ASPIRIANT

Insight

Wealth Management Commentary

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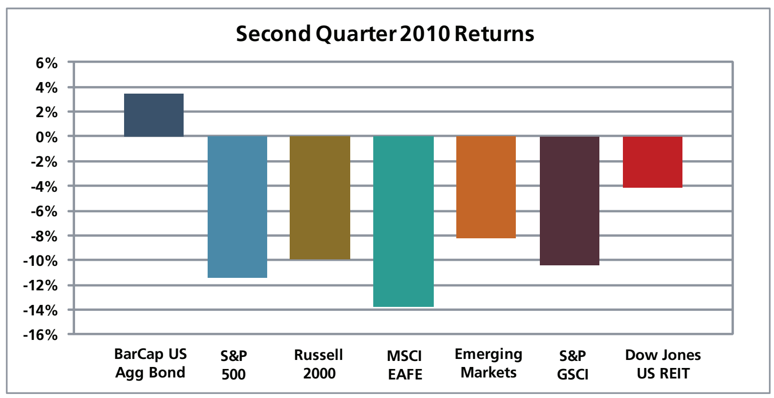
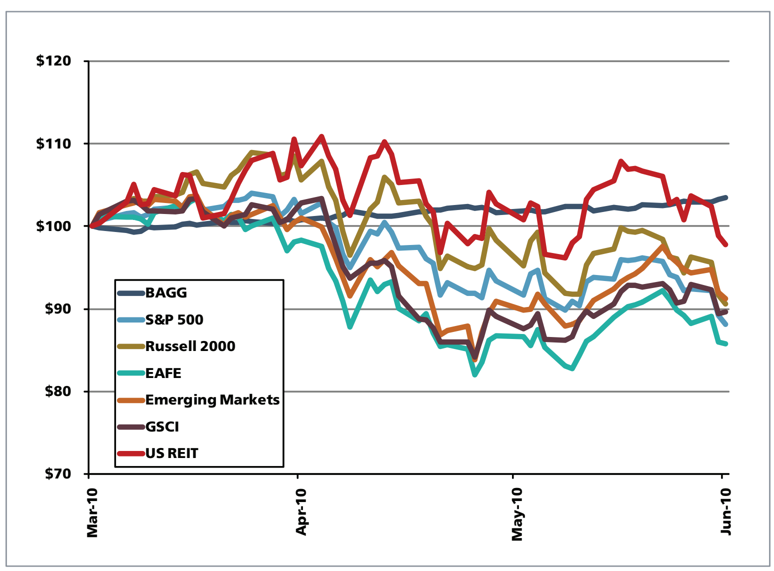
IN THIS ISSUE

Correction!

Second quarter 2010 results were significantly negative in all equity asset classes. After a solid performance early in the quarter through late April, domestic and overseas markets suffered losses in May and June, accumulating to, in some cases, well over 10% for the quarter.



Source: Bloomberg; Zephyr StyleAdvisor



Source: Bloomberg

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We're experiencing what is often defined as a "correction," a decline of at least 10% from a recent high value. These occurrences, through unsettling, are actually quite common (the S&P 500 has experienced 23 "corrections" since World War II) and more often than not do not continue to decline to result in a loss greater than 20% (there have only be 10 "bear markets" in that post-war time frame). We've gone through a very deep one of those all too recently, thank you very much. We don't believe we're headed for a repeat.

No Double Dip

Many investors fear that the world's economy is headed for another recession while barely emerging from the one we've just endured. Job growth is painfully slow and the ranks of the very long-term unemployed and discouraged is growing. This is in part due to a permanent restructuring of the labor market; many of these unemployed will not find new work without significant retraining in new job skills. Moreover, sovereign and private debt in several European countries and Japan, as well as in the US, has reached worrying levels, threatening, as some see it, a renewed global banking crisis. In the US at least, some of this concern may be being fed by partisan rhetoric on both sides: Democrats looking for justification for more stimulus, Republicans hoping for electoral advantage this November as voters lay blame for a weak economy on the party in power.

As our Chief Investment Officer, Jason Thomas, comments in the article to follow, a further area of potential major risk is the new global theme of government austerity (increased taxes and/or reduced spending). As almost everyone agrees, deficit spending is necessary short-term medicine; but it should not…and cannot…be a steady diet. Even in the US, there is a growing acknowledgement of the need for greater fiscal discipline and an eventual achievement of more balanced budgets and reduction of accumulated debt; the debate is now only about the pace of implementation. Many fear that it will be too much and too soon, withdrawing government support for a fragile economy before private investment has the opportunity to fully revive.

We are mindful of these risks and suspect that markets will not be able to avoid continuation of sharp, day to day (or even hour to hour) volatility for some time to come. Still, we remain optimistic that the world's economy will continue to grow and we've helped clients position their portfolios to benefit from that future growth.

We wouldn't be surprised to see the market's current gloomy sentiment change course, rapidly, and with considerable force. Current market volumes are historically light; quite a bit of capital (some estimate several $ **trillions**) is "sitting on the sidelines", waiting for a clearer signal to resume riskier commitments. All that liquidity is earning virtually nothing as interest rates remain extremely low. Meanwhile, valuations hover at the lower reaches of historical ranges (the S&P 500 is now trading at a multiple under 12, where 15+ is average, and this is with a discount rate near zero!) The catalyst for a change of heart will likely be better news on the housing front and a sizeable pick-up in job creation. Both of those could still be some time off. In the very near term, however, there is likely to be quite good news in the growth in corporate earnings, both in the top and the bottom lines; better than 25% year over year improvements in earnings are broadly expected for this second quarter.

Still, the general tone of uncertainty regarding tax treatments and rates, implementation of the new healthcare regime and of other regulatory policies, and the disgust and sense of helplessness associated with the Gulf oil spill combine to nearly paralyze many market participants. Meanwhile, wars in Iraq and Afghanistan continue to take their psychic and financial tolls, terrorism remains a significant threat, and the re-rationalization of the highly leveraged model for business and government is still incomplete. We are not expecting a comfortably smooth ride. However, we are thoroughly convinced that people and businesses will continue to figure out ways to create value. Our clients' portfolios are designed, with broad exposures at every stage of the value chain, and

From the CEO

We recognize that these past few months have been a difficult and unsettling time for our clients. We are committed to expand our efforts to respond to our clients' concerns and to actively bring smart financial planning and portfolio management solutions to best achieve their goals in the context of market turmoil.

As Tom Tracy comments below regarding our first client survey as Aspiriant, we are very pleased that our clients highly value the services we provide. We also especially appreciate the critiques that they offered for improvement. We are mustering the resources of this organization to respond, and will be communicating further in detail soon.

Meanwhile, we thank you for your continued confidence in us.

Rob Francais
Chief Executive Officer

throughout the world, to take advantage of that value creation over the long-term. And along the way, we continue to look for effective and low cost ways to facilitate those exposures and to mitigate their risks as much as possible.

Beyond these generalities, please let us know how we can address your specific concerns, as we meet or talk in the coming weeks. We are always eager to discuss these important issues with you.

Tim Kochis
Editor

Déjà Vu…All Over Again?

For many, the rapid fall in confidence in the global economy and sharp decline in equity indices reflect concern that the near-term impacts of slowing growth, overall debt burden, government and municipal fiscal deficits, new austerity, and the risk of policy mistakes will drive us into a "double-dip" recession.

Is It 2008 Again?

In evaluating near-term prospects for economies and markets, it is instructive to compare the current situation to the global financial crisis in 2008. The reemergence of credit market stresses, the sharp increase in volatility, and the incoherent efforts of policymakers to intervene, all reinforce that sense of déjà-vu. According to this view, the troubles in Europe's periphery are simply the tip of the iceberg, much as the collapse of subprime mortgage market was just part of a much larger housing and financial problem. Moreover, many now assume that the recent strains seen in credit markets are an early warning signal of a broader global banking and economic growth problem, as they turned out to be in 2007 and 2008.

With those wounds still fresh, it is unsurprising that many people are predicting the European sovereign crisis as the first steps along a similar path. It is striking how quickly and extensively this downside scenario has been reflected in capital markets relative to the 2008 episode. In 2008, the economy was already experiencing a liquidity crunch and actual defaults before we saw this kind of capital market response. This time, there seems to be little patience. Once burned, twice cautious.

Of course, the current sovereign problems and the earlier global financial crisis are not really distinct events, but rather are intimately linked. The policy response to the economic downturn and banking-sector issues was to transfer those problems from individuals and corporations onto the public sector through guarantees and deficit spending. The hope was that, once there, those problems could be addressed over a much longer period of time. Markets are challenging that assumption in Greece and beyond. In that respect, the sovereign crisis is the aftershock of the broader financial crisis.

History has a tendency to look inevitable through the rear-view mirror. The global financial crisis of 2008 is sometimes discussed as if the subprime meltdown was the root cause of the broader problems. But the crisis was in fact the result of a long period of easy credit and housing imbalances that had already begun to unwind in 2005 and 2006. The real question is therefore whether the government imbalances that we see currently are as dangerous and as vulnerable to a rapid unwinding, and whether a comparable transmission through the banking sector is possible.

Some Advantages Over the Mortgage Meltdown…

There are several reasons why the current sovereign crisis may be more manageable than the mortgage meltdown:

- **Governments have more options than households, corporations, and banks.** By virtue of their power to tax and spend, governments have more control over their ability to repay debt than private entities. For that reason, in the end, the ability to avoid default is most often about political will and institutional strength to manage public response.

- **The most likely problem sectors are smaller and not dominated by highly-levered institutions.** In the global financial crisis, the damage was amplified by the fact that the impaired pool of US mortgage assets was large, widely dispersed geographically (transmitting losses to European banks) and skewed towards highly levered institutions. The European bond market is smaller than the US mortgage market and the banking sector's share is lower, so it would take a huge default rate (far more than a single peripheral European country) to match the hit from US mortgages.

- **Bank liquidity positions are generally better and backstops more widespread.** For US banks, capital ratios have improved markedly since 2008. The capital position of the European banks may be less robust, but still improved. In addition, liquidity backstops put in place by central banks in 2008 are much larger than what existed as the crisis erupted in 2007 and 2008.

- **Private-sector imbalances are much smaller.** Although the public-sector fiscal position has deteriorated, this has been accompanied by a sharp improvement in private-sector financial positions. Private-sector financial balances have moved into substantial surplus in the major economies and the US household sector has become a net lender for the first time in the post-war period.

- **Markets have not seen the interest rate and commodity shocks of 2007-2008.** The run-up to the global financial crisis saw economies in a very different cyclical position. In 2007/2008, inflation was picking up across a broad range of economies, oil prices were rising sharply, and interest rates were high in many parts of the world. The policy and commodity 'shocks' that contributed to the cyclical slowing in mid-2008 are largely absent now.

…And Some New Risks

The comparisons to that recent past are not all favorable, however. As is often the case with economics (where are the one-armed economists when you need them?!), some of the biggest concerns in the current situation are simply the flipside of the positive aspects above:

- **Governments are the ultimate guarantor.** Although government defaults are much less likely than corporate and banking problems given the greater tools at their disposal, the consequences may be more severe. In particular, the global financial crisis and the banking system freeze were mitigated to a large extent by government guarantees. If government backstops come into question, private sector risks reignite.

- **Policy options limited if more stimulus is needed.** Interest rates are much lower than they were in 2008/2009, so options for fresh stimulus if the cycle slows again are severely constrained.

- **A prolonged era of weak recovery may be problematic.** In significant parts of the world, a self-sustaining private demand recovery is not yet evident and inflation is very low. A longer patch of sluggish growth would increase the risk of outright deflation.

- **Europe's institutional problems demand a high level of policy coordination.** The unique challenges of fiscal problems within the Euro-zone and the EMU raise questions about mutual support and require a high level of inter-governmental coordination to address.

- **Sovereign worries would be less manageable if they do spread.** If pressure on governments themselves spread to include some of the larger economies, the pool of potential problem assets would clearly be much larger.

How do these advantages and risks balance out? The more positive features suggest that we are much less likely to run into a serious global default and banking system problem than in 2008. The more negative features suggest that if, however, a widespread sovereign problem occurred, the consequences would likely be worse.

Our basic conclusion is that the probability of a dangerous transmission of European sovereign worries through the global banking system is significantly lower than it was in 2007 and 2008, despite some of the similarities in the initial market response.

The 2008 analogue presents two useful lessons. First, policymakers rarely have a "silver bullet" for the resolution of these kinds of balance sheet concerns. While governments around the world employed massive (and controversial) policy actions in 2008 and 2009, there was no single defining moment and it became clear only slowly that the set of responses was proving effective (some still argue the point). Second, it is hard for markets to go higher in the context of increasing credit concerns and a slowing of economic growth. Until global economic growth news begins to surprise positively again and the weight of government credit concerns recedes, investment markets face continued headwinds.

Aspiriant's Response

As comprehensive managers of our clients' wealth, we must find a way to respond intelligently to a very negative scenario that is possible but, we think, improbable. The sharp rise in equity volatility and the pressure on equity indices and other "risk" assets, suggest the market is in real doubt about the outcome. The speed at which it has done so in some areas is significant – equity market volatility and credit concerns about European banks and some countries have moved to levels not seen since the immediate post-Lehman period.

Still, we believe the market is underestimating the impact of lower interest rates outside the affected economies (e.g., mortgage rates in the US) and the stabilizing power of the emerging economies. If we are correct, a number of asset classes now look very attractively priced and may rise quickly at the first sigh of relief.

As you know from long experience with us, our threshold investment concern is to "do no harm." Our clients' financial goals will be accomplished primarily through profitable long-

Inaugural Aspiriant Client Survey

Aspiriant recently conducted its first "client audit" survey since our merger in 2008. We want to thank all our clients who responded to the survey to help us make sure that our services are meeting (and, we hope, exceeding) their expectations. We genuinely appreciate their partnering with us in improving our work for all of our clients.

We are in the process of thoroughly integrating this feedback into how we can better serve clients in areas they indicated are most important, make changes in areas that need improvement, and keep on doing what they've told us we do best.

We are very pleased and honored to announce that overall, clients gave us a rating of 4.7 out of a possible 5 points on service!

At the same time, we also greatly value the many constructive critiques and suggestions for service improvement. Many of those related to:

- Your confidence around reaching your financial goals;
- The character and frequency of our contacts with you;
- How proactive are those contacts;
- Improved transparency around some of our fees and billing;
- More communication and education about our investment approach;
- The style and content of our portfolio reporting;
- Greater timeliness regarding investment reporting for certain investments.

We take these suggestions very seriously and will do all we can to do even better in these regards.

Rob Francais, Aspiriant's CEO, will communicate directly to our clients in greater detail and individual clients' wealth management teams will be in touch to discuss their specific comments and how we can best respond to their concerns.

Tom Tracy
Chief Operating Officer

term participation in the growth of the global economy; it would be a tragedy if we fostered the mistake (all-too-common for laymen) of selling low and buying high, particularly in the context of tactical asset allocation and an attempt at market timing. So, until our expectation of long-term returns and relationships changes, our response to these current events would be limited to opportunistic strategies in asset class rebalancing and optimization of tax consequences.

Please also see our ongoing commentaries on markets and economies (most recent post, May, 2010) at *Market Viewpoint*.

While the current level of risk is probably higher than at any time since the market recovery began in March of 2009, our expectations for long-term return potentials remain intact.

Jason Thomas, Ph.D., CFA
Chief Investment Officer

Tax Planning Update

During the month of June, the Senate was considering several pieces of tax legislation, among them the "American Jobs and Closing Tax Loop Holes Act" (Jobs Act) and the "The Small Business Jobs Tax Relief Act of 2010" (Small Business Act) and the "Homebuyer Assistance and Improvement Act of 2010" (Homebuyer Act).

Included in the Jobs Act was an extension of several tax breaks that had expired at the end of 2009. The most notable among them were the deduction for state and local sales taxes and tax-free contributions from retirement accounts to charitable organizations for those taxpayers over 70.5 years of age. To pay for the extended tax cuts and spending increases included in the bill, the Act also includes a number of tax increases aimed at closing tax "loopholes". One of the provisions focused on self-employed service professionals who are paid through S-corporations. The bill would impose requirements on setting salary to ensure that appropriate amounts of Social Security and Medicare taxes are paid. Another provision focused on raising tax revenue related to "carried interest" commonly employed in investment vehicles like hedge funds and private equity pools as a means of "compensating" the investment's sponsors. Under current law, carried interest is taxed as capital gain. Under the Senate bill, effective in 2013, carried interest would be taxed 65% as ordinary income and only 35% as capital gain; for assets held for 7 years or more, arrangements would improves to 55% capital gain/45% ordinary income. As of June 28th, the bill had not received the necessary number of votes and the Senate has now moved on to Small Business Act.

Among the provisions included in the Small Business Act are provisions that would lessen tax on the sale of certain small business stock and increase the limits on the deduction of trade or business start-up expenditures. One of the measures most relevant to the planning opportunities for some clients relates to Grantor Retained Annuity Trusts (GRATs). If the bill is passed as currently drafted, GRATs would be required to have a minimum 10-year term, the value of the remainder interest would have to be greater than zero and the annuity amount could not decrease during the first 10 year of the GRAT term. This would severely limit the effectiveness of GRATs as they are currently used for planning today. The Senate did not finish work on this bill before the Independence Day recess so, at the moment at least, until they reconvene on July 12, GRATs remain a viable planning tool.

However, President Obama did sign the Homebuyer Act on July 2nd. Prior to the Act's passage, eligible home buyers who had binding purchase contracts on or before April 20th could take advantage of the Home Buyer Tax Credit so long as the purchase of their home closed on or before June 30, 2010. The signing of this Act extended the closing deadline from June 30th to September 30, 2010.

2010 Midyear Tax Planning Review

Half-way through the year, 2010 is shaping up to be one of the most unpredictable years on record for making tax planning decisions. Seemingly exhausted from partisan debate over short-term economic recovery incentives and the epic battle for health care reform, Congress has had little energy to focus on *long-term* tax policy. As a result, familiar provisions have been allowed to expire (with many more due to expire at December 31), leaving observers to speculate over what our tax structure will look like in 2011. Despite these uncertainties, here are a few of the topics we'll be considering with our clients.

Estate Tax - Before the year began, Democratic congressional leaders announced their resolve that the scheduled one-year repeal of the estate tax in 2010 would not be allowed to take effect. In January, they indicated that the tax would be re-instated retroactively to January 1. It's now July and Congress has still taken no action. As of this writing, there is no estate tax for 2010 and we think it's too late for retroactivity. Stay tuned for further developments since this is sure to be a bargaining chip in other legislative efforts later this year.

Gift Tax – In 2010, the maximum gift tax rate dropped to 35%. It was 45% in 2009, and is scheduled to return to 55% in 2011. With the generation-skipping transfer tax temporarily repealed (along with the estate tax) for 2010 and scheduled to come back in 2011 at 55%, this year's tax environment coupled with recent market retrenchments, may present a unique opportunity to accelerate family wealth transfers. It may be the last good opportunity for short term GRAT's.

Income Tax – The maximum tax bracket for individuals is scheduled to increase from 35% to 39.6% in 2011. In addition, the capital gains tax rate will return to 20% and the tax on qualified dividends will jump from 15% up to normal ordinary rates after 2010. Therefore, this could be one of those rare occasions where high income taxpayers find it preferable to reverse traditional wisdom and accelerate taxable income into the current year and defer deductions to future years. For example, our discussions with clients regarding Roth IRA conversions and the timing of tax liability often conclude that taking the full tax burden in 2010 is the optimal strategy. Similarly, converting C Corporation wealth into cash by paying dividends, now, could be wise to avoid a much higher dividend tax in coming years.

Mike Angell
Director – Wealth Management and
Ray Edwards
Director – Tax Services

Taking Full Advantage of FDIC Insurance

Given some clients' heightened general concern over risk of loss, here is a quick survey of the current deposit insurance landscape. The Federal Deposit Insurance Corporation (FDIC) has provided deposit insurance coverage to depositors of insured banks since 1933. The insurance covers accounts at each insured bank up to a set maximum amount, which until the end of 2008 was $100,000 ($250,000 for retirement accounts). That maximum amount was increased to $250,000 through the end of 2009 pursuant to the Emergency Economic Stabilization Act of 2008 and was further extended through December 31, 2013 in the Helping Families Save Their Homes Act of 2009. Absent further Congressional action (a permanent extension is currently part of the Financial Regulatory bill), the maximum amount will revert to the pre-2009 $100,000 limit in 2014. However, the $250,000 maximum for retirement accounts already applies.

Replay of May Client Conferences

In May, we hosted events in San Francisco and Los Angeles for our clients entitled **The U.S. and China on a Collision Course,** featuring guest speaker **Zachary Karabell**. We also used these occasions to welcome back **Tim Kochis** after his 6 month sabbatical.

We hope clients who were able to attend and celebrate with us enjoyed the experience as much as we appreciate sharing it. For those of you who could not be there in person, we have recorded the presentation for view on aspiriant.com.

Please click here to visit the event page and view the videos.

This FDIC insurance protection covers any person (whether a US citizen or not) or entity making cash deposits into accounts such as savings accounts, checking accounts, NOW accounts and Certificates of Deposit (CDs), among others. Non-cash accounts such as securities, mutual funds and other types of *investments* are not covered.

You can avail yourself of $250,000 of FDIC insurance coverage at as many separately insured institutions as you have accounts. At each insured institution, the $250,000 maximum coverage is not available on a per account basis, but rather on an "account ownership" basis. What this means is that an individual can have multiple accounts at the same institution and, to the extent the "account ownership" of the accounts is the same, those accounts are aggregated for the insurance coverage, up to $250,000 per ownership type.

However, there are roughly five account ownership categories, making it possible to significantly expand coverage in fact: single ownership, joint ownership, revocable trust accounts, business accounts, and retirement accounts.

Single ownership accounts are accounts that are owned by one person. They include accounts in the owner's name, accounts established for the benefit of the owner, as well as business accounts that are in the name of the owner as a sole proprietor.

A joint ownership account is an account owned by two or more persons. Joint accounts are insured separately from single accounts only if all co-owners meet all of the following requirements. All co-owners must be natural persons, have a right of withdrawal on the same basis as each of the other co-owners, and have signed a signature card. It is important to note that giving another person withdrawal rights under the terms of a Power of Attorney or withdrawal rights that authorize withdrawal only on the owner's behalf are not sufficient to make the account a joint account. If these three requirements are met, each co-owner's shares of every joint account that he or she owns at the same insured bank are added together with his or her other joint account shares at the same bank, and the total is insured up to $250,000.

A revocable trust account is any account where a designated beneficiary is named to receive the proceeds of the account upon the owner's death. The account may be either in single or joint ownership and need not be a formal trust. Creating a revocable trust account can be as simple as naming a beneficiary(s) on the account signature card (or some other bank document) or as complex as a forming a revocable living trust and naming the beneficiary(s) in that document.

The requirements that set revocable trust accounts apart from all other types of account ownership are as follows:

- Titling of the account must indicate that it is held pursuant to a trust relationship or that the account balance is payable upon the owner's death;
- The beneficiaries must be named either in the trust document or in the deposit account records; and
- The beneficiaries must be only living persons, charities or nonprofit organizations.

The calculation of the $250,000 maximum for revocable trust accounts depends on two things - the number of beneficiaries of all revocable trust accounts owned by the trust owner at the same insured institution and whether each of the beneficiaries will receive the same amount. So long as the revocable trust account owner names five or fewer beneficiaries, the maximum coverage for the trust owner across all revocable trust accounts at a single institution is determined by multiplying $250,000 times the number of different beneficiaries, regardless of the dollar amount or percentage allotted to each different beneficiary.

If a revocable trust owner names six or more beneficiaries and the beneficiaries do not each receive the same amount, the owner's revocable trust deposits are insured for the greater of $1.25 million dollars or the sum of each beneficiary's actual interest in revocable trust deposits up to $250,000 per beneficiary.

Business accounts include those opened in the name of a corporation, partnership or unincorporated association. They are considered owned by the entity and are insured separately from the personal accounts of shareholders, partners or members.

Retirement accounts include IRAs (traditional as well as ROTH), SEP IRA's, simple IRAs, self-directed 401(k) accounts, self-directed Keogh accounts and government employee accounts such as 457 Plans. All retirement accounts owned by the same person at the same institution are combined for the purposes of calculating the $250,000 maximum.

The FDIC insures deposits in most, but not all, banks and savings associations. Before making a deposit, be sure your bank or savings association is insured by the FDIC by getting confirmation information directly from your institution or by calling the FDIC toll-free at 1-877-ASK-FDIC.

Ginny King
Director – Wealth Management

Information Security Takes a Holiday

With the summer travel season fully upon us, airports and roadways will be filled with the "other children" of excited and weary nomads -- namely the laptops, netbooks, and mobile devices that people carry with them. Some of this equipment will be transmitting data across "foreign" networks; and, unfortunately, some may even be lost or stolen in transit. So whether you're packing up the bags for the beaches of Corsica, revving your engine for a drive to Wally World or sticking around home for a relaxing afternoon, take a moment to consider what information you're taking with you and what could unknowingly be left behind.

First, envision the content and volume of information that is stored on your equipment. Now imagine handing it over to a stranger and walking away. If your reaction to this is nothing more than a shrug, you'll likely have nothing to worry about. However, if you find yourself in a state of shock, you'll want to narrow the risk of potential data loss.

On that note, assess your risk tolerance. We use this term frequently in relation to investment strategies, but it's also relevant for information security. In the same way that some people prefer a vacation of bungee-jumping to movie-watching, some feel the ease of unencumbered computer usage is worth the risk.

There is an array of options for data protection. The list begins with basic measures that should be taken under all circumstances and ends with more complicated solutions that could seriously impact your convenience.

- **Anti-virus & anti-spyware software:** This is old news, but any computer on the Internet must have software that protects against viruses and spyware. Software should be updated frequently to ensure protection from recent threats.
- **Firewall:** Most operating systems come with a firewall enabled by default. For additional security, you may choose to purchase a secondary firewall from a reputable source. In either case, firewalls should never be disabled or ignored.
- **Logon passwords:** Laptops and mobile devices should be configured to require a password when first started and after a period of inactivity. The longer and more complex the password, the better. These devices are easy to lose, with ramifications ranging from the hassle of a missing phone to unauthorized charges and lost data.
- **Power:** In general, devices are more secure when powered down. Turn devices off while in transit.
- **Stored passwords:** Remember your passwords to the extent possible. Do not save them to a file on the device itself and do not allow your Internet browser to "remember" passwords to websites. Change passwords every 3-6 months.
- **Internet browsing:** When browsing the Internet on a public network (meaning any network that you don't control) assume that the security of that network is unknown and let your risk tolerance guide you. At the very least, pay attention to the website address and remember that sites that begin with "http**s**://" encrypt transmissions, while those with merely "http://" are not secure. Resist entering sensitive information on an insecure site and always heed security warnings issued by your browser or firewall.
- **Encryption:** There are many ways to encrypt information stored on your device, essentially scrambling the data so that it cannot be retrieved without the required key. This is becoming very common, and many operating systems provide methods for doing so. While options exist to encrypt single files or folders, encrypting the entire hard drive will ensure that all data on the device is secure. This extends to external storage devices, and USB keys should always be encrypted.
- **Traffic filtering:** Depending on your technical knowledge and thirst for adventure, you may choose to route all your

- Internet usage through a proxy, filtering service or virtual private network (VPN) to mask your location, encrypt all traffic, or further protect yourself from web-based malware.

Finally, the most effective approach to data security may be the most obvious and the least technical. Limiting usage certainly limits the chances for lost data. If you're about to access information in public that you'd prefer to keep private, take a moment to consider the reasons and urgency for doing so. For instance, if you'd be checking your bank account at the airport because you're bored during a flight delay, buy a magazine instead. Or, in an act of total reckless abandon, leave your laptop and iPhone behind (in a safety deposit box, of course!) and enjoy the summer sunshine.

Jay Owens
Director – Information Technology