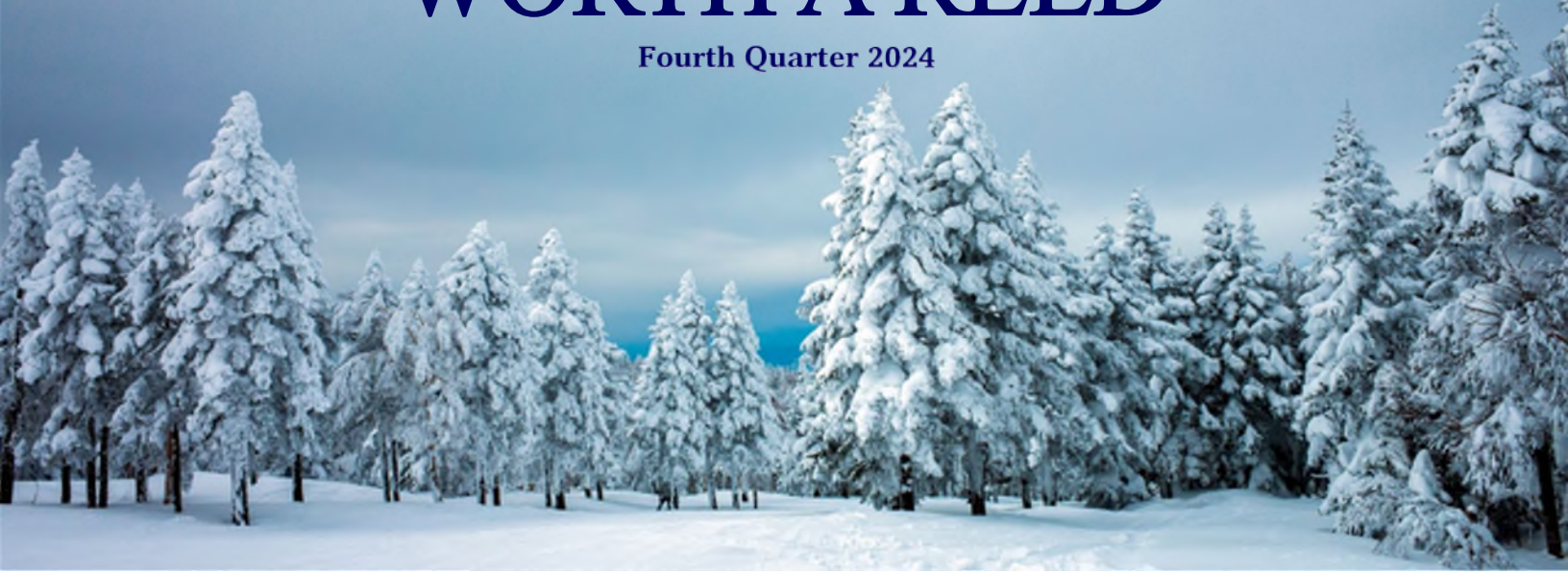


WORTH A REED

Fourth Quarter 2024



One thing is for sure and that is change is constant

Amanda Lisachenko, COO

One of my favorite things about living in Northeast Ohio is the changing of the seasons. I enjoy how each season brings something to look forward to whether it be sun, snow, colorful leaves or new flowers. We are all aware that change is coming in 2025 with a new presidential term starting, but here are some other expected changes in 2025 you may or may not be aware of.

Travel Compliant IDs

A few years ago, there was a change in the information you needed to present to get a new driver's license or identification card that would be needed to travel domestically. Well starting on May 7, 2025, you will be required to have this compliant ID to travel domestically or enter government buildings, such as courthouses. It is easy to tell if you have a compliant ID because there will be a star in the upper right-hand corner.

Social Security

Every year Social Security reviews for an inflation adjustment that impacts the benefits paid and the amount of tax withholdings on paychecks. For 2025, there will be a cost-of-living adjustment to the current Social Security benefit of 2.5%, equating to approximately \$50 a month for the average recipient. This will first be reflected when a recipient receives their payment for January 2025. For current workers that are paying into Social Security, there will be an increase in the maximum taxable earnings up to \$176,100

(up from the maximum wage base of \$168,600 in 2024).

Retirement Savings

In 2025, employees can defer up to \$23,500 into their 401(k), 403(b), governmental 457 plans, and the federal government's Thrift Savings Plan. Individuals that are 50 or older can make a catch-up contribution on top of that up to \$7,500. For anyone between the ages of 60 to 63 in 2025 the catch-up contribution can be up to \$11,250. This is a nice change to help those individuals trying to maximize their savings in the final years before retirement. The limit on annual contributions to an IRA remains at \$7,000.

Inherited IRA and Required Minimum Distributions

Starting in 2025, certain beneficiaries who inherited an IRA from a loved one that passed in 2020 or after will need to start taking annual Required Minimum Distributions (RMD). The rule applies to most non-spousal beneficiaries, if the original account owner had reached their required minimum distribution age before death. But don't worry, we will be reaching out to make sure these distributions happen.

Markets

As always, we will be monitoring any other changes that may take place with the changing of the president. We will continue to keep you informed if there is anything that warrants a change in investment strategy but for now, we do not think that will be the case.

Wishing everyone a happy, healthy and prosperous New Year! ■



What is Happening Around Town?

Evan Watson, Investment Analyst

I have always thought of Cleveland as a smaller version of New York City. We have a robust theater complex (second only to NYC), three major sports teams, multiple world-renowned museums, green space, and a great food scene. Some of these attractions are changing currently and will be bringing new features for Clevelanders to enjoy. Whether you are tourist checking out the city or having a little staycation, here are a few of the attractions that may be worth checking out.

Museum of Natural History – The Cleveland Museum of Natural History is about to unveil a host of new renovations that updated 375,000 square feet of space. The newly renovated exhibits will open to the public on December 15 and should provide entertainment for all ages. In addition, the existing exhibits include animal exhibits that house North American River Otters, Coyotes, and a host of birds and fish.

Cleveland Monsters – Cleveland is definitely a sports town with the Cavs, Browns, and Guardians being our three major market teams. However, the best kept secret is the Cleveland Monsters. The Monsters are the American Hockey League team that is a farm team for the Columbus Blue Jackets. If you are a fan of hockey, this is a great way to check out high level talent without breaking the bank at the Rocket Mortgage Field House. They also have many themed game nights ranging from the Fossil Faceoff, family days, Blue Jackets night, and Lumberjacks weekend. The games aren't always at night which is great if you want to get kids out of the house but are constrained by bedtimes. Check out their promotional schedule and family plans for ticket deals.

Community Theaters – If you are a fan of theater, don't forget to take a look at some of the local community theaters. It is a great way to support your communities and take in a show that may not be at Playhouse. In Northeast Ohio, we have eleven community theaters outside of downtown Cleveland. Here is a quick glance at some of these theaters. For more information on the shows or tickets, go to the theater websites.

- Chagrin Valley Little Theatre
- Independence Community Theater
- Workshop Players
- Aurora Community Theatre
- Broadview Heights Spotlights Theater
- Weathervane Playhouse Akron
- Hudson Players
- Stow Players
- Rubber City Theatre

Cleveland Museum of Art – The Cleveland Museum of Art is world renowned for its collection. General admission to the collection is free which gives you access to most of the regular exhibits at the museum. However, the museum also hosts many exhibits that come from collections around the world. Some of the more notable exhibits currently on display are the works of Picasso, Art from the Enlightenment Period of Europe, and Jewish Ceremonial Art from the Jewish Museum of New York. The curators do a good job of maintaining staples of the collection and rotating in different pieces so there is always something new to see.

New Restaurants – If you are a bit of a foodie, the good news is that there are always new restaurants popping up around Northeast Ohio. Here is a list of a few restaurants and their cities that will be opening up soon if they haven't already.

- Café Lola – Chagrin Falls
- Birdietown – Lakewood
- Fiamma – Woodmere
- Wolf & Co. – Bay Village
- Kyuramen – Strongsville
- Jolene – Cleveland

If you find any of these places interesting and want to share with the RFS team, we would love to hear about your experiences! ■

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Beware of SCAMS in a Modern World

Mark Lisachenko, IT and Risk Management

I had fun last night using the new Playground app that just came out on my iPhone with the iOS 18.2 release. In seconds without any training, I was generating funny images of myself or friends by providing a picture and typing in descriptions of what scene I wanted to create. Later, I scrolled through my Apple News as usual to keep up with current events. I came across an article in which the FBI is now warning families that they should create a safe phrase to let family members know when they are talking to a real person vs. an AI imitation. That is when it really hit home that now more than ever, we need to be even more vigilant in our daily lives. It is one thing to read about the hype around AI but it is another to realize that it is now available for easy use by everyone including criminals on a simple device like a smartphone.

Global cybercrime in 2024 is forecasted to reach \$9.5 trillion according to many leading online cybercrime sites. Everyone thinks of cybercrime as viruses and malware on a computer, but it is much more than that. Modern scams in which no software or hardware compromise occurs continue to be an issue. These scams are aided by technology use in either the pretense of fraud, building trust, or delivery of the payment. I continue to be concerned for our families, especially the elderly. Unfortunately, all of us are at risk so we need to be on constant alert.

So, what can we do about it? Here are some common signs something is a scam:

- Feeling pressured—If something is presented as urgent or time sensitive.
- Someone directs you not to tell anyone else about the situation.
- Asking for personal information, especially sensitive information like Social Security number.
- If someone threatens or attempts to shame or expose you for something you may or may not have done. They may even make it sound like they are helping to clear your name.
- Unsolicited, unconventional contact methods (text, email, phone) from an organization that does not normally conduct business with said method (ex: IRS, Medicare, or other governmental agency).
- Scammers pretend to be from a government organization or another organization you know.
- Offering a prize or presenting a problem – scammers pretend they are trying to help you solve a problem they present to you.
- Telling you to pay in a specific way, especially cryptocurrency, gift cards, etc.

The best advice is to stay educated on current scams. Sign up for free scam alert services and take the time to read emails that your bank and other financial institutions send out to protect you. The FTC (consumer.ftc.gov) offers great advice on avoiding scams and publishes consumer alerts. AARP offers ‘watchdog alerts’ to members which is a regular update email or text message. Lastly, be an advocate and talk to others about what you have learned. If we all share what we know, we are less likely to be scammed with that method.

Remember in our modern world you can't trust:

- Caller ID – can be spoofed
- Text messages with links – the phone number can be spoofed and the links are very dangerous
- Email addresses – again can be spoofed or clever imitations
- Links in email addresses – don't click the link, instead go to the known site manually in your browser.
- Voice – the voice you recognize on the phone may be an AI created voice, it takes about five seconds for AI to sample someone's voice so they can easily take from an answering machine, voicemail, or social media.

If you are ever in a situation in which you need help or clarity (as with all significant financial or life decisions), we encourage you to call us. We are always happy to talk through the matter with you before you act or make any quick decisions. ■

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RFS Book Club

Evan Watson, Investment Analyst

As winter has fully embraced us, we start to look for things to do that don't always require us to head out of the house. Additionally, many people make reading one of their New Year's resolutions. While there are many lists out there of the books you need to read or classic literature, we thought we would share a few of the books we have read over the last year that were most interesting or influential. Hopefully you find something of interest to read as well.

Flowers for Algernon by Daniel Keyes – This book is considered a classic science fiction novel about a man who receives an operation that rapidly changes his IQ. The book reads like a diary as Charlie progresses in intelligence but faces other challenges that he was naïve to. This was an emotional journey that ends in tragedy but was one of the better books I read this year.

The Four Winds by Kristin Hannah – This is a historical fiction novel that is set during the Dust Bowl. The story follows the life of Elsa Martinelli who goes from facing adversity about her prospects for marriage to the struggles the family endures during the Dust Bowl. If you are a fan of historical fiction, this gives a good insight into how those affected by the national drought tried to endure.

Never Lie by Frieda McFadden – If you are a fan of mystery thrillers, this will be a book for you. This story follows a woman who goes to tour a home that is for sale. Unfortunately, this home used to be owned by a therapist who mysteriously vanished over a year ago. The woman stumbles upon the secret office of the therapist and begins listening to recordings of therapy sessions that unravel the mystery.

Tripped by Norman Ohler – If you are more a fan of non-fiction and have an affinity for World War 2, this might be of interest to you. The full title of the book is *Tripped: Nazi Germany, the CIA, and the Dawn of the Psychedelic age*. In full disclosure, this is a book I am only halfway through but definitely grabbed my attention. I noticed this one in an airport bookstore and figured I would give it a shot. It starts with how and why LSD was first synthesized and how it garnered its reputation.

A Court of Thorns and Roses by Sarah J. Mass – This was something recommended to me by my sister who has read the series a total of five times. The story is set in a world where humans and fairies have been separated after a long civil war. It follows a woman who suffers an unfortunate circumstance that brings her across the border to serve out a life sentence in the world of the fairies. However, this sentence is more of a life of luxury than her life back home. Follow along as she continues to learn more about her captors and the issues that have fallen onto the beleaguered world. There are currently four books and one novella in the series, but some speculate that one more novella and another two books are being written. So, if you are a fan of the series, this may be for you. ■

Holiday Office Hours:

Dec. 24th - 8:30 am – 12:00 pm

Dec. 25th – Closed

Jan. 1st – Closed



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Thriving in the Winter Months: Tips to Stay Positive and Productive

Janet Edwards, Director of Client Relations

Winter can bring shorter days and colder weather, but it's also a great time to focus on personal growth and financial well-being. Here are some strategies to stay happy, motivated, and engaged during the colder months—both in life and as an investor.

1. Reflect on Your Investment Journey

- Use the quiet winter months to review your financial achievements from the past year. Did you finally get something paid off or meet a savings goal?
- See how your portfolio has performed over the past year and review your investment goals for the coming year.
- Reflecting on your successes can be a great motivator and remind you of the progress you've made.

2. Focus on Education

- Winter is perfect for learning and growing as an individual. Are there things you want to learn or hobbies you might like to pick up?
- Consider reading books, listening to podcasts, or attending webinars.

3. Stay Active and Energized

- Physical activity improves mood and productivity, even in the colder months.
- Bundle up and take a walk to clear your mind or try indoor workouts to stay energized. Find some local winter hiking trails or parks that host seasonal events.
- Find some fun outdoor options like snowshoeing, skiing, sledding, or ice skating.
- A healthy body supports a healthy mindset, which is key for making sound investment decisions.



4. Plan for the Year Ahead

- Use winter as a time to revisit your financial plan.
- Set clear, actionable goals for your investments, savings, and overall financial health in the new year.
- Make sure all your dollars are doing their job.
 - For example, have you reviewed your 401K positions?
 - Do you need to adjust your retirement savings or HSA contributions?
 - Do you have a large amount of cash at the bank not earning interest?



5. Find Joy in the Season

- Balance your financial focus with activities that bring joy, like spending time with family, enjoying winter sports, appreciating the beauty of the holiday season, cozying up with a good book or enjoying a nice quiet evening by the fire with friends.
- A happy investor is a focused investor—don't let the cold weather freeze your spirits!

Please reach out to us if you would like to schedule a mid-winter portfolio review or for any advice. While some folks may not enjoy the winter season, it can be a season of growth and opportunity, both personally and financially! ■

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Corporate Transparency Act on Hold... for now

Colleen M. Cleary, CPA/PFS, CFP®

Our Second Quarter 2024 **Worth A Reed** newsletter contained an article on a new 2024 reporting requirement for owners of small corporations and limited liability companies (LLCs) under the Corporate Transparency Act. Under the terms of the Act, applicable entities are required to disclose identifying information for their beneficial owners, defined as individual owners of at least 25% of a business. In addition, other individuals exercising substantial control over the business entity must be disclosed. The reporting requirement is intended to help law enforcement, banks and other regulators identify bad actors, shell companies and others committing financial crimes. Many established entities were faced with a January 1, 2025 filing deadline under the terms of the Act.

Our original article stated that there were pending federal court cases questioning the legality of collecting this information. On December 3, the U.S. District Court for the Eastern District of Texas issued an order on the enforcement of the terms of the Act. **Due to this recent federal court order, companies are not currently required to file beneficial ownership information with FinCEN and will not be assessed a liability for failure to report while the Court order remains in force. Compliance with the reporting requirements under the Corporate Transparency Act is purely voluntary at the present time.** Additional details on the need for compliance are expected before the end of the year.

We will continue to keep you informed of any updates. Please see the Crimes Enforcement Network (FINCEN) website www.fincen.gov/boi for additional information on this subject. ■

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