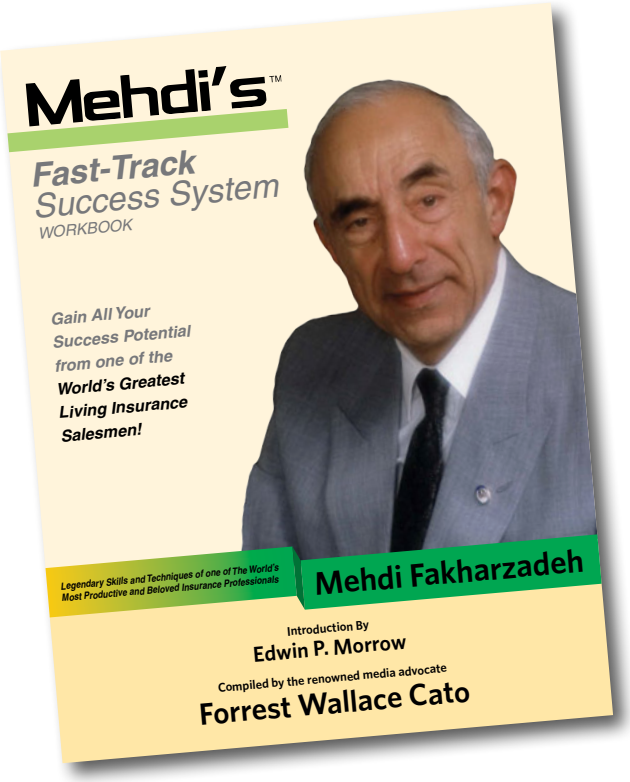
the Register

Vol. 11 No. 9 • September 2010
Official IARFC Publication
www.IARFC.org

Patrick Munro
Strive to Differentiate Yourself

Serving Financial Advisors Worldwide

Mehdi Fakharzadeh's
Fast-Track Success System



The Legendary Skills and Experience of
Mehdi Fakharzadeh

The insurance sales legend, Mehdi Fakharzadeh, MS, CLTC, RFC shares the techniques that have made him the greatest living life insurance salesman — not because of working unique markets, employing complex benefit plans, or dealing exclusively with wealthy families or selling to giant corporations.

This is written to place you on the ***Fast-Track to Success***. It is highly practical, not technical. It is easily read and absorbed. It includes the simple habits that have mesmerized audiences in more than 50 countries, and totally reformed the lives of many persons who help consumers learn how to spend, save, invest, insure and plan for the future — in order to achieve and maintain financial independence.

This is the most outstanding and simple system, and it can make a monumental difference in the career of the life agent who will place these simple tools to work on a regular basis.

— Guy Baker, 2010 President of the MDRT

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• IN THIS ISSUE •

The Register is published monthly by the International Association of Registered Financial Consultants ©2010, 2507 North Verity Parkway, Middletown, Ohio 45042-0506. It includes articles and advice on technical subjects, economic events, regulatory actions and practice management. The IARFC makes no claim as to accuracy and does not guarantee or endorse any product or service that may be advertised or featured. Articles, comments and letters are welcomed by e-mail to: Wendy M. Kennedy, Editorial Coordinator, Editor@IARFC.org SSN 1556-4045 Periodicals Postage Paid at Mansfield, Ohio.

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

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Nigeria 1

Members Who Recommended New Members

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Al Coletti, RFC®
Stephen H. Hecker, RFC®
Jim Moss, RFC®
Bill Nelson, RFC®
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Malachi Sturlin, RFC®
Robert Votruba, RFC®

CALENDAR OF EVENTS

RFC Graduation
September 25, 2010, Macau

RFC Graduation
October 2, 2010, Makati

MDRT Experience Singapore
February 24-26, 2011

MDRT Annual Conference
June 5-9, 2011, Atlanta, GA

Pre-Cruise CE – San Juan
June 24-25, 2011

CE @ Sea Southern Caribbean Cruise
June 26 – July 3, 2011

Register ROUND UP

Ed Morrow asks IARFC Leaders and Financial Industry Experts for their insight and advise on issues facing advisors in today's economy.

This month's Round Up question:
In this fearful economy, what is the most important thing an RFC should be doing?

Fear is just a feeling. Clear yourself of all emotions and focus on what you want to achieve for yourself and your clients. The more focused you are, the more successful you will ever be. The purpose is not growing beans but growing MORE beans.

Jeffrey Chiew, DBA, CLU, ChFC, CFP®, RFC®, IARFC Asia Chair, Kuala Lumpur, Malaysia

In tough economic times your clients are looking for quality information. Send them an article or link to a website that is relevant to them. Many great resources available from the IARFC and their partners that make this very simple. What are your clients' areas of concern these days? Low yields and their affect on retirement income; Market volatility and risk; Who's going to pay for all our debt and where are tax rates going? Articles are easy to find and while you are at it, ask them for a friend or family member that also may benefit from the information. Great referral source!

Ed Ledford, CLU, RFC®, IARFC VP, Carmel, IN

Some Asian governments are in a state of self denial claiming that their local economies are growing satisfactorily but local RFCs should know their local conditions better, work harder than ever, be more innovative in anything they do and live within their means.

Ralph Liew, RFC®IARFC India Chair

It is critical that the RFC Insulate their client from this economy and from the future legislation that may be pushed on the American Tax Payer.

Bill Moore, Pharm D., CLU, ChFC, FIC, RFC®, IARFC Board of Director, Dallas, TX

Keep In touch with your clients. Call them, reassure them and let them know that you care about them and are watching out for them. As usual, put yourself in your clients' shoes and do what you would want someone who was taking care of your future to do. Dalbar did a study a few years ago that first, showed that people with financial advisors usually do better financially than those who do not. What was the reason? The advisor kept them from panicking and doing irrational things. Most people will give up a little performance in an up market if they feel protected from downturns.

Rosilyn Overton, CRPS, LTCP, CFP®, RFC®, Ph.D., IARFC VP Academic Affairs, Flushing, NY

As with any other business, during periods of economic hardship, your referral base will wane and customers will think twice to purchase goods and services especially when the gains are not immediate. However, the RFC who attempts to build the foundations for a positive reputation will experience sustainability and develop a competitive edge over time. He should pay careful attention to his interaction with the public to ensure that all stakeholders see his practice in a positive light. A positive reputation conveys the idea of loyalty and trust and customers tend to gravitate towards a trusted organization especially when they are many players within an industry.

Jacqueline Russell, BSc, MBA, RFC®, Business Relationship Coordinator, IARFC Canada, Woodbridge, ON Canada

Communicate more. Your clients and prospects want to hear from you. They need to know you are still on the same side as they are! Aim for 1 phone call, 2 e-mails and at the very least on postal mail per month to your best clients. Of course what you say is important but the very act of reaching out his significantly more important.

Mark Terrett, RFC®, IARFC Operations, Middletown, OH

I'm Going Again

This was my second CE at Sea trip. It seems that only the most successful IARFC members come, but the rest are really missing out. This is an intimate gathering, which means that you are not just one in a cast of thousands like some of the other association conferences. For you and your companion it is a wonderful cruise with all that entails, plus it is reasonably priced. My husband loves to join me on the trip, since we have a great time going on the shore excursions and also at dinner with other IARFC members and their spouses or friends. Secondly, it is a serious help to your practice. Although I have been in the financial planning profession for more than 30 years, I still learn from the educational sessions that we have on the days that we are at sea.

I came back with three very important new ideas and "how-tos" from this trip despite my years of experience. Since the IARFC looks for continuing education that is helpful to a successful practice as well as in financial planning theory, you come away with ideas that are immediately useful for your clients and your business. Finally, you learn as much from the other members as you do from the formal sessions. Since the RFC's are from all over the world there is no sense of competitiveness among the members. Everyone is very willing to talk about what works for them. Since we have a great time and it is so beneficial to my practice, we have already made our deposit for next year."

Rosilyn Overton, CRPS, LTCP, CFP®, RFC®, Ph.D.
Flushing, NY

IARFC 2010 CE@Sea – Alaska, starting from back row, from left to right:

Vijay Khetarpal, Steve Dabbs, Bill Lawrence, William Rutherford, Steve Bailey, Ashton Root, Bill Mack, Benjawat Tantivongsakij, Jon Rogers, Dominique Vercaemert, Jack Root, Mardiros Hatsakorizian, Anil Manuja, Ed Morrow, Bob Avey, Martha Avey, Anila Khetarpal, Jeanette Rogers, Joan Mack, Thanistisut Ingbakakkidchamloo "Rose", Leena Heblle, Karen Vercaemert, Frances Scott, Starr Morrow, Anna Dabbs, Christie Tran, Karen Rutherford, Angie Trandai, Christine Phan, Rosilyn Overton

Not all attendees appear in photo.

(Left) Mendenhall Glacier, Alaska
Anil Manuja, RFC (India), Bill Lawrence, RFC (Australia), Leena Heblle, RFC (India)
(Right) Ed Morrow, Whistler Mountain, BC, Canada
(Bottom) Hubbard Glacier, Alaska
Frances Scott (Canada), Starr Morrow (TN, US)

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Profile Interview:

Patrick Munro

Strive to Differentiate Yourself

How did you enter financial services?

I started as a direct sales final expense agent in 1998. This meant that I called directly on thousands of homes and provided a basic final expense solution that these families felt very gratified in receiving. This voluminous direct human contact with cold prospects leading to a financial sale was the basis for my current holistic financial approach.

What or who influenced you the most?

As a final expense agent I began to read the "trades" and discovered the annuity marketing business in their pages. Most of my early influence came from Tyrone Clark and Michael Kaselnak followed by the late John Naylor who hand picked a team of "Top Producers" who still practice at the highest level of the industry across the country. My current FMO is Advisors Excell from Topeka Kansas which continues to add value to my practice.

Tell us about your current business model:

I am a seminar producer who presents four seminars a month in the Myrtle Beach, SC area. I serve the 55-80 year old market segment who attend the seminar which is an entertaining "retirement survival" PowerPoint highlighting the current issues facing these folks today. My assistants will then book them for an opening interview to come into my practice to get a "second opinion" on what could be done with an eye to risk management.

The clients are also invited to an initial free consultation with my elder law attorney. I spend the meeting building trust; highlighting a 10 year A PLUS rating with the BBB as well as my IARFC and MDRT affiliations. Then I book a "solutions" meeting the following week whereby the clients are presented with an annuity platform for their consideration.

How do you market now for new clients?

I use extensive direct mail to support the 4 monthly seminars that I do. I also have a weekly Saturday radio show called "Retire Right Radio" that is in it's sixth season. I have clients in 16 states that listen to the show and I have guests on from time to time that educate the listenership. I also have a billboard on a major freeway as well as advertising on FOX TV and Time Warner Cable. I round this out by writing and advertising in several local newspapers and publications

What are your major frustrations?

Paying my advertising bills! *(Just kidding.)* Actually, I see prospects coming to my seminars that were either sent by a competitor or who just want the food. I used to really get upset at this practice until several clients came forward and purchased an investment (finally)! It used to be the 80/20 rule would apply in seminar marketing, that has now risen to the 90/10 rule often, whereby 90% of attendees are only there for the food. My solution? Just present more seminars.

What benefit of the IARFC has been of greatest value?

I use the tri-fold brochure to build credibility and trust with every opening appointment that I conduct. I read the Register with interest, as it contains great information about industry news and peer-to-peer news as well.

What should financial advisors be doing in this economy?

They should become more news savvy in ALL channels print: electronic, web, and use that primary, secondary, and even deeper levels to educate their clients about the real dangers that are out there and not being addressed. Look, when the market shifts like it has there is no asset diversification model or re-balancing to be done that can escape the risk exposure — the client just lost money! This money takes more time to regain and time is in shorter supply with the retired client.

My strengths are exposing Wall Street for the fraud that it is — and presenting an opportunity for the client to "insure their future".

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

I just bought my iPad and can hardly put it down. There is an "app" for everything! That being said, many advisors get lost in the technology and lose the client as well. Never underestimate the human connection that "MUST" be established firstly with the client and technology then performs a back-up role to the educational process. I spend as much time on my marker board in my board room as on the big screen monitor showing software solutions with the client in the middle giving their agreement as we proceed to the final solution.

What do you advise an RFC to concentrate on?

ALL of us are essentially in the SAME business and SELL basically a blend of the same product(s). We just do it in different ways.

Therefore, those that re-invest in primarily marketing to the public a platform of clear and concise answers to the real issues that are facing them while never mentioning product initially, will be rewarded with the client's business. Marketing is expensive and hard work but pays huge dividends. As an immigrant from Canada I have been blessed with this opportunity to serve

Retire Right Radio is its sixth season.

others and be compensated according to how much I can serve — no one could ask for more.

Think outside the box perhaps to the extent that I did in developing the NorthStar Financial Center (NSFC).

Please tell us about your interest in Asia or any particular country?

Asia is of interest, especially from an investment position, but so are all countries as we enter a world of interconnectivity never seen before. The sovereign debt crisis and one country's fiscal action or inaction presents some very delicate leadership issues that are beyond the control of any financial advisor.

But an RFC advisor can help mold a "sovereign investor" around his or her vision of a risk managed qualified or non-qualified position that will withstand any geo-political shortcomings and most importantly protect principal.

What's looming on the horizon for our profession?

I feel that the Government could move to control compensation models and commoditize — or worse, go into direct competition with the independent advisor via Government Owned Enterprises.

Therefore, study and practice to always have a "better mousetrap" should that day arrive. The ancient Chinese proverb pointed out this need for a unique approach, "May you live in interesting times!"

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

Reputations are fleeting but good old fashioned service, once developed, will hold an RFC in good stead. Additionally, I have the most luxurious well appointed office in the area and I advertise and hold more seminars than any other bank or advisor in my market. That speaks volumes as to my commitment to client education among my competition.

What was your motivation in starting Northstar Financial Center?

I am a real estate investor and this economy has caused huge problems in commercial real estate. I recently acquired a wonderful high profile commercial office building that once housed a real estate company. 11 offices, 2 boardrooms, free Wi-Fi, free and coffee/tea from a Community Kitchen.

Around that concept, I have an attorney in place, accountant, health/LTC specialist/P&C firm and Wells Fargo to handle reverse mortgages when they are called for. We have plans to add a realtor, appraiser, funeral pre-need director, travel agent, and more. When complete these Northstar Financial Partners will offer the ultimate holistic "client-centered" solution to ALL matters financial.

A quick glance at my website www.northstarnavigator.com will help you see how I strive to differential myself from all the would-be competitors.

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Do You Have What It Takes?

So here we are! We rent an attractive office space, we employ one or two administrative staff, we have a few clientele and we are optimistic thinking that with just a little luck, our practice will flourish. But after a while, the phone stops ringing, we obtain no new prospects and the hope of building a successful practice becomes a fleeting elusion. Panic sets in and we wonder if we truly have what it takes. For the most part, the culprit lies within our internal structure such as inadequate planning and faulty sales techniques. The truth is, we cannot just sit back and expect success without actually charting some sort of strategic course to reach the objective of a lucrative business venture.

Having a vision is one thing, but having a determination along with your vision to ensure success is purely another. Some of us have this inner desire to meet people and coupled with financial planning expertise, we mistakenly arrive at the conclusion that we will automatically lead a thriving business. The enjoyment of meeting people is in fact a prerequisite to steering individuals in the right financial path; however, the onslaught of rejection by prospects can sometimes be too daunting for some to bear, especially when one has not mastered the art of listening and asking appropriate questions and being able to work your way around objections posed by the prospect. More importantly, you need to know what value your service is providing your customers.

Building Your Client Base

Start by assessing your market: Make an effort to find out about what are the key characteristics of your territory. Think about it, before you decide to move from your place of residence to another, common sense dictates that you should do a little research to find out about the area in which you are desirous of living. You would want to investigate whether or not a mall is close by, the accessibility of transportation and if you have kids, a major factor would be if they are any schools in that location as well as the types of schools that exist there. Likewise, if you are going to sell your service, you need to know who you are selling to and the characteristics of your territory. Questions to ask are: What types of customers are best suited to your service offering? What are the demographics? You should also be aware of who your competitors are and ensure that you know their service offering. Once you know that, you will be able to distinguish your practice from the competition. Find certain features and benefits of your service that differs from that of the competition. The aim of this exercise is to determine the amount of potential business that is out there for you. If you are not inclined to do your homework and invest your time to do research, you may not have what it takes to build a successful practice.

Knowing a few persons to market your service to is not enough: From the start, you must make a decision to expand your vision. You need to determine how effective you have been in prospecting in the past. What about training? Do you have the necessary knowledge, skills and ability to get the attention of your prospect? What will be your source of business leads; referrals, social media marketing campaigns, email marketing or networking? Building a successful practice also involves investing money in skill-upgrade. Do you have what it takes to be conscientiously and consistently seeking out ways in which to increase your knowledge, skill ability to market your practice?

Set aside Time for Prospecting: Create your own calendar and commit towards a scheduled time each week for prospecting. Remember, you are charting a course to success. This means that you will not just set a time for cold-calling, but also follow through on calls as well as return emails. These minor elements are critical to becoming a winner. Your prospects expect your dedication and attention to details such as simple timely responses to emails or repeat calls. By setting aside dedicated time to prospecting, you can be completely focused on your clients.

Build Relationships: Before embarking upon a career in the financial services industry, you must come to the realization that you have to conduct your business transactions in a sincere and trustworthy manner and not by trickery. The RFC knows very well, that the Code of Conduct that he ascribes to, should not be taken likely. Customers want to buy from someone who they can trust. They want to buy from a friend. The advisor will have to learn how to build relationships that are based on comradeship. Don't treat each business transaction as a sale; make it become part of your job to educate your clientele on how to manage their money using simple terms that your customer can understand.

Be Prepared for Rejection: In all walks of life and in all nationalities, one thing is certain; some people will like you, and some people will not like you, some will even hate you, it's all apart of life. Such is the case in the business of financial planning, not everyone will be willing to purchase your service, they will reject you. It's an occupational hazard, it comes with the territory. You plan a daily schedule to cold call and sometimes you make 200 calls, and only 1 person responds.

Actually, sometimes no one responds positively. In fact, you stand the chance of being the brunt of someone's verbal

abuse. Do you have what it takes to withstand the frustrations?

The financial planning profession should not be viewed as a get rich quick business, but if you have the patience and resilience, it can easily lead to a source of unlimited income potential. Not everyone has what it takes to succeed in the financial planning service, it takes a certain type of individual to consistently obtain and retain customers. It takes individuals who can perform the necessary research and create a comprehensive marketing plan and follow through even when they experience negative responses from all angles. Are you willing to devote specific times to follow up on call, and emails during extremely busy periods? Are you prepared to be first and foremost a friend to your client? Wouldn't you rather be more comfortable sitting in a quiet office crunching numbers all day instead of moving out of your comfort zone to obtain prospects? Becoming an advisor is similar to becoming a professional in any field. Success is dependent on an investment of time, talent as well as a hearty dose of tenacity and a sense of purpose.

Are you sure you have what it takes?

Jacqueline Russell, BSc, MBA, RFC®, Dip. Education and Training

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

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The New Golden Rule

The 'I's' of the Illuminati — Invent, Infiltrate, Illiterate, Intoxicate, Incarcerate, Institutionalize, Impoverish, Immigrate, Indebt, Enslave

Do you know the 'golden rule'? It is, 'He that has the gold, makes the rules.' Once all of the gold is secured, all the rules can be set to ensure absolute power. To make it happen, a group effort would be needed to collect all the money. How would they go about accumulating all the money and ultimately, all the gold? Where would they get the power to implement such a plan? If we are investing for our share of the money, we better get to know the competition.

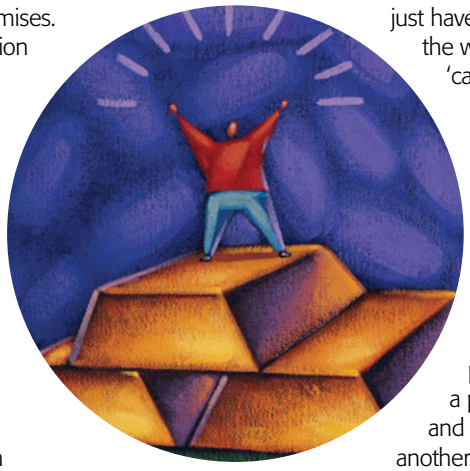
Let me start by defining 'illuminati'. The word is Latin and it means 'the enlightened ones'. Members of an illuminati believe themselves to be especially enlightened on certain subjects and are therefore superior in intellect to their peers. The term has been applied to 'shadow governments' and bankers who seek absolute control over wealth. Absolute power can be acquired by force or coercion. Force can breed resistance. Coercion can breed compliance.

Mao Tse-Tung once said that 'political power grows out of the barrel of a gun'. Joseph Goebbels once said, 'If you tell a big enough lie, and keep repeating it, people begin believing it. The truth, therefore, becomes the enemy of the state.'

So we have different strategies to obtain complete economic and political control. The illuminati is aggressively seeking that control today. The purpose of this article is not to argue the existence, but rather the means. Without doubt, governments and banks now dominate markets, economics, and politics more so than ever before. The question is, therefore, how do they maintain control and how should investors adjust?

So how does the illuminati exert their power? Vastly outnumbered, they would raise the ire of the population if they imposed their will with military force or any such overt efforts. Mao could be defeated in a military conflict. Jefferson could be defeated by a virulent plague of citizenry ignorance. But Goebbels might have been on to something. In truth, the illuminati's chief weapon is the ignorance of the population — perpetuated by the false promise of security. The illuminati herd the populace in the desired direction with lies and material illusion.

Vague and unfulfilled Promises. The illumnati divert attention from their ambitions by promising an improving stock market, arranging for easy loans for nice houses and shiny cars, and by manipulating the public psyche through trained speakers espousing the doctrine of government solution by 'spreading the wealth around'. They constantly monitor their subjects so as to maintain power. Their eyes, or 'I's', are always upon us. The following is their manifesto.



Invent

The first step to acquiring real power is to invent the medium of financial exchange. Precious metals actually work fine but they are finite and the supply cannot be controlled and monopolized. Currency is the invention. Coins made of precious metals are fine but go back and read the previous sentence.

Paper money is best because it can be manufactured to infinity, it is cheap to print, and it shifts real power to the printer. Why? Because now, the 'value' of everything has a 'price' that is set from the paper printer. The paper money has to be confined to a single holder – the banks – to ensure it maintains an assigned and implied value. Then the banks can use 'fractional banking' that allows them to loan exponentially more money than they have on deposit. Finally the banks can use a new and wondrous invention — derivatives. The loans that they write become 'securitized' so they can be sold to other bankers and pseudo bankers who then derive an income stream from the interest coupons attached to the loans.

Principal, and return thereof, is no longer important. The money has an implied worthlessness. As long as interest obligations are met, the derivatives resupply lent principal while they serve to petrify the debt and therefore become substitutes for currency. The magic of 'derivatives' is invented so that the banks can now issue paper whose value is tied to the value of another piece of paper. 'Capital' is simply created. It is 'invented'. And the best part of all is the derivative capital is cost-free and infinite in supply. The banks just have to convince the idiots of the world to accept their 'capital' as currency. *Check!*

Infiltrate.

To coerce people to give up all of their money, the illuminati would have to infiltrate both society and the psyche of society. The psyche is the easy part. If a person has $100 dollars and the bank loans them another $100 dollars, the person 'feels' richer. Perhaps they can now buy a new TV or some other form of intellectual destruction like rap music. Everyone wants to 'feel' richer, right? Sure, the bank has the person fill out some official looking paperwork that engenders even more importance. In the end, the loan is made and the person thinks he is richer.

The infiltration of society is a little tougher. The quickest way would be to use military force. But, as already discussed, this strategy would have some major negatives. No, the trick here is to disguise the true intent. To pull this off, society has to believe that lenders are benevolent. They also have to believe that their government is not only benevolent, but also competent. (Hey, quit laughing. I never said society was very smart!)

For instance, as a reaction to the greatest financial debacle since the Great Depression, a push for financial 'reform' in the US was undertaken. The committee assigned to write the new legislation was spearheaded by Barney Frank and Chris Dodd. These men have already been in charge of overseeing financial regulations for years. The failure of Fannie Mae and Freddie Mac along with the explosion of derivative trading and the real estate bubble rests squarely at their feet. Allowing them to author more financial regulation is like hiring the Skipper and Gilligan for a three hour tour!

Let me amplify this with the FASB accounting rule known as Statement 159. I have included this in past lectures that I have done but basically the rule allows banks to play 'heads I win, tails you lose'. When bonds issued by banks fall in value, the bank books the loss as profit. Incredibly, the loss becomes income. In the first quarter of

2010, the four largest US banks reported a combined $13 billion in income by using Statement 159. That alone accounts for 20% of their supposed 'profits'. When did it become apparent to all of society that banks were broke? 2007. When did Statement 159 become rule? 2007. ***Check!***

Illiterate

It takes time. If a group wants absolute control, it must dumb down the population. Education must be stifled. History must be re-written and sanitized. The US now has a 69% on-time high school graduation rate. Only a quarter or so of the population has a college degree. Television is dumbed down to a bunch of reality shows portraying the lives of idiots that are supposed to amuse us. And, that's only C-SPAN. The media has become so fecklessly inept, that the best financial/economic writer around right now is Matt Taibbi of the music magazine, *Rolling Stone*. Political leaders are clueless as they continue to show an unfathomable lack of understanding about debt and its destructive powers.

The new currency of banks is derivatives and how many people want to hear about those things? Political leaders run all over the world spewing misstatements and false information. The Federal Reserve constantly issues mendacious statements calculated to further their conquest. Three times in 2006 and 2007, Mr. Bernanke stated that an inverted yield curve was not a precursor to recession and in fact, the economy was strong. Yet, no one challenged those assertions even though statistics and charts clearly say the opposite. Need I say more? Ignorance surrenders power. ***Check!***

Intoxicate

Anbar Province in Afghanistan is where 90% of the world's heroin comes from. That's why the latest military 'surge' was focused in that region. Control the drugs and one controls the intoxicants. Acquiring real power is about eliminating competition. . **Let's use a time line here.** Since the Federal Reserve came to power in 1913, we have endured WW I, WW II, the Korean War, Viet Nam, and the Gulf war. Now our military forces are dispatched to Iraq and Afghanistan. When the military lease on Okinawa was terminating, a South Korean submarine was supposedly sunk by a North Korean torpedo. The lease was immediately renewed and a bank loan was no doubt extended.

Why is this sequence important? Wars produce debt and banks provide the supply. Wars also produce horrific casualties and Vietnam was probably all society could take. Since then, casualties have been greatly reduced. There is nothing like a steady stream of body bags to raise suspicion that something else is driving the process. When did the era of drugs explode? Yep, right when Vietnam became a quagmire.

If societal control cannot be exercised through war, drugs can be used. Society has to be either eliminated or stoned and drunk. Otherwise, they might rise from their coma and rebel against absolute control. The illuminate does not want society to get wise to their impending despotic ruin. At the very least, the intoxicated part of society gets eliminated from threat of power competition. ***Check!***

Incarcerate

Society is better controlled behind bars. Intoxification has to be criminalized. Drugs are illegal. If a large segment of society is imprisoned, there is less of a threat to the power. This may be depressing, but we must understand the facts. For the first time in the history, in 1995 the US started spending more on building prisons than on building colleges. In 1999, The US spent $41 billion on incarceration and $16 billion on welfare. In 2008, there were 2.3 million inmates in US prisons. 3.2% of the population is either in jail, on probation, or on parole. In 2008, states spent $50 billion on the prison system and the federal government spent $5 billion. As of 2006, states were spending 7% of their budgets on prisons. In spite of what government liars (yes, that's an oxymoron) say about inflation, health care costs for inmates is growing by 10% per year.

Why has incarceration become a bigger portion of the plan? Violent crime in the US has been relatively stable since 1980. But since drug laws changed, drug convictions have risen 12 fold. The US leads the world in percent of the population incarcerated. China is second. Those incarcerated have taken the place of the body bags. Soon, we will have new laws like the health care tax that will allow for even more non-compliant citizens to be put away. Tommy Chong was jailed for water pipe (drug paraphernalia) sales across the state line of Pennsylvania (I believe). When asked what it was like to go to jail, he replied, "You'll find out." War is ugly. ***Check.***

Institutionalize

Government control is institutionalization. When the government imposes absolute power over society, no one questions the government's mandates for fear of penalty. Freedom's have to be curtailed. Events can be orchestrated to affect surrender. The Patriot Act is an example of the surrender of liberties. Catastrophic events can lead to more reliance on the all-powerful government. Take off your shoes. Take off your belt. Remove your computer place bottles in the plastic sack. These events work in favor of the illuminati to exercise more control. The goal is to get everyone thinking alike. That makes herd control much easier. Control education. Control the media. Control behavior. Control thought. ***Check.***

Impoverish.

Poor education and bouts of incarceration lead to impoverishment. Give them a big TV and sporty car to drive, and the impoverished won't rebel against the power. Real pay in the US is declining and the price of education is escalating. 40 million Americans rely on the government for food assistance via food stamps.

The 'food stamps' are actually debit cards issued by JP Morgan bank. Human suffering profits the banks. Current unemployment is double digits and home foreclosures are still setting records. It is estimated that one million homes will be foreclosed in the US in 2010. There are another 5 million that are considered 'seriously delinquent. Poor people fight for crumbs. ***Check.***

Immigrate

Unfettered immigration dilutes the culture and creates a need for government assistance. Dual language programs. More public food, housing, health care education and public "non-partisan". Government assistance is administered at a great cost. Liberty. ***Check!***

Indebt

Those who avoid any of the above, will surely fall victim to indebtedness. From the institutionalized lie that we could all live better if we just had access to more credit, our society has become more indebted than ever before. Citizens and sovereign nations alike have spent more than they can ever repay.

Who supplied the credit? The banks. Where did they get the money? They invented it. Who supported these banks — the government. How did they talk us into accepting the debt? They made it sound like there was no risk. Why was there no risk? Because derivatives were invented to diminish credit risks. Infinite debt can no longer 'break the bank'.

As long as the interest coupon on the debt can be paid each month, the derivative world can keep the debt afloat. Hopeless indebtedness results in a transfer of assets from the indebted to the lender. The lender maintains full power over the indebted. The US is now more than $13.2 trillion in debt. *Check!*

Enslave

Once society is completely and hopelessly indebted, it is therefore enslaved. Once society gets to this point, no one will know, or care, whether 'enslave' starts with an 'I' or an 'E'. When the nefarious emperor cracks the whip, society complies. Slaves have nowhere to run and no weapons with which to fight. Their intellect has been stolen and their leaders have defected. When the US economy faced a financial 'catastrophe', Congress surrendered the Treasury (the gold) to the banks. No bullets were needed. Mao lost. Goebbels won. *Check!*

New Gold Rules

Welcome to the new order of the 'illuminati'. The enlightened ones now exert more and more power in their efforts to control the world. Money is power and infinite money is infinite power. It is only possible through derivatives. One can debate the existence of a physical illuminati body. One cannot debate the footprints of such intent. We are gradually moving towards one government and one bank. There is a strategy in place. Sadly, I don't believe there is enough Jeffersonian intellect nor enough Jacksonian courage to repel the forces intent on driving us into the abyss.

Action and Reaction

Now what do we do to invest our clients' money? We know that total power resides in the hands of central bankers. That power will not be challenged because a large part of the population is too ignorant to understand who is holding their leash and rest of the population is enslaved by their debt enabling investments. Those investments are totally controlled by the central banks in what used to be called a 'stock market'. Let's just be honest and call it what it is — a 'casino'. With no Fed to goose indexes higher, where might they go? What supposed investing 'skills' do most people really have? To understand what to expect in the future, let's look at the past few months.

The Dow rolled over in late April and experienced a 10-minute 'flash crash' of 1,000 points on May 6, 2010. I say the ECB liquidated stocks to prepare a Euro-bank bailout but truth is the enemy of the state.

(European Central Bank, located in Frankfurt. Anyway, as always, the other central banks responded with the ECB announcing a trillion dollar bailout of the Euro-banks. The Dow immediately rallied back up some 800 points. Bear in mind, this was in response to the paltry $30 billion that Greece could not repay. Given the reality of a bankrupt world, the Dow made a lower high, then gave up the gains and made a new low in the now evident down-trend (lower highs, lower lows).

To arrest this decline (and pretend that all was well), the Plunge Protection Team (PPT) orchestrated a 125-point rally in the final 30 minutes of trading on May 21. Two days later, the Dow made a new low and was off 250 points before the PPT brought it back at the end of the day once again. The Treasury auction another $110 billion in debt (as if it matters anymore). June opened with the Dow losing another 400 points (a lower low) until the ECB said they would in fact start buying Euro-bank debt for the first time ever. The Treasury auctioned another $70 billion in debt and the Dow rallied 500 points over the course of a few weeks.

But, reality is a bear and the Dow rolled back over (after making a lower high) going down into July. The Dow made yet a new lower low on July 2. After the July 4 holiday, the Dow opened on July 5 and went down 150 points only to recover it all plus some including 60 points in the last ten minutes. Presto! Another rally was on! To emphasize the rally, on July 8, the PPT tacked on 80 points to the Dow in the final hour of trading. 25% of the total intraday volume came in that final hour. Obviously a rally ensued and so on. When it looked doomed for failure, the PPT jolted the Dow up some 100 points in the final hour of trading on July 15. Will it hold? The last lower high for the Dow was about 10,500. The PPT needs a close above that mark to end the down-trend. We shall see.

What's the Point?

The point is this. The casino is now controlled by the central bankers who only act when the casino lights begin to flicker. They jolt the indices with buy programs and instigate rallies. Why? The casino is the ultimate illusion. As long as the casino keeps the lights on, the part of society that is not yet institutionalized thinks they have a chance to make the slot machine pay off. Occasionally, the perpetrators allow three oranges to appear. They have to. Otherwise, we would all go away and they couldn't even afford to keep the casino operating.

We either believe the illusion or not. If so, we keep playing. If not, the PPT 'creates' a winner replete with buzzers and whistles and pontificators and prevaricators blaring the virtues of investing right down our greedy little ear canals.

If we plan to keep any of our gold, we must understand the rules of the war. Investing has changed so that we must now be in sync with the manipulators that have all the power. We must be in and out with skilful deftness. Or, we can choose to remain seated while the manipulators draw three oranges on the board.

New Rules. Forget "investment fundamentals". They are meaningless. Besides, they are all made up and manipulated. Every casino rally now comes from a central bank action. Every action comes at a casino dip. If you think you are investing for the long run, remember this. Once the illuminati captures all the gold, they will no longer need to keep the casino open. Checkmate! Enslavement is a lie. Truth cannot be enslaved. Pass it on.

Barry M. Ferguson, RFC®

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

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RIA Retainer Clients

Do you remember Sergeant Joe Friday and Dragnet? It was a groundbreaking drama first on radio and then on TV in the 50's and 60's. You may not know that it originated this line which now has a life of its own, "Ladies and gentlemen, the story you are about to hear is true. Only the names have been changed to protect the innocent."

Here is a similar introduction to the not so fictional story of financial regulations for RIAs. The story you are about to hear is true. There are no innocents!

The city: Washington, D.C.
The date: July 21, 2010.
The time: 12 Noon and 2:00 PM, respectively.
The place: The White House, and afterwards, the SEC Headquarters Building
The first event: The President signs the Dodd-Frank financial reform package
Next: Two hours later the SEC votes to adopt the new Form ADV, Part 2

Everyone reading this memo feel the impact of these changes. July 21, 2010 will be arguably one of the historic days for anyone under RIA compliance obligations. Let us look at the two separate events systematically.

A. Dodd-Frank Wall Street Reform and Consumer Protection Act

President Obama signed the new financial reform legislative package into law and it will go into effect sixty days from the date it appears in the Federal Register. If as expected, it is published in August then it will become effective on about October 1, 2010. This legislation is complex and detailed as it makes changes to the Federal Reserve System, the CFTC, the SEC, the Treasury and other agencies. It dictates how all these organizations can and will do business. As you most likely know, it also creates a few new federal agencies for consumer protection and grants much more power to the "fed".

For purposes of RIA compliance, there are three areas that you need to know about and to start considering right away:

1. RIA Registration Eligibility: $25 Million/$30 Million Standard Raised To $100 Million.

Under current law, an Investment Advisor with less than $25 million under management is not eligible to register with the SEC but must register with the state. An Investment Advisor with more than $30 million under management must register with the SEC. An Investment Advisor with more than $25 million under management but less than $30 million under management may register with either the state or the SEC.

Dodd-Frank raises the eligibility amount of assets under management to $100 million for SEC registration.

- If you have less than $25 million under management, the new law will not affect you and you will stay registered with the state.
- If you have more than $100 million under management, the new law will not affect you and you will stay registered with the SEC.
- If you were getting close to the $25-$30 million and thought you would be going to the SEC — that deal is off. You will need $100 million under management to go to the SEC.
- If you are SEC registered but have less than $100 million under management, you are going to be "asked to leave the club". You will no longer be eligible for SEC registration and must go back to state registration.
- If you must register in more than fifteen states, you may stay with the SEC.

Timing: If you must change your registration, you will have one year from the effective date to complete your change from the SEC to the state.

2. Uniform Fiduciary Standard of Care

Many of you have been closely following the issue of a level playing field between Investment Advisors and Registered Representatives of broker/dealers. As a fiduciary, Investment Advisors must always place the interests of their clients ahead of their own. On the other hand, Registered Representatives are not under any duty to place client interests ahead of their own.

This topic has received a huge amount of press over the last eighteen months. Most observers and commentators had believed the new law would cover Registered Representatives under this law as fiduciaries. However, it did not happen… at least not yet.

What Dodd-Frank does instead is "kick the can" down the road. What the Congress did with this issue is to direct the SEC to "study" this issue and compile a report with suggestions about what to do to address this issue.

The SEC, after conducting a study, will have the authority begin rulemaking to address the legal or regulatory standards of care for broker-dealers, Investment Advisors, and their respective associated people for providing personalized investment advice about securities to retail customers.

In addition, the SEC has the authority to promulgate rules to provide the standard of conduct for all broker-dealers and Investment Advisors, when providing personalized investment advice about securities to retail customers. The standard is to act in the best interest of the customer without regard to the financial or other interest of the broker-dealer or advisor providing the advice.

3. Are Arbitration Clauses on the Way Out?

Securities regulators have never liked arbitration clauses in investment advisory agreements because they feel that investors often do not get an impartial hearing. Statistics which show that industry members historically "do better" than do claimants supports this feeling. Initially the anticipation was the use of arbitration clauses in these investment advisory contracts would be deemed illegal. However, that did not happen. Congress directed the SEC in the final bill to "study" this issue and report. In essence, the SEC has the authority by rule to prohibit, or impose conditions or limits on

the use of agreements that require clients of Investment Advisors to arbitrate disputes.

B. NEW FORM ADV, PART 2.

Dodd-Frank will not affect everyone reading this memorandum. However, the new Form ADV requirement will affect everyone. Consider this: Please take your current Form ADV, Part II and look closely at it. As you can see, it has Pages 1-6 and Schedule F. Pages 1-6 are the "check off the box portion" and Schedule F contains textual disclosures.

The new rule **eliminates** pages 1-6, the check off the box portion of the Part II. The Schedule F portion, the textual part, will probably need to become at least 3 to 5 times as long since the new Part 2 calls for much more detailed disclosures. In essence, the new Part 2 will be a total narrative much like a prospectus. In addition, for these detailed disclosures, the SEC stresses that it must be in "plain English".

As a practical matter, advisors must prepare a narrative, plain English, brochure, presented in a consistent, uniform manner that will make it easier for clients to compare different advisors' disclosures. In addition, advisors must provide each client an annual summary of material changes to the brochure and either, deliver an updated brochure or offer to provide clients with the updated brochure.

This changed version, Form ADV, Part 2A, must address 18 separate items *(see box at bottom of page)*.

TIMING: As always, you must file the "Annual Updating Amendment" within 90 days after the end of your firm's year. The next time that you file, you must file the "Annual Updating Amendment". Your Form ADV, Part 2A must be a special addressable IARD oriented PDF file and filed on IARD as part of your Annual Updating Amendment. Without the Form ADV, Part 2A, the filing is not complete and will not be accepted.

Only the Form ADV, Part 2A is on IARD. However, there will also be a Form ADV, Part 2B. In effect, advisors will also have to deliver "brochure supplements" to new and prospective clients providing them with information about the specific individuals who will provide services to clients. The Form ADV, Part 2B Supplement will contain brief résumé-like disclosures about the educational background, business experience, other business activities, and disciplinary history of the individual and include contact information for the person's supervisor.

Jeffrey B. Kelvin, JD is president and Chief Operating Officer of Financial Planners Assistance Corporation, a south Florida based national compliance service support firm.

Mr. Kelvin formed Financial Planners Assistance Corporation in 1982 after he realized that there was a need in the financial services community for support and assistance specifically geared toward the needs of RIA firms as well as their investment adviser representatives and registered representatives of broker/dealers.

Mr. Kelvin has written dozens of books and articles on regulatory compliance. The first, The Financial Planner's Handbook to Regulation and Successful Practice, Dearborn Publishing, has become a staple in the investment advisory and broker/dealer firm.

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1. Cover Page (which reflects certain specific mandated information about your firm)
2. Material Changes.
3. Table of Contents
4. Advisory Business Description
5. Fees and Compensation
6. Performance Based Fees (if any)
7. Types of Clients
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9. Disciplinary Information
10. Other Financial Industry Activities and Affiliations
11. Code of Ethics Description (participation or interest in clients transactions)
12. Brokerage Practices (including soft dollar and directed brokerage)
13. Review of Accounts
14. Client Referral Arrangements
15. Custody
16. Investment Discretion
17. Proxy Voting
18. Financial Information (if you charge more than $1200, six months or more in advance)

The Producer's Guide to Asking Questions

*NOTE: Pam and I are psychologists, so we ask a lot of questions. As business psychologists, we ask a lot of different questions. As trainers and coaches, we teach professionals the **right** way to ask questions. This is truly a vital skill. Your ability to ask the right questions at the right time determines the degree of receptivity you'll get from your prospects.*

Why Use Questions?

You want to use questions because they work! Asking the right kind of question at the right time can get people to listen to you, when they wouldn't otherwise want to. Learn to ask the right questions, and you can turn a negative situation into a positive one. And, while those are all positive outcomes, here's one even better — the person who asks the questions **controls the situation**.

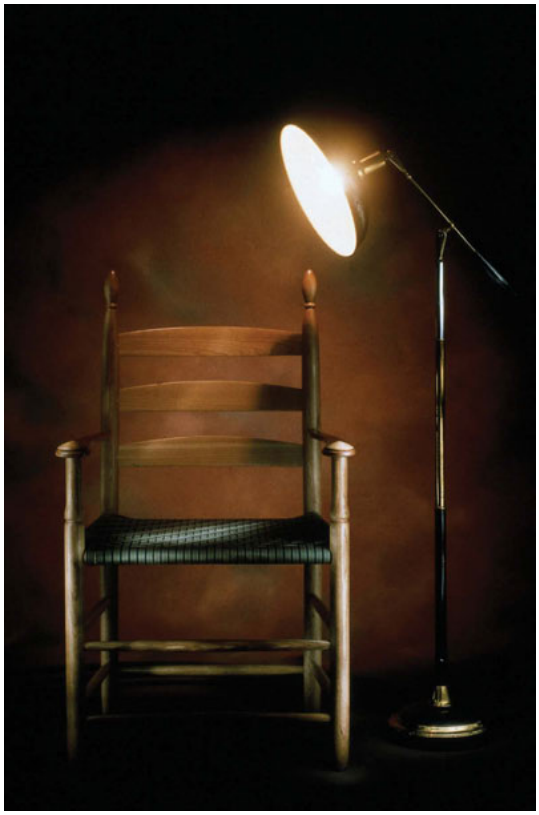
If you're only using the basic fact-finding questions, you're losing a huge opportunity to improve results! If you're asking those big, open-ended questions, you could be shooting yourself in the foot. But, for now, let's look at why you should care to ask the right questions at the right time.

What Do Questions Do for You?

1. **Questions help build rapport and trust.** They show people you're listening to them and are genuinely interested in what they have to say. Questions provide a perfect way to introduce yourself, your services and tie those services directly to what matters most to your client.

2. **Questions help people self-discover you.** This is a critically important variable in the effectiveness of any communication. Simply telling me about a feature or benefit will have far less influence on me than if I discover it myself.

   Questions enable the self-discovery process. They get people to persuade themselves, and research shows that approach to be most effective. The bottom line — people believe what they say, not what you say. But, changes are slim that they'd say it unless you ask the right questions to give them the opportunity.



3. **Questions help keep you focused.** Questions lead to quality listening. They make it easier for you to concentrate on what's most important in the situation, and they help keep you focused. When you focus on the answers, it's much easier to see opportunities to ask follow-up questions.

4. **Questions enhance your credibility.** They make you look smart, self-confident, interesting and interested in who you're talking to. They give you an opportunity to show your wisdom, expertise and experience without pontificating or running off at the mouth.

How Do Questions Work?

What is it about questions that makes them so effective? In order to understand how questions work, let's look at what happens in our brains when someone asks us a question.

1. **We are compelled to answer.** There's something in our makeup as humans that causes a sort of automatic answering reflex to kick in the instant we hear a question. It's related to our need for completion. A question is like a joke without a punch line. It's incomplete without an answer, and the other person starts to fill in the blanks to complete it..

   Warning: The question must be the right kind of question, asked at the right time. Otherwise, you risk invading the prospect's personal space.

2. **Questions stimulate the brain.** Using PET scans, researchers have discovered that questions stimulate the new brain or neocortex. PET (Positron Emission Tomography) produces a three-dimension image of the functional processes in the body — in this case, the activity within the brain. Larry Wilson, author and founder of Pecos River Training explains, "Our old brain that's been around for millions of years, is the part that runs by instinct. That's the part that animals have. Animals don't ask questions! The purpose of our 'new brain' is to override and challenge our old brain and we do that by asking questions."

3. **Questions get through a person's mental filters and defense mechanisms.** Each of us has a unique set of mental filters through which we see the world and filter incoming information. That information is either retained, deleted or changed. Questions help you increase the odds your messages get accepted and retained. They accomplish this in two ways:

   1. Answers to your questions help you determine the other person's mental filter configuration, so that you can talk in that person's natural "language."

2. Questions help you build rapport and trust which directly effect what gets received, and what gets deleted.

Warning: The question must be the right kind of question, asked at the right time. Otherwise, you risk getting deleted.

What's the Best Question?

There is no such thing as THE one question that will get your clients to open up or trust you. It doesn't work that way. Additionally, you cannot use a scripted set of questions with every prospect in every situation.

Asking questions in a business situation is truly an Art and a Science. It's an Art in terms of knowing what to ask and when. That's based on the other person. It's a Science from the standpoint of why you use questions — how they work and what happens in the brain.

Long-answer vs Short-answer Questions

Most salespeople have been taught to use open-ended questions, the ones that elicit a long answer. The idea is to get people talking and involved. "What are you goals for your retirement … What do you want to leave as a legacy for your heirs?" Unfortunately, sometimes those long-answer questions are too open, too big, too invasive. Far too often, producers ask them too early in the conversation — before they have earned the right to ask them.

Pam and I teach our clients to think in terms of adding points to an account. Call them "Connectivity Points." You have to visualize the new relationship with that prospect as a path. Each additional step gives you a point. But, points can be taken away by asking the wrong question at the wrong time.

Principle: Asking open-ended questions too soon can easily detract from your relationship and credibility. Open-ended questions definitely have a place, but the key is to ask them at the right time.

Before your clients will trust you enough to answer a question that starts with "What's important to you about _____?" they must perceive you as safe, credible and trustworthy. Opening your conversations with such an open-ended question does little to establish your safety, which is key to establishing credibility, which is key to establishing trust. The question may be OK, it is the timing and placement that must be right.

The Right Strategy

If I come into your home as a stranger and begin asking questions, what questions would you feel most comfortable with first? They are questions that require a short answer. They're questions that elicit a Yes or No answer.

Once you sense that the prospect is freely and comfortably answering those questions, you've gained enough points to ask questions that require a longer answer. Those questions are based on What and How.

If you can methodically build your conversation to that point, you will have the highest probability of turning that prospect into a client.

Your Reward!

If you like what you just read about questions, then you might want to read our white paper: "The Producer's Guide to Asking Questions." To get your FREE copy, just send me an email, and please let me know that you found us in the *IARFC Register* Send it to me at: michael@aboutpeople.com. I'll personally send the Guide to you.

Michael Lovas

Michael Lovas is the author of ten books, three columns, and a thousand articles on Professional Credibility and the Psychology of Communication in the financial industry. He's the co-founder of AboutPeople and the pioneer of Credibility Marketing. Find Michael's books at: http://www.aboutpeople.com.

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Cutting Edge Choices For Your 50plus(+) aged Prospects That Always Beat Your Competition

Selling long-term-care insurance has always been lucrative, but it's more challenging today. There's more competition, more products choices, and your 50 or better-aged prospects and clients are being deluged. Buyers tend to be more educated and are skeptical, given the economy and their worries about the next 25 years. Many have already talked to an agent or advisor. So how do you WIN at the sales game in today's environment?

The low-hanging fruit for LTCI sales was picked 10 years ago, but there are still plenty of golden apples on the tree. You just have to know where and how to harvest them — and be better at offering choices that FIT for your prospect's budget and their plans for the future.

People can buy LTCI, annuities and life policies from anyone. To get them to buy from you, you'll need to fine-tune your relationship skills and offer more innovative solutions.

Put the Client First

As a cutting-edge advisor, you'll need to listen more. You'll discover and show your prospects the NEED they have for both long term care coverage and critical illness insurance. Be an advisor that brings in innovative solutions and presents those solutions with confidence, knowing that those solutions fit perfectly with what your client or prospect told you.

Remember, the best salespeople on the planet have learned the techniques of mirroring back in the sales process. By mirroring, you'll demonstrate that you have listened, that you put their needs in the #1 spot, and by doing this, you'll establish Trust — the basis of all great sales relationships.

Unfortunately, many insurance company's training programs are too product-focused. Yes, you do need to know your products inside and out, but that's only the start. Don't go into any sale with your "product hat" on. You never want the prospective client to see you as a product pusher just looking for the next sale.

Instead, you want to be positioned as an advisor who will search for and find the best solutions available for that individual client or prospect who wants to buy. It's all about clients and their needs — it's not about you or any of the products we can sell.

Step #1: The key to a sale is to create **NEED** in the prospect's mind. No need, no application. It's just that simple.

To create need, you must take the prospect into the future and help them to envision a time when his or her health is changing. Usually, the older the prospect, the easier that job is since their friends' health has changed and probably so has theirs. A 70-year-old can more easily envision that than the average person who's 55, unless they've had major illnesses in their family or have watched their parents' health change.

Still, at any age, you can easily run into a wall of denial — "That won't happen to me" — is the song playing in their minds, particularly among men.

Aim for a bullseye and ask your prospect "What are your plans for WHEN your health changes?" It's powerful. Be sure to look your client square in their eyes when you ask that question. This starts to punch the first hole through their wall of denial.

Step #2: Once you've established need, then you can offer various solutions, which might call for critical illness coverage, LTCI, life insurance, annuities or one of the newer combination products. Determining what's most appropriate first gives you an edge over someone who's only focused on selling LTCI and who also assumes that one size fits all.

Innovative Products Get their Attention

Critical illness products are starting to emerge in the U.S. and they offer some real advantages if you're selling to doctors, dentists, chiropractors, owners of dry cleaning stores, etc. Those individuals may not have been able to get enough disability coverage so a critical illness policy that pays them one lump sum of cash to use when they have a heart attack, cancer, or a stroke makes absolute sense. The money they receive from the insurance company can be used for anything — family bills, cash flow needs at their business, even a vacation. It's completely up to them. Only one claim has to be submitted.

Everyone can imagine having a having a heart attack, cancer, or a stroke, but those

same business owners fully expect to go back to work later on too. It's the easiest sale you could make and fits a real need that they can envision. Even better, with the American General critical illness product, if the policyholder doesn't use their critical illness benefits, at age 70, those benefits change into a pool of money that they can access when there is a permanent loss of 2 ADLs. Voila! Your client now has long term care benefits and every male can understand its importance. Currently you have to buy this policy before age 65 with every company, but American General is the only company that allows the policyholder to keep their benefits for life. If the critical illness benefits aren't used and the LTCI benefits aren't used in the policyholder's lifetime, then all premiums are returned to the estate after the policyholder's death. Now isn't that the best?

Life Insurance is Different from LTCI

Have you sold lots of life insurance, but stumbled with the LTCI sale? Then why not explore the newer life insurance policies that are offering an accelerated benefit which permits the policyholder to access a portion of their death benefits to pay for long term care costs?

A client or prospect's ears will perk up when you mention this. If they need to use part of the death benefit to pay for long term care costs, they certainly can. But, if paying for long term care never happens to them, their beneficiaries will receive the full death benefits from the life policy you sold them. For all of you who sell tons of life insurance and love that sales process, this product gives you even more opportunity to service your clients with a cutting edge solution that your client hasn't heard about before.

Coping with the Impartial Health History

If you discover during the health interview of your client or prospect that there are major health issues, then it might be appropriate to offer an annuity to them. Point out in the Disclosure section of most every annuity today that if they are confined in a nursing home for more than 90 days, they'll be able to access the entire balance to pay for care, and NOT have to pay any surrender charges either.

Most clients and prospects have no idea about this. So be the innovative advisor that provides the solution of paying for long term care to these individuals. They'll thank you over and over for this idea. Putting aside a portion of their financial resources just to pay for care makes absolute sense. And, if the client doesn't need to access this money to pay for care, their money is growing steadily over the years and will be paid out to their beneficiaries after their death. It's a WIN for the client and a WINNING sale for you too!

Adopt a More Flexible Approach

While the cost of long-term care is the biggest financial risk facing the 50 plus (+) aged group, traditional LTCI policies aren't always the best or most appealing solutions — especially with today's higher premiums and the ever-present resistance of the need for long term care coverage. Reviewing the prospect's whole financial picture will help you to develop the best alternatives that fit completely with their needs, wants, and fears.

By offering these solutions, you position yourself as an Advisor who's known for offering innovative solutions that the consumer hasn't heard about from other competing advisors.

Marketing savvy and top-notch face-to-face sales skills plus product knowledge will put you in position to harvest the gold in today's marketplace.

Wilma G. Anderson, RFC®

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

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How's Your Attitude?

Of the many words in all the languages of the world, what word would you say is the most important when it comes to this business of selling successfully?

Well, according to the experts, the word is ***attitude***. It's a fact that this word — or rather, what we mean by this word — will determine, more than any other single thing, what happens to us. The dictionary defines the word ***attitude*** as a noun meaning "position, disposition, or manner with regard to a person or thing."

And it is our attitude that determines what happens to us in selling. As William James of Harvard once put it, "It's our attitude at the beginning of a task which, more than anything else, will affect its successful outcome."

What this means for financial professionals is that the kind of attitude we have when we make the initial contact with a prospect will determine to a large extent whether or not we'll be successful on that call.

Each of us has a choice, no matter what the circumstances may be, to be either positive or not. To not convey a positive attitude will be perceived by others as your having a negative attitude. No one wants to do business with someone that has a negative attitude.

There is absolutely nothing to be gained by not being enthusiastic, so why even consider it! If you keep the right attitude, it's amazing how quickly the "audience" changes — how sales start to go your way — and how lucky you seem to become.

Positive results make selling more enjoyable, and positive thinking leads to positive results. We become what we think about most of the time.

Philosophies for keeping your thinking correct:

It can be done! Make this your motto.

Use perpetual optimism as a force multiplier.

Be careful what you choose — you may get it!

Don't let adverse facts stand in the way of a good decision.

Check out the small things. Details really count!

Don't take counsel of your fears. Remain calm.

Share the credit with others. It will increase, not diminish, your image!

Avoid having your ego so close to your position. When your position falls, your ego goes with it.

Sometimes being responsible means people will be mad at you.

It ain't as bad as you think. It will look better in the morning.

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

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

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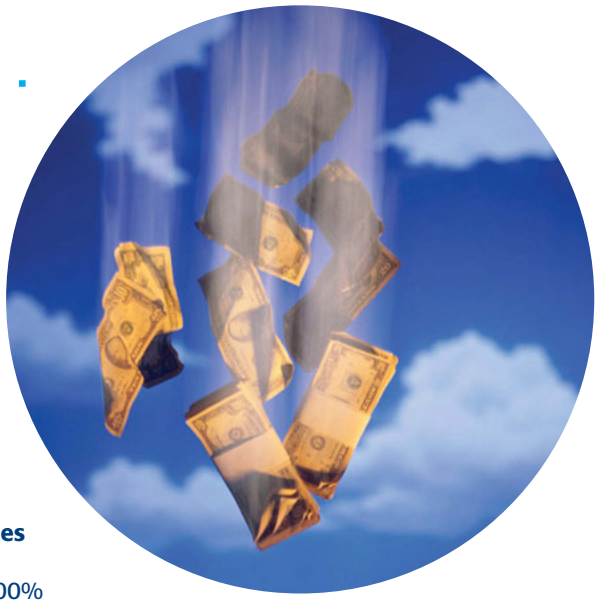
The Bigger They Are… The Harder They Fall



Back in 1990 when I worked with one of the nation's leading money managers, he showed me some IRS statistics that confirmed this fact:

"Less than 1 out of every 100,000 investors will pay taxes on more than $1 Million of stock market gains throughout their entire lifetime."

The two biggest reasons I believe most investors fail to achieve this level of significant long-term investment success are:

1. They are unable to avoid large losses during Bear Markets.
2. They fail to take advantage of the mathematical advantages the stock market will occasionally provide.

When I refer to mathematical advantages in the stock market, what I am referring to is the fact that:

- The stock market bears ***mathematical*** downside risk.
- The stock market affords ***geometric*** upside potential.

To help explain this, here is an easy-to-understand example. Let's assume a stock declines from $200 a share down to $100 a share. This creates a **-50%** loss in the value of this stock. However, if this same stock rises from $100 a share up to $200 a share, this creates a **+100%** increase in the value of this stock.

With such an important topic to fully comprehend, take a look at this concept in greater detail.

Mathematical Facts and Examples

- If you **lose 50%** – You must **gain 100%** – Just to get back to **even**
- If you **lose 40%** – You must **gain 66%** – Just to get back to **even**
- If you **lose 30%** – You must **gain 45%** – Just to get back to **even**

See the box below for two real-life examples from the past decade, where I will be illustrating this math using a hypothetical portfolio of $100,000:

So as you can see, the single biggest threat to your ability to create substantial long-term growth is suffering large losses during major Bear Market declines.

Two Key Mathematical Disadvantages to Avoid

So as you can clearly see, in addition to the obvious loss of capital, large losses create two equally important "mathematical disadvantages":

Disadvantage #1: Suffering a severe mathematical decline requires geometric growth. As I illustrated above, if your investment portfolio experiences a 50% decline in a major Bear Market, you will need to double your money, or gain 100%, just to get back to break-even.

Disadvantage #2: By suffering large losses, you are unable to take full advantage of the geometric growth potential in the Bull Market periods that always follows Bear Markets. The geometric upside growth potentials in the examples above ranged from 100% to 500%.

How Does This Relate to Today's Market?

If we go back to November of 2009 when the DJIA first reached the 10000 level, it took **nearly 6 months** to rise above the 11000 level. So it took about 6 months for the market to increase **+10%**.

However, if you overlook the intra-day 1000 point plunge that took place in early June of 2010, **in just 3 weeks** the DJIA dropped back to below 10000, which amounts to a loss of about **-12%** .

In Summary, What Should You Take Away From This?

With a market rise that has been accompanied by the weakest internals in history, particularly the market's volume, and with the significantly increased volatility as of late, I firmly believe the market is speaking a message that is very loud and clear;

"Right now is one of the most dangerous times to be an investor aggressively

Two Real Life Examples

The Nasdaq Math Example #1:

Nasdaq Bull Market from 1998 to 2000 (approximate figures):
- Nasdaq increased from approximately 1000 to 5000, or **+500%**
- $100,000 portfolio grew well in excess of **$500,000**

Nasdaq Bear Market from 2000-2002:
- Nasdaq plummeted from 5000 back to 1000, or down **-80%**
- $500,000 portfolio declined in value back to **$100,000**

The DJIA Math Example #2:

DJIA Bull Market from 2002-2007 (approximate figures):
- DJIA rose from 7000 to 14000, or **+100%**
- $100,000 portfolio grew to approximately **$200,000**

DJIA Bear Market from 2007-2009:
- DJIA plunged from 14000 to 6500, or **-55%**
- $200,000 portfolio declined to **$90,000**

positioned in equities. For over a year now, the market has been slowly climbing higher, largely in one direction. During this slow and steady rise, the volume and volatility have been historically low, and most investors have been lulled into thinking the waters are safe.

However, in recent weeks, the market has reminded us that there will always be movements in both directions. Furthermore, every time in history these market movements have been extreme in either their duration or percentage change, they have always been followed by an extreme movement in the opposite direction.

So there is absolutely no doubt in my mind that the market is proving, yet again, just when you think the waters appear to be safe, the most dangerous times inevitably lie directly in front of you… that is, if you are looking forward."

Come On In, The Water's Warm… They Say

Given the dangers that lie ahead, hopefully this helps you understand why I am fully focused on taking advantage of the mathematical advantages that the stock market affords us.

In other words, as the internal condition of the market continues to "pull the stock market back into the dangerous waters", we will continue to remain in a safe place, keeping our eyes wide open, and looking straight ahead for that beautiful window of opportunity for geometric growth potential.

I believe the investors who will be rewarded are the ones who have been patient waiting… while the others swim gleefully in the waters and encourage you to come join them.

Christopher Hill, RFC®

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Coaches Corner

The IARFC is pleased to provide contact information on persons who offer coaching, mentoring or tutoring services. Some extend free time or a discount to IARFC members. This listing is not an endorsement or guarantee — as RFCs are qualified to judge who can help them in the areas where services are most important. This roster is alphabetical by last name.

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Is Your Practice Customer Centric?

Relationships are key. Companies spend a fortune on Customer Relationship Marketing programs to build those relationships. In turn, those CRM-centric relationships are fundamental planks of brand loyalty. They justify loyalty and they amplify loyalty.

And loyalty matters. According to business trade publication *Brandweek*, 76 percent of consumers across all demographic groups consider a product's brand before making a final product selection. The same holds true when a consumer acquires, switches or retains a professional service — loyalty is the first consideration.

The average cost for acquiring a new customer is approximately five times more than keeping an existing customer for almost all industries and professions. Therefore, building brand loyalty can save your organization up to 500 percent on new customer acquisition costs, year-after-year.

Brand loyalty is the repeat purchase made or a professional relationship that is sustained by the consumer out of commitment to the brand. Brand loyalty is evident when the consumer deliberately chooses a brand from a set of alternative brands rather than simply through inertia — there is inevitable overlap between habit and loyalty.

Brand Purchasing is where a prospect identifies with a brand so strongly that he or she significantly reduces all shopping efforts and merely makes the purchase decision based on brand. Furthermore, this purchaser is positively oriented to having a good purchase event, and is for more likely to be a sustaining customer. **Branding greatly simplifies the purchase decision.**

Brand Building is an evolutionary process. When a consumer develops loyalty towards a brand he/she develops a favorable attitude towards the brand resulting in commitment. When the customer becomes emotionally rather than merely intellectually vested in a brand, loyalty to the brand becomes cemented. This is why many highly successful financial advisors plan some type of event for clients that is not focused on business. They want to extend this bonding/branding from merely business to the emotional level. Respect becomes trust and trust turns into loyalty. This is client retention at its best. However, it can set the stage for disappointment if there is inadequate or unfeeling follow-up by the advisor or staff.

Customers will buy products or services if there is true or perceived differentiation, a high level of service and consistent value Brand differentiation pivots on a firm's ability to meet customer needs on that emotional level, rather than merely an intellectual level.

But functional differentiation is inevitably short-lived. Your attempts at branding and loyalty creation can typically be replicated by rivals. You must expect them to try. If you build a pizza brand based on one concept, such as fast delivery, you can expect competitors to try to steal it with — you guessed it — faster delivery. So, rather than fast delivery, you would want to build your brand based on delivery that's fast, hot and savory. Now, that's pizza!

Every type of enterprise (including broker dealers, agencies, banks, trust companies and consultants) needs to be able to execute customer service at a consistently high level — hence the value of aligning your Client Relationship Management (CRM) strategies correctly to create a quality of ***service differentiator***.

There are good examples of how CRM can be used to boost brand loyalty. For example, L'Oreal, the world's largest beauty, skin care and cosmetics company wanted to broaden the scope of its luxury products marketing to shift the focus from products to customers. The firm operates in a highly-competitive marketplace for luxury beauty products where customer retention is a key performance indicator.

It standardized on Siebel CRM and Analytics software, the steady use of which resulted in greater customer loyalty. As well as improving customer brand loyalty, L'Oreal benefited from an improved response rate and lower cost of direct mail. It gained a consistent 360-degree view of its customers across multiple channels. Most importantly, L'Oreal can now classify 'value customers' more easily and retain them, further boosting brand loyalty.

Annual purchase of L'Oreal products per customer were increased by more than 30% the first year and by more than 62% over prior second year expectations.

What is premium pricing related to financial advisors? It may be to offer clients ongoing preferred service levels. (e.g. gold, silver and bronze) at a graduated fee (such as 300, 200 or 100 per month) for differentiated levels of service.

The ultimate goal of branding is to create loyal customers. With loyal customers, marketing is easier, selling is faster, premium pricing is more acceptable, repeat business is extremely higher, and positive word of mouth helps generate new business.

From a marketing perspective, well-branded customers build a relationship with the brand and often become advocates of the brand by word of mouth, which results in further strengthening the brand.

Action Branding. Personal Service can be branded just as effectively as a product – it must be a bit differently applied. When all branding and promotion effort is on one advisor — it can easily be interpreted as ego-centric. Nobody likes a braggart! The branding must be on **Smith Financial Advisors** and not just on **John Smith**. Images and identity should extend to Mary Brown the Client Service Manager, Mildred Jones who manages all investment reports and records and Tommy Smith who organizers seminars and frequently participates in client meetings and all the hospitality functions. Yes — all the professional accolades of John Smith as he earns new designations and honors are part of strengthening the brand — but they must fit into an overall customer-focused Smith Financial Advisors brand image.

Consistency Counts! Delivering a consistent customer experience across markets is essential for building a strong brand. Initially brand loyalty is most likely to stem from functional benefits, but the relationship that develops is likely to go beyond this in a short space of time.

So what does it take to strengthen brand loyalty? As noted above, delivering a high level of customer service and ensuring customer satisfaction are clearly the most powerful differentiators in the marketplace — cementing brand loyalty in the process.

Going back to basic principles. There are some fundamental tenets of brand building that apply. For a start you need to have a

proper identity to work with and to use as the springboard for unique positioning and differentiation. It must be nurtured and remain consistent at every touch point, inside the company and outside. There has to be a single, cohesive brand experience. For the customer, every touch point must work together to create that experience.

What's brand identity for an advisor? It starts with simple basic physical items: A logo that appears on everything, a service motto, consistent use of "signature" colors and typestyles. When you send a message to a client at home, in either a small or large envelop the client should instantly pull it from the stack, recognizing by your outer stationery that it is from you (one of their preferred brands).

And you (your brand) should carry with it the image of professional, valuable information and services. Envelop = valuable content from a known and respected source.

Differentiation is essential. Once you have that in place, you need to differentiate yourself. Focus on something that sets you apart from the herd.

Create a position. Positioning is the place a product or service occupies in the minds of prospects. Decide what position suits your background, abilities, and audience, then build the marketing and CRM strategies around that…

One lady advisor who had the RFC designation in addition to an MBA from a very prestigious school decided she liked lavender. Her stationery and business cards are all in pale, discrete lavender. She had 9" x 12" envelopes made in her signature color. Small labels, naturally in lavender, or with dark lavender border, could be affixed to any report or message she wanted to pass on.

She knew it was working when client's started to give her lavender scarves and bracelets. Soon she had a genuine leather lavender briefcase and yes — a lavender Acura. Her motto:

"It's not color, but careful consistent planning and execution that creates our happy and comfortable clients."

There are certain questions to be asked in order to align your CRM program customer loyalty activities and the management of your brand:

- What is the annual and lifetime value of your loyal customers? For a financial advisor this can be a very large number.
- How do you allocate marketing spending between loyal customers, in revenue and profits?
- What is your brand's (your clientele) level of repeat purchase and how does this compare to your industry average?
- What is the profile of your loyal customers? How do you acquire more of them?
- How well and how often do you reward loyal customers? Do you hold some type of appreciation event? If not, why? Do you have some other types of loyal customer rewards?
- What opportunities can you give to loyal customers to buy more from you?
- What opportunities or inducements will encourage loyal customers to recommend you more often? Referrals are the best and least expensive of avoiding the "Prospecting Roller Coaster"
- Have you learned all you can about the buying process from the incoming customers, e.g. what are they buying, when, how important is price as a factor and so on.
- Are there mechanisms in place to gather feedback at the end of the sale? E.g. how was the customers personal experience, any suggestions for improvement etc? Do you have Satisfaction Survey?
- Are you proactive enough in your customer outreach? e.g., do you contact customers on special occasions and ask directly if they would like additional services or to make additional investments as you prioritize your existing customers.

Continuity is Critical. Above all, be aware that this is a long game. It's going to take time. Don't confuse brand awareness with brand loyalty and certainly not with brand equity. Awareness is step one. If customers don't know you exist, they certainly won't consider you, but that's very different to having a loyal, long term relationship.

A CRM program that is designed just for financial advisors, can be of great help, but loyalty comes through experience and time. Sending frequent mailings, articles and updates is part of cementing a relationship, and it must be automated. But CRM technologies must be viewed as enablers that operate within the context of wider business strategies — valuable as a means to an end, but not the 'silver bullet' that some might claim them to be.

Think of your CRM software as a machine gun capable of firing hundreds of bullets. It is a useless weapon unless you have a large supply of bullets (i.e. letters, articles and checklists) properly positioned for access such as within an ammo belt or large bullet clip). This automated delivery of communications is referred to as a CRM "Action Plan" or a "Marketing Sequence".

Public Relations experts have always held that "Perception is Reality" meaning that what a prospect or client believes about you and your firm is far more important than the reality. You may be an expert on retirement plan distributions, but if your prospects, clients and other advisors do not know this, your expertise has no reality. It does not exist.

The Packard Motor Car Company felt that producing the finest car in America was enough. Plus, building the powerful motors that drove all the PT Boats in World War II was fame enough. So, they did not promote and polish their brand. They did not advertise. Anybody own a Packard?

Ed Morrow, CLU, ChFC, CFP®, RFC®

Ed Morrow is the chairman and chief executive of the IARFC and 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 one of the developers of the Financial Planning Process course materials and a frequent instructor, both nationally and in many countries.

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COMPLIANCE-FRIENDLY MARKETING

Your Lease Expensive Marketing Program – the Power of Saying Thank You

by Katherine Vessenes, JD, CFP®, RFC®

About twenty years ago, my life was changed dramatically by a sales trainer named Tom Hopkins. He had written a book, "How to Master the Art of Selling" that was so powerful, I read it a half dozen times, listened to his tapes over and over and went to every class he offered. His information revolutionized my business, and I still use and teach his techniques today.

At the time I was practicing law in a town of 3,000 people (and 12,000 deer) in Western Wisconsin. Much to my despair, no law firm would hire me, even though I had been a successful prosecutor, assistant dean of a law school, and was even on the law review. Apparently pregnant lawyers did not fit into the old boys club. Needing to work, I had one choice: open up my own law practice. I was determined build it up, using Hopkins' techniques.

I was particularly impressed with his thoughts on thank you notes. He is a big advocate and writes about ten notes per day. Did they work for him? So much so, by his third year as a realtor, his business was 100% referrals. I decided if it worked for him, it could work for me.

I sent thank you notes to any and everyone in that town: they included the shoe salesman who was nice to me when I brought in three rambunctious kids. I would send notes to other attorneys in town. I even sent notes to the physician's assistant in my doctor's office, because she knew I was on a tight schedule and would move me to the head of the queue. The notes were so effective, after a year of sending about three per day, my income, working part time in my own little practice, was as high as the big boys, working fulltime with their big corporate clients.

I am still surprised by the amount of money Superstars, advisors making a million dollars or more per year, spend on expensive marketing programs. Sometimes during the process of seeing their name on a billboard ($10,000 per month), or hearing themselves on the radio ($32,000 per month), they forget some of the most effective marketing programs can be the least expensive (about $100 per month).

Effective and inexpensive marketing programs have never been more important. The former president of Apple computer, John Sculley noted it takes sixteen times more financial investment to attract a new customer than it does to keep an existing customer.

According to a study conducted by the Technical Assistance Research Project in Washington D.C, there are fourive main reasons why any business losses a customer:

- 3% leave for convenience
- 9% leave for a relationship
- 15% leave because of problems with the product, price or delivery
- 5% leave for miscellaneous reasons, but a whopping
- 68% leave for the most important reason: perceived indifference – this group did not feel valued or appreciated.

If we want to keep our clients, make sure they feel loved and appreciated, encourage referrals, and do it all inexpensively, the best answer: the simple thank you note.

I have always thought that financial advisors were about ten years behind realtors when it comes to marketing ideas and systems. In this case, I think we are about twenty years behind. I only know one financial advisor who sends thank you notes – or to be more precise, his assistants send thank you notes. Steve*, sells very large life insurance policies. He learned the hard way, the cases were more likely to stay on the books, if he could help his clients avoid buyer's remorse. He does this by a high touch campaign after every large purchase that includes follow up phone calls and a few thank you notes. It is one of the things he does to get his income up to over $5 million per year.

We are such strong believers in thank you notes, that when H & R Block asked us to design their new sales strategy, we included thank you notes as a key part of the process.

How To Do Thank You Notes:

In case you were asleep when your mother taught you how to write thank you notes, here are some pointers:

Every card should have a minimum of three lines, a salutation and close. You can go up to five lines. More than that is a letter. A good format might be:

1. Gratitude for the kindness
2. Personalize the kindness
3. Reference to a future interaction.

Below is a sample note to the CPA who just referred you a new client, using the format above.

You will notice what is not in the note:

1. Personal information about yourself. This is not the time to brag about what your new baby is doing, or the latest award you have received. It is about the person being thanked.

2. There is nothing in it about specific investments or performance. You would never say "The XYZ Fund is a perfect investment for you and should easily meet our goals of 12% per year." First, this will drive your compliance officer crazy, and second, it is not the purpose of the thank you note. However, it is perfectly acceptable to send a note after a client has purchased something from you and thank them for that purchase. **Above is a sample of a purchase thank you note.**

Who gets notes:

My general rule of thumb: if they don't live under my roof, they get a note. Even my children, who are all grown now, get thank you notes from me, and they send me lovely ones, which I cherish.

When to send notes:

Whenever you can. Certain times should be part of your sales process: after each client meeting, after key phone calls, after investment purchases, after referrals, after reviews, whenever anyone does anything nice for you, and for older clients to remind them how much you appreciate their business.

I found when I set a goal for myself of 5 cards per day, I got creative on when to send them. One thing that has worked well for us, is taking a list of client addresses on our over-seas trips. Peter and I will always spend an hour or two in a coffee shop, looking at the ocean, writing postcards to business contacts and clients. We have a little contest to see who gets more postcards written. This little kindness is so rare now, it really makes an impression.

Key points to remember when using thank you notes:

1. Use nice cards or paper, of high quality card-stock. The thicker the better. Avoid the preprinted thank you notes as they frequently look tacky and don't always fit the occasion. Ebay has many online suppliers where you can order embossed note cards with your name or initials, very inexpensively. If money is no object, after all this is a lot less expensive than steak dinners at your country club, buy from Crane's online.

2. Use a nice pen tip in blue or black ink, to handwrite every note. Bolder strokes make more of an impact. Computer printed cards are never an option.

3. The cards are hand addressed and use real postage stamps, not your office Pitney and Bowes machine. To be frank, I would consider having the return address preprinted, or using a nice return address label. Never print the client's label on your computer and then paste it on the card.

4. Every card, no matter how many you send to the same person, includes your personal business card.

5. Set a goal for how many you (and your assistant) will send out each day. With each note taking an average of three minutes to write, five is not unreasonable. Even at a dollar a card, including postage, this costs about $5.00 per day, $100 per month.

About six months ago, I ran into an old friend, a realtor from Austin, Texas. He was telling me that he started using thank you notes again during a dry real estate period. "How is it working?" I asked. "Great," he said. "After doing is for sixty days, I was doing so much new business, I stopped!"

Final piece of advice — if this works as well for you as it has for me and many others, don't stop!

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).

In addition to her practice as an advisor, she continues to help other financial advisors increase the net income from their professional lives.

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Spotlight on IARFC Benefits:

Answers To Your Questions About CE

Amy Primeau, Domestic Membership Chair

Several times a week, we get questions about the CE requirement for the IARFC. As we enter the last quarter of 2010, it is a good time to refresh your memory about the requirements.

The IARFC requires each active member to complete 40 units of CE per year. A unit is defined as 50 minutes of attendance or application. This is the academic standard, and most programs are formatted to this structure. We know 40 units is more than most states require for licensing, and even more than required for other professional designations. The Association believes this is necessary so that you can provide the best service for your clients.

The CE recording period is one calendar year. The 2010 CE recording period is January 1, 2010-December 31, 2010. Each year, your renewal form asks you to certify that you have completed the 40 units in the preceding calendar year. Frequently, members call us to tell us they haven't completed their 40 units yet. If you are submitting your 2010 renewal; then we are asking you to confirm that you completed 40 units in 2009.

The CE record keeping is very easy. We created the 'Professional Continuing Education Record Keeping Requirements' form for you to use. This is sent to each member approximately one month after your renewal has been received. This form is also available on our website, under 'Application Forms'. Finally, you can always request a copy. The CE Record Keeping form not only lists the *12 different ways* to earn CE credit; it also serves as a place to log your CE. You are required to maintain records for two calendar years, beyond the year in question. For example, since members renewing for 2010 are being asked to confirm completion of 2009 CE; you should have records in your office for 2007, 2008, and 2009.

Prior approval by IARFC is not necessary. If you aren't sure if the event counts towards your CE, ask yourself this question, *"Does this subject assist me in serving my clients, in running my practice in an ethical and effective manner, or in acquiring new clients within a professional environment?"* If the answer is "Yes", then you can count the event. The only non-acceptable topics are organizational meetings or specific sales sessions offered by an insurance or investment company that review product details, placement procedures, operational supervision, or performance.

As a Financial Advisor, you are already doing a lot of CE. You are completing CE for any state insurance licenses, securities licenses, Broker/Dealers, and any other designations. The good news is you can count ALL of that towards your 40 units for the IARFC. I know I see many of you at Professional Conferences and Association Meetings. Be sure to count the educational components of these meetings. Do you read business-related books? You can claim up to five units for this, with a maximum of 15 per recording period. These are just a couple of the ways to obtain CE credit. For the complete list, please review the 'Professional Continuing Education Record Keeping Requirements' form.

The majority of our members are doing more than 40 units per year, just to stay current in the industry. With only a few months remaining in 2010; it is time to review your CE for the year to see if you are on track to meet the requirements. And for 2011, don't forget our CE@Sea™ cruise conference.

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

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Mail or fax this form to:

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Middletown, OH 45042 USA

P: 800 532 9060
E: info@IARFC.org
W: www.IARFC.org

Fax to: 513 424 5752

Here's a prospective RFC member!

Please print or type the information below

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Address

City | State | Zip Code

Business Mirrors Life

It's the Mundane Stuff That Drives Us Crazy

I don't think much of exit interviews. I have yet to be part of a company that really listens to what employees are saying especially if they are on their way out. My guess; it's something CEO's agree to so that HR directors think that they are really affecting the organization's culture.

And yet I decided to be honest and not be hateful. I told the HR specialist that I was leaving because I no longer wanted to put my name on my stapler.

I'm serious. The organization does $400 million in revenues; its mission statement says that employees are critical to the company's success. And yet I had my stapler stolen at least 10 times. OK maybe it wasn't stolen; someone went by my cubicle, needed a stapler, took it and never returned it. Over and over again.

The corporate response to this epidemic was to require everybody to put their names on their staplers. You know write it out on a scratch paper and tape it to the top of the stapler. The more design conscious types used their fancy label makers to emboss their names on their staplers.

I just wouldn't do it. My response, just buy enough staplers so that no one ever has to take someone else's. Keep a box at the copier and a few at the fax machine.

I saw this as an example of the company's tragic flaw in microcosm. We were lead by a bunch of number crunchers who could not tolerate having a lavish budget for staplers.

I believe the opposite. Set a different tone. Have staplers everywhere. If I were the CEO I'd have a dozen in the corporate waiting room to emphasize my point.

Obviously I am not the CEO. However, I once did visit the CEO's office. We had guests from our Brazilian distributors and I was asked to be their guide at corporate headquarters. The Brazilian group was important enough to meet the CEO. We were ushered into his office to be wowed by the view of the harbor from his penthouse suite. To my chagrin, there in the corner on his Chippendale credenza, next to the yellow tulips was his stapler. And yes it had his name on it, hand carved on the wooden handle. I think that was when I actually decided to resign.

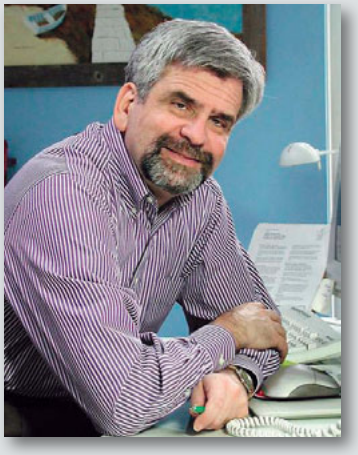
Since I had made a substantial complaint in my exit interview and because I wasn't leaving for more money, I was asked to meet with the VP for HR to discuss my complaint in further detail. She was direct. "Hesh, you obviously never understood our culture. Your name on your stapler is an example of our efforts to personalize life in an otherwise large impersonal multi-national company."

I decided not to argue. "I guess we just will disagree."

She then offered a small gift from the company. "You would have received this at the corporate holiday party next month. Since you're leaving now, please take it. Someday as you mature you will cherish this memento. It will remind you that you once worked for a very caring organization."

I thanked her (never burn bridges) and opened the box, inside, a monogrammed staple remover. I looked up and she was laughing hysterically.

Maybe I was wrong about this organization. I never knew they had a sense of humor.



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