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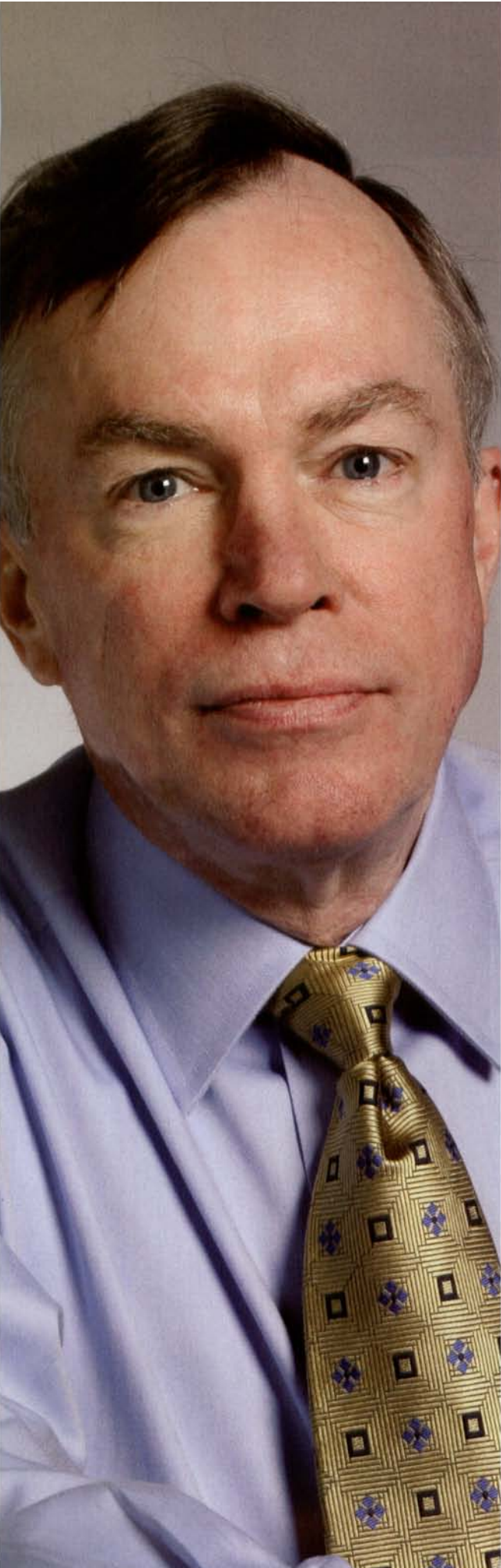
CPA Wealth Provider[®]

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Taking Financial Planning to New Heights

**Bernard Kiely,
Kiely Capital Management**

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Taking Financial Planning to New Heights

Bernard M. Kiely is the founder and owner of Kiely Capital Management, Inc. in Morristown, N.J., a fee-only investment management and financial planning firm. However, go to any financial planning conference and mention the name and you will be rewarded with a smile, and a "Bernie. Sure, I know Bernie." The one-word name seems to say it all because Bernie Kiely has been listed as one of the best financial advisors in the United States by *Worth Magazine* four times in a row and he has twice been named by *Accounting Today* as one of the 40 people to know in financial planning.


By Stuart Kahan

Meet Kiely for the first time and one is immediately disarmed. He is of medium height, slim, with small streaks of grey surrounding his auburn hair. He has big, clear, blue eyes and a ready smile. He is soft spoken, listens intently to every word one says, and then responds succinctly and to the point. He very rarely wastes words.

Giving Back

But what probably galvanized Bernie Kiely and elevated him to the top tiers of financial planners were the events of September 11. He and Peter Traphagen, a CPA, founded the New Jersey Society of CPAs Help Center for World Trade Center Widows. They discovered rather quickly that the terrorist attacks resulted in many widows with six and seven figure life insurance proceeds plus payments from the federal government. "These survivors, who were primarily women, were in a very vulnerable position," says Kiely.

The premise behind the Help Center was simple. CPA volunteers would provide income tax, cash management, and estate planning services on a pro bono basis. "A cornerstone of the Help Center was that the survivors were not to make significant financial decisions for at least six months. This way, they would be able to clear their heads and make major financial decisions when times were a little less emotional."



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The State Society promoted the Help Center through press releases, flyers at churches, and the like. Once it connected with the Red Cross and other relief agencies, word about what it was doing spread fast. "I personally spoke with numerous charitable organizations," says Kiely. "The Help Center was grateful to have access to Red Cross resources and the Red Cross was grateful to be able to turn to so many CPA financial planners."

He explains that one of the first things the CPA volunteers had to do related to income taxes. "We had to make sure that tax returns for the year 2000 were filed. Many of the deceased were heavy hitters and had filed for additional time to submit their income tax returns. The federal, New

York, and New Jersey governments extended tax forgiveness for 2000 and 2001. This provided a lot of work for those of us who were tax accountants."

Kiely provided pro bono services for a number of 9/11 families, all of whom were headed by women. He points out that when Peter Traphagen and he started the Help Center, their motives were purely altruistic. "We had both technical and people skills that were badly needed. At no time were we trolling for business. I estimate that I donated at least 250 pro bono hours worth \$50,000 at current billing rates. That was a lot of time out of my practice. However, my practice was and still is thriving nicely, so I felt it was time to give back to the community." Interestingly enough, such services had its own rewards for four of those families became tax clients and two of them turned over seven million dollars for Kiely to manage.

Hearing a Different Beat

Kiely's attitude seems to have emanated from his background and experiences. He always followed his own calling, no matter what.

A native of Newark, N.J., Kiely, 56, was raised in sleepy working class neighborhoods where ethics, integrity, and dedication to work were instilled in him from the very beginning. After graduating from Roselle Park High School, he enlisted in the U.S. Navy at the age of 17. "I made two nine-month tours off the coast of North and South Viet Nam. My ship was a heavy cruiser, the USS Newport News, with eight-inch guns in support of the First Marine Division, which was stationed along the DMZ. When I was 18, the Navy offered to send me to a prep school and then enroll me in the U.S. Naval Academy at Annapolis. I refused. They made the same offer a year later."

After the Navy, Kiely attended Upsala College at night while working during the day as a technical representative for the Xerox Corporation. He persisted with such a grueling work-school schedule and 10 years later, he received a B.A. in accounting (cum laude, no less) followed by an MBA from Rutgers University.

When he graduated from college, Coopers & Lybrand employed him. "I hated that job. It just wasn't me. The people were perfectly fine and the firm was wonderful, but I began to realize that I wanted something more because simple tax and accounting work was just not putting color in my cheeks. Eventually I became a senior financial analyst for W.R. Grace in New York City."

Kiely started his own private practice on the first working day of 1983. "I had already quit my job and interviewed for another one. I received three offers and turned them all down. That's when I knew I didn't want to work for someone else anymore. I wanted to be on my own."

He ran an ad in the local paper for tax preparation services. "I still have some of those clients today. I hear from many people who want to become a financial planner. Most do not realize how hard and how long it takes to become established. My wife, Yvonne, bought the food and paid the mortgage. My job was to pay the rent in my two-room office. I did whatever it took. My first year in business I prepared tax returns for

Kiely is a CPA and a Certified Financial Planner (CFP). In addition, he is a member of the AICPA, the NJ Society of CPAs, the Financial Planning Association, and NAPFA. Presently, he is one of four peer reviewers for NAPFA. In 2004, he reviewed 30 comprehensive financial plans for NAPFA. "The New Jersey Help Center is a permanent part of the Society. I am currently working on a new pro bono case where I am helping a 41-year-old woman, with three young children, who are going through a not-so-nice divorce. Her husband has the income, the bank accounts, and everything else. She had no one to turn to. I told her I am here 24/7 for as long as it takes. When you offer unconditional help to a client, it makes life worthwhile."



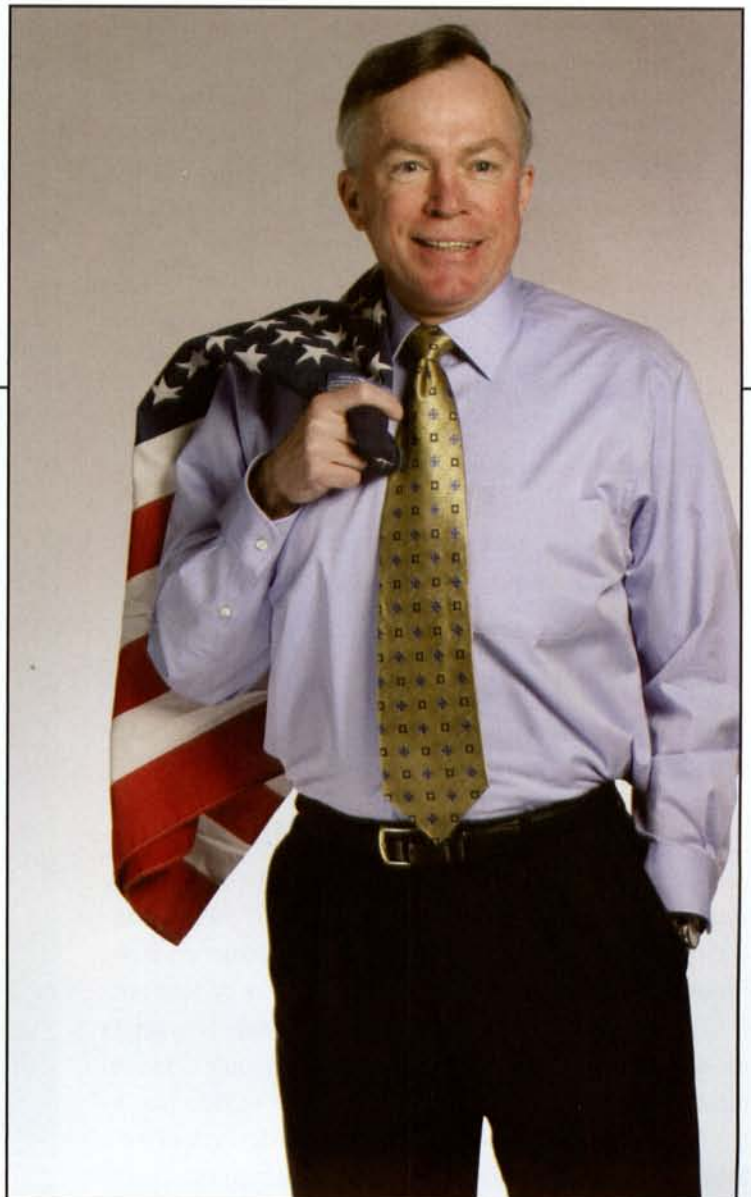
**I can do financial
planning, income
tax planning,
and income tax
preparation
in-house.**

Household Finance for \$5 per hour. I taught CPA review courses and accounting at Rutgers for a number of years. That worked well for in 1987, I was awarded the Accounting Teacher of the Year."

Kiely did his first financial plan in 1984. "The client was a couple that both worked. They wanted to know what they would have to do so she could be a stay-at-home housewife. I actually made that dream happen. Notwithstanding this initial success, business was still very slow and it did not really take off until I joined the National Association of Personal Financial Advisors (NAPFA) in 1995 when I began managing clients' money for a fee."

Community Active

Today, Kiely specializes in working with people who are at or close to the end of the accumulation stage of life. "Literally, I'll get a call from someone on a Monday morning that will tell me they retired on Friday, that they have a million dollars, and are scared to death."



Moreover, Kiely Capital Management is registered with the U.S. Securities and Exchange Commission as an Investment Advisor. "When it comes to implementing an income tax plan, many financial planners will send you to your CPA. At Kiely Capital Management, we can help you with all financial planning, income tax planning, and income tax preparation right here in-house."

One focus by Kiely today is on helping National Guard and Reserve families with loved ones overseas. "If you are in the active duty military, support services are already in place at your base. Members of the Guard and Reserve are basically civilians like you and me. One day they are working in an office or maybe they are pounding the beat as a cop. The next day they are on patrol on the other side of the world. The family left behind can be suffering. Perhaps the civilian soldier was making \$60,000, so the family has to get by on \$20,000. That can make paying bills hard. The same resources that helped the 9/11 families such as churches and the Red Cross, can now help the Guard and Reserve families. The Help Center has the experience, knowledge, and contacts to make another difference. If we can get Society members who are veterans to help out, then no CPA will have to adopt more than one family."

In this regard, Kiely's mission for such families is the same for every client of the office, which is to:

- Construct a comprehensive financial plan that will make a significant difference in the clients' lives.
- Help clients enjoy their retirement through professional management of their investment assets.
- Form long-term relationships with their clients.
- Work with clients who wish to delegate the responsibility of investing their life savings to a trusted and experienced professional.
- Sell no investment or insurance products.

Comprehensive Outlook

Kiely says that his firm is solely concerned with assisting the clients in meeting their life goals through the proper management of *all* their financial resources. "Our success is not measured by performance statistics but rather by your success in achieving your long-term financial goals." He points up the most obvious difference: He is a fee-only financial planner. His compensation comes from fees paid to him by the client. He receives no commissions or referral fees from anyone for any reason. "What does this mean to the client?

It means that there are no hidden agendas. My sole focus is on helping you achieve your financial goals and objectives and not on generating sales commissions."

He says that he begins every new client relationship by preparing a retirement plan, which is a long-term cash and income tax forecast. "We start with your present financial



status and project your income and expenses out to the age of 95. We also forecast your Social Security and pension benefits, estimate your taxes, living expenses, and more. Our forecast commonly answers many of the questions you may currently be thinking about, such as what effect will inflation have on my cost of living and will I run out of money in my old age?"

Kiely's firm provides continuous wealth management services that include discretionary asset management, financial planning, income tax planning, and income tax preparation. It provides clients with one-stop shopping for all their financial needs on a fee-only basis.

"When something is comprehensive, it means it takes into consideration all aspects of a topic," says Kiely. "Comprehensive financial planning looks at the client's assets, liabilities, net worth, cash flow, income taxes, life, health, disability, homeowner's, long-term care and umbrella insurance, investments, and estate plan. If you change one aspect of the profile, it affects another. For example, a change in your investments or life insurance may affect your estate plan. Your estate plan must always be updated. This is why we review the client's entire financial situation."

Accepting the Responsibility

Kiely says that the firm tends to work with people in their early to mid-50s, up to and including senior citizens. "Our clients are usually in one of two categories: people in middle management all the way up to executive positions as well as retirees."

He adds that the clients are individuals and families who wish to delegate the responsibility of investing their life savings to a trusted and experienced professional. He has 40 families right now. "We work with individuals and families with \$500,000 to \$3,000,000 in investable assets."

The skill sets that made Kiely a successful CPA financial planner include a strong desire to help others. "I believe successful financial planners are born, not made. The very first line in my mission statement states: 'Our mission is to construct a comprehensive financial plan that will make a significant difference in our clients' lives.' I strongly believe that CPA financial planners make life better for those we work with."

Kiely also believes in giving back to the community, which becomes its own reward. "I wish more people would do it. At times, people are so vulnerable and hurting so much. It feels good to say to them I'm here 24/7." ■

KIELY CAPITAL MANAGEMENT, INC.

A Registered Investment Advisor

Fee-Only Financial Planning and Investment Management

Bernard M. Kiely, CPA, CFP, MBA

- Named one of the Best Financial Advisors in the U.S. by WORTH Magazine four times in a row.
- Twice Named one of the "Names to Know in Financial Planning" by Accounting Today Magazine
- The National Association of Personal Financial Advisors said "Bernie is one of the best known financial planners in the CPA community".

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