



Competition is Good – Unless it is with the Government *Potential Regulatory Issues with Big Tech*

Going back to the late 19th century and the Sherman Antitrust Act, the U.S. government has a long history of trying to level the corporate playing field and prevent monopolies, which give companies an unfair advantage. Some may argue that the government hasn't done enough to stem the power of many major corporations. Perhaps unlike any other time in history, a handful of large, technology companies have grown to become incredibly profitable and ubiquitous in American life.

It is one thing for corporations to grow too big and stifle competition amongst its competitors, it is quite another issue when those same companies begin to rival the power of the U.S. government. We believe the U.S. government is growing more and more concerned about the power of the large technology companies and that the greatest risk to their future stock price may not be competition or pricing power or growth potential, but that of government regulation.

Exhibit A for us is the market capitalization of Amazon. According to Credit Suisse Group, the market value of Amazon stock exceeds that of all the companies comprising the DAX Index (30 large German companies, somewhat equivalent to the Dow Jones Industrial Average). The 30 companies that make up the German DAX index are not small, irrelevant companies, but rather large multinationals. Companies like Bayer, Deutsche Bank, BMW, Siemens, SAP, Adidas, Daimler, and Allianz make up the index.

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Zack Johnson

Role at Bond&Devick: Associate Financial Advisor – working with Andy

Joined firm on: June 14, 2021

Hometown: Hastings, MN

Favorite movie: Iron Man

Favorite book: 12 Rules for Life by, Jordan Peterson

Favorite TV show: Prison Break

Favorite food(s): Steak and Crab Legs

Favorite news source: KARE 11

Favorite place in Twin Cities: Hastings Country Club

Favorite gadget/technology: My cell phone

Favorite activity: Playing golf

Favorite music: Country

Favorite childhood memory: Playing golf with my grandpa every Wednesday during the summer

Person I admire most: My mom, Julie

What I'm most thankful for: My family, friends, and all the amazing opportunities both groups have been a part of



Michelle Kpissay

Role at Bond&Devick: Associate Financial Advisor – working with RJ

Joined firm on: July 7, 2021

Hometown: Minneapolis, MN

Favorite movie: Any from the Marvel Universe

Favorite book: Their Eyes Were Watching God by, Zora Neale Hurston

Favorite TV show: Criminal Minds

Favorite food(s): Chinese and Mexican

Favorite news source: MPR

Favorite place in Twin Cities: North Minneapolis – my home

Favorite gadget/technology: Electric Wine Opener

Favorite activity: Spending time with my kiddos

Favorite music: R&B/Soul

Favorite childhood memory: My grandma's baked mac-n-cheese – it was the best!

Person I admire most: My mom

What I'm most thankful for: My family!



Competition and Big Tech

(Continued from page 1)

At some point we believe there is a significant chance the U.S. Government will grow increasingly concerned that the power of large tech may grow greater than that of our very government, and while our government tends to agree on less and less these days, we are certain they will agree that they do not want to cede any power or authority to the private sector – competition between companies is good, but competition with your own government is not. The enormous success of Amazon, Apple, Google, and Facebook may very well be their own undoing.

In the end, we believe it is likely these large tech companies may be forced to spin off parts of their businesses. Microsoft was definitely impacted by its Antitrust suit filed by the U.S. government 21 years ago. The stock suffered through the 2000's tech bust and Antitrust lawsuit, but over time the company and stock recovered and thrived. It is impossible to know what the government's intention is with regards to new tech companies, but one thing is for certain – if the government sees them as a risk to their power and influence their lofty stock prices may be at risk. Investors who own these stocks may want to consider gifting appreciated shares to charity as well as locking in a portion of the gains. Please feel welcome to contact us to discuss tax-smart strategies to reduce your positions in these stocks.

Technology stocks have done incredibly well over the past decade, and many may continue to shine. We believe our ongoing strategy of remaining balanced and diversified may help protect portfolios from overreliance in any one area, especially the technology sector.

We hope you have a wonderful fall.

The Bond&Devick Team

IMPORTANT Updates and Info

1. September 23rd and 24th our office will be light staffed; we appreciate your patience and understanding.
2. We are moving! Our team will be busy moving our office to the 6th floor – suite 675 the week of September 27th. On Tuesday (9/28) we will be reachable by email and phone. On Wednesday (9/29) our phones and internet will be down, however, you can email us and we will get back to you as soon as we can. We will have a few team members working remotely to handle imminent items.
3. We continue to monitor Minnesota's Covid-19 numbers and recommendations. As of now, we are not making any changes to our policy and our client meetings will remain virtual.

Where were you on 9/11?

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Where were you on September 11, 2001, has been a topic of conversation for the past two decades for those old enough to remember that terrible day as Americans watched in horror as the terrorist attacks of 9/11 left nearly 3,000 people dead in New York City, Washington, D.C., and Shanksville, Pennsylvania.

Here at Bond&Devick, RJ and Penny were in the office. Their first concerns were for their clients and the people they knew who worked in the World Trade Center. They drafted and mailed a letter to their clients (see insert), that day, to provide reassurance and to hopefully help alleviate stress. It was an uncertain time, and in the spirit of B&D, we aim to take on as much burden as possible to put our clients at ease.

All major news outlets have spent considerable time reflecting on the 20-year anniversary of 9/11. Much of the coverage was focused on the lives lost, the ongoing war on terror and the recent pull out of US troops from Afghanistan. Our team has been reflecting as well as thinking about the future of the fight against terrorism

and international relations. Continued instability in the Middle East seems to be a certainty, especially as the world economy continues to wean itself off fossil fuels. Large oil exporting nations may see domestic instability as oil revenues dry up over time. Nations like Norway have invested a great amount of their oil profits into sovereign wealth funds to provide for future growth potential and to diversity away from fossil fuels. Other countries, like Russia, have not. How will Russia cope with this new reality? What will domestic politics look like in Middle Eastern countries whose major source of revenue continues to decline? We believe it all adds up to heightened levels of uncertainty over the decades to come.

Now, as we take time to remember the victims of 9/11, and hope for a better future for us all, one that embodies who we were on September 12, 2001 – a united country.

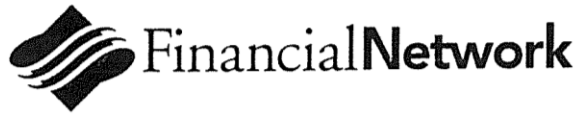
The Bond&Devick Team

Proposed Tax Plan and Its Effects on Selling your Business

Planning on selling your business in the next few years? It may be advantageous to sell before year-end based on the Biden Administration proposed tax reform. This reform aims to eliminate favorable rates for long-term capital gains and return to the top income tax bracket. This tax bracket includes a 39.6% rate that directly affects individuals with over \$1 million

in income, or in certain circumstances, those that make a \$1 million sale in that tax year. This plan, if passed, will not go into effect until Fiscal Year 2022. Liquidating your business before January 2022 will ensure capital gains at the current 20% tax rate, rather than a possible 39.6% rate after January 2022.

Bond&Devick letter to clients on September 11, 2001



M. Penny Bond
RJ Devick

September 11, 2001

Dear Clients,

Today is a day of great loss to America. We have several friends and colleagues who work in the World Trade Center, as may you, and at this point we do not even know if they are alive.

Please be assured that, while the loss of life and property are great, your investments are safe. All of the mutual fund and investment companies that we use back up and store information on a daily basis at various locations.

Today's terrorist attacks will no doubt have a short-term negative impact on the economy and your investments. Please be patient during this time and do not panic. This catastrophe will take time to work out.

Our thoughts and prayers go out today for those whose family and friends are working in the World Trade Center, the Pentagon and other affected areas.

As always, call us if you are concerned. We will do everything we can to protect your investments and your confidence in us.

Sincerely,

A handwritten signature in black ink that reads "Penny".

M. Penny Bond
Account Executive

A handwritten signature in black ink that reads "RJ".

RJ Devick
Account Executive

Contact Us!

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NOTES

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2. Be sure to send us your updated tax return.
3. Check out our Facebook page for the latest updates on the B&D Team and families. Our page is public, you do not need your own FB account to view it!

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