

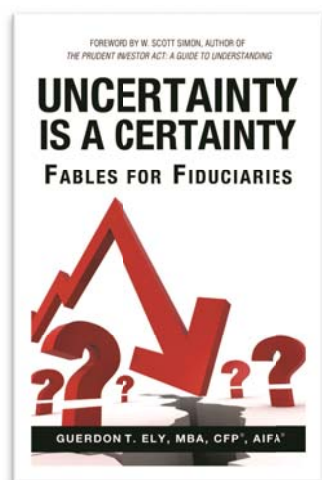
Biblio File: Local investment adviser teaches through humor

Dan Barnett

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If you are responsible for handling someone else's money, you may be a fiduciary. Investment advisors are fiduciaries, but so are people managing the finances of an aging parent or acting as a trustee for a family trust. Fiduciaries are regulated by the Uniform Prudent Investor Act (UPIA), a code of conduct expressed in formal legal language.

That's where Guerdon Ely comes in. He's the author of "Uncertainty Is a Certainty: Fables for Fiduciaries" (\$14.99 in paperback from Xulon Press). The Chico-based Certified Financial Planner (www.elyportfolios.com) presents the duties spelled out in UPIA using stories and analogies that anyone can understand.



His self-deprecating reminiscences are sometimes hilarious, but Ely has a serious purpose. Proper stewardship of another's money is not just about following a legal process; it's about developing honest character not tempted by Wall Street greed or swayed by "sucker bets."

Ely will be speaking at the Chico Branch of the Butte County Library on Wednesday, June 22 at 2:00 p.m. as part of a series entitled "Transforming Life After 50." He is scheduled to focus on global economics, the financial meltdown, and how individuals can respond. The two-hour presentation is free and open to the public.

It's vital for a fiduciary to determine the "time horizon" of investments; but the time horizon may well change with changing circumstances. Early in his marriage Ely was living from paycheck to paycheck. He told his wife: "My most important short-term goal is this month's rent payment and my most important long-term goal is next month's." ... Things were so tight that a big night out was splitting a turkey sandwich and a cup of soup at Denny's, and then going window-shopping at the grocery store." Later, Ely and his family were able to look a little farther ahead.

A fiduciary is judged not by portfolio performance but by whether he or she follows a process that rests on appropriate skill and good judgment. "Knowing isn't enough," Ely writes, "because we are hardwired to do dumb things when it comes to money. Therefore, as a fiduciary, you need the courage to do the right things and the discipline not to do the wrong things."

If this sounds like a philosophy of life, the reader has made a prudent observation.

Dan Barnett teaches philosophy at Butte College. To submit review copies of published books, please send email to danbarnett@me.com.