

SELECT CONSULTING, INC.

1st Quarter 2012 – Invoice Letter

As the New Year begins, make sure you fund either a regular non-deductible IRA or a Roth IRA for you and your spouse, depending on your tax situation. You should fund it during the first quarter of the year to maximize the tax deferred compounding of IRAs. For 2012, the IRA contribution limit remains at \$5,000 and individuals over the age of 50 are allowed an additional “catch-up” contribution of \$1,000, for a total contribution limit of \$6,000. Don’t forget about the Coverdell Education Savings Account, (formally Education IRA) for your children and/or grandchildren. The Coverdell ESA limit for 2012 also remains at \$2,000 and you have up to your tax filing date or April 15th to make your 2011 contribution.

Please remember to inform your CPA of any IRA contributions you make, so they can properly reflect your contribution on Form 8606. Each year, we review many tax returns and continue to find the Form 8606 missing from returns and this is the form that must be used when calculating the taxable portion of IRA distributions during your retirement or converting to a Roth IRA. During upcoming conference calls, we will continue to assist you with Roth conversion strategies.

If you have a 401k plan, make sure to take advantage of the maximum contribution limits, which have increased to \$17,000 for 2012. The “catch-up” provision to 401k plans for individuals over the age of 50 remains at \$5,500 for 2012. Therefore, an individual over the age of 50 will be able to defer \$17,000 and a “catch-up” deferral of \$5,500 for a total of \$22,500!

In years past, we have provided a “Realized Gains & Losses” statement for your taxable accounts with the December 31st quarterly portfolio summary. As part of the ongoing financial reform, Charles Schwab and TD Ameritrade are now required to report cost basis information on your 1099 statements. The new regulations will take effect with stock basis reporting in 2011, mutual fund basis in 2012, and all others in 2013. During this past year, we worked diligently to reconcile our cost basis information with the custodians and we feel the new 1099 reporting format will be cleaner and more accurate for your CPA to use. Please make sure to save and provide your 1099 statements to your CPA. If your CPA would like a copy of our “Realized Gains & Losses” statement, please feel free to email your relationship manager. Also, be sure to note that your 1099 information is always available on Schwab and TD Ameritrade’s websites for future access.

Once you complete your 2011 tax return, please have your CPA e-mail us a copy, so we can assist you in utilizing available tax strategies, such as tax loss harvesting, charitable giving and Roth conversion strategies as we plan for 2012.

Thanks again for the opportunity to work with you and to assist you with your investments and financial planning matters this year.

Sincerely yours,



Robert V. Sytz, Jr.
President



Jeffrey A. Harrell
Director of Portfolio Management



Brett S. Miller
Wealth Manager



K. Warren Poe, Jr.
Wealth Manager

Enclosure