



THE RSF REPORT

Rewald, Sebranek, & Frawley | An Independent Firm

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A MOTHER'S LOVE NEVER DIES

By Terry Sebranek, Financial Advisor

Over the past few weeks, I've spent a lot of time reflecting on the life my mom lived. She had a profound impact on who I am today, the choices I've made, and ultimately, the life I'm blessed to live.

Mom passed away after struggling with Alzheimer's for seven years. She was 65 years old when she passed, and I was 34. Our twins were just 9 months old. Mom lost her own mother early in life—Grandma battled cancer for seven years and passed away at 56. Mom was 34 when she died, and I had just turned 2. I have no doubt that losing her mother so early in life shaped how Mom and Dad raised us. She made it a point to ensure there was laughter, special experiences, and unconditional love in our family.

All Souls Day is celebrated on November 2nd in the Catholic tradition. In Mexican culture, Día de los Muertos is celebrated on the same day. Disney made a movie called Coco a couple of years ago, which I recently watched with my kids. The main theme of the movie addresses the concept of death in a positive way, showing how remembering loved ones can be a source of strength and comfort rather than sadness. The movie emphasizes that as long as someone is remembered, their spirit continues to exist. My kids love the movie and the music—I love watching it with them!

There are many moments when I remember my mom. I turned 40 just a few weeks ago and spent much of the week prior to my birthday reflecting on gratitude and

peace. A lot of that reflection included fond memories of Mom and the example she set. She was a great cook and always shared what we had with neighbors and friends. There was always room for more at our table. When I had friends over, she made sure there were cookies in their backpacks when they went home. She was a gardener, a farmwife, and took great care of our home. She cared for her father and my dad's parents with great compassion. We lived next door to my grandparents (her in-laws). Mom and Grandma had great respect for each other, participated in many of the same activities, and never complained about one another—they were just genuinely grateful for each other. Mom was very active in our school, church, and 4-H club. She was always the room parent, circle leader for the church ladies, and a 4-H leader. She taught us how to serve others.

My fondest memories are of simple moments we had together—planting the garden, baking cookies, and building 4-H parade floats. Each day, there are reminders of Mom in my life—from the gifts she gave us that are still treasured in our home to dropping off the kids at school each morning and driving past the cemetery on my way to our office.

If there is someone in your life who you know only has memories of their mother, don't be afraid to reach out with a story or comforting message. It's not weird—it's appreciated! And, if you still can pick up the phone and call your mom or enjoy her company, don't take it for granted. Nothing compares to a mother's love.

2024 Index Returns (Year-to-Date)

Major Stock Indices (As of 12/31/2024)

S&P 500	+24.67%
Dow Jones Industrial	+14.65%
Nasdaq	+29.55%
MSCI World ex USA	+5.73%

Major Bond Indices (As of 12/31/2024)

U.S. Aggregate Bond Index	+1.15%
U.S. High Yield Bond Index	+8.15%
U.S. Government—Long	-6.65%
Consumer Price Index	+2.70%

*Source: MSCI Net Returns, Barclays Capital



CONTINUING TO SERVE IN JAMAICA

by Terry Sebranek, Financial Advisor

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In January 2008, Jenna and I had the chance to participate in our first mission trip. We traveled to Jamaica with a group to work in a free clinic, serving some of Jamaica's most vulnerable population. Over the past sixteen years, we have made it a priority for our family to continue devoting our time, talents and financial resources to serving the less fortunate in our world. Jenna and I have been blessed with opportunities to travel throughout Vietnam doing medical/dental volunteer work, spent countless hours volunteering in free clinics in LaCrosse and have returned to Jamaica most years to work in clinics and orphanages.

Each trip has had unique challenges and rewards. This year, we had a hurricane blow over the island on two of our scheduled workdays. Coincidentally, one of the purposes of the addition that we were putting on the cottage at the orphanage was to provide staff members a place to sleep if the river rises. Before our trip, when there was a storm, the flood waters rose, and the roads closed in and out of the area near Blessed Assurance Children's Home. Staff members had to bunk in with the 32 severely mentally and physically handicapped

individuals who call the orphanage their home. Now, the staff have two bedrooms and a new bathroom to use when the need arises.

So, after Hurricane Raphael passed, we got to work! We painted, installed windows, doors and a roof. Jenna and our nephew Jerrod laid 650 square feet of tile and tiled a shower. Again, we were blessed to have nieces, a nephew, our own children and lots of friends join us. This is definitely the single largest project that we've ever undertaken. And, we were asked by some friends in Jamaica who run the local hardware store to also build a new home for a local man who struggles with mental illness. He lost his home a couple of years ago in another hurricane and has since been living under a canopy. The local residents poured the foundation and floor, and our team built him a basic home. During another downpour, we were able to finish the roof on his home, install the door and windows and provide TallMan with a place to go live. After some long, hard days, our hearts were filled, and the punch list was completed. We took off the shoes we were wearing, gave them to the local residents who needed new ones, and another successful mission was complete.



SWIMMING UPSTREAM

by Kaleb Frawley, Financial Advisor

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The estate tax exemption in 2025 has increased to \$13,990,000 per person. For a married couple, this means nearly \$28 million. Under today's tax law, the average American household has little to fear about ever paying a federal estate tax. Yet the Tax Cuts and Jobs Act (TCJA) sunsets at the end of the year and if no action occurs the federal estate exemption will be cut in half. (In its 100-year history, the exemption has never gone down but who knows what the next administration will do.) Still, an estate tax exemption of \$7 million per person is quite a bit. Most of us think about passing assets downstream to the next generation after our death (ex. children), but it can make sense for some people to swim upstream by gifting to an older generation.

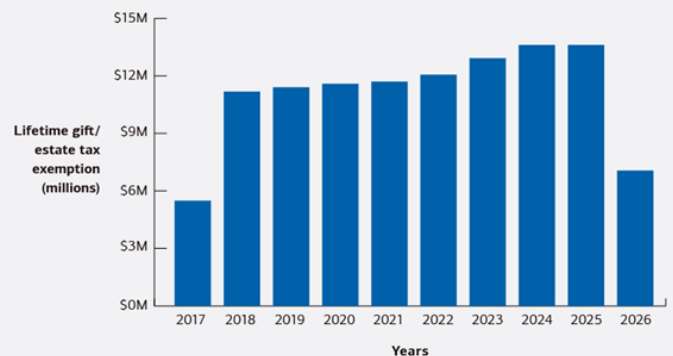
Upstream basis planning is a strategy that involves gifting assets to someone who's going to pass away before you in order to reduce capital gains taxes. This technique is reliant on the rule that to get a step-up in basis, assets must be included in the gross estate of a person who dies. Why would someone do such a thing?

A 60 year old adult child has land worth \$2 million and a basis of \$200,000 as they bought a portion and were gifted the rest over 30 years ago. In 2023, the 60 year old child makes a completed gift of the land to an asset protection trust with their aging 90 year old parent as beneficiary, using \$2 million of the child's lifetime exemption. The child ensures that the entire value of the land will be included in the parent's gross estate by also giving the parent a testamentary general power of appointment, which permits the parent upon their death to leave the land to anyone whom the parent wishes, including the parent's creditors. The parent dies in 2025 when the land is worth \$2.3 million. Happily, the parent exercised the general power of appointment in favor of the child, giving the land back to the gifting child. The deceased parent had a net worth of



A more generous gifting limit — for now

The lifetime gift and estate tax exemption, which was more than doubled by the 2017 tax reform bill, should go up with inflation in 2025, then plummet to near-2017 levels in 2026 unless Congress steps in.



Note: 2025 exemption does not reflect a possible inflation adjustment; 2026 exemption is projected.

\$600,000 in addition to the land, so the parent has adequate estate tax exemption that the land is not subject to estate tax (i.e. \$2.6 million net worth versus \$13.99 million exemption). The best result is the land was included in the parent's gross estate, the child gets the land back with a step-up in basis to the time of death market value of \$2.2 million. The adult child can now sell the land income tax free.

We were introduced to this strategy by an attorney-friend last year and if the estate tax exemption stays relatively high for the foreseeable future, this could be a good fit for multi-generational families with low basis assets. We have a handful of clients who own an individual stock, business interests, rental property or farmland that have a low cost basis and would sell if it wasn't for the capital gains tax consequence. Gifting upstream to an elderly or terminally ill relative, though morbid, could be a huge income tax saver for the extended family.



EVER MOVING GOALPOSTS

by Jesse Peckham, Business Manager

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Recently in the office a few of us were debating whether the average American was better off 20 years ago than today.

The 1950s are largely regarded as peak optimism in the United States. For the majority of households in America, the period from 1900-1950 may have brought many of the biggest technological changes for any generation in history. People were introduced to several luxuries we now take for granted – radios, refrigerators, washing machines, irons, electricity in their homes, indoor toilets, central heating, air conditioning, automobiles and more. The high school graduation rate jumped from just 10% in 1900 to well over 50% by 1950. The average life span went from 57 to 72. By almost any measure the world was a far better place in 1950 than it was in 1900. Yet many people in 1950 didn't see it that way.

In Frederick Lewis Allen's book, *The Big Change: America Transforms Itself, 1900-1950*, he describes the lament of the upper-middle class in the 1950s and how they longed for the days of 1900. Because wages and the cost of building materials were lower, people could build and live in bigger houses. Because servants' wages were much lower, they could afford servants to staff the house. Additionally, a number of expenses that Americans had in the 1950s simply didn't exist - the cost of an automobile, electric refrigerators, washing machines, TVs, etc.

Cut to today. Median family income adjusted for inflation was \$29,000 in 1955. In 1965 it was \$42,000. Today it is over \$80,000. It is generally believed that the 1950s and '60s was the peak time for the middle class to secure a good-paying job. But the fact is, adjusted for inflation, American households earned more in 2023 than they did at any point in the 1950s.

Part of the disconnect between feelings and reality can be explained by the shift in expectations over the last 70 years. Not all that different from 1900 to 1950. In the 1950s camping was a common vacation. Hand-me-downs were acceptable clothes. A 1,000 square foot house was an acceptable size. Kids sharing a room was normal. The family station wagon was the family vehicle. How many of those things would be acceptable standards today?

The important thing to remember is those living standards were considered acceptable back then because other median households accepted it.

John D. Rockefeller never had penicillin, sunscreen, or Advil. But no one would say a low-income household with Advil and sunscreen should feel better off than Rockefeller. People gauge their wellbeing relative to those around them. Everyone does. And goalposts move both ways - the sense of camaraderie during shared disasters, like soldiers during war and neighbors during natural disasters. Hardship is more bearable when everyone around you is in the same boat.

Kevin Kelly once observed that if you want to know what lower-income groups will aspire to spend their money on in the future, look at what higher-income groups do today. European vacations were once the exclusive domain of the rich. Then they trickled down. The same with college, investing in the stock market, two-car households, walk-in closets – what was once a luxury of the rich became standards of the masses.

When you watch other people live a better life, your benchmark for normal and acceptable rises.



SCAMS ARE EVOLVING

A WAKE UP CALL FOR ALL AGES

by Beth Kepler, Financial Services Professional

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When we think about scams, we often assume that the elderly are the primary targets. However, scammers have become increasingly sophisticated and are now targeting a much broader audience.

A few months ago, my 14-year-old son approached me with a request to set up an account on a payment app I had never heard of and to load \$50 onto it. He even had a \$50 bill in hand to reimburse me. Naturally, I asked him what the money was for. He explained that a woman on a popular social media platform claimed that if you sent her \$50 through this app, she would send you back \$2,000. In his teenage mind, it seemed like a fantastic deal—he planned to use the money for driver's ed in a couple of years.

As his mom, I had to break the news to him that this was a scam. He didn't take it well and argued with me, upset that I wouldn't go along with it. I let him be angry for the rest of the evening because I simply in good conscience fulfill his request. The next day, we revisited the conversation. I explained how many scams prey on people by sounding simple and appealing, but they're always too good to be true.

Just a few days ago, my husband showed me a video about a new type of scam. This one involves receiving a package from a well-known company. Since it's addressed to you, you might think it's a free sample or promotional gift. Inside the package is a QR code. Scanning the code reportedly gives the scammer access to your phone. Considering how much personal information most of us store on our devices, this simple act could grant scammers a wealth of sensitive data—all from an unsolicited package.

Scammers are no longer targeting just one demographic. They've become highly creative and

can now exploit anyone, anywhere, with surprising ease. These scams come in countless forms, so it's more important than ever to stay vigilant about the information you share and the actions you take. My goal isn't to scare you but to remind you of just how crafty these scammers have become. Stay cautious and informed!

THE FLEETING MOMENTS OF DINNER TIME

Growing up, my family - my parents, brother, and I - would gather around the table every evening to share a meal. Those dinners were a constant in our lives, but as we got older and became busier with school activities, they happened less and less often. As a parent now, I've always felt it was important to continue this tradition.

One evening, as my husband and a couple of our kids sat eating dinner together, a thought struck me: How many more meals will we have where everyone is present? These days, with the kids involved in activities nearly every night, dinners often happen in shifts, with whoever is around at the time.

After everyone had left the table that evening, I sat quietly, reflecting on this realization. It made me sad to think about how quickly time is passing. While I love watching my kids grow into their own unique selves, it also reminds me that our moments together are fleeting.

So, embrace the chaos while it lasts. One day, the noise, the laughter, and even the hectic schedules will fade, leaving behind only memories of these precious, ordinary moments.



THE BEST CHRISTMAS PAGEANT EVER

by Joseph Brown, Financial Advisor

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Christmas is referred to as “the most wonderful time of the year” and is celebrated around the world by more than 2 billion people in over 160 different countries! For many it’s an annual celebration of the birth of our savior, Jesus. For others, it’s a source of joyful childhood memories and a time that brings family together.

Youth are programmed from a young age to anticipate the arrival of this day! Learning to write wish lists and letters to Santa. It’s fascinating how easily a holiday with such meaning and tradition can quickly become about “one thing” when it’s really about another. Recently I read online that holiday retail sales are expected to grow to a range of \$979.5 - \$989 billion. Additionally, it stated that the average American spends over \$900 per year on Christmas which could swell to the \$2,000 range (depending on travel or hosting a party), Christmas has been commercialized so masterfully, yet amongst all the greed we still see reminders of joy, hope, and generosity.

Last year my wife picked up an old book called “*The Best Christmas Pageant Ever*”- written By Barbara Robinson. Personally, I was not at all familiar with this story, and as she read it aloud to my kids each evening, I heard bits and pieces of the story without really following along. This year Ellyn and Allison were excited to learn that “The Herdmans were going to be in a movie”. Having not paid attention to the book, I learned that the Herdman’s were the central characters of this holiday story. Early this December, Karia and I “splurged” and took the kids to see a matinee showing of “The Best Christmas Pageant Ever” in Wisconsin Dells and I’m thankful we did!

Without giving away too many details of the movie, I couldn’t help but be moved by the innocence and

ignorance of the Herdman kids who had never heard the Christmas story. These “naughty” kids were painted in this story as an unparented ragtag group of bullies with no morals or feelings. Through a series of rather humorous events these “hellions” take it upon themselves to join the church’s annual Christmas pageant. While everyone in town is expecting the Christmas pageant to be a disaster, the Herdmans took their roles very seriously and their unconventional performances actually make the whole show much more realistic and moving. The narrator went a bit further to say it’s because the Herdmans treated the Christmas story as if it were a real event, not just something to commemorate each year.

So if you’re up for a movie, or a quick read the Brown Family recommends “*The Best Christmas Pageant Ever*”.

As we venture off to visit family this year I’d like to encourage everyone to treat the Christmas story as a real event, but also to be intentional with those we hold dearly! Whether it’s the “tape measure” or Jesse’s message from last year about not knowing if it was your “last” Christmas with a loved one. Last weekend we attended a funeral for my Uncle Loren’s wife Kate whom he had been married to for only 5 years. While at the funeral I attempted to visit with my Grandfather whose dementia has completely changed the man I knew and love. Additionally, just this week I received message that one of my childhood best friend’s kid brother (4 year younger than us) suffered a brain stem stroke, and while he’s now stable, there are far more questions than answers for him ahead.

Life is too fragile and short to not live it intentionally.



HUNTING AND PHISHING PROGRESSION IN THE WORLD OF SCAMMING

by Alyssa Gander, Financial Services Assistant

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With the continued advancements in the tech world, scammers are evolving right alongside it. Scamming has become a serious problem today, making it harder to detect than ever before. A relatively common form of scamming, known as phishing, involves sending fraudulent communications that appear to come from a credible source. Most of these communications are done through email and text messaging and typically impersonate financial institutions, trusted businesses, family, and friends. A few common signs of phishing include suspicious attachments, a sense of urgency, and incorrect or abnormal sender email addresses. If you have yet to encounter email phishing, you may have dealt with voice phishing. Voice phishing, or vishing, uses fraudulent phone calls rather than emails to trick victims into providing sensitive information such as credit card numbers or bank account numbers.

Jesse discussed artificial intelligence (AI) in a past newsletter. Although AI can be a useful tool, it has also advanced to a point where it can be used against us. AI can now copy one's voice and create fake dialogue, increasing its use in the scamming world. This is obviously difficult to detect unless you really know the person on the other end of the phone and how they communicate. While scary, there is not much that we can do besides educating ourselves on its prevention.

With that, if you ever sense that you are being phished or vished, do not respond, hang up, and never provide banking information. If you are unsure whether the caller claiming to be from your bank is legitimate, end the call and call your bank directly to verify. Remember that most companies will never ask for financial information over the phone.

If you have fallen victim to these actions, you are not alone. Just the other day, my dad and I were talking, and

he mentioned a KUIU advertisement that he had seen on Facebook. KUIU is a trusted and evolving hunting gear company. Therefore, when he saw a jacket that was normally \$250 on sale for \$60, he had no doubt that this was the real deal. However, I was skeptical, so I looked further into it and found that this account was a complete scam. Despite looking realistic with the KUIU logo as its profile picture, the account had only nine followers. Considering that KUIU generated \$50,000,000 in sales just five years after it launched, it surely has more than nine followers. This firsthand example shows how common and deceiving scams can be, proving that anyone can fall victim to them.



HEADED WEST

On a lighter note, my dad, grandpa, and I traveled to northern Montana this past November on a mule deer hunt. This was my first time hunting out west, and I must say it was a pretty amazing experience. I got to spend the week hunting alongside family and friends that I had not seen in about 15 years. The best news, everybody at camp that week got a mule deer, and my dad even got a coyote! However, I will admit that after walking sixteen miles the first day, I was excited to return to my desk for the week!

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CHRISTMAS IN WISCONSIN



Avery, Finley, Daryn,
Larkyn & Allisyn Kepler



Joe, Karia,
Peyton, Cameron,
Ellyn & Allison Brown



Blaise, Grace, Max, & Jake Frawley



Desi & Declan Sebranek



Benjamin Peckham