



# ADVISER

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WAYZATA • RICE LAKE

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## Know When to Hold 'Em

By Sarah Kaelberer

My heart was racing – not once but three times over the weekend: first winning two separate poker tournaments and then experiencing a huge blizzard. This spring blizzard closed the highways and the airport, leaving us stuck in South Dakota for an extra day. As I had time to sit and watch the snow coat the Black Hills of South Dakota, I had plenty of time for reflection.

For those who may not know, every six months my husband, Darvin, and I enjoy a long weekend away in Deadwood, South Dakota. It was eighteen years ago when we first drove up from Colorado Springs, CO to meet my future in-laws. Deadwood was selected as a great halfway meeting spot with plenty to do. We have been drawn back there every six months since then, missing only twice over the years. While there we play a bit (okay a lot) of poker, specifically Texas Hold 'Em.

Now anyone who's a gambler knows that if you want to gamble, you don't go to Deadwood, South Dakota, you go to Las Vegas. Our motive is to see family and old friends and enjoy one of America's oldest pastimes in the local Poker Rooms. There is quite a bit of history in Deadwood with a feeling of really being in the old Wild West. The cobblestone street is lined with historic buildings which are required to be restored and maintained in original condition. We have played in the same Poker Room as Wild Bill Hickok was playing when he was shot in the back of the head. Lesson to learn: never sit with your back to the door!

So why poker? For me poker requires the right combination of math and psychology. What are the odds my two cards are the best? Statistically, I can calculate that. But those odds change five or more times each hand. What combinations of cards could my opponents have? The best at one time can move to second best in a matter of seconds. There is

no prize for second in a hand of poker. Once I know my odds, how well do I know the other players? My only clue into what cards they hold is how they behave. How are they sitting? What are they saying? Are they making eye contact? There are many books written on what you "should do" given a certain hand and position in the game, but good players know to mix that up to keep everyone guessing. How can I use that information to get that player to do what I want to them to in order to achieve my desired outcome? Then, after understanding all of the odds and evaluating behavior, you often still end up relying on your gut instincts!



POKER: "Patience over Knowledge Earns Rewards". Patience is the key. Be patient and the cards will come. When the cards come you will be rewarded. If you chase the losing hands out of boredom you will play more bad hands than good. That is rarely rewarding. If you wait patiently and play the good ones, you will be rewarded. Do you think our current economy may be working to teach us a little of that as well?

What continues to draw us back to Deadwood, South Dakota? Relationships and service. We gather as family and friends at the Historic Franklin where the service is exceptional. While it may be six months between visits, they



remember us and call us by name. They know the rooms we like and the times we come and go (notwithstanding this recent blizzard that backed us up a day). We enjoy visiting with the dealers as we catch up on news and events over the past months since we have last been together.

So for those that have always wondered, why Deadwood, why Poker? I say – what could be more parallel to life and business than that? Start with analyzing and understanding your odd of success in a given move. Consider the responses and support of others. How will they act if put in an uncomfortable (or even too comfortable) position? And what will I do in response to what they do? Maintain good relationships with those around you. Treat them with respect and courtesy to enjoy long lasting relationships. And lastly, be patient, the right time will come, and when it does, be ready!

Here's some trivia for you...

*Commonly referred to as the Deadman's Hand, what cards was Bill Hickok holding when he was shot?*

Email your answer to [sarah@business-estate.com](mailto:sarah@business-estate.com) to win a deck of poker cards!

# What's Happening

By E. Dennis Zahrbock

## 2008 Fall Duck Hunt



The fall duck hunt at the Decoy Inn was the best I can recall. We were fortunate to shoot hundreds of ducks with each of five hunting groups having great times. By the way "hundreds" is legal when spread over twenty plus hunters with a daily bag of eight each as the limit. The unfortunate news is that the great "duck feast" I had planned for September as a pre-hunt for 2009 is now not going to happen.....my freezer went on the blink and by the time I discovered the problem I had lost all of my supply. In 2009 maybe I'll host a post-hunt event so I won't have the risk of freezer loss again!!!

## Downhill Skiing Adventure

I'm getting too old for the downhill skiing adventure.....my fear of falling (and sore knees and hips) is greater than when I was

younger so I spend more time at the condo then on the slopes these days.

Sue, however, is skiing the best in her life and is shooting the mountain every time she hits the slopes. The real joy for both of us is watching five of the six grandchildren ski down those slopes. Little Beau is only 6-months old so we couldn't expect him to be out there yet.....but since he's from Colorado, who knows, he may be skiing next year!

## Our New President

President Obama took over as our Commander and Chief in January of this year. I have never seen a President with greater orator abilities than this man. He certainly has won the hearts of the American people and has the ability



to bring the issues to each of us. Let us all hope that his advisors provide good advice and that his wisdom proves to be as good as his orator skills. Let us all take note that he is our President and that we all need to give him the respect he deserves even if he may not represent all of our views.

## 2009 Biggest Concern: The Economy

One year ago who would have ever thought that the economy would be the biggest concern of 2009? The "news" is so fast and so eager to point out the next negative that I fear they may be much of the economic problem! We've had recessions before in our nation but we have never had the Internet and the 24-hr news stations at the same time. I wonder if the economy would not have dipped so low and if we would not have felt so bad if the news hadn't exasperated the issues! I'm a firm believer in capitalism and the resilience of the American people. I also have learned that it is never as good as it appears (when the stock market hit 14,000 in Oct of 2007) nor as bad as it appears (when it hit about half this amount in 2009.) The old story of the clock's pendulum swinging too far in either direction is reality...but when we listen to the news we tend to think that the pendulum has swung so far in one direction that it is "stuck". Let us all realize that the news is sensationalizing the information and reality is that we will all be okay!

## My Perspective on Executive Compensation

By E. Dennis Zahrbock

Executive compensation is another issue that is prominent in the news. My theory is that we would never have had executive compensation issues had it not been for professional athletes receiving incredible contracts for their services. Imagine the scenario:

*Some executive about 20 years ago that was earning a great salary read the paper to see a 22 year-old athlete, fresh out of college, being paid \$1,000,000 a year for playing football. So the executive says to his board that his value has to be equal to what a professional athlete is worth and presto, executive compensation goes to \$1,000,000+.*

Now, here we are 20 years later and compensation has gotten out of hand. Personally, I think executives of "public companies" (the one's we invest our money in) should be able to earn whatever they wish, but our Government should tax their earnings above \$1,000,000 at 90% or so (unless all investors have received an annual dividend of 10%.)

By doing this they would have bragging rights for "my salary is bigger than your salary" but the compensation would go back to the "people" via the Government. Just so my Republican friends (of which I am one) don't think I've

gone off the deep end, I do not advocate this same tax on the closely held business enterprise. I think America should allow the entrepreneur that uses his own money (his own risk) to earn as much as one can and not pay this same 90% tax.

The entrepreneur usually plows back all of his gains as he loves to play the real life game of monopoly. The more he plows back the more our economy moves forward! I'm on my soap box on this issue. I will do what I can to help the economy and hope that all of you who read this will do your part too!

## Meet Advisory Board Members!

Thank you Cathy and Dave for your sharing of your time and talents with Business & Estate Advisers, Inc.!



**Cathy Roth**  
Wayzata Advisory Board Member

Cathy Roth and her husband Terry own FRESCO, a manufacturer's representative firm in the electric utility industry. We work closely with distributors and educate them on all the products we market.

FRESCO has been committed to representing its principal manufacturers. Today that tradition and dedication continues in the second-generation ownership serving customers across the upper Midwest. In addition to running their business, they are active parents raising their three children – ages 16, 13 and 9 years.

Cathy and Terry came to know Sarah through their CPA in 1999 when they needed someone to re-state their profit sharing plan. Their previous investment firm wasn't set up to do the compliance and re-stating of work.



**David Hildebrand**  
Rice Lake Former Advisory Board Member

Dave Hildebrand and his wife Sue have spent the past 36 years in Rice Lake. Born and raised in Milwaukee, Dave kept his roots in the state and took his career to Superior, WI in 1970 to join the staff at Wisconsin Indianhead Technical College (WITC). In 1984, Dave became President of the College where he spent the next 20 years until he retired.

For the past seven years Dave and Sue have been part of a travel group with E. Dennis and Sue Zahrbock. Just as their personal friendship developed, so did Dave's interest in learning more about Dennis' business. Dave became very interested in sharing his knowledge of the area and his community experience with Business & Estate Advisers. He joined the Advisory Board and served on the Board for three years.

Dave and Sue have a daughter Kimberly and son, Hans. Both children participated in the Rotary Foreign Exchange Program. (Their daughter was the first student in Rice Lake to take part in the program.) They are proud grandparents and enjoy spending time with their 3-year old grandson.

## IOCP Poker Event Recap

On Saturday, November 15, we held our 2008 Texas Hold 'Em Poker Tournament to raise money for IOCP's 13th annual Sleep Out Campaign, which helps IOCP's emergency housing services and long-term housing solutions.



*Thank You to our 2008 recipients of the*  
**EXCEPTIONAL SERVICE AWARD OF EXCELLENCE**  
*for providing excellent customer service to others in the community.*

### 2008 Rice Lake Recipients

Bistro 63 • Grinders Sport Shop • Hauck Power Sports • JJ Elf Shoe Repair • Louie's Finer Meats • My Friend Jim's • Rice Lake Air Center  
S&S Glass & Door • Therapeutic Massage by Kelly • Woodland Signs

We encourage you to support these companies who stay committed to providing you exceptional service.

**Have you recently been given exceptional customer service – the kind of service that makes you want to come back and do business again and again?**

**Reward that local business in the Rice Lake area by nominating them for the EXCEPTIONAL SERVICE AWARD OF EXCELLENCE.**

Once a quarter a local company worthy of recognition for their exceptional customer service will be awarded this honor. The individual and their company will be featured on WJMC Radio, in the Rice Lake Chronotype and Rice Lake Chamber of Commerce Newsletter, and will receive a plaque for display in their business.

**For details on how to nominate a local business, contact:**

Karen Heram, Rice Lake Area Chamber of Commerce at [karen@rice-lake.com](mailto:karen@rice-lake.com) or Steve Bowman, Business & Estate Advisers, Inc. at [steve@business-estate.com](mailto:steve@business-estate.com)



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### Send to any one of us!

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