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the Register

Vol. 9 No. 4 • April 2008

Official IARFC Publication

www.IARFC.org



A large central photograph shows a man, identified as Ralph Liew, standing next to a bright orange road bicycle on a concrete pier. He is wearing a red and white cycling vest over a white shirt, black shorts, and a blue helmet. He is smiling at the camera. The background is a calm sea under a clear blue sky. In the upper left corner of the main photo, there is a smaller inset image showing a man sitting next to a yellow Formula 1 racing car. In the upper right corner, another smaller inset image shows a man standing in front of a blue tent on a sandy beach.

Ralph Liew
A Man for All Seasons

Cruise Details for IARFC 7 Night Mediterranean Cruise

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August 16 - 23, 2008



When you cruise to the **Cradle of Civilization**, there's a natural tendency to be more, well, civilized — more relaxed. It's just a totally different feeling. The sun is warmer and so are the smiles. The colors more vibrant, the cuisine a little livelier. Mediterranean people know the secret of living life to the fullest.

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From sunrise to sunset and around every corner, there's something exciting for you to do on a Royal Caribbean International cruise vacation. Onboard, try the rock-climbing wall, or work out with one of our fitness trainers. How about a swim or a relaxing massage? Better yet, try your luck at Caribbean Stud Poker, attend an art auction, or turn it out dancing in a nightclub. There are even supervised activities for kids. On land, there are Shore & Land Excursions for the outstanding icons of culture and history in the fabulous Mediterranean.



Sailing Itinerary

Date	Port/City	Activity	Arrival	Departure
Sat, Aug 16	Barcelona, Spain	Departure		7:00 pm
Sun, Aug 17	Villefranche (Nice), France	Tendered	10:00 am	7:00 pm
Mon, Aug 18	Livorno (Florence/Pisa), Italy	Docked	7:00 am	7:00 pm
Tue, Aug 19	Civitavecchia (Rome), Italy	Docked	7:00 am	7:00 pm
Wed, Aug 20	Naples, Capri, Italy	Docked	7:00 am	7:00 pm
Thu, Aug 21	Palermo (Sicily), Italy	Docked	7:00 am	7:00 pm
Fri, Aug 22	Cruising to Barcelona	Cruising & CE	Class 10:00 am - 5:00 pm	
Sat, Aug 23	Barcelona, Spain	Arrival	6:00 am	

Conference Itinerary

Sat, Aug 16 - Sat, Aug 23

Sat, Aug 16, 8:30 pm	Welcome Dinner
Sun, Aug 17, 6:00 pm - 8:00 pm	Reception
Sun, Aug 17, 8:30	Dinner
Mon, Aug 18, 8:30 pm	Dinner
Tue, Aug 19, 8:30 pm	Dinner
Wed, Aug 20, 8:30 pm	Dinner
Thu, Aug 21, 8:30 pm	Dinner
Fri, Aug 22, 10:00 am	Sessions
Fri, Aug 22, 8:30 pm	Farewell Dinner

CE at Sea Itinerary

Fri, Aug 22 — 5 CE Credits

10:00 am - 10:10 am	Introduction and Distribution of Materials	
10:10 am - 11:00 am	Session 1	Speaker No. 1
11:10 am - 12:00 pm	Session 2	Speaker No. 2
12:00 pm - 1:00 pm	Lunch Break	
1:10 pm - 2:00 pm	Session 3	Speaker No. 3
2:00 pm - 2:50 pm	Session 4	Speaker No. 4
2:50 pm - 3:40 pm	Session 5	Speaker No. 5
3:40 pm - 4:30 pm	Session 6	Speaker No. 6

Networking — we have requested the second dinner seating in the Main Dining Room, in order to maximize your tour time. All RFCs will be in one area, with seating shuffled each evening to promote new friendships.

We are prepared to present Workshops for interested Cruise/Conference attendees on the effective use of **Plan Builder Financial** software to produce fee-based high caliber comprehensive personal financial plans that lead to product sales, and on the use of **Practice Builder Financial** to manage your clients, increase communications, schedule client service more effectively and start the process towards a paperless operation.

Conference schedule and speakers are subject to changes and confirmation from Royal Caribbean Cruise line and IARFC conference management.

For more information, contact the IARFC at 800 532 9060 or info@IARFC.org



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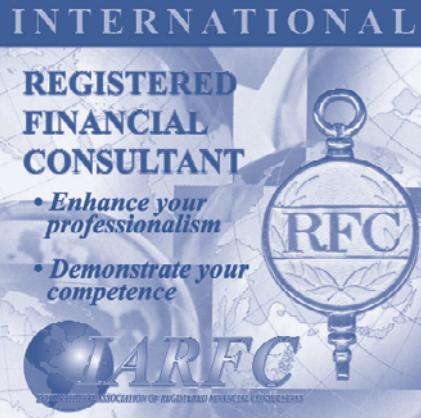
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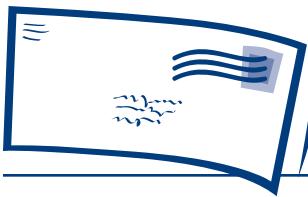
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Register Letters

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

The article (interview) featuring Jim McCarty was just fabulous. He is without a doubt the number one sales trainer in the country. As the saying goes 'He Gets It!' While most sales organizations may achieve a respectful 5 to 10% increase in sales, with Jim's training many have achieved 50% or more gains. There is a magic pill — it is called Jim McCarty.

**I. David Cohen CLU, ChFC, LUTCF, RFC®
Columbus, OH**

I want you to know that I enjoyed the article in Vol. 9 No. 2, February publication the Register. As past President of the Texas Association of Life Underwriters I spent one week on a bus visiting five cities in Texas and Jim McCarty was by far the most entertaining and motivating speaker we had. He was even better received than I was and I was the president. His delivery is both entertaining and educational, a rare combination. By way of copy to Ellie Kennedy I am asking her to consider Jim as a speaker in Houston and the Annual Convention in Texas once again. Those who heard him have forgotten I am sure and those who have not heard him will benefit from his presentation.

**Richard Kuriger, RFC®
Houston, TX**

I cannot thank Hesh Reinfeld enough. Hesh, you are a real talent and great to work with, and the article and interview is exactly what I had hoped it to be.

Thanks to everyone!!

**Christopher Hill, RFC®
Tyson's Corner, VA**

I want to thank the member for reading my letter so carefully. I apologize for using literary license with the number used in my letter as the debt owed by each person in this country. Based upon information provided the public debt is a mere \$9,215,542,922,495.61 as of February 5, 2008. That is surely an

impressive amount equaling \$30,287.14 per every man woman and child. However, that is strictly the outstanding national federal debt. When you figure in the following additional items, I am sure the total would be much closer to the amount in my letter. All the monies owed by the Federal Government to the Social Security Administration for future benefits were not included in that \$9 Trillion. The outstanding debt for each state and city we reside in isn't included in the National Debt figure either. What is also not factored into the national debt figure is the amount of interest that must be paid on the debt so the actual total amount of monies that will be required to pay off the debt.

Based upon the following computation of \$30,287.14 for thirty years at 5.375% the payment monthly is \$169.60 and the total including interest is \$61,055.35. For a family of four that means a total debt of \$121,148.56 and a monthly payment of \$678.40. With the cost of living today does any family have the ability to add this payment onto their list of bills? In the majority of cases the answer is a definite "No."

Furthermore, the average debt per person exceeds many individuals family income. The total (basic) debt for a family of four (\$121,124) exceeds the annual income of a substantial majority of Americans.

In conclusion, we are facing the prospect of a diminished standard of living because our elected officials have ransomed the future of every American especially our children to meet promises that they made to be elected. Based upon their actions, the vast majority of them seem more interested in their own well being than the welfare of the electorate. It would seem that "of the people, by the people and for the people" in Washington speech is "of us, by us and for us."

Unless we find a way to bring Washington into the real world our future as a leader of the world is disappearing with each increase in the national debt.

**Brian E. Glickman, CPA, RFC®
Smithtown, NY**

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 of Personal Finance* 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 or articles.

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

Contact Dr. Ruth Lytton
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Register Articles

You Can Write A Great Article for the Register

We are accepting articles of from 500 to 2,000 words on planning and practice management topics. Please submit your copy by e-mail, along with an electronic photo and a short bio statement of less than 100 words to: editor@iarfc.org

Your article can be sent to clients, prospects and centers of influence in your community — either as reproductions, or as complete copies of the entire publication. This is a powerful and effective form of public relations, and your articles are a very effective way of attracting favorable attention from your local media.

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Ralph Liew

A Man for All Seasons



Ralph Liew, Ed Morrow and Jeffrey Chiew at a recent RFC Graduation Ceremony

In 2007 the Loren Dunton Award was presented to Ralph Liew for his significant contributions to financial services in Asia. Although he has attended IARFC Financial Advisor Forums, IARFC members may not be familiar with the many contributions of this man of diverse background.

Ralph Liew, RFC® began from a humble beginning as an agent and rose to become the CEO of an insurance company in 38 years. His father was a government servant and raised a family of 9 children instilling positive family values of unity, respect for elders, pursuit of education and dignity for hard work.

First educated at Victoria Institution, Ralph started with a diploma in vocational education from the Technical Teachers College of Malaysia, and he worked as a teacher of industrial arts for five years. During this time he started selling life insurance for the largest company in Malaysia, AIA, part of the AIG conglomerate. His sales success soon lead to a position as an Agency Manager, thus ending his career as a teacher, but not terminating his interest in education and training. Serving in both Malaysia and Hong Kong, his direct recruiting and training leadership was followed by his appointment as Vice President of Marketing for AIA in Indonesia, where he served for ten years.

During this time Ralph attended the Life Insurance Management Research Association courses in St. Louis, and the Management School at the College of Insurance in Dallas. In 1980 he returned to Malaysia as Vice President and Director of Agencies for AIA for twelve years.

His next career move was to serve as General Manager and Director of Jerneh Insurance, Ltd, and as the Founding Director of the Taishan Insurance Brokers, of Hong Kong. These firms were owned by Robert Kuok, one of Asia's richest men, and the owner of many business enterprises including hotels, property development, sugar and palm oil plantations and mills, commodity trading, logistics, aviation, telecommunications, shipping and financial services. Ralph's assignment was to expand their insurance operations, so he established Taishan brokerage in the Philippines, and also created KRM Reinsurance.

Ralph's entrepreneurship skills lead to a strategic alliance between Assicuranzia Generali SpA, the largest insurer in Italy and the Kuok Group for Asia, culminating in four joint venture insurance companies in Philippines and Thailand. After 12 years with the Kuok Group, he retired in 2003 as CEO of Jerneh Insurance and COO of Jerneh Asia, a public listed investment holding company. He served

as the Director in the Generali joint ventures of Filipinas Life Assurance and General Insurance companies, and Generali Thailand Life Assurance and General Insurance companies, and head of two Jerneh Asia companies in Malaysia.

One of Ralph's celebrated presentations is entitled, *Retirement is Not an Option*, so it is not surprising that after his retirement from Jerneh Asia Group he did not drift off into the sunset. He became the Chairman of Medifast in Malaysia and EA Philippines, a partner of Europe Assist, an emergency assistance organization in Europe that invented, providing emergency assistance to travelers. The Manila operation assists travelers from around the world who experience problems while in the Philippines, and it also markets Assist enrollment for Filipino residents.

In 2003 he earned the Registered Financial Consultant Designation and helped Dr. Jeffery Chiew, the IARFC Asia Chairman, to establish RFC courses in the Philippines. Ralph is the IARFC Chair for the Philippines and sits on the boards of IARFC Malaysia, Thailand and India.

Ralph controls and sits on the board of many companies in Malaysia, Thailand, Philippines, Hong Kong, India and Australia. He is passionate about healthcare, wellness, emergency assistance, motor racing, mountain climbing, training and the education, insurance and financial planning businesses.

Ralph has always been active in social and community services. In a span of three decades, he had been the Honorary Secretary Kart Section, Malaya Motor Sport Club; Secretary of Rotary Club of Sandakan; President of Kiwanis Club of Kowloon, Hong Kong Rotary Club of Pudu, Malaysia and also the Director of Rotary Club of Hong Kong Harbor.

He is an avid collector of classic and vintage cars, and continues to participate in motor sports including karting. An outdoor lover, he spends much time golfing, scuba diving, fishing, shooting, camping and hiking. He has climbed South East Asia's highest mountain, Mount Kinabalu, five times and travels extensively for leisure and business.

Having risen from humble beginnings he is mindful of the needy and the less fortunate, and has been the spearhead for scores of projects for the communities in which he has lived. He is a popular lecturer at RFC courses offered in Malaysia, Philippines, Thailand and India. This year he is planning another ascent of Mount Kinabalu, and will continue scuba diving, often with IARFC chair, Ed Morrow. Together they have explored some of the world's greatest dive sites in Southeast Asia.

Interviewing Ralph for the **Register** was not easy — he kept moving around. His current passion is the expansion of learning platforms (ever the teacher it would seem) with the creation of IARFC Educational Services in India and Virtuoso Learning Solutions in Kuala Lumpur.

Tell us what Virtuoso is doing?

Virtuoso uses an Internet Learning first platform created first for the internal use by Cisco Learning Institute, a nonprofit organization, to train thousands of engineers for Cisco Systems. They have licensed its use to educational organizations across the world to bring learning to developing countries. With the Internet, everywhere is local. We were fortunate to be licensed by Cisco because of our close relationship of Boxhill TAFE Institute, Melbourne, Australia. Our first contract in Malaysia was to develop a learning platform for Malaysian Insurance Institute, for the life insurance agent pre contract examination and continuing education requirements. We took that success forward to build private learning platforms for AIA in Malaysia and the region.

Register readers will soon have an opportunity to use the Virtuoso system and learning tools. We are building a totally new website for the IARFC, which is in the final testing stages now. In addition to many modernizations, improved editing and maintenance services, we will be offering a complete "Storefront" for publications and supplies.

But the most exciting element will be the Learning Capacity. We will enable IARFC to offer online Courses, Examinations and Continuing Education. Developed by a large team of programmers in Kuala Lumpur, its use will be just as convenient as if the web servers were next door. This is the power of the Internet.

Will the Internet replace the Classroom?

The Register • April 2008

As a former teacher I know the answer is "No" but it is not only complementing physical teaching but enhancing, convenient, cheaper and motivating learning experiences. Examination administration is much easier online, and the Internet enables us to store and recall at the convenience of the student of the great lecturers online. We even have a number of RFC members already on the Malaysian website, and produced from the 2006 Financial Advisor Forum in Middletown. For professionals such as financial advisors the classroom is important for the disbursement of ideas and motivation, but a great deal of the education can gradually be shifted to the internet — to improve the quality, expand the impact of great lecturers, and reduce expenses.

After leaving teaching in 1969, did you ever dream you would be back again?

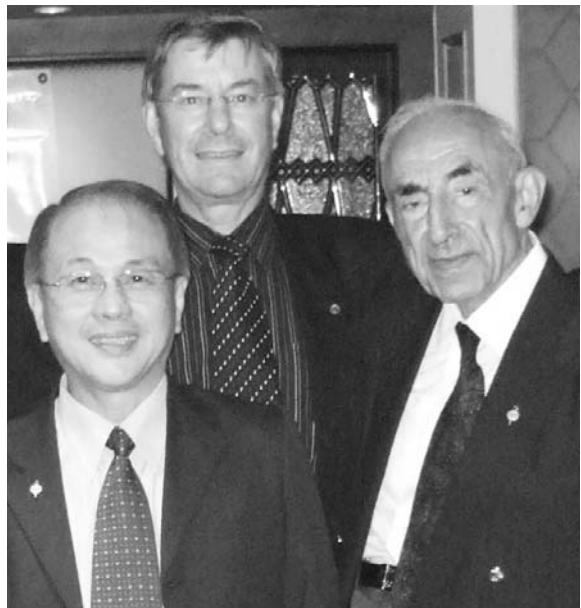
At first I had left teaching for good because there were no financial rewards, only to realize that in my new career as an agency leader, there is great need for training and education of my agents. Now education is big business, so, in a way, I never got out of teaching.

When will you find time for rebuilding these cars you have been collecting?

My second love in life is my vintage and classic cars. Old cars, like aged people, need constant maintenance and upgrades. Rebuilding cars is a creative pursuit for me. It keeps me in touch with the industry and my passion for cars alive. Besides it's a great way to relieve stress when your labor is translated into beautiful machines that shine and glitter under the sun. There will come a day when transport will be driven by air pressure besides the sun.

Why will you be making yet another ascent of Mt Kinabalu?

After my first climb in 1970, I promised to climb the mountain as long as I live, as testimonial of my health and fitness. All members of my family as successfully climbed the mountain as an outing.



Ralph Liew, Terence O'Halloran and Mehdi Fakharzadeh connecting and building the IARFC in India

I love nature and you get to see so much of the flora and fauna which you do not see at lower altitudes. At nearly 13,000 feet above sea level, it's the highest mountain in South East Asia. I would describe as an easy long walk for the fit and healthy.

Are there major differences in financial planning in Asia from the U.S?

The financial planning process is the same except that in Asia it's less sophisticated and less complex. Planning in Asia is mostly in its nascent stages with less regulatory control. But it will develop rapidly in this shrinking world due to the convergence of financial services industry in Asia. Everybody needs financial planning but not everyone needs a financial planner. My mission in life is to alleviate poverty. In Malaysia, where there is the mandatory employees provident fund (a retirement scheme) a retiree at age 55 will be broke after 4 years. As such, retirement is not an option for most people. The general population is living longer. Their money runs out before they do. This is why retirement planning is absolutely essential. It is not the responsibility of governments; it is the sole responsibility of the individuals. As such financial planning education pays a significant role to help the individual to plan for a better financial future.

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Calendar of Events

Critical Illness Insurance Conference
April 28-30, 2008, Toronto, Canada

MDRT Experience 2008
April 11-13, 2008, Chiba, Japan

Financial Advisors Symposium
April 16-18, 2008, Las Vegas

RFC Accelerated Course — Trinidad
April 28 – May 2, 2008, Port of Spain

RFC Accelerated Course — N. Carolina
May 12-16, 2008, Charlotte

RFC Accelerated Course — Texas
June 9-13, 2008, San Antonio

MDRT Annual Meeting
June 22-25, 2008, Toronto, Canada

RFC Accelerated Course — New Jersey
July 14-18, 2008, Jersey City

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

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

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

Worldwide Chinese Life Insurance
Con. September 4-7, 2008, Singapore

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

RFC Accelerated Course
September 8-12 & 22-26, Venue TBA

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

Financial Advisors Symposium
October 13-15, 2008, Chicago

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

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

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

From the Chairman's Desk...



Ed Moran

Last month I wrote about the continued consternation over financial designations. I received phone calls from five holders of the Certified Senior Advisor (CSA) designation. The advisors all said the same thing, "It is about time someone stood up for the CSA!" Each went on to tell me that what they had learned in the CSA course had been helpful to them in communicating more effectively with seniors. Several mentioned that it had been useful with older members of their own family. Each RFC member praised the quality of the CSA training and felt they had received significant benefits.

What Should a Designation Tell the Consumer? What does the consumer have a legitimate *right to expect* when someone holds out that they have additional expertise and offers a designation as evidence? Maybe we can use the medical profession as a good example. What do we expect of someone with MD following their name?

First we must recognize that despite the high quality of medical schools, medical associations, state boards of medicine and various regulatory agencies — there are some really bad doctors! They are sometimes de-licensed and generally sued for malpractice, long after the damage has been done to their patients. We all know that the preponderant majority of doctors do a fine job. But not all! However, we cannot blame the medical schools, medical societies or regulators for what is usually incompetence or greed — not a no-fault incident.

A Code of Ethics. The physicians' code started in the 4th century BC with the Hippocratic Oath. It has been revised and updated, but it is the most venerated of the ethical codes. Most of the respected financial associations and designations have a Code of Ethics, and while there are minor differences, they all have similar aims — that the client should be treated with respect and integrity, and that the client's interests transcend those of the financial advisor and any financial vendor.

Education. The professional must have completed a course of study, at an institution or through some organization, which increased their knowledge and ability to guide the affairs of the patient/client. Courses and curriculums vary widely at universities and online educational institutions. A designee must have completed significant course work.

Examination. The consumer has a right to expect that the professional has also been examined. Just sitting in a classroom, reading books or staring at computer screens is not enough. There should have been exams.

Continuing Education. Perhaps in the 4th century BC the rate of knowledge expansion was not so great, but today it is different. We are inundated with new events and developments of consequence in both medicine and in personal finance. Doctors and financial advisors must be engaged in continuous education. That is why associations require it. The IARFC takes a much stronger position than some other organizations — we require 40 units of CE per year.

Business Conduct. A professional must be free of complicating history. You would not want your doctor to be a heavy drug user would you? Should a client be taking the financial advice of a person who just underwent a business bankruptcy?

Licensing. The doctor must be licensed to practice in the jurisdiction, and must be qualified to deliver the treatment being offered. The same is true of a financial advisor. If he or she is going to help a client acquire (purchase) financial products, then they must have the appropriate licenses, all of which require education and qualification.

Internship and Residence. The medical profession recognizes that a doctor is not made in the classroom alone. The physician must learn to use the tools of the practice in order to serve their patients. This is why medical school graduates complete a period of internship and residency. They use the tools of medical practice, not just the books.

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Experience. Before a physician starts working independently as an MD with patients most have three years of Internship and residency. This is why the IARFC requires four years of experience.

Evidence of Professional Skills. New physicians are closely monitored during their residency and internship. A surgical intern performs surgery under the watchful eye of an experienced physician. No one would go to a surgeon for an operation who had never performed that procedure before.

A Weakness in Financial Designations.

Starting back in 1970 with the CFP, the technical requirements were only academic. Plans were not required. For a brief time there was a Registry of Financial Planning that did require plan submission. I was one of the few members, but it was phased out with the development of the CFP Board. Today, many thousands of persons qualify for one of the several planning designations — but their curriculum has not included plan preparation and many have never learned.

IARFC recognizes this shortcoming, and we are moving to address it.

Many Planners Can't Plan! That seems strange, doesn't it? A practitioner holding himself or herself out as having the education, experience and expertise to serve the financial public, but who has never produced a plan, and may not even have all of the tools required. Can you imagine a radiologist who only had book learning of X-rays and isotopes — but who had never used them?

- Planning is a Process.** It is not a compilation of knowledge. Knowing more about investment theory, the principles of insurance, and the techniques of asset management is essential in the implementation phase, but it does not help in taking the client through the first phases of personal financial planning.

- Planning Requires Tools.** Advisors (whether we call them "planner", "advisor", "consultant" or "representative") must have the proper tools for planning. We do not mean the hardware of office operations, computers, printers, conference tables, phones, projectors and the like. We mean the software for effective and efficient delivery of professional

service. We also mean the unique tangible evidences of professionalism — sample plans, data forms, document organizers, certificates and charts.

The System has been Broken. For nearly forty years persons have been completing courses and then holding themselves out as being prepared to produce and deliver Comprehensive Financial Plans. Personally I completed the CFP curriculum in the 70s and then ChFC courses in the 80s — and in neither case did I ever have to produce a plan. Academic topics lend themselves to distance learning and on-line study, but not plan production, which requires hands-on training, verbal explanations and software.

Universities Get the Point. In many universities across the country the financial services/planning curriculum has a capstone course calling for the preparation of a comprehensive plan. Having taught at Wright State University and having served on the Advisory Boards at three other fine institutions, I can attest that those undergraduate students have been learning how to prepare plans. Last year the **Financial Plan Competition** sponsored by the IARFC received submission of some outstanding plans.

Plan Submission Requirements. The profession should have always been requiring persons who hold themselves out as "financial planners" to provide evidence that they can prepare plans. Not just a comprehensive plan, but also modular plans that respond to the need of many consumers for a less intensive solution to just one aspect of their financial concerns.

This is why we shifted the development of the **Financial Planning Process™** course from the typical academic subject-based curriculum to that of a process-based curriculum that also includes the practice tools.

- Students must learn how to make a **presentation of their services** to clients, and how to close the Client Engagement in an ethical manner, with full disclosure.
- It is not sufficient for a "designated" practitioner to read in a textbook all the questions he or she might ask of a client. The professional must have experience using **information gathering tools** to obtain and organize all that critical data.

- If the planning is to be comprehensive then the "designated" practitioner must use **comprehensive plan software** to organize and illustrate the client's overages and shortcomings.

This simply cannot be done without software that includes both numerical sophistication and graphic illustrations. Practitioners haven't time to develop Excel spreadsheets to project each client's unique circumstances.

- The lifeblood of a financial practice is the acquisition and retention of clients. This means tracking the service and generating correspondence. A "designated" practitioner must use a **CRM program** to retain the contacts and characteristics and to coordinate with other members of the client's financial planning team.

- Our society is shifting from government and employer benefits to individual asset accumulation. Average consumers are developing portfolios and they need guidance and they need an **Investment Policy Statement** (summary). Can any of them prepare an IPS themselves? Can the "designated" planner do this efficiently?

The Profession Must Advance. The population of America is increasing, and consumers need professional advice and service. **They need a planner who can plan!**

As experienced and qualified financial advisors, members of the IARFC must speak out, and insist that the designations for financial planning include experience and evidence of planning capacity!

There are many experienced financial advisors who are not offering to prepare plans for their clients. Plans are very time-intensive, especially if not automated. But comprehensive plans are what many clients and prospects need. These senior members of our profession need to "go back to school" to acquire the specific plan production knowledge — just as a physician may return to a medical school to become more qualified for a new life-saving procedure that did not even exist when he or she was in medical school. ☐

Your comments about the above are welcomed send to: Editor@IARFC.org

Financial Privacy for the RFC® Means Feathers, Not Chicken



Hal Chorney, TIA

Everyone has your number! Banks, credit bureaus, government agencies at all levels, utility companies, and countless other entities methodically are gathering more-and-more information on the lives of most U.S. citizens. Many of these 'gatherers' sell this continually updated information to anyone who pays. This certainly includes RFCs and their clients. Why should your name, assets, and more, be available on computer printouts in so many places? Why should your privacy be stripped from you along with your ability to defend yourself against threats to your financial security? Why should it be so easy to steal your identity? Why should it be so difficult to clear-up the mess that is created after your identity is stolen? The lack of financial privacy in the USA now makes all of this possible.

Modern surveillance and seizure methods have placed American citizens and their assets in a precarious position. People and their assets are identified easily and targeted for lawsuits, seizure, harassment, theft, marketing, etc. Having been stripped of their privacy, there's a real threat today because it is so easy for state and federal agencies to strip anyone of their wealth.

Leading financial planner **Phillip A. Calandra, RFC®** of Kennesaw, Georgia says, "Your wealth is your armor against lawsuits and harassments. This provides you with some ability to defend yourself. Try to defend yourself against others in any courts without money. See how far you get! Who will defend you? Nobody! A seizure of one's wealth is like

snatching a sword from an opponent in a sword fight. Unless you like long odds, protect your wealth with as much financial privacy as possible."

Lew Nason, LUTCF, RFC®, founder of the famous Insurance Pro Shop has stated, "Over the years, I've seen the gradual stripping away of the average Americans privacy. Consider the mail the typical RFC receives from others asking for the RFC's time or money. How did others get the name and address of the RFC®? Computer records quickly tell state and federal agencies (or anyone) about you, i.e., who you are, where you are, what you do, how much money you have, where your money is, how you spend, what you like and dislike, what you will likely purchase, etc. What privacy is left for you?"

The right to privacy is a major concern of many of your clients. **What is privacy?** Before becoming a United States Supreme Court justice, Louis D. Brandeis, in a Harvard Law Review article in the late 1880's described the fundamental right to privacy as "...the right to be let alone."

Another leading financial planner, **T. Jerry Royer, FMM, RFC®**, of Group 10 Financial in Haines City, Florida, explains, "The Constitution of the United States does not spell out the right to privacy. Until Congress passed the Privacy Act of 1974, the Supreme Court gave only limited protection to your right to privacy. Congress, in its concern for individual privacy declared in the Privacy Act that your privacy was a legal right."

"Financial privacy should be everyone's concern, and this would be, if everyone knew the manner in which their private matters are disseminated to others so they can be exploited, monitored, taxed, and so-on." T. Jerry Royer, RFC®

Financial privacy is a legitimate concern. It is not limited to use by persons who are trying to evade or violate the law. Financial privacy was originally every American's legal right. Financial privacy can be used to help protect the wealth of the RFC or clients. Wealth is a target of unscrupulous persons and abusive government agencies. If the RFC's

personal wealth is not visible or easily reachable, he or she will be less of a target.

Wealth is power. Wealth provides the RFC with the tools for self protection. If someone takes that wealth from you, then you become both helpless and defenseless. You are left without access to meaningful resources.

A person must not use the legitimate right to privacy for the purpose of violating any law, rule or regulation or to conspire with others to violate any such law, rule or regulation.

Even the appearance of such use may invite harassment or litigation by the IRS. For example, a person should not transfer property to someone else without adequate consideration, or a valid reason. Any such transfer of property solely for the purpose of frustrating present or future creditors could be set aside if such purpose is proven.

Don't Invite Thieves To Your House!

The RFC does not invite a thief into his or her office or home. The RFC locks their doors and keeps their valuables away from the burglar's reach. In other words, the financial professional maintains privacy, and keeps assets secure. We all miss the good old days when we had safe neighborhoods where we could walk safely down the street and when that person could leave the keys in the car. Times have changed. Unless the advisor moves to a safer place, the advisor must change with the times. The RFC's success and survival in the future, both physical and financial, means more security and privacy, not less.

What is financial privacy? How does a person get it and keep it? Unless the RFC seriously wants financial privacy, is willing to take action to get financial privacy, and will work at maintaining financial privacy by changing with the times, financial privacy as a topic of conversation will be nothing more than an out-of-date parlor game.

Financial consultants who fail to provide advice to protect the client's wealth correctly should consider themselves

"partial financial consultants." The client should ask themselves, "Is this financial consultant helping me to protect my wealth from being a target of the many powerful and unscrupulous sources that have endless information about me?"

Have you ever heard the expression, "He chased a chicken and got a mouthful of feathers?" How often will 'sources' keep chasing chickens if all they ever get is a mouthful of feathers? Financial privacy is offering feathers, not chicken.

When a person with a judgment against the advisor cannot locate assets on which to levy the judgment, that person is getting feathers. If, for example, the advisor's car is leased, and if he or she owes more on his or her home than it is worth, and if he or she has no money in his or her name at the bank, then no equity, thing or value can be taken from the advisor. This is just more feathers.

Keeping assets out of the target's name significantly reduces the target's chances of being 'cleaned-out.' This gives the advisor breathing room, keeps more options open, and provides a chance to negotiate. What would happen if someone summarily seized the advisor's property and money before the advisor had a chance for self-defense, or to even react? What then would be the advisor's options? How would you feel? If you like taking chances, enjoy stress, and love a crisis, then you should disregard this article.

Keeping wealth out of the advisor's name means that any assets the advisor controls must show another nomenclature (name) as their owner. Putting wealth in another person's name, unless it is the children's names, may not be the answer. If that other person dies, his or her heirs will be happy to own the advisor's property. Secret agreements with friends have their drawbacks. The biggest decision in planning financial privacy is deciding what entity will own the property for all the many 'gatherers' to record and sell to those who want to 'get money from you.'

Trusts have a nice ring to them, and many people advocate their use. If a question ever arises over trust property, however, complete and full disclosure of the trust documents and the trust background may be required. Trusts can be strange animals. To test their validity, such required disclosure could eliminate any privacy on which the trust owner relied.

However, new laws including the Bankruptcy Abuse Protection and Consumer Protection Act of 2005, (BAPCPA) may contain a loophole for special interest groups and the wealthy. Placing assets held domestically into asset protection trusts can potentially make them exempt from the federal bankruptcy code. Since 1997, legislation for creation of a Domestic Asset Protection Trust (DAPT) has been enacted in the following five states: Alaska, Delaware, Rhode Island, Nevada and Utah. People do not have to reside in any of these five states to qualify for these bankruptcy asset protection plans – they merely have to set up the trust through an institution in one of these states.

Although untested under BAPCPA, these DAPT and other trusts must be in place for ten years to be recognized as legitimate and not subject to the fraudulent conveyance statutes. Keeping in mind that some of these DAPT structures go back to 1997, it will not be long until they mature within the ten-year statute contained in Section 548 of BAPCPA. Time will tell whether a party in bankruptcy with a DAPT more than two years old, yet less than ten years in duration, will be subject to an attack using the language contained in this fraudulent conveyance statute.

The language of the code potentially places under attack from the trustee the following: an interest in property of the debtor that was made on or within 10 years before the date of filing the bankruptcy petition, if *"such transfer was made to a self-settled trust or similar device; such transfer was by the debtor; the debtor is the beneficiary of the trust or similar device; the debtor made such transfer with actual intent to hinder, delay, or defraud any entity to which the debtor was or became on or after the date that such transfer was made, indebted."*

Domestic U.S. corporations are one of the best ways to hold property not in the advisor's name. This is especially true if the corporations are located in states that have no corporation taxes and that do not require disclosure of the stockholder. In many instances, property can be transferred to corporations without tax consequence or disclosure of the individual shareholders. The right mix of shareholders can prevent any reporting of names of individual shareholders. Each

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case must be handled separately to reach maximum privacy.

Some people go to the extreme of using a foreign agent to hold the corporate stock as their agent. In these cases, the agent usually is located in a country with national privacy laws that make it a crime to disclose confidential information. This extreme method must be used with care so that U.S. laws, rules and regulations are not violated or frustrated.

The world is a changed place since the terrorist attacks of 9/11. For example, the world discovered back in June 23, 2006, through articles in *The New York Times* and *The Los Angeles Times* that our personal and private financial records are now being disclosed to governmental agencies. There is a Society for Worldwide Interbank Financial Telecommunications, (SWIFT). According to the SWIFT Annual Report for 2005, in that year alone there were over 2.6 billion messages sent over the SWIFTNET Fin Service, which is about 10,000,000 messages per day. The majority of the

messages are about payments, followed by securities, treasury and trade messaging. All of this gathering of international data limits your opportunities to obtain financial privacy through offshore mechanisms, including the Foreign Asset Protection Trust, (FAPT).

Financial privacy involving such tangible assets as cash, gold, silver, and coins, is, of course, the easiest way to achieve financial privacy. Such assets can be hidden or stored in secret. There may be no recorded evidence of their existence or location. Converting intangible assets to tangible assets by selling or mortgaging the intangible asset, in the interest of financial privacy, is the safest and speediest method of getting financial privacy, unless, of course, the asset owner tells everyone what he did.

The mortgaged intangible asset becomes the feathers, and the new tangible, movable assets become the chicken. If you got lost reading this, you didn't start at the beginning.

I have worked closely with many financial planners and insurance professionals across the United States and most of these people feel that financial privacy equals freedom. I do not recommend, or even suggest, that anyone should use financial privacy for illegal purposes.

Financial privacy really is just another form of financial insurance that rightfully could stand alongside other forms of insurance. Gaining financial privacy ahead of time, like buying risk insurance before the injury, means that future problems can be eliminated or mitigated. Of course, the insured must pay for financial privacy, just like he pays for any other insurance. Financial privacy, however, has no peer in some risk areas for which conventional insurance may not be available.

Education of people in the need for financial privacy is lacking. Unfortunately, many people think about protecting their wealth after it is too late — when they are in a panic situation. Many think, "Financial privacy issues will not happen to me. I will not be

sued or pursued by some aggressive attorney representing clients or their heirs who are angry with the turn of the market. Such issues will happen to some other person!"

Are You Sure? 

Harold F. Chorney, TIA, and member of the IARFC is a highly-booked speaker for the financial products and services industry. His talk titled, *Will You Be Targeted By The Feds And Sent To Prison?* is presented to insurance companies and broker dealers across the USA. During the Vietnam War, Chorney was an Air Force pilot and flew 37 missions, encountering enemy fire fourteen times. Hal Chorney writes on financial privacy and has been published in *Life Insurance Selling*, *Broker World*, *Olde Boston Fiduciary Legal*, *Financial Services Advisor*, *The Inspirator International*, *The IARFC Register*, *The Financial Planning Encyclopedia*, and other publications. Chorney is author of the book *Pie-rats*.

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The Personal Wealth Index

A New Strategy for Today's Market



Steve Lewit, RFC®

While everyone is giddy over the arrival of the boomer population, few realize that its vast financial potential brings with it a host of marketing, planning, selling and business challenges that will leave many financial professionals floundering in its wake.

Three Key Issues at Hand

1. Rich markets are like magnets, attracting attention and competition from every sector of the business community. The word 'retirement' is on the lips of every financial advisor, major financial institution and insurance carrier. The 45 and over market is brimming with new ideas, products, concepts, and, of course, deeply entrenched competition. Consumers are being inundated with more of everything – information, mail, advertisements, phone calls and seminars to name a few – each bringing with it ideas that are often in conflict with each other and causing confusion as to what is the best course of action for an individual to take. In a business where trust is a priority, many consumers do not know who or what to trust first, and find themselves so confused, they end up doing nothing to better their finances and their lives.

2. Because we are living in an era of such great abundance, consumers now think and behave differently than before, turning their attention to a new set of expectations, wants and needs that put a priority on quality of life, meaning, purpose and legacy over money.

Retirement planning, until now, was an exercise in asset preservation combined with a reasonable rate of growth and income. Although these are still priorities, the real priority is not the money itself, but how a persons' money will impact the

quality of life itself. In short, in this age of abundance, it's no longer about the money, it's about how money integrates, supports and empowers a person's life in all of its aspects – health, well-being, meaning, purpose, family and friends. Financial professionals who can't help people connect the dots between their money and their lives will quickly lose ground in this new marketplace.

3. The consumers' psyche regarding investments has been battered to the point that trust in the financial markets and in advisors has eroded. The events of the past decade have left consumers reeling. An unprecedented series of economic events beginning with the end of the dot.com era, the collapse of the market in 2000 – 2002, the events of 9/11, the Enron debacle and currently the mortgage debacle have created an atmosphere of what I call 'disaster anticipated confidence'. People want to believe, that over time, the economy and market will keep performing. But, their psyche is so worn out over the ups, downs, deceptions and tragedies, they are really anticipating something will definitely go very wrong sooner or later. Disaster anticipated confidence is a new phenomenon. One which, most advisors are ill equipped to recognize and manage.

These three challenges, combined with the increasing complexity of the markets and the quickening pace of change, create a treacherous business environment. The signs are all around. This intensely competitive market is moving quickly out of old paradigms of thinking and behaving. Financial professionals are quickly falling behind, or working much harder to maintain their business. Supply hasn't met demand. A new method of marketing, meeting and approaching our business is long overdue.

The Personal Wealth Index Facilitating a New Role

Change demands change. New markets demand new roles and new tools. The Personal Wealth Index is a new tool created to facilitate the new role which, I believe, forward thinking financial professionals need to adopt. The **Wealth Index** is a 15 minute questionnaire that scores how well people are doing in four aspects of their lives:

**Health & Well-being • Friends & Family
Meaning & Purpose • Money & Finances**

The Wealth Index candidly shows people their strengths and weakness and gives them low, medium and high priorities for each question in each sector. From the consumers' point of view it is like knowing their credit card score or their blood pressure. The consumer receives an in depth report which gives their overall and sector scores, question by question analysis and priorities, and suggested strategies that could help raise their scores. The initial scores establish a baseline from which progress may be measured year by year.

A New Perspective

From the financial professional's perspective, the Wealth Index is a revelation of information that cannot be easily gained through any kind of traditional probing, questioning, warm-up or data gathering. Existing clients reveal things about themselves and their assets that would otherwise remain hidden, even from the advisor that believes he or she has a great, long term relationship. Once clients reveal the deepest emotional motivations about their lives, they are more willing to consider alternatives that they may not have considered in the past.

For example, one client, during an annual Index review, told me about how depressed he was because he felt that he had no meaning in life. While this appears to be an issue that has nothing to do with finances, it turned out that he felt guilty about spending money on himself, denying himself the things he really wanted to do. An ensuing discussion of using part of his IRA's for income, rejected at a meeting a year ago, was now reconsidered and accepted. Once he saw that that income could possibly relieve him of his depression and guilt, making the decision to reallocate his assets became a simple process.

As for prospective clients, the **Wealth Index** gives the advisor a profile that reads into the new clients psyche, wants, needs, preference and thinking patterns, all prior to the advisor's first meeting. The advisor will know, for example, if clients are procrastinators; how they feel about their asset allocation, whether they need additional income, if they argue with their spouse over money. The advisor will then have the ability to ask deeply meaningful questions that the client will welcome because the questions are being elicited

from the client's own index — information which he or she volunteered. For the first time, by using the Wealth Index, clients and advisors feel that they are on the same team, identifying and working through problems and issues in a unified and supportive fashion. Today's client is calling for a high touch, high integrity and high concept approach instead of the traditional probing, identifying of hot buttons and closing techniques used by most sales professionals. The **Wealth Index** is designed to answer that call.

A National Research Project. The **Wealth Index** is also a national research project. Its questions and data meet the oversight requirements of a group of clinical psychologists. Each question is considered for its integrity in delivering unbiased and useful information that gives a holistic view of the person. The ultimate goal is to help people find the greatest sense of fulfillment in their lives. For financial professionals, focusing on finances in relationship to broader and deeper goals, allows planning to take on a different sense and dimension.

When a sufficient database has been collected, research statistics evaluating the correlation of each question with the other will be published. These correlations, once known, will give advisors the ability to direct clients in a way which has been impossible in the past. For example, one set of correlations that has already begun to show itself is the correlation between financial worry, stress, health and strained communication with the spouse or children. While removal of financial worry may be sufficient to move a client to implement a new plan, we all have been in front of enough clients who, despite the reasonableness of the plan, rejected it and did nothing. By showing a client the correlations between money, worry, stress, health and communication, the likelihood of their motivation to change will be much greater.

The current Wealth Index does not push any specific product or philosophy of asset management. It speaks to people about what is important to them — themselves. It takes money and places it in the proper perspective in their lives. Using the Index as a launching point for a financial plan brings clients and prospects to a greater sense of appreciation, of feeling understood, and a deeper motivation to change per your direction. The research that will be generated from the Wealth Index, the correlations between money and the subtler issues of life, will serve

both advisor and consumer to develop effective strategies and solutions that people will appreciate much more deeply than the compartmentalized approach of yesterday, with the focus on getting clients a few extra points in growth, creating a living trust, or moving their assets into safer investments.

Business Building with the Wealth Index. While this new market is overflowing with potential business, because of the stiffness and level of competition, the shift in consumer demand and psyche, business results for most individual advisors has been lack luster. I hear the same story daily — not enough business from current clients, not enough referrals, lead costs too high, and net revenue is down. Many advisors who give seminars report that attendance is down, appointments are down and the number of people attending these seminars just to be social, is way up. The old model is just not working as it used to.

The **Wealth Index** fills a market void. It attracts new clients much like water attracts someone wandering in the desert. I believe there is a real thirst in this new marketplace for something interesting and unique, something meaningful, something which is not product oriented. Likewise, I believe that most financial professionals are also seeking something unique, something new to talk to their prospects and clients about, something interesting to say, above and beyond a new rider or interest rate. The **Wealth Index** is that tool.

I have personally field tested the **Wealth Index** for the past two years. Prospective clients enjoy completing the very simple questionnaire. It gives the advisor the opportunity to gain meetings with existing and prospective clients where a meeting may never have taken place at all. Clients who are generally reticent about giving referrals to a financial advisor (they see it as an imposition on the people who are being referred) will give bunches of referrals for the **Wealth Index**, giving friends and family the ability to learn their scores and participate in the research project. These new meetings, when focused on Index results, typically generate secondary meetings in which the advisors financial services are requested. Finally, the Index has the ability to upgrade any client acquisition process that an advisor may be using to a level which leads, rather than follows, the market. It is cutting edge.

Change is occurring at an accelerated pace. Both client and advisor are seeking a new common ground from which they

Know Your Number, Build Your Wealth

The IARFC is happy to introduce Steve Lewit, RFC® and to offer our members an opportunity to be involved in a national research project. If you would like to test this tool with a few of your clients, send a message to: David@FinancialSoftware. David will coordinate this activity.

Participants will get a complete analysis for three people. We suggest you use one for yourself and the others for prospects or existing clients. We will send you three Personal Wealth Index brochures for you to use. All you need to do is to return the completed forms to the RFC and we will work with Steve to get your reports to you.



can communicate and grow, each helping the other. While money is, of course, important, it has become the fuel for life, rather than the end all of life. I believe that those financial professionals who are still addressing the market in the same way they did even just a few years ago, using the same type of materials, the same selling methodology, and the same planning methodology, are already falling behind.

It will not get easier in the future. To keep doing the same things advisors have been doing in the past is a contract for ultimate failure. The Wealth Index sets a direction and philosophy which, I believe, every advisor needs to pay attention. I urge you all not to take this rich and compelling market for granted. Status quo is simply not an option. ☐

Steve Lewit, RFC® is CEO of Wealth Financial Group, an insurance marketing company and sponsor of the Personal Wealth Index as a national research project. Materials provided to professionals contracted with the Wealth Financial Group include access to the Wealth Index based marketing and prospecting systems, seminars, direct mail and a host of other business building materials. The Wealth Financial Group is compliance minded, with many of its materials FINRA reviewed, including the Wealth Index and its ancillary materials.

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The Playing Field Is Changing: Are You Ready?



Maribeth Kuzmeski, MBA, RFC®

Getting the word out about your firm can be a challenging endeavor. In the past, advisors have used brochures and business cards to relay information to interested parties. Today, the way information is being disseminated about advisors is changing dramatically. Yes, referrals are still the main initial source of new prospects and seminars still work for reaching out for new clients. But before a referred prospect will come in to see you, they will most likely go online to find out more about you. And because information is immediately available online, your web presence is now the main source for facts about your firm (even if the person was referred to you).

Your Online Presence Defines You

Have you ever ‘googled’ yourself? Do you know what’s out there on the world-wide web about you? You need to see first what your researching prospect will see.

When a prospect or client arrives at your website, do they see what they want? Does it answer their questions and/or exceed their expectations? Most importantly, does your website create a lasting impression about who you are? Your website is your voice and should be a reflection of you and your brand.

7 Seconds to Make a Great First Impression.

Recent statistics indicate that people form an opinion of a website in about 7 seconds. In 7 seconds they will decide whether to browse within your site or move on to a competitor. With this in

mind it is important to have a website design that downloads quickly, is aesthetically pleasing, and tells users right away what’s in it for them. Simply put, your site need to stop visitors in their tracks.

It's Not All About You — It's About Them!

What do your prospects want to see? Your website home page is most effective if it has a direct, clearly stated, compelling message about what your visitor will gain from exploring further. A list of your services or description of you and your background may not be truly compelling. Leave that for the “About Us” page or summarized further down in the opening content.

If you work with clients who are near or at retirement, then have a box they can click on with “Important Information Before You Retire.” or “Already Retired? Learn The Most Effective Income Preservation Strategies.” The visitor will go towards content specifically for them. The more benefit driven and specific you can make it, the more compelling your site. You’ve heard this before as it relates to marketing and presenting your firm — it’s all about benefits not features. You and your services fall into the features category. You will gain people’s attention when they immediately see what’s in it for them, or when you address their emotional concerns. It should be all about them!

Your Site Should Be Unique, Just Like Your Firm

Instead of lengthy written descriptions of your firm’s differentiation, your credibility and your services — let the visitor get to know your firm in a more impactful way. Tools that are being used to quickly reflect a firm’s uniqueness include pictures of you and your staff, video, and audio talking to your visitors about the benefits you provide. Having an attractive model or stock photography on your site does

not tell visitors anything much about who you are.

Custom Web Design

A template website (a design that’s already created but the written content or stock photos can be changed) may not create the differentiation you need to share with visitors. Your website design should be focused on the needs of your target audience. Some keys to a good site include:

- Compelling headlines and copy that will interest and inform.
- Clearly communicated company branding and differentiation.
- Purposeful images of your firm.
- A site that is designed to accentuate visitor interaction.
- A site that can be managed and updated regularly.

Advisors are updating their web presence because that's where people are looking...

The success of a website is measured by your “web conversion rate” or “internet response rate.” Are you getting people to do something when they are at your site? Visitors to your site needs to be lead and nudged so they eventually take the action you want. Several ways to encourage their interaction is to offer them some value in exchange for filling out some information including:

- Download a free report
- Sign up for your free newsletter
- Download a recent webinar
- Request a complimentary Retirement Analysis
- Request a free audio download of a conference call or recent radio show
- Order a free workbook that helps organize their finances
- Take a survey
- Schedule an appointment (yes they will!)

How do consumers find your site?

Did you know that 81% of Internet users rely on search engines and directories to find information? These listings are crucial to your online success. Unfortunately, many businesses don't have their sites built with regard to search engine optimization.

Search engine optimization (SEO) is the use of search engines and directory listings to draw traffic to a web site. SEO means getting your website to appear within the top 30 – preferably the top 10 – when a potential client enters relevant keywords into a search query.

Submitting your website to directories and search engines can be useful, especially if your website is new and hasn't already been picked up by Google, etc. You can hire a firm to submit your website for you or you can submit your site yourself making sure to carefully follow the particular search engine rules for submission.

How Do Prospects Find You: A local person, having been referred to you might simple enter into Google. "Your Name" Town State. That should bring up a link to your website, along with other references to you. But what if they start at the IARFC website? Is your profile current? Have you uploaded a nice photo? Have you checked off your qualifications and services? If so, they'll follow the link to your website.

Evaluate Your Site Using Analytics.

Use Google Analytics (www.google.com/analytics) to statistically evaluate your site. Find out how long people stayed on your site, where they went when they were visiting your site, and if they were repeat or new visitors. Use the information to continue to improve your home page and entire site. Also, set up Google Alerts on your name and company name. Whenever something new appears anywhere online – you will be notified. To set up your Google alert, go to www.google.com/alerts.

When someone gets to your site they have to feel like they are exactly where they want to be. You are the firm that will answer their questions, they are peaked to find out more, they have reason to contact you – and they do!

The reality is there are hundreds of thousands of agents and advisors out there. Your website can play a valuable

WEB RESOURCES

BOOK: Website Tips, Tools & Tactics: Driving Business Online By Maribeth Kuzmeski. Best practice tips and tactics to generate more website leads, increase the visibility of your website, boost your page ranking on search engines and help you create a strong first impression (available in e-book download, workbook and audio book) www.redzonemarketing.com/products.htm

Appointment Scheduling – Online

www.appointment-plus.com/advisor_scheduling_software.php

Web Design

www.smithnjones.com
www.advisorproducts.com
www.gonetsolutions.com

Video Recording

www.robertchesney.com

Video Hosting

www.instantvideogenerator.com

Audio Recording

www.instantaudio.com

Google Analytics

<http://www.google.com/analytics>

Google Analytics tells you how visitors found your site and how they interact with it.

Google Alerts

<http://www.google.com/alerts>

Google Alerts are email updates of the latest relevant Google results (web, news, etc.) based on your choice of query or topic.

Web Placement/Optimization Consultants

www.prominentplacement.com
www.gonetsolutions.com



part in evening the playing field with your competitors. An advisor with lots of experience, lots of industry accolades and many clients today must also have a good website in order to have a true advantage on the competition. If your site gives visitors what they're looking for, you've given yourself the best opportunity to become the advisor of choice. ☐

Maribeth Kuzmeski, MBA, RFC® is a National keynote speaker, marketing consultant, author and personal coach. Maribeth, has been working with and studying highly successful financial advisors for 13 years. She consults some

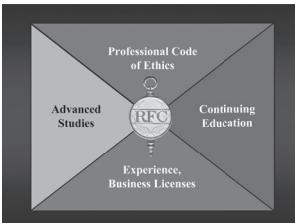
of the top financial advisors in the United States. Maribeth has spoken at The Million Dollar Round Table, has been featured in hundreds of publications, is author of 4 books, including 85 Million Dollar Tips for Financial Advisors, and is the creator of Client Delight® communication techniques. Her passion is to help increase the effectiveness of marketing for financial advisors so they can use their brilliance to see and serve more clients.

Contact: 847 367 4066
info@redzonemarketing.com
www.redzonemarketing.com



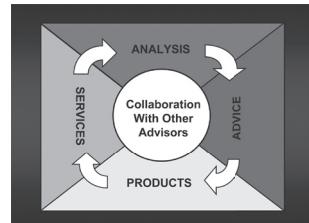
International Association of Registered Financial Consultants

The Financial Planning Building, 2507 North Verity Parkway, P. O. Box 42506, Middletown, OH 45042-0506
Phone: 800 532 9060 Fax: 513 424 5752 Email: info@IARFC.org www.IARFC.org



Application for the Professional Curriculum

Standard Tuition Rate:	\$3,000
Introductory Rate:	\$2,500
RFC Staff / Associate:	\$2,200
Current RFC Member:	\$2,000



Your Name: _____

(Exactly as you want it to appear on your full-sized 16 x 20 RFC Membership Certificate, excluding degrees or other designations)

Mr. Mrs. Ms. Other: _____ Your Preferred Salutation/Nickname (i.e. "Bill") _____

Check Enclosed \$_____ Credit Card No. _____ Expires: _____

Name of Business: _____

Street: _____ City: _____

State: _____ Zip Code: _____ E-mail: _____

Phone: _____ Fax: _____

Broker/Dealer (if any): _____ FINRA CRD #: _____

Securities Licenses: Series 7 Series 6, 22 or 62 Series 24 Series 27 Series 65 Other _____

Insurance Licenses: Life Health Variable Contracts Prop. & Casualty Other _____

Affiliated with a Registered Investment Advisor (RIA)? _____ Name of RIA: _____

Designations: AAMS AEP CEP CFA CFP ChFC CIMA CLU CPA CPA/PFS CRFA CSA EA

FSS JD/LLB LLM LUTCF MBA MS MSFS MSFM Ph.D. RFP RHU Other _____

Financial Services Education: CFP Prep Course at: _____ Other: _____

Financial Services Experience: Number of Years engaged in the field of financial services: Full time _____ Part time _____

Highest Level of School Completed: Secondary Associate Bachelor Master Doctoral Other _____

Who is your primary Life Insurance Company (if any)? _____

Do you currently charge for Investment Advice? _____ Do you currently charge for Plans? _____ Hourly Consulting? _____

Signature: _____ Date: _____

Date Selected: _____ City: _____ Send Hotel Information
(see reverse side for schedule)

Please Fax Your Application to: 513 424 5752

The IARFC is a non-profit professional services organization supporting financial advisors worldwide.

2008 COURSE DATES

DATE

April 28 – May 2, 2008
May 12-16, 2008
June 9-13, 2008
July 14-18, 2008
August 4-8, 2008
September 8-12, 2008
September 22-25, 2008
October 6-10, 2008
October 27-31, 2008
November 3-7, 2008
November 17-21
December 8-12, 2008

COURSE LOCATION

Port of Spain, Trinidad*
Charlotte, NC
San Antonio, TX
Jersey City, NJ
Columbus, OH
Chicago Area
Denver, CO
Port of Spain, Trinidad*
Boston, MA
San Francisco, CA
Los Angeles Area
Central Florida

For international venues, please contact the IARFC for current tuition.

COURSE POLICIES

The RFC Application Fee of \$45 and first Annual Membership Fee of \$150 are included in the tuition, along with all of the textbooks, software, planning tools, CD text files and exams. There are no "Extra" charges. Refunds: 90% before shipment of software, 50% before 30 days and 30% before commencement. No charge for transfer to another scheduled class. IARFC reserves the right to change venue to assure adequate course participation.

STAFF & ASSOCIATE DISCOUNT

If someone in your immediate office attends the course with you, such as an employee or an associate in the same firm, there will be a discount of 10% for each person. If you sign up ten or more there will be an additional discount of 5% each. All students will receive a complete set of the study materials and software.

COMPANY SPONSORSHIP

Discounts are available, based on enrollment and locations — and whether the organization provides the class venue.

TUITION REIMBURSEMENT

We are pleased to work with any organization to develop a reimbursement policy, whereby the IARFC will certify that the student has satisfactorily completed all of the course assignments, and all or a portion of the tuition is reimbursed.

WOULD YOU LIKE A LOCAL COURSE?

We would be happy to present a course in any city, provided an enrollment of 25 persons. They might all be from one organization, or from a wide variety. We are happy to work with any sponsor to schedule courses in any location (even a resort area) and can even consider having some of the lectures delivered by qualified instructors nominated for that session.

INSURANCE CE APPROVAL

AK	24
AZ	20
CA	filed
CO	filed
FL	filed
GA	20
MD	filed
MA	filed
NJ	20
NC	20
OH	20
PA	20
TX	20
VT	20
VA	20
WV	12

The Financial Planning Process™ course has been approved for CE with the insurance departments of many states. We have also filed with the CFP Board. The Ethics Component by David Lawrence & Associates is approved for 2 units for CFP.

Are You Offering Modular Plans?



Ed Morrow, CLU, ChFC, CFP®, CEP, RFC®

Every financial advisor has studied the benefits of comprehensive financial planning, and the need to integrate all aspects of probabilities into one master plan. But that is not what the client always wants. Often the client wants to receive advice in just one area. Or at least that is what the client **believes** he or she needs.

And believing that they need look at only one aspect of personal finance, which is what they are prepared to undertake — and pay for. Most advisors need to be prepared to **offer** modular analyses. When the client begins to see how all these topics are inter-related the advisability of a comprehensive plan may be re-visited. But at least the client relationship is initiated.

More than 85% of the financial advisors sell some products, in addition to offering advisory services. That number zooms to well over 95% if we include Assets Under Management on a fee basis. Many financial advisors want to increase the portion of their business and revenue that is represented by AUM. But **first** one must secure the client — establish the relationship.

What Do You Need? To offer modular planning the financial advisor requires only three items, and they are simple and inexpensive. We have incorporated them into the Financial Planning Process™ course and we spend a portion of class time training how to offer these services.

1. Modular Fee Schedule. You might wonder why this is first on the list? Because it is the simplest and because it helps the advisor know just what is needed for the next two steps. You must

be prepared to answer the question of a prospect, "What if I just want your advice and help about..."

You absolutely must have a **written** fee schedule. This implies that you deliver a lot of modular planning, and that you place sufficient importance on single needs analyses to have a printed schedule. On the next page we have reproduced a Modular Fee Schedule. This adds credibility. This schedule lists eight types of services. You could easily add some, like Long Term Care Analysis, or Disability Analysis or Key Person Analysis for business owners. You might also want to remove a few that do not fit your operation, your market or your areas of expertise.

It also shows fee amounts. We are **definitely not saying** this is what you should charge. Some advisors will be working in more affluent circles. For wealthy persons, the numbers will be larger and the issues more complex. The advisor will have to do more work. Those advisors may also have higher overhead and more staff. Their fees should be higher, of course.

You may also not like having such a large range, such as from \$800 to \$3,000 for Estate Planning, but that is your choice. Our objective is to give you a starting point. It would be very easy to edit this Fee Schedule.

We have previously written about the recommended use of certificate paper to dress up your interface with clients. We strongly suggest it for your Code of Ethics, your Satisfaction Assurance, your Plan Acceptance and your Comprehensive Financial Planning Fee Schedule. We get this inexpensive certificate paper from Baudville.com. If you would like a copy of the Fee Schedule in a word file, contact us at: editor@IARFC.org

2. Modular Analysis Tools. You cannot contract for a service that you cannot deliver effectively. So, how do you add the capacity to do modular planning? Yes, you could go ahead and use the full power of Plan Builder or some other comprehensive planning tool, and just show the client a limited number of pages. But this will not work well in all situations. It is also more time-consuming and for every financial advisor, **time is money**.

The full Financial Planning Process™ course includes the Virtual Sales

Assistant — a web based compendium of advisory tools. Included are articles, reference information and calculators (professional illustration tools). You can acquire access to these by signing on and enrolling at the special price for IARFC members. The standard cost is: \$21.95 but your cost is only \$17.95 per month. The VSA includes both illustration tools (calculators) as well as supportive text. This will not provide everything you might need, but it is a very good start.

3. Modular Planning Agreement. This must be compatible with your status (are you an RIA, AIR or a FINRA registered Rep?) and your legal environment. The shorter the better. Generally it should either refer to some brochure or proposal where your services are described in reasonable detail — or there should be such a paragraph in the Agreement. You can also include a Plan Assurance Certificate; modified just for a single needs plan.

Optional Extras. Just as when you purchase a car, there are additional items for which you may feel the need. As you embark on offering Modular Plans you may benefit from having additional resources. Your needs will depend on your market and expertise!

- Presentation Systems.** Some of the topics listed really require more education than simply a discussion, brief fact finding, and preparation of a quick illustration. For example does an estate planning client need a tutorial session on how estates are taxed — and how trusts, properly installed, can protect and preserve the hard work of a generation of effort? Probably...

- Sophisticated Software.** Depending on the complexity of the client circumstances you may need more powerful software. For example, suppose your estate planning or corporate executive client had a series of Stock Options. Are you prepared to illustrate the values and the optimum exercise points without an illustration tool? Do you need a charitable software tool like PhilanthroTec?

- Advanced Support.** Here is where your home office (insurance or broker dealer) can help. But do you know the right persons to call? Will they have the time to help you? What information do they

continued on page 18

Page 17

require? What are their standards and support procedures?

- Local Professional Assistance.** You will certainly need the advice and services of a local attorney in several aspects of planning, and perhaps a CPA who focuses on personal or business owner taxation.

- Quality Packaging.** Don't forget the need to package your Modular Plan. Just because the fee isn't large, doesn't mean your plan does not need to have a professional appearance. We suggest two options: Some advisors like the flexibility of a thin **three ring binder**. One with a half inch ring will accommodate all modular plans except perhaps a very complex estate plan that might require a one inch binder, just as with your comprehensive plan.

Other advisors prefer **bound presentations**. For those we suggest the Unibind System. They have inexpensive clear plastic covers, but we prefer the solid dark blue covers that have a window to reveal the client name and perhaps the subject of your report. The Unibind System enables you to assemble pages and then place the pages into a heating unit, forming what is often referred to as a "perfect bind."

Getting Started. This will really be easy, because by this point in the article you already have a bit of a road map. Obviously you need a fee schedule and a simple agreement that clarifies the scope of your responsibilities. If you don't have them, perhaps your primary life insurance company or your broker/dealer can provide the text. Otherwise, the IARFC will be pleased to help. Contact our Education Director, Jim Lifter, at: Jim@IARFC.org

Enroll in VSA. You may already have modular software. However, if not, why not start with the Virtual Sales Assistant? It has strong supportive materials, charts, graphs. We feel you will find it invaluable, especially at the very low price.

You can receive the IARFC discount by visiting: <http://vsafsonline.com/> and entering **RFC** in the company code. If the VSA doesn't work for you, then simply discontinue the service. But consider this — any single engagement will pay your annual subscription — not to mention the thousands you will earn in product commissions or new AUM fees.

Practice Makes Perfect. Set aside a few hours on a weekend and learn to use VSA backward and forward. Since it is web-based you can do this from your home,

and not allocate primary client-visiting time. Work some of the illustrations. Examine all the text. Now you are ready. In fact, we are requiring of all the students in the Financial Planning Process™ course to prepare sample modular plans. This enables them to show a potential client what they will be able to deliver.

Examine Supplemental Text.

Many of these topical plans can also benefit from the text contained within the 20 article sections of **Practice Builder Financial**. This can help in prospecting for new clients as well as in your proposals. You can also use the word search routine to see where all the text that is relevant to your presentation topic might be found. This makes the modular plan larger. The reading you do, both in VSA and Practice Builder, will increase your knowledge level. You may also have text books and additional reference sources you can turn to — after you have been engaged.

Sample Plans. If you prepare a sample plan for each Modular Plan listed in your Fee Schedule you will achieve two important milestones: **First**, you will have a valuable and effective presentation tool. When suggesting that you provide a Modular Plan for a prospective client you can easily display your sample, "This is the type of report we will prepare for you. It gathers all the important facts, analyzes the issues, and offers suggestion to help you decide how to move forward." It worked in school and will work in business: **Show and Tell**.

Second, by having your sample plans already prepared you will be far more confident in your proposing that your client retain you to perform the Modular Analysis. **Confidence is contagious**. Your prospect will sense that you have the capacity and experience to help. Soon

FINANCIAL PLANNING FEE SCHEDULE

ESTATE ANALYSIS

Review of family holdings: property, employment interests, insurance, inheritance, ownership interests and current legal documents; calculation of settlement expenses and taxes. Based on the complexity of the estate holdings. **Fee Range:** \$900 to \$3,000

SURVIVOR INCOME ANALYSIS

Review of the total survivor income available from life insurance, employee and government benefits, investments and other sources. Determine adequacy of income, shortages and alternate solutions. **Fee:** \$400

RETIREMENT INCOME ANALYSIS

Projecting the anticipated income at retirement from all sources, including employee benefits, private plans, investments, insurance and government benefits. Recommendations for how to increase the projected income and offset inflation. Depending on the number of plans and the scope of the insurance and investment portfolio, **Fee Range:** \$500 to \$3,000

RETIREMENT PLAN DISTRIBUTION ANALYSIS

Evaluating the distribution alternatives of qualified retirement plans, such as IRA, TSA, 401K, Profit Sharing, Money Purchase Pension, projected to retirement, with illustration of net income after retirement. **Fee:** \$100 per plan

EDUCATION FUNDING ANALYSIS

Projecting costs of education for children or grandchildren. Four potential periods of school. Sources of funding from trusts, family gifts, student grants, student earnings and family contributions, contrasting optional account ownership. **Fee:** \$50 per child.

DEBT CONSOLIDATION

Illustrates the value of re-financing and possibly including installment debt into a residential mortgage to improve income tax benefits and cash flow. **Fee Range:** \$300 to \$500

INVESTMENT POLICY STATEMENT

Analysis of present investment holdings and current allocation. Designed to help you bring current and future holdings into alignment with your personal objectives and retirement circumstances. Based on complexity of holdings. **Fee Range:** \$400 to \$1,000

BUSINESS VALUATION AND FUNDING ANALYSIS

Preparation of a business valuation analysis using the four primary methods of determining fair market value employed by IRS for estate taxation. Alternate methods of funding a business buy/sell agreement or providing estate equalization funds. **Fee:** \$350

you'll be delivering modular plans and moving on to implementing them with products.

Nike is right. **You just have to do it!** Modular Plan capacity will lead to an increased number of comprehensive plans — and also give you an option for the prospect who is not yet ready for the comprehensive plan. Modular plans will also lead to the sale of products and also help you bring in more assets under management.

Just do it! ☐

Ed Morrow is the chairman and chief executive officer of the IARFC and he speaks frequently at professional conferences on topics related to his practice experience — and enabling financial advisors to increase their sales production and client services, by building their practices through effective client relationship management. He first used computers in 1970 and has authored seven computer programs and 21 operation manuals.

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edm@iarfc.org
www.iarfc.org

The Register • April 2008

Compliance-Friendly Marketing

The Follow-Up Letter

By Katherine Vessenes, JD, CFP®, RFC®



Katherine Vessenes, JD, CFP®, RFC®

One of my best legal/compliance recommendations is also a good technique for building rapport and keeping clients happy at the same time. It is the follow up letter; a letter that should be sent after every major sale and most meetings you have with clients. This letter is particularly important when selling a product that is misunderstood and has received unjustified criticism, like Variable Annuities.

I have found that failing to meet client's expectations and unpleasant surprises are the real reasons most investors file a claim against their advisor. This simple, no cost tool, goes a long way to establish reasonable expectations in the mind of the investor and to make certain they are not surprised.

Here are some things to think about when creating a follow-up letter to a Variable Annuity Sale:

1. Pretend you are in front of a FINRA arbitration panel. With every letter you send, you should always picture the worse-case scenario and imagine how it will sound to regulators or an arbitration panel. If it is not something you would be proud to say in public to that group, leave it out of the letter. This letter could come back to haunt you, or to help you. Create it carefully and it can help you win a tough case. Years ago, a local financial advisor did not follow this basic concept of Etiquette 101: If you can't say anything nice to a client, don't say anything at all. "Charlie" had some

long-suffering clients and in my mind, had not treated them very well. They eventually got upset and sent a soft letter to Charlie, asking for an explanation and very little money to compensate them for the poor treatment. Charlie, in a pique, sends back a scathing letter, attacking the clients in the worst way, even telling them they were ungrateful! He left no slur unstated on the written page. The clients, who were only mildly upset before, became outraged. They filed a claim with the NASD, asked for and received a boat-load of damages. It ended up costing Charlie a great deal more money and a lot of time once the arbitrators got a good look at the facts. I believe what sent the arbitrators over the edge, was the vitriolic letter. The right letter at the right time could have saved him.

Your follow-up letter needs to be just the opposite of Charlie's. It should be warm, friendly and grateful that your clients have selected you to assist them with their financial future.

Start it with something that builds bridges: "Dear Bill and Suzie, it was great to meet you yesterday. It was fun to get to know you and I am sure we are going to enjoy working together."

2. Never ever make any promises or guarantees, other than promises for great service. This is not the time to promise a 6% return, even if the contract provides for a minimum 6% guarantee. The reason being the language for guarantees is contractual, conditional, and written in the greatest of legal prose to keep regulators happy. By describing the guarantee in your letter, you could be creating problems for you or your firm. You don't want to create additional, unwitting guarantees by putting them in a letter. This could have the unhappy consequence of you becoming the personal guarantor of an investment's success, something you want to avoid.

However, toward the end of the letter you could say this: "As you know, it is illegal for me to personally promise

any investment returns. Regrettably, none of us know what the market will do. However, I can promise you great service. As a financial advisor at Prosperity Financial, we are dedicated to helping you achieve a bright financial future. If there is anything we can do to improve this relationship, please let us know."

3. Do not add to the information that is contained in the prospectus. This is also not the time to say in your letter, "My experience with the company is that they pay their death benefits within two weeks." Once again, we don't want to add to your liability. In fact, most attorneys say the letter should not even cite certain pages of the prospectus. The best language to use would be a quote like this: "For more information about the XYZ Variable Annuity, please read the prospectus carefully." Most compliance departments will not want you to say, "For an explanation of the guarantees, please check out the language on page 6."

4. Review and confirm the client's goals and objectives. A great way to start off the letter is to confirm their goals and objectives. You might say: "Congratulations on your \$1,000,000 inheritance. I know you are serious about investing these funds wisely so we spent some time reviewing your goals and objectives. You indicated the most important goals for this money are to create a steady stream of income in retirement, and to have a dependable death benefit for your heirs if you died before you could start taking an income." If the client has listed other goals for these funds, be sure to list them.

5. Mention that you reviewed different investment options. The next step is to remind the clients that you reviewed, in detail, a number of different investment products that might fit their goals. Here is some language that I like to use: "We reviewed a number of different options for these funds including mutual

funds, REITs and Variable Annuities. We discussed the pros and the cons, and the expenses, of each investment." Note, I do not recommend listing here all the pros and the cons of each investment. The reason is as sure as you list some here, you might leave something out. Those minor omissions are normally not a problem until you get in front of plaintiff's counsel at the arbitration table. Opposing counsel might dive in and try to make you look bad for forgetting a minor advantage or disadvantage. It is better to just state in general that you reviewed the options with the client.

It is important to mention that you have reviewed the fees and expenses of every recommendation. You don't have to state here exactly what they are, but it is important to remind the client that you did discuss them. This is of particular importance when clients are buying Variable Annuities because the product has received a lot of press, much of it unjustified, that VA fees are too expensive.

6. Confirm the client, not you, made the investment choice. A key concept of this letter is that you presented a number of different options to the client, and the client, not you, made the investment decision. One way to phrase this is: "Based on reviewing the options, you chose a Variable Annuity..."

7. List the why's. At this stage you want to list the reasons why the client selected the Variable Annuity. Always list at least two reasons. Frankly, this is a case where the more reasons you can list, the better. To pick up from the last sentence: "Based on reviewing the different options, you chose a Variable Annuity for the following reasons:

- You wanted to create a stream of income that you could not out live in retirement,

- You wanted a "safety net" in this portfolio,
- You wanted the certainty of knowing your retirement income could not be reduced, and
- You wanted tax-deferred growth.

Note that it is vitally important that the reasons listed here match their goals stated earlier. You don't want their only goal to be tax-deferred growth and then list the only reason here as optimizing money to heirs.

In that case, it would be apparent that you have not met their objectives, because the reasons this investment is appropriate would be completely different from their goals.

8. Get back to me with any misunderstandings. The closing part of the letter is the most important. It should express how

continued on page 21

Putting it all together. When you are finished, your letter might look like this:

Re: Investment discussions and Variable Annuity Purchase on December 13, 2007

Dear Bill and Suzie,

It was great to meet you yesterday and fun to get to know another Red Sox fan. We are honored that you have chosen to work with us, and I am sure we are going to enjoy our time together.

Congratulations on your \$1,000,000 inheritance. I know you are serious about investing these funds wisely so we spent some time reviewing your goals, objectives and various options.

You indicated the most important goals for this money are to create a steady stream of income in retirement, and to have a dependable death benefit for your heirs if you died before you could start taking an income.

We reviewed a number of different options for these funds including Mutual Funds, REITs and Variable Annuities. We discussed the pros and the cons, and the expenses, of each investment. Based on reviewing the different investment options, you chose a Variable Annuity for the following reasons:

- You wanted to create a stream of income that you could not out live in retirement,
- You wanted a "safety net" in this portfolio,
- You wanted the certainty of knowing your retirement income could not be reduced,
- You wanted some certainty about leaving money to your heirs, and
- You wanted tax-deferred growth.

Just a reminder – please take the time to read the prospectus carefully. All of the contractual guarantees, fees and expenses are explained in detail there.

As you know, it is illegal for me to personally promise you any investment returns. Regrettably, none of us know what the market will do. However, I can promise you great service. As a financial advisor at Prosperity Financial, we are dedicated to helping you achieve a bright financial future.

"Bill and Suzie, if I have misunderstood anything, please get back to me immediately. If there is anything else I can do to make this relationship better for you, please let me know.

Warmest personal regards,

Katherine Vessenes

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continued from page 20 Compliance-Friendly Marketing

delighted you are to be working together, and then confirm you expect the client to get back to you immediately if there are any misunderstandings. Here is some good language: “Bill and Suzie, if I have misunderstood anything, please get back to me immediately. If there is anything else I can do to make this relationship better for you, please let me know.”

I like to underline the sentence: If I have misunderstood anything, please get back to me immediately, because it draws attention to this key concept. Also, by implication, if the client did not get back to you immediately, you assumed they were happy with this purchase and it addressed their needs. It is difficult for clients to say at a later date in arbitration: “This investment was not suitable for me because I didn’t care about steady income in retirement or certainty of an inheritance for my heirs.” They had

Working on your practice instead of working for your practice.

“Good software is always in an evolution, adding features, simplifying data entry, strengthening the reports and shortening the plan preparation cycle. For example, a major delay in producing plans has always been the initial data entry. The Plan Builder now offers an alternative, Financial Notebook, which the consumer uses to enter family and financial information and provide it to the financial advisor by disk or e-mail..”

*David Stitt, CLU, ChFC, CEP, CFP®, RFC®
Financial Planning Consultants*

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their chance to object shortly after they purchased this investment, and they didn’t do it. It is not that they can’t object later, it just becomes much harder for the client to prove they wanted to do other things with this money when you have a letter that says otherwise.

9. **Run it by compliance.** Technically this letter is customized for every client and is not considered sales literature or advertising. However, to be on the safe side, I would run a template by your compliance department and get their input. This should also protect you from stating something in writing that you shouldn’t.

10. **Keep a copy in your files.** Sometimes advisors get a little too anxious to purge their files. This is a letter that I would keep until my compliance department forced me to purge. In this current digital age, you can always scan it as you might need it later. This is particularly true as some

arbitration panels have ignored the statute of limitations.

Once you get the hand of this, it becomes quick and easy to send a follow up letter. Your clients will perceive it as extra service and “notes” of their meeting with you. Your compliance department will love you for taking the time to document the suitability issues. It is a win-win situation. ☐

Katherine Vessenes, JD, CFP®, RFC®, is a nationally known author and speaker, focusing on sales, marketing, compliance and practice management issues for broker/dealers and advisors. Her coaching and training services have helped many advisors multiply their income through better business procedures. Order her latest book: *Building a Multimillion Dollar Practice*.

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Cato Comments – About Your Image... Building Your Media Kit – Part 1

Life means growth. Growth means change. Without change there can be no life or growth. Life also means change. All of this goes on-and-on, if you and I are advancing. And **Lew Nason**, LUTCF, RFC®, founder of the famous **Insurance Pro Shop**, is a brilliant talent who continues to make changes in traditional financial sales and marketing practices or methods. These results increase so financial advisors like **Al Altmann**, FIC, LUTCF, RFC®, recently came from Dubai in the United Arab Emirate for some eye-to-eye time with Lew Nason and other participants in the organization's classes. The last time I visited Nason he had in his office a hugely successful senior financial professional (this planner built a personal wealth of over twelve million dollars!) who talked about how effective a **media kit** can be for promoting your practice and stimulating your bottom-line.

One of America's veteran financial planners, **Jerry Royer**, RFC®, a recent participant at the Insurance Pro Shop, has maintained his market leadership position for many years. Royer explained, "You must be technologically correct! Even if you use the wrong terminology you are perceived as being out-of-date, behind-the-times, or old fashioned. We used to refer to this as a "press kit" but with so much of communications now being electronic the correct term is 'media.' Reporters and editors, plus all practicing journalist, currently refer to themselves as members of the media."

Rick White, RFC®, of Raleigh, NC says, "Every highly successful financial planner, agent, or broker/dealer has a media kit! If you don't have a media kit then ask the sales leader in your market for his or her media kit. Study that media kit and build a one for yourself."

You no longer have to kill a few trees to produce a great media kit. Lew Nason originated the idea of placing your media kit on a CD. This is ingenious! Your media kit on a CD is far less expensive to create and store, much more efficient, less time consuming, easier to handle, easier to continually revise, update, and distribute. Nason has been praised by the **Publicity Club of New York** and the **Public Relations Society of America** for recommending that a media kit be placed on a CD. This idea did not come from a member of the

media. This idea came from a proven financial sales improvement trainer.

Over the years, I have been asked to speak about media kits for financial advisors – more than on any other subject. I've written thirty-one published articles on media kits for financial professionals since 1981. But I never thought of placing a **media kit on a CD**. Until Lew Nason suggested this, I always taught the now old-fashioned "papers inserted into a folder" method.

Your media kit positions you as unique and special. This positioning enables your prevailing identity. Your identity becomes your desired reality. This reality becomes your destiny.

Anyone who is famous or truly well-known has a media kit! **Ed Morrow**, CLU, ChFC, CFP®, RFC®, who heads our fast-growing **IARFC** says, "In China and in the Pacific-Rim countries, where I work frequently, insurance sales and financial planning services are booming along with our RFC membership! I notice that the leading producers – those who help the most clients – in China and in the Pacific Rim countries, all have impressive media kits!

Our leading financial advisors within the USA all have media kits. **You should be using and benefiting from a media kit!** Your media kit is an important working tool. Your media kit works for you!"

Your Media Kit Is Your Identity! Your Identity Is Your Destiny!

Geoffrey VanderPal, CFP®, CLU, MBA, Ph.D., RFC® of Las Vegas explains, "Anyone in Europe, South America, or in any area, who is a leader in sales and service, now has a media kit! Today, in the USA, leaders of all types and in all fields, have media kits!"

Every **Fortune 500** CEO has a media kit! Every Senator and Congressman has a media kit. **Hal Chorney**, the financial professional who went to prison because he had ethics and 'stood-up' to protect his client's privacy, even has a media kit! You might wonder why? Chorney has a media kit because he is often being invited to

speak about lessons learned from his experience. Organizations want to know more about him so they can consider him as a speaker, for their articles involving him, and event flyers, etc. Hal needs to quickly provide the media with "proof" about himself, thus he needs and uses a media kit.

As a financial advisor you must be prepared to attract local, regional, national or international media attention. Journalist and program producers expect you to have a media kit if you claim to be a 'name.' Anyone of importance has a media kit! You are important. You are an achiever. You are advancing your career. You are changing, growing, etc. It's time you started using your own media kit!!"

Are you considered a "name?" Are you well-known for your specialty discipline? If you are a highly successful financial planner, or a leading insurance agent, or a top financial advisor, then you already have a media kit. Outstanding leaders in any profession have long-used media kits. Baseball players and all other professional athletes have media kits. You get the idea! **Either you are a "name" or you are not a "name."**

You can certainly become a name in your market area! If you are a "name" then you are "someone" who is **recognized**, **established**, **known**, and the leader in your market! This status helps pre-sell you and your services. Either you are important, or you are not too important! Either you have a media kit or you do not have a media kit. Nothing backs you up like your media kit. Your media kit provides proof about you – proof that you are established, experienced, qualified, recognized in your industry, etc.

If you do not have a media kit then you do not have a media kit working for you!

After you have built your media kit and **placed your media kit on a CD**, your cost for using your CD-based media kit is very little!

It's a given, you can benefit from a media kit. At this point in your life, career, and profession, you should be well aware that you need a media kit. You should

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understand the use and purpose of your media kit. You use your media kit to:

- Position yourself
- Serve more clients
- Better market your services
- Improve your image
- Advance your earnings
- Receive the prestige you deserve

Lew Nason told me, "More and more, agents and advisors are telling me that their prospects are beginning to ask for their media kits. **It is logical to use your media kit to inform and educate your prospects about you — after all you use your media kit to accomplish this with media people.** It is to be expected that your prospects desire to know many specific details about you. Young agents and advisors tend to well understand the use and value of media kits."

Since your goal is to become ever more successful and help many more clients, you should start to assemble your media kit immediately, not soon, but now. Your media kit is the same as a fact file, or information folder, or media record.

Your Media Kit reveals what is Unique and Special About You!

Your media kit works for you by helping establish you in your market area and in the financial services industry! If you do not have a media kit then the leader among your competition will use his or her media kit to "out-position" you.

Add items into your media kit according to what you are going to use your media kit for, i.e., how you desire to be positioned to the person(s) receiving the kit.

Formerly your media kit was called a press kit. And formerly that kit was

created by placing items inside a paper folder that had pockets! Of course, you can still do this. (I continue to do this for some of my clients.) But you can also be more state-of-the-art, time effective, and cost effective, by placing your media kits on CDs. Your media kit should contain any items that convey:

- Your desired destiny
- Your status
- Your prestige
- You desired image
- Your accomplishments
- Your professional memberships
- Your leadership experience
- Your specialized education
- Your role as an RFC Instructor

Ten Items Your Media Kit Should Contain

Your media kit will contain anything positive and informative about you and your work! **Your media kit should reveal what is unique and special about you...** because your media kit is both **your identity** and **your destiny!**

1. Your color photos. Previously a 5x7 B&W photo was used. But in our digital world the key is high resolution. One advantage of a CD media kit is that you can offer a number of high quality photos of you in a variety of business settings, informally posed and in working situations, speaking, lecturing or visiting with clients. High resolution is necessary for persons who need to crop your photo and incorporate your it into some other work.

2. Your lengthy biographical sketch. This contains "everything" about you as a professional, but should not

include "puffery" — lies, embellished, misleading data, or exaggeration. This should include all your designations and degrees.

- 3. Your short bio-sketch** (a condensed version) limited only to the most important credits you have. **Always be specific and precise.**
- 4. A copy of your Speaker's Introduction** that is used by those who introduce you when you are at a speaker's platform. This also implies that you are frequently introduced to audiences.
- 5. Copies of any positive print media exposures you have received,** especially a cover of a magazine or large-space feature articles. These are considered the important "proof" that enables important decisions to be made in your favor.
- 6. Proof of anything else that enhances your credibility**, such as proclamations, awards, honors, recognition certificates, etc.
- 7. A list of your memberships**, especially **leadership positions** you hold or have held. Rotary Club, **BBB**, etc., especially professional associations like the **IARFC**.
- 8. Letters of recommendation or letters of praise** from satisfied clients.
- 9. Try to include an audio, or video, or CD, or DVD** of you in "action."
- 10. Your media kit should also include your business card**, and an electronic media kit would have all important contact information on the label as well as in all files in your media kit. □



Forrest Wallace Cato
RFMA, RFC®

Forrest Wallace Cato, RFMA, RFC®, arranges for financial advisors to serve on the boards of corporations, associations, foundations, and other organizations. He is Director of Information for the Financial Advisors Legal Association (FALA). He is former Communications Director of the IAFP, now FPA. Cato is former Editor-in-Chief of Trusts & Estates: **The Journal of Wealth Management** and **Financial Planner** magazine. He is International Editor of **Advisers** magazine in China. Cato is a senior fellow in Financial Planning Media Advocacy at the Al-Habtoor School of Business in Dubai (United Arab Emirates). He presents **The Cato Award** during the IARFC sponsored conference. Cato is an award-winning author, op-ed writer, critic, essayist, biographer, scholar, speech writer, and financial sales researcher. Cato wrote the Introduction to the classic book **How To Sell Your Way Through Life** by Napoleon Hill. Public Relations Quarterly called Cato, "**The Ultimate Media Insider for Financial Professionals**". He works for advisors and agents, helping them create, establish, and maintain their desired images (positions as the leaders in their target market areas). Cato is credentialed as a member of the media authorized to cover the U.S. Congress and the White House. He has interviewed five Presidents of the United States.

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Critical Illness Gap

Get in on the ground floor of this about-to-explode the market!



Wilma G. Anderson, RFC®

Most Americans face a big insurance gap they're not aware of. And by filling that gap, you and your client can both benefit.

Most people who are stricken by a major illness, like cancer, heart disease, stroke or multiple sclerosis are going to have big bills to cover, even if they have solid health insurance. **Larger deductibles and coverage limitations** are becoming more common with health plans — but that's just the start. Since most folks have little or no disability insurance and perhaps no long-term care insurance at all, they're going to have big out-of-pocket costs when they have to miss work for a short 30 or 60-day recovery, or enter a rehab facility or a nursing home if a longer recovery period is needed.

Even people who do have DI or LTCI can face a cash crunch until the usual 60- or 90-day elimination period ends and their benefits begin.

The effects on a family's financial resources can be devastating. A recent study showed paying for illness-related costs were responsible for one-half of all mortgage foreclosures.

Fortunately, there's an answer: **Critical Illness insurance**. This relatively new product in the U.S. can plug that gap. While the product has not been sold heavily in the States yet, it is very popular in countries like the United Kingdom, Japan, Australia and Canada. And now it's starting to grow quickly here.

You can get in on the ground floor, earn extra commissions, and increase your client base by learning how to sell this product.

The policy's simplicity appeals to prospects and clients and advisors who are sometimes hesitant to look at a new product to sell. Trust me... it's an easy sale — if you know the right techniques and questions to ask.

Here's how this "**financial recovery insurance**" works. The policy pays upon the first diagnosis of several major illnesses, including cancer, heart disease, stroke, Alzheimer's disease and organ failure. Benefits will vary between carriers. Once leading insurer's policy, for instance, will pay upon the first diagnosis of 12 major illnesses.

When a **Critical Illness** is first diagnosed by your client's own Doctor, the insurance company pays the policyholder a lump sum equal to the stated benefit in their CI policy. Your client never has to worry about the insurer determining whether or not they are truly disabled, or that they don't need long-term care. The money they receive from the insurance company can be used for anything they want.

Your client or client's doctor won't need to submit a treatment plan or ongoing claim forms. It's once-and-done. In contrast, with long term care policies a claim form has to be submitted each month for services performed or given, and the policyholder still has to always

health- qualify to receive their benefits from the LTC policy.

A **Critical Illness policy** pays your client a lump sum and they can use those monies for anything, or in any manner they choose.

The **Critical Illness policy** is easy to use and explain. Its straightforward simplicity will appeal to all of your clients and prospects.

To help your clients and prospects decide how much coverage they might need, ask them how much the family would need for three months of living expenses — or for three months of operating expenses if your client is a business owner. (Doctors, dentists, chiropractors and other self-employed professionals with ongoing overhead expenses are excellent prospects.) Most people will need somewhere between \$25,000 and \$150,000 to pay their bills for the first 90 days after they have an illness. The minimum benefit for a critical illness policy is \$10,000 in most States; the maximum coverage is normally \$500,000, though up to \$1 million can be issued.

Underwriting

Only a few carriers dominate the US market, including AIG, Protective Life,

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Assurity, GTL, and Mutual of Omaha. While underwriting isn't as exhaustive as it is to apply for an LTC or DI plan, **critical illness policies** – except for smaller face amounts – are **always** underwritten. Underwriters will ask applicants if they've had any immediate family members who've had a heart attack, stroke, cancer, etc. It's useful for the advisor to have a list of the most common illnesses or conditions which can eliminate their client from the Underwriting process. This will help the financial advisor's placement ratio immensely.

New on the market from AIG is the **Accident Expense Plus** policy which is a guaranteed issue. Critical Illness coverage can be added as a rider for up to \$25,000 of benefits. Unique to this **Critical Illness rider** is having to only answer whether or not you have had cancer, a stroke, or a heart attack. If those 3 questions are answered 'No', then your client will be issued.

Every company requires applicants to be under the age of 65 when they apply. Some insurers will keep the policy in force for your client's lifetime, and be sure to know if the policy benefits may be cut in half after age 65 or 70.

Typical Purchaser Concerns

One of the biggest objections prospective clients have with purchasing an LTC policy is that if the policy isn't used, the money spent on premiums will be "wasted." Critical Illness policies which have a **Return of Premium** rider provide a built-in answer to that objection. With this rider, if your client does use any benefits, the premiums that were paid-in will be refunded to the estate after the insured's death. AIG includes this benefit automatically in its base policy.

Be sure to look at the Critical Illness benefits that are combined with life policies. After death of the policyholder, there are remaining life insurance benefits that will be paid. The only gray area, so to speak, in these types of policies are whether or not the Critical Illness benefits paid to a policyholder are considered tax-free. With a stand alone **Critical Illness policy**, the paid benefits are considered tax-free, unless the premiums were paid by a corporation.

Presenting the Need

LTC can be a difficult sale for many advisors because it's necessary to bring

The Register • April 2008

up so many emotions around aging and disability. It can be tough to break through the denial of a prospect that the need for long term care won't ever happen to them.

But many people who rule out LTCI policies for themselves are open to considering **Critical Illness** insurance. You might think it would bring up similar denial, but it doesn't. Your client or prospect can imagine having an illness, and they fully expect to go back to work or normal activities afterwards. If there is any denial, it's nowhere near as strong as the resistance to purchasing long term care insurance.

Ask your prospects if they know someone in their family who's had a heart attack, cancer or a stroke... and if they **survived**. Then ask your client or prospect if a check for \$50,000 would have made a real difference to their friend's peace of mind in recovery, knowing that his or her family would not suffer. That check from the insurance company could mean that they don't have to worry about how to pay their bills during their recovery period. Studies show that people who aren't under financial stress will heal faster.

There's also less sales resistance because **critical illness** premiums might be lower than LTC premiums. A typical policy carries a \$2,200 annual premium, with an average 70% first-year commission and 4% renewal commissions paid to the writing agent. So, if you can sell 45 policies a year you'll earn almost \$70,000 more income during your first year selling critical illness insurance.

Call It Financial Recovery Insurance

The buying "sweet spot" for **Critical Illness insurance** is age 35 to 60. Younger people than 35 might not be as interested in getting a policy unless they've already seen some illness in their family, or perhaps their best friend has had an early heart attack. Some 60ish folks may have a harder time health-qualifying during the application process so be sure to take a good health history before you fill out the application paperwork. Every company that writes Critical Illness insurance will have a Producer's Guide so be sure to get one and carry it with you on your appointments.

Position the **Critical Illness policy** as "**Financial Recovery Insurance**". With

today's medical advances, more people are surviving a serious illness and going back to work after they recover. While they're recovering, their monthly bills will always keep coming in the mail. Having a **Critical Illness insurance policy** can help to avoid a financial blow to a family. That tax-free check can make a big difference. It may even spell the difference between keeping and losing their home.

This type of positioning in your sales process will defuse a client's denial, and it's a more optimistic scenario. Every client and prospect realizes that something could indeed happen to him or her that was unexpected and unplanned. No one plans to have a heart attack or stroke or cancer. By having **Critical Illness insurance**, the check they receive can make their life a lot easier financially during the recovery process.

You can start selling these policies to your existing clients during their annual review. And you can reach out to new clients through direct mail and advertising. One enterprising agent who advertised with a tombstone ad in a regional medical journal is getting 45 physician inquiries/leads a month. You could use the same strategy in the monthly magazine or newsletter from your state's bar association too.

It's hard to stand out from the crowd unless you have something different to offer. **Critical Illness insurance** gives you a unique product that meets a real consumer need.

Take advantage of this opportunity now, before everyone else gets on the bandwagon. Position yourself as the Advisor with an 'Edge' over your competitors! ☐

Wilma G. Anderson, RFC®, is known throughout the industry as *The LTC Coach* and *The Critical Illness Coach*. Learn more about Critical Illness insurance online at www.criticalillnesscoach.com. Wilma is a top financial advisor and insurance producer based in Littleton, CO. and has taught thousands of advisors, ethical and effective techniques suitable for deployment in their marketplace.

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Things Financial Advisors Should Be Talking About

"Financial education is the learning part,"

Loren Dunton used to say in almost every speech and it was always followed by:

"Financial planning is the doing part."

This is how Loren viewed the role of the Institute of Consumer Financial Education (ICFE) as being the teaching component of what financial planning was all about, what a financial planner is and, importantly, how to get ready to use a financial planner.

Financial planning, with all its recent growth, merits and demonstrable successes, has a very formidable competitor that attracts (and keeps) an estimated eighty percent of the adult population in America away from financial planning. It is called **spending**.

Michele Singletary, an **NPR** reporter and personal finance columnist at the **Washington Post**, in a recent article declared that Americans have a chronic spending problem. With an economy reliant on personal consumption, is it any wonder people are being encouraged to spend at every level of society?

New taxpayer rebates set to be mailed beginning in May 2008 have been specifically engineered to be spent, almost immediately upon receipt. There state governments, most of which are engaged in a gambling enterprise with its citizens, usually lower income groups, with such things as lottos and mega lotto and the ubiquitous "scratch-off" tickets. And now, there is eBay and Internet purchasing and gambling opportunities.

The forces in society encouraging people not to do any financial planning by distracting them with tempting alternatives, many with immediate gratification attached, are far, far greater (and more influential) than those few groups like the ICFE, the IARFC and other financial planning organizations advocating putting more aside for the future. The education part never ends for the professional financial advisor. There are continuing education requirements for practitioners. There also needs to be an

on-going effort to keep clients educated and up-to-date with what the forces promoting spending, and worse yet, credit-based, spending are doing to attract their dollars.

Many advisors only discuss insurance, investments and the like with their clients. There are many other things my financial advisors should be telling me and their other clients. Here are a few of those things.

Everyday **spending decisions**, especially credit-based ones, will do far more harm to one's financial future than any investment decision they are likely to ever make. Advisors should help clients understand how hurtful spending can be to a financial plan, especially one that has yet to be fully implemented. Give helpful examples by pointing out how to get a better value for money spent through such things as coupons, rebates, and most importantly, comparison spending.

Financial advisors should tell clients most people are categorized as an over-spender because, by not taking the time to compare, they pay too much for things. The preparation of a net-worth statement and a cash-flow statement, are early and important functions of financial planning process for consumers. Advisors often gloss over the statements, overlooking the debt accumulation and relative low net-worth, to get on to the bigger issues: Insurance protection and investing for retirement.

Financial advisors should be telling clients more. For instance how net worth and cash flow are like pictures, financial pictures. The big picture is net worth, listing things owned versus things owed on, the difference in the two is either a positive amount or, as is more often the case, negative. But don't stop there. Determine how many years someone has been working full-time and how much money was earned during that time. Now, what percentage of those lifetime earnings (to date) are reflected in the net worth? +10%? +20%? Or -10%? -50%?

Pointing out how much or how little of one's income and work reward is being retained is often the single most important motivator in getting someone to improve their spending practices and habits.

"People cannot be easily shamed into better financial behavior," says Olivia Mellan, a speaker, coach and business consultant, who writes for Investment Advisor Magazine, which is why the exercise about calculating how much of one's income over their entire working lifetime can be such an eye opener for someone who hopes to retire in ten or twenty years.

Financial advisors should also explain the close-up picture, which is the cash-flow, how money moves in and out of one's life on a monthly basis. It is a list of all income received in a month and also a list of all expenses during the same month. The difference in the two amounts equals cash flow, be it positive (more income than expenses), or be it negative (more expenses than income), or be it zero (monthly income and expenses are equal). The close-up picture will help in prioritizing monthly spending. The cash-flow will also help identify spending that may be hurtful to getting out of debt.

Advisors' clients should be encouraged to get spending on a cash basis and make notes/keep receipts on all purchases to help raise awareness of where money is going, day in and day out, until the close-up picture is much improved.

RFC's should be talking to their clients about credit, the client's use of credit, credit files, credit reports and credit file freezes individual credit files. (Note to RFC's reading this article: Should you need some additional training and education about credit reports et-al, the ICFE makes available a CE (12) accepted program known as Certified Credit Report Reviewer – CCRR. RFC's are entitled to a 30% discount).

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Another important subject for advisors to talk with clients about is credit and identity theft. That talk should include the immediate risks and dangers present in our everyday activities and steps to take to manage the risks, including some simple suggestions like getting a cross-cut shredder. (Note to RFC's reading this article: Should you need some additional training and education about identity theft, the ICFE makes available a CE (30) accepted program known as Certified Identity Theft Risk Management Specialist – CITRMS®. RFC's are entitled to a 30% discount).

Advisors should help their clients create a written spending-plan and explain, step-by-step if necessary how to get it implemented with the next paycheck or the first of the month, whichever comes first. The cash-flow exercise is the basis for the spending-plan; all the leg-work is done. The monthly spending-plans then becomes the financial roadmap. The key is to encourage clients to follow it closely, A printable one page spending plan may be found on ICFE.info.

An advisor might also suggest adding to one's income at the same time they are spending smarter. This can be done by taking part-time employment, selling things on the internet with eBay, for instance, perhaps generating additional income from a hobby, craft, music or language instruction, and tutoring, to mention a few. Encourage clients who are having spending issues to take the inter-active spending quizzes on ICFE.info. There are two; one for looking at your spender's profile and the other is an over-spenders quiz. They both will help anyone gain some insight to their spending practices and habits. ☐

Paul Richard,
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Executive
Director of the
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the **Certified
Credit Report
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theft prevention specialist.



An Old Salesman's Wisdom



Hesh Reinfeld

My dad was a successful salesman. He sold flooring in Pennsylvania, Eastern Ohio and even a couple of towns in Western New York. He'd leave every Monday morning and not return until Friday. He drove one of those big Buicks, fully loaded. In the trunk, he kept his beloved sample case. It must have weighed 20 pounds.

Each year when he got his new samples, I got to play with all the old samples of linoleum. The pieces made great ammunition for my rubber band toy guns. And my sister decorated her bedroom wall with all those ugly shag carpet samples. It was the closest she could get to being a hippy.

Today, my dad lives in an assisted living facility. He is still keenly aware of the current business environment. His only problem is that his knees have been replaced one time too many.

"Hesh, in my day being a salesman was a simple job. I had a product, I pitched it to a prospect and he either said yes or no."

Dad stops for a second to take another sip of the beer that I have smuggled into the Rosebud Retirement.

"Nowadays, all you seem to do is communicate with your customers but you never get around to actually closing a deal. I feel sorry for you."
Dad was reacting to my latest addition to my website, a daily blog.

Dad was correct but I wasn't going to let him get off easy. **"But then I'm not on the road like you were,"** I answered. **"I can do most of my selling via the internet and a few**

follow-up phone calls. I get to see my kids play soccer." (He hates the sport, so I always mention it to him.)"

Dad would never let me win an argument. **"Hesh, true, I wasn't home a lot and I missed stuff, but half the fun of my job was getting to know my customers. Do you know your customers? Their kids' names? Whether they are divorced and what kind of bumper stickers they have on their cars?"**

What a great idea, I thought. I would ask each customer to send me a picture of himself in front of his car. I could learn a lot about a guy from the kind of car he drives.

Now I had to make it easy. I mailed each client a disposable camera, and a self addressed return envelope. I asked him to take a picture of himself standing next to his car, preferably with the bumper stickers in full view.

To my surprise I got only a handful of positive responses. Most didn't respond. And when I sent out an e-mail reminder, there were a few who said they had checked with their compliance departments and had been told not to comply with my request because of fear of some type of potential SEC suit. Others just said I was getting too personal. I had thought we were friends and I was wrong. So I got in my car and started visiting my clients. They were surprised to see me. But they did let me take their pictures in front of their cars. And yes I missed a lot of soccer games these last few months, but the truth is I'm actually having fun for the first time in years. Thanks dad. ☐

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

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A Message from the Founder



Jack Gargan, RFC®

Wow! It's hard to know just where to begin, so much has transpired since my last report. To begin with, I had a wonderful visit with family and friends during my stay in America and thank you all for your wonderful hospitality. Unfortunately, Pan became seriously ill during my absence and I had to cut the trip short to get back to her in the hospital in Khon Kaen. She had two separate operations during two hospital stays of 5 days each with a week in between them. Poor Pan lost 22 pounds which is a lot considering she only weighed 106 lbs. to begin with! For two days it was touch and go and we almost lost her — it was that bad.

I am happy to report that she has now turned the corner and the worst is now hopefully behind us but she has a long way to full recovery. I got back to Thailand on January 16th, a month sooner than scheduled, to pick up Pan at the hospital and bring her home. The total costs of all operations and follow up care, including doctor bills (the first two operations and hospital stays were at a very modern private hospital with private surgeons in Khon Kaen, the remaining at a local government hospital where care was free covered 100% by her teacher's insurance) came to about 75,000 baht — that's about \$2,300 US. What do you think YOU would have to pay for similar care in the US? And, believe me, the care was first class, including private room for about a total of three weeks at both hospitals.

I am very happy to report that after staying at Pan's sister's home (she is a nurse) for about a month, we moved into our new home right on schedule on February 16th. They did a beautiful job and even did more than I contracted for.

Originally planned as a guest house to live in while we built the main house, we decided to upgrade all the amenities and add a garage and see how we liked country living before building the big house. Even with the 20' X 22' garage addition which is not quite finished yet, the house was ready to move into in only 60 days just like they promised. While it is just a modest one bedroom (12' X 12') with 4' X 8' walk-in closet, one bath (8' X 8'); kitchen/dining/living room (12' X 18') "guest house", it serves our needs perfectly and is a virtual "doll house" with tile floors throughout and fully-tiled bath. I'll try to include pictures with this letter. All that remains to be done is the decorative (and security) 8' concrete and ironwork wall surrounding the house and enclosing a good-sized yard and garden. The bottom four feet will be concrete with four feet of decorative wrought iron above with about 8 feet between posts. That's the usual way they build better-grade houses here. Oh, the cost: have not got all the bills added up yet, but I think it will come out to about 700,000 baht. That's about \$21,000 US and includes new refrigerator, washer/dryer, A/C, 24" TV with a satellite dish which brings in a gazillion channels from all over the world free, gas stove, sink with cabinetry, storage cabinets, hide-a-bed, table with 4 chairs, coffee table, bed and mattress, with matching vanity dresser and wardrobe and all kind of furnishings I don't have room to list.

On the farm front, our little "PJ RANCH" continues to grow, adding five beautiful new calves since my last report, but sadly, losing two new calves: one, BFC's calf by prize bull Boy Ubon which I think I reported on in a previous letter, and the other, little "Ram." Seems her mother, "Etaow", got some form of post-partum depression and refused to eat properly and would not take care of her new calf, just wandered around kind of in a daze. Ram died of malnutrition about a month later not getting proper nourishment from her mother's milk and unable to graze for food. Etaow has lost a lot of weight, too, and I'm afraid we are going to lose her, too. Pan has contacted a local farmer who may buy her CHEAP, before she dies on us.

Our farm has grown in size, too. We leased the neighbor's 20 acres of pasture for two years for 7,000 baht (\$120) and we contracted to expand the rice fields by taking out high ground

and filling in a big pond which I believe was part of the original river course that borders our land in centuries past. Altogether it will give us about 10 more acres of growing area for rice. We also cleared, ploughed and planted another 4 or 5 acres of farmer Laap's land and will put in a pond for more pasturage for our cows. It took a BIG backhoe, a BIG Ford tractor and two large dump trucks and five guys working 8 – 10 hours a day for two full weeks to do all that work and will set us back another 75,000 baht (the princely sum of \$2,272) for ALL that work!!! We also built a new hay barn and filled it FULL with bales of rice hay which the cows really love. That cost a couple of hundred dollars more for all. I include the cost of all this stuff to give you some idea how you can live like a king here on a very modest income and net worth, and of course, the people are VERY friendly, the climate superb, NO natural disasters like hurricanes, tornadoes, wildfires, earthquakes, severe flooding etc, etc. Medical care is world class in the big cities and first-rate in the rural areas. Also, NO property taxes on my new home or land improvements. Wanna join me?

All that needs to be done now is to finish the wall and grade and gravel the 3,000' lane coming in here from the main rural (dirt) road. In the dry season (now) it is quite a rutted and bumpy drive. In the wet season it is nearly impassable except for 4 wheel drive vehicles, and then pretty bad. The wet season starts in April so I need to do that right away. It will probably cost about 20,000 baht (\$606). The cost of the house included bringing in electricity to our farm down that 3,000' lane. That's 10 football fields in length! ALSO included drilling an 85' well and installing pump and water lines to the house.

As I write this they are installing the metal sun awnings over the windows that matches the bright blue tile roof, ironwork security panels in all the windows and wrought-iron railings for the front and back steps. Well, Folks, there's still much more to report, but this is getting a bit longer than I thought it would be, so I'll close for now and get this off to you.

Cedar Key Jack ☐

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