

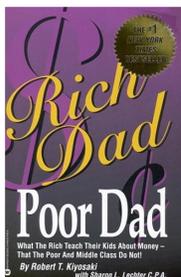
# R. S. Davis Financial Group

## Newsletter

### **Rich Dad Poor Dad: What the rich teach their kids about money—that the Poor and Middle class do not!**

This book is an excellent read to familiarize or strengthen your acquired knowledge on personal finance. Robert Kiyosaki, author, chronicles in this bestseller of his financial learning from his biological father and unrelated father figure. Father Kiyosaki (Poor dad) is well educated, however, inept at teaching his son to manage money for not knowing himself. On the other hand, his parental figure (Rich Dad) is an 8<sup>th</sup> grade dropout that shares wisdom and incite on how he became a millionaire. Rich dad teaches valuable lessons in the mastery of personal finance insisting to make money work for you and you not working for money. This is an excellent read to further your information on amassing great personal and monetary wealth. “Most people are poor because when it comes to investing, the world is filled with Chicken Littles running and yelling, ‘The sky is falling. The sky is falling.’”

Go to [www.Amazon.com](http://www.Amazon.com) to purchase a copy. Using the website saves you nearly 40% while gaining invaluable information to build your own financial portfolio. The book is also sold at your local bookstore.



Buy me

### **How to survive and AUDIT standing up**

An audit is examining an individual financial situations adherence to compliance with applicable terms, laws, and regulations. Fortunately, less than 1% of Americans will endure this task. However, it is best that you take the precautions.

1. Prepare Now
  - Keep complete and accurate records.
  - Organizing may take a couple hours of paper shuffling but it will be in your best interest.
2. Review Return
  - Match each number with receipts and account statements.
  - Make a spreadsheet from your receipts.
  - Tip: the IRS hurry through sections that they can't yield a change.

3. Be prepared to explain the return
  - Answer how you arrived at a certain exemption but don't offer extra information.
  - Stable your nerves. Being nervous, humans often chatter and this may be the noose that hangs you.
4. Hire a professional
  - Tax professional.
  - Having a superior knowledge dealing with audits can literally mean money that stays in your bank.
5. Appeal
  - You can always request a supervisor, on the spot, if your feeling unfairly treated.
  - If you don't like the outcome you can also request a superior.
  - Should the supervisor agree? A taxpayer may appeal the decision at the Office of Appeal and U.S. Tax Court.

#### **Taxpayer's Lament**

Tax his cow, Tax his goat;  
Tax his pants, Tax his coat;  
Tax his crop, Tax his work;  
Tax his ties, Tax his shirt;  
Tax his chew, Tax his smoke  
Teach him taxing is no joke.  
Tax his tractor, Tax his mule;  
Tell him, Taxing is the rule.  
Tax his oil, Tax his cash  
Tax him good and let him know,  
That after taxes, he has no dough.  
If he hollers, Tax him more;  
Tax him till he's good and sore.  
Tax his coffin, Tax his grave,  
Tax his sod in which he's laid.  
Put these words upon his tomb,  
"Taxes drove him to his doom."  
After he's gone, we won't relax  
We'll still collect inheritance tax.

#### **Lifestyle desires vs. Lifestyle needs: Home Buying**

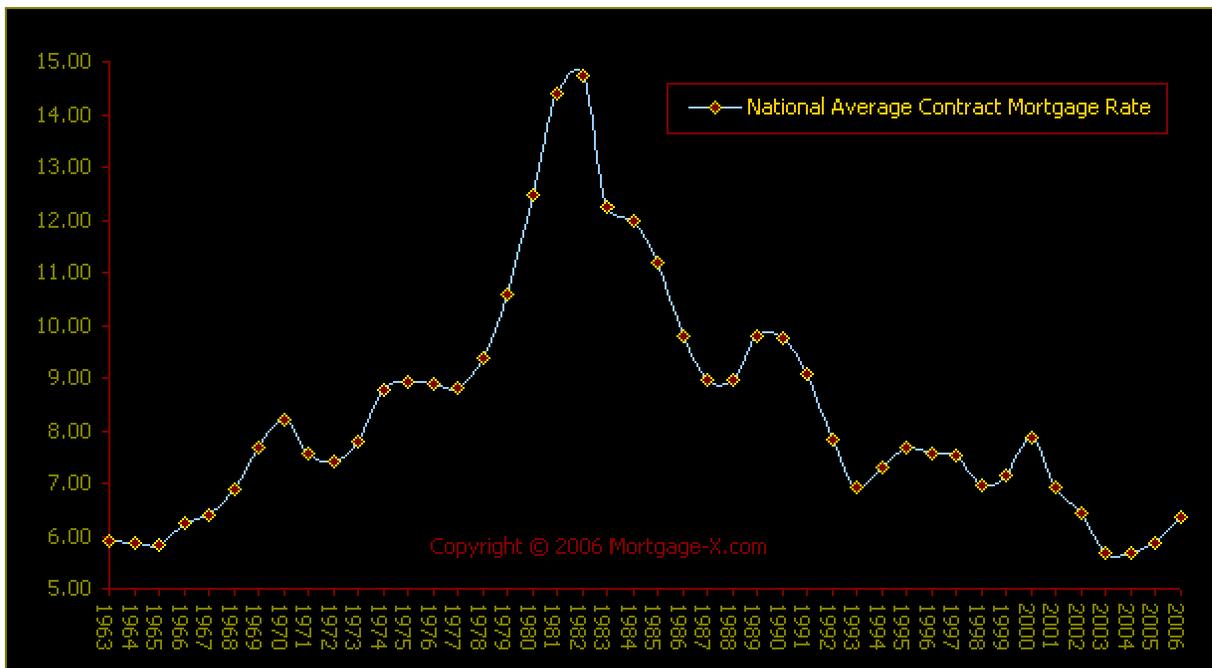
We are born with the inherent ability to lavishly spend money on the most important person in our life: Ourselves. However, it is very difficult not crossing the axis of desire and need when purchasing a dream home. Housing, on average, is the biggest purchase most people buy in their lives, so no coincidence that buyers spend amounts out of their means. Having a large home lot comes with larger responsibilities: a larger price, a larger monthly payment, and larger upkeep. If the location is not in a metropolitan area even more costs accumulate (i.e. Commuting time, gas bill, personal time loss.) When buying,

all factors must be considered to make a sound decision for a practical and feasible home that your means justify.

Find out how you can buy a dream home without having financial nightmares.  
Visit us: [www.rsdaivisfinancial.com](http://www.rsdaivisfinancial.com)

### **Good time to get a mortgage?**

Despite what is commonly regarded as a bad time for interest rates, there have not been many times in history that yielded lower rates than today. Looking at the historical 30 year fixed mortgage rates from 1963 through today's 2006 below, we can clearly see that today's mortgage rates still prove to be the lowest mortgage interest rates in our country's history. What does this mean for you? It means that if you have been contemplating refinancing or buying a home, you must ask yourself "What am I waiting for?" Looking again at the chart, you may even remember that an 8% mortgage in 2000 was a great rate to purchase or refinance your home back then.



Graph provided by Mortgage-X.com

With the addition of many different mortgage programs that have multiple payment options and liberal investor financing, if you are in the market for a low rate mortgage, historically rates have not often been much lower than the present. It certainly is not a bad idea to find out what combination of mortgage rate and mortgage program can work for you in reducing your payment, providing some equity from your home or simply converting to a fixed rate mortgage from an adjustable mortgage (ARM).