

Europe, toy imports are allowed entry into the country on the basis of the manufacturer's claims, here in Israel the Standards Institute tests samples of all imported toys.

Compensation Awarded for Losing Bubby's Services

Are heirs entitled to compensation for the loss of a *bubby's* services if she is, *chas veshalom*, killed in a car accident? In a recent precedent-setting ruling, the Tel Aviv Magistrate's Court said yes.

Zeidy and Bubby were killed in a road accident. One of their children sued the car insurer in court, claiming that the death of the grandmother, a woman past retirement age, had hurt the family not only emotionally, but financially too, because she was baby-sitting for the grandchildren every day.

Since her passing, they were forced to take unpaid leave to take care of the kids and had to hire a baby-sitter. They wanted compensation.

The insurer argued that since the deceased did not have a duty to extend such services, but did so voluntarily, the heirs had no grounds to sue. But Judge Yechezkel Harel thought otherwise.

True, the granny had no duty to support the adult children or their offspring. But if she had given them day care services for pay, then it would have been appropriate to include it in the calculation of her income up to her death. Service is worth money, Harel said, and is considered an asset that was lost through accident, even if she never got paid.

Also, not only did her heirs receive service worth money: They received peace of mind by knowing that it was the grandmother taking care of the kids, Harel said.

He was confident that the grandmother meant to continue caring for the children for years to come, and awarded compensation of NIS 20,000 for this claim.

St. Moritz Ordered to Compensate Injured Consumer

Mrs. Aviva Yarchi, a Tel Aviv housewife who used St. Moritz grease remover to clean her oven, found that she could not spray the substance out of the bottle. After trying several times the nozzle must have somehow turned to face her, and the next time she pressed the release handle, the caustic substance squirted out straight onto her face.

Fortunately, the cleaner did not directly enter her eyes, which would have almost certainly caused blindness. The damage she sustained includes reduced vision and an ugly scar on her eyelids.

St. Moritz is known to be extremely dangerous, yet it remains widely used. Yarchi sued the Walden Eilat Company, which manufactures St. Moritz, and demanded compensation for negligence and violation of a legal liability of the company for damaged products.

Justice Erna Levy accepted the claims of the plaintiff, albeit only partially. The fact that the faulty bottle was discarded and not presented in court as evidence was detrimental to the plaintiff, who could not prove that the bottle was faulty. As such, the judge ruled that "it seems that the plaintiff was the one who behaved irresponsibly, and unintentionally directed the nozzle of the bottle towards her face." The judge also rejected the claim that the actual marketing of the material for home use constitutes negligence.

"But the fact that it is a dangerous material, one of the most hazardous found for home use, should not be ignored. Specifically when using it for home use, the distributor who chose to market such a product must be very careful to adequately warn consumers. There were insufficient and inadequate warnings for use of this product."

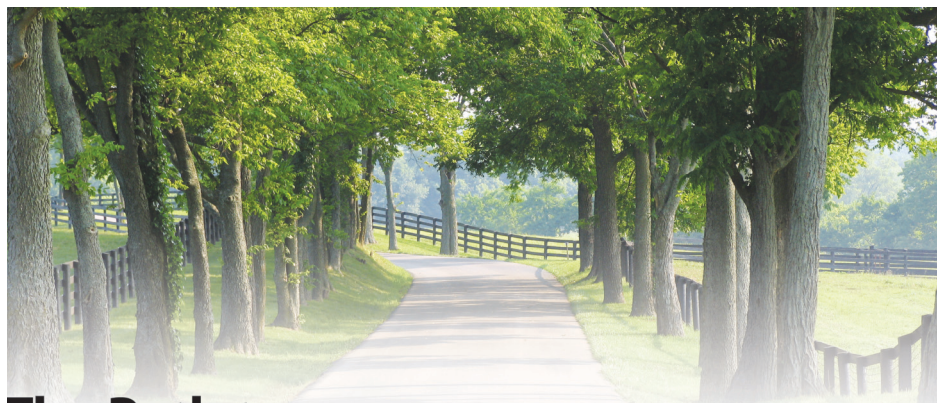
In the end the plaintiff was awarded NIS 92,000 for the loss of past and future income and for medical costs. But the "contributing negligence" clause, which comprised 35% of the claim, was deducted, leaving the plaintiff with NIS 52,000.

So if you didn't already know, this is not a product that belongs in a home with small children.

Travel Agency Accused Of Swindling Consumers

The Eshet Tours Travel Agency has been charged with deceiving customers, after advertising various tourist services but then adding an \$18 "handling fee" to the advertised price.

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The Path to STABILITY



Navigating Contemporary Financial Challenges

I recently acquired a substantial sum of money, and I would like to invest it in the most worthwhile manner. These are the options that I am considering, along with some of the pros and cons:

1) *Putting the money in a bank, where it will earn very little interest.*

2) *Buying a residential property to rent out. The return we would get from rent is relatively low, and there is always the possibility of falling in with a bad tenant.*

3) *Buying a business or purchasing office space to rent out. The possible returns are quite high, but it would involve opening a registered business or corporation.*

4) *Investing the money in the stock market, where there is potential for huge profits — and huge losses.*

I am in kollel and my wife works, so we do not have much time to be busy with whatever investment we choose. Given our circumstances, which do you think is the best option for us?

We commend you for the responsible way in which you are approaching this. Often people who come by a large amount of money squander it by investing hastily — without proper planning, without seeking advice, and without fully understanding the risks of the investments they choose.

You seem to have a good grasp of the potential returns and risks of each of the four investments you mention. Apparently, you have done your research in investigating your investment options. We would like to know, however, how you settled upon these four options, and why you ruled out the many other investment opportunities that exist.

Mesila strongly recommends that anyone looking to invest money should first consult with a qualified financial adviser. An adviser can assess your personal financial situation and determine your risk tolerance. When recommending investments, a good financial adviser will take into account factors such as age, family status, total assets and short- and long-term financial goals. He or she will also alert you to the possible tax implications of various investments.

Without a comprehensive picture of your individual circumstances, it is impossible for anyone to recommend a specific investment. What we can do, however, is evaluate each of the options you have presented to give you a clearer picture of how to proceed.

Bank Investments

The infinitesimal risks associated with bank investments make these the safest investments available. Because the risks are so low, the returns are also very low, occasionally lower than the rate of inflation. Bank investments are suitable for people with no risk tolerance, or for people who require immediate liquidity.

Residential Real Estate

There are two types of potential earnings from residential real estate investments: regular income in the form of rent and capital gains in the form of rising property value.

The returns from a residential lease are highly variable, mostly depending on the lo-

cation and desirability of the property.

As you noted, however, residential leases generally offer a relatively low investment return, especially considering that landlords absorb many hidden costs — maintenance, repairs, property tax and depreciation, to name a few. Property management also involves time and headaches — unless you hire a property manager, which further eats away at your rental income.

The other way that people make money from residential real estate investments is by buying and holding on to a property until it goes up in value, then selling it at a profit. This type of investment has the potential for significant capital gains, but carries the risk of potential losses if the market value of the property drops.

Currently, property values are very high in many parts of the world. Although the real estate market has recently dropped in some places, it has not weakened to the point where bargains are readily available.

Commercial Investments

Under this option, you include buying a business and purchasing office space to rent out. These are actually two distinct options, so we will address them separately.

As a rule, business and *kollel* are mutually exclusive endeavors. Buying a business usually entails becoming involved in management and operations, and unless you are willing to devote a large portion of your time and energies to tending to your business, we would not advise you to go this route. Chazal say (*Bava Metzia* 29b, *Chullin* 84b) that one of the best ways to lose your money is to hire workers and leave them unsupervised.

In contrast, buying commercial property for lease does not necessarily involve a significant time commitment. If you have the potential of high returns on such an investment, we see no reason why you should not consider this possibility. The fact that it would involve opening a registered business or corporation should not pose a problem; all it means is that you need to hire a good accountant who can guide you through the process.

If you are concerned about having to pay corporate taxes, you should discuss that with an accountant as well. Fear of paying taxes should not be a deterrent to pursuing a *parnassah*. Generally, you will not have to pay a lot of taxes unless you

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Mesila is a nonprofit organization dedicated to helping families and businesses in Israel achieve financial stability and independence. With over 25 chapters across Israel, Mesila is rescuing hundreds of families and businesses from the cycle of poverty and debt through its three-pronged approach of education, counseling and financial assistance. Readers are invited to submit questions and feedback to hamodia@mesila.org. or by fax to (02) 500-0478.

Bank Leumi Branch Offers Access to the Disabled

By Meir Gold

Bank Leumi is opening the first bank branch in Israel that can accommodate a wide range of disabled people, from those who use wheelchairs to those with impaired hearing or vision.

Special systems have been installed at this branch, located at Rabin Square in Tel Aviv, to help the disabled customers perform various transactions on their own.

The new branch is part of a larger project to eventually make all the bank's branches disabled-accessible.

"By the end of the year 90 branches around the country will become disabled-friendly, and six ATM machines for the deaf and blind will be installed," said Moshe Genkin, the supervisor of the project.

The Tel Aviv branch includes a special area for the hearing impaired, where a special device is installed to amplify the voice of the teller so that the consumer can communicate without an intermediary; a wheelchair accessible station; an elevator that is wheelchair accessible and features buttons with Braille characters; and ATMs that are low enough for the wheelchair bound, that have headphones



The newest Bank Leumi branch has ATMs that are accessible to the wheelchair-bound.

for the hearing impaired and have Braille instructions and buttons for the blind.