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'People want to know their money is safe'

By **MEGAN V. WINSLOW**

Daily News Staff Writer

In the past three weeks, strangers have walked up to Muriel Siebert on the street to ask whether their money is safe.

But like many financial experts, this week's historic Wall Street shake-up has left even "The First Woman of Finance" a bit speechless.

"I've been in the business for a long time, and I've seen nothing like it," said Siebert, the first female member of the

New York Stock Exchange and a part-time Palm Beacher.

On Monday, Lehman Brothers, the nation's fourth-largest investment bank, filed for Chapter 11 bankruptcy protection, and Merrill Lynch, the global financial services firm, announced it would sell itself to Bank of America for \$50 billion.

On Tuesday, the Federal Reserve announced it would bail out insurer American International Group by providing a two-year, \$85 billion loan in exchange for 80 percent of the company.

Jittery over the developments, the Dow Jones Industrial Average lost nearly 450 points Wednesday. The Dow lost 504 points on Monday.

Brad Smithy, director of Merrill Lynch's Palm Beach complex, said the sale to Bank of America will have little effect on local investors due to minimal overlap in global wealth management between the companies.

Instead, the merger provides clients

Please see ECONOMY, Page A4



The building on Royal Palm Way still says Lehman Brothers, but its work could be under the direction of a new owner — Barclays.

Daily News Photo by Lee Hershfield

ECONOMY

More 'bumps'

From Page A1

with a broader range of services, he said.

"We're a 94-year-old firm, so it certainly came as a surprise, but our folks are handling it well," Smithy said. "I think the main concern is the broader market, which took a significant hammering."

The power behind that punch stems from Lehman's demise. The company fell under the weight of \$60 billion in bad real estate holdings and, when it could not find a buyer, the credit market forced the investment bank to seek court protection, according to the Associated Press.

Representatives of the Royal Palm Way branch declined to comment, but news releases from Lehman's corporate headquarters in New York indicate its brokers' customers will not be subject to claims by bankruptcy creditors.

The Securities and Exchange Commission has also promised to keep examiners at Lehman Brothers to oversee the "orderly transfer" of customers' accounts.

On Tuesday, London financial giant Barclays announced its intention to acquire Lehman's North American investment banking and capital markets operations.

But local brokerage experts said most island investors are not overly worried by Wall Street's recent plummet.

"People expected it, and that's why the market isn't down more than it is today," said Reuven Blank, senior vice president of Morgan Keegan on Royal Palm Way. "I think people may be nervous and the market may be uncertain for a period of time because of the unknown."

for strong, quality businesses demonstrating positive growth outside the stumbling financial sector.

"You have an opportunity to buy some pretty good companies that have been knocked off their higher valuation levels," Reid said.

Meany agreed.

"I think being thoughtful, being cautious, but definitely being opportunistic is key," he said. "And risk tolerance. It's incredibly important to have a sleep-at-night factor."

Part of that peace of mind comes from coverage by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation, Siebert and Meany said.

"I'm telling friends and family and everybody I know about FDIC insurance and SIPC," Meany said. "And how well do they know their money manager, their trust officer? Is the firm stable? Will they be there when they need them? These are all questions I believe a prudent investor is asking today and, for the most part, I think people are a lot smarter about making decisions as a result of these tumultuous times."

Aside from investment op-

portunities, the other good news experts offer is the market can't get much worse before it gets better.

"I think the Fed's resisting to drop rates is an example of that," Meany said. "I think the oil coming down is a good sign. So there are signs. ... I'd like to see a couple of weeks, a couple of months go by where we can see some stabilization. And while I say we've probably hit the bottom ... my sense is that there will be some bumps. It's not something that's fixed overnight."

Still, the week's developments further punctuated the diminishing financial landscape of Royal Palm Way, once considered "Wall Street South" because of the number of financial institutions there, said Charles W. "Chuck" Ranson Jr., chairman of Tiger 21, a peer-to-peer learning group for high net-worth investors.

"It is dramatic," he said. "Royal Palm Way is not going to be the same as it was the last 20 years, but those players left in Palm Beach will grow."

—mwinslow
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Staffwriter Michele Dargan contributed to this report.

NO: 26-08

The following proposed Ordinance Number 26-08, which is published by caption only, had a first reading at the regular meeting of the Town Council of the Town of Palm Beach at 9:30 a.m., on the 8th day of September 2008, in the Town Hall Council Chambers at 360 South County Road, Palm Beach, Florida; and will be presented for a second and final reading at the regular meeting of the Town Council of the Town of Palm Beach at 9:30 a.m., in the Town Hall Council Chambers at 360 South County Road, Palm Beach, Florida, on the 13th day of October 2008. Any interested party may appear at said meeting and be heard with respect to this proposed Ordinance. The subject Ordinance may be inspected by the public at the Town Hall on the first floor Bulletin Board, or in the Office of the Town Clerk.

ORDINANCE NO. 26-08

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, AMENDING CHAPTER 130 OF THE TOWN CODE OF ORDINANCES RELATING TO AUTOMOBILE INSURANCE REQUIREMENTS FOR VEHICLE FOR HIRE PERMIT HOLDERS, SECTION 130-71, SO AS TO INCREASE THE DOLLAR LIMITS OF LIABILITY TO BE PROVIDED; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF ORDINANCES IN CONFLICT; PROVIDING FOR CODIFICATION; PROVIDING AN EFFECTIVE DATE.

Pursuant to Florida Statute 286.0105, please be advised that if a person decides to appeal any decision made by the Town Council with respect to any matter considered at this meeting, a record of these proceedings will be needed, and for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record

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While some local financial firms have reported little increase in phone calls from concerned clients, others like Lydian Bank & Trust have been quite busy the past few days.

"You had clients who, up until now, you would have talked to once a month," said James B. Meany, president and CEO of the Palm Beach-based company. "You're talking to them twice a week now. That's very important. People want to know you care about them. People want to know their money is safe."

Brandon Reid, head of Bessemer Trust in Palm Beach, said calls to clients have yielded mostly positive feedback.

"They're diversified into a lot of different asset classes and investments, so they don't stand out as having an excessive risk in the financial area," he said.

Local experts like Meany and Reid encourage clients to sit tight with the investments they have but keep an eye out

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Susan A. Eichhorn
Town Clerk
Town of Palm Beach

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THE ROYAL POINCIANA CHAPEL

60 Coconut Row • Palm Beach (561) 655-4212



September 21, 2008

25th Sunday in Ordinary Time

Worship and Children's Ministry at 10:30 a.m.

Sermon: BALCONY PEOPLE

Scripture: Philippians 4:3

Text: "I thank my God every time I remember you, constantly praying with joy in every one of my prayers for all of you"

All Are Welcome!

Dr. Robert S. Norris, Pastor
Dr. Jack W. Jones, Music Director