the Register

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Vernon Gwynne
Defining Financial Planning

Serving Financial Advisors Worldwide

IARFC

INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

Member Profile

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- Website: http://www.financialsoftware.com

- This Member Offers Comprehensive Personal Financial Plans
- **Fee Range or Basis:**
  Planning Fee of $1,200 to $6,000 - depending on the complexity of estate holdings and business interests. (See Statement of Services)
- **Qualifications:**
  Education: Centre College of Kentucky and University of Louisville School of Law, plus having served as instructor for many financial planning courses and Practitioner in Residence at Wright State University for three years. Years Experience: 44
- **Designations:** RFC® CEP CFP® ChFC CLU RFP
- **Professional Associations:** IARFC MDRT FPA SFSP NAIFA NICEP
- **Financial Services Offered:**
  Estate Planning Business Planning Portfolio Management Executive Compensation Personal Coach Retirement Planning Tax Planning Seminars/Workshops Charitable Planning Business Coaching Educational Planning Asset Protection
- **Financial Products Offered:**
  Mutual Funds Mortgage Loans Precious Metals Annuities Life Insurance Disability Income Ins. Long Term Care Ins. Buy/Sell Plans Charitable Foundations
- **Statement of Services:**
  For over 30 years our firm provided comprehensive personal financial planning to individuals, couples, retirees, business owners and corporate executives. Our planning for closely-held businesses included valuation and business continuity, techniques to reduce taxation, key employee incentives, business plan and marketing plan development. FPC pioneered in the development of planning software and the construction of plans for corporate executives. We offered employer-sponsored retirement planning in an educational seminar format, followed by private conferences with each employee and spouse to help them effectively use company benefits and coordinate them with other holdings to assure financial independence. Since 1999 we have focused entirely on the training and support of financial advisors through the continued development of the Plan Builder and Practice Builder professional software programs. Because our services no longer involve the direct sale of financial products or the preparation of comprehensive plans, we have assisted clients in obtaining professional services, insurance coverages or investments from qualified advisors. (Mr. Morrow currently serves as the Chairman & CEO of the IARFC and travels across the world establishing RFC Courses and lecturing to financial advisors.)
- **Securities Offered Through:** A well recognized broker/dealer would be listed in this position.
- **Registration Number:** 816

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INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

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in this issue

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2nd Annual Financial Plan Competition

K-State Financial Planning Team Wins

A prominent list of schools were invited to participate in the **2nd Annual Financial Planning Competition** sponsored by the IARFC. The competition was open to undergraduate students enrolled in a curriculum of personal financial planning or financial services.

The Financial Plan Competition requires students to construct a comprehensive financial plan for an invented case study. It required the submission of a comprehensive personal financial plan to be evaluated by a national Plan Evaluation Board of very experienced and highly credentialed financial advisors.

Each school was presented with multiple copies of the **Plan Builder Financial** software and all of the facts for the competition case study. Plans were judged on rationale for recommendations, creativity in the presentation and suggested strategies and recommendations, as well as for accuracy. Public recognition will be granted to the winning school and students.

According to **David Stitt**, CLU, ChFC, CFP®, RFC® head of the Plan Review Board, "All of the plans were outstanding! It was very difficult to select the best three of the very well prepared comprehensive plans."

Kansas State University was honored with first place in the 2008 Financial Planning Competition. This year's winning team, **Zenith Financial** exemplifies the future of the financial planning profession. Team members were **Tara Cain** and **Christina Keys**. Special recognition has been awarded to **Kansas State University** and Faculty Advisor, **John E. Grable**, MBA, Ph.D., CFP®, RFC®. ***Contact: 785 532 148, jgrable@ksu.edu, www.ksu.edu/ipfp***

In **2007**, **Appalachian State University** took home the first place honors. This year **Appalachian State** submitted outstanding plans by three teams including: **Wealth Management — Candance Hrozencik, Allison Icardi, Nick Livy**; **Four Aces — Bryan Brothers, Anne Nicholson, Travis Moose, Brittany Zahn**; and **Carolina Financial — Heather Smith, Lucy Blahnik, Adam Lyerly, Aaron Parrish**.

Winning Team
Kansas State University

Tara Cain

Christina Keys

Special recognition was awarded to **Appalachian State University** and Faculty Advisor, **Ivan C. Roten**, MBA, Ph.D., CFP®, RFC®. ***Contact: 828 262 6943, rotenic@appstate.edu, www.appstate.edu***

If you are looking for a new associate or an intern, contact these Faculty Advisors, since their students have demonstrated the ability to prepare a very high quality plan.

The **2009 Competition** will begin in the fall of 2008 as we secure participation commitments from various Universities. The **Plan Builder** software will be distributed in December so all the installation and familiarization can take place. The Sample Case Data will be in the hands of competing students on January 2, 2009 and plans must be submitted by March 1st.

We are gearing up for the 2009 Competition The three best (finalist) plans will be selected, and the plan preparers will be invited to present their plans at the Financial Advisors Symposium, where an audience of experienced financial advisors will determine final rankings. That location will be Las Vegas, and the dates are April 29 – May 1, 2009 at Caesars Palace.

For information on participating and sponsorship opportunities for the IARFC 3rd Annual Financial Planning Competition:

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Vernon Gwynne
Defining Financial Planning

In 2004, the prestigious Loren Dunton Award was presented to Vernon Gwynne for his long-term contributions to the financial services profession. Even after receiving that honor, he has continued his public commitment by serving on the IARFC Board of Directors and offering advice to many advisors in the community. To help our readers become better acquainted with a man who helped "Define Financial Planning" we interviewed him at his home in Jacksonville.

Tell us about your early career.

In 1945, I graduated from high school in Tampa, passed the Navy exams for the V5 program for Navy pilots, and was sent to Yale University for initial training. As WWII ended, the officer candidates were sent to boot camp, then onto various fleet assignments, with me going to a destroyer minesweeper on the west coast. Upon separation from service, I started in the investment business with IDS in 1950 (with the Dow at 250) and became a Divisional Manager in Washington, DC and later in Atlanta, GA. However, I was recalled by the military during the Korean War, and served for three more years as Weapons Officer on an anti-submarine destroyer, then serving in the Naval Reserve, reaching the rank of Commander.

Upon release from this second tour of duty, I accepted a position in 1955 with Western Union, headquartered in New York City, and was ultimately responsible for the sales force handling $400 million of sales in public messages, market research and their telex business. In that capacity, I became President of three subsidiary companies of Western Union.

In 1973, I became VP of Training for the Financial Service Corporation (FSC) in Atlanta, later Senior Vice President of Marketing and Operations. FSC was one of the largest broker/dealers in the nation. But, my true love was personal financial services, so in I returned to the investment business in 1977 as a principal in the Atlanta firm of Hamllett, Gwynne, Wells, Parsons and Associates.

During those years, I was a Registered Principal, Registered Investment Advisor, and held insurance, disability and variable annuity licenses. I was among the first 50 people to earn the CFP designation. Then I was asked to write many of the first exam questions for the Certified Financial Planner program as it continued to expand during the 70s and 80s. Later I became a Registered Financial Consultant.

When the IAFP was established the association went through some "rocky" times, as do all non-profit organizations. The IAFP President, Bob Spencer persuaded me to place my private financial practice on hold and direct the IAFP, and I successfully spearheaded the efforts to rebuild this organization. Based on my prior experiences in the Navy, Western Union and FSC, my strength was in people relations, effectively interacting and coordinating with the IAFP staff, changing board members, and growing numbers of corporate sponsors. A few of our results include:

Vernon Gwynne, RFC® and Betty Gwynne

- The IAFP Code of Ethics
- The IAFP Standards of Professional Conduct
- The IAFP Corporate Program
- The *Financial Planning Update* Newsletter
- A vastly expanded *Financial Planning Magazine*
- Enlarged and very successful Annual IAFP Conventions

Who played critical roles in the growth of the IAFP under your helm?

Bob Spencer articulated the "Open Forum" concept, meaning almost anyone telling clients what to do with their money was welcome in the early IAFP. We learned from each of them. Who is to say that gold or diamonds are not better than some other products? Commission only, fee only, or fee and commission? There ought to be a place for all in an "Open Forum" association and I am proud that the IARFC has adopted this posture. I fear that fee-only asset management people are now exerting an undue influence on the CFP Board and the FPA, which often act in concert together.

The late and highly respected John B. Keeble III, JD, taught me a lot about putting financial plans together. John was a true leader in our industry and deserves recognition for his contributions.

I could go on naming persons who made important contributions that have helped all financial planners, but since I must stop, I will stop here.

How did you feel upon receiving the Loren Dunton Award for your outstanding contributions to the profession?

I was very honored, as well as a little shocked, when I learned about this. Immediately I began thinking about the others I know that deserve recognition for their contributions to help establish and advance our financial planning industry.

The late Loren Dunton initiated the U.S. institutions for our multi-billion dollar financial planning industry. Loren and I often discussed his concept and vision of financial planning. I know Loren would be pleased at how the industry has evolved, but distressed that so many have chosen to address only the needs of the very wealthy, and to forsake "planning" for the more lucrative asset management. He is known as the American who created a profession but never practiced it. He struggled and sacrificed in creating this

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specially discipline and we are all indebted to Loren Dunton.

Are clients and advisors concerned that high federal taxes will be resumed to pay for our conflicts and over-spending?

I remember when the top Federal tax bracket was over 90%! Politicians promise to lower our taxes then seem to find ways for government to take more of our money. I appreciate the recent tax cuts but fear they will not be permanent. However, state, county, and other taxes continue to increase. We must all try to influence our representatives to limit government spending. Both parties need to show more fiscal responsibility.

How do you now feel about a financial services career now?

The most important factor is the establishment of correct and precise goals, then working to achieve them. This is what Napoleon Hill recommended in his writings. As Dr. Hill advocated, "Do not quit or give-up. Keep on until you achieve your objectives."

I started in the Boy Scouts and didn't quit until I made Eagle Scout. Now I am told that only a very small percentage of Scouts make the Eagle rank. In the Navy, I started as a Seaman Recruit. One day I asked a Chief Petty Officer what I had to do to be promoted. He gave me some books to read and then I passed the exams and made Seaman. This continued until I graduated from Officer Candidate School in Newport, Rhode Island, made Commander, ran Destroyers and became a sub-hunting professional.

My brother is a year older than I. He passed some Navy exams and was sent to the University of Miami. A year later, I asked how to get to an Ivy League school. The recruiter said the Pittsburgh recruiting office was sending people to Yale. I hitch-hiked to Pittsburgh, passed the Navy exams, and was sent to Yale.

At Yale, I flunked a Physics exam, so I studied Physics much more. The war ended and two years later, I taught a Physics Lab course at Spartanburg Methodist College. I had learned how to turn an obstacle into an opportunity! I was nineteen then and to have a class full of older veterans created interesting situations. At SMC, I decided to qualify for more 'lines of accomplishment' in the annual than anyone else. It almost killed me because of all the work scheduled, but I did graduate with more recognition and accomplishments than anyone else. I received the Blair Medal for most likely to succeed. The medal was not nearly as important as my efforts.

Veterans coming out of the services often needed more education. I taught Veterans going to high school under the GI Bill of Rights. I urge IARFC members to not be content with being average, typical, or "run of the mill." Take on the extra jobs and do them better than others.

The same applies to professional education. During this past year I have watched, and contributed as a board member to the development of the new Financial Planning Process™ course. Times are tough now for many advisors. Costs continue to rise, especially for those who present seminars. Clients are uncomfortable with the negative economic news and market instability.

I believe many IARFC members should register for this course — and send their valued associates. It is time to get back to the basics of first securing the client relationship, then carefully preparing a plan and then selling the products and portfolio services. Coach Vince Lombardi said, "When you're worried about losing, don't look for tricky plays — go back to the basics — blocking and tackling. That's what it takes to have a winning season."

What sales methods worked for you?

An advisor should become a **buyer for your client**, not a sales person **at your client**. Ask a lot of appropriate questions, listen carefully to the answers, and build on the information. Include the emotional data into this equation. If you are a true financial planner, you will not have a preconceived opinion as to what you are going to sell to the client.

Acquire more knowledge about the critical topics as well as about your client. With the right information, you can become a buyer for your client, providing the things he or she wants and needs rather than pushing a preconceived product.

What are your outside activities?

I no longer sit behind the bullet resistant glass to interface with the public, as I did in Lady Lake. In prior years, I was Vice President of the Republican Club of Sumter County, Florida. We added ten thousand registered voters. Along with a lot of travel, I play tournament duplicate bridge, plus an occasional poker game. I enjoy traveling, meeting new people, bowling, and shopping with my wife. I enjoy reading in the areas of my specialty disciplines, staying up-to-date on related developments.

What are you proud of most?

My three daughters, Margaret, Janice, and Anella, and a wonderful wife. Betty and I have been married fifty-three years and each year seems to get better and better. Our daughters successfully manage five grandchildren and working careers! Betty graduated with honors in Psychology from Converse College in Spartanburg, SC, and I believe she uses it all on me. She is really a superb human being. We have really enjoyed the last fifty-eight years together.

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Dunton Recipients stand together. Front, left to right: Vernon Gwynne, Bill Carter, Ed Morrow, Jeffrey Chiew, Don Haas. Back, left to right: Ben Baldwin, George Flack

What helped lead to where you are today?

The desire to work hard and get ahead was important to me. In college, I got out of classes at about one p.m., and then I went to work at the newspaper in the afternoon. From five to nine p.m., I taught veterans going to high school, then back to the newspaper to proof read until midnight. Looking back on that, I feel college must have then been easier than it is now.

With what aspect of our profession are you the most displeased?

The continuing, ridiculous argument over fees or commissions. As long as it is not illegal or unethical, let other professionals practice the way they prefer. Neither has moral superiority! Neither automatically serves the client's best interest.

Did you ever think that you would have a major influence on the development of financial planning across America?

In the early years, I had no plans 'to change the industry.' Starting about thirty years ago, I made repeated, even desperate, efforts to try to change a very large company that had started in 1894. I wanted them to become financial planning oriented, not just sales calls to sell one product and get out, 'before the client changed his or her mind.'

I was trying to convince the leadership of this company that financial planning would help sell more long-term care, educate the children, etc. They wanted only 'three plus three plus three.' Three sales calls per day, three calls back, and three service calls. I kept telling them how financial planning would be better for the clients and for the company. Naturally, they wanted product sales of only their product! Their President called me and asked me how much I made last year? He said, 'we made fifty million dollars last year and we think we are doing it right.' However, time has proven the financial planning process correct. That company has sold-out and lost their true identity.

How important is it for advisors to work with other financial professionals?

Many planners reach the point where they think they know it all. But getting outside professional help is often essential! Don't expect to immediately get leads or sales. It takes time for a person to learn to respect another person. Eventually new business will flow from the interchange between professional advisors.

What do you think is important?

For greater success, I suggest that advisors look around, ask a lot of questions, and chose some mentors. Getting advice from those who have been there saves a lot of time and headaches.

Treat everyone with respect, always.

Enjoy meeting new people, listening to new investment opportunities. Learn to enjoy helping others move forward. Enjoy your work more by trying harder.

I have told many women there are not two commission schedules, one for men, the other for women. Our profession offers unlimited opportunities for women and all those from "minority" backgrounds.

To close your sale, simply look your prospect in the eye and say, 'You do want to do this don't you?' I cannot remember ever receiving a negative reply to that question!

Opportunities for planners are greater today than ever before. Product sales will see higher volumes and lower commissions. Evolving technology is helping. New rules resulting from Wall Street frauds will help, not hurt. Planners must do the **right thing**. There are institutions that do not really want the planner to always do the right thing with client's assets. The true, independent planner must be more careful.

To increase your sales don't 'sell.' Ask questions. Listen to the answers. Understand more about your client than anyone else. Then develop the written financial plan, with sensible solutions to help your client reach their goals, not a sales person's preconceived solutions.

Ed Morrow, delivering the Dunton Award, "It is extraordinary to find someone continuing active leadership participation in financial services after a half century, still on the cutting edge! All financial planners owe a great debt to Vernon Gwynne."

Is industry participation important?

Agents and planners do not attend meetings and conventions like they used to, primarily because of the cost. The IARFC's Forums remain affordable, especially the CE-at-Sea™. The cost is tax deductible when used for business purposes.

Why should our members get active in the IARFC?

We are looking for persons to serve on committees and the board. You will interface with the world's leading financial advisors and accelerate your personal growth!

Personally my goal is to be a strong advocate for ethical and professional conduct — a topic that certainly needs more attention in our society and especially in corporate America, on Wall Street, the NYSE, and among many mutual funds. I want to help increase article submissions for IARFC publications, assist with the historical perspective for the IARFC, and contribute in the important areas of ethics and IARFC course content.

Contact: 904 642 0033
fsxfirst@aol.com

Calendar of Events

PIFAAP Annual Meeting — Philippines
July 25, 2008, Manila

RFC Workshop and Graduation
July 26, 2008, Makati — Philippines

RFC Accelerated Course — Ohio
August 4-8, 2008, Middletown

RFC Client Engagement Workshop
August 1, 2008, Hong Kong, China

RFC Client Engagement Workshop
August 5, 2008, Macau, China

CE at Sea™ Cruise/Conference
August 16-23, 2008, Mediterranean

- Barcelona, Spain
- Nice and Villefranche, France
- Florence and Pisa, Italy
- Rome, Italy
- Naples and Capri, Italy
- Palermo, Sicily

Worldwide Chinese Life Insurance Conference
September 4-7, 2008, Singapore

NAIFA Annual Meeting
September 6-10, 2008, San Diego, CA

RFC Accelerated Course
September 8-12, Venue TBA

RFC Accelerated Course
September 22-26, Venue TBA

RFC Accelerated Course — Trinidad
October 4-8, 2008, Port of Spain

Financial Advisors Symposium
October 13-15, 2008, Chicago

MDRT Top of the Table
October 22-25, 2008, Austin, TX

World Financial Services Forum
October 20-31, 2008, Beijing, China

RFC Accelerated Course
October 27-31, Venue TBA

RFC Accelerated Course
November 3-7, Venue TBA

SFSP Forum
Nov. 30 – Dec. 3, 2008, Las Vegas, NV

RFC Accelerated Course
December 8-12, 2008, Central Florida

From the Chairman's Desk...

Is the Year Half Over? Or do we have Half Remaining? This question has no answer — your response will depend on whether you are an optimist or a pessimist, or if you have started off 2008 with a great cash flow or some other significant event. Most IARFC Members are reporting that revenues are down somewhat, but not too seriously. However, since their overhead is increasing, there is a squeeze that is a very disturbing trend.

What does the future look like? No one has a crystal ball but if you have been reading Barry Ferguson's columns, you have to be very concerned about the outlook for the U.S. Add to his well-researched current events, the Financial Statements by the former U.S. Comptroller who resigned in disgust, and the history following 1929.

A bad economy might be good for business. Many plumbers like leaks; they provide the need for more work. However, that would only be applicable for those plumbers engaged in renovations and repairs, not in new construction. If the economy (and/or the stock market) took a very serious decline or collapse, only those who are positioned for it will prosper. Let's examine what you might consider — as defensive or offensive moves...

Enhance Your Image. You can become far better known in your marketplace. The ***Register*** has had a series of articles by the leading persons in our industry who have addressed how to improve your image. I would not indicate that any one is better, because it is a matter of several items, so they are listed alphabetically. Do you like the author's analysis and recommendations? Do they apply to your unique situation? Are you motivated to action? And finally the big question: **Have you initiated action?**

***Register* Authors:** Forrest Wallace Cato, Lisbeth Wiley Chapman, Christopher Hill, Maribeth Kuzmeski, My Articles, Hesh Reinfeld, Sylvia Todor, Katherine Vessenes.

Clients that become concerned with their prior advisor will turn to those who have created a favorable impression in their market (geographical, occupational or social) and who are now identified as trustworthy experts. This means marketing and branding will pay extra-large dividends, if you have performed them effectively.

Enhance Your New Client Acquisition. If you can gradually ramp up the number and the quality of new clients, you will develop "market down-turn insurance" and you will have a better attitude since you are moving forward, not trying to depend on holding on to all clients and needing them more than they need you.

Very few financial advisors have really maximized referrals. For a while they are diligent in asking for and processing them. But then they go back to old habits. However, we all know that referrals secure the best new clients at the least cost — and yet we under-utilize them to secure and engage a sufficient number on a consistent basis. A adequate referrals converted to clients is the solution to the Marketing Roller Coaster — the constant up and down of marketing effort followed by result, and then the dip caused by servicing the new clients, and then the need to re-climb and acquire more new prospects.

Gardeners tell plant owners that, "As your plant grows from time to time it must be re-potted. You take the plant out of the pot, loosen the roots, place it in a bigger pot with some fresh soil and maybe some chemicals or fertilizer." This is the normal evolution of a healthy plant – and you can see how it applies to your practice. Every several years you need to get "re-potted" and look at your operations with a fresh light and a new attitude.

How to Get Re-Potted? The best way is for you or a trusted associate to enroll in the IARFC course, ***Financial Planning Process™*** and embrace exciting remedies – all of which have been modernized and adapted to current technology and current market conditions.

Many advisors originally used comprehensive financial plans to acquire new clients, sell a lot of insurance and place millions under management. When their client base grew they stopped producing plans. But it was the plans that brought in the new clients and referrals. Perhaps it is **Time to go Forward into History!** (with apologies to Back to the Future)

We can take the course to your agency, broker/dealer or insurance company. Call IARFC Education Director, Jim Lifter, MBA, RFC® at: **800 532 9060, ext 18.**

Pick Your Website Address Carefully — Add Another If Necessary

Domain names (website addresses) play a huge role in search engine positioning, especially with Google. You can test this yourself. Use Google to search for a popular financial industry term like "annuities." Notice how many of the natural listings (the main ones on the left) on the first page of results have annuities" right in the web page address. It's probably all of them. Then try searching for "long term care." Most of the web pages that get high rankings on page one have "longtermcare" as part of the web page address.

The very first step to getting your own, personalized IARFC website is to pick an available domain name for the site. If you already have a website, and aren't having much success getting traffic to it, a weak domain, with no relevant search words (keywords) in it, may be part of the problem. You can always add a second domain, perhaps one that has better keywords in it, that directs to the same website.

Finding a good, available domain name can be quite a daunting task, especially when you consider that they are being reserved at the rate of 90,000 a day. You can reserve a domain name at any time, even if you are not yet ready to get a website — the sooner the better, actually. They have become such valuable commodities that there is an entire multi-billion dollar industry in the reselling of domain names. Last year, creditcheck.com sold for $3 million.

Some Basic Guidelines

The first goal should be to try to find an available .com version. If an address uses any other extension (such as .net, .us, or .biz), people will have a tendency to forget that it's not a .com. In other words, if your website is greatfinancialplanner.net, many of your marketing efforts will also be driving people to the greatfinancialplanner.com website. Even people who own a .net or .us version of a domain will occasionally type in the .com version by mistake.

The second goal when securing a domain name, is to try to include words like "financial" or "insurance" or "annuities" as part of the address. It's always a challenge when your services cover more than one product category. It forces you to get very focused with your online marketing goals and efforts, choosing the most important one or two words for your company's identity. You may decide to have several websites, for example, with each one focusing on a specific service category. The more focused a website, the better its chances of getting good search engine ranking for that specific service.

The third issue to consider, and one that will have a big impact in your Internet marketing success, is whether to include your city and/or state in the domain name. The bottom line is that you cannot compete with the entire world for a phrase like "financial planner," nor would you want to. But you can rank high in a search engine for texasfinancialplanner.com (already taken) or financialplannertx.com (still available on 5/1/08), or dallasfinancialplanner.com (already taken), or financialplannerdallastx.com (still available on 5/1/08).

Think Keywords and Local Search

If you want to attract new clients to your website, people who never would have found you otherwise, all of your online marketing efforts should revolve around these two themes: "Keywords" and "Local Search" (making sure the names of your city and state are in your keywords). If you are a financial planner in Dallas, Texas, your personal name and the name of your company are almost irrelevant. Online searching is not about YOUR name. It's about all those people who don't know you but want to find someone who offers your services.

Of course, if your company name is Texas Financial Planners, Inc., and you have the domain texasfinancialplanners.com, you're in very good shape. If your company name is Bob Jones Associates, don't be tempted to get the domain "bobjonesassoc.com," unless it is merely ONE of the domains that you use. In this case, also get something like "jonesfinancialdallastx.com," or "jonesfinancialplanningtx.com," and have both the company-name domain and the keyword-rich domain point to your website. You can use "bobjonesassoc.com" on

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your business card and other communications, but the longer, service and region-specific domain will serve you better for online marketing efforts.

Don't worry too much about the domain name being quite long, just don't go overboard. Try to stay under 30 characters. Everyone hopes to find a short domain name, and as a result, they start using initials and abbreviated forms of words. But this is not a good strategy, from an Internet marketing perspective. No one searches for "finsvcs" or "fin svcs." They search for "financial services." Search engines don't recognize "fin" as representing "financial" for their indexing purposes.

A short domain is also a big problem if you have to spell it out every time you tell it to someone. I'd rather say "jonesfinancialservicesdallas dot com" than "jones, f as in frank, i, n, s as in sally, r, v, s as in sally, dot com."

Here is a perfect example. Our company name is Financial Visions. We used to use the website address "fvisions.com." Every time we gave the address on the phone, we would have to say, "f as in frank visions dot com." As soon as the "financialvisions.com" domain became available (was not renewed by the previous owner), we grabbed it. It is so much easier to now say "financial visions dot com." Plus, we want to be well ranked in the search engines for "financial websites." It helps to have "financial" as part of our domain name. Nobody searches for "visions" when they're looking for a financial website provider.

Domain Name Selection Summary

1. Include a keyword or two.
2. Add a city and/or state name or two-letter state code.
3. Avoid abbreviations that require spelling it out each time.
4. Try to stay under 30 or so characters.
5. Consider getting additional domains that go to the same website.

Finally, even if you aren't ready to get a website, reserve your domain name as soon as possible. Search for "domain registrars" to find services that do this for you.

Sylvia Todor

Sylvia Todor *is the former Marketing Director for Financial Visions (a subsidiary of Smarsh, Inc.), an IARFC technology partner that creates affordable, high-content websites for IARFC members (iarfcwebsites.com) She is an expert on Internet marketing and serves as a personal marketing coach for financial advisors.*

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Cato Comments – About Your Image...

Five Ways to Become Famous

You have the ability to position yourself as the leader in your target market. You can become extremely well-known in your geographical region. You can be the most noted financial professional in your area. You can be perceived as the most respected and most accomplished financial planner available. **You can be famous right where you are — where you sell — where becoming famous would help you the most.** You can become one of the top-ten best known professional people in your community.

You can benefit hugely by leveraging your enhanced identity, by marketing based on your stronger profile, and by utilizing the impressive status that comes with this desired type of regional fame. You can be the financial advisor in your market area that prospects in your market area have heard "many good things" about. You can "own" this marketing advantage or you can allow your competition to have this marketing advantage over you.

Your prospects, and even your clients, like people anywhere, all prefer the advisor in their area who is more noted, more recognized, and more acclaimed.

You can benefit from this without having to pay one-to-three hundred thousand dollars a year for this valuable recognition. **Would this help you attract and serve more clients?**

Being locally famous enables you to add one-to-three hundred thousand dollars worth of valuable targeted media exposures a year to your marketing efforts!

Loren Dunton, founder of financial planning, told me many times, "Most financial advisors fail to understand the importance of regional fame. They also fail to realize they can actually become famous in their market area. Thus the majority squander this opportunity. **They do not have the budget to become famous nationally or internationally. But it is very affordable to become famous locally."**

Dunton also commented, "The vast majority simply do nothing to acquire regional fame. This leaves their market area ripe for the competitor who intelligently attempts to become famous in that marketplace." With fame you can take business away from most anyone.

Amateur Efforts Get Amateur Results. Very often, planners and agents are unaware of how to benefit from media exposures.

They receive some important publicity results (like a cover story and feature article in a magazine) but fail to properly capitalize on this opportunity by merchandising these results. Thus such agents and planners get little benefit from the valuable media exposures.

The do-it-yourself self-promoter is usually an amateur who fails to ever realize that **it is the aggregate of media exposures that are essential to becoming famous. Your desired image results from a series of ongoing small exposures over time, not from immediate fantastic results due to one big overnight exposure.**

If you have a self-advocate mentality, then possibly you do not need to even think about or consider becoming famous in your own market area. You might as well just surrender to your market leader, who is (or will be) first to figure out how to get and use fame locally. Some people are simply hopeless when it comes to gaining fame in their geographical place on this earth — even though there are over 300 affordable and cost effective fame building techniques that are well proven.

Cost effectiveness and other realities, regarding the five ways to become famous in the region where you operate, are highlighted here...

1 Pay an Advertising Agency Very Big Bucks!

Advertising means you can work with an ad agency that understands your unique professional discipline and your special market situation. Working with such an ad agency does not mean telling that ad agency what to do for you and how to do it. They know more about this than you do and they have more experience. The ad agency work could involve:

- **Newspapers** (daily and weekly)
- **Business and Trade Publications** (all positive print results can be used and merchandised)
- **Radio** (advertising or "buying" a talk show)
- **Television** (spot ads, infomercials)
- **Magazines** (color, layouts needed)
- **Billboards** (displays, benches, etc. to create awareness)

An ad agency can provide an integrated multi-media campaign to make you famous (in time) within your market area. Fame never happens quickly, not even for the "overnight sensation." But there is one major drawback. **The ad agency method is extremely expensive. Ad agencies pay premium prices for advertising. This is so expensive it is not a logical action for you to pursue.** You would be a very small account at any significant ad agency and you would not be an important part of their billing.

2 Spend Tons of Money With a Financial Public Relations Agency

Financial Public Relations means you can work with a financial public relations agency that learns your special situation and understands your local market. Working with such a financial PR firm does not mean telling them what to do for you. This course of action could involve:

- **Feature articles** in local, regional, and national trade and consumer publications.
- **Interviews or Exposures on Radio Shows.**
- **Appearances on TV programs.**
- **Public Service Announcements** and related exposures
- **Charitable Fundraising** Leadership
- **Speaking** at regional meetings
- **Participation in local Events**
- **Awards** and **Honors**

A financial PR agency creates and executes a multi-media plan for you (over time) to make you famous in your market area. Fame never arrives quickly. There is the same major problem with this method as working with an ad agency. **This course is very costly! The price is so prohibitive that this is not a logical course for you to undertake.** You would be a very minor account at a financial PR firm and not receive the top talents or priority.

3 Conduct Local Seminars and Workshops in Your Area

Local Seminars, Talks, Workshops, or Other Events, means you contract for

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various services, plus you perform many of the services. These efforts are likely to involve the following:

- **Advertising** of your events is expensive and not generally successful.
- **Direct Mail** promoting attendance at your events eventually produces diminishing results as you saturate your limited market. Thus it becomes less effective with time. Your market is already flooded with DM for competing events.
- **Event Expense** means restaurant, country club, phone follow-up, coordinating, food, hosting, catering, boat rental, prizes, etc.
- **Making Your Presentation** requires style and polish, plus being unique and original.
- **Compliance** and **Regulatory Interference** are always a possibility so you should plan and execute accordingly. This may involve pre-approval, records, tapes, files, etc.
- **Your Follow-Through** and **Harvesting** the few prospects from among those who attended your event. This alone involves well organized follow-up. Placing selected prospects on your drip marketing list, and other factors involve additional attention and cost.

You can enlist the services of your staff, but most of the "doing" falls back on your shoulders. **The problems here are many. These actions are expensive, require hard work, consume time, and demand that you have outstanding speaking skills, top-quality original material, attention to details over a period of weeks, etc. You can easily reach a point where these projects become too demanding of your money, time, emotions, and other efforts.** These "Free Lunch" seminars accomplish little to make you famous in your market but will make you known to a very small number of people.

4 Do It Yourself Fame-Building Without Professional Assistance

The next largest group goes the **DIY** route, without professional media advocacy and image building assistance. This **DIY** group typically entails the following efforts:

- **Read articles about PR, marketing or related subjects.**
- **Purchase books** on marketing, media relations, advertising, image building, etc.
- **Attend a local university** (academic marketing class).
- **Complete an Internet course** on self-promotion, etc.
- **Study the local media outlets.**
- **Nurture contacts** at the local media influence centers.
- **Attempt to become a semi-skilled speaker and writer.**

With this strategy and execution, you can, tell yourself what to do, direct everything, including how to "do anything your way" even despite the existence of proven methods and established protocols, requiring years of experience to acquire and implement these industry procedures. **This DIY group has a huge learning curve to master.**

However, without extensive study, how would you know instinctively how to create, establish, and maintain desired image immediately, within your market, using all available media, on a structured and ongoing basis, without having to ever learn how to properly and appropriately accomplish this? Proven skill, discipline, talent, and experience are all required to capture media exposures without having to pay for the time or space obtained.

This **DIY** group tends to **(A)** not be able to match the various differing editorial copy style requirements for competing media, **(B)** fails to stay focused over lengthy periods, **(C)** does not know how to execute, **(D)** expects immediate results, and **(E)** often **ends up with amateurish results**.

This group often overpays for services of limited worth. All of this **(A)** extracts a toll from the do-it-yourselfer, **(B)** can even be harmful to some of them, and **(C)** their desired results are seldom likely to be achieved.

The DIY people end-up with out-of-pocket expenses but are still not famous, still not well-known, still not highly respected, still with no image or a weak image, in their market areas. A few become famous in their own minds.

5 Do It Yourself With Professional Guidance and Help

The DIY financial person who has professional help is a person who hires a financial media advocate to work for him or her. Since the financial media advocate has a history of practice and accomplishment in this specialty, and knows what to do and how to do it, it is not necessary to boss or instruct them. Nor is it intelligent or realistic to make demands for instant spectacular results.

Your media advocate should be highly familiar with the financial products and services industry, especially the problems an agent or planner faces. They should know much more than how to ghostwrite and place articles.

Many general public relations practitioners will not accept clients who are campaigning politicians, motivational speakers, insurance agents, or financial planners, because these groups each have a high percentage of "deadbeats" who do not pay their bills.

Producers of legitimate radio and TV programs are also leery of these four groups.

The DIY financial person with a media advocate is a cost effective method to become famous in your area. The media advocate does most of the work but you contribute. Your input is vital as the media advocate channels your thoughts and energy toward the desired outcome of becoming famous.

A flexible sales promotion and image building plan is created to be skillfully executed **(not amateurishly attempted)**! This plan will be revised from time-to-time, and includes monthly reports and evaluations on work performed. This plan covers such fame building elements as:

- **Carefully defining your market situation**
- **Establishing your objectives**
- **Determining your applicable involved time period**
- **Defining how you want to be perceived (positioned)**
- **Identifying the steps for creating, establishing, and maintaining your desired image**
- **Strategizing for leveraging your new identity**
- **Selecting the media that most positively impacts your desired market.**

... and much more.

Over 300 Fame Building Techniques Can Work For You!

Proven fame building techniques may include the following. These may differ with various financial advisors:

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- **Personal Biography (C.V.)**
- **Extensive list of speaking engagements delivered**
- **Photos of you in action**, both formal and informal
- **Your Media Kit on a CD**, formerly called a Press Kit, and containing the essential items
- **Copies of your articles placed in appropriate financial publications.**
- The current list of fame building techniques (for planners and agents) continues for **more than 300 additional items...**

Cost Effectiveness of Your Options

Below is a summary of the costs involved with each of these strategies to become famous in your market area.

Strategies One (Ad Agency) and Two (PR Firm) are cost prohibitive for you since starting charges begin at $5,000 a month and can easily be far more, ranging into hundreds of thousands of dollars a year.

Strategy Three (Seminars) works for some agents and planners but in most cases involves little fame building.

Strategy Four (Do-it-Yourself) is almost certain to guarantee mediocre results. **Surely you have noticed these mediocre results that others obtain using this method.** This is the procedure that most agents and planners attempt — and fail with.

Strategy Five (Do-It-Yourself with a media advocate) is most likely to work if you can discipline yourself accordingly. By "discipline yourself" I mean control your ego and cooperate with your media advocate. But you must be able to respect your media advocate and not dictate to him or her. All media advocates report failed relationships with clients who dictated rather than cooperated.

Strategy Five is cost effective and proven to be the best investment you can make in yourself and your business.

Strategy Five is the most prudent and logical approach considering the value of your time. Your cost here might be from $500 to $1,500 a month, while you devote the majority of your time to actually performing those duties involved with your business and your expertise. For this investment you can expect from one hundred thousand to three hundred thousand dollars worth of valuable targeted media exposures during a twelve month period.

Why Be Famous?

Fame, within your desired market, simply makes all your work easier. Prospects, clients and other professional advisors will accord you the respect you deserve — and you can acquire more or better clients — or both!

*Forrest Wallace Cato, RFMA, RFC®, arranges for financial advisors to serve on the boards of corporations, associations, foundations, and other organizations. He is the former Communications Director of the IAFP, now FPA. Cato is the former Editor-in-Chief of Trusts & Estates: The Journal of Wealth Management and Financial Planner magazine. He is International Editor of Advisers magazine in China. Cato is a senior fellow in Financial Planning Media Advocacy at the Al-Habtoor School of Business in Dubai (United Arab Emirates). He presents **The Cato Award** during the IARFC sponsored conference. Cato wrote the Introduction to the classic book **How To Sell Your Way Through Life** by Napoleon Hill. Cato is credentialed as a member of the media authorized to cover the U.S. Congress and the White House and he has interviewed five Presidents of the U.S.*

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Create Special Events

Focus on Client Interest, Hobbies and Charities

Your high net worth clients can buy their own dinner. Your invitation to dinner may not have the luster for clients that it once had. Instead, plan an interesting event for your clients and their friends who may be interested in the same event.

Focus on your clients' hobbies, interests, or passions. Offering your clients a glimpse of what fuels your own interests is more interesting than the quality of any dinner. Consider a fundraiser for a museum, an art and antique appraisal fair with proceeds to a charity, or tickets to a charitable event, such as a performance of Cirque du Soleil when it performs in your area. Or create your own event.

I met a man recently on a business trip who consults on "classic" cars. His version of classic — the 1960s muscle cars and dragsters. He flies all over the country, consulting with clients on purchases and then provides restoration services in his home state. He says that the muscle cars and dragsters are the cars of choice for Boomers. Their parents and older siblings collect cars more than 50 years old. He opened my eyes to the interests of Boomers and where they are spending their disposable income. One recent sale saw an early 1960s drag racer sell for almost $1.5 million because of condition and an impressive racing history.

His affluent clients spend a great deal of time at car shows simply showing off what they own. It is a lifestyle.

Idea #1: Talk to your clients who collect cars. Ask them to consider creating a car show on the grounds of an organization you want to support. All admission proceeds benefit the organization. How great if you can do this on the grounds of a transportation museum, such as exists in Brookline and in Brewster, Mass. But, if you have a museum in your area for antique farm implements, for instance, talk to the collectors who keep those machines working and love to demonstrate how they work. Ask them to have a demonstration day at the museum or the farm where their machines are kept.

The goal is to meld collector's interest with the public's interest in fun activities and create a fundraiser for a worthy third party. It creates photo opportunities for the media, raises awareness of your firm as the organizer, and offers a way for the museum to build attendance and even its fund-raising kitty.

Idea #2: Recently, a local organization in my community hosted an experienced auctioneer to sit at a table and give a sense of what an item would sell for at his auction house. The cost was $5.00 an item. Proceeds supported the non-profit organization. I was behind a man whose Grandmother had been given an original Albrecht Durer rabbit etching. I was stunned when the appraisal was nearly $50,000. When it was my turn, I was thrilled that some knickknacks that had been unattended in the attic for years actually had some value. Whimsy sells, he said looking at my small paperweight of a mouse eating a cracker valuing it at around $125.

The point is that everyone has curiosity about what his or her belongings are worth. The popularity of *Antiques Roadshow* and *Cash In the Attic* certainly prove there are millions of Americans who want to know the value of their "stuff."

Capture this interest by organizing an appraisal fair to support an organization in your community whose board members and supporters are likely to be excellent prospects. Invite your clients, their friends, and the membership list of the organization. This is not time for a "hard sell", but time for establishing you and your firm as supporters of a worthwhile organization. You might be surprised at the referrals this will generate.

Event Ideas. Is there a summer stock theater in your area that is always looking for contributions to stay afloat? Is there a High School drama or music program with a great reputation about to put on the annual program?

Whatever the event is, you can connect to it in a meaningful way. One way is to buy out a matinee performance and offer the tickets to your clients, their children and their friends. As a client appreciation event, it is unusual and fun. Your staff can run the concession stands. All proceeds go to support the theater or theater programs. As an opportunity to meet the friends of clients, it is low key and appropriate for you to stand in the foyer of the theater or venue and shake hands and welcome "your" guests. A small brochure on each theater seat would not be inappropriate.

You will be seen as a benefactor to the theater world in either case, and have the reputation for knowing how to create unusual client appreciation events.

Buying clients dinner is just not necessary. Instead, choose to create a fun, interactive experience they will remember for a long time.

Lisbeth Wiley Chapman

***Lisbeth Wiley Chapman**, Ink&Air, delivers clients and assets to investment advisory & financial services firms through a blend of media and web communications strategies. She is the author of "Get Media Smart! Build Your Reputation, Referrals & Revenues With Media Marketing," a professional development program.*

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NHF
NATIONAL HERITAGE FOUNDATION

Tomorrow's Market is Here Today

Financial professionals ought always to look for new markets. Their current client and prospect database must be ompletely replaced every four years. Just in time to catch the rising boom in financial and estate planning, comes a brand new market, accompanied by a brand new concept:

THE NPO (Non Profit Offering)

The IPO. Everybody knows about an IPO — Initial Public Offering — in which an entrepreneur presents his ideas to an Underwriting Firm — and it presents the plan for FINRA and SEC approval — the underwriter team is gathered, educated and set to work with an approved Prospectus to raise the needed funds.

According to my research, with the assistance of Erik Young, an IPO will cost the project from 7% to 11.9%. In some cases, when the product or service being introduced is new, imaginative, small and without management history, the cost of an IPO might rise to 12% to 17%.

How Charities Currently Raise the Funds They Need

According to the ACPRA Study by Dr. John Leslie (focus on understanding and support) most charities pay between 40% and 70% for the funds they receive. And even that is deliberately misleading by Approved Accounting Standards. If the charity writes a letter to a prospect with the sole purpose of raising funds from that prospect, approved charitable accounting conventions permit writing off the expense of the mailing 40% to 70% as a "Program Expense" because of the alleged educational value of some of the words in the appeal letter.

Then look at the employment of so-called Development Directors, who manage the volunteers they can motivate, and the events they can supervise in order to raise funds from the charities who employ them. It is generally agreed that a good Development Director, employed in a good charity, can raise about $250,000 a year in cash. When you add his salary (say $70,000), his office, secretary, travel and bennies, you have to be close to a total of $120,000. That's about a 44% fund raising cost.

Now Comes the NPO

What if the financial professional was able and willing to raise funds for charities? And in that I include colleges, schools, churches and hospitals. What if he was properly paid for his work, perhaps more than he will get in a IPO because it is harder to sell? Isn't generosity harder to sell than selfishness? This is because it is a brand new concept.

What if the motive to sell out an NPO was set for the Underwriting Team at 20% and for the supervisors and leaders of groups 5% additional.

Good for Both

It would be great for charities because they would be getting money at half the usual cost, and it would be great for the financial professional because he would get hot leads galore, plus a good feeling of helping make the world a better place.

The Nation's First NPO Charitable Underwriting: The World Philanthropic Mandate.

The National Heritage Family, on the planet for 40 years this year, has designed an NPO for $50,000,000. Small, but of dynamite importance. We are planning to help put an NHF-trained local person in every major city around the world to encourage the undertaking of projects no donor tracking of gifts, no donor control of the investments, no donor advising the distributions of the funds — hence not a donor advised fund. Wouldn't that "make the world a better place".

For more information about these exciting developments, please contact Dock at the National Heritage Foundation, Falls Church, VA

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Dr. J.T. Dock Houk, RFC®

Journal of Personal Finance

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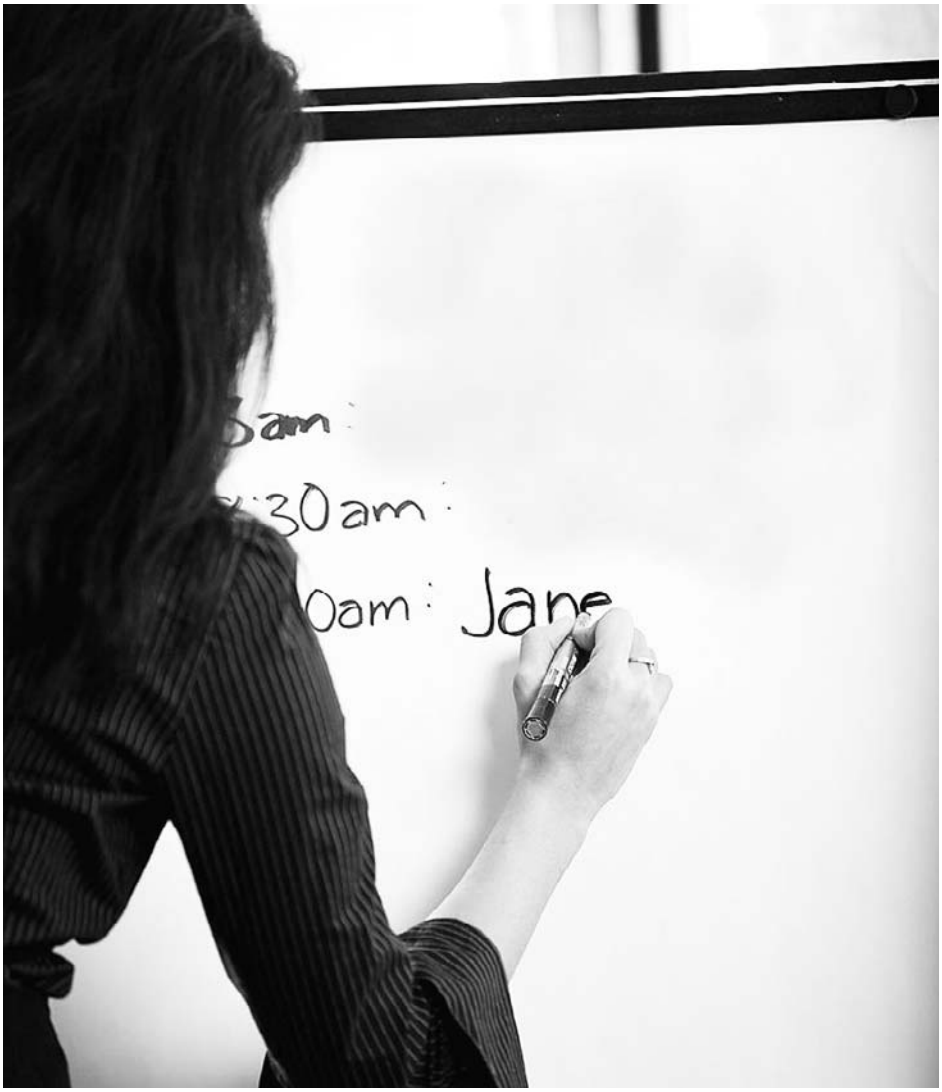
Compliance-Friendly Marketing

My Favorite (and Cheapest) Sales Tool

By Katherine Vessenes, JD, CFP®, RFC®



I would love to tell you that I am a brilliant natural sales person. Nothing could be farther from the truth. Like most of my sales and marketing ideas, this is something I learned the hard way. This particular idea is so powerful, I have seen it turn average advisors into superstars practically overnight. One, Rob Roxas, went from $300,000 per year to $828,000 in just 18 months! He also became the number one producer at his former broker/dealer.

Here it is: **Flip Charts**.

Yes, I know what you are thinking — how can this low-tech office supply, possibly help me close more sales? Let me show you how we use them — and you can judge for yourself. I have shared this technique with a thousand advisors, and even a few realtors, contractors and print sales people. They all say it helps them close more business. Here is my 6-step process for closing more business with flip charts:

1. **Welcome sign.** Some where in your entryway or reception area use a small flip chart on a stand. Every time you have a new or prospective client coming into your office they will be greeted with a sign that says:

Welcome, Brad and Jane!

This simple, inexpensive way to welcome your prospects and clients is more compelling than it looks. First, many marketing experts believe that as creatures we love looking at our own names in print. This is the reason even computer generated letters and emails will use your first name. We all know that e-mail was sent to 100,000 people; it was not created with a human brain, but we are all still drawn to seeing our names in print and this compels us to read the entire mass-produced letter.

Some of our advisory clients have taken this sign a step farther. One uses a big computer monitor that his clients see as soon as they get off the elevator in his building. The sign, created in PowerPoint, has the same message as the cheap, flip chart version: ***Vestment Advisors is pleased to welcome Brad and Jane!*** It is changed by the receptionist as soon as the current prospect arrives, so the next client will see their name when they get off the elevator.

Another advisor had the welcome sign printed on very high quality 8/5 x 11" paper and then she slipped it into a nice photo frame. The frame sits at the end of her conference table. The clients like it so much, they ask about the sign every time they are there. At the end of the meeting, she takes the paper out of the frame, files it, and puts in the next client's name in the same frame.

2. **The Agenda.** Once the prospects are back in your office or conference room, and you have finished with your "chit chat", you can walk over to the flip chart, flip over the cover sheet and reveal the agenda for the meeting. For most financial advisors, I strongly suggest they create the agenda in advance of the meeting to save time.

Standing next to the flip chart, here is what you would say: "To make sure we cover all the issues that are important to you, I have created a brief agenda for our meeting today. Here is what we plan to cover." I would then go over the agenda in detail. The agenda, taking up one page of the flip chart, will look like this:

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Brad and Jane's Agenda

1. **Your top financial concerns**
2. **Your top financial goals/objectives**
3. **Your questions**
4. **Your information/questionnaire**
5. **Our investment philosophy**
6. **Expectations**
7. **Next Steps**

The next step is to turn to the client and ask: "Is there anything else you would like to add to this? Does this cover what you would like to discuss? If they say this covers all their concerns, great. If not, find out what their top issue is that is troubling them, and then add it at the **top of the list**. Never add it to the bottom, because it is important for you to control the meeting. It is important to cover their deeply troubling issue first, because they won't be able to focus on the other things you want to cover until that issue is resolved for them.

At this point you tear the agenda page off of the flip chart and post it some place prominently in the room. You want to make sure both you and your prospects can easily see the agenda.

There are a number of reasons I have seen the agenda help advisors:

- Helps you control the meeting
- Shows your professionalism
- Keeps you and your clients focused
- Seems to cut down the chatter that eats into valuable time
- Reduces the clients' fears. They see where the meeting is going and they are not worried that you are going to "ambush" them.
- Builds trust iwith the client because they see that you do indeed do exactly what you say you are going to do.
- Becomes your "crib sheet", helping you remember all the items that must be covered.
- Crucial to the "sum-up" close, described below.

3. **Put the answers on the flip chart.** Now is where you start to write down the prospects, hopes, dreams, goals and answers to each of these topics. You might use a separate page for each of the main questions. So in our example we might have separate pages that each look like this:

Your top financial concerns
- *Putting your children through college*
- *Avoid running out of money in retirement*
- *Leaving an estate to your children*

Your top financial goals/objectives
- *Not worrying about money*

Your questions
- *What to do about your options?*
- *How to invest your 401-k*

Your information/questionnaire

Our investment philosophy
- *Why we use the 4 cornerstones*
- *The importance of tax efficient investing*
- *Modern Portfolio theory*

Expectations
- *You expect us to contact you by phone twice a month*
- *You want us to be accessible*
- *You want us to help you create a plan and help you stay on track*
- *We want you to return our phone calls within 24 hours*
- *We want you to be completely honest with us, especially if some here has not met your expectations*

Next Steps
- *Return to our offices in 2 weeks for your plan and our recommendations*

4. **The Sum up Close.** The beauty of this system lies in the "sum up close"right before you agree to the Next Steps. You say to your clients; "So let me sum up what you want to accomplish (and then you work backwards through the flip charts). If we can:

- *Meet your expectations by contacting you by phone twice a month,*
- *Be accessible to you,*
- *Help you create a plan and help you stay on track,*
- *Create an investment plan that covers all 4 cornerstones,*
- *Modern Investment Theory and*
- *Is Tax efficient,*
- *Give you some ideas on how to invest your options*
- *And invest your 401-k*
- *Help you put together a plan that will help you put your children through college and help you*
- *Avoid running out of money in retirement*
- *Leaving an estate to your children*
- *And help you quit worrying about money...*

(take a deep breath), Is this what you are looking for in us as your financial advisors?"

What you are really doing here, is confirming the "sale" of the relationship. No one says no at this stage, because you are just feeding back to them a list of exactly what they told you they wanted.

At this stage you say: *"Great, then I think our next steps need to be creating a financial plan for you. It takes us about 2 weeks, and we should be ready to deliver it to you on May 13th. How does that date work for you?"* Of course you write down the next steps on the chart that says "next steps".

5. **Confirming the Sale.** My experience has been it never hurts to "confirm the sale". This is also a great chance to transfer some of the loyalty to our assistant. Once you get to this point in the sales process, you would say, "Super, let me invite in Jim, your client service manager, and explain to him what we have decided to do."

Then you would have Jim come into the room and review all the flip charts with him. At the end I would turn to the prospects, and say: "Have I forgotten anything? Does this sound right?". This confirms the sale in the minds of the clients and quickly gets the assistant up to speed at the same time. It makes better use of the assistant's time and transfer some of the trust to him, so the clients are more comfortable working with him.

6. **Notes.** At this stage the client service manager would sit at the table and start reviewing the paperwork with the clients. This would include document receipts, new account forms, etc. I would move over to my desk and take no more than 10 minutes to type up a one-page summary of our meeting. This was quite easy to do — all you need is to write down everything on the flip charts! When finished, and by that time, the sales assistant has finished with his paperwork, you would take one copy of the notes and give it to the clients. Sometimes you would read it out loud and sometimes, you would have them read it. Once again you would ask "Does this look like I covered everything? Did I leave anything out?" Not once did they ever say I had! In fact, the most common comment was what a good listener I was!

Once the client agreed the notes were accurate, I would sign and date them; have them sign them and then give them a copy for their files. The original went into ours. This great compliance tool, also is great for closing more business.

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A few more comments about flip charts:

I actually discovered the power of these as I was working with Rob at his old firm. My job was to coach every member of the branch on how to handle the first meeting with clients. I was in his offices once a week for the entire summer. At the end of the summer we had a "killer first interview®" bake off. We invited in a dozen tax professionals to listen to each of the advisors run through the first interview that had been created for them.

When Rob's turn came I was stunned. I watched the entire audience, about 24 people, become transfixed when he got up to write answers on the flip chart. Everyone in the room was mesmerized! If they had been clients, they would have been pulling out their checkbooks. That's when I discovered the power of these simple pieces of paper. No wonder he almost tripled his business in just 18 months!

A few other thoughts on flip charts:

- Make sure you use the 3M, PostIt note kind. They have sticky stuff on the back, which makes it easy and painless to hang these up in any room. I have tried to fuss with tape, and pins with the other, less expensive kinds, and you really loose some of the impact — and it doesn't look as neat and tidy, which is a huge turn off to some people.

- So spend the extra money and get something that will be easy for you and look better at the same time.

- I use these even when we are closing $250,000 and $1,000,000 consulting agreements. In fact, the 3M notes are so important, I once schlepped some across country in the airplane to make sure I had the right ones before a big meeting.

- If you are meeting in your clients' home or office, take along the flip charts and a stand — you can do this presentation anywhere.

- Typing up the notes afterwards is also part of the WOW factor and it allows you to throw away the flip charts when you are done with them.

- One last story that lets you know how well this little tool works. There is a large broker dealer in our home town of Minneapolis that asked Peter and I to come in, meet with them and determine if Vestment Advisors' **Bumper to Bumper** workshops would be good for their financial advisors. When we came to their offices for the initial meeting we brought a stand, 3M flip charts, markers and my lap top. That was it. In fact my laptop, much to their surprise was not to do a fancy PowerPoint presentation on who we are and why we could help turn their average advisors into superstars. The only reason I brought the laptop was for me to write down what we put on the flip charts after the meeting, so I could email them notes!

I started out by creating a quick, impromptu agenda, that all the folks from the BD agreed would meet their needs for the meeting that day. Then I went through and asked a series of questions, putting each of the answers on a piece of the flip chart paper. When I was finished, there were numerous pages of information around the room. Here are some of the questions:

- What do you want to accomplish with this project?
- Who is the target audience?
- What problems do they have that you want to solve?
- What looks like wild success to you in this project?
- What are the obstacles you think we need to overcome?
- What do you expect of us?

Then at the end, I said, "let me sum up…" I went through all the items on the 10 or 12 flip charts and said, "Is this what you are looking for from us?" Of course they said "yes!".

But they said something else that really struck me. They had interviewed many other firms for providing them workshops. Frankly, a lot of these firms are much more well known than we are. They said they all the other vendors came across in the same way. Each vendor had their PowerPoint's and started "pitching" folks from the BD with their canned sales presentation about their canned sales training. A frequent comment from the other vendors was: Just give us your top 100 reps and we will help them make more money.

It turns out the folks from the BD were very offended by all the other vendors. They told us straight out, that no one — not one of the other firms had bothered to ask them the questions that we did. They were WOWed by our low-tech meeting! The reasons where simple — we made it clear, the project was all about them — not about us.

My comments to them — are the same ones you can make to your clients. "We don't do business that way! We are not interested in giving you a cookie cutter approach. We want to make sure that we can even help you before we make any recommendations — that way we can be sure that you will get something that fits your needs."

Flip charts are a great way to personalize your meetings and give all of your clients a WOW experience.

Katherine Vessenes, JD, CFP®, RFC®

***Katherine Vessenes**, JD, CFP®, RFC®, the creator of the No-Sell Sale™, uses her 20+ years of experience as a top financial advisor and consultant to help her clients achieve an easy, almost effortless sale. Katherine is "The country's leading authority on building the multimillion dollar practice" (Kaplan) and "America's best known authority on the legal, ethical and compliance issues of financial advisors" (Dearborn).*

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Show Your Love with a Trust and a Will

The sad truth is that estate attorneys indicate that **approximately 70% of Americans die without a Will**. In my opinion, this is **unacceptable**! Why? Because Americans truly love their families and, and would prefer not to place any unnecessary or additional burden on them at a time of such great emotional hardship.

Here is why this is such a terrible memory to leave behind. Without a valid Will, the unfortunate reality is that **state law** will determine how the property is distributed and, also take control if a person becomes disabled or incompetent. This statute is called the law of intestacy.

The way I best describe the intestate rules to my clients is *"a lawsuit with the state over the management of your estate"*. Put another way, "It will be your beloved government, and not you or your family, who ultimately decides what happens to your assets, your children, and your financial legacy."

It is safe to say that no state has the exact same wishes that we do for the disposition of our money, kids, and how we want to be remembered. Therefore, dying without a Will is going to put the family through an extremely difficult, time-consuming, and expensive ordeal...at a time when they should be focusing on **celebrating** a person's life and the wonderful memories left behind.

Everyone (even if single) should have a Will! This is one of the greatest gifts that each of us and all our clients can give our families and our loved ones.

So what about a Trust? Why would someone choose a Trust versus a Will? Even though a properly structured Will that is coordinated with a financial and estate plan is a great thing to have, **every Will must go through probate**. Probate is a court supervised procedure by which the court ensures that the assets governed by the Will are valued properly, the debts of the estate are paid off, and the remaining assets are properly distributed to the persons named in the Will.

The probate process is typically a very negative experience. Here's why:

- **It is expensive.** Legal and executor fees and other costs must be paid from the estate before anything can go to the heirs. The costs are usually estimated at 1-5% of the gross value of an estate (before debts are paid).
- **It takes time.** Often 1-2 years or longer, depending on the state. During this time, assets are usually frozen and nothing can be distributed or sold without the approval of the probate court. If the family needs money to live, they may have to ask the court for a living allowance, which the court may or may not approve.
- **The family has no privacy.** Probate files are open to the public, so anyone (including a business competitor) can see what was owned and owed. This knowledge can also invite disgruntled heirs to contest the will.
- **The family has no control.** The probate process controls. It can be very frustrating for a family to have to pay for the court to tell them who gets what money and when. This frustration very often leads to family feuds and disputes.

Probate can be a very emotional and difficult process. Ask anyone who has been through the probate process.

We personally went through this process in our family as my father went through the long, arduous and, expensive process when serving as executor for my grand-father's estate.

That is why most of my clients choose a Revocable Living Trust. This Trust, if drafted by a seasoned estate planning attorney, can be a comprehensive document that will avoid this probate process. Also, it can be extremely hard to contest, potentially reduce or eliminate estate taxes, preserve privacy, and likely expedite the distribution of the estate. In addition, a Trust also allows parents of small children (like myself) to give specific instructions to the Trustee or Guardians as to when to make distributions to the children, what they can use the money for, and at what ages to begin letting the children have control over some (or all) of the monies.

The bottom line is this — both a Will and a Trust can be effective, and each person's situation is unique. Therefore, seeking professional help when developing the estate plan will ensure making the right choice.

Simplification Helps! When I give a seminar or meet with a client, here is my personal definition of the ***Perfect Estate Plan***:

> *To control my property while I'm alive, take care of my loved ones and me if I should become disabled, and give what I have to whom I want, the way I want, when I want; and, if I can, I want to save every last tax dollar, professional fee, court cost, delay and family feud possible.*

Show Your Love with a Will or Trust. It should be obvious that this *"perfect estate plan"* does not happen by chance, but by proper **proactive** planning. Since I am not licensed as an estate planning attorney, I cannot help my clients construct a Will or Trust. However, I do have strategic partnerships with estate planning attorneys who I believe are the

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best in the area. I have spent many years going through extensive research and interviews, and I have identified attorneys who I have concluded are the most personable, talented, experienced, and reasonably priced.

I think it is important to note that our job as financial planners, is to work closely with our clients and qualified estate planning attorneys, both before and after, to make sure that these Wills or Trusts are not only properly established, but that they are coordinated and integrated with the rest of their financial plan. In many states, a limited number of attorneys are qualified as Estate Planning Specialist or Certified in Elder Law. Often they have, in addition to their law degree, a Master in Taxation, LLM.

In summary, I would like to ask a favor of each reader: Review your personal legal documents and institute any necessary changes. Then initiate a review with each your clients. Ask each if they have the **Perfect Estate Plan** and guide them through the process.

Christopher Hill, RFC®

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Why Are LTC Plans So Hard To Sell?

Financial advisors and agents who are new to our business, or those who have been serving clients for decades, all seem to have the same complaint about selling Long Term Care coverage (LTC) — it's too hard!

Selling LTC plans is very different than selling a life insurance plan. Everyone knows they are going to die sometime in the future so buying life insurance never seems to become an emotional issue, except perhaps to figure out how much life insurance benefit they want to leave to their beneficiaries or heirs. But it's a whole different picture for a client or prospect to imagine why they should buy a long term care policy that they are SURE they'll never be using.

So here's a few selling Gems that can help you overcome the 'LTC selling speedbumps' you will encounter:

1. Immediately after you get comfortable with your client or prospect and have completed the Warm-Up phase of your appointment, look dead straight into your clients' eyes and ***ask the BIG question: "What are your plans WHEN your health changes?"*** This question is meant to make your client uncomfortable. Don't fall into the trap and answer the question for them! Wait. Let the client answer you and tell you what they think. When you listen to their answer, be prepared to **really hear** what their plans are, what their concerns are, and what their family really feels about buying this type of protection. Your client will be giving you all of the buying indicators they have for this purchase. It will be your job to weave all of those concerns into your presentation.

2. When you are reviewing the features of the policy you have selected for your client, **use language of the future**. For example, **WHEN** you need care, you can have that care here in your home, in an assisted living apartment, or even in a nursing home. **The operative word that makes a difference in an agent's presentation is WHEN.**

   If you exchange the word WHEN and decide to use the phrase IF your closing ratio will drop dramatically. For example, "IF your health changes in the future..." has no sense of urgency, and your client/prospect will think that they don't have to make any decisions. Don't shoot yourself in the foot by omitting the word **WHEN** (it's an assumptive closing word) to avoid causing your client/prospect a little uncomfortable feeling.

   While this may sound like a trivial point, when I started selling LTC plans in 1989 I started using the word IF in my presentations and went 33 straight appointments without closing. Wow! Don't make that same mistake in your own practice.

3. **Find the money before you show your client or prospect what the premiums will cost.** Why is this important? It will completely negate any 'sticker shock' by your client. It's important to find out what the client considers their net worth to be and to also find out what percentage of interest they are currently earning on their investments. Show the client a brief diagram which explains how they can self-insure for their future long term care costs (which is the most expensive method for paying for long term care), or they can use a **PORTION** of their earnings or interest to pay for their premiums.

Then ask your client/prospect **"Doesn't that make sense?"** When they nod their heads in agreement, you've found the money, so to speak, and then it's time to show them two or three choices for coverage and the premiums for that coverage.

Adopt a new approach. Selling Long Term Care policies doesn't have to be a challenge. It just requires some readjustment to your selling techniques. Get used to being direct and to creating a little pain by having your client look into the future. They'll realize that they need to make plans. Take a look at the John Hancock plans, the Genworth (formerly GE Capital) plans, and what MetLife has to offer too. These are names that the client

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knows as a 'Brand'. Compare these big names with other plans you may be selling and see how they compare.

Don't try to offer 12 different choices of companies to your clients, 3 company choices should be the maximum. Find a wholesaler that specializes in long term care and get appointed. I have used **www.LTCIPartners.com** for years and find it so easy to compare policies and premiums right on their website so I know exactly what to sell and WHY.

Make it easy for yourself to find the information you need before your sales appointment. Make it easy for the client to understand the benefits of the policy you want to sell to them. Make it easy for your client/prospect to imagine the future WHEN their health changes, and make it easy for them to find the money to pay their premiums.

If you follow these simple steps, LTC plans won't be hard for you to sell at all!

Wilma G. Anderson, RFC®

***Wilma G. Anderson**, RFC® Based in Littleton, Colorado, Wilma Anderson, The LTC Coach, is America's leading LTC sales trainer and a practicing producer who has sold over 7500 long-term care policies since 1989. She offers a personalized tele-coaching program for Agents, The System to Sell 400 LTC Policies Per Year (a manual/CD package that gives producers a step-by-step guide covering all aspects of marketing and selling LTC), workshops, DVDs and give speeches nationally on the subject of LTC and Critical Illness.*

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Business Success Profile

Being a Financial Advisor is in my DNA

Mark J. Snyder is RFC®, ChFC, CLU, CFS, CMFC, QFP, of Medford NY. Mark offers a fee based advisory firm specializing in financial planning and asset management services. Profile written by Hesh Reinfeld, veteran journalist.

Hesh: Please explain all of those initials after your name.

Mark: Let's start with RFC®, it's an abbreviation for Registered Financial Consultant, and...

No Mark, I don't want you to give me the formal definitions. I'm asking the bigger question. Why so many?

They represent my efforts to learn as much as possible from different professional groups. Each one offered me another skill. This way I can give my clients a comprehensive approach.

I'm no shrink, but you have so many designations, I wonder if you're trying to compensate for something. Maybe compared to your initial training as an engineer, you felt that the financial designations weren't concrete enough. So you compensate by adding one designation after the other.

Interesting insight. An investment plan can never be like the blue prints for a bridge, there are too many unknowns. I guess my way of dealing with financial risk is by studying and learning more.

By the way, have you ever had any regrets about not being an engineer?

Never, but my mom did. When I was first married and struggling to start my business, she'd cut out engineering job ads and give them to me. Even after my financial planning business became successful, she'd mail me the ads. She sent them to me anonymously.

Are you any different with your own children? I'm sure you want them to be successful and now that you have a thriving business, they could join you.

I would be lying if I didn't say that I wished my children would train to become financial advisors. (And for the record my son does currently work part-time in our office.) But they need to love what they do. I know how that feels and it can't be faked or manufactured.

So you have it in your DNA. Who else has the same genetic makeup?

Interesting enough, my employees. (It's an additive I put in the water cooler.)

I can confirm that. I spoke to one of your clients. He operates a successful high-end remodeling business. As soon as he walked into your office he saw immediately that your employees were similar to his employees. They acted like they were part of something important; it was more then a job. They care about the people they serve.

As I said it's in the water cooler.

That sign on you office wall: No B.S. and No Pressure. Is it one of those trite business sayings that really don't mean anything?

On the contrary. The sign on the wall is there to tell people who meet me that I'm not selling anything. I actually don't want a new client to sign on the so called dotted line the first time we meet. I tell them go home, think about what we've talked about. If you're interested, then come back, sign the documents and we'll start working together.

Mark that sounds great when you have been in business for 37 years and have a successful company. But does it work for a new advisor, just starting out, who is hungry for new business?

I know what it feels like to hunger for new business. I'm not naive. For my first ten years in business, I was an insurance agent. There wasn't any such thing as a financial advisor back then.

Were you a success from the beginning?

Definitely not. Ironically my wife, Gloria had started her own business and she was doing very well, I considered closing my insurance business and becoming her business partner.

So why didn't you?

I think I was stubborn; maybe it was my male ego. I couldn't accept the fact that I wasn't successful.

So what changed?

Hesh take a look at the saying on the wall behind you: "Luck is where hard work meets opportunity". That has always been my approach. Yes, I was fortunate to get into the financial planning profession in its infancy. I realized that I could offer a comprehensive means of helping clients. I could do more than protect their assets (i.e. insurance) I could help their assets grow by also offering investment advice.

You've accomplished much. So how do you reward yourself?

I bought myself a toy. It's the...

The convertible outside? I saw the car (and now I understand the vanity license plate) that's an expensive toy!

Yes, but I worked hard for it. And it actually represents my approach to my clients. They've worked hard their entire lives to build the wealth they've attained. Yes, they need to be prudent with their investments but they also should enjoy the things wealth can buy.

Can we go for a spin? I've always wanted to drive a BMW convertible.

Sorry Hesh, that would definitely not be prudent.

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The Fed Giveth, the Market Taketh Away

As we turned the calendar through March, we investors have had to endure four consecutive months of US index losses. Even the Great Bernanke can't fill the tub faster than it is being drained. Surely March would turn the corner. Ah, but alas, the first week was a downer. On Thursday, March 6, the government said that the ISM Service Index "rebounded slightly on higher orders and employment." Of course we all know that our economy is now almost all service related so this was good news. Or, maybe it was just another in a string of bald face lies. Then, on Friday, March 7, our government released the jobs number and it was a minus 63k or so. Ouch! And as always, the Labor Department said that unemployment "Fell a tenth of a percent!" Sure it did.

Our pal Ben promptly announced another Fed injection of $100 billion. What did the market think? Well, the Dow started Friday morning with a quick 126 point dip, a quick 181 point rise, and a 181 point fall. That is almost 500 total points. And that was just before noon! If you want to invest in this market, you better put on a helmet, position your mouthpiece, don the old safety goggles, and strap on the pads as tight as you can. And, you may want to slip on a pair of hip-waders as the government poo gets piled higher everyday! As the seventh day of the month wore on, the Dow descended towards a 200-point loss. The markets continued to react to more bad news from financials and real estate. Stock price wise, financials and real estate were in positive territory until late in the day finally giving in to the overall market weight. It was hard to see the actual trading data as Bernanke was on the front row of the financial and real estate trading post buying his brains out. What other idiot would be buying financials and real estate given the current state of affairs? I mean, you would have to be a Wall Street type to believe an economic turn for the better is at hand and therefore, these beaten down sectors are a 'value'. Nope, this is more contrivement, manipulation, insanity. Take your pick.

From the March 6 edition of *Investor's Business Daily* there was a little story that read, "Surprise. Home builders burst into the top ranked industry groups this week." As if a punch line for a joke on late-night TV, the article went on to say, "Never mind that construction spending fell twice what was expected in January, and for the 23rd consecutive month." In other words, never mind reality. Never mind fundamentals. Never mind data. This is the new era. Reality and fundamentals have absolutely nothing to do with investing. Zero. Please read the previous paragraph for more insight into what sectors are doing well when the markets are getting drubbed because of financial fears — financials.

So, on March7, the financial ETF, IYF, was up almost .4% when the Dow was down 1.2%, the S&P 500 was down .8%, and the Nasdaq was hitting an 18-month low. No, this is not a misprint. Financials were up! Do you think it is a coincidence that financials were up on a day that the Fed announced another $100 billion injection even with the indices plunging? My friends, the Plunge Protection Team (PPT) is there for the banks and investment banks. They were behind them as they fleeced the world with bogus lending schemes and subsequent securitization of the bogus lending and now the Fed is determined to give the financial bilkers their money back given that the scheme has collapsed. What a country! What a con! No wonder no one wants our currency!

Then came Tuesday, March 11. It was another magical PPT day. The Dow finished the day up 416 points — the best day in five years. What caused the rally? Of course, all stock market rallies in the new era are driven by the Fed but our boys announced the creation of a TSLF (Term Securities Lending Facility) which was an expansion of the previously formed TAF (Term Auction Facility). Oh, thank goodness the Fed had the foresight to create a TSLF! Amen! Finally! This is what we have all been waiting for. Wall Street took the TSLF announcement and ran with it. Up 416 points!

What do you mean you have no idea what a TSLF is or how it works? Who cares? The Fed announced something-or-other. It must be good. Rally, rally, rally! Next week, maybe the Fed will stoke another rally by announcing that Bernanke wore brown shoes to work. Yes — that ought to be good for at least a 200 point Dow rally! What? What's that — I'm not making any sense here? No, but that's not the point. The market is basking in insanity right now. Fundamentals are out. Reality is out. True data does not exist. All we need is the Fed. In the new era, fundamentals are to the stock market like clothes are to a porn actor — they are just part of the set and are immaterial to the plot!

But you know me. I am the inquisitive type. I read the Fed's statement. I studied it. So, in the spirit of truth and sharing the truth in this publication, let me give it to you. The new TSLF is a $200 billion dollar credit line that the Fed established with their monetary printing press that allows for lenders encumbered by securitized paper that they can't sell to simply swap it at the Fed for US Treasury bonds that they can sell. Viola — they then have cash that they can lend to us so we can keep on spending money that we don't have and still can't repay. Problem solved. But wait — the Fed said they would only accept triple-A rated paper. But I was thinking... If lenders have paper securities that they can't sell, wouldn't that mean it is worthless? But yet, they can exchange it for Fed notes. If lenders have paper they can't sell but it can be swapped at the Fed as long as it is triple-A rated quality, doesn't that mean that no one wants even the highest quality paper? But yes, they can swap it at the Fed. If lenders have triple-A rated paper that they can't sell, imagine how much garbage they have that is lesser rated?

I feel like the only sober person at a beer chugging party. Is everybody insane? Does no one see this latest Fed move as yet another effort to give the lenders back the money they lost in the real estate con game they have been playing? Is the

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market so weak that it now needs $200 billion in Fed injections every month just to keep from melting down? And don't kid yourself — the March 11 injection came at exactly the same level on the Dow that they implemented the previous $200 billion injection in January. Again, the bottom line is the Fed continues to try and prop up the Dow. It is as simple as that. The stock market cannot be allowed to trade on its own. Doesn't that make you feel good about capitalism?

So the Fed is defending the Dow at 12,000. By throwing money at the market on a monthly basis, the second week in March saw gold hit $1,000 per ounce and oil hit $110 per barrel. People yak about 'supply and demand'. But again, reality has no place in this market. Commodities of all kinds are up because the Fed prints money like they are trying to keep up with Zimbabwe.

In the Thursday, March 13 edition of IBD, the CEO of investment banking firm, Bear Stearns, was quoted as saying that the company's balance sheet was in good shape. Early Friday morning, March 14, he was prostrate in front of JP Morgan and the Federal Reserve begging for a bailout. Of course, what bankers want they get. Bailout granted. But what about the strong balance sheet? Well, number one, what do you think CEOs, politicians, and bankers are going to tell us — the truth? Second, this is indicative of the nature of our Benonomy. Benonomy" is my new word for our modern pseudo economy. Things are happening so fast, no one can get their hands around reality. For the most part, we are all convinced that it is our right to make money in stocks and we can therefore ignore reality. But let me venture into reality for a moment and discuss the effects of large numbers.

Previously I have touched briefly on Credit Default Swaps (CDS) and derivatives. Most people don't care and don't want to have to care about these instruments of capital manipulation. But we must. We must understand how our economy functions. We must understand how our money is capitalized. We must understand what drives our system. In very simple terms, we can think of these instruments as insurance policies born of thin air that are used to mitigate risks of leveraged scams run by investment bankers. I'll bet you won't find that as a definition if you Google 'derivatives' seeking a simple explanation!

What derivatives do, is they allow for securitized packages of bonds to be bundled and sold multiple times with each player insuring themselves against default and loss by virtue of margined, leveraged, money created from a promise. They are a bond or a note. At least, that's the understanding in a nutshell. So, essentially, most of this world is populated by, and necessitated by the mortgage/credit bubble that the Fed egged on over the past eight years or so under the leadership of Alan Greenspan. The Fed knows full well that the mortgage paper was trash in the first place, investment bankers neatly packaged up the trash in esoteric 'securitized bonds'. They know the investing public is not very sophisticated (even the big pension investors) and would never read the instructions.

So the public really believes that it can watch CNBC and know every bit as much as Warren Buffett. We are all gullible and we would all like to think that in 15 or 20 minutes of bubblevision every other day, we become investing experts. It sounds easy. How many things have any of us accomplished by taking the 'easy' route. No, these packages of debt that Warren Buffett refers to as 'weapons of mass destruction' were used to create the illusion that balance sheets were flush with securities that were generating interest income. Since much of it was subprime, the public could easily be told that these packages could return higher rates of interest income than the rest of the legitimate income producers.

Investment bankers know the public is not sophisticated. All we needed to hear was we could get a higher return from something-or-other and it was backed up by this-or-that. Besides, it was all underwritten by a fancy bank located in a tall building with an important sounding name. What could be better? Now you know how a firm like Bear Stearns could boast of a multiple-billion dollar net balance sheet on Thursday and be begging for a Fed bail out on Friday. It doesn't take long to blow away vapor!

On the Wednesday before the Bear Stearns bankruptcy, the ratings agency, Standard & Poors, said, "The positive news is that, in our opinion, the global financial sector appears to have already disclosed the majority of valuation write-downs of subprime". Good call, fellows!

March ended with the Dow a few hundred points above 12,000 and Bernanke promising another $100 billion in injections for April. In Zimbabwe, the price of a loaf of bread rose to $25 million zdollars. That's what happens when you print money to keep your rich banking friends rich. It may be economic suicide but the Fed does not care about the economy. Sure, they hold meetings and make statements about the economy and inflation. But that's just for bubblevision and all the viewers that think they are getting real information. It is part of the con. No, the Fed has taken over and they will make sure the bankers keep their scam money even if it means melting our pensions and living standards to Zimbabwe status. (Incidentally, you can Google Zimbabwe Palace and see the LiveLeak photos of the Palace of President Mugabe. Wonder if it is similar to the homes of past presidents of Merrill Lynch and Bear Sterns?)

In January and March where the Fed 'intervened' to stop the bear market by injecting several hundred billion and lowering the Fed Funds rate 125 basis points, the market re-bounded. Extraordinary action! March shows another few hundred billion and more rate cuts, and again another re-bound. The stock market has become the entire focus of the Fed.

Why should you care if the new leaders of the US are decimating the currency?

continued on page 26

After all, they have magically driven up the Dow while the currency the Dow is denominated in declined. The Zimbabwe government did the same thing yet their stock market is outperforming every market on the planet. While the credit bubble instigated by Greenspan bankrupted our financial system, our markets have held up. Why? The market is inflated, like a loaf of bread. As long as the stock market is up, citizens think all is well. Sure it is. In July of 2006 the dollar really accelerated its decline as the Dow went on a fantastic, inexplicable rally. Well, not entirely inexplicable. Hank Paulson took the reigns as Treasury Secretary at that time. For those of you uninitiated, that is a post held by a member of the PPT. But now, it appears that the Dow is following the dollar lower. Mr. Paulson will continue to print money and the dollar will continue to follow this path. Will the Dow as well?

Who knows what we face from here. We closed the first quarter of '08 as the most volatile period (so far) since 1938. It has been the worst quarter in six years. Our government cannot let the markets go down. They are our pensions, IRAs, retirement plans, savings, and so on. Since the Fed has seized power, they are now writing the rules with which they will govern. Of course, they will have to write them in crayon and draw pictures so the idiots that we elect to represent us in Congress can read them. Not that it matters.

The only way the Fed loses this game is if they lose the stock market. I think that will eventually happen when the rest of the world gets tired of the 'injection' game Bernanke plays. The worthless paper that he prints with his partner Paulson will eventually make everything worthless. What a pathetic turn of events this truly is.

In Plain English — Let's keep it simple. Our economy was descending into a harsh recession in 2000 courtesy of Alan Greenspan's incompetence, despite his love affair with the Wall Street media. First, he increased interest rates to squash the stock market. Realizing his blunder, he lowered interest rates to nearly zero. Bankers and lenders took this moment as an opportunity to generate lending fees with almost no risk of capital. Thus, the credit bubble was born. Think of it this way. We make $100 dollars a week. We spend all of it. To make the economy look bigger, the Fed let us borrow another $10 and we spent that too. That made our economy grow by 10%. All was well until the lenders realized that we couldn't pay the $10 back. The only difference is while we, and the lenders still feed on the credit poison that sickened us in the first place, the Fed is only giving medicine to its lending friends.

Money Management Moment. The Fed is busy expanding the land fill for all the garbage paper that Wall Street wants to throw away. Investment strategies must change with this new and profound development. All the Fed is doing is putting off the inevitable. The CDS and derivative universe will be allowed to grow until this time next year, we will be talking about a quadrillion dollar market for these instruments of leverage and vapor. In that case, if 10% of that goes bad, we vaporize $100 trillion dollars. Poof! That's five times the US total stock market capitalization. These are the large numbers that threaten us as we invest. We should all realize that the landscape has changed. Whatever worked last year might not work as well this year. Portfolios will need some active management to keep up with the changes.

Barry M. Ferguson, RFC®

***Barry M. Ferguson**, RFC® is the President and founder of BMF Investments, Inc. an independent SEC registered Investment Advisory fee-based money management firm located in Charlotte, North Carolina. Barry has more than a decade's worth of experience in the financial services industry. He has a diverse background ranging from financial software consultant to registered representative of investment products to President of an Investment Advisory firm. His strong technology background has been beneficial in today's 'information age' market.*

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Editor's Comments

Are there parallels with the Crash of 1929 — the most devastating **stock market crash** in the history? Taking into consideration the full scope and longevity of its fallout, the crash was not a one-day affair. The initial crash occurred on Black Thursday (October 24), but it was the catastrophic downturn of Black Monday and Tuesday (October 28 and 29th) that precipitated widespread panic and the onset of unprecedented and long-lasting consequences for the U.S. and the world. The collapse continued for a month. Economists and historians acknowledge that the crash played a major role in subsequent economic, social and political events. In America it launched the beginning of the **Great Depression**, a period of economic decline in all the industrialized nations. This led to the institution of landmark financial reforms and new trading regulations — supposedly designed to prevent re-occurrence. Responses in Germany lead to the rise of Adolph Hitler and World War II. Will there be a backlash against the oil cartels?

And yet, Barry writes of all these transactions as if there are no controls. What controls there are seem to be overpowered by the political appointees. At the time of the crash, the New York Stock Exchange was the largest stock market in the world. The Roaring Twenties had been a time of prosperity and, despite warnings against speculation; many believed that the market could sustain high price levels. The speculations of the current derivative market far exceed those of the margined stock purchases of the twenties.

Business Mirrors Life

The Origins of the 80-20 Rule

I opened the registered letter and was shocked. My best clients were joining together in a class-action lawsuit against me. The letter stated that I had promulgated a false allusion of success by having them follow the 80-20 rule.

The letter alleged that I brainwashed my clients into thinking that the 80-20 rule was a basic law of business and nature. I had blatantly stated that they could ignore all the mundane advice of their accountants and lawyers. All they needed to do was follow my advice. They did and many were now bankrupt.

I confess, I do quote the 80-20 rule like it's divinely ordained. It's my mantra. It's definitely biblical in its origins. I start all my training sessions with a simple question: Which of the Ten Commandments do you think generate most of our sins? "Do not covet" is obviously number one. The group usually argues over number two. Lately, "Honor thy father and mother" has been the runner-up.

My point: Each commandment does not generate an equal amount of sins. "Do not covet" and one other commandment (20 percent of the commandments) could well make up 80 percent of our daily transgressions.

My audience loves the story. They initially argue that the 80-20 rule does not apply to their businesses. However, I show them the data and a lot of anecdotal evidence. I can be very persuasive. Finally they succumb and buy my book, training tapes and subscribe to my webinars in order to follow my advice.

My attorney warned me that this isn't a frivolous lawsuit. I need to have a strong defense. We live in times when consultants are being sued by their clients for a lack of ethics, conflicts of interests and downright stupidity. Consultants are paying hefty fines, even getting jail time.

I started working on my defense at the library. I found some stuff on an Italian economist of the late 19th century, Vilfredo Pareto. He developed "Pareto's Law," which he presented as: log N = log A + m logX.

When dumbed down, it is the 80-20 rule. I was very excited. I showed it to my lawyer. "Forget it," he said, "The average jury can't even do long division."

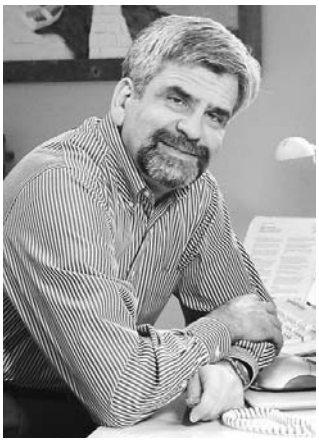
I decided to tell my lawyer the truth.

My pals in high school promulgated the 80-20 rule. We were trying to figure out the probability of getting dates on any given Saturday night. We collected data from our classmates. Surprisingly a small percentage of the guys (20 percent to be exact) dated most of the girls (80 percent to be exact). These guys were considered the "in crowd" and always had dates. On the other hand my friends and I, "the nerds," the other 80 percent of guys, were always competing to get one of those few girls (the 20 percent that would date a nerd) to go out with us.

The rule applied in college too. Eighty percent of the beer cans could be found in front of 20 percent of the dorm rooms. We knew because we collected them for recycling. It just seemed that everywhere I went this 80-20 thing worked.

My lawyer sounded encouraging for the first time. He could use this type of information to convince a jury. Initially, his strategy was to plea bargain and ask the judge for community service. Now he was ready to go for an acquittal and threaten to counter-sue my former clients for defaming my professional name and character.

Did you see me on Court TV? Not only did I win, I got the judge and 80 percent of the jury to sign up for my webinars.



Hesh Reinfeld

***Hesh Reinfeld**, an experienced journalist, passionately believes that a properly crafted bio or marketing profile will cause a prospective client to be sufficiently attracted to read it, and to feel, "I'd like to meet this person." Perhaps you would like Hesh to help you prepare a similar biography for you, or to assist you with writing assignments that will help you in your market.*

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A Message from the Founder

Ups and Downs in Thailand

I am now back in Thailand after a short visit in America and almost over a severe case of jet lag. When I arrived on Sunday morning, I thought I had dodged the jet lag syndrome, but it really hit me on Monday. That 17 hour Los Angeles to Bangkok flight is a real bear! On top of that, add the 4 1/2 hours to LA from Atlanta, then a 4-hour layover, then another 5 hours layover in Bangkok for the 1-hour flight to Khon Kaen, then a 2-hour drive home! Counting the "pre-arrival" time in Atlanta, that is more than 35 hours!

Pan surprised me by having the home beautifully landscaped with sod all over, 2 fantastic Bonzai trees ten feet high, 14 big palm trees about 15 to 18 feet high, a dozen smaller palm trees, several beautiful flowering bushes with white clumps of flowers and all the walkways bordered with flowers and hedge. There were also several very interesting tree root "statues" strategically placed around the lawn. All in all a spectacular garden! And an underground sprinkler system, too!

The new lane back to our farm has been widened, graded and covered in stone. What a difference! With the rainy season fast approaching, it is an absolute necessity. The ironwork on the fence is still being fabricated and hopefully the 42 sections and big rolling gate will be installed by next week. Yesterday Mr. Samwang, our super-good builder and one-man backhoe started work on a rice-house to store next year's rice crop. With the price of rice going through the roof, our timing to expand our rice fields could not have been better! After giving Farmer Laap his 1/3 share, we will still have enough to sell some.

Today I planted 10 different kind of seeds in eggshell "starter' beds, Farmer Laap prepared a good-sized garden for me and every few weeks I will add new plantings so we will have a continuous supply of fresh produce throughout the 12 month growing season here. Today it was sweet corn, string beans, "beefsteak" tomatoes, cantaloupe, watermelon, broccoli, onions, squash, bell peppers and cucumbers. I even planted a row of sunflowers along the back wall. Brother-in-law, Thong-Lee is bringing a couple of banana trees and I will buy a couple of fruit trees to complete the cornucopia of good food we will have at our doorstep!

I really enjoyed my trip back to the US. I got to spend some time with most of my kids and grandkids and three great-grandkids. On my next visit in October I plan to bring Pan and her daughter, Som-o to meet their new family. Also enjoyed visiting with old friends in Florida and Georgia. The frosting on the cake was when my CPA extraordinaire, Kevin Krueger, told me I not only did not owe any income taxes this year, but actually will have three of next year's quarterly estimates already paid!! Wow!! And, of course, it was GREAT eating at Denny's and Chili's and the Mexican restaurant and enjoying sumptuous meals at all my daughters' homes. They are all fabulous cooks! And some REAL pizza from Papa Johns! And Dairy Queen Buster Bars! That is the one thing I really miss here in Thailand: Jumping in the car and driving to a great American restaurant or pizza place or fast food joint.

However, storm clouds were on the horizon — not nearly as serious in Thailand as in Myanamar, but nevertheless, a lot of water.

Not every week is all fun and no problems in Thailand. Our biggest problem at the moment is that we are marooned here on the farm. The recent torrential rains, a bit early this year, have rendered our new road to the outer world impassible. Not even a motorbike or our 4-wheel drive truck is safe making the 3,000 feet journey to the main road. It seems that all of the 60 truckloads of fill dirt we brought in to level out the ruts in the road just turned to muck and we are up to our axle in slippery, orange clay. The truckloads of rock we scattered around are nowhere adequate to stabilize the soft under soil. And they cannot re-grade the road and bring in more rock until we have a few days of sunshine to dry things out!

It has also delayed them bringing in the 42 sections of ironwork for the top of our fence and the big new 12'x10' ornamental rolling gate. Mr. Samwang has not been deterred in finishing our new rice house, though. He gets here every day with his wife riding a rice field tractor/plow, which is designed to get through the worst muddy fields. He already has the iron roof beams in place and the roof tiles installed. Today they are working on the walls. Fast Construction!

As for the landscaping, it looks like one of the newly installed 10' Banzai trees is not going to make it. The nursery owner says he will replace it free, if it does not survive the transplanting.

We like our new "doll house" so much, we are not going to build the "big house". However, we have decided to add an addition, which will allow us to move the kitchen, giving us much more room in the living/dining room. Mr. Samwang has given us an estimate of 125,000 baht for materials and 60,000 baht for labor. That is about $6,000 given the continuing slide in the dollar exchange rate.

Wow! It has been a bummer of a week. I hope next week's letter will be more upbeat.

Jack Gargan, RFC®

In 1984 Jack Gargan formed the IARFC believing in comprehensive planning and continuing financial education. About ten years later his career shifted to politics and he formed the Independence Party of America. A resident of Cedar Key, Florida, Jack was starting to enjoy retirement and relax. And then at the 2006 Forum where he presented the first Founders Award, he rekindled his interest in financial planning. Jack traveled to Thailand and fell in love with the people, the culture and the country. Now he lives in Ban Wang Phoem, Thailand starting all over again.

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James Investment Research, Inc.

Equity Style

1Q.08

Investment Objective

The James Equity Style seeks to provide long-term capital appreciation and outperform the Equity Blend Benchmark.**

Investment Strategy & Process

The James Equity Style invests in stocks of all sizes, small, mid, and large cap stocks. JIR also has a disciplined value approach to investing.

- JIR's proprietary model is an important tool in the search for securities using a database of over 8,500 stocks. JIR looks for those stocks with the strongest combination of Value, Neglect, and Management Confidence traits.
  - Relative Value – investing in securities which have relatively low ratios such as price to book and price to earnings.
  - Neglect – finding stocks which are overlooked by Wall Street analysts or underrepresented in institutional portfolios.
  - Management Confidence – looking for companies where the managers are showing confidence by buying stock in their own company.
- Fundamental analysis is then used to seek out the most promising candidates which show excellent intrinsic value.

Product Info

Composite Statistics (as of 3/31/08)

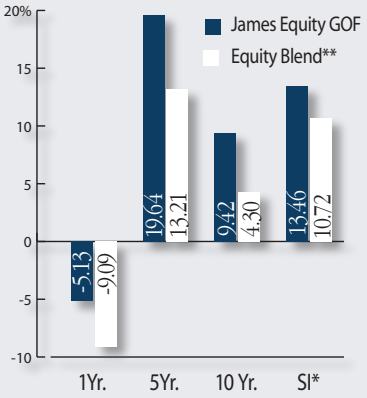
Benchmark Index	Equity Blend**
Average # of Holdings	101
Assets	$26.8 million
Average Market Cap	$27.9 billion
Price/Earnings	13.5
Price/Book	2.2
Target Allocation	95% Equities 5% Cash

Top Ten Holdings (as of 1/31/08)

McDonald's Corp	3.0%
Merck & Co Inc.	2.8%
Exxon Mobil Corp	2.5%
Edison International	2.3%
Energen Corp	2.3%
Amer Physicians Cap	2.1%
Ceradyne Inc	2.1%
Johnson Controls Inc	2.1%
Manpower Inc	2.1%
Northrop Grumman	1.9%
Total	23.2%

James Equity vs Equity Blend** (Annual Returns Ending 3/31/08)

	1Q****	1Yr	5Yr	10 Yr	SI*
JIR Equity- Gross of Fees	-6.84%	-5.13%	+19.64%	+9.42%	+13.46%
JIR Equity - Net of Fees	-6.98%	-5.67%	+18.97%	+8.79%	+12.86%
Equity Blend **	-9.67%	-9.09%	+13.21%	+4.30%	+10.72%
Russell 3000***	-9.52%	-6.06%	+12.07%	+3.88%	+8.79%



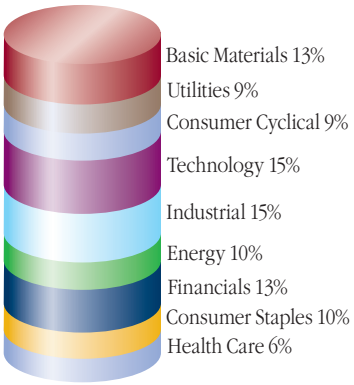
James Investment Research, Inc. is an independent investment management firm and is not affiliated with any parent. James Investment Research, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). The composite's inception date is 12/31/83. No segments of balanced portfolios are included. The James Equity Composite Performance included the equity bank pooled retirement funds under our management from 1984 (composite inception) through 1991. Performance from 1992 includes representative equity tax exempt funds not restricted by market capitalization plus any equity bank pooled retirement funds. As of March 31, 2008, the Equity Composite consisted of 6 accounts totaling $26.8 million which was 1.3% of all assets under James' management of $2035 million. No alterations of composites have occurred due to changes in personnel or other reasons. Performance results are total returns and include cash. The returns are time weighted. Gross and net performance results are total returns after custodial/brokerage fees and trading expenses. Gross of fee returns are presented before management fees; net of fee returns are calculated by deducting the quarterly management fee as charged to the clients at that time. Current fees may be higher, which if they had been in place at that time, would lower the net of fee performance. The current quarterly fee schedule is 0.3125% of the assets value of the first $1,000,000, and 0.125% of the asset value of the balance of the fund. These terms may be negotiated, according to the firm's ADV. To receive a complete list and description of James Investment Research, Inc's. composites, a presentation that adheres to the GIPS standards, and/or policies for calculating and reporting returns, contact Diane Rose at 1-888-426-7640. Data from 1992 through 2001 was reviewed by Ernst & Young. Subsequent year's quarterly performances were reviewed by Clark, Schaefer, Hackett & Co. No promise of future performance or profitability should be inferred from this data. The benchmark for this product is 50% S&P 500 and 50% Russell 2000. The Russell 3000 is being provided as supplemental information due to client requests. All returns are in U.S. dollars.

The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year.

The dispersion (S) for the quarter ending March 31, 2008 was 2.80%. S= $\sqrt{\sum W_i[R_i - WtMEAN(R)]^2}$

* Since Inception 12/31/83-3/31/08 ** Blend 50% S & P 500/50% Russell 2000 ***Supplemental****1st quarter is not annualized

Sector Diversification



As a % of total equities as of 3/31/08

James Equity Style	98	99	00	01	02	03	04	05	06	07
Annual GOF Returns %	12.72	12.40	3.77	-0.62	-14.13	33.47	28.68	23.97	13.01	6.57
Annual NOF Returns %	12.08	11.78	3.16	-1.20	-14.64	32.70	27.96	23.29	12.40	5.98
Equity Blend % **	12.10	20.61	-6.03	-4.64	-21.21	37.82	14.63	4.80	17.29	1.95
Russell 3000 % ***	24.13	20.89	-7.46	-11.46	-21.55	31.04	11.95	6.14	15.71	5.15
Annual Composite Dispersion %	0.00	4.52	8.21	1.26	2.49	1.88	2.36	3.80	0.63	2.41

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Gracio Garcia, RFC
Thomas H. Judge, RFC
Russell Luce, RFC
Joseph Menzak, Jr , RFC
Gayle O'Brien Blachura, RFC
Dean Ogleby, RFC
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