GOING SEBASTIEN FISHER LE BOUEF LLP
CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED INVESTMENT ADVISORS • CONSULTANTS

Charles A. Going, CPA, LLC
M. Scott Sebastien, CPA, LLC
Donald E. Fisher, CPA, LLC
Craig C. LeBouef, MBA, CPA/PFS, CFP®, LLC
Darren J. Cart, CPA/PFS, LLC
Matt Ledoux, CPA, LLC

Beth T. Spears, CPA
Robert A. Roy, Jr., CPA

January 16, 2018

Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call us at your convenience to set up your quarterly meeting.

Contents:

Going, Sebastien, Fisher & Le Bouef, LLP News:

- GSF&L constantly researches asset classes to include in clients' portfolios to increase income or reduce risk or both. We offer Insurance-Linked Securities, Alternative Lending, Market Insurance, and other Alternative Strategy Securities, so feel free to contact us for more details.

Investment Views:

- ***Morningstar Data - Through December 31, 2017 - Year-to-date returns -*** Dow Jones Industrial Average 28.11%, NASDAQ Composite (dollars) 28.24%, Russell 2000 14.65%, S&P 500 21.83%, MSCI EAFE (dollars) 25.04%, and the Barclays U.S. Aggregate Bond Index 3.54%.

- **Rates of Interest (As of December 21, 2017) –**

Federal Funds Rate	1.42%	10-Year TIPS	0.55%
3-Month Treasury Bill	1.35%	10-Year Muni Bonds – Nat'l	2.00%
10-Year Treasury Note	2.46%	15-Year Mortgage Fixed	3.38%
30-Year Treasury Bond	2.82%	30-Year Mortgage Fixed	3.94%

- ***Northern Trust – Weekly Economic Commentary – January 12, 2018 –*** The tax reform package was ratified December 22, 2017, and IRS staff and payroll administrators immediately started working to calculate new withholding schedules. Thanks to their efforts, net pay will start to reflect tax reform as soon as next month. Actual gains will vary with each household's individual circumstances, but most earners can expect a reduction in liability.

- ***Bureau of Economic Analysis – December 21, 2017 -*** Real Gross Domestic Product (GDP) – the value of goods and services produced by the nation's economy less the value of the goods and services used up in production increased at an annual rate of 3.2% in the third quarter of 2017, according to the "third" estimate released by the Bureau. In the second quarter of 2017, real GDP increased 3.1%. Personal Income increased 0.3% in November as compared with an increase of 0.4% in October.

- ***Bureau of Labor Statistics – January 12, 2017 –*** On a seasonally adjusted basis, the Consumer Price Index for All Urban Consumers rose 0.1% in December, and over the last 12 months the all items index rose 2.1% before seasonal adjustment. The unemployment rate was unchanged at 4.1% for the third consecutive month, and total nonfarm payroll employment increased by 148,000 in December. Employment gains occurred in health care, construction, and manufacturing.

Craig's Thoughts and Views:

Highlights From the Tax Overhaul

The President signed the much anticipated "Tax Cuts and Jobs Act" on December 22, 2017. A highlight of several of the individual tax provisions are below.

- Seven income tax brackets remain but rates are reduced. The new rates, with associated thresholds, are as follows:

	Taxable Income	
Rate	Individuals	Married Filing Jointly
10%	up to $9,525	up to $19,050
12%	$9,525 to $38,700	$19,050 to $77,400
22%	$38,700 to $82,500	$77,400 to $165,000
24%	$82,500 to $157,500	$165,000 to $315,000
32%	$157,500 to $200,000	$315,000 to $400,000
35%	$200,000 to $500,000	$400,000 to $600,000
37%	over $500,000	over $600,000

- The standard deduction is almost doubled, to $12,000 for single filers and to $24,000 for married couples filing jointly
- The personal exemption has been eliminated.
- The combined deduction for state and local property, income and sales taxes is capped at $10,000. This deduction was previously unlimited.
- The child tax credit is doubled, to $2,000, for children under 17 and the income threshold for claiming the full credit is increased to $400,000 for married couples (up from $110,000 today) and $200,000 for single parents (up from $75,000).
- For taxpayers taking new mortgages on a first or second home, interest will be deductible on debt up to $750,000, down from $1 million today.
- The Alternative Minimum Tax (AMT) survived, but few filers will be affected: the income exemption levels rise to $70,300 for singles and to $109,400 for married couples.
- The estate tax exemption has been doubled, to $11.2 million for individuals and to $22.4 million per couple for 2018, and will be indexed to inflation. The "step up" in cost basis for inherited assets has been preserved.

2811 SOUTH UNION • OPELOUSAS, LOUISIANA 70570

TELEPHONE (337) 942-3041 • FAX (337) 942-7112 • WWW.GOINGCPA.COM

- The "chained CPI" will be used to measure inflation when adjusting future deductions, credits, and exemptions.

Should You Buy Bitcoin

In recent months, much as been written by the financial media about Bitcoin's meteoric price rise. Also, many investors have wondered and asked financial advisors if they should buy the cryptocurrency. Let's look at some perspectives.

You can't argue with success. And those who bought Bitcoin last January around $1,000 watched it climb to almost $20,000 in mid-December. As of Tuesday, January 16, 2018 Bitcoin fell below $12,000 for the first time since December 5, 2017 to $11,182.71, according to CoinDesk.

Blockchain is a technology that could possibly disrupt and maybe displace the traditional means of conducting and validating transactions and transferring funds (Bitcoin is the unit of exchange used in transactions). Currently, third parties such as banks or PayPal fulfill the majority of these functions, blockchain relies instead on multiple parties in the on-line community, using computers that in the aggregate maintain a public ledger – in essence a database of transactions. Therefore, the integrity of the blockchain process is maintained by competition among independent parties as they vie to verify transactions.

The supply of Bitcoins grows as transactions are validated and added to this virtual ledger. By design the number of Bitcoins in circulation should reach a ceiling beyond which no more can be created. Therefore, similar to gold and other precious metals, their supply is limited. Because Bitcoin is limited in supply it is argued that unlike government-based currencies, its value cannot be "inflated away." This thinking has added to the recent extraordinary demand. However, by owning Bitcoin (or any other cryptocurrency), you don't own the technology behind it.

Does Bitcoin qualify as a legitimate investment or as a form of money? Financial assets are valued by discounting their future cash flows to and estimated present value. Stocks and bonds can be expected to generate dividends and interest, and their current price reflects the market's valuation of those future income streams. Bitcoin provides no income and therefore is difficult to value.

Bitcoin advocates describe it as a form of money that will compete with, if not displace, government-issued currencies. However, money must serve as both a medium of exchange and a store of value. Money facilitates trade because it serves as a commonly recognized medium for transactions. Without money, people would have to rely on barter transactions. Without it no trade takes place unless there is a coincidence of wants – the shoemaker cannot buy wheat unless he can find a farmer in need of shoes.

In spite of its meteoric rise and media attention, very few transactions are taking place via Bitcoin to transact goods and services. Thus, there is little evidence that it serves as a viable medium of exchange on any significant scale.

To serve as money, any media must also serve as a store of value. To meet this test, it must be widely valued and demanded, be capable of being delivered and measured in uniformity, and be easily divisible. In addition, it should not rot, spoil, or lose value over time. In theory, Bitcoin could meet these criteria. To effectively serve as a store of value, money must also demonstrate stable purchasing power. By this standard Bitcoin currently fails. During 77 of the last 365 trading days, the dollar price of Bitcoin has changed by at least 5 percent. To put this in perspective, consider that on January 4, 2017, 50 Bitcoin would have bought a Mercedes-Benz C-Class sedan. One week later, January 11, that same 50 Bitcoin would have been enough to buy a Buick Regal.

Bitcoin is sometimes compared to gold by investors. Gold has been recommended as part of a diversified portfolio by advisors and financial consultants. Gold, like Bitcoin, has no expected value (it generates no income), and while it has been recognized as a medium of exchange for hundreds of years it is impractical to use gold to purchase goods and services directly. In terms of purchasing power, Gold has held up better than currencies over the long term; however, over the short term it can be volatile. Gold does have something that Bitcoin lacks in this area - a track record of prices covering hundreds of years. This track record of data reveals an asset that has proven itself as a form of insurance against financial crises.

Individuals are buying Bitcoin for many reasons. They believe it is costly to produce therefore valuable, they believe it will replace money, they believe the demand for it will continue and therefore the price will continue to rise to name a few. Some do not think the price is too high based on it's usefulness. They rationalize this based on the market capitalization of bitcoin of around $200 billion around December 8, 2017. In comparison, the market capitalization of Visa was just over $245 billion and MasterCard at about $154 billion. Western Union's market capitalization was around $9 billion. Individuals may be buying Bitcoin because they believe that one day the cryptocurrency may capture a third or so of the global payments market.

Another way investors can invest in Bitcoin or the technology of blockchain (if the desire is there) is to do so indirectly. This cryptocurrency may be one of the latest creations that will cause "destruction" in financial industry that will propel businesses forward and improve people's lives. Investors maintaining an exposure to common stocks is one way to benefit indirectly from the technology. As the cost of transacting falls, businesses will become more efficient and shareholders will share in the wealth. It is very hard to predict which industries and firms will prosper the most, so one should think about diversification as a rational approach to investing in blockchain.

IRA Review

If you are the owner of an IRA, there are some issues that you should be aware of. We assist our clients in avoiding these pitfalls, so they can maximize the use of their IRAs. Each IRA owner has different circumstances and these issues may impact individuals differently. Below are some areas that IRA owners should give attention to.

- First and foremost, it is important to review the current beneficiary of your IRA on at least an annual basis, especially if you have recently experienced an event such as a birth, death, marriage, or divorce. You should also make sure to list a contingent beneficiary or beneficiaries in the event the primary beneficiary predeceases the IRA owner or disclaims some or all of the IRA assets.

- Exercise caution before listing the estate or a trust as the beneficiary of your IRA. These can cause unnecessary required accelerated distribution methods that may be undesirable.

- When taking traditional IRA distributions, attempt to do so in a manner that does not cause IRS penalties. For example, traditional IRA distributions prior to the owner reaching age 59 ½ are subject to a 10% IRS "early withdrawal" penalty. Exceptions to this penalty as defined under the Internal Revenue Code Section 72(t) may be for the following distributions:
    - that are part of a series of substantially equal periodic payments
    - made due to total and permanent disability
    - made due to death
    - to the extent the individual's unreimbursed medical expenses exceed 10% (7.5% if taxpayer or spouse age 65 or older) of adjusted gross income
    - to pay for health insurance premiums for certain unemployed individuals
    - for qualified higher education expenses of taxpayer, spouse, child, or grandchild
    - for first-time home purchases ($10,000 limit lifetime and no home ownership in prior 2 years)
    - due to an IRS levy on an IRA
    - to reservists while serving on active duty for at least 180 days

- Effective for years 2010 and beyond, there is no adjusted gross income (AGI) limit for Roth conversions and married filing separate (MFS) taxpayers can make Roth conversions.

- A 2014 Tax Court decision concluded that the one-IRA-rollover-per-year limitation applies globally to all traditional IRAs owned by an individual rather than on an account-by-account basis. However, there are no limitations on direct rollovers (trustee-to-trustee).

- Beginning in 2015, IRA owners and beneficiaries age 70 ½ or older can make qualified charitable distributions (QCDs) by causing IRA funds to be paid directly from the IRA to the charity.

- Traditional IRA owners must begin taking required minimum withdrawals from their IRAs after the owner reaches age 70 ½. A penalty of 50% may be assessed on any shortfall below the required minimum distribution amount.

- Beginning after 2017, a recharacterization cannot be used to unwind a Roth IRA conversion.

GSF&L, LLP Registered Investment Advisors:

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

Craig

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The Lehman Brothers U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

2811 SOUTH UNION • OPELOUSAS, LOUISIANA 70570

TELEPHONE (337) 942-3041 • FAX (337) 942-7112 • WWW.GOINGCPA.COM

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results. Diversification does not assure against market loss.