the Register

Vol. 10 No. 9 • September 2009 Official IARFC Publication www.IARFC.org

LINDA HORN

Communications That Produce Clients

Serving Financial Advisors Worldwide

FINANCIAL PLANNING PROCESS™

Turning Practice Theory into Practical GOLD!

The **Financial Planning Process™** course features tools and training that enable you to: Beat Your Competition, Increase Referrals, Enhance Your Client Base, Improve Brand Recognition

FPP-101	Client Acquisition	Obtaining More Clients for Personal Financial Services
FPP-102	Marketing Plan Development	Achieving Professional Success Through A Coordinated Marketing Effort
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FPP-201	Information Gathering	Establishing a Solid Foundation for Building Long-Term Security
FPP-202	Plan Development	The Use of Advanced Software to Create Client Friendly Comprehensive and Modular Plans *(optional software available at special student pricing)*
FPP-203	Problem Identification and Development of Recommendations	Analyzing Obstacles and Creating Solutions for Your Client

When a student has successfully completed all 100 level courses and passed the matching exams, they will receive the RFA® designation. Upon completion of all 200 level courses and exams, they will be eligible for the RFC® designation.

Students may take the courses in any order or combination. However, designations will only be conferred upon completion of all required tests (100 series for RFA®, Both 100 and 200 series for the RFC®).

Each course is a two-day event that will include outside work assignments. Pre- and post-classroom work will be provided to the students.

Course Schedule

Course	Dates *(Friday & Saturday)*		Dates *(Wednesday & Thursday)*
FPP-101	September 25-26	*or*	September 30 - October 1
FPP-102	October 9-10	*or*	October 14-15
FPP-103	October 23-24	*or*	October 28-29
FPP-201	November 6-7	*or*	November 11-12
FPP-202	November 20-21	*or*	December 2-3
FPP-203	December 11-12	*or*	December 16-17

Choose the dates that best fit your schedule (mix and match).

Times

Wednesdays, 9:00am - 5:00pm	Fridays, 9:00am - 5:00pm
Thursdays, 9:00am - 2:00pm	Saturdays, 9:00am - 2:00pm

Venue

IARFC Home Office, Financial Planning Building - Training Center
2507 North Verity Parkway, Middletown, Ohio 45042

IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

Financial Planning Building
2507 North Verity Parkway
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• IN THIS ISSUE •

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Register Letters

We welcome all your comments, suggestions, ideas and articles. Please direct correspondence to: **editor@iarfc.org**. Letters may be edited for length and clarity.

Dear *Register*,

You will be pleased to know that we recently granted reproduction rights for your recent *Journal of Personal Financial* article(s) listed below to Professor Thomas M. Warschauer at San Diego State University to be used in an academic course reader.

- *The Concept of Risk Tolerance in Personal Financial Planning (JPF 7:1)*
- *Household Financial Ratios: A Review of Literature (JPF 6:4)*
- *Mortgage Choice: A Review of the Literature (JPF 7:1)*

Thank you for your continued support of the *JPF* and the IARFC.

Mark Terrett, RFC®
IARFC Operations

Journal of Personal Finance

Call for Papers

Get Involved: We welcome the submission of articles from IARFC practitioners. This is a great way to contribute to the profession.

Professional Articles: The Journal is seeking articles by practitioners that may deal with the application of financial planning techniques, marketing and practice management. These are expected to be very high level papers and/or articles.

Publicity Opportunities: Naturally, we encourage published authors to advise their clients and the media of their published articles by sending a press release and copies.

Contact: Dr. Ruth Lytton
Call: 540 231 6678
E-mail: rlytton@VT.edu

NEW IARFC MEMBERS

John G. Atsaves, RFC®, IL
Ami Bergstrom, RFC®, CA
Steven V. Chantler, RFC®, DE
Christian Cordoba, RFC®, CA
Robert Claude Crane, RFC®, FL
Kliphord O. Darkwa, RFC®, TX
Ryan A. Edsen, RFC®, IA
Yolanda Estrada, RFC®, AZ
Deborah A. Gamber, RFC®, CO
Dennis R. Gillard, RFC®, FL
Leon Randolph Gorman, RFC®, AL
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Ronald A. Samuel, RFC®, IL
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Terance James Traugott RFA TX
Ann L. Vanderslice, RFC®, CO
Karen Ann Walsh, RFC®, NC
Gwen Westhoff, RFC®, TX
David W. Young, RFC®, VA

New International Members

Thailand	15
Canada	9

Members Who Recommended New Members

Referror of the Month
Scott Goldman, RFC®

Scott Goldman, RFC®
Kenneth Heise, RFC®
Lew Nason, RFC®
Bill Nelson, RFC®
David Stitt, RFC®

CALENDAR OF EVENTS

CE at Sea IARFC Caribbean Cruise
September 6-13, 2009

NAIFA Annual Conference
September 12-16, 2009, Orlando

RFC FPP 101 Course
September 25-26, 2009 Middletown

RFC FPP 101 Course
Sept 30-Oct 1, 2009 Middletown

IPS Workshop Fact Finding
Sept 30-Oct 1, 2009, Atlanta area

RFC FPP 102 Course
October 9-10, 2009 Middletown

RFC FPP 102 Course
October 14-15, 2009 Middletown

RFC FPP 103 Course
October 23-24, 2009 Middletown

RFC FPP 103 Course
October 28-29, Middletown

RFC FPP 201 Course
November 6-7-12, 2009 Middletown

RFC FPP 201 Course
November 11-12, 2009 Middletown

RFC FPP 202 Course
November 20-21, 2009 Middletown

RFC FPP 202 Course
December 2-3, 2009 Middletown

RFC FPP 203 Course
December 11-12, 2009 Middletown

RFC FPP 203 Course
December 16-17, 2009 Middletown

Critical Illness Insurance Conference
January 6-8, 2010, Taipei

Critical Illness Insurance Conference
January 6-8, 2010 , Bangkok

MDRT Annual Conference
June 13-17, 2010 , Vancouver, BC

RFC Sessions at WCLIC
August 5-8, 2010 , Chongquin, China

The IARFC is proud of our members and in reverence we would like to remember our passing members:

John G. Kantner, RFC®
Brookfield, WI

Register Interview – **Linda Horn**

Communications That Produce Clients

The Register interviews Linda Horn, the founder of Capital Concepts a full-service financial planning organization located in the Southwestern Ohio.

How did you enter financial services?

I started my business in my dining room. At the time, my family was in an emotional and financial crisis. My husband was suffering from a major illness and he was no longer able to work. I had no choice but to become the family breadwinner. What I would have given back then, for someone with compassion and expertise to help my family through our crisis! I learned first hand the financial backlash that accompanies premature disability and death. After my husband's death, my motto became "I cannot keep you from getting old or sick, but I will not let you be poor as well."

I continue to dedicate myself to protect families and small businesses. I am no longer operating out of my dining room. I now operate from two locations and employ financial advisors who share a collective vision of expert guidance and thoughtful planning. At the end of the day, we all want to make a difference.

You have been the recipient of several prestigious awards. How has this impacted your practice?

Recognition rarely brings new clients directly, but they reassure clients of the wisdom of their selection of me as their advisor – and this increases their willingness to offer referrals.

- Avon Woman of Enterprise, Leading Woman of Cincinnati
- Pinnacle Award for one of the fastest growing woman owned businesses
- SBA Advocate of the Year
- Ernst and Young Entrepreneur of the year regional finalist
- Zonta International Founder's Day award
- WEI Woman Entrepreneur of the Year
- Working Women's magazine Entrepreneurial Excellence Award
- Money Concepts President of the Year

You also received an award from Money Concepts for Leadership. The plaque sums up how so many of Linda's client's and colleagues feel about her. "In Recognition of her inspirational leadership, dynamic courage, and positive attitude in service to her clients, associates, and her community. She is truly a woman of enterprise.

Tell us about your mentoring activity.

I teach at my church, and have taught local high school students who are interested in going into the field. I enjoyed these because I consider myself a small town girl with unlimited global thinking. I strive to apply that perspective while helping clients face all of life's financial stages. I especially enjoy serving as mentor for women who want to start up their own businesses. .

What was your educational background?

I have been on the "learn as you go" plan for the last 26 years. After the required licensing to practice, I continued with my studies to become a Certified Estate Planner and later graduated from their masters program. I became a Certified Senior Advisor and of course I am now a Registered Financial Consultant with the IARFC.

I have also been preparing personal tax returns for 32 years.

What were your early job duties?

I was a full time homemaker before entering the industry and did tax returns on a seasonal basis. The first few years in this business, I did it all. I was the janitor and secretary. (And everything in between.) I met clients every evening and did paperwork way into the night.

Were you successful at first?

Yes, because, I really had no choice. I had no income and three kids to feed. So, I worked 16 plus hours a day. I got it done and the lights stayed on and the kids still had food. It is a real advantage to know that you must get the client – or your family

goes hungry. I made alot of mistakes, but I only made them once.

What or who influenced you the most?

I was greatly influenced by Napoleon Hill's book "Think and Grow Rich." At the end of each day, I felt I had made a difference, and that by following his principles, my clients and I would eventually grow rich.

What were your major obstacles?

You name it. A woman, housewife, no formal education, poor health, no money, etc: I had more obstacles than good sense. So despite my husband's illness and impending death, my own health issues, no experience, and not a penny to my name – I look back and really my thinking was "Oh well, it's not like things could get worse…".

Tell us about your current practice:

We take a long-term, value-oriented approach. Being truly independent enables us to research and choose investments solely on the merits of their characteristics and their suitability for our clients' financial goals.

CONTINUED ON PAGE 4

We tell our client, "First, your asset allocation portfolio is built for your stage in life, personal risk levels, life expectancy, and specific time horizons. Second, asset classes are selected based on research findings and belief in long-term up trends. Then our team continuously monitors your portfolio, the asset classes, and the best suited individual investment selections to optimize returns, identify trends, and uncover new opportunities in the market."

I believe that you shouldn't just be the best at what you do, but the only one who does what you do. My expertise includes over 30 years of taxation, asset protection, senior issues, money management, comprehensive wealth planning, small business management, and public speaking. Clients can come in and know that they can have all of their financial needs met.

How do you market now for new clients?

Always believe your best clients are your sales team. We also have an Advisory Board, which is a constant source of new marketing and client service ideas. Our location is very visible and we are in constant touch with our clients and our community. I feel volunteering helps build our relationship with our community.

How does your Advisory Board work?

The Capital Concepts Advisory Board is made up of our top clients. It is used for us to ask, "How are we doing? What can we do to improve?" It has been a very small source of referrals.

We are now in the process of forming another Advisory Group made up of referring business owners. We will advise each other on improvements and bounce ideas as well as jointly serve our clients. Members include Estate Attorney, CPA, P&C insurance agent, elder care professionals. Its primary role is integrated one stop client service with the second primary role as referrals.

What are your major frustrations?

I don't really allow myself major frustrations. I am too old for that. It took me many years to appreciate the gift of coming to work each day for the sole purpose of helping others. What a great job we have! When times get as tough, as they are now, we are on the front line helping our clients through the fear and frustration they feel. This is no time for you to be frustrated when your clients are, shall I say, "freaked out."

Amber King, Barry Ellison, Brett Horn and Chad Middleton with Linda Horn.

Tell us about your business continuation plan?

After 25 years in this business, I wanted to step back from the day-to-day work of running the Harrison-based Capital Concepts. I still wanted to work with clients and help them figure out their financial planning needs, but I also wanted to travel and spend time with my husband instead of being tied to the firm. So, I began to plan for semi retirement or an exit plan.

I have a buy sell agreement and action plan for my staff to not only run the business but own the business. Two of those staff members are my adult children. I structured the buy out in such a way that they have financial incentives to grow the company over time before acquiring it. By locking in a value for the business now, they are getting a future value for less money. I used the services of an attorney to help structure the deal. It took some work, but the attorney helped us settle on a structure that made me feel secure in the future of the business, while making the staff feel invested immediately in the company's success as they move forward.

I am so fortunate to have them with me to carry on my vision and purpose. They lived the financial nightmare that began my company and can carry the passion of always doing what is right for the client. I hope to be helping clients until I am 100 years old but I had to have a clear written plan because one day, one way or the other, I will not be there. My advice to other business owners who are growing their business is to really take a look at how you will exit your business. It's too valuable not to give this issue its due diligence.

Tell us more about your Christian education program.

I learned at an early age that I enjoy teaching, so now I am teaching volunteers how to help others to achieve financial success in any economic cycle. This allows me to multiply the effect of good basic money management advice.

Sometimes people contemplate the things that their grandmother did and why.

CONTINUED ON PAGE 5

Capital Concepts

Now is the time to find out why grandma was right. She knew how to turn a nickel into a dime. All Americans in the 1930's understood the time value of money and that if you watch your pennies the dollars will follow. I want people to get back to taking care of themselves and not spending their life worrying about money.

With increasing layoffs, rising food prices, a stagnant housing market, and an erratic stock market, people are worried about their financial futures as well as their family. But they shouldn't! Our group is teaching our community why you do not need to fear tough economic times and why there may be no better time than now to take control of you family's financial well-being.

We have a six-step plan that will lead families to an economic healthy state. All the knowledge we have worked so hard for is not has not been previously shared. My dream is to train hundreds of volunteers who have monetary management experience to teach thousands, starting with their own family, how to get out of debt and reach their goal of freedom and independence. But also, I really want people to stop panicking about their finances. I want them to know they can succeed even in the worse times by educating themselves.

Philippians 4:6,7 – Do not be anxious about anything, but in everything, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.

What feature or benefit of the IARFC has been of greatest value?

The education and interaction with other members. We are in this together.

What do you see for the association in the future?

I see it as a continued source of education for members — and Change, Change. Change is the name of the game in financial services and I look to the IARFC to provide me with the tools of change.

What should financial advisors be doing in this economy?

Listen, listen, listen. Listen to your clients, to other advisors, to product wholesalers. Get a headset and learn to do blast e-mails. No more annual reviews. It's a quarterly need these days. Communicate with each client in some way at least 20 times during a year. Invest in your top clients, not in random people.

What will be the impact of technology on the practices of financial advisors?

Our firm, Capital Concepts, utilizes state-of-the-art financial technology, and combines that with knowledgeable professionals who assist clients in achieving their future hopes and dreams. Your ability to communicate with your clients and your productivity of each team member is increased. Technology or die!

What do you advise an RFC to concentrate on?

Your core group of clients. Focus on those you truly love working with. What actions will offer your clients a *Wow experience?* Do what you do best, and do it, and do it and do it. Go back to the basics and change your thinking to help your clients to achieve their goals. They are drowning in fear. Only you can save them.

Please tell us about your interest in Asia?

A few years ago I married a man who had lived and worked throughout Asia. It was through him that I traveled to China and became active in the New York — based Asian Society and a board member of the local Chinese Chamber of Commerce. My husband has many friends and associates in Beijing and teaches at the local college on doing business in China. I have learned from him about the large Chinese American community we have in Greater Cincinnati, which numbers over 45,000. Their culture tells them to save at least 40% of their income. Furthermore, 90% of these Chinese Americans have a Masters or above in education. So, follow the money.…

What's looming on the horizon for our profession?

Baby boomers are in crisis. Our current clients turning 60 are facing a long life with inflation coming, followed by a Medicare crisis, and who knows when the Social Security check will stop. We have a big job ahead of us. This generation needs more money and clear answers as to how to make it. We must have those answers, and provided them effectively.

What do you wish you had done, early in your career?

I wish I had sought the advice of a professional when hiring employees. Hiring the wrong employee can be considered a failure. The recognition of a poor hire may be a good learning experience, but do it quickly.

What have you done to create a reputation in your professional practice?

I worked hard to create a reputation of honesty and a message of trust. If my clients don't trust me, I don't have a business. I have actively pursued awards and recognition. I am out to be seen and to help my community. I am not just here to make a living, but to make a difference. Remember, clients do not have relationships with organizations, but with people.

Contact: 513 367 1793
linda@capitalconcepts.net
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From the Chairman's Desk...

Ed Morrow

Don't Despair! Regardless of all the negative news about the market, on the actions of the President and the inactions of the Congress, the U.S. economy is still moving along much better than the talking head pundits would like you to believe.

On the far right we have those who decry the power and secret deliberations of the Bilderbergers, the Council for Foreign Relations and the Tri-Lateral Commission. They fear new rounds of financial manipulations lead by the Federal Reserve System, which is after all not federal, has unknown ownership, and has never been audited. Social Security is an accounting shambles, as is the Medicare portion, and federal debt is out of control.

On the far left we have those prophesying the flooding of the earth and the pollution of all parts of our bodies with toxic chemicals from industry and agriculture. The solutions to nearly all problems must come from the government. We have those who say, "Everyone is entitled to healthcare, education and economic support, even if not legal citizens" and that we should re-distribute wealth to those less fortunate.

We have regulators who have failed miserably to prevent a financial crisis brought on by criminal stockbrokers, greedy investment firms, government-sponsored lenders and commercial banks — and who now are pressing for even more authority and more money (naturally) so they can control even more of the investment placement.

We have illegal aliens who say, "I could not feed my family in my native country, but now that I am here in America, we can find work, medical coverage, education and all future members of our family will become US citizens by virtue of birth. We can now have the dream of what was impossible in our native land."

We have Americans who are angry about all of the above, but who have not taken the responsibility to become involved in the political process, to demonstrate, to write letters, and to vote. These persons are why we have the above problems.

Our Future as Financial Advisors is Assured

Yes, it will be subject to many changes and stresses. But hundreds of millions of Americans need financial professional guidance and support.

There really is a lot of good news. It just never gets any attention, and it is our responsibility to accomplish this. For example:

Yes, we may have 10-15% unemployment, but that means we have 85-90% employment.

- Yes, the cost of living is rising, but we live a lot better now than we did 20, 40 or 60 years ago. We have more appliances, better homes, better cars, better food.
- Not everyone will get a free college education, but the doors are open to all, and there are combinations of aid, work and academic scholarships that make a degree possible for all who truly desire it.
- Yes, medical costs are too high, but we are living much longer and healthier. Many of us have survived medical incidents that killed our parents or grandparents.
- Yes, there has been a housing debacle, but homeownership is at an all-time high: 68.9% total, 84.2% of married couples, and an astounding 93.3% of those age 70-74!
- The nation is still building more schools, hospitals, roads, factories and shopping centers, perhaps not at the rate of China. As you drive around, ask yourself, "How much of this was not here 20 years ago?"

What can we do as advisors?
The answer is exactly the same advice you would give to any small business owner client. Run your business more effectively:

- Control costs aggressively
- Reduce business and personal debt
- Serve clients well and ask for referrals
- Don't forget to market for new customers
- Search for more products and services to offer
- Use technology wisely
- Hire and stimulate good employees
- Maintain a very positive attitude.

The glass is more than half full!
We live in a great country, and when pressed with adversity in the past (from economic crisis, foreign threat, dustbowls, floods, earthquakes and pestilence) we have always survived and grown stronger. The government is not the solution. In many cases it is the problem. But when the people take responsibility for the government and get behind the solution, we will solve the problems.

You clients need your positive mental attitude as much as they need your financial wisdom. They need to take affirmative actions, save and invest, reduce unnecessary spending and debt, and keep the faith. You can guide these actions, and stimulate them.

Why can't they do it themselves?
Everyone has just so much time, energy and knowledge. Your clients need to address many problems you cannot help with: their marriage, their family, their current job, their career, their civic and religious involvement, their exercise and nutrition, their contributions to a better world. That leaves no time for them to become a financial guru, (or become a physician, dentist or tax accountant). Being their financial advisor is your job. You need to do it well, and you can. You can raise the level in their glass.

Spotlight on IARFC Benefits

Send a Note

Amy Primeau, Domestic Membership

In June, one of my favorite teachers retired. Mr. Miller taught 7th grade English in the same district for 40 years; in some cases teaching two or three generations of the same family. Mr. Miller was a beloved teacher; who taught countless students the art of letter writing.

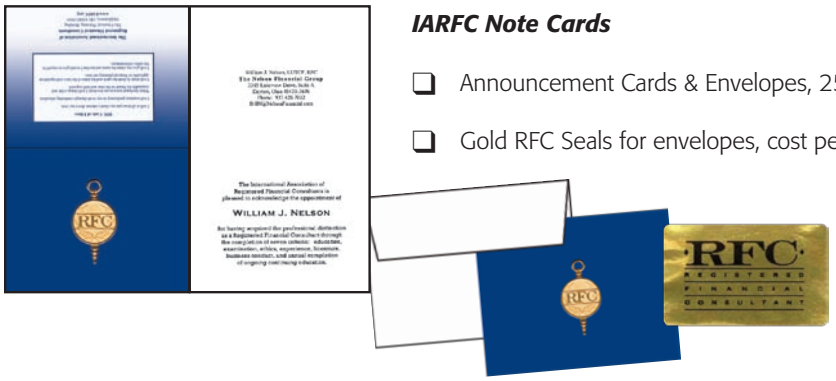
After spending years instilling the grammar and punctuation rules, trying to get pre-teens to understand how important it was to be able to write nice, professional letters; in 1990 Mr. Miller tried a different approach. He told students to pick a celebrity, and send a letter to that celebrity asking for an autographed picture. The rules still applied- you addressed the letter politely and explained this was part of a class project. And an amazing thing happened — the celebrities started responding. The pictures were each framed and hung in the classroom. When Mr. Miller retired there were over 500 framed autographed pictures from people from all walks of life — sports stars, movie stars, authors- all hanging in this small school in upstate NY. Some of the celebrities even wrote letters back. But the greater accomplishment was for the students- who were able to see what an impact a letter can have.

In today's age of sending emails, text messages, and tweets, we sometimes forget how important it is to send a personal note. Each year at Christmas, and again on my birthday, I receive a card from my insurance agent. The card is hand signed by the agent and the office manager. While I can see it from an 'insiders' view, and know they are probably sending it to all their clients as a way to 'touch' them, I also do feel appreciated as a client. It only took them a minute to sign their name to this card, but it is something that I remember the next time I get mail from a competing company. I am also likely to remember this personal touch if I'm talking to a friend looking for a new agent.

Taking a minute to send a personal note to a client tells them that they are important to you. It tells the client you recognize that they are a person, not just a figure behind a dollar sign. It helps to build the relationship with the client, to build on the level of trust they have with you. But most importantly, it shows the client you have not forgotten them.

Consider using the RFC Formal Note Cards. Most members use these cards to send a thank you note for a referral. But there are many other ways to use them. If the local paper runs an article about your client, Tom Smith, and his involvement with the local food pantry; clip the article and send it to him with a little note. Better yet- if you find an article about Tom's daughter Susie getting accepted to Yale- send it with a note of congratulations! You know how proud parents are of their children! Use the cards to send a letter of congratulations if you know the client has gotten married, or had a baby, or are new grandparents. Use the cards to write a note of encouragement or support in difficult times- such as divorce, illness, or even death. Do not worry about being a poet laureate- just a couple of heartfelt lines will do. See what a difference a letter or personal note can make in your business! It may not get framed and hung on a wall, but it could brighten your client's day. At the very least it could produce a referral for you.

IARFC Member Services: Amy@IARFC.org or call 800 532 9060 x34



IARFC Note Cards	*Price*	*Quantity*	*Total*
❑ Announcement Cards & Envelopes, 250 Boxed	$100.00	_____	$_____
❑ Gold RFC Seals for envelopes, cost per 250	$30.00	_____	$_____
	Plus Shipping and Handling (U.S. Shipping Only)		$ 15.00
		Total Cost	$_____

Name: _____

Firm: _____

Address: _____

City/State/Zip: _____

Phone: _____

❑ Check written to: IARFC

❑ Visa ❑ MasterCard ❑ AmEx ❑ Discover

Card No. _____ Exp: _____

Signature _____ Date: _____

E-mail: _____

FAX: 513 424 5752 **MAIL: IARFC, BOX 42506, MIDDLETOWN, OH 45042-0506**

Joint Tenancy Traps

With the federal and state governments all facing the long term responsibilities of excessive spending and borrowing, the IARFC feels that estate planning will be emerging as a major area for renewed interest. The following text can be used to motivate your clients. It was adapted from an electronic newsletter by veteran estate planning attorney, Ted Gudorf.

When most of your clients bought their first home, they probably signed a deed as a joint tenant next to their spouse's signature. That's the way their parents and grandparents did it, and the real estate agent told them that doing so would protect the surviving spouse from probate court after one of them dies.

It's not unusual for the surviving spouse to assume that, because joint tenancy worked to avoid probate the first time, it will work just as well a second time. In thinking this way, the surviving spouse decides to add an adult child to the deed. But there's a trap in joint ownership with a child that many clients might not know.

Dad's Dutiful Daughter

Five years ago, Edward became a widower and the sole owner of a home and three rental properties he had originally bought with his wife. Edward has two adult married daughters, Gwen and Stacy. Stacy has three minor children.

Edward is now disabled. Gwen visits daily to do light housekeeping, and she also processes his bills and the bookkeeping for the rental properties. Edward assigns her as joint tenant on deeds to his home and co-owner of the rental properties. Stacy lives in another state and isn't involved in the upkeep of the properties.

Edward's will indicates that he wants both daughters to benefit equally from his estate, and for a portion of its value to be set aside for his grandchildren. Despite this, Gwen will legally own the properties upon his death. The joint tenancy can cause Edward's other daughter and grandchildren to be unintentionally disinherited.

Disaster Strikes, Estate Targeted

However, while Edward is still alive, Gwen causes an automobile accident. She is unable to pay her medical bills and her debt goes into collection. The other driver in the accident was seriously injured and sues Gwen for damages.

In the midst of this lawsuit, Gwen's husband now files for divorce, seeking half of his wife's assets, including her interest in Edward's property on which she is now the co-owner.

Any property she owns, including assets she shares with her father, is in jeopardy of being seized.

The Joint Tenancy Trap

Wanting to protect his estate, Edward now decides to remove Gwen from the joint tenancy and sell the properties. However, Gwen refuses, saying she deserves half of the assets as payment for her caretaking duties. Edward must seek a court order to remove her from the deeds. This is a very stressful situation, and not one which a disabled retiree can easily deal with.

Even if Gwen had never faced debt problems, a nasty divorce or lawsuits, Edward's final wishes for his estate might still have remained in jeopardy.

Imagine the complications and expense to resolve this situation!

Advisor Opportunities

As you can see from this extreme example, the downsides of joint tenancy far outweigh any upsides. I urge you to advise clients to consider these risks carefully before holding property in joint tenancy with an adult child. While the discussion of estate planning issues normally triggers legal work, it also makes the client realize that the management of their investments, insurance and annuities needs close attention.

Ted Gudorf, J.D.

Ted Gudorf, J.D. is an Ohio Board Certified Estate Planning Specialist, who is renowned for his clear expression of estate planning issues.

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Do Your Homework Developing a Media List That Works

Letters, faxes, press releases, story pitches, seminar invites — there are many types of communications financial professionals send out every day to reporters, editors, and producers. But how many of those communications are getting into the 'right' hands? Before you send any information out to the media, you need to first do your homework. You must answer the following questions about the media outlet and the journalist you want to target with your information:

1. Does the outlet usually cover the issues I am an expert in?
2. Who at the outlet is the right person to contact?
3. What issues does that reporter cover?
4. How does the reporter usually position this issue in their writing (angle)?
5. What mode of communication does that contact person prefer (email, fax, phone, mail, etc)?

There are many resources available where you can spend a considerable amount of money to obtain ready to use media lists. The problem is that very few businesses are prepared to spend thousands of dollars for access to the databases that are available on either CD-ROM or Internet. In fact, unless you are planning to develop a media list of hundreds of contacts, your best bet is to do the research yourself online. There are many resources you can use that are FREE:

OnlineNewspapers.com — This is a terrific resource for identifying what newspapers are in your area. Links are provided to you so you can view the papers online. Provides links to smaller, community-based papers as well.

NewsDirectory.com — Another great resource for finding newspapers and magazines throughout your state. The site also provides the option for you to search college papers, business publications, etc.

MRC.org — A site providing users with detailed contact information for various major metropolitan publications and national media outlets. A terrific site to find information fast!

NewsLink.org — A great website for finding any type of media in your area. Has a thorough listing of newspapers, magazine, radio stations, TV stations broken down by state.

Yahoo — Yahoo has a good list of media in their directory that can help you find radio stations, TV stations, magazine and newspapers across the country. To get there simply or visit http://dir.yahoo.com/news_and_Media/.

There are many services available that can help you build even better media lists, and may also offer some distribution capabilities, but these services will cost you something. Some of these cost a couple hundred dollars while some may cost thousands. No matter which you decide to use, be sure you do your homework on these and always ask for a demo of the system so you can see what you are buying:

Gebbie Press — CD-ROM based media lists that are fairly comprehensive. The only drawback is that the data can become stale quickly new CD-ROMs will need to be purchased periodically. (http://www.gebbieinc.com/).

BurrellesLuce — A web-based database that allows for thorough searches of hundreds of thousands of media outlets and contacts. The system is regularly updated so data is fresh. The fact it is web-based eliminates the need to order CD-ROMs. (http://www.burrellesluce.com/).

CisionPoint — Similar to the BurrellesLuce system in that it is updated regularly, is web-based and searchable. But what is terrific about Cision is the ability to search for opportunities to work with the media. (http://cisionpoint.com/).

Although many of these websites will direct you to what outlets are in your area, it is still imperative that you identify the right contacts at each outlet. The best way to do this is by placing a simple phone call to the main information line at the specific outlet and asking who covers the issue you want to discuss.

Another easy strategy for ensuring you are targeting the right reporter is to do simple Google searches. Try typing in the name of a reporter you are interested in working with and click on the "news" button. Then read the articles that reporter is writing. You can quickly learn about the topics they cover, how they position certain issues and even identify important contact information.

No matter what you choose to do, be sure you are contacting the right members of the media. Otherwise, you may hurt your chances at publicity while burning valuable bridges.

Benjamin Lewis

Benjamin Lewis is president and founder of Perception, Inc., a leading full-service public relations firm specializing in generating awareness for financial companies and professionals. A graduate of Bradley University in Peoria, IL, Ben has spent the past 15 years in the financial, political and non-profit arenas. Ben has appeared as a guest columnist for numerous consumer and industry media outlets discussing the importance of media relations. He has also been a featured speaker at many regional and national conferences and conventions on topics ranging from building rapport with reporters to leveraging new media in your practice. Ben is also founder of Rapportica, Inc. (www.Rapportica.com), a new web-based public relations platform for the financial services industry which connects financial advisors with the financial media — virtually.

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The Importance of Continuing Education

I have just returned from several events that will prove extremely valuable to my clients. The first was **Ed Slott's Elite IRA Advisor Group™** conference held in Chicago. Most advisors will know Ed Slott as America's IRA expert and the leading authority on protecting retirement accounts from taxes. He is a widely recognized professional speaker and created the nationally aired Public Television special, ***"Stay Rich Forever & Ever with Ed Slott"***. Ed is also the author of ***"Your Complete Retirement Planning Road Map", "Parlay Your IRA Into a Family Fortune"*** and ***"The Retirement Savings Time Bomb and How to Defuse It"***.

I am a member of **Ed Slott's Elite IRA Advisor Group™** developed specifically to help financial advisor firms become recognized leaders in the IRA marketplace. Conferences are held at least twice a year for the purpose of keeping members up-to-date on the ever changing laws regarding taxes and retirement accounts. Here are some of the highlights of this conference, as I have phrased them for a release sent to my clients, on a consumer-focus basis.

✓ **Don't let your 401(k) become a bailout for the government!** If you've recently left a job, or plan on leaving soon, you need to have an action plan to protect your retirement savings from needless and excessive taxation. ***If you know of any companies that are experiencing layoffs, I would be happy to do a brief workshop just for employees of this company regarding the rollover of their 401(k) and the costly mistakes that are often made when making these transfers.***

✓ **FDIC Limits expire this year!** The FDIC limits on checking, savings, money market and cash CD accounts will revert back from $250,000 to $100,000 on January 1, 2010. This does not apply to IRA's which will continue to offer protection up to $250,000.

✓ **Non-Spouse Beneficiary Trustee to Trustee Transfer from Employer Plans Made Mandatory in 2010.** But you shouldn't rely on this. You don't know if the company will still be around. And if it is, you still will need to rely on the people from these plans to do things right. If paid out, it's over — you will be required to pay the tax! Non-spouse beneficiaries are not eligible for a rollover.

✓ **2010 Inherited Roth IRA Opportunities.** The new law allows company plans with designated beneficiaries, to do direct transfers to inherited IRAs, and also to inherited Roth IRAs.

✓ **Taxes are going up!** We've been trying to prepare you for this but if you haven't done anything yet to protect yourself, now is the time!!!!!!

✓ **January 1, 2010 is the first day to convert to a Roth IRA without the $100,000 adjusted gross income limit.** If you make more than $100,000 and could not previously take advantage of a Roth conversion, you may be eligible for a possible double sale on the Roth: (1) Portfolio values are down and (2) Tax rates are still low. Plus you can always change your mind up to October 15th of the year after you did the conversion. Ed Slott says: *"It's like getting to bet on the horse when the race is over".*

✓ **You may want to save taxes on Required Minimum Distributions you don't have to take.** As you should know the WRERA legislation signed into law December 2008, suspends RMDs for 2009 for plan participants and beneficiaries, however it may make sense to take them anyway, while taxes are low, and possible re-allocating for tax efficiency.

✓ **Rollover/Lump Sum Distributions: The IRA rollover is the best option for most people.** It's the most flexible and liberal. Once your funds are rolled over to an IRA, you can take advantage of everything the tax law allows, which is not necessarily true of company plans.

✓ **NUA (Net Unrealized Appreciation) Tax Break for Company Stock.** If you own company stock in your retirement plan, and it contains highly appreciated company stock, you can withdraw the stock instead of rolling it over and only pay tax on the original cost to the plan. The difference, called NUA, is not taxed until the stock is sold, and then it is taxed at capital gains rate vs. ordinary income tax rates.

✓ **Twelve Ways to Cut the Cost of College.** Lynn O'Shaughnessy, author of "The College Solution" shared her knowledge and expertise on various ways to cut college costs including: capturing financial aid and tuition costs, the scoop on merit money, nuts and bolts on college admissions, maximizing college accounts and finding the right academic fit. One of the topics of particular value is late stage college

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THE IMPORTANCE OF CONTINUING EDUCATION

funding (there are still tremendous savings available, even if you failed to save early). *I would highly recommend her book to anyone with this need.*

The **Learning Institute for Financial Executives**, operated by Bill Nelson, RFC®, is a fabulous way to explore the latest techniques in Distribution Planning — from the Net Perspective. Bill is a master at these uses of financial instruments and trusts to increase the net spendable income for retirees. In addition to the initial 6-day course, I have returned for several 2-day focus sessions, confident that these new skills will result in increased income for our clients.

Carol Schmidlin, RFC®

Carol Schmidlin, RFC®, is President of Franklin Planning, a second-generation business, having literally grown-up in the financial services industry. Carol specializes in retirement income distribution planning, working with clients as they plan for their "golden years". Since 2006, Carol has concentrated a large portion of her business on serving federal employees, presenting educational seminars in the Philadelphia area several times a month. In addition to being an Ed Slott Elite Advisor, Carol is also a member of the HS Dent Advisors Network and a member of the Learning Institute for Financial Executives.

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Think Right – Advice from Kinder Brothers International

Outdistance Your Competition

In order to outdistance your competition you must learn more and better ways to **out-serve** them. You do this by consistently doing the right thing, in the right way, at the right time, and always in the best interest of other people — those you serve.

Out-serve the competition by demonstrating a genuine interest in your clients, their problems, their concerns and their aspirations. But also, wherever possible, allow this activity to come to the attention of the media and your clients — in a dignified manner, of course.

To gain the reputation of being a master financial services professional you must always be a **master servant**. Study the master doctors of the world, the master lawyers and master accountants. They are master servants — and this is true of every relationship of life. You can increase your power to serve to the satisfaction and profit of both the buyer and you.

Here are three relatively simple strategies that will give you an edge on the competition in your relationships with prospects and clients:

- **Dress, speak, act and write appropriately.** If suits and ties are preferred at your marketplace, wear them. Speak clearly and stick to the point. Be sharp. Even if you're tired try to look bright and energetic. You won't win points if prospects perceive you as lazy, or someone who stayed out too late. When you dress in a sloppy fashion, or too casual, they are likely to interpret it as a lack of respect.

- **Never miss an opportunity to do someone a favor.** Chances are it will be returned. But don't keep score — and don't use the favor as "blackmail" to get your prospect to do one for you. Sooner or later good deeds will be rewarded.

- **Know as much as possible about your field of business.** Broad knowledge about your products and services will lift you head and shoulders above your competitors in the eyes of your prospects, and bring you the success you seek.

Outdistance your competition by out-serving them. You will become your own best recommendation.

Dr. William L. Moore, Sr., CLU, ChFC, RFC®

Kinder Brothers International teaches sales and management professionals how to experience lasting success. Both **Jack** and **Garry Kinder** are members of the IARFC and authors of books and courses on financial services.

Their associate, **Bill Moore**, is a director of the IARFC and he delivers the Professional Patterns course worldwide and is developing the Registered Financial Manager workshop.

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Stimulating Entrepreneurship

We are now in the middle of 2009 and most economists are still predicting gloomy times ahead. With reports of massive job losses, feelings of despair and hopelessness, what effect will all this have on the society at large? What is, or will be our plan of action? In an effort to level the playing field, one might consider starting a business as opposed to working for someone else. Why not rebuff the idea of inevitable gloom for the rest of the year, and seek after prosperity through an entrepreneurial mind-set.

Basically, an entrepreneur is an individual who takes on the risks and responsibilities for a business with the expectation of a profit. Peter Drucker (1909-2005) in his writings alluded to the fact that the entrepreneur is capable of bringing about a change and exploits it as an opportunity. It is for this reason why so many products and services have evolved over the years. For example, instead of physically going to make a purchase at the store, we can sit in the privacy of our homes and purchase a product online by means of the Internet. Gone are the days when we relied solely on a literal map to get us from one place to the next, we now have the GPS that uses audio to guide us on our journeys. We owe all this to entrepreneurial activities.

Many societies encourage active entrepreneurship as the way towards income generation and increased economic growth. Apart from personal financial gains to be had from an entrepreneurial activity, an effective entrepreneurial venture fosters the production of wealth for the nation and improves its competitiveness in the global economy. When many of the entrepreneurial activities produce an output greater than the input, the economy of the nation is directly bolstered.

Another advantage to the nation is the creation of jobs for people. As the unemployment rate soars, let us reverse the negatives by being entrepreneurial and recreate jobs for our people. Such job creation utilizes the human resources of the country and helps natural talent materialize. Since, the majority of entrepreneurial projects are private; it provides an environment of competitiveness which further increases the quality of products and services in national markets. I am in no way simplifying an otherwise complex economic model, as policymakers should also be fully committed to the cause. Programs should be in place to help foster and improve the survival rate of small business enterprises. This should be done through the minimization of regulatory and other barriers to business development, provision of direct subsidies, the availability of low to no interest loans and the provision of insurance against business risks to would be aspirants.

It should be noted that not everyone possesses the inherent capacity to become an entrepreneur. Entrepreneurs are individuals who are passionate and persistent enough to weather rough times and have a creative and innovative mind to produce marketable products and services that are able to successfully compete locally and on a global scale. They are not risk averse, but are able to make risky business decisions and be confident enough to cope with the consequences whether good or bad. An entrepreneur is a special type of individual who possesses special traits that make them competitive. This competitive spirit propels them to achieve greater heights in their business initiatives. They are never satisfied holding an average share of the market, but strive at all times to hold the majority share and to be on top. If you are an individual who feels comfortable just being in the race, you will never be a successful entrepreneur. The moment you enter the marketplace as a business owner, you are faced with competition, so by nature, you must possess an air of competitiveness.

Arriving at a decision to start a business requires guts and it is important that you determine whether or not you have the entrepreneurial qualities to sustain a successful venture. With that in mind, let us not belabor the fact that the global economy is heading for a meltdown but let us together formulate workable solutions such as entrepreneurship to build a better tomorrow.

Jacqueline Russell, BSc, MBA, RFC®

Jacqueline Russell, BSc, MBA, RFC®, Dip., IARFC Education and Training , Business Relationship Coordinator, began her tenure with the Society of RFC in July 2008 and is also the Corporate Marketing Coordinator for DSC Lifestyle Services. Jacqui has a strong sense of self and continually strives to enhance her competencies in marketing and client management. Her motto is that we can achieve all our life's ambition as long as it is accompanied by discipline and devotion.

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Mastering Your Business in a Market Downturn

Why Paying Yourself a Salary Could Be a Million Dollar Difference

Perhaps the most common problem we have seen in financial management of advisor's practices is that they take out whatever is left over at the end of the month. If they are predominantly fee based, this typically means two bad months followed by one great month. What is wrong with this system?

Here is the challenge. Most people adapt a lifestyle similar to (or greater than…) their income. In our consumer driven economy, this typically means people live at (or above) their means. Advisors are no different. They want to help their clients become wealthier and they want to become wealthier. This means that as our income grows we increase both our cost of living, and the amount of "stuff" we have. Nothing drives this pattern more than a long bull market.

Here is the catch: we have had a long bull market followed by the largest market drop since 1982-83. Advisors' revenues went down dramatically. Their fixed expenses did not change. Their incomes went farther down. Their lifestyle could not.

This market reminds me of a client that Katherine had in the mid 1980's. Joe was an employee of Oscar Meyer Corporation. Katherine called Joe "the wealthiest client she ever had". Why?

Joe was part of Oscar Meyer for over 45 years. At 65 years of age, he had moved his way up from the lowest level on the factory line to being a factory line manager. He had never earned more than $45,000 per year, yet had accumulated so much capital that Katherine's plan would allow him to live debt free on $75,000 per year in pre-tax income, adjusted for inflation, for as long as he could live.

Both of them were astonished.

Joe: "What am I going to do with all that money?"

Katherine: "Enjoy your time with your wife children and grandchildren."

Katherine: "How did you save so much money?"

Joe: "Well, I just paid the Lord 10% first, I paid myself 10% next, and I lived on the rest."

In other words, Joe lived below his means, gave charitably, saved money every month, and retired with more than he knew what do with.

Another story may be enlightening. We had done a SWOOP™ (our term for a gap analysis and business plan) on a top-producing advisor. The challenges in their practice were many, but the evidences of the gaps were reflected in very poor health and a high level of stress. This included high blood pressure, sleeplessness, depression and diabetes.

What was the underlying factor?

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Smart Advisors Services LLC		
	2006	2007
Total Revenue	$900,500	$1,150,000
Cost of Goods, Cost of Sales		
Advertising, Public Relations	$30,000	$35,500
Marketing	$12,500	$14,000
Postage & Delivery	$29,000	$35,000
Printing & Reproduction	$ 3,250	$18,000
Publications	$6,000	$6,000
Workshop Training	$29,000	$37,500
Total, COG/COS	$109,750	$146,000
General & Administrative	$612,000	$641,500
Total, COG/COS	$109,750	$146,000
Total, All Expenses	$721,750	$887,500
EBIDA (Profit/Loss)	$178,750	$262,000
Jones Financial Planning		
	2006	2007
Total, Revenue	$1,100,000	$1,250,000
Variable Expenses		
Advertising, Public Relations	$10,000	$12,500
Marketing	$7,500	$9,000
Postage & Delivery	$33,000	$37,500
Printing & Reproduction	$8,000	$12,000
Catering	$17,500	$31,000
Client Events	$39,000	$47,500
Total, COG/COS	$115,000	$149,500
General & Administrative	$985,500	$1,057,000
Total, COG/COS	$115,000	$149,500
Total, All Expenses	$1,100,500	$1,206,500
EBIDA1 (Profit/Loss)	-$500	$43,500

Not having the right talent on the team? No.

Not having an effective system for client relationships? No.

Having the team in the wrong seats on the bus? Somewhat, but not the primary issue…

Diminishing lead opportunities? Absolutely not.

Too much work? No, there was a perfectly sized team for his production.

So, what was the real underlying factor? He REALLY loved his wife.

You might ask why really loving your wife could lead to such bad consequences. I would tell you that in an attempt to show his wife his love, and how good things were, she spent $1.25 for every dollar he made. The need to increase production faster than she could spend it was overwhelming. She loved the "good life" and "spoiled" her man, but there were no reality checks in their lifestyle.

How did we fix it? First, they built a budget. Next we put him on a salary, rewarding him with profits and dividends quarterly. Then we checked his salary against their budget and adjusted the budget.

What happened? Profitability soared, we used the quarterly profits primarily to fund a retirement/pension plan, and revenues doubled within eighteen months. They both started to exercise more, and their health improved. More than that, their actual income tripled, and they were living on less.

There Is More:
Most advisors don't realize that paying themselves a reasonable salary and rewarding with dividend makes even more money for them than just the actual wages they earn. How can this be?

Page 13 shows two examples of a year-end Profit and Loss report from two different advisors that are selling their practices. Both are relatively equal in top-line revenue. Which do you think generated a higher valuation?

Peter Vessenes, RFC®

Peter Vessenes, RFC® is the CEO of Vestment Advisors Inc., and FlexBudget LLC. His practical tools have helped business owners achieve the success they desire and get more money to the bottom line. Peter is also the creator of FlexBudget®, a powerful fiscal management software tool for financial advisors that provides proactive management of the company for growth, valuation and profitability.

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Cato Comments — About Your Image…

Using References

Will Nason, Sales Research Director of the famous Insurance Pro Shop recently discovered that "eight out of ten" insurance agents do not have or use a List of References and "seven out of ten" financial planners do not have or use a List of References! I was amazed at this current finding — that many insurance agents and financial planners do not have and use such a well-proven and very simple tool that is very basic, quite elementary. This has been around since both professions began. The need for this "tool" is obvious, yet many advisors fail to use this to their advantage. *References are reassuring to your prospects. References enhance your image by adding to your credibility.*

If you do not have a List of References then begin now to *compile an accurate and current list of references*. Like all of your sales tools, your resulting List of References will do you little or no good unless you actually use this with prospects, clients and centers of influence.

You must offer your List of References — it is unlikely that many prospects will ask for it.

Often the simple act of handing your List of References to someone makes the person interested in your services and turns him or her into a prospect for you. Your clients and prospects deserve your reference list.

There is no ideal number of people to place on this list. For you, six or ten references could be enough, or seventeen, or twenty-one might be enough, or twenty-four or thirty. Your list of references can be one page, two pages, or four, but don't try to compile a telephone book.

Be sure to list only people you feel you can trust to give you a good reference if asked to do so.

Securities Regulations

FINRA has prohibitions regarding how you obtain and use names of clients. If you are licensed to sell securities, you will need to review the content of all your references and your list as FINRA (www.finra.org) interprets testimonials and ensure compliance with NASD Rules 2210(d)(1)(D) and (d)(2)(A)

Five Key Points About Your Reference List

1. List each of your references by full and proper name, title (if any), complete physical (not a post office box) address, plus phone, FAX, and e-mail address, if these are available.

2. *Indicate the nature of your relationship with each reference*, such as "Client for eleven years." Or "Tax attorney who works on my estate planning team." Or "Minister of the church my family and I have attended for eleven years."

3. Indicate how long you have known each reference.

4. In addition to satisfied clients, be sure to include other professional people with whom you work, i.e., your banker, trust officers, accountants, tangible investment advisors, financial planners, S&L staff members, money managers, key home office personnel, etc. If appropriate, you may include other professionals, such as physicians, architect and dentist on your reference list.

5. Research by the Insurance Pro Shop® also shows that few people actually contact references. But don't think for a second that references are not important.

Read The Following If You Think Your References Are Not Important: Research by both the IPS and the MDRT reveals that your prospects and clients desire to "see" and "have" a written list of your references with multiple contact methods indicated.

- Most prospects reject the advisor who will not offer references.

- Most prospects reject the advisor who fails to present references when asked.

- References should be readily available, not something you must search for.

- Never promise to provide references and then fail to do so.

It is ironic that — considering the importance of references — over 71% of the people do not make any contact for confirmation of you or your services. But do not consider this an invitation to offer fake references.

How To Make Your References More Effective!

1. Write (don't phone) to your likely and accessible reference candidates and ask them if they will send you a brief letter of reference.

2. Remember to also contact financial association leaders and staff members, you are accustomed to providing references.

3. Contact well-known financial writers, acclaimed industry sales-and-client-service trainers, and appropriate editors, if you know them.

4. If you do not know them, you may still do so, provided you include detailed information about yourself, i.e., your education, history, experience, years in practice, specialty, services, affiliations, memberships, etc.

5. It is also appropriate to contact various local VIP-types, or community leaders, or "people of influence" in your market area. Don't forget to contact your local Congressman for a letter.

Do This: Extract brief segments of wordage from the letters you receive. Place that content on your List of References. Insert these comments with the corresponding reference under their address and contact details. Doing this makes your List of References more interesting, more effective, more complete, and more professional. Your competition, especially large institutions, rarely offers a list of references. Delete the cliché lines.

Display Your References

You can get more use and mileage from your references by assembling the letters

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that you collect and using them in other ways:

- You can compile brief excerpts as indicated above.
- You can frame them and display them.
- You can copy them, staple them in a bundle and hand them any person you would like to have a positive image of you.
- You can shrink the size of letters and place four on a page.
- You can insert letters in plastic cover sheets and place them in a three-ring notebook.
- You can use these letters the same way you use your list of references.
- A Reference Notebook can be displayed on a coffee table in your reception area.

Developing Content

Remember you can and should cut a greater figure in your marketplace. You can not change even one word of what your references write about you. To change or edit their statement(s) could result in legal problems or regulatory for you.

However, if you desire, you can extract portions of their comments and use only those brief words as quotes on your **List of References**. Then offer the letters as more complete and detailed information if desired.

As with everything you do, remain totally honest and accurate. Avoid any embellishment, self-grandiosity, exaggeration, or stretching of the truth.

Each letter you receive should contain original words. That is to say — each letter should be worded according to how the writer speaks and writes. These letters should not be similar or contain the same clichés or phrases.

Forrest Wallace Cato, RFMA, RFC®

Forrest Wallace Cato, RFMA, RFC® helps advisors attract regional and national recognition. He is former Communications Director of the IAFP, now FPA and former Editor-in-Chief of Trusts & Estates: The Journal of Wealth Management and Financial Planning magazine. He is International Editor of Advisers magazine in China. He presents The **Cato Award** during the IARFC sponsored conference.

Cato is an award-winning editor, including ***How To Sell Your Way Through Life*** by Napoleon Hill and ghostwritten for such luminaries as ***W. Clement Stone, Norman Vincent Peale, Napoleon Hill, Robert H. Schuller, Charles "Tremendous" Jones*** and ***Mehdi Fakharzadeh***. Cato is credentialed as a member of the media authorized to cover Congress and the White House having interviewed five Presidents. His services have made substantial increases in the image and client attraction rates of financial advisors coast-to-coast. His presentation on "How to Become Famous" has been very well received by financial advisor audiences in the U.S. and Singapore.

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Efficient Technology

Keeping Track of Communications

Are you like most advisors and have multiple channels of communication? If so, are you finding it increasing difficult to keep track of them, much less coordinate all the lines of communication that you have? If this describes you, do not despair. There are answers available to help the multi-tasking, multi-channel communicators out there.

One of these is a software product called VoxOx from TelCentris (www.voxox.com). Its current offering, VoxOx 2, unifies all of your communication channels voice, video, IM, text, social media, e-mail, fax and content sharing into a single, intuitive interface, giving you full control of your interconnected lifestyle. VoxOx enables you to manage all of your connections and contacts holistically, requires you to give up nothing and, at the same time, provides a sophisticated global phone service for free or at low cost options. By using VoxOx, you can easily participate in virtually every electronic form of communication one at a time, simultaneously and in different combinations.

Greater ease of use, especially when accessing multiple channels, will result in an ever broader adoption of these technologies, not just by Millennials and Generation-Xers, but by friends and family of all ages who are becoming overwhelmed by today's growing communications frenzy.

VoxOx, Version 2 introduces a new Personal Assistant for robust call forwarding, call recording, call transfer, conference calls, call screening, and personalized call routing. Inbound and outbound faxes are also supported in v2, as is Facebook, IM, Twitter, and their status and avatar updates.

The software does require registration and some simple setup steps. But, the best news of all, it is currently in beta testing and is **free** to use.

Another tool that is increasing important is a software that can sync your computer with a laptop or Smartphone. For this, there are two exceptional choices worth a look. The first is a product called GoodSync (www.goodsync.com). GoodSync is an easy and reliable **file backup** and **file synchronization** software. It automatically analyzes, synchronizes, and backs up your emails, image files, Client Relationship Management software contacts, MP3s, financial documents, and other important files locally — between desktops, laptops, servers, external drives, and Windows Mobile devices, as well as remotely through FTP, SFTP, WebDAV, and more. GoodSync is capable of automatically sync'ing multiple devices. Automatically synchronize and back up your important files between desktops, laptops, servers, and external drives over local network or the Internet. GoodSync file sync software is years ahead of the pack when it comes to file synchronization because it uses an innovative synchronization algorithm.

They even offer a version that runs directly from a USB drive device (memory stick). GoodSync2Go runs directly from USB drives. Simply plug-in your USB and your synchronizations will happen automatically. It couldn't be easier.

The standard version is free. However, for business use, you should consider upgrading to the Pro Version. The cost is minimal at $29.95 and they have a bundle available that includes a 2nd license along with the GoodSync2Go license and a RoboForm (password program) license for only $34.90 (an excellent deal).

The second product is CompanionLink (www.companionlink.com). CompanionLink specializes in sync'ing between your Smartphone and CRM software such as Outlook, Goldmine, ACT, Lotus Notes, Novell Groupwise, Palm Desktop, Practice Builder, Google, SalesJunction, Time & Chaos, and Wise Agent to name a few. CompanionLink will synchronize your PIM or CRM data with handheld devices or other supported applications and web-based services.

CompanionLink Express has all the basic features you need for two-way synchronization. CompanionLink Pro includes additional options such as the ability to sync wirelessly with your handheld, sync multiple databases, and other advanced settings. If you are like a lot of financial advisors and have precious little time to plug in your phone to a computer to sync up (much less remember to do it), the wireless feature is a tremendous advantage.

Here are some of the information that can be selectively sync'd:

- Contacts
- Calendar events and activities linked to contacts
- Recurring appointments
- Notes and histories
  - syncs to Notes field of each contact record on the handheld
- To-do items and tasks
- User-defined fields
- Alarms and reminders
- Attachment names
- Additional/secondary contacts (Pro only)
- Opportunities (Pro only)
- syncs to Tasks field on the handheld

Other capabilities include:

- Wireless sync service ($9.95/month; more...) (Pro only)
- Sync to the native fields on your handheld (except iPhone)
- Custom field mapping
- Select data types to sync (contacts, calendar, tasks, notes)
- Select one-way or two-way sync
- Select groups or categories to sync
- Select date range to sync
- Advanced activity mapping (Pro only)
- Complete activities on handheld
- Exclude personal data from sync

CompanionLink works with most of the current popular Smartphones such as Blackberry, IPhone, and even the new Palm Pre.

The Express version costs $49.95, Pro version is $99.95 and the wireless sync feature is $9.95/month.

If you are one of those rare people that try to keep two sets of schedules, one on your CRM software and the other in Outlook (and, yes we know that people do this), there is yet another product from CompanionLink built just for you.

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The product is called DoubleLook and it will synchronize Outlook with your desktop PIM or CRM software. DoubleLook runs continuously on your computer as a background process (real-time). Changes to data in either Outlook or your PIM/CRM software are synchronized instantly. DoubleLook is available with a free 14-day evaluation. To purchase, it is $99.95.

Part of the reason why such products are needed is that some financial practices have struggled with implementing new Client Relationship Management (CRM) software. Often, the employees of a firm will adjust, but the owner may not. It may also be a cost issue. If the advisor does not wish to purchase multiple copies of an expensive CRM package, it may be possible with DoubleLook to use Outlook with some members of the firm (the owner, maybe) and to be able to access client information less expensively. Also, some advisors, while recognizing the benefits of a full-featured CRM, may decide that the calendar functions in Outlook are preferred and do not wish to give up that feature. Whatever the reasons, there is an efficient solution for you.

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The Secrets of One-Call Closing

Some successful LTC (Long Term Care) and CI (Critical Illness) producers don't believe in one-call closing. But it's a fact that if you can close more sales in a single call, you'll sell more insurance. Short of inventing a day with more than 24 hours, it's the fastest route to boosting your sales – and you acquisition of more clients to whom you can market other services and products..

One-call closing isn't high-pressure selling. Some people who oppose one-call closing mistakenly think it requires the advisor to pressure vulnerable senior citizens with a slick sales pitch. ***That's the last thing you want to do.*** High-pressure sales tactics are ineffective, make your clients uncomfortable, spoil referrals and give you a lot of stress. A low-key, persistent, natural sales style is more effective and ensures that you're meeting client needs and not persuading to them buy something they don't want or need.

If you want to close LTC and CI and other health sales on your first call a high percentage of the time, follow the steps in this article. This approach works every day for me and also for the advisors with whom I work.

Warm up your prospects, get them to relax and trust you. The first time you meet with an individual or a couple, take all the time you need to ***present your human side.*** You want to show that you're concerned about their welfare, not just focused on getting a commission at any cost.

Start out with in small talk, asking the same kind of questions you'd ask any new acquaintance. Some people prefer to get down to business a little faster; some will want to chat longer. You'll soon get a sense of that. Once you sense that they've started to relax, you can go to the next step.

Always take the health history right after the warm-up. You cannot close in one call — or even multiple call — unless you ***create the need*** and show the client why you're really there today — and that's where the health history comes in. Health matters are personal, so you have to tread a little gently at first. "Do you mind if I ask a few questions about your health history to determine what type of plan might be most suitable for you?" Get the client's permission to ask some basic questions about their health, medications, surgeries and major diseases. Sometimes you'll find out that the client doesn't qualify for LTC or CI. If so, you can tell him or her that information right after you've taken their health history, and you'll save a lot of time for both of you. When that happens to you, talk about setting aside a portion of their financial resources into something like an annuity just to pay for care when they need it. When you're selling to couples, you need to be prepared if one spouse health qualifies and the other doesn't. Point out that it's even more important for the qualifying spouse to have insurance because their health will change when they take care of their spouse later.

Once you know whether the client qualifies for LTC or CI, ask the BIG question: **"What are your plans for when your health changes?"** Notice, the question isn't if your health changes but when. Stay in the assumptive mode. Asking this question is much more effective than stating, "I know that your health is going to change someday. This is something you need to look at."

Listen very carefully to the response and ask followup questions. The client may say he or she doesn't have any good plans, or intends to move in with her daughter if they get sick or wants to get their care at home. With these answers, the client is telling You how to sell to them.

Make it a ***collaborative sale***. Ask questions, let the client respond and listen closely.

Come prepared. Know the cost of care in your area and bring proposals. Some agents don't come prepared for the first meeting. They don't have brochures or sample proposals or know the local cost of care. Without this information, you can't close in one call.

It's easy to find out what care costs in your area. You can probably find a list of the biggest nursing homes and their daily charges in your local business journal or perhaps on the Internet or even a few calls and you can swiftly construct a one page listing of local facilities and their annual costs as of a certain date. If you can show clients that the average cost is, for example, $70,000 a year, that goes a long way toward helping them to realize what their financial risk is ***when*** they need care. With a little mental arithmetic and some help from you they can readily see that they'll burn through all their liquid assets in X amount of years.

If you're selling critical illness insurance, talk about whether or not they have disability insurance, ask about their monthly household expenses, and then remind

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them that a Critical Illness insurance policy will pay them one lump sum of money which they can use for ANYTHING. A Critical Illness sale tends to be so much easier than an LTC sale if you are asking the right questions and 'painting the picture' for your prospects!

The solution is insurance. Now, give the clients some choices. If I'm selling LTC, I will show the client an average benefit package based on based on NAIC figures, and always illustrate at least a three-year and an unlimited policy. If clients see that ***they have choices***, they'll be more willing to buy from you that day.

One product at a time; keep it simple. If your first meeting with your potential clients is going very well, you might be tempted to try to sell more than one product. **Don't!** You'll only confuse the buyer and probably won't make either sale. Stick to one sale. After you've sold the first product, then you can come back and open up the second sale when you deliver their first policy.

Older people — especially those in their 70s and beyond — want to keep things especially simple. Keeping it simple is challenging because insurance is a complex subject — and if it weren't, no one would need an agent. To keep it simple, create mental pictures. Show "what it means to you." Explain why and how a policy feature provides a ***real benefit***. Leave the insurance jargon back in your office.

A trial close is a question that indicates if the prospect is ready to become a client. For example, you might say, "Would this type of coverage or benefit, help you sleep more comfortably?"

You might even have an "After Interview Follow-Up Letter" that you send to those who are thinking it over. You could include some third party article and also a form for them to enter their questions or concerns.

Use trial closes. I recommend using at least five trial closes during your presentation. Trial closes give you a chance to uncover any objections that could derail your sale. Don't be afraid of objections. The sooner you find out about them the better; the closer they are to the closing, the tougher they are to overcome. Make objections into your allies!

When you can't close in one call. Sometimes you just can't close — particularly when you're selling to people in their 50s or early 60s, who don't see long-term care or a critical illness as an immediate issue. If you can't close on day one, set the second appointment no more than one week away. Ask your prospect to put together a list of questions for you to answer at that next appointment with them and tell them that after you've answered their questions, all they'll need to do is fill out an application. Set their expectations and tell them what you'll be doing the next time you meet with them.

When you follow these steps, you've ***earned*** the right to close. The client wants and needs what you're selling — and they need it now, not next year. Make your time valuable. You can ***close*** on the first appointment.

While you can learn a lot from an article like this one, it's only the first step. Make a modest investment in LTC and CI sales training, and you'll be repaid many times over.

Wilma G. Anderson, RFC®

Wilma G. Anderson, RFC® is America's leading LTC and CI sales trainer and a practicing producer in Littleton, Colorado. This article covers some of the key points vividly portrayed in her DVDs, "Mastering the One Call Close", "The Secrets of the LTC Sale", and "Mastering The Annuity Sale" For RFCs, the cost for all 3 DVDs is only $199! Visit her websites you'll find several products that can help boost your sales, including personalized tele-coaching sessions, workshops, and sales-meeting speeches.

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Critical Preparation

In the last issue we discussed the Agenda for the initial presentation to a prospect for comprehensive personal financial planning. If that interview goes well, the prospect will:

- Become convinced of the need for a plan.
- Acquire confidence in you.
- Feel you have provided complete information.
- Execute a commitment to move forward.
- Cheerfully start the data gathering steps.

Every client, to a greater or lesser extent, is essentially disorganized. They have difficulty locating all their important documents and records. This is one reason to turn to a professional, such as yourself. But they must be convinced that you are organized. The first interview is the ideal moment to prove that. You do so by proving your organization and preparation.

Then your prospect will commit to your request for an engagement. As part of this commitment, as the ***prospect becomes a client***, and they will:

- Agree to pay a reasonable fee.
- Acknowledge the need for complete disclosure.
- Implement their plan with additional products and services.
- Know that you will be requesting referrals.

The Engagement Must Happen! If the client does not agree to engage your services on an acceptable basis, then you will never have the opportunity to collect a fee, sell a product or place their assets under management. Therefore, everything you can do to increase the likelihood of a successful outcome of this meeting must be considered.

Preparation Counts! You must be fully prepared for your meeting with the prospect – who is looking for you to lead them from doubt, uncertainty and lack of confidence. To be ***super-organized*** will convey your professional status and maximize the results from each initial presentation. What tools will you need? This might include a well-developed sample plan, a visual presentation, procedures, charts, agreements, fact finder forms, and the like.

All of the tools you will need should be listed and carefully reviewed. Is all the copy current? Does it need editing? Does it need some graphic touch-up to be more appealing?

Do you have multiple sets of preparation materials completely assembled, so that you are absolutely *Ready to Go?*

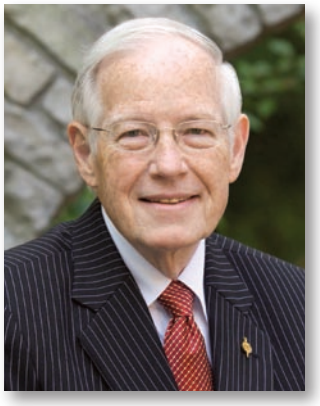
Consistent Preparation. As part of the *Financial Planning Process™* course we have stressed that you must give careful thought to this essential interview, and that when you have done so, several positive results will be achieved:

- Preparation will make you more confident and more relaxed.
- You will have maximized the likelihood of a successful outcome.
- You will have increased the number of referrals.
- You will have dramatically increased your revenue.

Tracking Your Preparation. On form **PM_05.doc** we offer the starting point for your preparation. You will want to remove a few items, or add some. However, the final version should be restricted to one page. Either a staff person, or you, should use this as a checklist for preparation. We will be happy to e-mail the Word file to make it easy for you to edit your customized version.

Structure. Note that we are suggesting one folder for the prospect (with name already placed on the file folder) and another folder for the advisor. In addition there are perhaps ten additional items that may also be needed

Basic Correspondence. Your initial appointment should be confirmed with a letter (LT_01.doc) and followed instantly thereafter by a confirmation letter (LT_03.doc) In the following issue we will offer suggested copy for those letters, and explain the simple logic of sending them out – promptly and professionally prepared.



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Survive and Prosper

During the past six months, our phones at the Insurance Pro Shop have been ringing off the hook with insurance agents, financial advisors and financial planners who are looking for the most cost effective ways to attract and be in front of new prospects, or they're looking to completely change the products and services they're offering and enter into an entirely new market. As one RFC told us, *"I do not want to contact any of my existing clients because they are all angry with me because of the money they have lost in the stock market. I need to attract all new prospects."* We've gotten similar comments from many of the agents, advisors and planners we've talked to.

As we've told all of these advisors... you don't have to abandon your existing clients and you shouldn't abandon them. Is there any question that your clients now need your help more than ever? Yes, they may be unhappy with you. And, they may be looking to move their money to someone else. However, you can be their Knight in "shining armor" by rescuing them from the evil stock market dragon. So, while the 'bear market' has robbed them of net worth, it also makes them a lot more motivated to fix their problems.

And, remember your competitor's clients are considering doing the same thing. That means for every client you now have, there are literally hundreds, maybe even thousands of new prospects in your community that are waiting to take their place. These are motivated prospects that you can gain as new clients. This 'Bear' market is an exceptional opportunity for you to open more new accounts than ever. If you know how!

So, what can you offer your existing clients and new prospects? How about bonds, indexed annuities, fixed annuities and immediate annuities? When "stocks" are falling isn't there usually a flight to safety? How about starting a marketing campaign that centers on things like safety, saving taxes, locking in past returns, recouping losses and providing a guaranteed income they can't outlive?

It's Time For You To Get Back To Basics And Become a Better Money Manager…

Unfortunately, many advisors allowed themselves to get caught up in the momentum of the stock market in the 90's, just like everyone else. Hopefully, you now fully understand the ramifications of that mentality. The declines in the past year and the actual miniscule stock market '12 Year Total Returns' from June 1997 to June 19, 2009 are providing you with an opportunity reexamine your overall investment strategies and philosophies to determine if they are appropriate for most of the people you work with.

Let's start by understanding what's happened in the past 12 years in the stock market and do some comparisons...

The actual 12 Year Total Return. The S&P 500 Index from June 30, 1997 to June 19, 2009 is only 4.07%... or 0.33% per year for the past 12 years. (885.14 – 921.23)

For the Dow Industrial Average from June 30, 1997 to June 2009 is only 16.48%... or 1.28% per year for the past 12 years. (7,331.04 – 8,539.73)

For the NASDAQ from June 30, 1997 to June 19, 2009 is only 26.73%... or 1.99% per year for the entire past 12 years. (1,442.07 – 1,827.47)

If your clients had been in a traditional fixed annuity averaging just 4% annually, they would have had a '12 Year Total Return' of about 60.1%. And, their money would have grown tax deferred, with no annual management fees.

Note: The average annual return for the S&P 500 Index for the past 20 years from June 30, 1989 to June 19, 2009 is only 5.46%. (Less income taxes and management fees) Management fees of 2.0% alone would bring the average annual return down to 3.46%.

It's time to get back to basics and educate yourself, your clients and your prospects on fundamentally sound investment strategies: like dollar cost averaging, diversification, asset allocation, fixed investments, annuities, laddering and safe withdrawal rates during retirement. Plus, factoring in the cost of income taxes and annual management fees.

There is much more to investing than just reaping the highest returns.

Many people, including most money managers assumed that managing money for income was simply a matter of selling investments as needed from a diversified portfolio. But there are hidden dangers in this strategy that are not obvious. An investor who is forced to sell investments for income during a down market, can quickly devastate a retirement portfolio to the point where it is no longer possible to recover, even when the market does. Recent stock market losses have clarified the risks, and many financial advisors are now recommending lower and lower withdrawal rates.

What's the "safe" withdrawal rate in retirement?

One of the most frequent questions retirees ask is... "How much can I safely withdraw per year from my retirement account, and guarantee I don't outlive my money?" If they retire at age 65 they could easily need their retirement income for 25 or 30 years. Miscalculating the withdrawal rate could result in an involuntary return to the workforce, or being forced to move in with their children.

Unfortunately, there isn't a great deal of research in this area (most analysts devote their time to the question of accumulating capital, not spending it), so there have been only a few studies on "safe" withdrawal rates.

Most of the studies use data from Chicago consulting firm Ibottson Associates showing returns from stocks, bonds, and cash since 1926 as the basis for their analysis. Even though the average annual rate of return over the past 80 years for the S&P 500 is about 9%, you can't reliably withdraw an amount that large because of inflation and the ups and downs of the stock market. Reputable studies on "safe" withdrawal rates attempt to answer the question for you and your clients.

The Bengen Study

In the February 25, 1997 issue, the *Wall Street Journal* columnist Jonathan Clements

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reported on a study by San Diego based financial planner William Bengen. Bengen looked at year-by-year returns since 1925 for a 50/50 stock/bond portfolio. He assumed half the portfolio was in the S&P 500 and half in intermediate term government bonds. Using a 30-year holding period, he calculated that a 4.1% withdrawal rate would allow retirees to survive the worst market declines.

The Harvard Study

In 1973, Harvard University did a study to determine how much they could safely withdraw from their endowment fund without eroding the principal. Assuming a portfolio of 50% stocks and 50% bonds and cash, Harvard's analysts calculated they could withdraw 4% the first year and then adjust the subsequent year's withdrawals for inflation. For example, if there was 10% inflation, the second year's withdrawal would be 4.4% of the initial portfolio value.

The Trinity Study

Dallas Morning News columnist Scott Burns has written extensively on a "safe" withdrawal study by three Trinity University (San Antonio, TX) researchers. The Trinity Study measures the "success rate" of various portfolios from 1926 to 1995. The "success rate" is the percent of time a retiree could sustain a given withdrawal rate without depleting his retirement assets. One portion of the Trinity study adjusted withdrawals for inflation/deflation, much like the Harvard study. This analysis showed that of the portfolios considered, the optimal asset mix is 75% stocks and 25% long-term corporate bonds. For a 30-year payout period and a 4% withdrawal rate, this mix had a 98% success rate. At a 3% withdrawal rate, the 75/25 mix had a 100% success rate. Interpolating these results would give you a "safe" withdrawal rate of slightly less than 4%, virtually identical to the Harvard study.

The consensus seems to be about 4% per year, but how should people interpret those studies? The first thing to consider, is that these studies are based on investment returns ***before*** expenses. If you're paying an investment advisor an annual fee of 2% of assets and he has you invested in no-load mutual funds with a 0.5% expense ratio, your annual expenses are 2.5%. Your "safe" withdrawal rate is 4.0% – 2.5% = 1.5%

Another consideration is that most of these studies are based on ***historical data***. The fine print here should read… "Past performance does not guarantee future results." While there is every reason to believe that investment returns in the next 80 years will be similar to the previous 80 years, there's little chance it will be EXACTLY the same. To say that 4.0% is a "safe" withdrawal rate and that 4.1% will leave you broke implies a measure of accuracy in the forecast that just isn't there. It may make more sense to say that the "safe" withdrawal rate going forward lies somewhere in the range of 3.25% to 4.25%.

Considering the above studies, annual management fees, income taxes and the historical annual returns of annuities, what is the justification for putting a retirees income producing assets at risk in the stock market?

Isn't it time for you to start a marketing campaign for your clients and prospects that centers on things like safety, saving taxes, locking in past returns and providing a guaranteed income they can't out live?

Lew Nason, FMM, LUTC, RFC®

Jeremy Nason, FMM, RFC®

Lew Nason, FMM, LUTC, RFC®, with son and co-author **Jeremy Nason**, RFC®, FMM are the founders of the ***Insurance Pro Shop®*** and the creators of the ***Found Money Management™ Advanced Life Insurance Sales System***, the most endorsed and successful Life Insurance prospecting and sales system available for today's insurance professional! Lew has been helping agents and advisors to achieve long-term success in financial services industry for over two decades. His unique perspective, on how to truly help clients, has enabled scores of agents and advisors reach the top levels of their profession.

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Investing in Today's Stock Market for the "Home Run Cycle"

As the stock market appears to be attempting to change for the better, there are also many reasons for investors and investment "professionals" to be concerned. Although the Federal Reserve and the Obama Administration are doing everything they can to stimulate the economy, unemployment is still on the rise, the real estate market continues to weaken, commercial real estate is showing signs of a potential collapse, small business failures and foreclosures are on the rise, gas prices and inflation are still a threat, the banks are still struggling, credit remains tight, and so on. And then when you take into account the media and the role they play in creating even more emotionalism and uncertainty, you can easily see why most people are not glowing with optimism.

But the reality is that no matter what we think, no matter what others believe, and no matter what "message of the day" the media attaches itself to, there is only thing that *truly* matters when it comes to being a successful investor; **being on the correct side of the long-term trend of the stock market's money flow**. In purely economic terms, this is commonly referred to as "the law of supply and demand". In its simplest definition, when demand exceeds supply, prices must rise. And conversely, when supply exceeds demand, prices must decline.

When a Bull Market is underway, the most notable characteristic that accompanies such a positive trend is a large and consistent pattern of stocks under accumulation. However, although a strong buying influence is vitally important to rising prices, investor demand cannot, by itself, be the only driving force behind rising prices. In order for a Bull Market to be considered "authentic", this pattern of rising prices must also be accompanied by a consistent decrease in the number of stocks for sale. Economy professors would refer to this as "a period of increasing demand and diminishing supply".

If you really think about the fact that what drives Bull Markets and Bear Markets is a consistent pattern of money flow, I have always been a firm believer that there are ways to quantify this **long-term** pattern of buyers (demand) and sellers (supply). For example, there are many fundamental indicators like the advance/decline line, the market's upside volume versus downside volume, the number of stocks reaching 52-week highs versus 52-week lows, the number of stock breaking their 30/60/90-day moving averages, the number of sectors in harmony, etc. All of these indicators, and many more, are comprised of key components that have direct ties to the market's supply and demand. In addition, there are also long-term technical indicators, or charting patters, that can also provide great value.

Investment success is clearly a factor of being on the correct side of the market's long-term trend. However, I firmly believe that most people tend to overlook a much more important factor to successful investing, which is **the ability to recognize changes in the long-term flow of money**.

Nobody in the history of stock market investing has ever consistently predicted market tops and bottoms… and nobody ever will. But I firmly believe there are ways to identify major trend ***changes*** in the long-term flow of money. After all, every market must be capable of moving in ***both*** directions, and in order for this to happen there must be a direct and consistent change in the forces of supply and demand.

To help illustrate my point, let's reflect back on the recent Bull Market in real estate. I'm sure we can all look back and remember the real estate bubble that ballooned from the about the years 2000-2005. Real estate prices trended significantly higher, creating annual rates of return unlike any other time in history. As the price of houses soared higher and higher, buying a house actually became a competitive process. In fact, since there were multiple buyers leveraging for most houses, they were often sold at prices well above their original sales price. The other factor that heavily influenced this long-term real estate surge was the historically low number of houses for sale. This long-term period of rising prices is the perfect example of a ***Bull Market*** in real estate.

OK, now let's pretend that in 2000-2005 you were "in the business", working as a real estate professional. And let's also pretend that throughout this great period of rising prices, you were trying to identify a change in the pattern of buyers and sellers. Well, for a long period of time you could clearly see that buyers were aggressively snatching up every house in sight, and buying them almost as fast as they came on the market. However, as with every Bull Market, this pattern of buyers and sellers started to ***change*** directions.

As this change began taking place in the long-term flow of money for real estate, the number of houses for sale began to grow exponentially. As a result, the dominant force in the real estate market changed from demand to supply, and home prices began to plummet.

As you look back in time, most of us can remember the point at which we began to see this pattern emerge. And if you were to look on "the inside", there were a number of indicators that could have significantly increased your ability to identify this trend ***change***. As we noted earlier, picking the exact top in this real estate market would have been impossible. However, I do believe it was possible to identify the ***change***.

In order to identify long-term trend changes, I believe there are two key factors. First, you must have a system to analyze and monitor these long-term trends as they take place. As noted earlier, there are a number of ways this can be accomplished, and developing such a system usually takes time as you "test it" over multiple major trend changes.

Second, you must be ready, willing and able to do the opposite of what your emotions or brain is telling you. The reality is that when most people are recklessly buying, the media is glaringly positive, and the prevailing mindset is *"I have to get in… I cannot miss out on this great opportunity"*,

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it is those times when the market has the highest levels of risk. As the great Warren Buffet once said, *"When people are greedy, I get fearful… and when people are fearful, I get greedy"*.

Regardless of what other investors, professionals, or the media wants you to believe, it is extremely important to keep your focus on the market's internal condition, ignoring any outside influences. This is exactly where the old adage on Wall Street comes from: *"The stock market climbs a wall of worry".*

After nearly 25 years of monitoring the stock market's forces of supply and demand, as well as spending countless hours attempting to identify the key influences that drive these forces, here are some facts I believe should be helpful:

1. **Every** Bear Market will always be followed by a Bull Market, which provides a fantastic opportunity to multiply your wealth.

2. As strange as this may sound, we should all be *"cheering and hoping"* for the stock market to plunge to significantly lower levels. The reason why is that the lower the market declines, the greater the buying opportunity that will be presented to us.

3. In order to make a lot of money in the stock market, we've all heard the saying "buy low and sell high". With that in mind, Bear Markets should be considered to be the greatest "blessing" of all, since they are the very reason we are given these rare opportunities to buy low… and the lower the better.

4. In severe Bear Markets such as today, stock prices will eventually become attractive and under accumulation as they reach extremely oversold and undervalued levels.

5. Looking at things from a historical perspective, we are much closer to the end of this Bear Market versus the beginning.

6. Just about the time when it appears the "world is coming to an end" and that the stock market has reached its most dangerous and risky point, offering little or no reason to expect things to go higher, this will likely be looked back upon as the best time to aggressively buy equities.

7. Once this much-anticipated Bear Market bottom forms and a new Bull Market again emerges, the focus should be in trying to identify positive changes in the pattern of stock under accumulation, as well as a steep decline in the number of stocks for sale.

8. At almost every Bear Market Bottom, there are common "themes". The market has declined significantly and appears to be going much lower, the media is "pounding the table" with negative news, the Federal Reserve Board is changing their policies to become extremely accommodative, stocks are sold at historically high levels, and there is a massive "flight to safety".

9. At such a time mentioned above, this is when the stock market will afford us upside potentials FAR beyond our wildest imagination.

10. Over the past 100 years, the best times to be involved in the stock market are during the years preceding the Presidential Election, which lie ahead.

11. **Without question, the key to successful investing is being there at these great Bear Market bottoms, with your cash in hand, and most importantly, avoiding large losses along the way.**

My strong advice is to stay patient and never losing sight of the fact that the decade ahead will end up being one of the greatest buying opportunities of our lifetime. Although it has been a long and difficult road to get where we stand today, we should never lose sight of the fact that it is the **rare** times like this when we are afforded life-style changing opportunities.

To tie together the intended message of this article, below is a true story that recently occurred on July 10, 2009 in Barboursville, West Virginia:

"A boy named Eli Canterbury produced one of the most amazing feats in all of baseball, referred to as "the home run cycle".

For those who aren't aware, "the home run cycle" is where a batter hits a solo home run, a two-run home run, a three-run home run and a grand slam in the same contest.

Not only did he achieve the feat, he achieved it in order. The solo home run came first, then the two-run shot, then a three-run bomb and the grand slam to end the accomplishment.

The "home run cycle" is absolutely the rarest of feats in baseball, even more impressive than pitching a perfect game, and certainly rarer than the regular "baseball cycle", which happens at the frequency of 0.0011 percent of the time. In fact, "the home run cycle" has never been accomplished at the major league level and has only been recorded once at the minor league level in professional baseball."

The message I hope we can all take away from this amazing accomplishment is that, regardless of what people think or say, and regardless of how heavily the odds appear to be stacked against you, ***the true power in everything we do comes from what's inside.***

From an investor's viewpoint, this "home run cycle" could very likely be staring us right in the face today. And even though the odds may be stacked against us, the rewards are worth "playing ball".

Christopher Hill, RFC®

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Fresh Perspectives

Don't Balk at Technology, Embrace It!

As the proverbial "They" always say, "The only thing that is consistent is change". If you are not willing and able to change, you and your business will be left in the dust. You will continue to be bombarded with new technologies that promise to make your business bigger, faster, stronger, and more profitable. Generally speaking, the older population has a tendency to resist these new technologies, often to their detriment. Take e-mail and cell phones for example – just a few years ago, many people didn't want anything to do with these things (my parents are still fighting them). Now, 6-year-olds are texting instead of writing on Big Chief Tablets, "Tweeting" is a verb that applies to humans, and we have no idea how the world functioned before we were introduced to these gems. Developments in technology CAN make your life easier, improve your workflow, and help you attract and maintain clients once you've learned how to use them. Consider the following points:

• Scanning devices are truly a blessing – viewing your client's documents from your computer screen is faster, simpler, and much less laborious than pulling a 7-pound, 12-inch thick hanging folder out of a jam-packed, ugly, beige file cabinet. Just think — no more paper cuts or lower back issues! Plus, scanned documents are easily e-mailed, copied, or printed and are accessible by everyone in your office simultaneously.

• Social networking sites and tools provide ways for you to learn from other industry professionals, hire qualified associates or partners, and reach out to a larger demographic of clients and prospects – 24 hours a day at your convenience!

• Learning simple tricks in Microsoft Word and Excel can make sending a letter to clients or doing a complex calculation a thousand times easier!

• Your website MUST be updated, attractive, and user-friendly. In many cases, you don't get to make the first impression, your website does — make it a good one. When people want to find a product or service and don't know where to look, they frequently turn to Google. If a link to your website doesn't pop up when they type in "Financial Advisors in Portland, Oregon" or it does, but it looks like it was designed by a caveman in 13BC, you've just lost an opportunity for new business. Many upcoming and established professionals will refuse to work with you if they can't view their account balances online at their convenience. Organizations like the IARFC and FPA offer online profiles for their members — take advantage of them and attract clients without even trying!

Technology can be overwhelming, but it can also give you a significant advantage in the marketplace. Consider appointing someone in your office to be the "Technology Director". This individual can attend technology sessions and webinars at conferences to keep your office updated on the most recent industry developments. You could have technology meetings once a month with your staff to discuss what's working, what's not and any new ideas that your employees have come across. You could also use these meetings as educational sessions where your "Technology Director" teaches you and the rest of your staff something new each month. Don't let your grandchildren become more technically savvy than you are! Keeping up with the times helps your business run smoothly and ensures that you'll continue to attract new, technically-savvy clients.

Jamie A. Bosse, CFP®, RFC®

Jamie A. Bosse, CFP®, RFC®, is on the Wealth Advisory Team for Key Private Bank in Portland, Oregon. Jamie is responsible for assessing each client's financial situation and putting a plan in place to help them create, grow, and protect their wealth. Jamie has a Bachelor of Science in Personal Financial Planning as well as a Minor in Business Administration from Kansas State University. Prior to her tenure with Key Private Bank, Ms. Bosse was an Associate Planner in a Comprehensive Financial Planning firm in Flower Mound, Texas.

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Business Mirrors Life

Read this book (or better yet, put it under your pillow)

Hesh promises us that the book he reviews are available somewhere… we just haven't found the publisher or bookstore. But we're still looking….

Have you had a chance to read "Osmosis: The Only Scientific Principle You'll Need in Business"? I just did and it has changed my life. The idea is simple.

However, similar to most great ideas, implementation is extremely difficult.

The hypothesis can be stated very simply. In order to obtain the wisdom of a mentor or just about any other great thinker, all you have to do is stand next to him. Don't say anything. Let others speak; let others act as sycophants. You need to cleanse your mind and prepare yourself to receive your mentor's wisdom.

Experiments in psych labs have shown that, given the appropriate level of concentration, a mentor's wisdom can be absorbed by those around him (no studies have yet to be done on female mentors).

The challenge is to open our minds for the new ideas to enter. Similar to osmosis, the smartness of the mentor will travel to your brain (and mine), if we only let it.

Some people have asked me if they need to meditate and repeat their mantra. I'm sorry that will not work. You must erase all brain activity.

Remember back in high school when your English teacher would see you daydreaming and call on you to answer her question about Macbeth. My teacher was sure she had caught me off guard. I, on the other hand, had the answer on my lips. But I don't know how the words got there.

After class, my pals said I was lucky. But in my mind, the answer was there. I don't know how. The truth is that I wasn't daydreaming, my mind was totally blank.

Now I realize that I had experienced osmosis (the smart kid next to me, Jake Rand, was thinking of the answer and wishing the teacher would call on him). Unfortunately, I could not replicate the experience in my next class, chemistry.

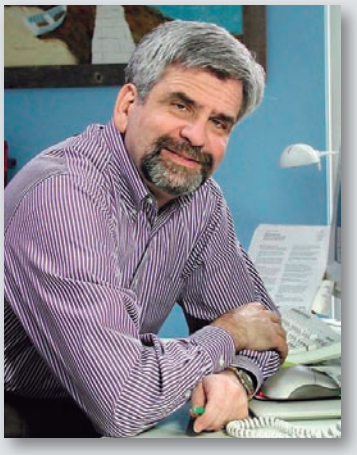
And that is most probably why I got a C. (And, therefore, I never became a pre-med major and I disappointed my mom and dad… but that is a totally different story.)

My advice is to buy and read "Osmosis." Then practice what you've learned at the next corporate staff meeting. Instead of trying to ask a smart question as a way of showing your boss that you deserve that promotion, just sit quietly and absorb.

If your boss asks for comments, don't offer any. If he calls on you directly, say "I have nothing to add at this moment." Yes, your colleagues will think you've just ruined any attempt to get promoted. I, on the other hand, am living proof that by the end of the meeting using "Osmosis," you will be able to repeat back to your boss the winning strategy.

Just when he says to himself, "What a bunch of dimwits; why can't anyone see the obvious strategy? I see it." When he sees it, you will too. Then just tell everyone around the table.

To purchase a copy of "Osmosis: The Only Scientific Principle You'll Need in Business," send me a money order for $11.95 for the book, plus $12 for postage and handling.



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