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Wealth Builder

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WHERE'S YOUR FOCUS? BY DAN FUNDERBURK, CFP®, CKA®

Last week, Mike and I flew to Denver for a quick work trip. While passing through airport security, Mike and the lady behind him struck up a conversation because they were both wearing HOKA shoes. I had never heard of HOKA shoes, but Mike's conversation brought their existence to my attention. I found myself looking at people's feet over the next couple of days. Sure enough, I noticed more and more people rocking HOKA footwear.

A few years ago, Hollie and I were in the market for a minivan (insert appropriate joke here). We began researching various options and narrowed it

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ARE WE PREPARED FOR AI? BY JEFF FUNDERBURK, CFP®

The use of artificial intelligence technology is becoming increasingly widespread and seems to be accelerating quickly. These types of disruptive technologies have the ability to permanently change the way our world functions. Harnessing these new technologies for good has the ability to improve our lives, or at least make them more convenient. Ever think about going back to a world without your cell phone? But when these types of transformative technologies are adopted too quickly and with too little thought, they can be dangerous.

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down to a few models we liked. Over the next few weeks, it seemed like every car I saw on the road was one of the two models we were interested in.

What's my point? Simply this: As soon as my brain locked onto something, I began to see that thing over and over again. Before I was aware of HOKA shoes, I'm sure I walked past hundreds of people wearing them without ever noticing. Before we began the minivan search, I'm sure I drove past thousands of minivans without ever giving them a second thought. As soon as we focus on something, our brains naturally spend more time and energy reinforcing the existence of that thing.

This simple fact has a massive impact on our daily life. If we spend hours each day watching the news (pick your network – it truly doesn't matter), we focus more on the negative aspects of our world. Not because we're naturally pessimistic people, but because networks tend to report shocking headlines, often with a biased and negative spin. We can't help that our minds then in-turn focus on the negative – our biology dictates that our brain will spend more energy thinking about the junk we heard from the talking heads because that is what we allow our eyes to focus on. This in-turn raises our stress and anxiety levels because there is always the next crisis to worry about (debt ceiling, anyone?).

I've found that our most peaceful clients are those who are intentional about where they keep their focus. They choose to focus on the positive things in life. Their family, their hobbies, their sources of enjoyment. Their fortune for being born in a free country. Does that mean they are ignorant of the harder issues in our world? Absolutely not. They just don't focus on the negative stuff they can't control.

If you have found yourself stressed out lately because of the happenings in our country and our world, I would simply suggest you take an honest assessment of where you're focusing your brain power. If you find that you're focusing on the headlines of the day, I suggest you try to reduce your news consumption and instead spend that time on things you naturally enjoy. For my fellow Christians, I suggest you spend time in the Bible reading how Jesus handled the chaos of His day.

Tomorrow has enough worries for itself – let's not waste today worrying about tomorrow's issues.♦

“As soon as we focus on something, our brains naturally spend more time and energy reinforcing the existence of that thing.”

EVER HEAR OF THE STOCK ACT? BY MIKE BERRY, CFP®

I try not to mix politics with my job as your financial advisor. The door to my office is open to anyone who needs financial advice. And I'm not sure what I'm writing about in this article is political as much as it is about fairness.

You may have heard about a bank in California, First Republic, that was taken over by regulators and then sold at a bargain basement price to JP Morgan. There was also a headline along with that about a Florida Congresswoman who sold First Republic stock and used the proceeds to buy *JP Morgan* stock shortly before First Republic was closed and sold to JP Morgan. Looks suspicious, but she could have just gotten lucky, or she could have received information that was not yet public that motivated the trade.

Elected officials, primarily senators and congresspeople, trading stocks on non-public information has been a concern for a long time. In 2006, the Stop Trading on Congressional Knowledge Act was introduced in response to insider trading allegations against an aid of the House Majority Leader, Tom DeLay, and also insider trading allegations against Senate Majority Leader, Bill Frist. The act did not pass.

In 2008, and during the Great Recession, members of Congress were once again profiting from insider information. Three days after Lehman Brothers failed the Treasury Secretary and the Chair of the Federal Reserve gave members of Congress a closed door briefing on the state of the economy. A series of significant stock trades by members of Congress took place after that meeting, which were exposed by the TV show *60 Minutes* in 2011¹.

In 2012, the STOCK Act was reintroduced and passed overwhelmingly. The act was meant to provide transparency into the stock trading activities of our elected officials. But apparently transparency isn't enough to deter the appearance of using inside information.

As recently as during the COVID-19 Pandemic, dozens of members of Congress on both sides of the aisle did trades totaling over \$150 million - strategically positioning themselves to profit from owning stock in companies that were in remote work technologies, telemedicine companies and car manufacturers that went from making cars to making ventilators. They sold stock in companies in the restaurant and hospitality industries that would certainly



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“School kids can tell these AI programs to write them an essay, and within seconds they’ve got their assignment completed.”

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The biggest tech players like Google, Microsoft, and IBM have been developing artificial intelligence engines for years, but they weren’t really available to end-consumers. They were used by big business, sort of behind the scenes as far as our everyday lives were concerned. But now some of these engines are available to us and are already changing things.

School kids can tell these AI programs to write them an essay, and within seconds they’ve got their assignment completed; no learning required on their part. Some of these are so accurate that teachers aren’t able to tell who wrote it (the app can be told to write the essay from the perspective of a 9th-grader, for example). They’ve gotten so good in fact that I’ve heard of some teachers now going back to hand-written assignments that must be completed in the classroom.

There are companies that can actually create an AI version of you. You go in and record hours of video and audio and they will create a virtual version of you that can attend your Zoom meetings for you. I read a *Wall Street Journal* article where a reporter did this and was surprised to find that her virtual person, driven by AI in the background, was able to fool her parents over the phone. Think how often you authenticate yourself over the phone to companies you do business with. How is that going to work in the future?

Just yesterday, I read another article where an AI-generated fake image of an explosion near or at the Pentagon actually sent stocks trading lower. The image was quickly debunked as fake, and markets quickly recovered. But the possibility of AI spreading false information and causing real-world consequences is out there now.

It’ll be interesting to see how AI develops, but I hope and pray that it’s rolled out with the proper amount of thought, precaution, and responsibility. Elon Musk and over 1,000 other technology experts have signed a letter calling for a pause in the development of powerful training AI systems for the good of society. Developers of these systems should pay attention. Just because we can develop a technology doesn’t mean we always should.♦

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lose money during the COVID-19 Pandemic. Several senators were facing allegations, but none of them ever faced charges.

For people to have confidence in investing, the playing field must be level for all. Investment decisions based on information available to the general public are what makes this possible. Those who use non-public information to buy and sell stocks are manipulating the price to their advantage and hurting those who don't have that same information. Those people should be punished and certainly are when caught. In the case of our elected officials, it is sometimes very hard to prove allegations of insider trading against them because of their positions and the fact that there is so much non-public information going on in Washington all the time.

There is another attempt to place more restrictions on our elected leaders' stock trading activities. It has bipartisan support in both houses, so we will see what transpires. Frankly, I think the solution is simple. If you are serving as an elected leader or working closely with one, such as an aide, then your investments go into a blind trust while you serve. The trust manages the money, and you have no knowledge or input on the investments in that trust.

It will be interesting to see if on this issue our elected officials can come together and do what is right for the people rather than what benefits them. ♦

Sources:

¹<https://www.investopedia.com/terms/s/stop-trading-on-congressional-knowledge-act.asp>



***“For people
to have
confidence in
investing,
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playing field
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