the Register

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Official IARFC Publication
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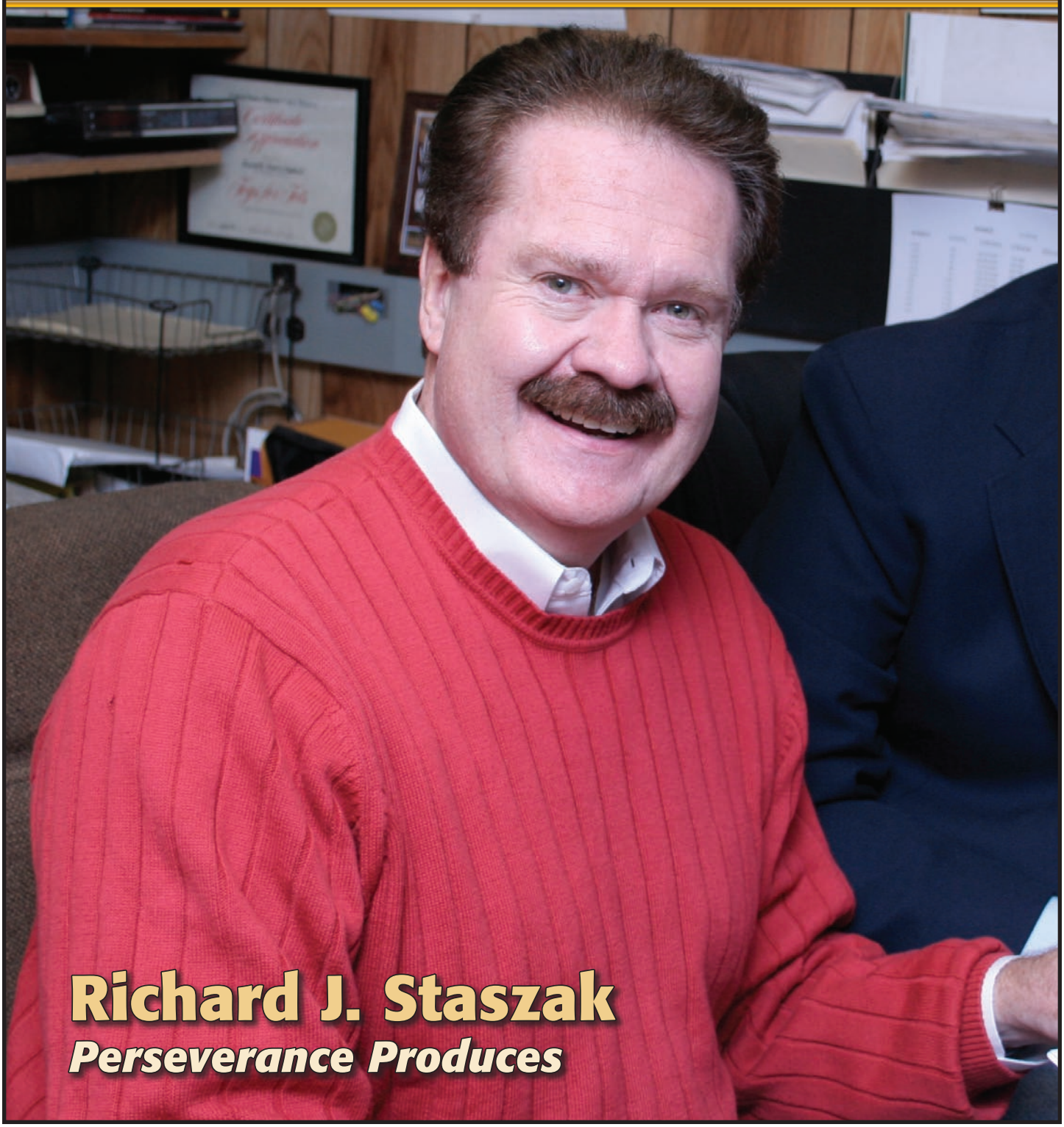

Richard J. Staszak

Perseverance Produces

Serving Financial Advisors Worldwide

Cruise Details for IARFC Caribbean Cruise

Join us on Royal Caribbean's Freedom of the Seas
September 6 – 13, 2009

Eastern Caribbean

Relax surrounded by the white-sand beaches and beautiful turquoise waters of the most beautiful islands on earth. Find adventure parasailing high above it all or at the Dolphin Encounter. Or visit Labadee, one of our exclusive, tropical private destinations where nature brings striking mountains and pristine beaches within arm's reach.

Freedom of the Seas

Experience Royal Caribbean's largest, most innovative ship yet, Freedom of the Seas! This international masterpiece of naval engineering features the first-ever onboard surf park at sea; cantilevered whirlpools that extend 12 feet beyond the sides of the ship; the H20 Zone℠ waterpark, complete with interactive sculpture fountains, ground geysers and a cascading waterfall; our largest rock-climbing wall, with eleven routes and a central spire you can swing around; and so much more! Extensive WiFi capabilities and connectivity for cell phones will also be available, as well as flat-screen TVs in every stateroom. You've got to see this ship to believe it. All this, plus great networking with the stars.

Sailing Itinerary

Date	Port/City	Activity	Arrival	Departure
Sun, Sep 6	Port Canaveral, Florida	Embark	4:30 pm	
Mon, Sep 7	Coco Cay, Bahamas	Tendered	7:00 am	4:00 pm
Tue, Sep 8	Cruising	CE at Sea™		
Wed, Sep 9	Charlotte Amalie, St. Thomas	Docked	11:00 am	7:00 pm
Thu, Sep 10	Philipsburg, St. Maarten	Docked	8:00 am	5:00 pm
Fri, Sep 11	Cruising	CE at Sea™		
Sat, Sep 12	Cruising	CE at Sea™		
Sun, Sep 13	Port Canaveral, Florida	Return		

Networking Opportunities! We have requested the second dinner seating in the Main Dining Room, which Maximizes Tour Time. All RFCs will be in one area, with seating shuffled to promote new friendships and conversational diversity.

Networking

Sunday, Sep. 6 – Sunday, Sep. 13

Sun, Sep 6, 7:00pm	Opening Reception
Mon, Sep 7, 8:30 pm	Welcome Dinner
Tue, Sep 8, 8:30 pm	Dinner
Wed, Sep 9, 8:30 pm	Dinner
Thu, Sep 10, 8:30 pm	Dinner
Fri, Sep 11, 8:30 pm	Dinner
Sat, Sep 12, 8:30 pm	Dinner

CE at Sea™ Itinerary

September 8, 11, 12

10:00 am – 10:10 am	Material Distribution
10:10 am – 11:00	Session
11:10 am – 12:00 pm	Session
12:00 pm – 1:00 pm	Lunch Break
1:10 pm – 2:00 pm	Session
2:10 pm – 3:00 pm	Session
3:20 pm – 4:10 pm	Session

Topics

Long Term Care
Critical Illness Insurance
Maximizing Referrals
Increasing Plan Fees
Using Tangible Assets
The Newest Annuities
How to Become Famous
Current Tax Changes

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

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

IARFC Caribbean Cruise Conference

September 6 – 13, 2009

CE at Sea™

The Caribbean. From snorkeling and swimming to shopping and golf, the Caribbean is the ultimate outdoor playground. What better way to acquire CE at Sea™ and relaxation time than to be surrounded by white-sand beaches, turquoise waters and the most beautiful islands on earth? Casual networking can open new opportunities and a new outlook — just when needed!

Freedom of the Seas. Climb a large rock-climbing wall, with eleven routes and a central spire you can swing around; and play golf on board. Extensive WiFi capabilities and connectivity for cell phones are also available, as well as flat-screen TVs in every stateroom. You've got to see this ship to believe it.

Ports of Call — 7 Night Caribbean Cruise

6-Sep **Port Canaveral, Florida.** The gateway to Central Florida, Port Canaveral provides access to the wonderful theme parks and entertainment complexes of Orlando, the spectacular wonders of the Kennedy Space Center and the natural habitats of the alligator and Florida manatee.

7-Sep **Coco Cay, Bahamas.** Surrounded by the gentle, translucent waters of the Bahamas chain lies the secluded island of Coco Cay®. With its white-sand beaches and spectacular surroundings, Coco Cay® is a wonderland of adventure.

8-Sep **Cruising — CE at Sea™ sessions**

9-Sep **Charlotte Amalie, St. Thomas.** An idyllic vacation spot with a history. In the 18th century, the island was at the center of a bustling pirate culture, as swashbuckling pirates such as Blackbeard and Drake traded stolen wares in the port of Charlotte Amalie.

10-Sep **Philipsburg, St. Maarten.** Dutch heritage in its architecture and landscaping; offers endless stretches of beach, beautiful landscapes and great shopping.

11 & 12-Sep **Cruising — CE at Sea™ sessions**

13-Sep **Port Canaveral, Florida.** Be sure to learn more about this exciting port.

For questions, please call:
IARFC CE at Sea™ Director Starr Morrow
423 741 8224

Professional Continuing Education. The presenters and the attendees will be among the most elite in the financial services profession: authors of many books, articles and popular speakers. You will spend seven exciting days and evenings in the company of the world's leading professional advisors.

Conference Fee: $100 per advisor only, covers registration, CE and conference materials.

Airfare is not included in any of the quoted cruise prices. (suggestion: use Frequent Flyer credits)

Deposit of $500 per person due upon registration to secure your space availability for a stateroom. Final payment is due May 15, 2009.

Cruise and IARFC Cancellation Policy.

Days Prior to Sailing	Cancellation Fees	Date
67 – 30	$250 per guest	July 1
29 – 8	50% per guest	Aug 8
7 – 0	100% per guest	Aug 30

You can purchase insurance to cover unforeseen medical circumstances requiring trip cancellation. In addition, there will be a $50 administration fee for any and all changes made.

Port Charges, Cruise Gratuities, Government Fees and Airport Transportation. Port Charges are presently $159; Cruise Gratuities are $68.25, Taxes $53, per person. These charges are subject to change and beyond the control of IARFC or Royal Caribbean.

Attractive Rates!

per guest, *based on double occupancy*

Number of Adults in your party: _____

Number of Children in your party: _____

❑ Superior Balcony cabin $781 _____

❑ Oceanview cabin $690 _____

❑ Interior cabin $500 _____

Port & Arrival Fees $159 _____

Pre-paid Gratuities $68.25 _____

Government Taxes $53 _____

❑ RFC Conference Fee only $100 _____

Subtotal: _____

Less Deposit: _____

Balance Due: _____

Deposit $500 per person

❑ Interested in Cruise Insurance

❑ Interested in Airport to Pier bus

Name *exactly as it appears on Passport* _____ Address _____

Companion Name *exactly as it appears on Passport* _____ City, State, Zip _____

Phone _____ Country _____

Your Preferred Salutations — for our Name Tags _____ E-mail _____

The International Association of Registered Financial Consultants

Phone: **800 532 9060**
423 741 8224
Fax: 513 424 5752
E-mail: info@IARFC.org
www.IARFC.org

Method of Payment

❑ Check payable to the IARFC ❑ Visa

❑ Discover ❑ MasterCard ❑ American Express

Credit Card Number _____ Expiration Date _____

Signature _____

Cruise rates are in U.S. dollars, per guest, based on double occupancy. Government taxes, fees and air transportation are additional.

My signature indicates that I have read the cruise/conference policies and fully understand my name will appear in CE at Sea publicity and conference listings. I fully understand the charges involved, and if requested above, I am authorizing the amount indicated to be charged to my credit card. I agree to the terms and conditions of the IARFC Cruise/Conference refund policy.

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.

IARFC Australia CEO and Volunteer Fireman, George Flack gives his account of the recent fires set in Australia:

Bendigo was affected. We had resources fighting a house fire 1:38 pm, then at 4:00 pm. Strike Team members left the scene with several other Bendigo Brigade members for the Redesdale/Kyneton Rd. fires. We left the house fire at 5 pm.

1/2 hr later Maiden Gully in Bracewell Street ignited. It stretched 6 kms burning out 600 hectares — about 1/3 residential (affecting some 2000 homes). One male death and 61 houses destroyed. There were two wind shifts in the firefight.

A composite crew on a Bridgewater pumper from Eaglehawk Brigade, 2 fellows (Matt and Craig) from Wycheproof Brigade and myself from Bendigo Brigade headed off the fire burning towards Eaglehawk, but after a few moments we ran out of water (pumpers do not carry much water) — it was going too much for us to fill up so we used one rake hoe and 3 of us stamped out the burning edge about 300m in perimeter — stopping the onslaught to Eaglehawk.

I've spent over 55 hrs fighting these fires and those over near Whittlesea in the past 8 days.

Donations are being accepted for $$ thru Red Cross Appeal, banks, etc., food clothing thru Salvos, Vinnies, etc.

We have several clients who have lost everything in that area.

George Flack, RFC®
Eaglehawk Victoria, Australia

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

Kyle M. Morton, RFC®
Fort Worth, TX

IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

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P.O. Box 42506
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• IN THIS ISSUE •

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Profile Interview – **Richard J. Staszak**

Perseverance Produces

Richard J. Staszak, RFC®, Financial Network Investment Corp.,an ING company, in Pittsburgh, PA.

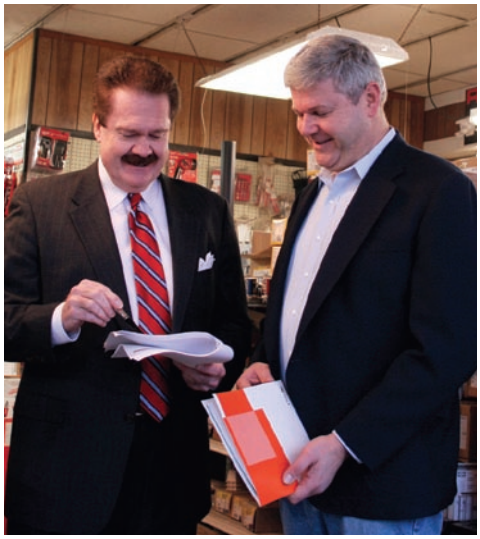
What makes a successful financial advisor? We all want to know. But we don't want clichés, like great customer service, or going the extra mile, or putting your clients first. Those phrases have no meaning.

I would suggest perseverance. Now I hear you saying, that's just another cliché. First, let's define it: Perseverance. – A steady persistence in a course of action, especially in spite of difficulties, obstacles, or discouragement

But the critical question is who measures the intensity of one's perseverance? Of course you can say. "I made 10 extra calls today and that shows my perseverance." But I'm not impressed. You're not an impartial observer.

But when your client says you have perseverance, then I (and others) take notice. And that is how Rick Staszak's (RFC®, CEP, Pittsburgh PA) client describes him.

Some background: Rick Staszak and I are visiting Steve Posa to get some good photos for this profile of Rick for the Register. You can tell by the pictures that Steve is prepared. He has put on a sports jacket. It isn't the common dress for an owner of an electric supply business in the industrial heartland of Western PA. Across the river is the USX Clairton works, one of the few steel plants still operating in Western PA.



Service is the key.

I ask Steve how he met Rick and why he decided to hire him as his advisor.

Steve says, "He did it the old fashioned way. He knocked on my door and introduced himself. We spoke for only a few minutes and he asked if he could stop by again. I said OK."

Steve continues to tell me how Rick kept on knocking on his door. Steve knows a lot about investing. He had handled his own 401K for years and has lived through the 1987 crash and the high tech boom and bust of the late 90's.

Steve said he kept on challenging Rick with questions each time Rick called on him. And each time Rick had an answer that impressed Steve. But Steve is a businessman, and he deals with sales reps all the time. He isn't an easy prospect to win over. But Rick kept on knocking on his door, and won him over.

Steve says Rick was persistent. And he experienced it first hand!

So for all the advisors reading this remember – you are not persistent unless your client says you are. Don't fool yourself by thinking your working harder then your competitors. You aren't. And only your client can judge that, not you.

How did Rick Staszak become an investment advisor? Like many advisors he started out in a different career. He was a surgical supply salesman to hospitals. He got to know a lot of doctors and nurses. Often the topic of discussion was investing and Rick knew a lot. He impressed the folk in the surgical suite so much that they suggested he become an investment advisor. And they said that if he changed professions, they would hire him, and they did.

Rick's route was similar to many in the profession. He started out with a major wirehouse and then realized that he needed to offer his clients better products and funds. So he took anothert route and was signed by ING, as their Western PA representative.

I asked Rick how he decides which funds and products to recommend to his clients. "I do most of my own research," he said. "If I suggest a defensive strategy portfolio, I have spent months researching the funds. You can find me most evenings and weekends, with piles of prospectuses next to my desk."

It seemed like Rick was saying his career is a 24/7 situation for him. It sounded too good to be true. I asked him what were the trade offs. What was he giving up by spending so much of his time and energy working for his clients?

Now I must tell you that I expected some glib cliché, i.e. My clients success comes first. But to my surprise Rick was introspective, and quite revealing.

"Hesh, if I was married and had a family, I don't know if I could give so much of my

CONTINUED ON PAGE 5

Talk to your clients. Keep loyal customers like Steve Posa (pictured right), and build trust.

time to my clients. So I guess they have lucked out, in the sense that I'm a bachelor." He said.

Rick was not saying that he consciously decided not to get married. If the opportunity had arisen he would have gladly been a family man. However, his life and career have taken a different path.

Rick's comments were insightful. But what was most revealing was that he was willing to talk so openly about the life choices he has made. In my articles for the *Register*, I strongly suggest that advisors be more authentic and not hide behind the numbers. Rick was doing that with me.

Rick has much to be proud of. His Broker/Dealer Financial Network Investment Co./ING has asked him to join the Million Dollar Round Table. He has qualified for the past two years. And Rick is the expert advisor on a soon to be aired TV program for retiring baby boomers.

Rick rewards himself for his hard work. He enjoys golf and like anyone living in the cold Midwest (most of the USA thinks Pittsburgh is in the East but it is really a Midwest city) he flies down to Florida in January or February for a week of golf and sun.

Rick talks about his golf game a lot! Rick loves golf but hasn't been able to play much this past year. He pulled his back muscles while on the driving range.

Now I'm not a physical therapist but it seems strange for an experienced golfer to get hurt, just hitting some practice balls.

Then Rick adds that he was doing more then just casually hitting golf balls off the T. He was working very hard to get his eight iron shots to fall exactly at 155 yards. He was putting every ounce of energy into his swing.

"Why." I asked, "I thought you were down in Florida to relax."

Rick said that Annika Sorenstam the best female golfer in the world was at the next tee. And he was trying to impress her.

"Did she talk to you about your swing?" I asked.

"No," said Rick.

"Then how do you know she was even watching you?" I asked.

"I don't," Rick said. "But just in case she was looking I wanted to show her that I could hit an eight iron as good as the golf pro."

I smiled. Here was a middle-aged man, still acting like a teenager trying to get the attention of the high school prom queen (or her modern day equivalent).

I realized that Rick and I had really broken the ice. He was sharing a personal and somewhat embarrassing story. But then I realized that is what made him such a good advisor. Sure, he has great technical skills. But he is also able to reveal the human side of himself. And once he does that, his clients get more comfortable and they really open up about their dreams and share their human foibles.

So what are the take-a-ways? What can you learn from Rick Staszak that can help you become a better RFC? First, challenge your own thinking; maybe you're not as perseverant as you might think. Second, know yourself: feel confident and share with your clients all of your wisdom and insights. They will respect you for it. ◙

Contact: 412 928 4999
rstaszak1@verizon.net

About the Author: **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.

Contact: 412 421 8379
hesh@heshreinfeld.com

CALENDAR OF EVENTS

World Critical Illness Insurance Congress
April 6-8, 2009, Montreal

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

RFC Accelerated Course
May 4-7, 2009 Atlanta

MDRT Annual Meeting
June 7-11, 2009, Indianapolis

IPS Workshop Found Money
June 24-25, 2009, Atlanta area

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

International Dragon Awards
August 6-9, 2009, Taipei

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

NAIFA Annual Conference
September 12-16, 2009, Orlando

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

RFC Accelerated Course
October 19-22, 2009, Trinidad

Financial Advisors Symposium
November 9-11, 2009, Orlando

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

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

From the Chairman's Desk…

Ed Morrow

Pork in the Bailout. Yes, there is an awful amount of spending included in the Bailout or Stimulus Bill. As a responsible financial advisor it is very hard not to be truly angry over it. It seems as if every member of Congress has his or her fingers, elbows, arms and legs into the "Public Trough" and knows full well that the day of reckoning will be soon and serious.

Your Attitude Counts! Your clients and prospects are hearing and viewing a lot of very negative news. They need to hear something that is positive. You know that there are "fine-tuning" opportunities in everyone's situation. When the market seems like it will always be rising, then these are not so important. (Actually they are, but no one is counting.) If you will try to focus on good news items and all the opportunities to be preparing for economic events that are predictable, your clients will respond favorably.

Estate Planning Options. A growing number of financial advisors, estate attorneys and trust officers are slowly coming to a new position. For a moment, forget the political issues, since our ballooning federal and state debt is not the exclusive fault of one party or the other. Here is what this group believes:

Inflation. Sooner or later the values of stocks and real estate will soar back upward again. If for no other reason, from a devaluated currency.

Revenue needs. The federal and state governments will be faced with huge needs for money — for interest on all the borrowed funds, and because their ability to keep borrowing more will be curtailed.

The Dead Don't Vote. That isn't nice, but it is political reality. Those who die owning appreciated assets (securities, real estate or closely held businesses) are no longer voters.

Asset Transfers. So the revenue departments will re-institute higher estate taxes. This may be in the nature of removing deductions such as charitable bequests, reducing lifetime giving, increasing the rate percentages or reducing the exemptions and marital deduction.

Grandfathering Helps. Now, while values are down, it is a good time to be creating trusts, making gifts and purchasing estate planning life insurance. Insurance is a pre-funding for the tax and other liquidity needs, and is often the best option, if available.

Major Supporters. Both Warren Buffet and Bill Gates, two persons who would pay the greatest estate duties, have publicly favored a return to higher estate tax structure. They have indicated their belief that families in the U.S. should not perpetuate intergenerational wealth as has been done in Europe.

Your Opportunity! Estate Planning will come roaring back. The rules will be different, and there may be less opportunities later for procrastinating clients – so now is the time to be focusing on this by holding estate planning focus sessions. (Notice how I avoided the formal term "Seminar" so that you would not be feeling that enormous marketing expenses are required.) First, take a brush-up session. Then determine how many of your current clients might have an interest in this area. Consider how you can acquire non-client names of eligible persons. Do you have accountants, attorneys, banks or trust companies that could partner with you?

Planning will Pay-Off. This is not an intense effort, but there will be a long lead time required. You are certainly going to need new clients in the first quarter of next year, so estate focus sessions in the last part of this year will set that stage nicely.

Deposit Fees to Your Checking Account. This will happen only if you ask persons to pay you a fee for a comprehensive or modular financial plan. Are you asking? Are they agreeing? Are you depositing larger checks? If the answer is "No" then you should consider enrolling yourself, or your assistant, in the IARFC Financial Planning Process course. See the ad on page 2.

Spotlight on IARFC Benefits:

IARFC Job Center

Amy Primeau, Domestic Membership Chair

The unemployment rate for February, 2009 swelled to 8.1%, the highest since 1983. As more companies cut jobs, it is getting increasingly difficult to find employment. The IARFC Job Center is a valuable resource for both Job Seekers and Employers. The IARFC Job Center can be found on our website, www.IARFC.org .

The service is free to Job Seekers. The first time you visit the site, you will need to create an account, which will take about 10 minutes. You'll be asked to input your contact information and to answer questions about your career. You will also answer questions about your desired employment: whether you want full time, part time, or an internship, your willingness to travel or relocate. The final step is deciding if you want your profile to be searchable. Your information will be available to employers only if you choose to make your profile searchable. With a private profile, you can still search for jobs; but employers will not have access to your information.

You will be asked for your IARFC Member Number when you set up your account. You can find this information at the bottom of your profile on our webpage, or you can call our office.

You can upload documents to your profile anytime. Add your resume, biography, or any information you feel is relevant. Files must be 2MB or less, with a maximum of five files.

Once you have created your professional profile, you can create a job agent. Using the job agent, you establish perimeters for positions. The agent will run searches daily, emailing you about new or updated postings. This keeps you informed about new positions, without having to log onto the site every day. You can also choose to search the jobs yourself. Jobs are searchable by category, or by state. In early March, there were 88 job postings on the IARFC Job Center site. The positions available covered a wide spectrum, from administrative assistant to sales to management.

The IARFC Job Center is a valuable resource for employers also. There are several packages available, all of which include access to search the resume database. Packages for IARFC members start at $175. There is also a 'featured employer' option. The 'Featured Employer' costs more, but you will have additional exposure to job seekers.

Just as job seekers are able to search the database for jobs; employers are able to search the resume database for qualified candidates. Employers are also able to set up a search agent that will automatically search resumes as they are posted, and alert you of potential matches.

I think you will find the IARFC Job Center is easy to use. But if you should have any problems, there is a 'customer service' link on the website.

If you have success with the IARFC Job Center, please let us know!

Amy Primeau, Domestic Member Service – Amy joined the IARFC in October of 2007. Amy spent several years in the Insurance industry and also in retail. She has a B.A. in Communication from Hanover College. Her duties at the IARFC are to assist current members and to increase our membership. Amy enjoys traveling, especially to NY State to visit her family. She is a sports fanatic, and also enjoys quieter hobbies like knitting, reading, and genealogy. She lives in Middletown with her good friend Erich and their two beagles.

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

IARFC Career Center

OUR NEW PARTNERS CAN EXPAND YOUR OPPORTUNITIES

> *From cyberspace to face-to-face*

The IARFC Career Center is on its way to building a networked online career center where you can reach talented accounting and finance candidates from a multitude of financial service industries.

Since we launched this initiative in March 2008, employers posting on the IARFC Career Center have witnessed their ROI increase dramatically. Now you can pay one price to have your jobs posted on FIVE reputable association job boards reaching over 2200 highly qualified financial services professionals.

Post your jobs in one place and save.

http://careers.iarfc.org

OUR PARTNERS

NACM
CMBA
FORIUS
MBA
ELFA

YOUR OPPORTUNITIES

More Page Views
More Job Seekers
More Applicants
Pay 1 Price, Reach 5 Sites

The Road to Recovery

OK friends and associates… 2008 is history and 2009 is now upon us. From an investing standpoint this was one of the worst years in stock market history. It was so bad that not only did virtually every category of stocks decline approximately 40% or more, but even bonds (including government bonds) and real estate suffered substantial declines. Riding out a routine down market is difficult enough. Riding out a historic downturn is excruciating for many.

For those in our business this downturn is simply disgusting and sometimes depressing. Those of us in business for many years recognize however, that downturns are a normal part of investing and history tells us that recovery and further gains often come quicker than most expect. It has been said that during difficult times money "changes hands"… from "weak hands to strong hands". An article in a recent Wall Street Journal confirms what is meant by this axiom.

Several legendary investors including Warren Buffet, John Bogle of Vanguard Funds, and several other top investors were asked what they were doing at times like this. Although everyone said diversification in various asset classes such as cash, bonds, real estate in **addition** to stocks was important, they all saw this big decline as a **major opportunity** to invest in stocks of quality companies whose share prices are selling at a **deep discount**. The common trait among all of these great investors was… "patience"… a trait most average investors lack. These are the "strong hands" that view this as a buying opportunity. They are buying while the "weak hands" are selling stocks and turning paper losses into **real losses**. Unfortunately, often times the "weak hands" decide to start investing again, well **after** the economic picture is good and stocks have recovered. They don't think twice about paying full price for stocks because the "good news" makes them "feel" good about investing again. These are the same investors who today don't have the stomach to buy the same good stocks when they are on sale because the bad news makes them "feel" afraid.

This is human nature and it is the reason that during difficult times investors must confront their own emotions and not succumb to their fears and disrupt their long-term plans. It is a very difficult thing to do, but who said making money was easy. It reminds me of something I have always told my children and that is that "easy equals low pay".

That also translates to investing and being in the investment advisory business. It is "easy" for us investment advisors to mope around and avoid our clients — but that also translates to low pay and damaged reputations. Those of us who work hard and accept the responsibility of helping our clients confront their emotions and to guide them to stick to their long term plans will not only be rewarded monetarily but more importantly with the renewed respect of our clients and future referrals.

Then there are those in our business who do not have the confidence to guide their clients through tough times. Instead, they take the easy route and prey on the public's fear by recommending moves that provide short term comfort and long term pain and will only delay recovery. It doesn't take a genius to recognize that if the stock portion of client's investment portfolio is down 40%, then it takes a 66.66% gain to break even. How long would it take to regain 66.66% in a 3% fixed account?

Yet history has shown that after a **deep** decline, that kind of recovery often occurs in 3-4 years if those assets are left in stocks. Another interesting piece I read is that the "majority is always wrong". It looked back at previous severe economic downturns and invariably most pundits were predicting hard times ahead or even an economic Armageddon. The purveyors of doom and gloom often said "this time it's different".

Then there are the **perennial** doomsayers who are often disingenuous but make a good living selling doomsday books, gold, guns, gemstones or other necessities for the coming Apocalypse. They correctly recognize that a certain segment of the population lives in a perpetual state of fear, pessimism and gloom — and they cater to those pessimists. Then there are the politicians. Suffice it to say that we should disregard most of what they say. The economy and stock market has historically recovered in spite of their intervention.

So… what is the road to recovery for us and our clients? Instilling confidence, faith and optimism is certainly a good starting point. As I meet with my clients I am telling them that my primary goal for them in 2009 is to recover as quickly as possible. In my opinion this can be accomplished in 3 ways:

- Leave assets that have suffered major declines in the stock market, in the stock market. As previously mentioned, history shows that very sharp rebounds often occur in the 1, 5 and 10 year periods after deep declines as we had in 2008 and early 2009.

- Have the courage to invest some new money now while the market is still down or to continue investing if they are in a monthly investment plan. Encourage clients who make annual contributions to IRA or SEP planes not to procrastinate and to make 2009 contributions now.

- Look at moving some money currently in bond funds and sub-accounts into fixed annuities that can currently lock in very competitive rates of 4% to 6%. After management fees and M&E expenses these bond funds and sub-accounts would have to earn 6.5% to 8.5% to net 4% to 6%. With interest rates historically very low and with the inverse relationship between bond prices and interest rates, it is highly unlikely that bonds total returns will be in that range.

This is general advice, of course, and as with any investment advice there are no

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CONTINUED FROM PAGE 8
THE ROAD TO RECOVERY

guarantees each client's individual circumstances should always be considered.

There are other pro-active strategies that can lead ourselves and our clients to a successful recovery and we must gain the insight and knowledge to lead our clients in that direction.

It has been said that, "Tough times don't last, but tough people do". Here's hoping that we can all "tough it out" and be the "strong hands" that will lead ourselves and our clients on the "road to recovery" in 2009 and beyond.

Angelo T. Stath, RFC®

Angelo T. Stath, RFC® is a Registered Representative with InterSecurities, Inc. entered the life insurance business in 1971 within the college market in Warrensburg, Missouri where he attended Central Missouri State University. He moved back to his hometown of Gary, Indiana in 1975 and became affiliated with Central Life of Iowa. In 1981, he became independent and specialized in retirement planning. He became securities licensed in 1993 and has been affiliated with InterSecurities, Inc of St. Petersburg, Florida since then. He has been a long standing member of their "Circle of Honor Society". Angelo was also the first rep to become affiliated in 1985 with a leading nationwide producer group "Market Share Financial" headquartered in Indianapolis and founded by Chuck Beard, RFC®. He has been a long time member and currently serves on their advisory council and board of directors. Angelo and his wife Donna and three adult children reside in Merrillville, IN and Chicago.

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Journal of Personal Finance

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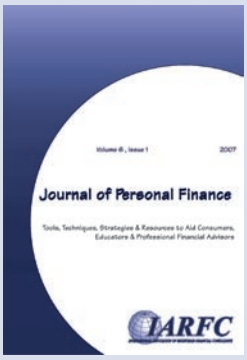

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Contact: Dr. Ruth Lytton Call: 540 231 6678 E-mail: rlytton@VT.edu

Selling the Power Product That is Recession-Proof in 2009

It's time to fine-tune your sales strategy for this recession. Can you provide more service, earn more income, and offer an 'edge' in this competitive marketplace? You bet.

Sales success starts first with a laser focus on the ***Ideal Client***, and then selecting products that your ***Ideal Client*** wants and needs. If you want to focus on financial planning with younger clients, in the age group of 35-50, then it's time to learn how to sell the product that this targeted market needs, but perhaps does not know how to find. What's the product? **Critical Illness insurance**.

Every person in America is dealing with the economy, the threat of being laid-off, the stress of not having enough money for living expenses if something happens, and worrying about what to do to protect themselves and their family when illness strikes.

It's not hard to imagine having a heart attack, or receiving a diagnosis of Cancer. Because of the advances in medical treatments, 99% of these individuals fully expect to return to work afterwards too.

Receiving a lump sum of money from their **Critical Illness insurance policy** during their recovery can meet their needs for extra money to pay household bills, deductibles, and mortgage payments. There's no denial to overcome in the sales process of this product. All you need to do is learn how to present it carefully to your client and find a premium that fits for their budget and monetary needs when the illness strikes.

What are the best Critical Illness plans on the market and how do they compare?

As you look at the comparison chart, you'll see some variations between the plans. There's a plan that fits for you and your clients, and what you want to offer. All you need to do is learn how to market and sell **Critical Illness insurance** to help recession-proof your practice. We all need a door-opener that's unique and that differentiates us from the competition. This product can be sold to breadwinners who want to make sure there are funds available for their family when a critical illness strikes, to attorneys as part of their disability benefit package until age 65, to physicians and dentists who can't get enough disability insurance, and to business owners of any type.

You'll have to fine-tune your marketing plan for this year to add Critical Illness sales & prospecting. Here are a few suggestions:

1. **Complete a search of your client base and list them by age.** Identify the clients and prospect who are in the 'sweet spot' (35 to 50 years old) for applying for Critical Illness insurance.

2. **Plan a campaign to speak to those clients** and ask them if they have looked at ***"Financial Recovery insurance"*** yet? Many Agents use that term to create interest, and then identify the plan as Critical Illness insurance for their future. Use letters, postcards, a workshop on Saturday morning, etc. to create your visibility and some information about what Critical Illness insurance really is and how it fits into their insurance coverage.

3. **Have you used a Direct Mail Drip campaign with your clients?** It will keep your name in front of them consistently so you might want to consider this strategy for 2009. A direct mail piece sent to your clients about Critical Illness insurance can precede your phone call. And, you'll be offering them something that the other agents and advisers in your area aren't talking about… YET.

4. **Use a Direct Mail Drip Campaign on your prospects too!** All of those prior contacts who attended your Seminars, or who were referred to you, or those individuals who never bought anything could be on a prospect list just for Critical Illness insurance sales. It just makes sense to keep your name visible to both prospects and clients in your market area. And once you talk to them about Critical Illness coverage, well, that magic door to more sales just opened up!

5. **Consider a combination of direct mail to those clients, and a follow-up afternoon or weekend workshop in your office.** Ask every one of your clients to bring a guest and then you'll have some new prospects for your practice too. There's no better referral than having your clients invite one of their friends to hear you speak.

6. **Identify your Top 10-20 clients in your practice and call them.** Tell your client that you are expanding your services in 2009 and ask them if they belong to **any groups or associations that ever look for a Speaker** to come in at no charge. Tell them that you would be very willing to speak to their group about planning for the future. You can speak about Critical Illness planning, and/or how to design a Critical Illness insurance plan that fits for their budget and their family needs. This strategy for giving Seminars will cost you nothing except time. Bring along a door prize for the folks at the workshop that your client has arranged for you, and you'll be a Winner in your client's eyes and all the prospects in the audience too.

Selling the **Power Product of Critical Illness insurance** to your clients and prospects in 2009 can increase your sales commissions, open the doors to the next 3 or 4 products or services you can sell later, and set you apart from all the other competitors you have in your marketplace. It's time to do 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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SEE ALSO CHART ON PAGE 11

Major Critical Illness Underwriters

	American General Critical Care Plus	Assurity Life	Mutual of Omaha	Protective	Guarantee Trust Life
Issue Age Range	18-64	18-64	20-59	18-65	0-60
Renewable to Age	Life	Life	Life	Life	70
Min Face	$10,000	$50,000	$25,000	$25,000	$10,000
Max Face	$500,000	$500,000	$250,000	$500,000	$100,000
AM Best Rating	A++	A-	A	A+	B+
Waiting Period	30 days; Cancer-90 days	30 days; Cancer- 90 days	None; 30 days for cancer	None; Cancer-90days	30 days
Survival Period	None	None	None	None	None
Benefit Reduction	None	50% at later of age 65 or five years after issue	50% at later of age 65 or five years after issue	50% at later of age 65 or five years after issue if issue at age 60	None
Use Restrictions	None	None	None	None	None
Death Benefit	Return of Premium less Benefits Paid	Return of Premium less Benefits Paid	Return of Premium less Benefits Paid	Return of Premium less Benefits Paid	Yes
Additional Benefits	Loss of Independent Living, HIV Rider, Benefit extension Rider, Best Doctors,spouse rider,AD&D	Spouse CI Rider; Dependent Child CI Rider; Waiver of Premium; Accidental Death Benefit	AD&D Benefit; Hospital Confinement Benefit Rider; Wellness Benefit Rider	Multiple payment feature, Spouse Critical Illnes, ADB Rider	Child CI Rider; AD & D Benefit; Waiver of Premium; Return of Premium Rider (20 yr Term)
Cancer	100%	100%	100%	100%	100% & 50%
Heart Attack	100%	100%	100%	100%	100% & 50%
Stroke	100%	100%	100%	100%	100% & 50%
Organ Transplant	100%	100% UNOS	100% UNOS	100%	100% & 50%
Renal Failure	100%	100%	100%	100%	100% & 50%
Alzheimers	None (LOIL)	100%[5]	100% loss of 3 ADL	100%	25% & 12.5%
Burns	100%	100%	None	100%	None
Paralysis	100%	100%	100%	100%	100% % 50%
Aortic Surgery	None	100%	None	None	25% & 12.5%
Brain Tumor	None	100%	None	None	25% & 12.5%
Blindness	100%	100%	100%	100%	100% & 50%
Deafness	100%	100%	100%	100%	None
Heart Valve Replacement	None	100%	None	None	25% & 12.5%
Loss of Limbs	None	100%	None	None	None
Loss of Speech	100%	100%	None	100%	None
Multiple Sclerosis	None (LOIL)	None	100%	None	None
Motor Neuron Disease	None (LOIL)	100%	None	None	None
Occupational HIV	100%	100%	None	None	None
HIV Infection from Blood Tranfusion	None	None	None	None	25% & 12.5%
In Situ Cancer	25%	25%	25%	25%	None
Coronary Bypass	25%	25%	25%	25%	100% & 50%
Angioplasty	None	25%	25%	10%	100% & 50%
Coma	100%	100%	None	None	100% & 50%
Loss of Independent Living	100%	None	None	None	75% & 37.5%
Terminal Illness	None	None	None	None	75% & 37.5%
Parkinson's	None	None	None	None	25% & 12.5%

AIG has no reduction in comp for non-med under $100K. Up to age 64 for n/s, age 59 for smokers.

The Positive Features of Surrender Periods

If asked to identify one aspect of today's annuity market place that makes the **least** amount of sense I would have to say it would be the confusion surrounding annuity surrender periods.

For some reason the positive aspects of this feature are almost always overshadowed by negative perceptions. If I was forced to venture a guess as to why this is the case I would suggest that far too many producers have a tendency to gloss over or worse try to avoid them rather than taking advantage of the flexibility and power surrender periods offer as a main feature in any annuity presentation.

On the other hand, many prospects tend to see surrender periods as some type of prison that separates them from their money, rather than a safe haven that offers guarantees other investments can't come close to providing. The end result is that far too often both prospects and producers incorrectly perceive surrender periods as a loss of control, when in fact they offer a road map for time and accumulation.

As much as it is uncomfortable to write it should be even more uncomfortable to hear, when it comes to surrender periods the primary blame for the misunderstanding lies at the feet of producers.

Now before you go off the deep end let me explain why I say that.

It's the rare exception when I come across someone attending one of my training sessions or courses that isn't aware of and well versed in the "feature/benefit" sales technique. There is a simple reason this technique is so well know and widely used in the insurance industry, ***it works***. So it comes as no surprise that when it comes time for attendees to demonstrate their skills, they almost all rely on this time proven and powerful technique.

What does surprise me is that when the topic of surrender periods comes up how often features and benefits along with common sense and reality get discarded and is replaced with vagueness or even worse, avoidance. It appears that some producers don't understand that when explained correctly a surrender period provides us with a powerful feature that offers extremely positive benefits for the client. It is in fact one of the great opportunities professionals in the annuity business ever have to debunk a negative perception with a positive reality. If you're looking for a way to separate yourself from the herd this is it!

I have found the easiest and most effective way to educate prospects of surrender periods is to break the constant down into three fundamental parts: purpose, time, and guarantees. By addressing these three issues thoroughly you not only build a better rapport with your client; and your client ends up having a much better understanding of not only how all their annuity works but why it works for them.

1. **Purpose: Always start by establishing a clear purpose for the money.**

Annuities are by their nature distribution vehicles. However, because they improve over time to be extremely good accumulation vehicles, we tend to forget that they're not designed to accumulate forever. Therefore it only makes sense to include a distribution strategy in all annuity presentations. As part of this distribution strategy you should included distribution options as a part of re-examining your clients' options.

2. **Time: Always make sure that your prospect understands and agrees on a specific, realistic period of time the money can be put to work.**

The surrender period should act as the time component in an annuity presentation. It allows us to establish specific periods in which we can employ multiple options. These options are not limited to the specific annuity, but should rather play a part in the overall portfolio. The fact that a predetermined date can be set allows us to plan different uses for different assets to best take advantage of current and future market conditions.

3. **Guarantees: Make sure your client understands at the surrender period that this is one tool an insurance company uses to ensure they reap the full benefits of the annuity.**

Almost all the guarantees we find in the various types of annuity contracts are in one way or another linked to the surrender of those contracts. For example, the guaranteed interest rate feature of a fixed annuity is a huge benefit that allows us without question to identify the minimum value of an annuity at predetermined future date. That guaranteed amount and future date are directly related to the surrender period.

When it comes to financial strategies, any viable plan has to revolve around these three components. A fixed annuity is one of very few options that can provide us with the ability to guarantee a specific dollar amount over predetermined period of time, and it is the surrender period that provides us with this tool.

What we should always keep in mind is that annuities work best when they are part of a larger overall strategy that includes other assets that are held in easily accessible liquid vehicles that the client can access if needed.

Jonathan Neal, RFC®

Jonathan Neal is the senior partner at CCG-Capital Consulting Group, LLC and has twenty-nine years of experience in the retirement planning industry. He writes both public and industry related articles on retirement planning topics and products which are frequently published in newspapers and financial magazines. He has appeared on TV and radio programs across the country. As one of the original founders of the Society Certified of Long-Term-Care Advisors he is recognized nationally is an authority on the issues within the field of long-term care.

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ASK and ye shall RECEIVE

There are two things that most financial advisors would love to see happen in their professional lives:

1. Receive a referral from a client
2. Have a client call them to do more business

Unfortunately most advisors are not experiencing enough of these events, and the reason is quite simple. ***They aren't asking!***

The purpose of this article is to remind you just how easy it is to experience these highly pleasurable events much more frequently. How to ask for referrals and encourage your clients to call you when they are interested in doing more business.

Getting Referrals. Of course you should be personally asking for referrals. You should have set the stage for this when the client was originally acquired. Perhaps you did mention it then. But are you still asking? The answer may be, ***No!*** Or, ***Not Enough!***

Let's fix this the simple way. ***Let the postman do it for you.***

You are already communicating with your clients. Hopefully you are sending them a printed newsletter at least bi-monthly. If you are not, you should be doing this. I do not mean buying a box of newsletters and leave then un-mailed. I mean buying a reasonable quantity (which might be 100 to 300 copies) and have the newsletter always mailed out immediately. Now this is not expensive. Your cost, including postage is less than $2.00 per issue. Your annual cost per client is therefore less than $12.

Insert a Referral Request Card in your mailings, three times a year. Cost is negligible for the Referral card and a BRM — Business Reply Mail envelope that does not require the client to affix postage.

No Responses! Of course many of these cards will not be returned to you. At the time of their arrival, your client cannot think of a person to refer or they are distracted by something — so you get no response. But the law of numbers is working for you. If you mail out 100 you will receive from one to three referral cards.

Terrible percentage! But you are likely to get one new client. What is that worth? You should know your expected **NCR** — New Client Revenue. Perhaps your number is $4,000. (IARFC members indicate their NCR ranges from $3,000 to $12,000. Let's do the math: You spent less than $600 and you earned $4,000. Is that a good return… ?

Ask Clients to Reveal Their Interest. This is just as easy. In the months when you are not asking for referrals, you should insert a card that allows your client to request information. You make this easy by prompting them to check one of ten boxes, or write in some other item. Every request for information is an opportunity for you to initiate a sale and another referral.

All you need to do is insert the proper **Information Request Card**. Accompany it with another one of those **BRM** envelopes. You will get some replies in every mailing. Maybe only one or two — but that is not your only benefit.

Touching Your Clients — In times of falling markets and unsettled economic future (and we are sure in one of those now) clients frequently desert their financial advisor. But they do not desert the advisor who is staying in touch. This must take place in several ways. One contact method is not sufficient. You should be proactively using all the following, not necessarily in priority order:

- Printed Newsletter (bi-monthly)
- Electronic Newsletter (monthly)
- Economic Bulletins (at least quarterly)
- Tax Planning update (at least annually)
- Client Data Update (annually)
- Invitation to a Group Briefing (at least annually)
- Invitation for Personal Meeting (at least semi-annually)
- Personal Note Cards (whenever you can)
- Holiday Greetings (three or four)
- Birthday Greetings (one per client)
- Media Release (at least twice yearly)
- Special News Response (maybe twice every year)
- Personal Phone Calls (at least twice)

Not only will these clients not leave you for another advisor, they will be helping you build your business by making more purchases and referring persons to you.

Do What You Do Best. Yes, you could design these two cards, select the graphic images, field test the design, and have them printed. But does this make sense? Shouldn't you be concentrating on one-on-one activity such as client phone calls and meetings?

Order them from IARFC. An order form for these cards is on page 15. They are printed on light weight card stock with nice images and color. They will fit inside a No. 9 BRM envelope that fits inside your standard No.10 envelope.

If you haven't arranged for a printed newsletter, contact one of our member benefit supplies such as Liberty Publishing or the Insurance Pro Shop.

Incorporate the Internet. You should be including a link to your website in everything you publish or distribute. If you do not already have a website, then see **www.IARFCwebsites.com.** Your website is evidence of your business substance. It may only bring you a few clients directly. Its primary value is to serve as a reference for you.

You can and should also be suggesting to clients and prospects that they verify your credentials. They can do this by going to **www.IARFC.org** and using the Search for a Member — and reviewing your profile. This means you should have updated your information and uploaded a nice photo.

One RFC member had the back of his business cards imprinted with the following message:

You should never entrust your financial information or your personal finances to an advisor whose credentials have not been verified at a non-profit professional source, such as the International Association of Registered Financial Consultants. www.IARFC.org

Whether his prospects or clients ever do so is not the point — he has already gained a credibility boost with the offer. It implies an ethical and qualified posture.

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ASK AND YE SHALL RECEIVE

Another RFC member placed that copy on a personal brochure, while a third is printing it on business stationery letterhead.

Cumulative Marketing Impact — These things are not expensive. Yes, if you did all the mailings that were listed, you could be spending a bit of money — but that would all be relative to the average income per client and the results you are achieving. But there is no doubt that soon the cumulative impact of some very minor steps can start turning your practice in a sharply upward direction.

If you want information on Business Reply Mail permits and suggestions please visit www.IARFC.org. Login and click on Member News & Services for a complete article on Business Reply Mail.

If you haven't updated your Advisor Profile on the IARFC website, please do that right away. It is free, and it might produce significant results.

Ed Morrow, CLU, ChFC, CFP®, RFC®

Ed Morrow is the chairman and chief executive of the IARFC has been a practicing financial advisor for forty years. His advice and systems are used by thousands of financial advisors in the U.S. and across the world. As the CEO of the IARFC he is the primary originator of the Financial Planning Process course materials and a frequent instructor, both nationally and in 11 countries.

Contact: 800 666 1656 ext. 14
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www.iarfc.org

IARFC Brand Building

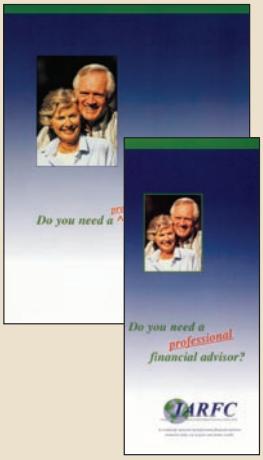
Consumer-oriented brochures to distribute to clients or prospects will increase your new client ratio and encourage referrals. The 3 panel full color marketing pieces have a section on the back panel reserved for optional firm imprinting (see details below). Also available are attractive plastic display stands.

Item #SG104 **Image Building Brochure**
3 panel, 8.5" x 11" full color

Quantity Pricing

50	100	200	500
$20	$36	$65	$150

**Imprinting with full color photo, company logo and contact information. Imprinted at the IARFC printing company and shipped directly to you. Quantity Pricing: 500 for $400, 1,000 for $440.



Item #A102 **Do You Need an Advisor Brochure**
4-page 8.5" x 11" full color

Quantity Pricing

50	100	200	500
$20	$36	$65	$150

Item #A103 **Do You Need an Advisor Brochure**
3 panel 8.5" x 11" full color

Quantity Pricing

50	100	200	500
$20	$36	$65	$150
*$25	*$45	*$85	*$165

*Imprinted with your information in black type, shipped flat.

Item #SG102 **Referral Card**
2-sided, 8" x 3", full color

Quantity Pricing

250	500
$40	$75

NEW PRODUCT

Item #SG103 **Information Request Card**
2-sided, 8" x 3", full color

Quantity Pricing

250	500
$40	$75

Item #	Consumer Brochures	Quantites Available	Quantity Desired	Total Cost
SG104	**Image Building Brochure** — 3 panel 8.5" x 11" full color Quantity pricing and imprinting — see details next to image.	50, 100, 200, 500	_____	_____
SG102	**Referral Card** — two-sided 8" x 3" full color	250, 500	_____	_____
SG103	**Information Request Card** — two-sided 8" x 3" full color	250, 500	_____	_____
A102	**Do You Need an Advisor Brochure** — 8.5" x 11" full color, 4 pages Quantity pricing — see details next to image.	50, 100, 200, 500	_____	_____
A103	**Do You Need an Advisor Brochure** — 3 panel 8.5" x 11" full color Quantity and imprinting pricing — see details next to image.	50, 100, 200, 500	_____	_____

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After receiving your order we will email you to advise you of the shipping options.

U.S. Only Shipping Rates

$0 to $10.00 — $5.00
$10.01 to $50.00 — $10.00
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$100.01 and up — $20.00

Subtotal_____
Ohio residents add 6.5% tax_____
Shipping and Handling_____
Total_____

❑ Visa ❑ MasterCard
❑ AmEx ❑ Discover
❑ Check written to: IARFC

Name _____ (Please print)

Firm _____

Address _____ (Please no P.O. Boxes)

City_____ State_____ Zip _____

Card No._____ Expiration_____

Phone_____ Fax_____ E-mail_____

Your Signature_____ Date _____

FAX: 513 424 5752 **MAIL: IARFC, Box 42506, Middletown, OH 45042-0506**

Efficient Technology

Using Voice Recognition Technology Efficiently

It is commonly known that we speak much faster than we can type. In fact, most people that type on a computer keyboard proficiently, can average around 40–50 words per minute. However, most people talk at a rate of 250–400 words per minute. This alone would seem to suggest that talking is more efficient than typing. Enter voice recognition systems, software that can take your voice and turn it into text in one form or another.

In its infancy, this type of technology was inefficient at best. Accuracy suffered and many software programs were lucky if they maintained a 40–50% accuracy rate after extensive 'training' of the software. However, with successive versions and great improvements to this type of technology, accuracy rates have gone way up, now averaging more than 90% with little or no 'training'. Training is generally a good idea for these systems as it permits the software to learn your voice inflections, pronunciation, tone and pace of speech.

One of the best known software systems is Nuance Dragon Naturally Speaking (www.nuance.com). Dragon, as it is known, is capable of capturing your speech in a variety of ways and transcribing it into a number of forms. As an example, you could dictate into a microphone attached to your computer and have the words appear on popular word processing programs, such as Microsoft Word or others.

Another way to capture your voice is with the use of a digital recorder. Dragon has the capability of auto-transcribing recorded messages from such a device directly into a program on your computer (with the use of a USB cable). For many practitioners, this is an excellent way to keep up with your letter writing, e-mails and other forms of communication.

You can dictate virtually anywhere (assuming little or no background noise), and transfer the audio file to a computer with the Dragon software. For technology challenged financial advisors, this might mean being able to hand the recorder to a staff person to do the auto-transcription. With practice, you can greatly reduce the amount, if any, of editing needed after the fact. Nuance actually packages the software with a digital recorder that is compatible, taking the guesswork out of what type of recorder would be best to use.

Dragon can also be used to work with many other programs on your computer or laptop. You can build a Excel spreadsheet for instance or write and send an e-mail. In fact, most everything you can do with typing commands, you can do with your voice, if you become proficient with this software. Nuance even offers add-ins to adjust for foreign accents in addition to offering foreign language versions.

As flexible and useful as Dragon is, it is far from the only solution associated with voice recognition. Another interesting service is Jott (www.jott.com). Jott offers the opportunity to use your cell phone as the recording device and your computer's e-mail system as the transcription vehicle. With Jott, you call a number and tell the automated system (via simple voice commands) who you want to Jott, what you want to Jott, etc. It then sends out the message either to a text message to the recipient, an e-mail or both. You can even Jott yourself (most used feature) so that a thought you may have while sitting in a airport or driving down the highway can be captured and transposed automatically to text on an email that can later be cut and pasted into another document, etc. Your messages are also always available for you online at Jott.com. In addition, Jott sends you a weekly summary of all your activity on the system so even a missed message can be recaptured. No software is required and the cost is minimal (rates as low as $3.95 per month). Jott also offers a voicemail to text message (or e-mail) service for $9.95 per month (for up to 40 transcribed voicemails — $0 .35 for each additional).

With Jott, you can send group messages. Send e-mails or text messages to your entire group or team. Save time by contacting a pre-defined group all at once.

Yet another voice to text service is Copytalk (www.copytalk.com). Copytalk operates differently from either Dragon or Jott, but combines some elements of both into a flat-rate monthly service. For $79.95 per month (IARFC member discount $49.95 per month) you get unlimited dictations per user. Similar to Jott, you call Copytalk from any phone and dictate. Copytalk then transforms your voice into text and delivers it back to you within a few hours. Unlike Dragon or Jott, the transcription is not accomplished electronically. An actual person transcribes your message and then sends it out to you and/or up to four other recipients. Because it is unlimited, you can talk in as much detail as you want without fear of piling up charges. And, because it is transcribed by a real person, there is less chance of transcription errors as you might find with voice-to-text software or systems. There is nothing to buy as you can use your cell phone, office phone or other to do the dictation. The one drawback appears to be the wait time to receive the transcribed message.

With Dragon or Jott, the transcription to text is immediate, but could contain errors that need minor editing. With Copytalk, you may have to wait a few hours, but the result is likely to have less errors than with the other two.

Looking at the efficiency of using such systems, particularly Dragon, it is possible to use a Bluetooth wireless headset as an input device with the software. Plantronics (www.plantronics.com), for instance, offers Bluetooth headsets that serve a dual role. They can be used as a headset for a cell phone or be switched over for use as a headset input device for a laptop that has Bluetooth capabilities. (check out the Plantronics Voyager 835 series) The advantage of using such a

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dual use headset is the efficiency of not having to switch between headsets during the day in order to perform different functions.

With each of the services and/or softwares discussed, the concept is to increase the efficiency of communications, promote better time and resource management and improve lines of communication with your staff or partners. If, by using such technology, you can increase the speed at which you perform various tasks such as letter writing, e-mails, and text messages without a significant loss of accuracy, it means that you have more time to spend on those tasks that actually make you money, such as meeting with clients, etc. Typically, speed boosts can be as much as 10 times faster than conventional methods. But, you must be patient with this technology while you learn all of the subtle tricks to get the most out of it. You should expect to spend about 30 days or so using the technology before you begin to see a difference. Ultimately, that time will pay off in increased efficiency.

David L. Lawrence, RFC®, ChFE®

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Secure the Capital of Your Client… And Increase Your Revenue!

Financial professionals today know the changing global economic climate is fraught with uncertainty, and that has most Americans, especially baby boomers and retirees, very concerned. As traditional investments stumble day to day, now is the time to diversify your client's portfolio and secure their wealth with physical gold assets.

It has been well documented how the Fixed Indexed Annuity can stabilize a retirement portfolio. However, one of the safest investments available in today's uncertain financial landscape is gold. Most advisors are not equipped and educated on how to properly use gold as "portfolio insurance" and most advisors are not aware that the revenue they can generate from the sale of physical gold, in either an IRA or Non-Qualified account.

Getting Prepared in Gold

Consider offering your clients physical gold assets, both in their investment portfolios and retirement plans. The commission based program is extremely lucrative and is equal to that of the average annuity commission:

You can become a trusted source of knowledge and information about gold for your clients.

You can be taught the basics and receive support each step along the way from presenting to completing each transaction.

You can be provided with all the tools you need for success.

You can offer direct ownership of physical gold assets to your clients without any required licensing or certification.

Physical gold as a tangible asset is not a registered security and it aligns very well with most financial advisors, as well as insurance and annuity producers. Your client can utilize the power of Fixed Indexed Annuities without putting all their safe money assets in one basket.

Physical gold assets offer tremendous safety and security for your client's investment portfolio by acting as "portfolio insurance." A non-correlated, quality asset, gold has proven its vital role in maintaining portfolio value and stability. An asset allocation in physical gold is the missing link in most portfolios today. Since 2001, the U. S. Dollar Index has decreased over 30%, and the price of gold has risen over 300%. It is time to rethink a portfolio completely held in dollar-denominated assets.

Consider what might happen to the value of the dollar (and the value of a portfolio) when the billions of newly printed U.S. bailout dollars actually "hit the fan". The once mighty U.S. dollar will most likely resume its downward decline, making life more expensive for Americans, while its strength is evaporating worldwide. As I write this, foreign countries, businesses, and individuals are turning to other stronger currencies such as the Euro and physical gold (yes, gold is a currency).

Almost inevitably, your clients' dollar-based investments will be worth less tomorrow than they were yesterday. Today, your clients are seeking alternative investments to help preserve their buying power and many are considering gold in physical form. Who do they turn to? Are they left to their own devices in seeking out a reliable source for knowledge and products? The reality is, you can be the trusted advisor that can help your clients and prospects solve this dilemma.

What is the case for owning physical gold?

Gold Preserves Wealth

Global demand for gold has never been higher, according to the World Gold Council, and it is now outpacing supply. Demand factors include the legalization of private ownership of gold in China followed by the opening of the Shanghai Gold Exchange in 2002. Gold supply is at an all time low and may decline as much as 15% in the next five years due to lack of new production and minimal gold exploration in the past ten years. This alone presents a strong case for gold.

Hedging the investment portfolio with gold can provide protection against inflation, currency devaluations and emerging market turmoil, such as the global credit crisis from sub prime loans.

Asset Allocation

Gold as an asset allocation in the amount of 5% to 30% provides a portfolio with the "ultimate hedge" against market turmoil. Inflation, political strife, ongoing wars, and the threat of terrorism are affecting investors worldwide. Many of the world's wealthiest investors understand the need for physical gold as an overall asset allocation strategy, complementing traditional paper holding of stocks, bonds, mutual funds and annuities.

Risk Management

For investors who have large portfolios, the greater the amount of all paper assets, the greater the risk of loss due to market conditions. An investment portfolio needs protection. Physical gold provides the investor with "portfolio insurance" to mitigate against economic and political

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turmoil by providing a safe haven from unstable markets. Sub prime loan securities sold to markets worldwide are causing global market volatility and a credit and liquidity crisis. Central Banks have injected billions of dollars (USD) into the banking system in an effort to curb the sub prime loan meltdown. Physical gold secures a risk management position for the prudent investor's portfolio.

Devalued Currency

All nations and governments have experienced the shrinking dollar syndrome. The threat of devalued currency is a major concern. Unlike other investments, gold is not tied to the currency of any nation or government. Instead, it acts as a hedge against currency fluctuations, holding its own value. The globalization of world economies now requires that an investor protect against the risks of devalued currency and market fluctuations.

Gold Helps to Maximize Diversification

As financial advisors, we must help our clients maintain an understanding of the big picture with a clear long-term vision in an investment environment filled with unpredictable, unprecedented investment storms. In more normal conditions, maintaining long-term value and capital growth are the two most common investment goals. Today, many investors are simply seeking a means to protect and preserve what they have worked so hard to save.

Adding tangible assets in physical gold to a portfolio increases the degree of diversification by introducing an entirely different asset class, providing greater protection from market risk. This protects the total portfolio against fluctuations in the value of any one type of asset. More investors than ever before are adding gold to their investment portfolio as a diversification strategy due to the fragile nature of paper investments and currencies, and the resulting effects of the global economic crisis.

Physical Gold Ownership – Two Ways:

Direct Ownership of gold in a Self-Directed IRA. Clients may contribute, transfer, or rollover eligible retirement funds in their current IRA or 401K into a Self-Directed Precious Metals IRA which are then converted into gold bullion, owned by the client. The IRA gold is stored in a segregated, insured account at the Delaware Depository, licensed by NYMEX, Comex and CBOT. Sterling Trust Company is the custodian for the IRA plans. Funds transferred into a Gold IRA maintain their tax deferred status, and the account value grows tax deferred. At distribution, the client may take possession of the gold from the custodian, or liquidate at market spot price.

Gold for Direct Delivery

Pre-1933 gold coins or gold bullion may be purchased for direct delivery to the investor, shipped directly to the client for their own safe storage, or stored for the investor in a segregated, insured account in the clients name at the Delaware Depository.

If you are a Financial Advisor, Insurance/Annuity Agent or Planner, you have a tremendous opportunity to diversify your clients' safe money with a physical gold strategy. If you would like to provide your clients with an increased level of safety and an investment option that has little competition, you may contact my office for additional information.

Ten Reasons Clients Need Gold

1. Predicted yield of over $3000 per/oz. in the next several years
2. Volatile, bear stock market
3. Exploding national debt
4. Protection and preservation of long-term savings
5. Protection against inflation
6. Continued devaluation of the U.S. Dollar
7. Follow the "smart money"
8. Geopolitical uncertainty in the Middle East
9. Nuclear threat from North Korea and Iran
10. Limited supply of U.S. Proof and Numismatic gold

Ten Reasons For You to Sell Gold

1. High commissions — up front as much as the average annuity sale
2. Low competition, most advisors don't know how to sell physical gold
3. Your clients are looking for something more than just annuities
4. You become their trusted advisor, not just insurance/annuity agent
5. Referrals come easy, because gold is beautiful and fancy to talk about
6. Gold has averaged 22% annual return the last ten years
7. You don't need any special license or certification
8. Gold matches up well with FIA in retirement income plans
9. It is easy to learn and present to your clients
10. They have not heard about the advantages from their stockbroker

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Are You Making This Huge Mistake?

One of the biggest mistakes agents, advisors and planners routinely make is not staying in front of their clients, friends, family, neighbors and prospects!

'Out of Sight, Out of Mind!'

It's a huge mistake, even in a good economy. And, it's a DEADLY mistake in a struggling economy. It's one of the main reasons why so many agents and advisors continue to struggle in this business year after year. It's why they don't get much repeat business or referrals from their existing clients. It's why they constantly lose sales to their competition and have higher lapse rates.

Building trust relationships is one of the major keys to rapidly growing your business. It's just like raising kids. Kids grow and develop by being loved, nurtured, eating good foods and being active. Client relationships need the same kind of nurturing care that children do. These relationships will grow up and turn into new business, repeat business, joint ventures and referrals.

People want to do business with people that they know and trust. As an advisor, your goal (if you want to spend less time chasing prospects) is to make yourself well known to your target market and then elevate the relationship to the trust level. You must be in constant contact with prospects, family members, friends, clients and everyone you know. You have to get the message out and show them you are more than just another sales person.

> "Lew Nason convinced me to use newsletters only three months into my career. I fought him every month for six months, until he had me look at their actual results. After only six months I was getting new clients from referrals. Two cases I thought I had lost called me back to follow through on my recommendations. And, many of the people I knew, that I didn't feel comfortable approaching initially (friends, family and church members), were calling me to find out more about what I was doing."
>
> *Phil Calandra, RFC®, FMM*

> "If you want to brand yourself as the financial advisor of choice in your area you definitely need to be sending out monthly newsletters to all your clients and prospects. It gives you credibility and professionalism while keeping you and your company fresh in their minds. People may not be ready to do business with you when you want them to, but when they are ready they will look to you because you kept in touch. We personally get business every month from sending these newsletters."
>
> *Nick and Jerry Royer, RFC®, FMM*

There are several good ways to get your name in front of people: birthday cards, thank you note, holiday cards, articles in local newspapers, press releases, local radio shows, ads in newspapers and many more methods. And, you should be using all of these. However, there is one method that stands out heads and shoulders above all these other methods of gaining recognition, and building trust relationships. It's the most effective and yet the least used method! And, many of the few advisors who do use this superior contact method are doing it wrong.

Why would people call you, or send their friends and family to you, if they don't know what you do, or whether you are still in business?

The easiest, and one of the absolute best ways to stay in front of and build the trust relationships with of your clients, friends, family neighbors and prospects is with a monthly client newsletter. But, it can't be just any newsletter, or the typical client

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"I have been sending out newsletters from the Insurance Pro Shop for years and there are several key ways they have helped my business. First, I am not one to promote myself to my friends and family. I always felt that if I had to make my living from my friends, that it wasn't much of a living.

However, I want to make my services available to the people I care about, without coming off as a sales hack. Newsletters are a great way to accomplish this. Anytime the subject of my business comes up I simply tell my friend or family member… 'You know I publish a monthly newsletter that explains how I help people and gives some free financial tips. My clients seem to enjoy it, why don't I send you a copy?' They always say sure, and usually end up calling me when they are ready. You won't believe how much business I have written from friends and family calling me. And I never had to make a nuisance of myself.

I also went through my phone book and crafted a very low-key letter that simply said, "Dear Friends, I have been publishing a newsletter in the area now for a while, and my clients seem to really enjoy getting it. It is full of free financial tips. So, I recently decided to go through my phone book to see who else I know might enjoy receiving it and your name came up. I hope you enjoy the free information, and if I can ever be of any help please let me know.

I also use my newsletter to keep in touch with my clients, and when they have a rollover they need help with, who do you think they call? I would say I now average about one sale per month from people calling me. How many agents that do not send newsletters can say that? I also use them to promote my free educational workshops. As long as I am in this business I will send a newsletter. Not only do they help you get easy sales, they build your credibility and help you stay in touch with your clients. If you are not sending a newsletter you are missing the boat."

Antonio Filippone, RFC®, FMM

newsletter. The typical client newsletter that most agents and advisors use talks about investments, the economy, insurance products or their company. In most people's eyes it is seen as just another sales piece. It won't get read! It won't build your trust relationship with potential prospects. If people are afraid of being sold, they aren't going to call you for advise about their financial concerns or problems.

A good newsletter will have **your** picture on it, with the name of **your** company, **your** tag line, and all of **your** contact information. (Not the company you represent) It will offer **your** free report and contain articles that people will think **you** wrote. (Perception is reality) The articles should be of current practical interest to people, and not sales pitches.

The whole idea of a newsletter is to build YOUR reputation, credibility, image and **trust**… Not build the image of the company or products you may represent!

And, the newsletter can't be so expensive and large that you can only afford to send it to a few people. The few agents who do use a client newsletter commonly paying $1–$5 for each copy of a six or more page newsletter! And, then with the postage they can only afford to send it to a few of their best clients.

When you use the 'right' newsletter and send it to everyone you should, the results are spectacular. Here is what another member of the RFC said about the value of sending out a monthly newsletter…

The distinguished **'Image Branding Consultant', Wally Cato will tell you:**

One of the steps to becoming 'Outrageously Successful' is making sure people know about you, your services and the help you provide. One of best and most affordable ways to accomplish this is with a monthly newsletter.

Lew Nason, FMM, LUTC, RFC®

Jeremy Nason, FMM, RFC®

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

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COMPLIANCE-FRIENDLY MARKETING

How to Build your Business in a Down Market – Part 2

by Katherine Vessenes, JD, CFP®, RFC®

I am constantly amazed at the disparity between advisors in a down market. Some are doom and gloom, Chicken Littles and others are laughing all the way to the bank. One of the great things about my job is that I get to see inside the offices of dozens of multimillion dollar advisors every year. This gives us a great look at what is working in the bear market and what is not.

Here is what I know: many successful advisors see the current market as an unprecedented opportunity to capture more business. In fact, we will probably never see an opportunity like this again in our lifetime.

Here are some things successful advisors are doing to keep their clients calm and attract clients in the bear market. A quick look will also show you why some advisors are having so much trouble.

Full, comprehensive, CFP®- or RFC®-level, financial plans for all their clients. This will date me, but 19 years ago, I was legal counsel to the IDS Mutual fund Board of Directors. In that role I would have access to the thought process and business strategies of the management team. Of course, IDS (now Ameriprise) was the first national broker dealer to promote comprehensive planning. The statistics they had were nothing short of amazing: investors with plans invested more money, were happier with their advisors, stayed clients longer, were less likely to sue, and by the way, the advisors made more money (a lot more money!). What's not to like about these results?

Even with these results, they were having a hard time getting their advisors to do comprehensive plans.

It seems little has changed. Fast Forward 16 years, we had another broker dealer call us because they wanted Vestment Advisors to do gap analysis and business plans for their top 20 advisors over two years. (We call this a SWOOP® report for Strengths, Weaknesses, Opportunities, Obstacles and Plan). Once again, we were taking an intimate look inside the kimono of the top advisors in the country.

Here is what we discovered: only about 10% were actually doing comprehensive planning in some form that came close to CFP® or RFC® guidelines. This was true, even though, 100% were holding themselves out as financial planners. Why is this a problem? These advisors are not meeting client expectations; they are not gathering all the client's assets; and they are not building client loyalty during down markets.

The advisors doing the comprehensive, soup to nuts, financial planning have clients who are weathering this storm. They may not like the storm, but they do like their advisor and they don't want to can him or her, just because the market is down.

These investors know there is more to their financial future than just accumulation. That is just one part of the puzzle. They also need to think about distribution, protection, estate planning, and of course taxes. Their advisors are keeping things into proper perspective for them. Or as I tell our audiences: get your clients eyes off the market and on to the plan.

If you properly position your services in the mind of the client, they will know that the markets have an impact on their future, but the biggest issue is where are they now, **in relation to their plan**? For most clients, they should still be on track. Or if off track, your financial plan will let you know how you have to make adjustments.

Now for the doom and gloom advisors, here is what they are doing differently: they may be calling their deliverable a "plan" but it is an investment plan, not a financial plan. Typically it will include some asset allocation models and maybe some pretty boxes showing the client where they live on the efficient frontier. Typically this leads to product sales, individual equities, bonds managed money, or annuities..

Is this good for clients? Well, sure, but it is only a part of the picture. Presented this way, it encourages clients to be glued to the CNN news, watching the market reports. It is also misleading to investors, because investors believe they are getting a full, comprehensive plan, and they are getting something much less.

I predict these investors will be the ones suing their advisors.

On-going communication with clients. The prospering advisors have done a great job in advance of the market demise to position themselves as the point of education for their clients. The advisor is first source the client turns to for information about the markets and economy. They do not look to the evening news to do their thinking for them.

One of our advisor clients near San Francisco, calls their A clients every 6 weeks, during good markets! During bad markets, it might be every 2 to 3 weeks. Most of these calls are informal, friendly "check ins" and have nothing to do with their finances. They do set the tone and create loyalty and camaraderie. They have been communicating with clients this way since they started their firm many years ago. When I asked him how his clients were fairing, he said they weren't happy with the market, but they were not alarmed either. In fact, they were pretty calm, a remarkable response considering the meltdown.

Another firm we know, also near San Francisco, has been hosting quarterly educational meetings for clients and guests in their office conference room for many years. It is large enough to hold over 24 at one time. They usually will have an informal discussion on the economic forecast, or other financial topics and take questions. Part of what is so intriguing about their low-cost system, is they don't bother to promote it much to clients. The clients already know which days these educational sessions are being. There is no RSVP required — clients just show up and bring friends. Before the market crash, they would get about 12 attending in a quarter. The last one they held — twice as many people were there.

I loved this approach — it was cheap, easy and efficient. Furthermore, it gave the clients a great sense of comfort — they knew right where to go to get their questions answered.

Surprisingly, few advisors are communicating with their clients via e-zines. Some are even

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down right homey, referring to their children's wedding or a recent trip. The few of these that I have seen, all have something in common: they are written by the advisor himself, they are not ghost written by a product sponsor company. This gives the advisor to once again informally illustrate their expertise and their differentiation, while calming the investor's fears.

Special meetings are also being used. These are less stressful than you think. Hire out the local country club, or even the meeting room at the Library. For your content use some of the PowerPoint presentations that vendors are creating. John Hancock, and the IARFC have ones that are very popular with the multimillion dollar advisors.

The WOW experience. We still believe in giving clients the WOW experience, something so powerful they can't get it elsewhere. If you have been reading my articles on this subject, you know it is the little, inexpensive things that really make a difference in how the client perceives you.

One advisor from New York had heard me recommend little touches like hot cider (which smells great on a cold day) served in nice china tea cups. This is a big switch from most firms that are serving instant coffee in Styrofoam cups. She went out and got her office outfitted. Later she called me to say she picked up a $1.5 million dollar account from a widow. This advisor swears it was the hot apple cider that closed the deal!

Manage the client's expectations. Out of all of our recommendations, this is probably the most important. It never ceases to amaze me how many advisors don't take the time to really know their client and uncover all their expectations. These would be expectations that go beyond their portfolio, but also on their relationship with their advisor.

Successful advisors have already made it a practice to use an Investment Policy Statement (IPS) for every client. In creating these documents, they have already had the "life boat drill" with their clients. The advisors have previously run through the horrible imaginable, and gotten a feel for how the clients will react to a severe market downturn. Once they have discussed the options, the advisor created an IPS to document the client's desires and spelled out how the client would want their portfolio handled during down turns.

Bottom line — there are no surprises for the investor. The one thing I learned working for the directors of a big Mutual Fund company — directors and investors HATE surprises. Our job is to manage their expectations in such a way, they are never surprised.

Use Alternative Investments. Successful advisors have been using alternative investments like oil and gas, REITs, notes and the guaranteed returns of VAs.

When it comes to investing, clients want to feel like winners. When the market is up, they do feel like they are winning. But when the market is down or sideways, they feel like losers. This is never a great mindset for your clients and is a sure way to be looking at an arbitration claim if it goes on long enough.

What I like about Variable Annuities is if the market is up, the client feels like they are winning, of course. But if the market is down or sideways, they also feel like they are winners — a great mindset for your clients.

For some clients, the additional expense of the VA guarantees are well worth the money. I think of them as guard rails over the Mississippi River in Minneapolis. Some people are willing to pay for them and some are not. Just make sure your clients know VAs, and other alternatives are available and let the client decide what they want to do.

The clients whose advisors put them in VAs are now quite happy with those guaranteed 6 and 7% returns. They really feel like they are geniuses!

The Advisor has a Great Attitude. One of the key differences I have seen in being able to keep your clients in this market is the attitude of the advisor. A few weeks ago, I was doing a conference call with a group of top producing reps and the president of their broker/dealer. The difference in the advisor's attitude was remarkable.

One advisor from Florida, who had been doing all the things I mention in this article, was actually cheerful and up beat. He reported that they had only had 3 phone calls from clients and none of the clients he had proactively called were wildly upset. They were picking up a lot of new clients and he was sleeping soundly at night. He credited their financial planning process with keeping clients calm during the down market.

On the other end of the spectrum, we had another advisor on the call who was all doom and gloom, a real Chicken Little. This advisor was sure the sky was falling, we had never been in such terrible markets, it would go on forever and he had no idea how much worse it would get or what to say to his clients.

The best thing you can do for your clients is have a good attitude yourself about what is happening in the markets. Create a short story (3 to 5 minutes) on how the markets got to where they are and how long these down turns usually last. Finally, explain the stock market is "On Sale". We all love to bargain hunt at Nordstrom's — now they can do the same thing on Wall Street.

Your attitude should be empathetic, willing to listen to the client's concerns, and (here is the important part) cautiously optimistic. The attitude you portray will greatly impact how your clients feel. Naturally your calm clients are the ones who will be referring you business.

In short, I know there has never been a better time to gather new clients, love 'em up, and help them reach the financial future of their dreams. These new prospects are unhappy and much more likely to switch advisors now than in an up market. No one wants to make changes when things are working.

Use the market to your advantage! Solidify your current base of clients and get new ones in the process.

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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The Doors

Break on Through to the Other Side

I found an island in your arms
Country in your eyes
Arms that chain
Eyes that lie
Break on through to the other side

This is a verse from the song 'Break on Through' by the '60's psychedelic band, The Doors. Much of their musical allure emanated from the often dark and cerebrally poetic lyrics crafted by their singer/frontman, Jim Morrison. Even the name of the band, 'The Doors', conjured a bit of mysticism. I think they truly drew the name from a piece of poetry but I remember reading one time that Morrison said that listening to their music was like walking through a door through which you could never return. It was a life-changing event. You could never go back to the reality that you knew before their music. The music profoundly changed the listener forever.

This is deep stuff. Of course, we are in deep do-ey right now in our economy. I don't know why the music of The Doors came to me at this time. Maybe what our government is doing to us seems as crazy as a psychedelically inspired episode. Maybe the government is gorging on freshly printed money like Jim Morrison gorged on alcohol. Maybe our government has become like a groupie to the stock market willing to do anything to gain its countenance. Or maybe, everything the government is doing of late is like leading us through doors through which we cannot return. Once we pass through, the doors are shutting and there are no handles on the other side. Try to run. Try to hide. Break on through to the other side indeed!

Yes, our world is changing and we need to understand one, that it is changing, and two, how it is changing. Investors are depending on financial professionals for honest guidance. To repeat the party line of 'everything will be alright' is to reaffirm all the cute ladies on the cartoon network as they grin and toss their hair while interviewing stock market cheerleaders coming to us via our television set. No, no, no. Something fundamentally is changing in our world and it is profoundly affecting our investment lives. Let's boldly embrace reality for a moment.

First, leadership in the United States rests with the people that run the monetary printing press. That would be the Federal Reserve and the Treasury Secretary. Our new White House resident keeps using the word 'catastrophe' to describe our economy absent more government 'stimulus'. He most likely uses this word because the new leaders wrote it for him in an attempt to extort even more money from us taxpayers to give to broke bankers who created the 'catastrophe'. Handsome (downright 'dreamy' to Obama devotees), articulate, intelligent, and well spoken, Mr. Obama is correct that our economy is in a catastrophic downfall. Initiated by former Fed Chairman, Alan Greenspan, our country adopted a 'gorge on debt and spending till we puke' doctrine that has led us to… well, the edge of the toilet. We need to purge ourselves of our excesses but the new government just can't bear to see us heave.

And so the new era of economic stimulation is upon us. Apparently, our economy no longer functions. Or, at least, it will no longer be allowed to function. The printing press operators have usurped power and they believe they can feed the economy all the paper that it needs to function. Once we accept it, we can't go back. Give a man a fish and he eats for a day. Teach him to fish and he eats forever. Get off his back, don't tax him to death, don't take his hard earned profits and 'redistribute' it to lazy slobs that carouse all night and can't go to work in the morning, and get out of his way, and he will soon make fishing rods to sell and other people eat forever. Other guys will build boats and sell them to fishermen. Other guys will start businesses cleaning the boats. Other guys will start a restaurant near the dock to cook fish. Other guys will sell fishing related t-shirts and sunglasses. Somebody else in a lower-income country will make the t-shirts and sunglasses. Somebody will transport all this stuff. The economy will grow and all this is due to CAPITALISM AND FREE ENTERPRISE — NOT GOVERNMENT STIMULUS! Okay, sorry for the rant here but we already have the tool we need to repair our economy. But, government has blockaded the door of capitalism and we have surrendered because our precious Dow Jones Industrial Average has lost a third of its value in the past year. Our 401(k)s are on life support and our IRAs have become Individual Rotting Accounts. We have accepted their 'loans'. This is the first way we know our world has changed. Indebtedness is enslavement. Indebtedness is subjugation. Accepting these 'governmental stimulus packages' is surrender. We can't go back. Given more control, the government will never relinquish it. They will simply have to feed us forever. There won't be any boat builders or restaurants or t-shirt vendors.

Another way our world is changing is the transfer of wealth that we are all succumbing to. Sure the banks grant loans to their subjects for large dwellings and shiny cars. But think about it this way. John loans money to Jim. Which guy would you say is more affluent? Most of you would agree with me that John is the correct answer. The rest of you obviously work for our government. So, here we are. China owns a great deal of our debt. They are loaning us money. Yet, the average Chinese worker makes something like $2,000 dollars per year while the average American makes $42,000 dollars per year. We have become much poorer as a nation. We are borrowing money from people that earn far less than us. The difference is the Chinese save their money and we spend both ours and theirs. Our wealth is fading and that door is closing quickly.

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A third change in our world is the very function of our elected leaders. All they do now is debate and vote on bailouts.

Why do we need a bailout? Don't read the next sentence until you have an answer. Most of you are either scratching your head right now or you think the answer is that we need to 'unfreeze the credit markets'. Of course, that's what we have been told but now we need to think. Why are the credit markets frozen (if they really are) and what will un-freezing them accomplish? If indeed the credit markets are frozen, it is because the lenders over-extended themselves and have run out of money to lend. Normally, this puts pressure on interest rates and pushes them higher as demand for money raises the cost of borrowing. Interest rates go up and excess demand eventually abates. Why then, did our Federal Reserve lower the Fed Funds rate to zero? It seems to me that this action by the Fed actually exacerbated the credit exhaustion. It also seems that this could have been intentional as a means to gain even more control. Yet, look at the way our elected officials are working to increase our indebtedness through bailouts! Do you think the same Barney that helped lead us to the precipice of insolvency dropped bread crumbs along the way so we can follow the trail and find our way back? The same bullet that inflicts a wound can't be used to heal the wound.

But if the lenders lend, they have to have the money. If they loaned all of their money out, where did they get even more money? They had to 'manufacture' it through esoteric instruments that were structured to look like securities and they called them derivatives. Now, the Ponzi scheme goes into full throttle. If a bank, or lender, loans $100 dollars, that money is tied up. How do they loan more. Well, they bundle that package of loans up as a security and sell it. That way, the lender can keep on lending. The buyer of the security may worry that the loan package may go bad due to default so they issue a derivative and buy a credit default swap. Then, the buyer of that derivative issues another derivative and buys a credit default swap and so on. Before you know it, that original $100 dollars of loans has turned into thousand and maybe even tens of thousands. If any of the holders in the lower levels of the Ponzi scheme actually ask for their money, the whole thing folds because the money never existed anyway. Of course these days, we call all this stuff 'capital' and we allow bankers to run banks based on this kind of capital.

The door is closing. All this stuff clears through the Bank of International Settlements in Switzerland and it is owned by the central banks of the world. And, this bank does not pay taxes. Check it out at www.bis.org and you will confirm, as I know, that the derivatives world is pushing a quadrillion dollars in value.

Now, if we want to save the 'banking world', we are going to need about a quadrillion. That is an immediate need and we better act fast because the derivatives world is growing faster than the list of tax cheats in Obama's cabinet. In my own campaign for the office of the Presidency, I suggested a 'stimulus' package of $1 trillion per month. If government wants to run the economy, then run it! The US is currently something in the neighborhood of a $14 trillion dollar per year economy. Therefore, government should throw about $1 trillion a month out of C-130s. Of course, the new Treasury Secretary, Mr. Geithner, thinks the solution is to get the 'private sector' to help buy up the 'toxic illiquid assets' that are in fact derivatives on the balance sheets of our beloved banks. Excuse me, Mr. Geithner, but I thought we were already doing that with TARP and other embezzlements of taxpayer money! The door is closing.

At the bottom of the government's pyramid scheme is of course, the guy that goes to work everyday. He eats at McDonald's for lunch and shops at Wal-Mart at night. He probably took out a loan because a well-dressed smiley face at a lending institution told him it was a good idea. He probably signed his name on a bunch of papers that he didn't understand promising to pay back money in monthly installments that he couldn't make on overtime pay. He was led to believe he was smart for making his decision and parted with a firm handshake and the business card of the person who pushed him over the edge of solvency. He was lent money that didn't exist and now he is struggling to repay his debt with money that he doesn't have.

Here is where our world is changing. Both parties are now broke. The government and the central bank can't help both because they don't want to admit to following the Zimbabwean doctrine of printing money for all occasions. (In case you don't keep up with such things, Zimbabwe just released their newest bill — a $50 billion dollar bill. It buys three newspapers.) So, the government sided with the lenders and has decided to save the lenders by any means necessary.

What do we need to do? Walk through the door of truth. You read the same news that I read. It is bleak and getting bleaker. I won't reiterate the economic tidal wave of bleakness but at least we have a new President. Poor fellow. Harvard apparently doesn't teach much nor does it prepare its students for TRUTH. Otherwise, Mr. Obama might have elected to stay in the private sector least he now be burdened with the responsibility of wrestling with the most wretched economic beast ever to be unleashed. Sure, Mr. Obama and his collection of tax dodging political cronies went to work crafting a 'stimulus' plan that was sold as something that had to be done 'right now' and 'had to be passed by Congress' or else.

TRUTH. Meadowlark Lemon used to do a bit when he played for the Harlem Globetrotters which he would feign and injury. The trainer would come out and massage the apparently injured shoulder of the Globetrotter star. Meadowlark would howl in pain as the trainer rubbed until the trainer would ask 'what was wrong'. Meadowlark would deadpan, "it's my leg"!

From what I read of the trillion dollar 'stimulus package', it isn't really 'stimulus'. Even the 'bridges and roads' part only accounts for some 11% of the package. It is political pandering. It is the government making it look like they are doing 'something'. They are doing something alright. They are borrowing and spending us into an economic black hole of debt. I believe the market will recognize this and act accordingly. Our government will no doubt continue to intervene in every way possible, manipulate, and redirect the stock market. This is war. The stock market is all they have. If that goes down, there will be social unrest like this country has never seen. The government will defend the stock market with every ounce of ink and every shred of paper they have in their arsenal. As for us, we must not become a casualty of this war.

Finally, something has fundamentally changed over the past twenty-five or thirty years in the western world. It used to be that the banks' best customers were well capitalized, lacking in debt, perfectly able to repay any loans, and would eventually do so. Now, the banks best customers are the

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THE DOORS

pathetically and chronically indebted individual that will never repay the loan. The banks don't want the loan repaid. Especially now. Who will they lend their newly confiscated taxpayer money to? This is why there won't be an effort to restore the average citizen on the street. There is no incentive for the banks to allow this to happen. As I finish this piece, Wall Street is reacting badly to the realization that the Treasury Secretary really doesn't have a plan to 'help the economy'. Oh, he has a plan alright. The door is closing quickly. Don't let it hit you in the behind because that means you are the last one out.

We chased our pleasures here
Dug our treasures there
I still recall
Times we cried
Break on through to the other side

Thank you Jim Morrison and The Doors. The TRUTH is over there on the other side and the door is always open!

Barry M. Ferguson, RFC®

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