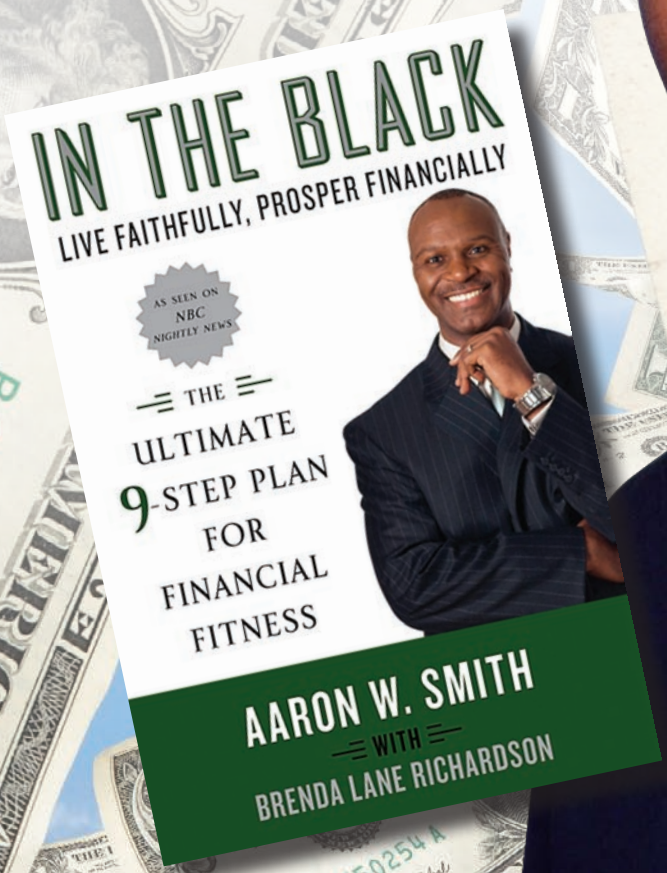
the Register

Vol. 10 No. 7 • July 2009 Official IARFC Publication www.IARFC.org

AARON SMITH

Financial Planning Step-by-Step



IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

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• IN THIS ISSUE •

The Register is published monthly by the International Association of Registered Financial Consultants ©2009, 2507 North Verity Parkway, Middletown, Ohio 45042-0506. It includes articles and advice on technical subjects, economic events, regulatory actions and practice management. The IARFC makes no claim as to accuracy and does not guarantee or endorse any product or service that may be advertised or featured. Articles, comments and letters are welcomed by e-mail to: Wendy M. Kennedy, Editorial Coordinator, Editor@IARFC.org SSN 1556-4045 Periodicals Postage Paid at Mansfield, Ohio.

POSTMASTER: Send address changes to: P.O. Box 42506, Middletown, Ohio 45042-0506

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,

Once again I thoroughly enjoy articles written for the *Register* by Jim McCarty. This last one however, *Custer Wore an Arrow Shirt*, in Vol. 10 No. 6 caused me to question the math concerning the worth of every hour and every minute. Knowing Jim seldom if ever makes mistakes I asked for some clarification. I love your magazine continue the great work.

Richard Kuriger, RFC®
Houston, TX

Response:

Thank you so much for your observations concerning the math in *Custer Wore an Arrow Shirt*. As I am used to saying, the story is completely true (and so is the chart) it just isn't truly complete. The chart is based upon 8 hours a day times 244 working days per year. I trust this will solve the mystery for you.

Jim McCarty, RFC®
Daytona Beach, FL

Norman Levine Interview

As someone I had the pleasure to meet and hear on several occasions during MDRT meetings, LUTC events, etc… I always appreciated the simplicity of your thoughts and message. Not easy (if it was easy everyone would be doing it!)… just simple to understand and grasp. I found that with Tom Wolff, John Savage and many other "giants" in this industry like yourself. Always generous to give advice and such a strong advocate for the profession.

Thank you for that!

This article is so YOU! *How can someone call themselves a full time professional only seeing five people a week, only offering one product without a fact find?* Classic Norman!

Your thoughts about the global economy is so right on as well: *"I want it now" "I want it yesterday"* and *"I don't want to pay for it"*! Wow… you talk about hitting the nail on the head!

Anyway… thank you so much for all you've done and all you do.

Mike Coy, RFC®
Austin, TX

Dear Register,

One of the first things I do when I receive the Register is read it from cover to cover. I know I am prodigious on the subject but I believe it is one of the best journals for financial planning in the world.

I was especially delighted to see the article from Ed Morrow, From the Chairman's Desk… on estate planning.

As I travel and speak around the United States, I see more and more Financial Planners and Estate Planners going back to their clients to make sure the plans are concurrent with the Federal tax laws. One planner told me he has added 31 new clients in the last 6 months, not as much for full financial planning but for Estate Planning. He went on to point out that several of his clients have financial planners, but they had not had any contact with them for several years. "Call all of your clients for Estate Planning updates," he recommends.

Bill Moore, RFC®
Dallas, TX

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

CALENDAR OF EVENTS

IPS Workshop Fact Finding
July 29-30, 2009, Atlanta area

International Dragon Awards
August 6-9, 2009, Taipei

IARFC Graduation
Continuing Education Event
August 13, 2009, Taipei

Pacific RFC Conference
August or September, 2009, Australia & New Zealand

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

NAIFA Annual Conference
September 12-16, 2009, Orlando

RFC Accelerated Course
September 21-24, 2009, Middletown

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

Financial Advisors Symposium
November 9-11, 2009, Orlando

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:

Alfred L. Filippini, RFC®
Carpinteria, CA

Register Interview – **Aaron Smith**

Financial Planning Step-by-Step

Aaron W. Smith, RFC® is a long time member of the IARFC and he is the founder and president of A. W. Smith Financial Group, Inc. With economic uncertainty reaching unprecedented levels, Aaron is reaching out to help the public take control of their financial future. His new book, "In The Black", sparked our interest in his thoughts and how he is helping his clients and other financial advisors.

How did you first enter financial services?

I started in the business on a part time basis. I was collection/credit manager at a credit union and I routinely assisted the loan department with new applicants. In assisting and service the members I was instrumental in offering them different ways to utilize their income to assist with lowering their debt. I found that I had a gift of talking and educating them and making them feel comfortable discussing their current situation with me.

With this new found knowledge of credit and personal finance, combined with the information I was learning working in the insurance industry, I decided to move out on my own on a full-time basis.

What was your educational background?

I am a graduate of the University of Richmond with a Bachelor Degree in Sociology. In addition to the RFC, I also have a designation as an Accredited Investment Fiduciary.

Were you successful at first?

In the beginning, it was a challenge; learning the different products, staying focused, approaching prospects and marketing. But the key to getting past the first hurdle was focus and consistency. I never thought about giving up, I just kept at it.

What were your major obstacles?

Lack of experience. At the outset, I was making mistakes based on lack of knowledge. Many times, I had to go back to clients with corrected items. It forced me to read, read, read, and to utilize the support persons and the marketing/staff force of companies that I was doing business with to learn their products.

Tell us about your current practice:

My target group of individuals is retirees. My focus and concentration is *values-based planning*. Knowing what is important to my clients, their goals, and their lifestyles assists me in establishing a custom financial plan that fits each individual's needs.

How do you market now for new clients?

By using my website, referrals, boulevardR.com, seminars, book and speaking engagements.

What are your major frustrations?

The one thing I can say frustrates me the most are the financial planners that go back and forth with each other in a bickering fashion about what product is best suited for Americans without ever sitting down and talking and learning about the people. It's always about the client and their well-being. No one product solves a problem for everybody. There are just too many variables in life that will not allow that.

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

The monthly publication has been a great source of information and knowledge in assisting me to educate myself, which in turn always helps my clients.

What do you see for the association in the next five years?

Continued growth through membership and recognition. I always encourage fellow representatives to contact IARFC for membership opportunities.

What should financial advisors be doing in this economy?

Communicating more often with their clients and prospects. Continue a focus of prospecting, prospecting. Now is a great time to build your clientele, because other advisors have been neglecting to communicate.

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

Wonderful! The time is approaching for us to utilize technology to assist client via internet (association and personal website, webinars, all lead to more person-to-person meetings.

What should advisors to concentrate on?

Continue your education. Study all the financial issues regarding industry changes and policies. However, you must also study the social and psychological effects of all the financial issues. How are your clients and prospects reacting to current events?

What's looming on the horizon for our profession?

CONTINUED ON PAGE 4

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In my opinion, we will soon be facing even more regulation and the consolidation of smaller broker/dealers.

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

Fortunately, the mistakes I made help contribute to the person I am today, so I would not change anything. I am a better person because of the lessons learned.

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

Recently, had my book, *In the Black* released through Harper Collins publishing the sub-title tells it all: *Live Faithfully, Prosper Financially, the Ultimate 9 Step Plan for Financial Fitness*.

What motivated you to write a book?

In my desire to help as many people as I could I realized that I must break down the appearance of the complexity of financial planning in a manner that is understandable and attainable for all people.

What can financial advisors get from your book?

They can have accessibility to my process, which has been a successful one for me to obtain and maintain clients. The book can be used as a tool for the RFC to attract new clients. Soon a workbook will be forthcoming for financial advisors to directly use the book with their clients, one-on-one, and in groups.

What is your availability to assist RFCs to teach them your process?

I do offer seminars to audiences of registered representatives and insurance and annuity brokers. I try to stress the communication techniques and the principles that are outlined in the book.

The book can be purchased at Amazon.com. The list price of the paperback edition is only $15.99, and single copies can be purchase for $10.97. If you want larger quantities please contact me.

Contact: 804 346 5900
aaron@awsmithfinancial.com
www.awsmithfinancial.com
www.inthblackretirement.com
www.boulevardr.com/advisor/AaronWSmith

More from Norm

Norm. G. Levine, CLU, ChFC, RFC®

Shortly after the distribution of the last Register magazine we received calls and emails from members who said, "Your profile on Norm Levine was great – tell us more about his attitudes toward professional service." So here is more from Norm…

Advisors must be technically efficient. The real secret is compassion for your prospects and your potential clients. They each have dreams and aspirations and your job is to help obtain them. Most of the education and training in our profession is geared to technology and methodology. Far more important for the beginning practitioner is developing *people skills* which are very different from sales skills. For example, sales people are taught to sell products, to do needs-based selling, and how to deliver a memorized sales presentation.

Good advisors don't do any of the above. Instead of pushing products, they provide solutions. Instead of needs that *they* perceive, they find out what the *prospect needs* – then help them get it. Instead of talking non-stop, they listen by asking questions and finding out what are the interests of the client. All of which means they *listen a lot and talk a little*.

An important issue for all practitioners is prospecting. When I speak to audiences, and I ask them how many people they see in a week, most hands don't go up until my count gets down under 5. But the truth is every person in the room sees hundreds of people every week. The difference is that when you are not in our business, if I asked a high school student how many people they see in a week, they would say hundreds. If you ask a professional financial advisor how many people they see in a week, they say four or five.

You see, they only count people where they can anticipate a potential client relationship. I suggest that the other thing new people should do is talk to everybody they see, just to be socially friendly. At least 30 times a week have a conversation, not necessarily motivated with a sale potential, but because you like people. From among the masses will come many prospects. This is a people business.

Your image and your brand is built on a 24-hour a day, 7-day a week basis. Not just when you are working. As a professional practitioner in financial services, the most important word to remember is "trust". If people don't trust you, they will *never* accept your suggestions. In order to achieve trust you must work at it 24 hours a day. I have defined necessary attributes with the acronym WINE CASK:

W – stands for Work ethic. If you are not hard working and disciplined and first in, last out, every day – you will never be as good as you could be.

I – Involvement. Involvement in the community, involvement in politics, and involvement in our industry. Living a life being involved helps you meet the right kind of people, but it also develops an image of your giving, not taking.

N – No Broken Promises. You tell anybody you are going to do something,

CONTINUED ON PAGE 5

have it done in a timely way or perhaps early. If you don't do it effectively, you will get a reputation for not being dependable.

E — Ethics. Without a doubt the most absolute and essential ingredient. You cannot be half-pregnant; you cannot be half-honest. Either you are 100% straight or you are going to get a reputation of being untrustworthy. One bad mistake in the ethical area will destroy a career, and no matter how many good things you do, you will never build an ethical reputation on the good stuff. Therefore, I respectfully suggest that if you ever have to ask the question, "Is it all right to do it?" don't do it, even if it turns out later to be ethically correct. People have the same questions and make the same judgments about you.

C — Compassion. It is not what is in it for you; it is what you can do for others. Every day of your life give, don't take.

A — Attitude. If you are not a positive person, you are headed for heartbreak a negative person does not get many friends and many people following them.

S — Skills. People skills, interrelationships with other people is based on your capacity to interrelate with large diversified groups of people. Yes, technical skill must be there, but skills in dealing with people are far more important.

K — Knowledge. You must be recognized as an intelligent individual who knows a lot about a lot of things not just business. And somebody who people turn to when they have a question or they are not certain about what to do in a certain situation. You know you are doing well with knowledge when people come to you for advice and counsel that is not related to your business, as well as those that come to you because of your recognized professional status.

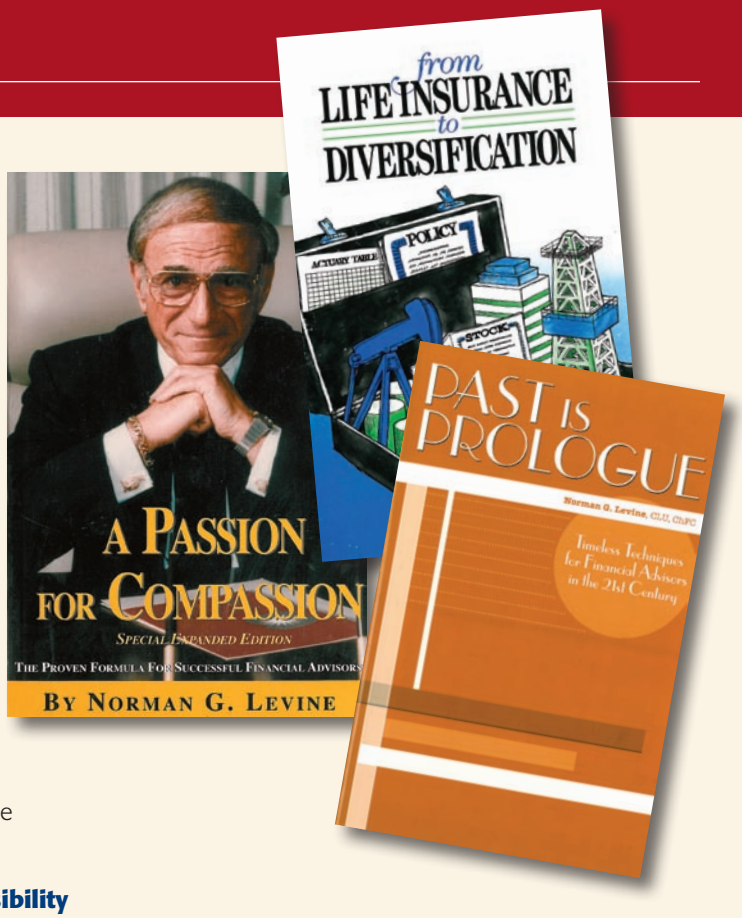
Am I Optimistic About Our Future?

Obviously, there is much more we could review. But, I believe that, despite all the negative economic issues the future is still very bright. I have eight books in print that unto themselves indicate that we could go on for hours. The bottom line is we must address the issues that are of most value.

This is the greatest profession on this planet and I think despite the current meltdown, the potential for the future now is even greater than it was before.

People desperately need what we have to share. There are more people today with more problems than ever before in history and there aren't many of us qualified to help them address those problems.

It is important for each of us that we bring more bright, ethical and dedicated young persons into this profession. We are in the position to make a tremendous contribution to the future well-being of our society and to the individuals that we have the opportunity to assist.



Your Responsibility

When you help build the numbers and quality of personal financial advisors — you will be elevating the profession and also yourself — the respect and public esteem you should receive.

When I have nominated persons for the RFC designation, the association has been quick to respond with a prospective membership kit and personal follow-up. My nominations benefit the association, the financial advisor and the hundreds of clients he or she will serve more effectively. Are you nominating members on a consistent basis?

Through my extensive activity in professional associations I have made thousands of friends. My speeches and books have influenced many — and I hope they have benefited both the professionals and all their clients. And along the way I have grown from the army veteran ecology graduate to a career of fulfillments and rewards.

Therefore, I am enthusiastic about the International Association of Registered Financial Consultants because it has the potential of making a worldwide difference in exactly all areas about which I am truly concerned. I thank you for the opportunity to have had and I look forward to the IARFC's continued growth and the contribution it will make to the well-being of the financial industry and the impact it will have on those who seize it as an opportunity for their professional presentation.

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www.levineenterprises.com

Norm Levine's Books:

A Passion for Compassion
Past is Prologue
Selling with Silk Gloves — Not Brass Knuckles
The Norm Levine Reader
Yes You Can (English, Chinese, Thai)
From Life Insurance to Diversification
How to Build a $100,000,000 Agency
High Trust Leadership

Audio Cassettes or CD Sets:

The Formula for Successful Financial Advising
Past is Prologue
If You Sell Well — There Are No Impossible Dreams
Basic Sales Skills — The Common Denominators of Success
High Touch Management Skills
Re-Dedication for Success

From the Chairman's Desk…

Ed Morrow

More Regulations! In addition to all the proposals from FINRA and the SEC the IRS now wants to get into the act — to broaden the scope of its control over practitioners. On June 5th, IRS Commissioner Doug Shulman announced he intends to propose a comprehensive set of recommendations to ensure "uniform and high ethical standards of conduct for tax preparers" in order to increase taxpayer compliance.

Some of the potential recommendations of the IRS include a new model for regulation of tax preparers, as well as increased service, outreach, education and training of tax preparers, along with stepped-up enforcement to deter tax preparer misconduct.

Shulman will submit the recommendations to Treasury Secretary Timothy Geithner and President Obama by the end of the year. He claims that, "Tax return preparers help Americans with one of their biggest financial transactions each year. We must ensure that all preparers are ethical, provide good service, and are qualified. At the end the day, tax preparers and the associated industry must be part of our overall game plan to strengthen the integrity of the tax system."

Not to be outdone, the new head of SEC, Mary Schapiro, has proposed changes to the custody rule for federally Registered Investment Advisers that would subject them to a yearly "surprise exam" by an independent accountant if the adviser has asset management fees deducted by a third-party custodian.

Client Re-Distribution. That means clients leave one financial advisor or vendor and take their business elsewhere. Why is that an estimated 40% of the American consumers are likely to make this switch? Lack of attention! Everyone understands about the market meltdown. No one is happy about it. But the reason consumers will switch is lack of communication.

Have You Touched Them Lately? All of the studies indicate a need for advisors to drastically step up the rate of contact with clients — or risk the loss of their business and their future referrals. Van Morrison and Rod Stewart made the song ***Have I Told You Lately?*** popular in its second reprise, after Elvis performed it in the early seventies.

Plan some simple touches to take place while you are arranging for more comprehensive and personal contact. For example, on page 21 there is an ad for a Mid-Year Planning letter and 4-page memo, for only $145. You could also plan to send a Financial Independence card or letter to all clients on the Fourth of July. And by all means plan to design and send a Labor Day card in September.

Economic Stimulus in China. Last month, at the invitation of the Chinese Institute of Certified Financial Planners, I visited Beijing, Shanghai and the city of Nanning. I saw the Bird's Nest Athletic Stadium in Beijing and went on to the playing field to see an illustration of the flag wavers. In Shanghai everything was being re-built and re-furbished for the forthcoming World Expo in 2010. Since I was invited to address an audience of financial advisors, I did my research on the small, rural town of Nanning in the southern province of Guangxi.

The official population in 2006 was 1,200,000 in the city and 3,200,000 in the province — ranking Nanning 51st in size. But Nanning has been growing. The population is now 6,480,000 in the greater city area. But I suspect that the city proper is only about 4,000,000. Nanning is a regional distribution center on the north bank of the Yong River, and a new high speed rail almost complete will soon shorten the connection time between Nanning and Guangzhou (the old city of Canton) from 13 to 3 hours.

From my hotel room I could count over 200 tall building cranes dotting the landscape, testimony to the future growth of the city. The streets are wide, bordered by shrubbery and trees and there are many parks, justifying Nanning's claim to be the "Green City of China."

Concerned about the possibility of a economic slowdown, the Chinese government is taking a capitalistic approach, one somewhat reminiscent of Franklin Roosevelt. The project to build 22 dams north of the giant Three Gorges Dam on the upper Yangtze River (the world's largest — originally proposed by an American) has been accelerated. Rather than start one per year, they are starting eight. All other money is being poured into the construction of bridges, dams, canals, highways, schools and public buildings. So when the money is spent, there will remain all the infrastructure improvements. Sounds like "trickle down capitalism" but of course they would never use that term.

I am sorry to relate that the Chinese Army is still in hiding. None could be seen anywhere. No truck convoys, no military jets overhead. Because there are more cars, there are more traffic police — who appear to be unarmed. Passage in the airports is swift and convenient. Their version of ATA is competent and polite, including the temperature check of all immigrants who might be carrying viruses.

The flight into Beijing was delayed because it left the U.S. late. The 24-member Japanese virus inspection team in Tokyo Narita airport was most meticulous in their haz-mat suits, gloves, goggles, temperature measurement devices and cameras. Medical inquiries and screening onboard the plane took nearly two extra hours.

Upon arrival four hours late, can you imagine processing through the Beijing Visa office at 3:30 am — one that had closed at midnight? The Chinese kindly re-opened the office, took photos, issued the visa, and then got a currency exchange booth to re-open since payment was required in RMB (People's Money). I was not required to remove my belt, shoes, cell phone or metal cufflinks. The immigration officer smiled, welcomed me to China, and joked, "Please spend lots of money here!"

Spotlight on IARFC Benefits

IARFC Brainstorming Session

Amy Primeau, Domestic Membership

I am frequently asked 'what makes the RFC different?' One of the things that sets the IARFC apart is something you won't find mentioned in our Member Benefits & Services book. You won't find it on our website. But if you get a chance to spend time with any other RFCs, you will quickly see that it is our membership itself that sets us apart.

For two years, we have been trying to get our course, the Financial Planning Process™, rolling. Attendance has been lower than we anticipated, and we keep looking at our marketing trying to get better results. We decided to call on those who know best what advisors in the field want — the advisors themselves. A brainstorming session was scheduled for May 7, and we started calling members who were nearby, hoping we would have six that were willing to come. We were pleasantly surprised to have 18 members tell us "Yes," they'd like to help. A couple had a change of plans leading up to the event, but our session still had 15 advisors present.

You're probably thinking we offered them a chance to meet Angelina Jolie or Brad Pitt. Maybe we offered a sizeable cash bonus for those who came. Why else would so many advisors take time out of their day to come to our office in Middletown? Many drove two hours each way, coming from as far away as Indianapolis and Columbus. They spent an afternoon with us — time they could have been spending with their clients.

The advisors came because they care about the organization. They are dedicated to their profession, and value the RFC® designation. We asked them to give us a few hours of their valuable time and share with us their ideas. We simply offered them a chance to help make a difference in the organization. It was also an opportunity to do a little networking with other RFCs. Their experience levels ranged from 16 years to 50 plus years in the field. If you added all of the years' experience together — **it would total more than 400 years of experience in financial planning!** This is just a sampling of our many wonderful, knowledgeable members; which is why our membership, while an intangible benefit, is what makes the IARFC different.

The brainstorming session gave us a lot of insight into why the course was not initially as successful as we like. We are considering ways to modify the course that would be more appealing to advisors. Options we are looking at include breaking the course into modules, extending the course over a longer time span, and making the software an optional, not required portion of the course. We are also exploring offering the course through universities, community colleges and adult learning facilities. Finally, we are working to get Broker/Dealers to either sponsor the course or mandate it for their Representatives.

The RFCs in attendance also gave us ideas to improve the effectiveness of our marketing. We are applying this feedback as we look at possible target audiences, as well as work to get referrals from students who have previously taken the course.

We are very grateful to the members who took time away from their practice to help us. Those attending were: Steve Bailey, Jeff Battles, Ben Evans, Brian Fenstermaker, Mike Moeller, Jim Moss, Bill Nelson, Paul Nenni, Don Oldham, Don Owens, John Pickarski, Jim Rudolph, Jerry Suver, Wes Sykes, and Debborah Wallace.

Thank you all for your time and your feedback. With your help, we can make the Financial Planning Process™ course a success!

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

Tele-Sales… Can It Work For You?

Whether we like it or not, change is here to stay in the financial services industry and we need to respond. The products improve and get more complicated to sell and the old stand-by door-openers for prospecting are changing too.

I recently interviewed an ***old friend in the LTC market, Phillip Gallant,*** who has developed a new sales model for increasing sales in his financial practice. It's worth considering if you're looking for an additional product for your agents or staff to start selling. If you're a sole practitioner, it might be a product to add to your sales arsenal. **What's a new door-opener for more LTC and financial sales? Final Expense.**

76% of the people in America who are 65 or better in age have no plans for their burial expenses and haven't thought about how to prepare for the costs that their family will have. As advisors we're seeing final expense advertising in our mailboxes every week. Rather than just deleting those messages, let's consider the market and how you might be able to take advantage of both the need for the product and getting in front of more prospects for the other sales you wants to make like LTC, mutual funds, annuities, etc.

1. **If you're recruiting** new advisors, teaching them how to sell final expense plans to prospects over the phone might be a great start. The new advisor can earn an income easily, and you can get an override on their business if that's your business model. The established advisor who's looking for a door-opener could easily devote a morning or afternoon to making calls.

2. **Final expense isn't a difficult product to learn how to sell.** Phillip Gallant has perfected the phone prospecting process with a well-structured sales presentation and gives ongoing training and coaching to his captive advisors and to other advisors who contract with his national organization to sell the final expense product he represents. Advisors who work with this process can easily earn $40-60K per year. Many individuals work from home selling just this product.

3. Final expense offers a **marketing opportunity** to a those persons also that bought term insurance and never invested the difference, or even worse, lost it and now have a need for some plain vanilla life insurance to pay for their inevitable final expenses.

Phillip Gallant's advisors typically sell 8-10 policies per week consistently over the phone. Could you make that work in your own office to generate more sales? Maybe you've been looking for a new system to help get more new prospects to walk through your doors. Even better, the first sale to a new client might be completed over the phone by a new staff member that you hire.

Perhaps, most important, the sale of financial expense coverage could this lead to more sales in your office: **Yes!** Here's how:

- **To find out more about final expense insurance and tele-sales prospecting,** first give Phillip Gallant of The Optimus Group a call and ask about his program: 518 688 9006.

- **Next, look within your database and identify your clients who are 65 or better in age.** Yes, they've been your prospects for LTC sales, but maybe calling them and asking if they've looked at final expense plans could be the door-opener that you haven't had before. Most individuals haven't looked at this insurance yet and the person over 65 knows that it's part of the planning they have to do.

- **Create a Focus Group** within your own office. Ask 15 of your best clients to come in for coffee and dessert one afternoon and ask them if they've looked at this type of insurance before. **Gauge their response to the subject of Final Expense.** Talk about estate planning concepts and what decisions the family will face immediately after their death. Listen carefully. For this Group, give them a **To-Do Check-up List** which would include updating the beneficiaries on their accounts (IRAs, annuities, mutual funds, etc), completing a review of their LTC plans. Their old LTC policies might need to be updated, or perhaps now they'll consider purchasing one! Their Wills might need to be updated, and perhaps you need to call on their attorney to remind him or her that you're on top of planning needs for your clients and you'd appreciate more referrals from them. It's impressive! With your Focus Group clients you'll be generating new appointments and staying positioned as the Proactive Advisor, **the BEST of the BEST. What client could ask for more?**

- **Finding new clients that need you.** The client who buys a Final Expense plan is the middle market person who needs help. Start with a Final Expense sale and then inquire about their other investments. You'll probably uncover old annuities that could be 1035'd into a better product, you might find CDs earning a very low interest rate, there might be inherited accounts that the individual has just not done anything with… yet.

Opportunities abound in the final expense market! Start by taking a step

CONTINUED ON PAGE 9

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TELE-SALES… CAN IT WORK FOR YOU?

back and look at what you can do to generate new business for your practice with a product that's easy to sell and needed by millions. Would 8-10 new final expense policies sold every week by a new agent in your office make a big difference to the revenues in your practice? And, if you can access a system that's already working, by hiring a new advisor to do tele-sales for you, you might be able to open up 10 new clients a month for even bigger sales than the final expense plan they bought as you opened their door. It's worth some consideration.

If you're a sole practitioner, 2 new final expense plans sold to new clients every week can generate 3 BIGGER sales to those same new clients after that final expense plan is issued. A Bonanza!

To learn more about the Final Expense Tele-sales, contact Phillip Gallant at The Optimus Group, 518 688 9006.

Wilma G. Anderson, RFC®

Wilma G. Anderson, RFC® and Investment Advisor Representative based in Littleton, CO is known as The LTC Coach and Critical Illness Coach and is America's leading LTC and Critical Illness sales trainer. She offers sales systems, DVDs, workshops, provides personalized coaching programs for Agents and insurance companies, and speaks nationally about LTC and Critical Illness. Wilma's new E-book for making successful Critical Illness sales is only $99!

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Efficient Technology
Document Information Sharing

There is a new world of technology emerging to support financial advisors in light of increased demand for additional, value-added services to clients. Competition, a word not often discussed in the financial profession, has driven the desire to deliver more to clients at a lesser cost. Perhaps, even more important, to be able to deliver services to clients with a minimum of complexity and a high degree of usability. A tall order, some would say. However, there are examples of such things already existing.

One such example is the 'client lockbox'. As a concept, it is fairly simple. It is, in essence, a password protected, encrypted and secure location where the financial advisor can upload and store documents and other information of relevance to a client. Items such as wills, trusts, powers of attorney and advanced medical directives form some of the legal type of documents that might be stored in such a place. Copies of business and employment agreements, executive compensation plans, passports, visas and other travel-related papers could also be stored there.

The value of such accessibility cannot be understated. There is the potential scenario where a client might be traveling overseas and lose their passport and/or visa. If this has ever happened to you, you are no doubt aware of how difficult and lengthy the process is to get it replaced at the US Embassy if you do not have a copy available. In the old days, travel agencies cautioned travelers to pack the copies in the luggage. But, if it is the luggage that is lost, what does the client do? In the case of the lockbox, it is simply a matter of visiting an internet cafe, downloading the appropriate document and then printing it for delivery to the Embassy. That could save days of pain and aggravation. Generally, with a copy, you can get your passport replaced within 48 hours.

But, there are many more ways for clients to benefit from a "client lockbox". Many financial advisors routinely upload quarterly investment statements to such lockboxes. And, some of the lockbox services offer the ability to auto-generate an e-mail alerting the client there is something new in the lockbox.

Several companies offer a lockbox service. In most cases, it is either tied to a client relationship management program or tied to a website service. In some cases, the offering is quite simple, in others way too complex. The major players in this space are Junxure ClientViewTM live, Advisor Products Client Portal, and other firms that have incorporated the lockbox feature into their software, such as eMoney Advisor. There is one company, however, that operates on a platform independent basis, that offers a sensible balance of features along with a simple, easy to understand and use interface, the Family Office Network®, **www.familyofficenetwork.com**.

The concept of the Family Office Network (FON) is simple, provide web-based document and information sharing that can be fully utilized by **both** the advisor and the client. FON can do all of the functions of the more expensive services such as file management. Sharing documents such as quarterly reports, financial statements, tax returns, wills, trusts and other types of contracts is a snap. As access is 24/7, anyone can use the service on their own schedule.

For the advisor, you can batch upload numerous files, share with other professionals and customize file folders to match the way your filing system works. The advisor has full control over who can access what with the knowledge that FON uses state of the art security and data protection methods.

This security extends to communications with clients. The advisor can use the system to request and remind clients to complete tasks, send clients encrypted e-mail for secure messages (yes, your regular e-mail is probably not secure), and FON complies with SEC and FINRA's e-mail retention regulations.

FON has account aggregation built into the system. The system, provided by Advisor Exchange, provides balances, positions and transactions updated daily. You can also utilize fully automated nightly exports.

One favorite feature of this software, missing from most all other offerings, is the password management service. This tool allows you and/or your clients to securely store and access business and personal passwords and numbers. Clients have the ability to store credit card numbers, Social Security card information and passports as well. Clients can choose to share/not share this information with the advisor. In today's world of password protected websites, this is a unique feature that adds a distinctive, understated value to your offerings to clients.

The Family Office Network permits the advisor to co-brand the site showing your logo and linking into your existing website. (no need to change providers) It also permits you to import and export data, such as client lists from Outlook or other CRMs.

Best of all is the mobility aspect of this software. It is fully available through the internet, which means you and/or your clients can access it from anywhere in the world. Some advisors may choose to load presentation materials, slideshows, important documents and other papers to show/deliver to a client at a remote location. With the SEC and FINRA having ruled on the acceptability of electronic signatures (some broker/dealers still do not accept this, check with yours), you could conceivably deliver a presentation and all applications, documents and deliverables electronically. You could even have the client sign the documents electronically with the use of a touch sensitive screen (Tablet PC or other), press a button and their copies are emailed to them automatically. (again, depending on Broker/Dealer rules and State and/or Federal regulations)

On a cheaper and probably less secure level, there is Google Docs **www.docs.google.com**. Currently, it is a free online word processor, spreadsheet and document sharing portal. The concept of Google Docs is simple, you can either create a basic document or upload one from your computer and then set sharing levels for either your clients or other professionals to view and edit. While far from

CONTINUED ON PAGE 11

CONTINUED FROM PAGE 10
EFFICIENT TECHNOLOGY

the sophisticated and secure environments of such services as the Family Office Network, Google Docs can act as an online document storage and retrieval, making access to select documents and information that much easier. You are able to save and export copies in a variety of formats including DOC, XLS, CSV, ODS, ODT, PDF, RTF and HTML formats. Additionally, you can organize your documents using unique folder names that could match what you already are doing on your local computer. You control who can see your documents, the whole world, a few people or no one. It is up to you. You can also un-publish at any time. For the smaller firm on a tight budget, this might be one way to create a document sharing environment with trusted colleagues, professionals and/or select clients.

The advantage of using such sharing environments as the Family Office Network and, to a lesser extent, Google Docs is no more lugging around 50 pounds or more of client files, applications, prospectuses, etc. You may even save a few trees along the way. Oh, and maybe this state-of-the-art approach will prove to be impressive with your referral-generating clients.

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Cato Comments – About Your Image…

Afraid, Evasive or Scared!

Has your secretary been instructed to **carefully** screen all the incoming calls you receive? When your staff answers your phone are they very cautious and guarded? Has the person who first "talks" to people who call your office been instructed to "not be very responsive" unless the caller is well known?

If this is SOP (standard operating procedure) at your place of business, then I ask you the following question. ***Do you do this because you are busy and important or because you are hiding from collection agencies, process servers, investigators or unhappy clients***?

The impression this type of phone reception gives is that you are hiding, scared, and seek to avoid un-expected callers.

Right now you can call **Henry Kissinger's** office, or the office of any responsible professional. A polite, intelligent and friendly person will answer your call and appropriately screen your call without acting like she is protecting Mister Kissinger from a potential maniac. The person answering the phone will be of assistance and not act like a guard in a blocking position.

How is Your Phone Answered?

Routinely I get calls from people who do not even introduce themselves. Often they just say "Send me stuff on what you do." But usually they are not intelligent enough to say, "Please send me information about your services." Then they leave their phone number. No address. I then search for them under memberships at IARFC, NAIFA, FPA, etc., but this takes lots of time. Usually they are not listed as they have no significant designations.

So I call the number and ask for their mailing address. ***I have learned that most agents and planners who call in such a clumsily manner are barely scraping by and cannot afford anything from anyone.*** They do not invest in themselves.

So to avoid wasting more time I ask the person who answers their phone (often their wife or a teenager) for the caller's address so I can send a written explanation of my services. But the person who answers the phone often refuses to give me the address.

Why are they afraid to give a caller their address? Would you do business with a planner or agent who refused to reveal his or her address? Not only does the person on the other end-of-the-line refuse to divulge the address, but that person also will not tell me if the person I am calling is an insurance agent, or a financial planner, what services they offer, or the number of people working there. They volunteer nothing and reveal nothing. They appear to be very suspect.

I've learned that these people are not worth dealing with as they are always a waste of time. Rather than give me the most basic of information, or allowing me to speak with the person who first called me, they ask me for recommendations from people I work for.

Of course, this behavior is rude and places me on the defensive. I promise every client that I will remain a low-profile background member of their team. My work for him or her is confidential. This is written into my engagement agreement. To use my clients as a reference I must first obtain their permission. This requires still more time.

So, I tell the person on the phone that my website has over thirty current references, but this is rarely sufficient. Those more than thirty people can easily be contacted.

When I ask the caller for references in return I am always promised their references. "Sure. Of course! No problem. How many would you like?" ***But I have never received one single reference from a single one of the people who require references from me.***

When You Appear Suspicious – You Are!

On occasion, these people who do not give-out their address over the phone also have websites that may include their address. These websites are always canned sites where they fill-in the copy with vague and guarded content, like, "I've been in business a number of years." and "We specialize in serving the area." Note that both of those two claims are meaningless.

One reason for routinely not accepting calls, or not giving-out addresses over the phone, may be to avoid a proposal from a salesperson. Why would sales people who do this on a day-to-day basis not allow others to do this with them?

Obviously the people who act as I have described above are indeed the industry losers they appear to be. I cannot understand how they stay in business or why anyone would trust them or do business with such ignorant types.

Actions for You

You are listed on the IARFC website. Update your profile and be sure you have an appropriate photo. Then you and your staff can offer that as a place for callers to learn more about you.

You probably have a website. If not, go to IARFCwebsites.com and check out the powerful website you can get on a discount basis. Edit the credentials and firm identification portions carefully. This is a great opportunity to brag on yourself without seeming too egotistical.

Develop a one-page Advisor Profile. If you don't have one, I'd be happy to send you one, or contact: **editor@IARFC.org**

Prepare a small brochure on you and or your firm. This does not need to be a big undertaking, just write it carefully and have at least two photos, one of you in a traditional pose, and the other in a more relaxed, planning mode, in your office.

CONTINUED ON PAGE 13

CONTINUED FROM PAGE 12 CATO COMMENTS

Coach your phone answering staff to always be friendly and assume that all callers will want to invest with you. Because that might be why they really are calling!

Forrest Wallace Cato, RFMA, RFC®
Cato says, *"You can cut a greater figure."*

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.

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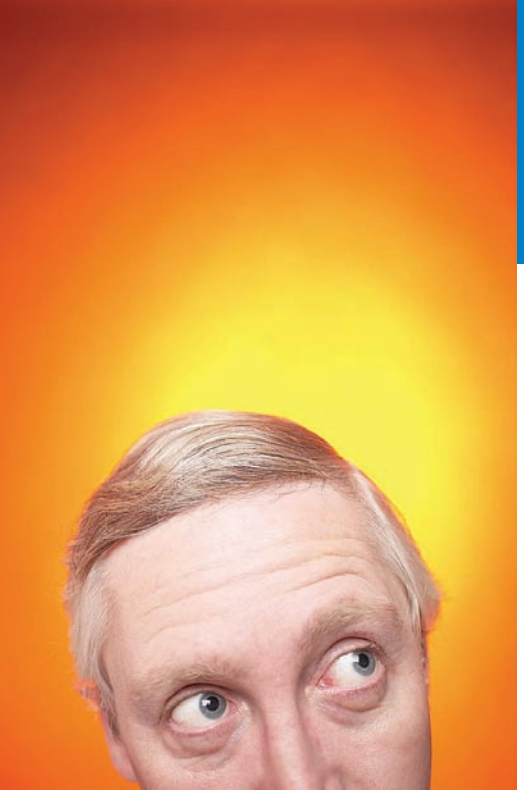
Listening Eyes



How many times, as children, were we told to "put on our listening eyes"? What, you never heard that phrase in school? That's unfortunate, because it is something that now, as adults and especially as financial advisors, we need to understand and commit to memory. The students of the Financial Planning Process™ (FPP) course learn quite well what it means to use their listening eyes and how this will make them more successful in their careers.

When it comes to the financial planning process, the step that most clearly takes advantage of the listening eyes concept is the gathering information or fact-finding stage. It is here that it is most important we learn and utilize the skills taught in the FPP course. It is in this step that a planning engagement can be made successful or a waste of both time and energy. Which outcome would you rather see occur?

Despite what we have all been taught, the ultimate goal of any good fact-finding session should not be the gathering of facts. It should instead be the cementing of a relationship between the client and the advisor. This is the time in the financial planning process that you, as the soon to be "most trusted advisor", can show the client just how worthwhile it is to have someone of your expertise working for them. This is where the client goes from a customer to a full-fledged partner in the planning process.

When it comes to discussing how the concept of listening eyes enters into our profession, perhaps it is best to look at the two words separately first. We'll start with listening and how this skill can best be utilized by the financial advisor. As with any new skill, there are certain things we can do to ensure that we are gaining ground. Listening is a skill that is far too often overlooked in our busy business environment. Real listening is an active process that has three basic steps associated with it including hearing, understanding and discerning.

Hearing is simply the act of listening enough to catch what is being said by the speaker. This is far too often the most common thing that we as advisors do during the information gathering process. We are alert enough to know when the person has stopped talking so that we can move on to the next question on the fact-finder, but we don't really listen.

Understanding is what occurs when we take what we have heard and comprehend it in our own way. We are able to process the information, analyze, and repackage it in our own words. This is where the idea of reflection and paraphrasing come into the picture. It becomes important that during the information gathering stage you make it clear to the client that you are both awake and interested.

During the FPP course, time is spent on the idea of note taking and the importance of providing the client with a copy of the notes. This allows all parties to be sure that what was said is the same as what was heard. This is the final step in the listening process which is discerning. You as an advisor take on the role of a judge. After you are sure you understand what the speaker has said, think about whether it makes sense. Do you believe what you've heard? Is there something missing or something that appears to be out of place during the conversation? These are all decisions that you as the listener need to make.

When it comes to listening, there are some things we can all do to make ourselves better at this skill. These include:

- Focus 100% on the person speaking
- When your mind wanders, make eye contact with the speaker
- Take notes and write down what you hear word for word
- Quiet your body and your mind and keep them both from speaking
- Delay judging what you hear
- Verify that you understand what has been said

Do you still have your listening eyes on? Good. Let's talk now about the visual part of listening; the part that is all too often overlooked by even the most experienced advisor. When it comes to listening, we rely too much on our ears and not enough on our eyes. The whole idea behind listening eyes is to share equal time between the two senses and allow both to work for you.

When we are meeting with a client, it is vitally important that we remain cognizant of the non-verbal clues being provided. It is these clues that will help you differentiate between what is being said and what is really meant. It also aids you in determining how a couple might actually feel about the topic you are discussing at the moment. Are they fidgeting while they listen to you talk? Is one spouse nudging the other spouse? How are they physically seated during the meeting? Are they sitting back or leaning forward? These are all things to be considered as part of using your listening eyes.

During the Financial Planning Process™ course, time is spent discussing the ins and outs of proper physical set-ups for both offices and meeting rooms. It is by the use these techniques that full disclosure can be achieved. You will learn more about a couple by watching them during the data gathering stage than you will by just listening to the words coming from their mouths. As the old

CONTINUED ON PAGE 15

CONTINUED FROM PAGE 14
LISTENING EYES

saying goes, the eyes are the windows to the soul. In the case of the financial advisor, the eyes are the infrared cameras that can see through the haze that is the typical conversation between an advisor and a client.

The time spent honing the visual side of your skill set will pay you back many times over by allowing you a clearer understanding of your clients. This investment in time will lead to a stronger relationship and truly loyal and satisfied clients. These are the customers that will provide you with a never-ending supply of referrals and introductions. Just the kind of benefit we want and it comes from simply using our listening eyes.

If you want to learn more about what we do in the Financial Planning Process™ course and how it can help your practice let me know. I look forward to seeing you in class and helping you focus your listening eyes.

Jim Lifter, MBA, RFC®

Jim Lifter, MBA, RFC®, the IARFC Education Director, has an undergraduate degree from Ohio State University in Marketing and an MBA from the University of Dayton. He holds the RFC designation and is responsible for coordinating the development and distribution of the new RFC courses.

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What's your client's life expectancy?

When you're planning for Boomers and Seniors, it's all about making sure their money lasts as long as they do. You're at a serious disadvantage if you don't know whether your client is likely to live to age 70 or to age 102.

It's hard to plan for a risk you can't define.

Now you can get better information to make better plans. Find out about 21st Services' **Customized Longevity Planning Report™ – including the easy-to-use online version.**
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Make a better plan. Base it on a Customized Longevity Planning Report™. Now available online.

Go to www.21stServices.com/rfc. Or call 877-317-3008.

Mastering Your Business in a Down Market

Why a Sound Budget Means the Difference Between Profits and Disaster

Events since September of 2008 have been hard on the financial services industry. There has been a massive restructuring of the brokerage companies. Independent Broker/Dealers have been challenged with significantly lower operating revenues. Many RIAs have seen their top-line shrink significantly. Beyond this, the markets themselves are showing a lot of uncertainty.

Top advisors are contacting their clients far more frequently, evaluating different investment strategies, and looking for new clients from other advisors that are have not built strong, long-term relationships. After all, what is it that fundamentally, that as financial advisors, we do for our clients?

- We position their assets to help them reach life objectives over the long haul.
- We help them set realistic expectations of what they can afford to spend.
- We offer them solutions that help protect their lifestyles.
- And much more…

This series of articles is designed to help you create the same results for your largest asset: your own company! I will cover:

1. Why Budgeting Means the Difference Between Profits and Disaster
2. The Difference Between Discretionary and Fixed Expenses Can Make You a Lot of Money
3. Why Paying Yourself A Salary Is Your Only Option
4. Three of the Five Ways You Use Profits Are Really Expenses. Allocating Them Correctly Is The Only Way To Financial Stability
5. The Only Way Bonuses Can Multiply Profits
6. Putting It All Together

Why Budgeting Makes the Difference

Budgeting will determine whether you are blessed with **profits** or plagued with **disaster**. Very few advisors, even multi-million dollar producers, take the time to create an annual budget for their business and track their performance against it monthly. This was one of the reasons our market surveys assessing the eight disciplines of running a financial services practice always averaged an "F" grade in fiscal management. The size of the practice did not matter: most multimillion-dollar advisors fared no better than solo practitioners.

There are probably many reasons why even the top advisors are not managing their business' money as well as they manage their clients' investments: "Too busy finding and meeting clients", "I know when I am making money", "We know what our production targets are…", "Who has time to review numbers every month". Perhaps the most basic reason may be a fear of not knowing how to create a budget! Building a budget for a financial practice is much different from constructing one for a family.

Not having a budget has many pitfalls. You do not know where the "nickels and dimes" are falling through the cracks each month. Discretionary spending (such as on marketing or prospecting) is done from a guess or gut instinct. Even if you sign every check, do you review the itemization of each credit card bill to know were your costs are really going?

Groucho Marx once said, "Oh, I know it's a penny here and a penny there, but look at me. I worked myself up from nothing to a state of extreme poverty." I have seen how driving yourself to increase revenue, particularly in a long Bull Market, can leave businesses in Groucho's condition, especially when the Bull turns to a fierce Bear.

Just so no one can offer this last excuse, (not knowing how) lets go through what it takes to build a budget. The first step is understanding what line items belong in a budget and which do not.

Step 1 involves looking at Profit and Loss reports generated from your accounting software. I would want you to review this month by month for the previous year, a year-end total, and a month by month for the year to date. Next, look at each of the line items. Is there too much detail or too little? For example, do you want to track each Client Event (the barbeque, the baseball game) as a unique activity to monitor the results, or do you want to bundle them all under "Marketing"? We prefer to track them separately so we can see what is working and what is not. Expand or shrink the line items (this is actually part of the Chart of Accounts) to the level that makes sense to you.

Step 2 is reorganizing the line items from the Chart of Accounts into an order on the report that makes it simpler to understand. You want to have three main categories:

- **Revenue** — List each of the types of revenue (or refunds) that you want to monitor. List them in the order that makes sense to you. These will probably include commissions, fees and other sources of income.
- **Variable/Discretionary Expenses** — Typically this includes commissions you pay to others, marketing, advertising, events, and public relations. They are variable based on revenue (e.g., commissions generated by reps working under you) or they are Discretionary, you chose to invest capital in them, you are not required to spend money on them (e.g., client events are Discretionary, the office lease payment is not). List these in the order that makes sense to you and group like items together.
- **Fixed Expenses** (usually called General and Administrative). These items include all "required" payments to operate the company. This usually means the facility, utilities, telephone, technology, wages, benefits, taxes, office

CONTINUED ON PAGE 18

An Example of a Good Chart of Accounts for Your P&L Statement

Revenue

Advisory Income	_____	Life Insurance	_____
(AUM) Securities	_____	Misc. Insurance	_____
Fees	_____	Other Income	_____
Interest Income	_____	**Total Revenue**	_____

Variable/Discretionary Expenses

Client Appreciation Expenses	_____	Promotions	_____
Advertising, Public Relations	_____	Publications	_____
Commission PJK	_____	Travel & Entertainment:	
Commission CLD	_____	Car Rental	_____
Commission VFH	_____	Entertainment	_____
Marketing, Events	_____	Fuel & Oil	_____
Marketing, Materials	_____	Lodging	_____
Marketing, Other	_____	Meals	_____
Postage, Shipping	_____	Travel	_____
Printing & Reproduction	_____	**Total Variable/Discretionary**	_____

Fixed Expenses

Amortization Expenses	_____	Office Supplies	_____
Advertising – Employment	_____	Overhead Reimbursement	_____
Automobile Expenses	_____	Postage & Delivery	_____
Automobile Fuel & Oil	_____	Postage & Delivery	_____
Automobile Tolls	_____	Professional Development	_____
Bank Service Charges	_____	Professional Fees Accounting	_____
Contract Services	_____	Professional Fees Legal Fees	_____
Contributions	_____	Rent	_____
CPE	_____	Repairs Building Repairs	_____
Depreciation Expense	_____	Repairs, Computer Repairs	_____
Dues & Subscriptions	_____	Repairs, Equipment Repairs	_____
Equipment Rental	_____	Repairs, Janitorial Exp	_____
Insurance Auto	_____	Retirement Plan Match	_____
Insurance Boat	_____	Salaries & Wages, Principle	_____
Insurance Disability	_____	Salaries & Wages, Team	_____
Insurance E&O	_____	Software Fees	_____
Insurance Liability	_____	Staff Expense	_____
Insurance Professional Liability	_____	Taxes Auto Tags	_____
Insurance Workers Comp	_____	Taxes Franchise	_____
Interest Expense Finance Charge	_____	Taxes Payroll	_____
Interest Expense Loan Interest	_____	Taxes Property	_____
Interest Expense Mortgage	_____	Telephone, Land Lines	_____
Internet Expense	_____	Telephone Mobile PJK	_____
Lease Expense	_____	Telephone Mobile General	_____
Legal & Professional	_____	Telephone Mobile Other	_____
Licenses & Permits	_____	Utilities	_____
Meeting Expense	_____	Utilities Gas & Electric	_____
Miscellaneous	_____	Utilities Water	_____
Office Furniture	_____	Other Expenses	_____
		Total Fixed	_____

supplies, furniture and fixtures, travel, continuing education, licensing, and all the other small but critical elements you have to pay every month. List these in the order that makes sense to you.

Now that you have three lists of items, modify your accounting software's Profit and Loss Report to show the items and their group totals to reflect your lists.

This is rarely the way the P&L reports are set up. Why? The line items in the Chart of Accounts provide your CPA the information they need to make it easy for them to do your taxes. Typically these are not organized in a way to help you manage your bottom line. They are usually not set up to make it easy for you to assess expenses against the revenue. Items grouped along tax issues may not provide the individual information you need for the fiscal and asset management of your practice. A long report with a lot of lines is not easy to understand, and a short one with insufficient detail makes building a budget extremely difficult.

Now that you have your "enhanced" Profit and Loss report we need to do some arithmetic. Write down the average in each line item of the previous twelve months. That number becomes the baseline for building the actual monthly budget for each financial event in the company.

Finally, evaluate each line item. Should the number remain the same, or should it grow/shrink in the coming twelve months? Your conclusion becomes the monthly budget for that item. Make sure that your Profit and Loss report shows the budget value as well as the monthly and year to date numbers. Now you have a performance foundation to assess the company by! Review this every month once the previous month's data has been entered. This and other reasons is why I created FlexBudget®, a powerful software tool to simplify fiscal and asset management for financial advisors, moving them from "reactive" to "proactive" management of their company's assets.

Is All This Really Necessary?

Is having a budget practical? What can it actually provide to you, the principle in your company? Here is a true story:

A successful partnership became a client of ours. Both financial advisors, Scott and Bill*

CONTINUED ON PAGE 19

were very good at what they were doing, though they were different in how they went about fulfilling their jobs. This was a result of a difference in their Kolbe A® profiles, but they had created a great strategy for growth through acquisition of financial services practices.

After a few years, as the number of team members grew, typical practice management issues began creating challenges in the operations of the company. They were in a lot of pain. That is when we were called in. They had hired an experienced individual, Emily, who had a great background in consulting, focused on corporate efficiency. Tired of that profession, Emily wanted to build a book of business, but needed to supplement her income while the size of her book grew. Here is where the challenges came.

Scott did not want to pay much for Emily's help putting the operations of the practice in better shape as an office manager. In his mind, this was money coming out of his own wallet. Bill understood that the company's growth would cease, and the client experience would "go south" if Emily was not fixing the operations, and did not feel "right" about putting such a load on Emily without compensating her fairly for her efforts.

Why was this our first discussion? The fiscal management of the company consisted of the partners doing a "split" with what was left over in the checkbook at the end of the month. The financial reports, particularly the Profit and Loss Report, were nearly impossible to decipher, and the concept of a "budget" was out of reach. They had no idea how much money they were spending to manage this $2 million dollar branch.

After reorganizing their reports, and building a budget, we were able to show both Scott and Bill that a reasonable salary for Emily combined with increased efficiency in the paper work actually produce a positive cash flow in two months, and measurably increased profitability in four months! In four months they would have a complete financial turnaround, even paying Emily a reasonable salary. Any additional income from building the new book of business was additional margin to the company. The partners were not lacking new client opportunities from their acquisitions, so the assumptions seemed sound. Even Scott was impressed, once he could see the numbers and they agreed to pay Emily a salary to "get them organized".

Emily lived up to her reputation. Six months later the results were completely validated. Efficiency had grown, (a result of managing and dealing with human resource issues), client appointments went up, revenue grew, and the creation of a Emily's new book was well under way. In addition clients were so happy, they could withstand the market downturn. Personal income was up for the partners, and they understood how their budget defined operational objectives, and how to better leverage the assets (which now included the expenses) of the company.

Today they are facing a new challenge. The new book has grown large enough that there is not enough time for Emily to effectively be the office manager, even in today's down market. Hopefully, making adjustments to their budget will provide a part of the insight into a smart next step — hiring another person!

**Not their real names.*

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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A Question of Ignorance

"Better to remain silent and be thought a fool than to speak out and remove all doubt."
Abraham Lincoln

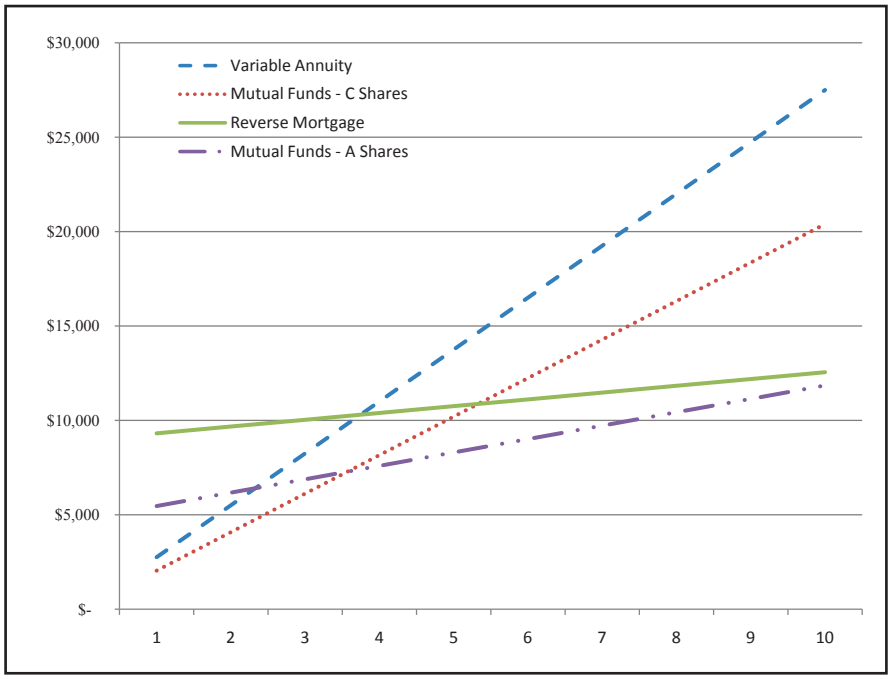
As a young stockbroker, one of the best pieces of advice I ever got from a sales manager was to never say "NO" for a prospect or client. He went on to say that if you have a client or prospect that isn't going to buy something then you owe them the right to make that decision, and they owe you the courtesy to tell you that they aren't interested. Then he finished that thought by saying that producers who automatically find reasons for their clients not to go with any product or idea that they (the producer) personally didn't come up with are on the fast road to mediocrity.

That was many years ago and I don't remember the name of the sales manager who gave that advice, but I do know that it was, and still is, priceless. I can't begin to count the number of producers I have met over the years that have given reasons why they won't present a product or advise their clients not to buy something even though they have never investigated that which they are denouncing.

One of the big differences between a professional and a product pusher is that professionals give advice based on pros and cons about things that they have taken the time to learn something about. We don't have to go that far back to see a classic example of a product that far too many producers and advisors recommended against without ever giving any thought to. Back in the early nineties when long-term care insurance was being introduced on a large scale, far too many financial advisors, along with accounts and estate-planners, told their clients they didn't need LTCi. That, of course, has proven in a reality short period of time to have been bad advice.

The truth is that they didn't know anything about the product and their reasoning was faulty.

Some of the reasons many "advisors" used to so easily discard the idea of LTCi were that LTCi policies were far too expensive, or that the odds of their older clients ever needing long-term care at any time in the future. Then, there was my personal favorite that there was no need because their clients had enough money to cover the risk out of pocket. I find it extremely interesting that many of those nay-sayers are today telling their clients that long-term care is one of, if not the biggest financial risks they will face during retirement and that not planning for a possible long-term care need would be negligent on their part.



The chart is based on the actual data generated for my mother-in-law

Today, we have another senior market place product that also brings up a lot of negative talk particularly from people who have never taken the time to do any research on the subject. What I am talking about are reverse mortgages.

The truth is that this time last year I didn't know much about reverse mortgages myself. Then I took the time in investigate this product and after months of research I came to the conclusion that almost all of my original opinions were wrong! Well, not so much wrong as uninformed.

Most important is that after completing about six months of research and self study, I ended up making a number of corrections in my original positions, and like most people I don't relish the idea of having to admit that I was wrong. Nevertheless, facts are facts and the fortunate part of the whole exercise is that it forced me to grow professionally which more than made up for the bad taste eating crow had left me with.

One of the interesting things I learned was that the equity in a home is almost never realized (received or used) by the people who spend years working to build it up, but rather it is only realized by their heirs after they die. That being the case, we have to consider that the rewards of all that work is, in many cases, only ever realized after they are dead, hence "dead equity."

I also learned that, in most cases, we think of a reverse mortgage being taken out by a lonely single old lady who needs a few dollars to get by. Whereas the truth is that wealthy seniors with homes worth $500,000 and more can take advantage of the ***tax status*** of the income that reverse mortgages offer and end up making a tremendous difference in their overall tax burden.

One of the major issues that are perceived to be so negative when it comes to reverse mortgages is that the person taking out the mortgage will lose their home and end up with no place to live. When I was able to

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merge the facts about reverse mortgages with data I had known for years about long-term care. I reached a conclusion based on realistic statistical data; the chances of someone actually losing their home because of illness or a need to stay in a medical or long-term care facility is next to nonexistent.

Another one thing that really surprised me was the **cost factor**. Like many people, I assumed without any relative consideration that reverse mortgages were way too expensive. However, after looking into the subject and doing some actual math that was relative, I learned (somewhat to my surprise) that they are, in fact, very competitive. Not only that but the longer a person lives in their home, the more competitive the overall cost of maintaining a reverse mortgage becomes when compared to the ongoing expense one has to absorb from comparative investments.

Do the Math

This mathematical comparison, and the conclusion I was able to draw from it, really hit home because the data I used wasn't just assumptions, but based on the actual information gathered from my mother-in-law's pre-reverse mortgage due diligence. I took the $100,000 she was planning to take out of her home via a reverse mortgage and compared it to the cost she would have over ten years if she bought either A or C share mutual funds, or a variable annuity. The mutual funds and variable annuity costs I used were taken from published data found in the prospectuses of the mutual funds and variable annuity, all presently available in the marketplace and all three of which I have either sold or personally owned.

Now here's a point I want to make that will more than likely get me some negative emails: I do not believe that insurance — based financial advisors should ever be remunerated for a reverse mortgage, in any manner. That doesn't mean that you shouldn't know about how they work and how the funds they generate will affect your clients' overall portfolios.

In closing, I want to reiterate the point I have made with far too many producers. Regardless of what many producers have tried to convince me of, I have yet to see any convincing evidence that it would ever make sense for a person to take out a reverse mortgage and put the funds into any equity investment or a variable, fixed or immediate annuity. It is my opinion that recommending reverse mortgages in order to generate funds for investing purposes only is wrong.

Having said that, I must also say that I have seen cases where using funds generated via a reverse mortgage in order to put those same funds into certain life insurance policies, life-long-term life insurance policies and long-term care annuities not only made sense, but were in fact very good alternatives.

Jonathan Neal, RFC®

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Social Networking

The Five Biggest Mistakes Nichpreneurs™ Make

Financial professionals who have defined their target market as certain niches can be referred to as "nichepreneurs." They are seeking certain types of clients that can be described by demographics or special interests. This can make for major economies (of time and money) in the marketing plan.

Over half of all Americans between the ages of 15-34 consider themselves active social network users. They regularly visit well-known social networking sites, such as Myspace or Facebook, or log onto specialty social networks, like Ravelry (devoted to the fiber arts) or grouprecipes (for the foodie set). While industry research tells us that television watching is declining, especially among this age group, social network use is on the rise. Average users spend seven to eight hours a week online.

This time spent on social networks clearly affects buying decisions. An estimated forty percent of all social networkers say they use social networking sites to learn more about brands or products they like, according to greenbiz.com, with twenty-eight percent saying they've had a brand or product recommended to them by a friend.

The message is clear. Strategic use of social networking can help a company grow. It's an effective use of target marketing, reaching out to one's customers where they are.

However, in order to capitalize on social networking's power, you have to do it right. Execution is everything. Make no mistake. Every time you log onto facebook, myspace, or other social networking platform, you're representing your company in a very visible arena. The world is, quite literally, watching.

There are five common mistakes business owners and professional advisors make when it comes to social networking. Here's what they are — and more importantly, how to avoid them!

Dismissing Social Networking as "Just a Fad"

Social networking may have emerged as a phenomenon only recently, but it is a manifestation of something as old as time — word of mouth! Customers value the opinions of colleagues, relatives, peers and friends above almost anything else. This has been true for generations. Social networking has merely expanded the definition of friend.

Technology has made it easier to communicate with more people than ever before — a person could have hundreds of friends they've never once met in person. That's a power and a privilege that no one is going to let just fade away.

Mistaking Social Networking for Advertising

Social networking is a form of relationship marketing. It works best when you view it as an opportunity to build your brand, a prime platform to let your customer base know who you are and what you represent.

At the same time, you've got a fantastic chance to learn about your customers. If you actually stop and read what they post, you'll learn a tremendous amount about who your customers are and what's important to them. Where else do you get your customer's pure, unvarnished opinions served up to you on a silver platter?

Don't spoil this prime market research opportunity with unwelcome advertising. It's fine to let people know you're in business, but that can't be the only thing you bring to the conversation.

Failing to connect online interaction with real world consequences

This mistake is often a generational problem. Professionals who grew up before the internet became such an omnipresent force can have a hard time understanding how words on a computer screen can have real consequences on the every day course of business.

Compounding the problem is the fun, freewheeling atmosphere prevalent on many social networking platforms. It's easy to forget the potential results when the commentary's flying fast and furious. However, your words can come back and haunt you later. Remember — it all counts! The days where an organization can dismiss poor behavior with "it's just the internet" are long gone!

Using Sock Puppets

Sock puppets is the term applied to social networking accounts that are created with the intent of hiding the poster's true identity. Individuals often create sock puppets in an effort to avoid the real life consequences discussed in mistake number three!

Sock puppets can be used to boost, support, or defend a company's position. Conversely, they can be used to tear down, disparage, or make negative commentary about a competitor's organization, products, or services.

Either way, it is a bad idea! Many denizens of social networks are incredibly tech-savvy, and it won't take them long at all to discover who is really behind a string of negative or hostile commentary. Exposure can be a public relations nightmare.

Honesty is the best policy. Either be willing to own your commentary, by posting under your own identity, or don't say them at all!

Overestimating Social Networking's Role

Social networking is powerful. It is influential. It is, in many cases, free to participate in. However, it is not the end all, be all solution to your marketing needs. While it is tempting to try to solve many of

CONTINUED ON PAGE 23

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your marketing challenges with social networking, it is important to remember that social networking is a tool, not the only tool.

Use social networking efforts to augment your existing marketing efforts. There are small, start up companies that market themselves solely via social networking. However, this is a self-limiting strategy: even if you reach every single person on that network, you're still missing out on a large number of potential customers who never log on.

Learning New Terminology

Financial professionals who have defined their target market as certain niches can be referred to as **"nichepreneurs"**. You should be seeking certain types of clients that can be described by demographics or special interests. This creates efficiencies in your marketing plan.

Keep your perspective. Social networking might not eat into your budget, but it does take time. Realize that at best, social networking can significantly augment and enhance your marketing and promotional efforts — but it will never wholly replace it!

Susan A. Friedmann, CSP

Susan A. Friedmann, CSP, The Nichepreneur Coach, of Lake Placid, NY, is an internationally recognized expert working with service professionals to increase their niche marketing potential. She is the author of *Riches in Niches: How to Make It Big in a Small Market* (May 2007) and *Meeting & Event Planning for Dummies*.

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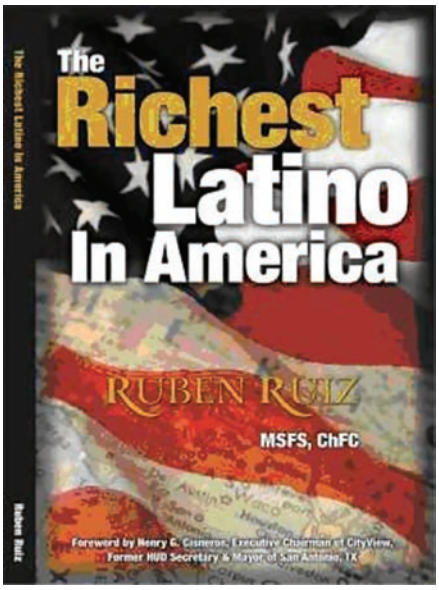
The Richest Latino In America
by Ruben Ruiz, MSFS, ChFC, RFC®

In the story of 'The Richest Man in Babylon' everyone wanted to know how he was able to have so much wealth, and his answers were very simple Principles of Saving & Investing. Put away 10% of your earnings. 'The Richest Latino in America' is the 21st Century book on the principles of savings & investing. But the new book is a first, a Parable-Self-Help Financial book with over 30 characters that will make you laugh, think, and understand the principles. It is the book that will get you 'new clients', because you will help them understand how to transfer their paycheck to net worth, and create a structured system of monthly cash flow management. Send the book to a prospect and then set up an appointment to review the book and turn the prospect into a client. Ruben Ruiz, MSFS, ChFC, CLU, RFC®, CSA is the award winning author.



The book has won several book awards, including best 'Business Book', Reference Book', and 'New Age' book. The award winning book puts dry, boring texts firmly in the past where they belong and offers readers the opportunity to learn how to build net worth & financial independence without having to thumb through pages of facts and statistics better suited for a college classroom. Many of the financial self-help texts currently on the market are so complex and uninspiring that Americans find themselves struggling to read from one cover to another, and they lose interest long before they've been able to successfully implement the techniques they teach.

To order one book or volume orders info for prospecting, contact Amanda:
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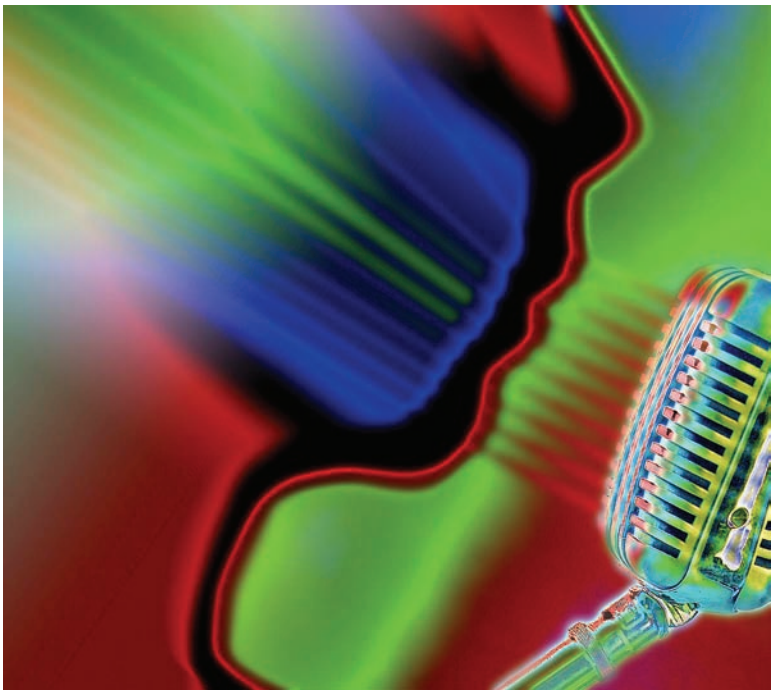
Dear Mr. Fantasy

'Dear Mister Fantasy play us a tune
Something to make us all happy
Do anything take us out of this gloom
Sing a song, play guitar
Make it snappy'

My thanks to the inspiration of Steve Winwood and the band, Traffic. If you want great music, you go back to the sixties. Anyway, I was thinking of the real life Mr. Fantasy — Ben Bernanke. Since taking over banking, car production, gold and silver shorting, monetary debasement, insurance companies, and the government, he still has time to make up outlandish lies. What a busy guy!

The last word from the Fed was they had no interest in running a car manufacturer. Meanwhile, they were busy acquiring ownership via board control in GM stock. They weren't interested in running banks. Meanwhile, Bernanke was busy threatening Lewis, the CEO of Bank of America, with a pink slip if the poor fellow didn't hand over the keys to the vault and do what he was told.



Of course, Mr. Bernanke is just doing what we want. We can't take the truth. We can't take reality. We can't take honesty. That stuff could make the stock market go down. We prefer fantasy. Play us a tune. Do something to make us all happy. Do anything to take us out of this gloom. Sing a song, play guitar, make it snappy. And so he did!

Fuzzy Accounting

Mr. Fantasy forced a change at the heart and soul of our investment world. That dastardly Bush administration forced us back to reality in 2007 with the so-called 'mark to market' accounting standard as dictated by the FASB (Financial Accounting Standards Board). Very simply, this rule made corporations value their assets at prices for which they could actually sell said assets. Since our financial corporations all created garbage assets to inflate the stock prices, this change in accounting left them short of necessary capital resulting in bulbous leverage unsuitable for viable pillars of prudent lending. In laymen's terms, the big boys were suddenly broke.

Well, not under Mr. Fantasy's watch! The FASB was ordered to reconsider and so they did. And, considering the bamboo shoots under the fingernails treatment they gave Mr. Lewis of BofA, who could refuse the new government? So, we have now gone back to 'mark to fantasy' accounting where the financial corporations can write a number down and pretend it is a price they could fetch for defaulted, delinquent, defrauded real estate loan packages. Presto! The financials reported billions in earnings and up went the stock prices in April. We asked him to 'do anything'. And so he did. Are you out of your gloom yet?

Well, enjoy the fantasy! Stock indices around the world have enjoyed six or seven weeks of unparalleled advances. Since Mr. Fantasy announced in very plain English that no more big banks would fail, the stock market has gone straight up. That proclamation was pronounced on March 9. On March 5, the WHO (White House Occupant), Mr. Obama, told the world that it was a good time to buy stocks. He was no doubt given this directive like the CEO of BofA was given his. The Dow was at 6547. Citigroup said they were profitable (under mark to fantasy accounting) on March 10 and the PPT sparked a 'market has bottomed' rally on March 11.

Mr. Fantasy then said if no one else in the world wanted to buy our Treasuries to support our debt addiction, then he would. Treasury Sec. Geithner piled onto the scam by offering $1 trillion dollars of my money and your money to buy toxic assets from the imperilled banks who had spent the past seven or eight years selling toxic assets and then reaping huge commissions and bonuses for doing so. Of course, all the while, the big banks have been telling us that all was well with their balance sheets and they didn't need any 'help' from the government. Obviously, our government begs to differ. Who is telling the truth? Does it matter? We all live in Fantasyland anyway so even if the Big Bad Wolf eats the Grandmother, a handsome Federal Reserve banker will kill the wolf and retrieve the Grandma whole and without a scratch. Fantasies are wonderful!

International Implications

At the beginning of April, Obama attended the G-20 meeting where he didn't bow to anyone. We were told that he just got his boxers snagged in an uncomfortable place and had to realign them by prostrating himself in front of the Saudi King. Our new government not only thinks we are stupider than a Jerry Springer guest but we are also blind. The economy

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continued to lose three-quarters of a million jobs a month, industrial production dropped the most since WWII. GM and Chrysler continued to race down the street to bankruptcy court. But my goodness how the stock market continued to rise! On Dasher! On Dancer! On…, wait minute — that's for Santa Claus. I was talking about Mr. Fantasy. On Timmy! On Nancy! On Harry and Barney!

As we moved to the end of April, the swine flu story hit and the Fed released (through the WSJ) the preliminary results of their 'stress test' for banks. Seems they all need to raise more capital. In keeping with a market of illusion, delusion, fantasy, and lies, all the banking CEOs claimed a beaucoup (that's the word for this century — 'coup') of 'capital' (whatever that is these days) and an urge to repay the TARP money taken earlier in the year. Seems the TARP money comes with a high price. Just ask Mr. Lewis.

So we have to ask ourselves which party do we believe? We are enmeshed in a world of liars, manipulators, con artists, and thieves and no one seems to be able to utter one syllable of one word of truth. Investing is done on blind faith now. We are playing roulette and there is a guy tipping the table to make the little ball stop where the house wants it to stop. Sometimes all the numbers are red and sometimes they are all black. The game changes and the rules change to suit the house. So do the banks need capital or not? I would trust my dog to tell me before I would listen to the liars that run our government. My guess, and this is obviously only opinion, is that many of them are broke and it is getting worse. Think of it this way. The banks have loaned out money for assets that were overinflated in price (to make the stock market go up) at the time of the loan and the value of those assets are now falling in value. The latest numbers from the real estate world tells us that 10% of all mortgages in the US are either in default or delinquency. That makes the problem even worse because the assets aren't worth the loans and the debtors can't repay the creditors. That leaves the banks under water. Oh goodness, bring back Mr. Fantasy!

Anyway, the stock market has gone up in April regardless of reality. Mr. Fantasy has frequented the markets with many PPT hours of influence and again, we fight the Dow 8000 level. Corporate earnings are falling and valuations are rising. Or, are they? Barron's reports that the P/E ratio for the Dow has fallen from 57 a year ago to the current 31. However, the P/E ratio for the S&P 500 has increased from 21 to 58. Both indices have risen sharply in the past few months yet the P/E for the Dow is going lower while the P/E for the S&P is going higher. First, this valuation measure is extremely high and suggests extreme overvaluation. Second, doesn't it seem a bit inconsistent that the P/Es are going in different directions? Maybe the 'earnings' part of the equation has become so pliable that they can't be trusted. Maybe they are just fantasy and they now take on the function of spackling – they just fill the holes so we can paint the wall with whatever color we like.

Operational Overview

In a nutshell, here is the way our new world works. We get up in the morning and start lying about everything. If the sun is up it is dark outside. If it's hot, it's really cold. The breakfast eggs didn't really come from chickens. We can really afford free universal health care. Oh, here's a whopper. On Wednesday, April 29, Chrysler announced that they had reached a deal with their lenders and creditors that would stave off bankruptcy. Then, on early Thursday morning, April 30, they declared bankruptcy.

Speaking of whoppers, first quarter GDP was 'revised' down to minus 6.1% from the 'expected' minus 4.7%. Dear Mr. Fantasy, do something to make us all feel happy! Well sure enough, the Governmental Department of Lying (Some people still call this the Commerce Department) said not to worry and that the economic recovery was on the way buoyed by a 2.2% increase in consumer spending for the same quarter. Gee, I thought that consumer spending was 3/4ths of GDP and if it were really up 2.2%, there is almost no way that GDP could be down 6.1%.

Another 20% or so of GDP is government spending and with Pelosi and Geithner and Bernanke and Frank writing checks that had to be elongated to satisfy the all the extra zeroes, we can assume that government spending was still crackling. I find this, and all government numbers, to be a bit disingenuous. I think our government wants 2nd quarter GDP to show a mild contraction so they re-jiggered the numbers to put more losses on first quarter. So as not to escalate consternation in the profoundly ignorant populace, they brightened the report with the fantasy consumer spending number. Bearing in mind that 20% of retail sales comes from autos with housing contributing another big chunk, it is unfathomable that consumer spending actually increased in quarter 1. And, we were also told that home prices didn't decline as fast as they had been. Fewer people applied for jobless benefits and the economy shed fewer jobs than the month before. The Dow was up 7% in April. No, that last sentence was true! However, the Dow was still down nearly 7% for the year at April's close.

Speaking of fantasy, delusion, hallucination, and plethoric lying, Mr. Obama spoke of the Chrysler bankruptcy thusly: "This is not a sign of weakness but rather one more step on a clearly charted path to Chrysler's revival." Huh? If bankruptcy is not a sign of 'weakness', then why do companies that can't pay their bills go bankrupt? In our new government controlled world, is bankruptcy now a sign of strength? What in heaven's name do they teach people at Harvard, anyway? I applaud the optimism but come on! He went on to chastise banks and hedge funds (who own the Chrysler debt) for turning down extended bailout offers in hopes of getting more. Why, the government does not want to run banks and auto manufacturers. Gee, I wonder where on God's green earth they got that idea that the new government was a bailout procreator? This is the problem with Bailout, Inc. Everyone just assumes this is what the government does.

Hey fellas – the bailouts only pertain to the financials and others who have large derivative positions that could imperil Bernanke's derivative portfolio. Geeze, you'd think the con artists would at least learn the rules of the con! Meanwhile, the government announced that since firing the CEO of GM (the company they don't run), they have taken control of the financial fate of the beleaguered auto giant's financial woes in prodding bondholders into accepting pennies on the dollar. Otherwise, Obama would bring his wrench set to Detroit and start fastening his likeness on to every GM car as a hood ornament. Further, Mr. Bernanke announced that his likeness was to be affixed to every vault in every bank or the current 'CEO' would be given a pink slip. No, the government does not want to run America, Inc. Has there been some law passed making it illegal to tell the truth? Do I need to quote Joseph Goebbels again?

CONTINUED ON PAGE 26

"If you tell a lie big enough and keep repeating it people will eventually come to believe it. The lie can be maintained only for such time as the State can shield the people from the political, economic and/or military consequences of the lie. It thus becomes vitally important for the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and thus by extension, the truth is the greatest enemy of the State."

Joseph Goebbels
Nazi Propaganda Minister

All this stuff aside, the stock market is in rally mode. It may be based on lies and driven by Fed notes, but it is a rally nevertheless. It seems that many investors are trapped between the prospects of a market rally and the reality of economic despair. The media reports the stories of the day but they are all depressing. They are the unemployed, the job losses, the economic contraction, the homeless, the poor, and the real estate decline. Of course, the 'turn around' is always at hand. It is always around the corner. Maybe it is. But, we all have to remember one thing. The stock market is now under the Fed's control and they want a rally. In part, they need a rally because they don't have anything else to offer.

The economic contraction is a global contraction and it is the result of far too much central bank meddling, too much lying, and too much stimulating. All this has resulted in an over-capacity to produce everything everywhere in the world. That makes it impossible for anyone to make much money much less enjoy affluence. So, the main weapon of the Fed being the inflationary stimulus of credit and money are rendered ineffective. But, this is not about economic repair. This is about banker dominance. Everything else is pure fantasy. Please Mr. Fantasy, just make us all feel happy. Do anything, just make it snappy.

Three things to look for going forward.

1. The last lower high in the downtrend was Dow 9000. Bernanke has to surmount this mark to shake the downtrend.

2. Ten-year Treasury bond yields are now above 3%. Given we are the biggest debtor nation on Earth, can rising interest rates be anything other than a disaster?

3. The public wants to believe. They don't know if they are sitting at a poker table or a blackjack table. They don't want to know the rules or practice the skills. They just want to win and they believe they know how. For all they really know, they might be sitting at a crazy eight table.

Mr. Fantasy wants to perpetuate this behaviour lest the public become discouraged and put their money away. Our government keeps the fantasy going but it is our responsibility to tell the truth.

Barry M. Ferguson, RFC®

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

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Business Mirrors Life:

Is It Brainstorming or Just Another Crazy Idea?

Is it brainstorming or just another crazy idea? You decide.

I have a client that drives me crazy. This doesn't mean I don't like him. It's just that he's erratic. He'll call and talk for an hour. He'll have all of these great ideas.

He'll even send me a contract to sign so that I promise not to share his ideas with anyone else. I don't want to sign it, but I do reluctantly.

And then I hear nothing for weeks, no e-mails, and no returned phone calls. When we finally do talk, he's onto another project. I wonder if the initial discussion was real. "Yes," he says but the situation has changed and he has a new idea he wants to share with me.

He's wasting my time, and I'm angry.

Then, I realize I do the same thing. The difference is that I call it brainstorming. I'm always asking employees and colleagues for feedback. I never think that perhaps I'm wasting their time too.

So let's see: my client presents a certain behavior and it drives me crazy. I do the same thing, and I rationalize it as my way of doing business and cultivating new ideas.

Am I being logical? NO, but I'm the boss (of my business) and that means I can be irrational. However, it does get me thinking…., do my employees listen to me anymore? Or when I open my mouth with a new idea, do they tune me out? Am I being ignored because I talk too much and don't follow through?

Maybe I'm too harsh on myself. I'm a very verbal guy and the way I come up with new ideas is to talk them through with others. On my own, I'd spin my wheels. So it's therapeutic for me.

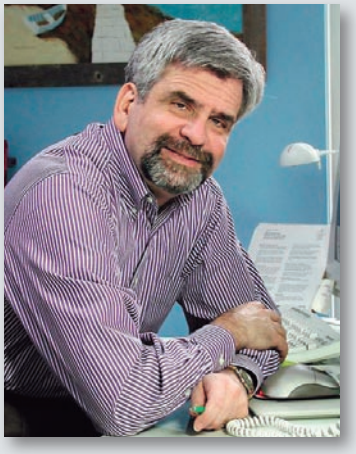
Now I understand; it's also therapeutic for my client. The problem is that he's still wasting my time. He raises expectations that I will get some new business, and then I get depressed when nothing materializes. (Don't worry I'm not dealing with clinical depression, so you don't have to tell my psychiatrist).

I'm going to make a New Year resolution to share my new ideas with no one. First, I'll put them down on a piece of paper. Just the process of writing them down should bring clarity to my thoughts.

Honestly I'm not going to write down anything. The fun is articulating new ideas to someone else. I need an audience (even a very small one) in front of me to listen to my ideas. I play that role for my clients too, except I can't charge them for it. Maybe I'm wrong. Next time I get such a call, I'll tell my client I charge for listening to his wacko ideas.

Do you think he'll keep on talking? No way, I bet he stops right away. And then when he really needs my services, he won't call. Now this is a dilemma. Maybe I can learn to get off the phone quicker. Impossible, I talk too much too.

The answer, next time he calls, I think I'll have him listen to all of my crazy ideas too; serves him right.



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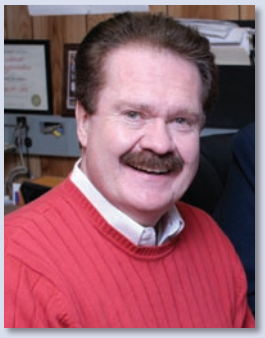

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