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## FINANCE: North County financial advisers calm nervous clients

By staff reports

North County stock brokers and financial advisers fielded waves of calls from worried investors Monday as turmoil throughout the financial sector shook the stock market.

"Everybody's been meeting with clients all day," said Lara Edge, spokeswoman for Charles Schwab, a national brokerage firm with three North County branches. The number of calls are "usually higher than normal on days of high market volatility."

Financial advisers said they spent the day reassuring consumers that diversified portfolios would withstand the troubles afflicting some of the nation's largest banks, investment firms and insurance companies.

The Dow Jones Industrial Average fell 504 points on Monday, the most volatile day on Wall Street since the terrorist attacks of Sept. 11, 2001. Widespread selling pressure came after a bankruptcy filing by Lehman Brothers Holdings Inc., a deal to sell Merrill Lynch & Co. and tumbling shares of financial giants AIG, Wachovia and Washington Mutual.

However, clients who properly hedged losses in financial stocks by investing across a broad spectrum of companies had little reason to worry, advisers said.

"Clearly, some people get more nervous when they see these things happen," said Rick Mayes, founder of Mayes Financial Planning in Carlsbad. "We just keep the ship moving ahead and make sure they're diversified enough to not get hurt too much by any one sector."

Some advisers and stockbrokers said they told their clients to focus on long-term financial goals by concentrating on companies with solid cash reserves.

Local brokers said investors should play it safe with good companies that allow consumers to build their portfolios slowly without sustaining big losses when the stock market sinks unexpectedly.

"It's like you're climbing a staircase with a yo-yo. But you can't watch the yo-yo, you have to watch the top of the stairs," said Sue Flannery, an Escondido financial adviser with Edward Jones.

The turmoil represented "a big question mark for everyone in the industry when you have so many good people suddenly on the street," said Bud Leedom, publisher of the San Diego-based California Stock Report. He was referring to job losses on Wall Street.

"It's rough working today," said Mark Petrie, vice president and portfolio manager at Hokanson Associates Inc., a Solana Beach asset management firm.

Psychologically, he said, it's tough to see stocks and other securities fall in value, and the bulk of his day was spent fielding calls from nervous investors. Making it particularly difficult was that people had become used to smooth markets, Petrie said.

North County Times reporters Bradley J. Fikes, Zach Fox and Jeff Rowe contributed to this report.