the Register

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Don Owens

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in this issue

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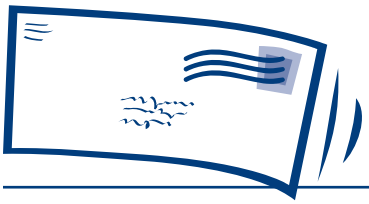
Register Letters



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

Dear Register:

Re-Union in Paradise —

With annual CEU credits needed, our illustrious organization has, in the past, arranged for annual meetings in several venues as well as in Middletown, Ohio. In addition, the CE at Sea™ cruises have been a nice way to gain helpful info while maintaining the hours to keep the IARFC designation and learning about world geography at the same time.

One of the highlights has been meeting fellow planners from not only around the country — but also around the world. When Al and I participated in previous cruises, we were fortunate enough to meet Arliss Francis and his attractive wife, Arian. As most of you may know, they are from the lovely island of Bermuda. Arliss is a very successful businessman and entrepreneur. Everyone, it seems, knows him for one reason or another. He either taught them in school (in a previous life), or under other circumstances. Every time there was a horn sounded we thought there was a problem — but instead they were acknowledging their friend, Arliss.

We are pleased to relate how wonderful it is to have connections such as other IARFC members. We can share ideas, procedures, and products to enlighten and expand our current knowledge and perhaps be able to benefit a client as well in the process. We can learn how other planners work and the clientele they service.

My husband, Al and I just returned from the Francis' diverse island feeling rested, refreshed, and a bit wiser. Arliss' success in our profession is to be admired. Now his daughter, Antoinette Bolden, and son-in-law, David, operate Emerald Securities and Antoinette serves on the IARFC Board of Directors. His son Antony is now running the Diamond Company practice and is very active in Bermuda.

Being in the financial arena is... rewarding
Meeting others in the business is... exciting
— and, being an IARFC member is ***priceless***!

Connie Luttrell, RFC®
Franklin, TN

IARFC Member Survey! We want to know what our members think. Amy Primeau, our Domestic Membership Chair, has developed a member survey in the *Register*. Our goal is to find out what is working for you, and how the IARFC can help you improve. If you missed last months Member Survey, please call: **800 532 9060** or e-mail **Amy@IARFC.org** and we will be happy to send you a form for your participation.

Calendar of Events

RFC Accelerated Course — Trinidad
October 6-10, 2008, Port of Spain

Financial Advisors Symposium
October 13-16, 2008, Chicago

RFC Accelerated Course
October 27-31, Baltimore, MD

RFC Accelerated Course
November 10-14, Middletown, OH

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

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

RFC Accelerated Course
January 5-9, 2009, Trinidad

Financial Advisors Symposium
April 29 – May 1, 2009, Las Vegas

MDRT Annual Meeting
June 7-11, 2009, Indianapolis

IDA Conference
August 6-9, 2009, Taipei

NAIFA Annual Conference
September 12-16, 2009, Orlando

Financial Advisors Symposium
November 9-11, 2009 Orlando

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Register Interviews — Don Owens

Making a Positive Difference with the RFC®

This months' Register Interview is a member who is very proud of the IARFC. Like most of our readers, he is a truly dedicated financial professional. We encourage you to read about Don's journey, and take from his experience and ideas which will help your practice grow with the future.

How, did you first enter financial services?

After high school, I could not wait to join the United States Marine Corps. The physical fitness regimen was challenging; but having lettered in wrestling, football and track, I was up to the challenge. To this day, you can hear me sing the old Marine Corps songs while I jog. It is true, once a Marine always a Marine!

After basic warfare training, I was selected to attend the Explosive Ordinance Disposal School. Because of the nature of the school (and my fear of being blown up) I paid close attention to detail; finishing top in my class. Upon graduation, I was sent to Camp Pendleton California, First Marine Division and immediately reported for duty in the administrative office.

While being interviewed by my new commander it came to his attention that I had a very high IQ and I could type. One of these traits was rare in the Marine Corps in the early 70's. You can decide which. I was reassigned to attend Unit Diary School where I was taught a special code used to report our companies activities. My ideas were used to revise the way the Marines reported their activities and distributed as the new standard for reporting information.

One of my proudest memories is the 30 days when I was selected to lead a funeral detail. We traveled across California and Nevada offering a 21-gun salute and presenting a flag to the families of marines killed in action. This was in 1974, the year before we pulled out of Vietnam. What an honor!

When I left the Corps, I enrolled in college. I attended the Eastern Baptist Institute in Monroe, Ohio until it closed during my sophomore year. This may have been a sign from God that he would rather close the school than let me preach. Searching for an opportunity, I took the test for a position as a local police officer and finished first of 310 applicants. I was hired and worked in law enforcement for 3 years, but something was missing.

Remembering an uncle that was a very successful home service insurance agent, in 1980 I decided to follow in his footsteps. I loved the interaction with the clients and the competitive nature of insurance sales. I climbed the ladder of success within my company and won every award they offered. At the same time, I continued taking classes at Miami University, majoring in Banking Finance. By 1987, I was the manager of the Kettering, OH office with 4 assistant managers and 32 agents. Our office progressed steadily and by 1990 was the number one office in American General and one of only two offices to receive All Star recognition. If insurance sales were an Olympic event we won all the gold!

Donald W. Owens, AMTC, LUTCF, CLU, ChFC, RFC®

American General purchased Gulf Life in 1991 and I was asked to go to Florida and assist in guiding Gulf Life into the American General way. Afterwards, I was tasked with managing a new district office in Tallahassee and was expected to match the performance of the Kettering Office. However, this was not my calling. Missing the personal interaction of helping clients and also missing home, I returned to personal production and have never regretted it for a moment.

I was offered a rare, statutory employee contract with Prudential in their home service division and trained in variable products and securities. In addition to personally dealing with clients, I was sent from office to office in Ohio and Kentucky teaching what was my specialty at that time, Estate Tax Planning. My manager, Kevin Miller, was the number one sales manager and one year I was there, I was Prudential's number one agent — beating out the perennial leader John Michaels. Forgive the name-dropping, just giving proper credit to my old pals that receive the ***Register***.

In 1995, Prudential closed the division and I was given a vested pension as a buy out and became an Independent agent. I now have two offices, in Hamilton and Middletown, Ohio.

My first mentor was Ernie Biddy from Nashville, TN. He taught me that education was an integral part of financial services and that without it I could not achieve my potential. I took his advice to heart and within three years, I completed all courses to become an LUTC Graduate and later an LUTC Fellow. It provided a very solid foundation on which to build.

The next year I enrolled in the American College and over the next six years obtained the designations of Chartered Life Underwriter and Chartered Financial Consultant. Later I was able to teach the LUTC classes at Miami University. I also completed the AMTC agency management training courses and enrolled in the American College Masters of Science in Financial Services course. This was the toughest course, taught by a major law firm in Cincinnati: Katz, Teller, Brant & Hild.

My latest challenge was to become, in 2006, a Registered Financial Consultant.

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I believe the things I have learned and systems I now use (member benefits for an RFC) have transformed my business to a higher level. I could not be where I am today without the training and support of the IARFC.

What association activities have been of greatest value to you?

Having been the Ethics Chair, Educational Chair and past President of our local National Association of Life Underwriters now NAIFA. I believe this organization is what gave me the foundation to succeed.

Were you successful at first?

My first year I was the leading agent at our local office. I was immediately promoted to sales manager of a six man staff. As a sales manager, I called on two billionaires in 1985 and sold them life insurance. I guess I was too new to think I was out of my league. I was not who those billionaires were suppose to be dealing with. This was the largest sale in the history of my 100-year-old company.

What influenced you the most?

Family has been my greatest influence. As a child, I was taught anyone can mow the lawn, but taking the time to trim the drive and bushes would separate my work from others. Go the extra mile so to speak. Every Sunday my grandparents would make sure I was in church, and when not in church, in sports or working. They call it the mid-western work ethic. I was surrounded by it. To this day, it is part of my daily life, both the spiritual aspect and the desire to do more than expected.

What were your major obstacles?

Technology, Legislation, and Market Forces. These things we can never control so we must learn to anticipate. We must use an ever-changing technology to decipher and predict future legislative actions and possible market outcomes. This will always be a challenge.

Tell us about your current practice or position.

I am an RFC and use the Practice Builder client relationship management system to run my marketing. I have one full time associate that writes my press releases, schedules my speaking engagements, and oversees the implementation of Practice Builder and my quarterly client newsletter. He has one part time assistant that handles the tedious tasks of envelope stuffing, phone calls, and other office duties.

As a captain and gatekeeper of a group of professionals I have cultivated over the years, if my client needs an accountant, attorney, Registered Investment Advisor or a Medicaid Planner; I open the gate to my clients needs. I have chosen to work with these professionals as their specialties match up with client needs. I have placed myself on the same side of the table as my client by attending all meetings with other professionals and making sure my clients are being given the best solutions for their circumstances. I try to be my clients' advocate; to look out for their best interest by ensuring they understand and are getting the best plans. I do seminars with other professionals covering all aspects of financial and estate planning for seniors. I have agents that are in my hierarchy and I provide guidance in the area of Veterans Benefits, Medicaid Planning and Funeral Trusts.

You may not yet be familiar with Funeral Trusts. Only two companies are currently offering Funeral Trusts to my knowledge. As a national distributor for one of the companies and I am very excited about the planning possibilities with funeral trusts for people currently in a nursing home or in a spend-down situation. These trusts can move significant assets to be a non-countable resource without the 5-year look back.

What is unique about the way you market for new clients?

For more than a year, I have been using Practice Builder software to direct mail to my clients and prospects. Every week it seems new people call me for an appointment because of the these mailings. Having been in the financial services industry for 28 years, I have never had people call me to such a degree. We continue to offer financial seminars as I have for the past 15 years and I have my new agent prospect business for 401-K takeovers. This, and attempting to provide the highest level of service to existing clients, keep me busy.

What are you enjoying most about this position?

Knowing that what I do makes a positive difference in peoples lives I find it a blessing and a joy when they agree and allow me to help them. I become like a member of the family, you might say their own family Chief Financial Officer. Over the years, many of my clients have passed away and as I visited with them in their final days, they express to me how

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You cannot put a price tag on image and brand recognition but it helps to have resources like those provided by the IARFC.

satisfied and comforted they are to know that their affairs are in order and their families will not have to suffer financially. This is the payoff, peace in the final moments. Peace with God first, satisfaction of being a good steward. I am honored to be a part of this process.

What are your major frustrations?

When I know I have made the right recommendations for people but I have not been able to fully communicate by getting past some barrier that I cannot uncover. Sometimes your potential clients don't give you the whole story and you have to be perceptive enough to figure them out. Sometimes I am not that perceptive. What can you do but try your best? Later they open up and let you in a little deeper with the rest of the story. Then you get to help.

What attracted you initially to the IARFC?

The IARFC promotes the practice of building financial plans. They provide a program to assist with this called Plan Builder. Until I began using Plan Builder I had never built a complete financial plan — an Estate Plan only, yes; an Income Tax or Retirement Plan only, yes; never a comprehensive financial plan. I know that I am not alone. I have never seen a complete financial plan brought to me for review by any prospect. I would wager you have not either. When conducting a seminar I hold up one of our sample plans and ask, raise your hands if you have a financial planner. Many people do raise their hands. Next, I ask, raise your hands if your planner has made you a written financial plan like the book I hold up. I describe what is in the book and only one person so far has told me their planner has produced such a financial plan. Many prospects that visit with me for the first time, bring in what they were told was their financial plan. It typically consists of the quarterly brokerage statements. If we are going to say we are financial planners, I think it is about time we begin to make real financial plans. Either that or stop calling ourselves financial planners.

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

The software programs have been the most profitable. However, the branding material for RFC is first class. You cannot put a price tag on image and brand recognition but it helps to have resources like those provided by the IARFC.

Michael Brandabur, Family Trust Attorney. The Financial Security Group Advisor, Brian Dickson, Gate Keeper and Captain, Don Owens. Staff associates Heather Denham and Frederick Williams

What do you think will be the major trends in the financial services field in the next five years — and how should Registered Financial Consultants be positioning themselves?

How many fee only financial professionals do you know? Not fee and commission but fee only. I believe that charging fees will be an absolute requirement within the next 5 years. I would recommend beginning by offering financial plans for a fee. Plan Builder would be a perfect way to start. I wish I had started with comprehensive written financial plans for a fee earlier in my career. Many of my past clients do not have a written financial plan. Many of them deserve and could benefit from one. This is my next challenge.

I believe that if companies or larger agencies and IMO's would help newer reps by providing IARFC components they would see a level of success much sooner in their careers. Therefore, the attrition rate would go down and the cost to bring in a new rep would be diminished. This would mean more success to more people.

Where will the economy be moving in the next 3-5 years, and what should financial advisors be doing NOW about it?

For the past year, we have been calling on business owners to replace their 401(k) with one managed by a fiduciary because of the recent Supreme Court decisions and the liability involved. Last week I called on a local company in business 40 years with 25 employees. Earlier in the week, they had filed the necessary documents to completely stop their 401(k) programs because of the liability issue.

We have seen companies eliminate their Defined Benefit plans in favor of Defined Contribution plans. I believe the next wave is to eliminate plans altogether because of the liability issue. Perhaps to retain their employees they will instead offer bonuses. Company plans are in trouble and a cure needs to be found quickly. Advisors need to be addressing this problem yesterday. The three-legged retirement plan of Social Security, Company Pension, and Personal Savings is being remade as the one-legged retirement plan. Personal Saving rates currently are terrible. We need to educate our prospects and clients more about what it will take financially to retire.

Do you see any problems looming on the horizon for our profession?

SEC proposed Rule 151a I think is a mistake. Taking insurance out of the hands of the state and making it so that if a retiring couple wants a Fixed Annuity they have to see a stockbroker will only lead to disaster in my opinion. They will most likely be sold mutual funds or variable annuities instead. Every case is different. However, those prospects that should be seeking mutual funds and variable contracts already do go to a stockbroker. Rule 151a would force the rest to do so to their detriment. Look at all of the complaints over variable annuities and their improper sales by brokers today, this will only get worse. The SEC should work on cleaning up its own backyard.

What one or two items did you do, or wish you had done, early in your career that you would suggest for other new entrants?

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Helping and teaching clients and prospects with informative seminars such as Don's recent IRA Inheritance Trust Seminar. Don always a has the gate open and is looking out for the best interests of his clients.

Study, learn, apply and repeat. Work hard for your client's best interest. Proverbs says: a good name is better to be had than great riches. Follow this and you will be very proud of whatever career you achieve.

What is the most important thing you have done to create a reputation, image, or brand in your professional practice?

Speaking at retiree and social groups and getting myself known in the community. I attempt to be in the paper from time to time and always try to provide superior service to my clients. I hold client appreciation events where I sponsor a theater company to perform or something similar each year. I continually support local charity events and am a member of the Better Business Bureau, as well as our local Chamber of Commerce. I use the IARFC branding materials because I feel this is the highest level of professionalism I can project. It takes a lot to be an RFC. I am very proud to be one of the Few, the Proud, the IARFC. ***Hoorah!***

The IARFC gives special thanks to Don Owens and Frederick Williams for their time and efforts in contributing to the IARFC interview questionnaire.

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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.

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- ***Get Published***
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Marketing Yourself — Four Easy Steps

If a client can buy your product, or exactly the same product at the same price from hundreds of other financial professionals, why should the client choose to buy from you?

The main reason any client would buy something from you is because of trust, because you did or said something to cause the client to trust you. Part of trust is the expectation that you will deliver outstanding advice and service.

Potential clients seek out financial professionals who understand their needs and cater to those needs. By following this four-part marketing process, you can do just that.

1. Identify Your Target Markets

Break your clients into clusters, as homogenous as possible. One cluster may be widows, while another may be entrepreneurs. If you look at the revenue produced by each group during the last three years, you will discover which clusters produce the most revenue for you. These are your Target Markets.

If you have at least 300 client accounts, you are sitting on a gold mine. You don't need another 300 — you just need another 25 like the top 25 you already have. You also need a few less like the bottom 25.

2. Profile Your Target Markets

Learn more about your clients, their spouses, businesses, children, partners and hobbies.

The ultimate challenge of profiling your target market lies in determining and analyzing what is in your clients' and prospects' minds — in order to understand their system of Beliefs, Attitudes, Values and Information (BAVI). It is not important whether the beliefs, attitudes, values and information of a client are true, but that the client **believes** them to be true and worthwhile.

Each individual's set of BAVI is different, because of age, gender, experience, upbringing, ethnic heritage, religious background and education. These all play a part in forming different value systems.

Consider the following situation: Your prospect is 72 years old, has $400,000 in investable assets; his home is paid for; and his only other source of income is Social Security. Above all else, this client wants security. He must have income. This prospect grapples with a key question: "How much security do I have to give away to get the income I must have to survive?" That's a negotiation process. Don't fight your client's set of BAVI (beliefs, attitudes, values, and information) that they hold as truth. Instead, try to achieve their objectives while leaving their values intact.

3. Create a Personal Positioning Statement

Personal Positioning is identifying what you do as it affects the prospect or client.

To get to this crucial point of properly positioning yourself, you must develop strong ***Positioning Statements***. Certain "rules" have evolved during the years, describing what a Positioning Statement must do:

- It must be of value to the customer or prospect. For example, it is far more valuable to say, "I provide income streams" instead of just "I sell mutual funds".
- It must briefly define what the company, product or individual does. Furthermore, it must differentiate you from the competition.
- It must establish brand vs. generic positioning (that brand is you).
- It must be believable yet intriguing. Your Positioning Statement must stimulate the client so that he or she asks, "How do you do that?"

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- It must contain action verbs — such as: maximize, minimize, build, provide, reduce, enhance or protect.

The client or prospect must easily understand the positioning statement, so avoid jargon. Have you ever talked to your client about "tangible reinvestment costs" or "discounted economic accruals" or "staged promissory dividends"? Would your client identify these as methods to achieve his or her investment objective? They probably have no idea what those words mean, and in fact, they mean nothing.

In formulating your Positioning Statement, you have to include three critical elements:

- The person (you)
- The product(s)
- Your firm or company

Do not put them in the same Positioning Statement. You come first. If they don't buy you, they don't really care what your firm or company has to offer. Your company, through its name and reputation, might embellish your position, but you have to sell yourself first.

Clients Don't Generalize; They Specify

Talk in terms of mortgages, stocks, car insurance, annuities and home equity loans. Yet, companies trying to sell to these customers are doing the opposite. They promote themselves as suppliers for a full range of financial services.

Clients seek solutions to specific needs. That is why a strong, powerful Positioning Statement is critical. The stock, the annuity or the retirement plan might be the answer to their problem, but what they ultimately want are the ***benefits*** of your services, for example, "I implement investment strategies that can provide for lifestyle continuation after retirement."

4. Determine Your Market Approach

Turning prospects into clients means devising a means of access to each of your target groups that is appropriate in style and approach. What works best for one group might not work as well — or at all — with another. You must learn to match your goals with the goals of your prospects and with the techniques of various financial service professionals. For each type of campaign that you consider implementing, ask yourself these questions:

- *Where is my time best spent?*
- *With which campaign will I realize the greatest multiplier effect?*
- *Which campaign will have the most powerful impact?*

The multiplier effect is the use of other people and their talents to achieve the goals or objectives of your practice.

As you consider new self-marketing campaigns, develop a marketing worksheet that answers some questions related to each component of a successful campaign. After you've done your homework, you can begin fashioning the appropriate means of access, one of five self-marketing campaigns types:

- Proactive/reactive
- Networking
- Captive seminars
- Invitation seminars
- Referrals

Cold calling is basically a proactive marketing technique — pick up the phone and call someone, or get out and press the flesh like a politician. Reactive marketing is when you do something that tickles the market in some fashion. Such as a mailer. It causes the prospect to react, and then you respond to the reaction.

Neither proactive activities nor reactive activities are particularly effective by themselves, but when combined they can be very powerful. The elements of a combination power campaign include:

- Define the target group
- Develop the reactive instrument
- Implement proactively (write, call, advertise, etc.)
- Follow up consistently
- Reposition for additional business
- Get referrals where appropriate

If you embrace your marketing plan as a long-term, growth-oriented investment in yourself (much the same way you want your clients to) you will see the payoff down the road. After all, people don't run out of financial services like they do toothpaste or soap. Be available when they're ready to switch.

How you market yourself successfully depends on your personality — your strengths and weaknesses, target markets, experience, beliefs, attitudes, values and information and how well you apply the concepts and principles discussed. Don't disregard the skills you are already effectively using. There is simply no substitute for the tried and true.

Self-Marketing Plan

- **Identify several target markets.** Those target markets should, when possible, relate to your "personal success profile" and be designed to improve your net revenue.
- **Build a profile of each of those target markets.** Consider their quantity and availability within your geographic marketing area.
- **Develop Positioning Statements to address each target market profile.** Remember, these may be quite different for each target market.
- **Decide on what approach method is appropriate.** Consider how that method should be implemented and what tools (print, presentation and software) that you might need.

Les Anderson, RFC®

Lester W. Anderson*, RFC® of Dacula, Georgia, has more than 35 years of experience in sales and marketing and investments. He is the author of the book,* ***You Are the Product — Powerful Self-Marketing for Practicing Professionals****, and has spoken to more than 50,000 industry professionals worldwide on the subject.*

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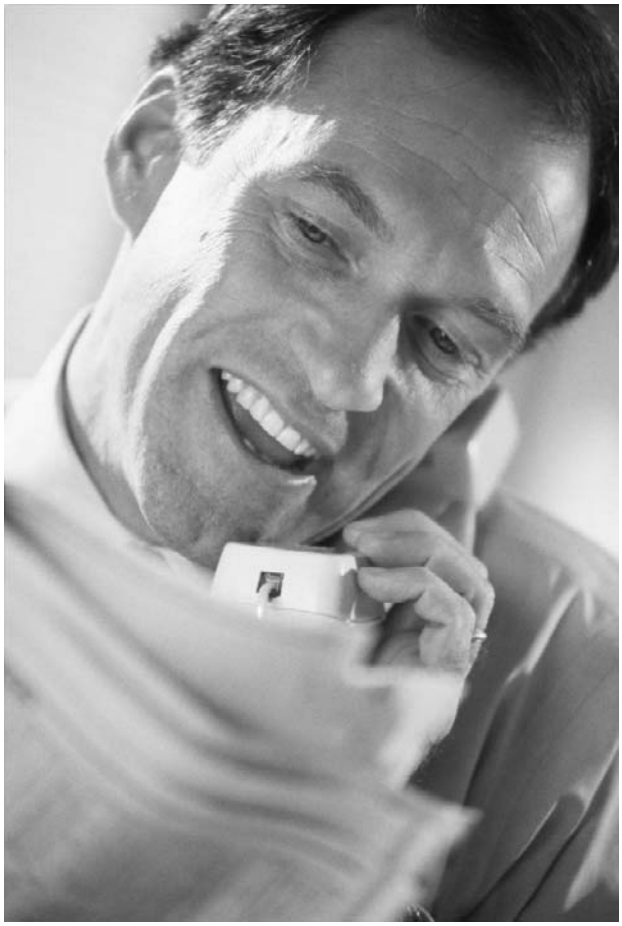
Become a Trusted Expert with the Media



Business and personal finance reporters need financial advisor sources. ***Absolutely!*** You can create good relationships with members of the media who write for target publications that you know reach your target prospects. Reporters need you, but it will only work when you start packaging your expertise into story ideas that are relevant to the reporters you contact.

Preparation

First, read the publication you are targeting. If the publication does not cover, and has never covered, topics relating to investment management, retirement or personal finance, your chances of convincing the publication to use you as a source are severely limited.

Seriously. The publications you choose to contact must have an editorial policy of writing about money, personal finance, retirement, mutual funds, or asset allocation. A quick way to figure this out is to go to the publications' websites and look at their advertising information. Deep within the advertising information, you will find a button for "editorial calendar" or "special focus issues." Either will show you the kinds of information the publication intends to publish during that year.

Alignment

Your job is to match your story ideas to the needs expressed by the editorial calendar. In it, you may find that the publication is to focus on employee benefits in October. If you provide 401(k) services, that is your opening.

Alternatively, you may see that in November, the publication intends to focus on growth businesses in your community. If you are a growth investor, pitch a short primer on growth investing as a suggestion for that issue.

If the publication's news stories discuss the arrival and departure of chief executives, pitch a story about succession planning or key employee retention and their importance to public as well as family and closely held companies alike.

Gauging Interest

Questions your clients ask you every week make great story ideas for reporters — but they need packaging.

For example, you have clients with a business property worth $4 million and they have come to you for a discussion of tax avoidance or tax abatement strategies and a possible 1031 exchange. This couple represents the high net worth family that is your target. A shortened version of their case study (names changed of course) makes compelling reading for a local business publication or even the business reporter of your metropolitan daily.

Many businesses change hands and the issue of taxes due because of the transfer becomes a major issue for families trying to hold onto hard-earned assets. Not to mention that you want to be known as an advisor who can provide solutions to a family with a $4 million commercial property in play.

Allied Fields

Think also about locally written real estate publications that might like to run such a story (dealing with real estate) as a way of educating their brokers, or CPA or law publication that may want to run this information for the benefit of their readers.

Make the Approach

Your pitch can be as simple as an e-mail to the editor with a brief explanation of the case study and why it should be of interest to the audience of the media you select. Try it.

Reporters must reach you quickly. Plan to take their calls at home or even on the golf course. An immediate response is essential. You may be surprised that well prepared media pitches are appreciated and saved. It may be that the reporter is not interested in your story today, but don't be surprised when they call you in several months because you took the time to offer a suggestion that interested them enough to save.

Reporters dial until they reach the sources they need. You need to make sure that they have your office and cell numbers in every piece of material you e-mail them. If you are out of the office, instruct your staff to call you immediately so you can return a query from a reporter before you get back to the office.

Because a reporter is always on deadline, an advisor serious about becoming a trusted expert will prioritize such calls — even when meeting with a client. Discuss with your staff under what circumstances you will be interrupted during a client meeting.

Keep in mind, that you can excuse yourself, quickly pick up the call, ask about the nature of the question, and then tell the reporter when you can get back to him/her with the answer because you are in a meeting with clients. That does two things: the reporter is satisfied that you are a prospective source with answers and an advisor who actively meets with clients, and you impress your clients that you are in demand as a media source.

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Become a Trusted Expert with the Media

Reporters are always on deadline. It does not matter if they report for a daily, weekly or monthly, they call when they are nearing that deadline. Your willingness to prioritize getting back to them can put you on their speed dial and help begin a relationship that can have immense and long lasting rewards.

Follow-Up

If a reporter asks for additional information it is essential that you follow-up with your commitment. It is a good strategy to ask the reporter if you may send additional background information. Every contact you have further cements your relationship.

Persistent Presence

You need to keep periodically contacting your target media sources. Out of Sight soon becomes Out of Mind.

Lisbeth Wiley Chapman

***Lisbeth Wiley Chapman**, Ink&Air, delivers clients and assets to investment advisory & financial services firms through a blend of media and web communications strategies.*

She is the author of "Get Media Smart! Build Your Reputation, Referrals & Revenues With Media Marketing," a professional development program.

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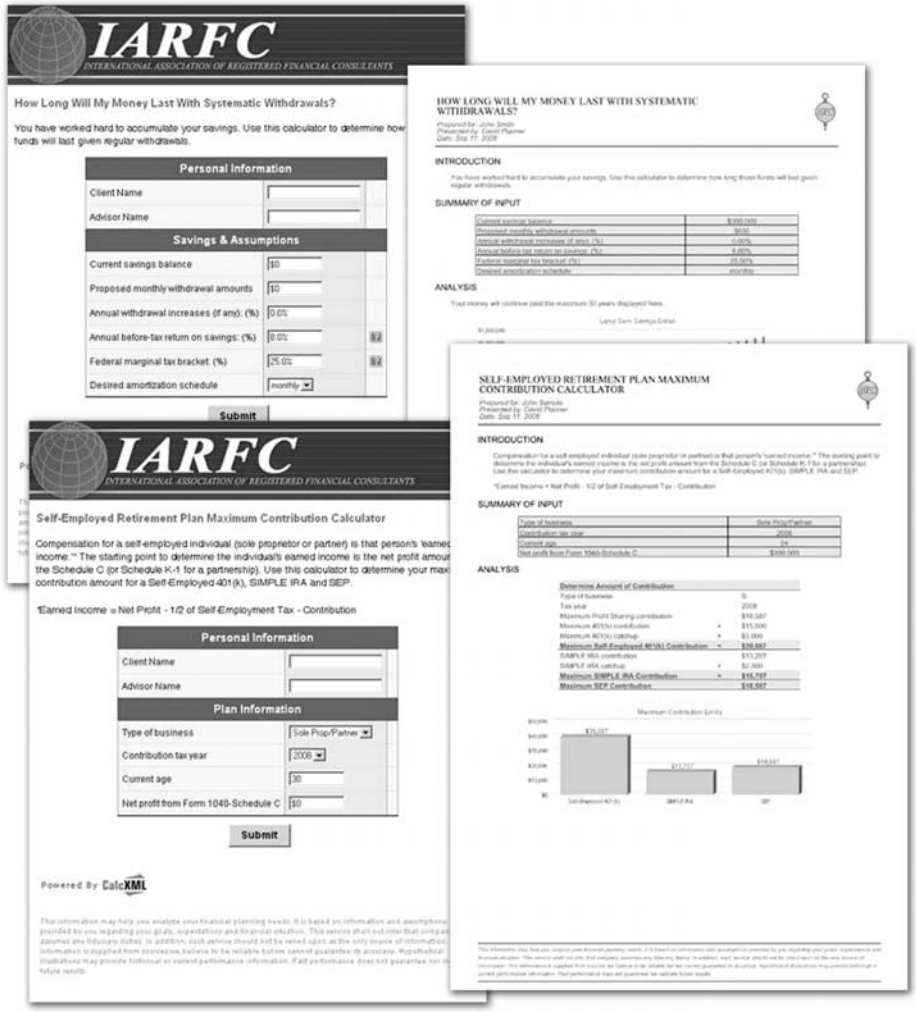
IARFC Membership Update

Financial Calculators



As the Operations Manager for the IARFC here in Middletown Ohio I don't get the opportunity to talk with many of the members. Occasionally, if you have a billing question or a membership issue, when you call in I may get to talk with you. Although I would welcome the opportunity, more often Amy Primeau, Domestic Membership, or Kathleen Ourant, Foreign Membership, are so efficient that your call never makes it to my desk. So when Ed Morrow suggested we need to let the membership know about changes to one of the member benefits — I grabbed the chance to communicate with you and be "published" in the ***Register***. It's a small claim to fame but for those of us less famous than Brad Pitt, we take any chance.

The change Ed and I discussed was the upgrade to the Financial Calculators available as a member benefit to all members of the IARFC. This section of the website gets many "hits" per day but we suspect there are many RFCs who have not yet discovered these powerful tools.

After you login to **www.IARFC.org** and select the **Members Area** you will find **Financial Calculators** listed in the navigation panel on the left side, almost all the way at the bottom. Click here and you will find a wealth of different calculators that could prove valuable to your practice.

These calculators are furnished through the IARFC by Chris Brockbank at CalcXML, LLC. The Advisor Calculator series of online analytical calculators is composed of over 30 one-page reports designed to quickly answer financial questions posed by clients and prospects.

The output of each calculator, a one-page PDF report, offers professional, presentation quality output which can be given to clients as part of the planning process. The reports, which can also be e-mailed, may help motivate a client/prospect to take action, answer pointed financial questions or educate on a specific financial topic. Incorporating the prospect/client and advisor name with appropriate company disclosures, they are a great supplement to your comprehensive planning system.

You may find the calculators easy and fast enough to use even when meeting with the client. It will allow you to graphically illustrate a need or shortfall where your products and services provide solutions.

If you are using a Client Relationship Management system and "drip marketing" the calculators make good add in pieces, ready to mail. Just fill in sample data to illustrate the situation you want to address, add in a cover letter and bring home the point!

What Calculator to Use

Make no mistake, your clients and prospects are using online calculators now! Examples include programs that provide the predicted value of an investment portfolio, the amount of a loan payment, or the future cost of a college education. Frequently, calculator users are allowed to change many assumptions and see the outcomes under various "what if" scenarios. The Internet has made these programs available to any user willing to search for one. Often there is little guidance on those assumptions and "what-if" scenarios.

Richard B. Dull, PhD, CPA, and Lydia L.F. Schleifer, PhD, both associate professors of accounting at Clemson University, Clemson, S.C. wrote in an article for CPA Journal:

> *Accountants, especially personal financial planners, can guide individuals through the labyrinth of available calculators. It is important for users to realize that these calculators, although seemingly useful, cannot replace the resources provided by a financial advisor. Getting acquainted with, and even using, financial calculators should be a collaborative effort, so their use does not lead to bad decisions.*

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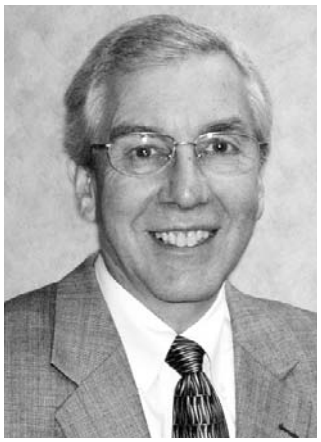
Financial Calculators

What is the first step? You may want to caution your clients of the dangers of "unreasonable assumptions" or of calculators with logic that could be skewed to a particular desired outcome.

You might suggest that you review calculators together so the questions are relevant, the assumptions are reasonable and the results provide only limited guidance. It gives you the opportunity to learn about their questions, fears and hopes. Opportunities to solve problems and walk further down the path to becoming that most trusted advisor.

Finally, if you find these calculators helpful, don't keep it a secret! Let us know how and when you're using them, the techniques or strategies you might be using. It may even provide the makings of an article by you in a future issue of the *Register*. That alone will not make you as famous as Brad Pitt but being published in the *Register* does give you another opportunity to provide reprints to clients and prospects and establish more firmly your credentials as an RFC.



Mark Terrett, RFC®

***Mark Terrett, RCF®**, Operations Manager joined Ed Morrow at Financial Planning Consultants in 2000 after a long career in retail management. In 2004 he started working more extensively with the IARFC and assumed a supervisory role in 2006. Today, as Operations Manager for the IARFC, Mark is responsible for all the administrative tactical efforts to support the strategic goals of the organization.*

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Put on the Blinders or You'll Never Win the Race

The Financial Planning Process™ Course

I must disclose to you that I am an acquaintance of Ed Morrow, Chairman of the IARFC. Personally, I think he's a pretty good guy. In fact, unbeknownst to him, he had a significant impact on my career years ago when we shared a limo (a glorified taxi) from an event I was attending and at which he was presenting. I was working for a very successful firm but had some questions, both about my continuing with the firm and my abilities overall. I shared this with Ed during our 30 minute ride to the Minneapolis airport and his response has guided me ever since. He said: "I've watched you Craig, and you've got what it takes... you'll make it." Wow, the great Ed Morrow, the guru of Financial Planning and Practice Management had seen the tremendous talent I possessed (emphasis ALL MINE) and had pronounced me a success! Well, perhaps not in so many words, but it surely was a confidence builder. Ultimately, I did leave that firm (where I learned many wonderful things and to which I am forever grateful) and launched out on my own.

Limping Around

Now I'm smarter than your average horse, so I soon figured out the axiom that all budding financial advisors must ultimately realize: "no clients, no income"! It didn't help when people would ask, "so how's your business going?" and I would reply, "Oh, it's really getting ready to take off" or during particularly deceptive moments, I would simply say "Great!"

I began to wonder, could the great Ed Morrow have been wrong? Say it ain't so! I continued limping around, falling forward, capable but not successful.

Gaining Momentum

When I was young and working with my father, sometimes I would grow tired. He had a saying I've remembered and used often. He would say "Son, any little colt can run around the track, but it takes a horse to finish the race!" I don't know a lot about horse racing, but I have noticed that sometimes, they need "blinders". This is the apparatus that goes on the sides of the horses head and prevents the horse from seeing "distractions". **Blinders don't really blind, they actually increase the focus.**

A Good Trainer Makes a Winner

After a few years, making it, but not really fulfilling what I knew my potential to be, I attended the **Financial Planning Process™ course**. In fact, I was one of the "guinea pigs" Ed Morrow and Jim Lifter tested the materials on. I had not seen or spoken with Ed since that limo ride seven years earlier so it was a pleasant surprise to find he was involved in the presentations.

In the class, they covered all the things I had heard before and I'll bet you have heard too! We talked about goals, about marketing, about clarity, the planning process, need I go on? It was interesting, but not revolutionary... at least I didn't think so until I noticed my "eye sight" was being affected. As a result of the course, I began to really think about my practice, what I was doing, how I was doing it.

For example, I spent an entire weekend at my laptop truly analyzing my database using **The Client Assessment Analysis Tool** and discovering that 38.2% of my revenue came from one profession... my field of vision began to narrow. I then began to examine the clients I liked to work with the most... my peripheral vision lessened even more. I examined what really made me unique, what I bring that no one else can and presto... my blinders were on and I was breaking into a gallop!

Trotting, Galloping, Running

Change doesn't happen overnight, but most definitely, I'm on the way! With my blinders firmly in place, I even find myself passing up business that doesn't "fit" within my field of vision. Guess what? **By seeing less, I see more than I've ever seen before!** Since the class, I have nearly completed a comprehensive rebranding of who I am and what I do. I'm in the process of developing very specific and unique planning techniques for my very specific clientele. I have restructured my planning process using many of the tools provided in the Financial Planning Process™ course and frankly, I no longer have any competition!

NO ONE can do for my clients what I can do for them. Do I really think I'm that good? I don't know but I'm not looking around to see what everyone else is doing, nor am I looking everywhere for clients... I've got my blinders on. Oh, and Ed... thanks for the encouragement in the limo. You were right, thanks to your course, I am going to make it! I'll keep you posted on my progress!

Craig S. Wright, RFC®

***Craig S. Wright**, RFC® a registered principal offering Advisory Services and Securities through UNITED PLANNERS FINANCIAL SERVICES OF AMERICA, Member FINRA, SIPC. He offers fee based financial plans and services to Education Professionals. He is also the creator of M.O.V.I.N., a motivational presentation presenting the five critical componets necessary for anyone to get Movin!*

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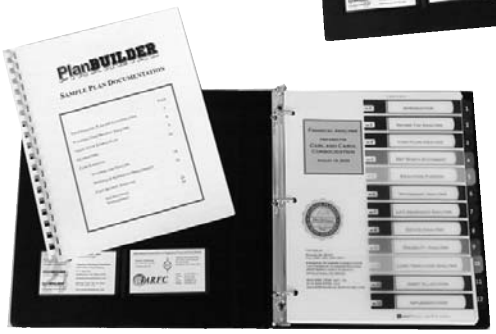

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Help Middle American Families...
Watch Your Sales Soar!

During the past two decades, many of the major companies have been moving to the more affluent markets. They appear to have forgotten whom they served and what made them the company they are today. According to LIMRA, this leaves the Middle America marketplace wide open. This provides an exceptional opportunity for financial advisors, who learn how, to help Middle American families to find the money.

Understanding The Problem

We believe that most Middle American families have been at a distinct disadvantage when it comes to managing money and accumulating wealth. Most of the financial information being passed on by the major publications and financial experts is really geared toward people who are already wealthy. These are the people who have their basic necessities covered. They have built a strong "safe money" financial foundation, so they can afford to take risks with much of their other money.

Wealthy people live in a different world. They are not concerned about qualifying for college financial aid, so their children can afford to go to college. They are not concerned about eliminating debt to improve their cash flow, so they can afford health insurance or put braces on Mary's teeth. They don't have to worry about whether there will be food on the table or a roof over their family's head, if something happens to them.

Solving The Problem

You can help Middle American families by providing them with the little known, unconventional strategies that the wealthy have used for decades to accumulate and hold onto their money. The wealthy were able to accumulate wealth not by taking risks, but by taking a portion of everything they earned and putting it to work for them. They know that the road to wealth starts when you truly understand that "part of what you earn is yours to keep."

The reason most Middle American families continue to struggle today is because the conventional financial wisdom that has been passed on from generation to generation isn't designed to accumulate wealth. The conventional wisdom our great grandparents and grandparents learned was designed to protect their assets during the tough economic times of the great depression.

A Change In Philosophy

Most agents and advisors are taught to tell people they need to invest in (or buy) 'this or that' by taking additional money out of their current budget. The problem is that many Middle American families are only one or two paychecks away from going bankrupt... They don't have any savings or even an emergency fund... according to Dar Haddix, UP1 Deputy Business Editor Americans have serious problems:

"With personal savings rates at one of its lowest rates ever, not only are secure retirements in jeopardy but also many Americans are one medical emergency or layoff away from financial disaster."

"There are currently as many as 22 million U.S. families that lack a basic checking or savings account and who are often forced to cash checks through such services as check cashers, which charge high fees."

We need to help Middle American families to find the money to:

- Reduce Or Eliminate Their Consumer Debt
- Maximize The Amount They Can Invest From Current Income
- Reap the Upside Of the Market, While Guaranteeing The Safety Of Their Investment Principal
- Position Their Assets To Increase Their Eligibility To Qualify For College Financial Aid
- Minimize Their Income Taxes
- Position Their Money To Provide More Current Liquidity
- Maximize Their Investment Returns

And, in many cases, we can help them do it all without taking additional money out of their budget or changing their current lifestyle!

Found Money Management™ Strategies

Unfortunately, in order for agents to make money, most Middle American families have been sold policies with low deductibles and all sorts of unneeded expensive riders. They've been sold supplemental policies that aren't really needed. They aren't being told about quantity discounts and price breaks. They're not taking advantage of the new types of home mortgages. This keeps many families from saving money and building a secure financial foundation.

Also, in many cases they are being told to put their safe money in the wrong places. They are losing money in the stock market, disqualifying themselves for the free money available for college financial aid and paying more taxes than necessary.

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Help Middle American Families

Watch Your Sales Grow

Now the question you may have is: "Can you really make money helping Middle American families?"

The answer is a resounding "Yes!"

... If you learn how to conduct a thorough fact-find and you help these Middle American families to reposition their money to have the financial security they want and deserve!

The secret is to be in front of 20 to 30 qualified prospects every month...

Earning an average commission of $3,000 to $5,000 per case...

Earning $25,000 to $50,000 per month. (Every month)...

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Lew Nason, FMM, LUTC, RFC®

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

Contact: 877 297 4608
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www.insuranceproshop.com

Critical Omissions in Succession Planning

Succession planning in small businesses usually focuses on getting enough key-person life and disability insurance. But neither product fully addresses the financial strain on the business and business owners that occurs when an owner is stricken by a critical illness such as a heart attack, stroke, cancer or dementia. Not only does this result in a coverage gap, it also means the financial advisor or agent failed to sell the full solution.

But now, a rising product, Critical Illness Insurance (CII), can plug the gap for a reasonable premium. With more carriers offering a wider variety of CII products, there are more opportunities for you to profitably solve your client's problem.

In Depth Fact Finding

Succession planning starts with a sound analysis of the current situation. You need to understand who the business owners are and whether the need is to protect the business, the owners, their beneficiaries — or all these entities. The advisor must find out what kind of insurance is in place, the purposes designated for each insurance policy, and the current values of each of those policies.

In many small businesses, insurance proceeds are used to buy out the interest of an owner who dies or becomes disabled. CII fits in perfectly here because it can provide a lump-sum payment of up to $500,000. The full benefits are paid when a covered critical illness is first diagnosed. The better policies cover about a dozen major illnesses. There's no coordination of benefits, so receipt of funds doesn't diminish payments from other policies. Even better, with AIG, the CII policy benefits last a lifetime for the policyholder. After age 70 the CII policy benefits change to a pool of money they can access as a lump sum when there is a permanent loss of 2 ADLs. That's a perfect fit to combine with the LTC plans you've already sold to your clients.

CII can also provide the business with a buffer if a key owner or executive becomes seriously ill. Replacing a top person is time-consuming and expensive. Money in the bank can buy the business the time it needs. Even though the individual may already have disability and/or long-term-care insurance that pays monthly benefits, a lump sum payment can make an immediate difference to reduce the financial strain placed on the business and/or the owners to cover operational expenses, payroll for staff, etc.

The beneficiary or beneficiaries can be the business itself, the owners or family members.

Pick a Classy Chassis

Critical Illness policies are built on either a health insurance or life insurance chassis.

The health-insurance chassis is the more common approach. This is a stand-alone CI policy, with premiums payable monthly, quarterly, semiannually or annually. (Payroll deduction via list billing is available with some companies too.) A big advantage of this model is that the policy owner can keep the policy for life with one carrier, and with other carriers the policy will terminate at age 70. Some CI insurers reduce the benefit amount by 50% at age 65, but some do not.

Additionally, group CII plans are available, with a minimum size of 10 lives.

More recently, a few insurers have introduced CII built on a term-life chassis. The insured buys a term life policy with rider that allows the benefits to be used in full for a critical illness. (If the benefit is used up for the illness, it won't be available as a death benefit, of course.)

The advantage of the term approach is low cost: the rider is inexpensive. The disadvantage is that when the term is over, it's over. This can be a great way to go if the need for coverage is only for a limited number of years.

Stacking Coverages

It's also important for the owners to have long-term care insurance for succession planning. Now, LTCI also comes in models built on either a health-insurance or life-insurance chassis. Hartford recently introduced a life policy that lets the insured use 2% of the death benefit each month for long-term care. (If any amount is left over, it's payable on death.) This is an advance because up to 100% of the death benefit can be used for long term care. Most previous policies limited the benefits to 50% of the death benefit.

Many people resist buying an ordinary LTC policy since they feel they'll never use it. A combination life-LTC plan answers that concern because permanent life insurance will always be used unless the policy lapses.

A combo policy lets you cover your client's life insurance and LTCI needs for succession planning with one policy. Add a CI and a disability insurance policy, and your client is fully covered.

Giving the Client Choices Makes You Stand Out

Critical illness insurance is commonplace in countries like Britain and Japan, and it's increasingly popular in Canada. But, in the US, probably fewer than 1 percent of all the agents will actively sell it.

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Critical Omissions in Succession Planning

Their loss can be your gain. Learn about CII, its features, applications and the products available from different carriers. Clients in their 40s and 50s are in the sweet spot for it. They're old enough to be concerned about succession planning, but young enough to usually be in good health and get underwritten. (Clients can purchase this up to age 65.)

You're unlikely to get any help from a general insurance wholesaler. Few, if any of them, are knowledgeable about CII. A wholesaler that specializes in CII can help. The wholesaler should understand CII plans and give you practical marketing and sales ideas.

One of the great things about CII is that you'll meet little sales resistance. LTCI, in contrast, is a challenging sale because most people still think the policies are just for nursing homes... and the clients never plan to go to a nursing home. But most people feel that if they are stricken with a critical illness, they'll recover and go back to work eventually. CII is a more "optimistic" product, and it's a lot easier to get people to listen when you talk about the need for it.

Wilma G. Anderson, RFC®

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

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Ten Key Ingredients to Form a Retirement Plan!

When a client is working with their advisor on their retirement plan, it is very likely that they not only have personal goals and dreams, but also a minimum level of expectations from their financial planner. Heck, the truth is, a client shouldn't have just a minimum level of expectations, they should have specific things from a retirement plan that they **DEMAND**!

With life expectancies being greater than ever, retirement could likely be the longest phase of their life. It is imperative that there be a plan in place that is well equipped not only to spend and enjoy your retirement years, but also to avoid the mistake of "living too long".

If you have any doubt that retirement planning needs to be an essential part of a financial planner's practice going forward, take a look at these statistics:

- Nearly **80 Million** baby boomers are approaching or entering retirement.
- By the year 2020, these baby boomers will control approximately **two-thirds** of the financial assets in the U.S.
- **75%** of investors switch or add investment professionals within 15 years of retirement because they doubt the professional who got them ***to*** retirement knows how to get them ***through*** retirement.*
- **68%** of investors surveyed between ages 55 and 70 consolidated their assets as a result of completing a retirement income plan; **an additional 19%** said they would like to consolidate.**

What do these facts tell us? Retirement planning is not only a huge opportunity for financial professionals, but it is also a huge challenge!

Retirement planning is an extremely sophisticated process. Retirees should not attempt this on their own. In addition to the risk of outliving their assets, you have other money predators to stay away from such as taxes, inflation, stock market and interest rate volatility, health care, and social security revisions.

Therefore, the point of this article is to review the **"10 Key Ingredients"** to a successful retirement plan that every planner should focus on, and every client should DEMAND:

1. **Growth Potential** — You want your money to grow. However, the real reason why you should want your assets to grow is not to become enormously wealthy, but to ensure that you can keep pace with things like inflation, taxes, planned obsolescence, technology changes, rising healthcare costs, long-term care, etc. Every retiree comments they do not want to spend their principal, but would rather live off the income generated from their principal. Therefore, if you want your income to keep pace with inflation, then you should demand a well-diversified and well-balanced portfolio to allow you to keep pace with your changing lifestyle over the long term.

2. **Safety Provisions** — Clearly, the two biggest financial fears most investors and retirees have are losing money and running out of money. These fears are not only understandable, but also the most critical! "90% our job is avoiding large losses". Simultaneously taking income from your retirement assets and suffering significant losses in the portfolio can be extremely devastating... and also dramatically increase the probability of running out of money. Therefore, every client should demand a retirement plan that contains clear strategies to properly insulate them against suffering large investment losses and outliving your income.

3. **Tax Efficiencies** — Everyone's least favorite uncle is a man named "Uncle Sam". No one truly enjoys paying taxes... whether an ordinary income tax, capital gains tax, or tax on dividends and/or interest. John D. Rockefeller once said; "The fastest way to accumulate wealth is to make sure you never pay tax on income you don't use." That may be one of the most brilliant statements I've heard, aside from Einstein's theory on compound earnings. Therefore, a successful

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retirement plan should entail two pieces. First, money should grow with as little (or no) tax consequences as possible.

Second, income should be received in the most tax-efficient way that is legally possible. The truth is we cannot beat the unbeatable opponent (the IRS). However, financial professionals are master technicians in helping clients avoid unnecessary taxation.

4. **Income We Cannot Outlive** — With the explosion of baby boomers and the improvements in modern medicine, today's life expectancies are greater than ever. When Social Security was enacted in 1931, the average life expectancy for a male was approximately 59 years... and yet Social Security didn't start paying benefits until age 62 with full benefits at 65! Today the average male's average life expectancy is approximately 85 years... so you can see why we are having such a tremendous battle with Social Security benefits. Many studies show that by the year 2030, more than 2/3 of the people alive (in the U.S) will be over the age of 60 WOW! Therefore, the message here is that retirement plans today should demand an outlook consisting of a minimum of 30 years.

5. **Income Growth Potential** — In order for your income to grow, a retiree's assets must grow at a rate that exceeds the withdrawal rate. This means that investing a portion in the stock market plays a vital role in retirement planning. Many think they can accomplish adequate retirement income by simply investing in bonds and CD's, but that is usually not the answer. For example, when considering investing in bond's or CD's, and factoring in inflation and taxes, using these income-producing investments may not accomplish the growth you need over the long haul (especially considering the fact that interest rates over the past decade have been historically low). This is where the demand for professional money management plays a key role in a financial planner's retirement strategy.

6. **Maintain Control** — A successful retirement plan should virtually guarantee the income needed, and that it never runs out. In the old days, this could only be accomplished through an annuity. The huge downsides to these "old school" annuities were that the retiree would give up the two most important things... control and access to the money. In other words, an annuity would pay a fixed income for life, but there would no longer be access to or control of these monies. Not a good option! In a retirement plan, clients should demand total control over assets, both during accumulation and distribution, so that they can choose how and where to invest or spend these hard-earned monies.

7. **Maintain Access** — Similar to the previous demand for control, clients should demand access to money in the event of need. Although every retirement plan should include setting some monies aside for unexpected events or emergencies, sometimes life brings about severe changes for which no retirement plan is prepared. Because there are so many moving parts in typical retirement lives such as health, interest rates, taxes, inflation, health care costs, long-term care needs, etc., clients need to be certain money is not "locked up" in the event access is needed.

8. **Full Transfer to Beneficiaries** — Another common theme is the importance of leaving a legacy. At a bare minimum, every retirement plan should demand that there is a method in place to ensure that whatever money is not spent will efficiently pass on to children, family, loved ones or charities.

9. **Professional Supervision** — Retirement should be one big vacation, where one gets to enjoy things such as traveling, dining out, buying nice things, gifting or spending money with families, donating, etc. The very last thing clients should be focusing on in retirement is worrying over money and the financial plan. In every important aspect of our lives, there are professionals who are passionate about taking care of us. Therefore, clients should demand to enjoy retirement, and leave the worries about finances to the professionals.

10. **Consolidation** — When clients retire, the last thing they want to do is receive multiple statements from many different companies. A retirement plan should adopt Warren Buffet's philosophy, which is "Put all you eggs in one basket. But first, make sure you know everything about that basket. Then, make sure someone is watching over it very closely". Having a consolidated financial life in retirement can not only lead to less stress and worries, but also greater success.

In summary, here is my strong recommendation: Use these **"10 Key Ingredients"** as a challenge to put financial professionalism to the test. It is exactly what my clients DEMAND from my retirement plans, and the truth is, they should not consider working with me if I cannot provide this for them. I think you'll agree that these bequests are not only essential, but they really aren't "asking too much".

*McKinsey, 2006

**Fidelity Advisor 2006 Survey of Investors at Retirement

Christopher Hill, RFC®

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A Crisis of Confidence

I like that phrase — 'A crisis of confidence'. The first car that I ever owned was a Ford Mustang II. I owned it for four long years! If something could go wrong with a vehicle, it went wrong with that car. In those four years, I went through 3 carburetors, a fuel pump, a water pump, a set of brakes, three sets of tires, a hole in the exhaust pipe, and the heater quit working. One Saturday morning, I set out to trade the car to anyone willing to give me a deal. I started at one end of a boulevard where all the car dealers were located. At the time, Chrysler was struggling with bankruptcy and a government bailout. Their mechanic took my car for a spin and literally came back in a state of laughter. But, they were desperate and they made me an offer. Done! I couldn't sign the papers fast enough. I have now learned that my car was not just a broken down relict! No, I was just suffering from a "crisis of confidence" in that Mustang.

Now, we are in a modern economy. Everything that is broken is explained away as suffering from 'a "crisis in confidence." There was nothing wrong with Bear Stearns, they were "well capitalized." The company evaporated due to a crisis in confidence. That's what happens when investors have the unmitigated gall to ask for their money back from a well-capitalized company.

The government sponsored mortgage companies Freddie Mac and Fannie Mae have also been pummelled by a crisis of confidence. Government leaders of all types were pronouncing how well 'capitalized' the two entities were, while at the same time, guaranteeing limitless government bailouts.

Oh, I know — the government does not like to use the word 'bailout'. They prefer the word 'loan' or 'fed discount window'. Governments do not like the word 'bankrupt' or the word 'insolvent' either. When investors show up at these institutions inquiring as to the status of their money, they are told to go away, or come back later. The company is well capitalized but it is not in the best interest of the investor to give them any of their dollars back. Everything is fine; investors just need to cease their "crisis of confidence."

At the heart of our market turmoil has been the sorry case of our financial lending system. It seems that our banks have lent all their money to folks that can't pay it back. Meanwhile, the banks took the liberty of leveraging up their newfound wealth with derivatives linked to lending practices under the guise of goosing our pitiful GDP.

To be sure, the derivatives worked well to boost the earnings of the lenders at least in an 'accounting' sort of way. The derivatives aren't real money — it is just pretend money so the lenders can loan more and charge more for doing so. Of course, the lenders could keep lending because they packaged up their mortgage deals and sent them into the investment world as Freddie Mac and Fannie Mae stood ready to absorb the paper.

Freddie and Fannie became ill on their 'capital' mortgage paper that turned out to be cotton candy on a July day. It was quickly melting and the mortgage and lending business upstream would seize up. Now we really have a crisis of confidence! As Congress debated a solution, our new leaders, Mr. Bernanke and Mr. Paulson stepped forward with a solution. All we had to do was to sign over legal authority for them to make things better, turn the US into a socialist nation, nationalize our financial markets, and toss our once revered Constitution in the trash. Congress was more than happy to relinquish itself of any intellectual or patriotic responsibility.

Of course, the solution was to lend more money, print more money, and buy more stocks. The Treasury Department has gone into the business of stock ownership. Now, Freddie and Fannie have an unlimited line of credit courtesy of the Treasury Department and taxpayers. Congress made it official — our country is now run by bankers for bankers. Maybe we should take the final step and rename our country 'The United Banks of America'.

The nation's largest mortgage lender, Countrywide had to be rescued by Bank of America (their reward was entry into the coveted Dow Jones Industrial Average). Many other mortgage lenders have vanished. Investors who were apparently in a coma for the last few years have suddenly awakened to find their mortgage lenders more broke than my old Mustang. Of course, our illustrious government executives continue to paint a picture

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spilling over with excess capital and fiscal soundness. They express overall willingness to lend even more money to lenders that have apparently lent away all of their own money.

As market conditions worsened, the Fed established two lending facilities for primary dealers of government debt. One allows them to swap a range of illiquid assets for Treasury securities. The other facility provides cash to these broker-dealers in a system that is similar to its discount window for banks. This is unprecedented and an affront to free market capitalists.

Have we surrendered and raised the white flag of freedom and democracy? Think about it. The fed is taking on 'illiquid assets'. What is that? Well, 'illiquid' means it is worthless and 'assets' implies worth on the accounting balance sheets. If a financial institution needs to trade an 'illiquid asset', it must in reality be neither an 'asset' nor 'worth anything'. In return, the fed hands out Treasury notes. Guess what? This is the manufacture of money.

Further evidence of our descent into socialism was brought forth as Wachovia Bank announced that they had lost almost $9 billion and they had to cut their dividend to a nickel. Apple Computer announced they had made $1 billion. Guess who benefited in terms of stock price? Yep, at midday, Wachovia was up 10% and Apple was down 7.6%. Wachovia finished up 27% on the day and Apple finished down 2.6% on the day. No, this is not a misprint.

Yes, some bank stocks are now more volatile than pork bellies! No, I am not making this stuff up. This is reality. A few days before, Citigroup rallied 8% after reporting that they only lost $2.5 billion. The ironically comedic thing to me is that the market regulators severely punish traders that are caught trying to manipulate the stock market. Yet, our new government does nothing, and I mean nothing but manipulate the stock market every single day. Our government does not fix health care, poverty, or any social issue, nor do they attend to the future needs of the country in terms of energy or infrastructure. What about Apple Computer? Yeah, they actually made a billion in their last quarter. Unfortunately, Apple, is not a 'financial' institution. Thus, they simply don't register as a stock to buy. Folks, this is a microcosm of our new country. It has been taken over by bankers who run a monetary printing press night and day so they can shore up our pathetic financial ship. They don't have time for anything else. So, we have a banking rally based on giant losses. Is Capitalism now dead and buried?

Let me make two points here. First, the buying in financials could be related to the new rule instituted to eliminate 'naked shorting' of selected financial stocks. Naked shorting is the process of a broker allowing a stock to be shorted even when the broker had no inventory of the stock in question.

Actually, this practice is, and was, already illegal. The regulators just decided to enforce the law when it came to the beloved financials. The brokers could have gone on a buying binge so they would have had enough shares of these financials in case the nasty short sellers ever decided to short the financials again. If my theory is right, the financial rally will fade very soon. Paulson claims that both Freddie and Fannie were perfectly solvent and easily as well capitalized as Bear Stearns. If you believe that, you might also believe that our mortgage troubles will be solved by even more lending.

So why is the Fed fighting so hard to keep our bankers solvent? Of course, no one wants to see a financial meltdown, but on the other hand, no one wants to foot the bill to save all the lenders that spent the last five or six years lending to a bunch of people that had no ability to pay back said loans. Sure, that helped stoke the fires of the real GDP and it made it look like our former country really had growth. Now that growth is whatever they say it is.

The Commerce Department said that durable goods increased .8% in June. If you look at the report in detail, you see the true story. Under 'Capital Goods Industries' (40% or so of the total survey), 'defense' orders increased by 15% and 'nondefense' orders decreased by 3%. Again, how long will we be in Iraq? Forever – Unless we pull, out and invade Antarctica. The military is the bane of our supposed positive GDP. We have to keep spending or else! It is also worth pointing out that the report is in US dollar amounts. Therefore, if I ship widgets at a price of $104 bucks that I shipped last year at $100, I can say recent orders were up 4%. Is business better or are prices up?

Some of you may wonder why I write so much about our government. Well, I am appalled by recent government intervention in our markets. If short sellers short banking and mortgage stocks, it is because they perceive them as fundamentally unsound and therefore overpriced. You cannot remedy the situation by limiting the short sellers.

Why does investing have to be driven by our government? If we are truly capitalists, we should act like capitalists. Write your Congressperson. Send them this article. On the current course, we may soon lose everything to the banks that enslave us with low interest loans, a nice suit, and a warm smile. Let us conduct an experiment. Watch your TV. For every triple digit loss in the Dow, let's see if Bernanke or Paulson pops up on our TV screen with a cure for a crisis of confidence — an extra dose of government intervention.

Barry M. Ferguson, RFC®

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

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Compliance-Friendly Marketing

The One-Page Marketing Plan for Advertising Boomers

By Katherine Vessenes, JD, CFP®, RFC®

One of the things that surprised us when we started working with multimillion-dollar advisors was their own lack of planning. Common sense would dictate you don't get to a million dollars or more in income without a lot of planning and focused dedication to the plan.

In fact, nothing could be further from the truth. Not one of the multimillion dollar advisors we have consulted had a written strategic business plan! Even though they were marketing machines, not one of them had a **written marketing plan**.

What they did have was a drive and determination to succeed. Nothing was going to stop them from getting to the top. That drive was focused on one thing: seeing a set number of new prospects every week. Some set the goal very high at 15. Others set it at 8. No matter what the number, they all knew that was what they had to focus on.

If they saw enough new prospects, the numbers, over time would naturally produce the kind of income for which they were looking.

If you have a drive to get to the top, even a one page-marketing plan can help you stay focused. Here is how you can pull your marketing thoughts together and get an action plan to help you get your business to the million-dollar mark or even beyond.

First a few basic marketing rules before creating your "One Page Marketing Plan":

Your Focus: Every successful advisor we have coached knows that it is important to focus on three things, and three things only, if you want to get your business to the next level. They are:

1. Prospecting
2. Meeting with Clients
3. Closing the Sale

Or, PMS for short. Everything else needs to be delegated. Your marketing plan should have you focusing on these three areas only.

Touches: This marketing term defines interactions with clients and prospects. A touch could be anything: a phone call, a client meeting, a newsletter or even a dinner party. Three big items are NOT touches: confirmation statements, standard reports and contacts initiated by the client.

Recent industry surveys have determined that clients expect numerous touches. Much more than most advisors would even guess. I learned this lesson the hard way.

A few years ago, I dusted off my Series 7 license and started seeing investors again. I wanted to see how the superstars made a million dollars a year and if my sales and marketing techniques (the ones I had been lecturing on for 10 years) still worked. There were a few surprises as I tested out the no-Sell Sale™. The biggest was that clients expected far more contact from me than I could ever had predicted.

I made it a practice to ask each new prospect what they expected of me as their financial advisor. The answers gave me a stomachache. Most of these prospects, who were usually boomers, wanted me to call them whenever the market ticked up or down! Some wanted a call whenever there was any news about items in their portfolio. Some wanted calls two or three times per week!

Contrast this with the amount of time we had budgeted to spend with clients: about one review meeting per year — and you can see a big disconnect. The kind of disconnect that leaves clients, pararticularly boomers, unsatisfied, unlikely to refer you business and unlikely to stick with you. This is also the type of gap in client satisfaction that can drive certain prospects right into the arms of their attorney.

Numerous industry studies have indicated your mid-level clients expect 14 touches per year and your affluent or higher net worth client expect double that — 28! In fact, if you want to create ***sticky clients***, you should be planning to touch them at least this many times per year.

Technology rules. Overseeing this number of touches per year can be overwhelming. Sure, I would love to use 3 x 5 cards, but a better approach is to use your contact management system to alert you to clients who need to be touched, and keep track of where you stand on your annual campaign. Two good choices for software to help would be IAS-Optima out of Atlanta and Practice Builder from Ohio.

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One thing you would want to do is go into each client file at the beginning of the year and schedule in the touches. It could look like this:

January: New Year's card with personal note

February: Lunch date

March: Easter card

April: Birthday party for the Wife, photos e-mailed after the event

May: Annual meeting in the office

June: Opera date, Thank You note after the Opera Date, photos of the Opera Date sent via email

July: "spontaneous" phone call, Flowers for anniversary

August: Thank you note

September: Client appreciation Event, Thank you note after the event, Photos e-mailed after the event

October: Client Seminar, Year End Tax Planning, Thank you note after the event

November: Dinner Date, Thanksgiving card

December: Christmas, music CD

Total touches: 20. Note, most of these are very inexpensive, too.

The software can also let you know where you stand on the number of touches. If it is July and you have only one touch for the year, you will know it is time to kick it into gear.

One branch office manager I know does about 50 events a year for his reps. His goal is to have all of his reps meet twice per year in a social setting with their A clients and once per year with their B clients. Some of their events are for six people and some are for 600! Their plan is simple: they lay out a year's worth of activities, and then start inviting the A clients. If they cannot come to the first activity, they invite them to the next one. They do not stop until the A clients have been to two social events in a year.

The software is a key factor in making sure the reps and the clients are on track.

Know your numbers: Another key factor in putting together a one page-marketing plan is knowing your numbers. Here are the important ones you need to know:

1. ***Your average new client revenue (NCR) per case.*** We have found this number varies depending on the level of your client. One of our advisor clients only works with doctors. His average NCR is a whopping $20,000! Advisors working with mid level clients are probably looking at $4,000 to $6,500 per case.

2. ***Your average existing client revenue (ECR) per case.*** This figures varies widely for our superstar clients. For some it has been close to zero — they are not charging fees for plans or assets under management. (Something we heartily disagree with, by the way). For others it can be $4,000 per year or even higher. This figure will build your business valuation.

3. ***Your closing ratio.*** Top producers are usually closing 80 to 95% of their cases. However, we have seen $700,000 advisor with only a 60% closing ratio! He had to work harder to close such large numbers.

4. ***The number of weeks per year you plan to work.*** Keep in mind you will need a vacation and days off to attend conferences.

Personal Marketing and Business Plan for (your name here)

Goals for the year:

1. For **45** weeks per year, I will meet face to face with **8** new clients every week and **4** existing clients per week. Of the new clients, **4** of these meetings will be closing meetings.
2. My average commission on new clients (NCR) is $4,500, on existing clients (ECR): $3,500
3. My closing ratio on new clients is: 80%
4. My gross income for this year (closing meetings × weeks × average commission × closing ratio plus total existing clients × ECR =) is projected to be $1,278,000.

My Mission is to focus on these activities:

1. Prospect for Clients
2. Meet with Clients
3. Close the sale

Top Three Obstacles for meeting this goal and mission:

1. I spend too much time reviewing emails and processing paperwork
2. Telephone calls for service requests distract me
3. I don't have enough prospects to fill that many seats, 360, this year.

In order to overcome these obstacles and meet with 8 new clients per week, I will do the following:

1. Not go home until I have scheduled 8 new prospect meetings per week.
2. Use a part time sales assistant to free up my time to answer the phone and do service requests.
3. Implement a "high touch campaign of 12 touches per year with my A clients", 5 with my B clients and 1 with my C clients
4. Ask every A client for a referral at least twice per year
5. Hold one annual event at an interesting location
6. Write a thank you note after every client or prospect interaction

Campaign for A Clients

Dinner party	Birthday Party for Wife	Annual Event	Quarterly Meeting
Quarterly Meeting	Quarterly Meeting	Quarterly meeting	Coffee/dinner/lunch
Thank you note	Thank you note	Thank you note	Christmas CD

Campaign for B clients

Annual Meeting	Annual Event	Spontaneous phone call
Thank you note	Thank you note	

Campaign for C clients

Annual Event

5. ***How many meetings it takes you to close a case.*** Most of the top advisors try to have a two or three meeting close. The fewer the meetings, the more clients you can see.

6. ***How much time you spend per meeting.*** This usually ranges from one to 2 hours per meeting. This is one place where I think longer is usually better. During a longer meeting, you are not rushed. You can build more trust and take much better notes.

To figure out your estimated annual income, use this formula:

- Closing meetings per week × average commission per case × closing ratio × weeks worked per year = NCR +
- Total number of existing clients × average ECR = Total estimated annual income

Your obstacles: We all know it is important to focus on PMS, but the truth is many things seem to take priority. For your plan to work, you need strategies up front on how to overcome the tyranny of the urgent to work on what will put money in your pocket.

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Compliance-Friendly Marketing

Take a minute to list your obstacles and then write down what you are going to do to overcome them.

Simplify: The beauty of this system is that you only have to focus on one main thing: derrieres in chairs™. As you can see from our example, just seeing 8 new prospects per week and 4 existing clients should net our sample advisor $1,278,000 per year.

All he has to do is focus on meeting with 8 new prospects per week and 4 existing clients. Everything else should be delegated.

When things get confusing, when the phone is ringing off the hook and you are looking at hundreds of e-mails, pull out your marketing plan. It will help you stay focused on what is most important to you — prospecting, meeting with clients and closing the sale.

If you would like a copy of the template shown here, just e-mail me, **Katherine@vestmentadvisors.com** and I will send you one to use.

Katherine Vessenes, JD, CFP®, RFC®

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

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Business Mirrors Life

It's Nothing Personal: It's Just Business

"Hesh, as a marketing guru, what is the critical factor that ensures your company's success," asked the radio talk-show host, staring off into space.

"I don't like my clients." I said. "As a matter of fact, I hate most of them."

I had caught his attention. He laughed nervously and said, "OK, Hesh, we know you like to write comedy, but this is a serious business show. Let's stay focused."

"I am serious. Let me explain," I said. "My success is tied to being able to serve as many clients as possible. There are only 24 hours in a day. By analyzing my work schedule and those of my employees, I found that we spent way too much time with clients we liked."

"Typically, we would do an hour of business and then follow up with another hour of schmoozing about kids, spouses, employees, and of course, golf. These people made great potential friends but terrible clients. I usually lost money on each one of those consulting contracts."

"On the other hand, when I despised a client, I'd do the work, and then get out of his office. I didn't ask any questions about the boar head on the wall or the photo of him bicycling with the president at what looked like Camp David."

I had gotten the host's attention. He probed, "Hesh, your perspective goes against the latest theories of business growth, the need for passion for your business and the need to develop long-term relationships with your customers."

I responded, "Wait, I didn't say I lacked passion for my business or that I churn my customers. Let me repeat. I just don't like them."

I explained to the radio audience how I had grasped this new insight. Like most things, it happened serendipitously. I was talking to a favorite customer when my secretary reminded me that I had put my wife on hold. When I clicked to her line, she had already hung up.

I immediately called her back. She had a simple question. "Why can't you treat me like I am your best customer? I want you to respond to my needs 24/7, always be available, and anticipate my needs before I do."

She did have a point. I decided to turn my business philosophy around 180 degrees. I would give my time to people that were important to me — family and friends — and be direct and unflattering with those with whom I did business.

Strangely, in spite of my new approach, my business grew. I was able to underbid my competitors. I realized that we could spend less time with clients, if we didn't like them, and still get the job done.

Today, this business philosophy has become my company's mission statement: We don't like you; but we will make money for you.

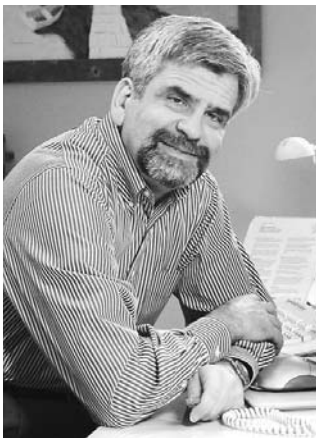
I even require that all my employees sign an affidavit saying that they will never get friendly with a client. And I check. We frequently listen to their conversations to ensure that it is all business.

"Hesh, before we go to a commercial break," said the host, looking to end the interview, "one last question: So how are things with your wife, now that you can spend all this extra quality time with her?"

"Initially, we spent a lot more time together," I answered. "Then we realized we really didn't like each other and have been divorced for a year."

"I'm sorry, that's a shame," the host said, flustered and embarrassed. "Did the divorce have a negative impact on your business? I assume your wife got half-ownership of your business in the divorce settlement."

"Yes, she did. But it has actually worked out very well," I said. "She has all the ingredients to be my perfect business partner now that we hate each other."



Hesh Reinfeld

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

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A Message from the Founder

Are Hard Times Just Beginning?

For over 20 years I have been sending the warning that the U.S. is on track toward total financial collapse of the world monetary system. We are now in the final stages of that meltdown. The recent unprecedented warning sent to clients by the prestigious Royal Bank of Scotland to "brace yourself" for a "calamitous" monetary collapse "within three months" reinforces my thinking that it is now or never time to prepare as best you can for some **really hard times**.

I think the bubble of exposure may have only months. When and if it comes, it will come with a swiftness that will make it impossible to take any last minute actions. It will probably happen on a weekend when you cannot even get to the bank to pull out some quick cash. And when (not if) it happens, it's going to make the Great Depression of the 30's look like a Sunday School picnic in comparison!

Even if all my dire predictions prove groundless, the worst thing that could happen is you are still better off than without doing anything about it.

These suggestions could be critical to help you through the fast-approaching "train wreck." I sincerely hope I am wrong about this, but don't think I am. The solutions are, as I have been preaching all along, for you and your clients to:

1. **Be as debt free as possible.** For the really big debts on house, car and student loans that you cannot possibly pay off, there is some advantage in the coming hyperinflationary period (already started, in spite of the lying government inflation figures) paying those off in cheap to worthless dollars. But that's only with a job which keeps up with cost of living pay raises!

2. **Have at least 6 months living expenses.** This should be in cash stashed away where you can immediately get your hands on it not in a bank, CD or money market account, where someone else has physical control of the asset. Hyperinflation starts out slowly going into double figures like now (12% REAL rate, NOT the fabricated 3.5% government figure. Then it accelerates at an increasing speed within a couple of years to worthlessness.

3. **Have a full pantry.** Non-perishable foods and basic necessities like toilet paper and medicine. Just as you would prepare for a hurricane, only longer, much longer. A 50 pound bag of rice would be a good, inexpensive investment.

Gentleman farmer Jack Gargan with faithful dog, ToTo

4. **Be ready to move about.** Never let your car get lower than half a tank and immediately head for the closest gas station to fill up the moment you hear any news on the radio or TV that might trigger the collapse (like an attack on Iran, or a terrorist attack on us, or even a significant weather event).

5. **Protect yourself.** It wouldn't hurt to have a loaded gun or two around the house to protect yourself and family from very possible civil disorder during these times. Those who did not prepare will want what you have!

6. **Don't advertise what you are doing to prepare.** That will only make you a target!

For long term survival (and to take advantage of many bargain opportunities that will become available) buy as much gold, silver and precious metal mining shares as you can afford. Some will even borrow the cash values out of life insurance policies since hyperinflation can eventually make life insurance cash values and annuities worthless. If, by some miracle this all blows over, you'll want to sell the gold (probably at a nice profit) and put the money back in the policies while not losing the coverage.

I recommend at least a few gold coins or bars (but only Credit Suisse, gold bars). Kruegerrands generally have a lower premium, thus more value for the money, but US gold "Eagles" and Canadian "Maple Leafs" (not their super-refined coins) are good, too.

Is this Gloom or Doom?

Perhaps. But perhaps it is a look into the future. The world has been shocked with corporate failures in the meltdown of financial institutions. No one can predict the ultimate impact of the failures of Fannie Mae and Freddy Mae and the inadequate funding of the retirement system of the U.S. and other countries. Let's hope those predictions are wrong! But it may be better to be safe than sorry...

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

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James Investment Research, Inc.

Equity Style

1Q.08

Investment Objective

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

Investment Strategy & Process

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

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

Product Info

Composite Statistics (as of 3/31/08)

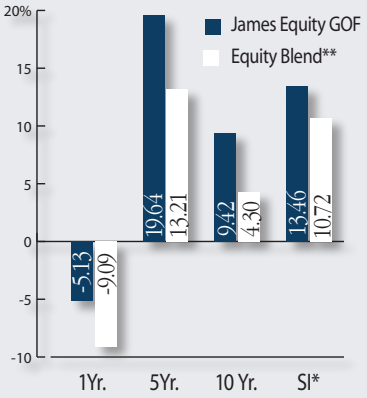
Benchmark Index	Equity Blend**
Average # of Holdings	101
Assets	$26.8 million
Average Market Cap	$27.9 billion
Price/Earnings	13.5
Price/Book	2.2
Target Allocation	95% Equities 5% Cash

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

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

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

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



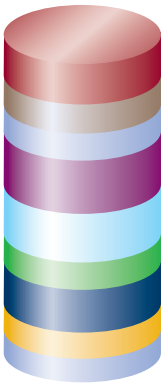
James Investment Research, Inc. is an independent investment management firm and is not affiliated with any parent. James Investment Research, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS). The composite's inception date is 12/31/83.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

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

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

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

Sector Diversification



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

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

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