

# *the* Register



Vol. 13 No. 5 • May 2012  
Official IARFC Publication

[www.IARFC.org](http://www.IARFC.org)

## The Journey Begins With A Single Step

Lloyd Lowe Sr.

5 Simple Ways To Overcome FEAR.....	9
Special Rate Of Return Report.....	12
Register Profile: Lloyd Lowe Sr. ....	14
Bad News – Good News .....	17
The Slower You Go, The Quicker You Get There.....	27

# Financial Planning Process™ course

## Take the Next Step!

Acquire the skills and tools for a more profitable financial planning practice, developed by veteran financial planners, business consultants and practice management experts.

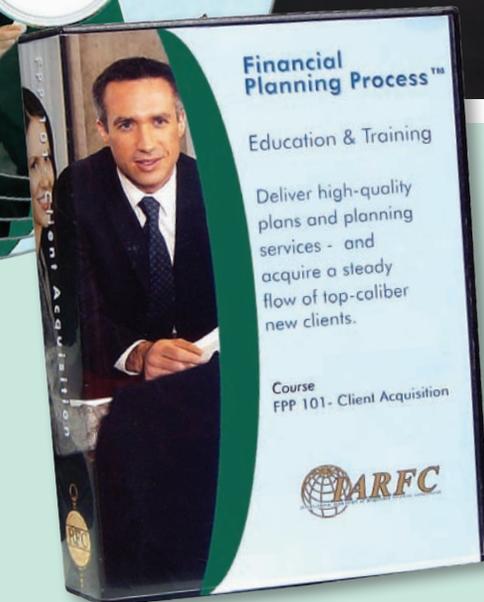
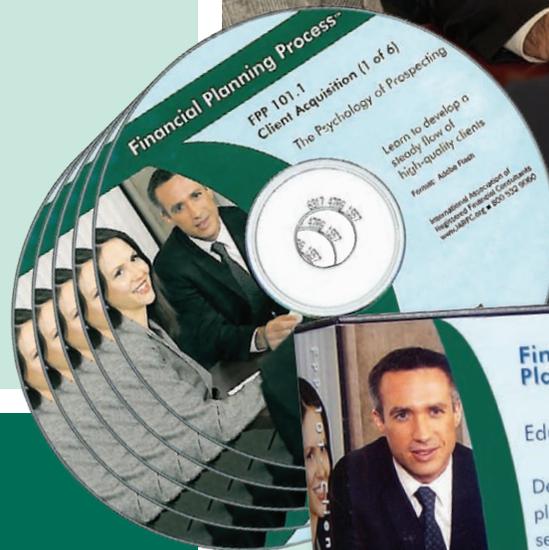
Effective training to help streamline your practice.

### Course Components

- FPP 101 – Client Acquisition*
- FPP 102 – Marketing for Financial Advisors*
- FPP 103 – The Client Engagement*
- FPP 201 – Information Gathering*
- FPP 202 – Plan Development*
- FPP 203 – Recommendations & Monitoring*

*Self-study or  
in the classroom*

Call today  
for details:  
**800 532 9060**



For over 25 years, the International Association of Registered Financial Consultants (IARFC) has provided the tools you need to succeed.



## BOARD OF DIRECTORS

**Edwin P. Morrow**, Chairman & CEO  
CLU, ChFC, CEP, CFP®, RFC®  
edm@iarfc.org

**H. Stephen Bailey**, Vice Chairman  
LUTCF, CEBA, CEP, CSA, RFC®  
steve@hbfinancial.com

**Lester W. Anderson**, President  
MBA, RFC®  
lester.anderson@cetera.com

**Wilma G. Anderson**  
RFC®  
wilmaanderson@q.com

**Hank Brock**  
CPA, MBA, CLU, RFC®  
hankb@brockfc.com

**Jeffrey Chiew**  
DBA, CLU, ChFC, CFP®, RFC®  
jeffreychiew@yahoo.com

**Edward J. Ledford**, Treasurer  
CLU, RFC®  
eledford@gmail.com

**Inshan Meahjohn**  
BA Hons Mgt, MABE, RFC®  
imeahjohn@altuscompany.com

**Michael W. Moeller**  
MA, CFP®, CFS, ChFC, RFC®  
michael.moeller@lpl.com

**William L. Moore**  
Pharm D., CLU, ChFC, FIC, RFC®  
wmoore@kbigroup.com

**William J. Nelson**, Secretary  
RFC®  
billn@nelsonlearninginstitute.com

**Rosilyn H. Overton**, V.P.  
MS, Ph.D., CFP®, RFC®  
roverton@masecurities.com

**Jeffrey H. Rattiner**, V.P.  
CPA, CFP®, MBA, RFC®  
jeff@jrfinancialgroup.com

**Jon M. Rogers**  
Ph.D., CLU, ChFC, RFC®  
jon.rogers@rogersfinancialgroup.com

## • IN THIS ISSUE •

- 2 Register Round Up**  
How are you taking advantage of social media in your practice?
- 3 New IARFC Members & Calendar of Events**
- 5 Chairman's Desk**  
Get Involved
- 6 Book Release: The Pirates of Manhattan II**  
by Barry James Dyke
- 7 What's Love Got To Do With It?**  
by Max Bolka
- 9 5 Simple Ways To Overcome FEAR**  
by Inshan Meahjohn
- 10 Analyze This!**  
**The Biggest Blunders on Advisor Websites**  
by Michael Lovas
- 12 Special Rate Of Return Report**  
Learning how to Properly Illustrate EIUL Policies  
by Rocco DeFrancesco
- 14 Register Profile: Lloyd Lowe Sr.**  
**The Journey Begins with a Single Step**
- 17 Bad News – Good News**  
by Ed Morrow
- 20 A Smart Income Tax Reduction Strategy**  
by Lew Nason
- 22 Market Perceptions – Market Realities Part 2**  
by Burnett Marus
- 25 When Faced With A Death An Important Checklist**  
by Christopher Hill
- 27 The Slower You Go, the Quicker You Get There**  
by Norm Trainor
- 28 Business Mirrors Life**  
Dad Throws Cold Water on Passing the Torch  
by Hesh Reinfield

*The Register is published monthly by the International Association of Registered Financial Consultants ©2012, 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

*IARFC Leaders and Financial Industry Experts were asked for their insight and advice on issues facing consultants in today's economy.*

*Register*

**ROUND UP**

***This month's Round Up question:  
How are you taking advantage of social media in your practice?***

Social networking sites are a useful tool to accomplish several things; brand awareness, event marketing, networking and publishing information. All are accomplished quickly and cost effectively. Our firm has contracted with a Social Media expert to coordinate and manage our initiatives. It is important to think through what you want your Social Media Strategy to accomplish and then be sure to allocate sufficient resource to do it effectively. Like any media, there is a double edged sword; rewards for a well thought out and executed strategy; but conversely, you can create a negative image if you create expectations and do not follow through.

*Ed Ledford, IARFC Treasurer, CLU, RFC®  
Carmel, IN*

Social Media is an excellent opportunity for professional financial consultants to advise clients on how to handle their lifestyle changes. The clients are usually faced with more cash, expendable income and also spending opportunities. They need to be guided on how to consolidate debt, review their mortgages, invest and grow their portfolios.

It is critical that the advisor has structured follow-up communication with his client after providing their initial financial plan, as social mobility can happen at any time and the advisor needs to be aware in order to assist at this critical juncture in the client's life. Your practice will also benefit from a new source of referrals from the client's new social circles and geographic location.

So to summarize, provide a top notch plan to your client, keep in communication, support when life changes occur and continue to grow your business.

*Inshan Meahjohn, BA Hons Mgt, MABE, RFC®  
Port of Spain, Trinidad*

I had the opportunity to ask a group of financial planners this question and was surprised.

They made the point that it is a great way to prospect and find people who were linked to their clients. This could be used as a referral application. One of the biggest points that was brought up was Social Media should never replace the one on one with a client. Saying hello on Facebook for example is not substitute for face to face consultation. One other point that was mentioned several times was being careful what you say on Social Media.

*Dr. Bill Moore, IARFC Board Member, Pharm D., CLU, ChFC, FIC, RFC®  
Dallas, TX*

Social Media: This certainly appeals to some elements in society and not others. The distinction of those who use SM extensively is not a matter of age, but of the time and interest to monitor one or more websites. We have a lot of activity on the business Linked-In IARFC page – but it is not widespread. However, it is growing. Maybe the best way for IARFC members to assess the potential value would be to start here – where your conversations are between like-minded professionals.

*Edwin P. Morrow, IARFC CEO, CLU, ChFC, CEP, CFP®, RFC®  
Middletown, OH*



Find us on  
**Facebook**

Connect with us

**LinkedIn**

## NEW IARFC MEMBERS

Howard C. Angeloni, RFC®, FL  
 Michael J. Bonny, RFC®, UT  
 Laurie Harriger, RFC®, PA  
 Richard J. Pendykoski, RFC®, AZ  
 Paul J. Rampetsreiter, RFC®, MN  
 Gregory S. Rhodes, RFC®, CA  
 James M. Taegel, RFC®, MI  
 Kelly Bernard Trevehan, RFC®, CA  
 Amanda S. Van Schaik, RFC®, OH  
 Gary L. Winterhof, RFC®, IA

## New International Members

Indonesia 15  
 Philippines 5

## Members Who Recommended New Members



**Referrer of the Month**  
**Jim Moss, RFC®**

Mark Cheeley, RFC®  
 Thom DeAngelis, RFC®  
 Patrick Donohoe, RFC®  
 Matthew Doyle, RFC®  
 Jim Moss, RFC®  
 E. Michael Pruszynski, RFC®

## CALENDAR OF EVENTS

**Business Owner  
 Consulting Workshop**  
 May 14, 2012, Manila

**IARFC CE @ Sea™**  
 Bermuda  
 (Holland America, msVeendam)  
 May 20-27, 2012

**Business Owner  
 Consulting Workshop**  
 June 7, Charlotte, NC

**MDRT Annual Meeting**  
 June 10-13, 2012, Anaheim, CA

**Business Owner  
 Consulting Workshop**  
 July 12, Middletown, OH

**IDA 9th Worldwide  
 Chinese Congress**  
 August 9-12, 2012,  
 Sydney, Australia

**Business Owner  
 Consulting Workshop**  
 September 5, Smithtown, NY

**Business Owner  
 Consulting Workshop**  
 December 6, Tampa, FL



## Code of Ethics



## Enhance Your Professional Image with the **IARFC Code of Ethics**

**Where does the IARFC stand?** We solidly re-affirm our **Code of Ethics**. The simple, straightforward yet thorough Code is easily and clearly understood by consumers as well as other advisors, and it sends a strong message of your professionalism.

**Proudly Display your Code of Ethics Wall Plaque** in the entrance of your office, waiting area, or in the room where you meet with clients. The Code of Ethics is handsomely placed behind clear plastic on a walnut base. Wall or tabletop display.

8.5" x 13"  
 (with some assembly required)

**Order your  
 IARFC Code of Ethics plaque  
 \$50 plus shipping**

**800 532 9060  
 info@IARFC.org**

 Find us on  
**Facebook**

Connect with us  
**LinkedIn**



## *the* **Register**

Make the best use of your advertising dollar...

To market your product and services to the IARFC membership, contact Wendy Kennedy 800.532.9060 x14



## IARFC INTERNATIONAL DIRECTORY

**Jeffrey Chiew**  
**DBA, CLU, ChFC, CFP®, RFC®**  
Asia Chair  
[jeffreychiew@gmail.com](mailto:jeffreychiew@gmail.com)

**Liang Tien Lung, RFC®**  
China Development Organization (IMM)  
(China, Hong Kong, Macao & Taiwan)  
[imm001@iarfc.org.tw](mailto:imm001@iarfc.org.tw)

**George Flack, CFP®, FPNA, AFAIM, RFC®**  
Australia and New Zealand Chair  
[george.flack@fasg.com.au](mailto:george.flack@fasg.com.au)

**Janet Flack**  
Secretary  
[jan.flack@fasg.com.au](mailto:jan.flack@fasg.com.au)

**David Kippen**  
Treasurer  
[david.kippen@fasg.com.au](mailto:david.kippen@fasg.com.au)

**Antony Francis, RFC®**  
Bermuda Chair  
[diamond@ibl.bm](mailto:diamond@ibl.bm)

**Choo Siak Leong, RFC®**  
China Chair  
Beijing, Dailan, Guangzhou, Shanghai  
[slchoo@immadviser.cn](mailto:slchoo@immadviser.cn)

**Zheng Senyuan**  
Executive Secretary

**Demetre Katsabekis**  
**MBA, Ph.D, CiC, CiM, RFC®**  
Greece Chair  
[areiscon4a@gmail.com](mailto:areiscon4a@gmail.com)

**Nick Tessaromatis**  
**Ph.D, CiC, CiM, RFC®**  
[director@eisxy.com](mailto:director@eisxy.com)

**Samuel W. K. Yung, MH, CFP®, MFP, FChFP, CMFA, CIAM, RFC®**  
Hong Kong and Macao Chair  
[chair@iarfc-hk.org](mailto:chair@iarfc-hk.org)

**Teresa So**  
**Ph.D., MFP, RFP, FChFP, CMFA, CIAM, EDAM, RFC®**  
Adviser, Hong Kong and Macao  
[director@iarfc-hk.org](mailto:director@iarfc-hk.org)

**Alan Wan, RFC®**  
Executive Director  
[admin@iarfc-hk.org](mailto:admin@iarfc-hk.org)

**Ralph Liew, RFC®**  
India Chair  
[ralphliew@yahoo.com](mailto:ralphliew@yahoo.com)

**Vijay S. Wadagbalkar, RFC®**  
India Deputy Chair  
[vijay@intimefinance.com](mailto:vijay@intimefinance.com)

**Jalpa Broker, RFC®**  
India Admin Assistant  
[jalpabroker@gmail.com](mailto:jalpabroker@gmail.com)

**Aidil Akbar Madjid, MBA, RFC®**  
Indonesia Chair  
[iarfc\\_indonesia@yahoo.com.id](mailto:iarfc_indonesia@yahoo.com.id)

**Lisa Soemarto, MA, RFC®**  
CEO  
[lisa.soemarto@yahoo.com](mailto:lisa.soemarto@yahoo.com)

**Ng Jyi Vei, ChFC, CFP®, RFC®**  
Malaysia Chair  
[iarfc.malaysia@gmail.com](mailto:iarfc.malaysia@gmail.com)

**Benjamin Kan, FchFP, RFC®**  
[iarfc.malaysia@gmail.com](mailto:iarfc.malaysia@gmail.com)

**Simon Khor**  
[iarfc.malaysia@gmail.com](mailto:iarfc.malaysia@gmail.com)

**Zahid Khan, RFC®**  
Pakistan Chair  
[askzahid@gmail.com](mailto:askzahid@gmail.com)

**Ralph Liew, RFC®**  
Philippines Chair  
[ralphliew@yahoo.com](mailto:ralphliew@yahoo.com)

**Grace De Vera Escobar, RFC®**  
Business Development Manager  
[grace.escobar@iarfcphils.org](mailto:grace.escobar@iarfcphils.org)

**Arlene Baguyo**  
Office Assistant  
[arlene\\_baguyo@iarfcphils.org](mailto:arlene_baguyo@iarfcphils.org)

**Serene Ng**  
Singapore Admin Assistant  
[serene@iarfcsg.org](mailto:serene@iarfcsg.org)

**Richard Wu, RFC®**  
Taiwan Chair  
[richard@imm.com.tw](mailto:richard@imm.com.tw)

**Carrier Wang**  
Customer Service Representative  
[carrier.wang@imm.com.tw](mailto:carrier.wang@imm.com.tw)

**Raymond Lee**  
Executive Secretary  
[raymond.lee@iarfc.org.tw](mailto:raymond.lee@iarfc.org.tw)

**Preecha Swasdpeera, MPA, MM, RFC®**  
Thailand Chair  
[preecha\\_sg@yahoo.com](mailto:preecha_sg@yahoo.com)

**Inshan Meahjohn, RFC®**  
Trinidad Chair  
[imeajohn@altuscompany.com](mailto:imeajohn@altuscompany.com)

**Nigel Salina**  
[nsalina@nsa-clico.com](mailto:nsalina@nsa-clico.com)

**Danielle Brennan, BA**  
[dbrennan@altuscompany.com](mailto:dbrennan@altuscompany.com)

## INTERNATIONAL WEBSITES

**China**  
[www.iarfc.cn](http://www.iarfc.cn)

**Hong Kong**  
[www.iarfc-hk.org](http://www.iarfc-hk.org)

**India**  
[www.iarfcindia.org](http://www.iarfcindia.org)

**Indonesia**  
[www.iarfcindonesia.com](http://www.iarfcindonesia.com)

**Philippines**  
[www.iarfcphils.org](http://www.iarfcphils.org)

**Taiwan**  
[www.iarfc.org.tw](http://www.iarfc.org.tw)

## US STAFF DIRECTORY

**Edwin P. Morrow,**  
**CLU, ChFC, CFP®, CEP, RFC®**  
CEO & Editor-in-Chief  
[edm@iarfc.org](mailto:edm@iarfc.org)  
513 424 6395 ext. 11

**Mark Terrett, RFC®**  
Operations Manager  
[mark@iarfc.org](mailto:mark@iarfc.org)  
513 424 6395 ext. 10

**James Lifter, MBA, RFC®**  
Education Director  
[jim@iarfc.org](mailto:jim@iarfc.org)  
513 424 6395 ext. 18

**Kathleen Ourant**  
International Membership Services  
[kathleen@iarfc.org](mailto:kathleen@iarfc.org)  
513 424 6395 ext. 31

**Amy Primeau**  
Domestic Membership Services  
[amy@iarfc.org](mailto:amy@iarfc.org)  
513 424 6395 ext. 34

**Wendy M. Kennedy**  
Executive Assistant & Managing Editor  
[editor@iarfc.org](mailto:editor@iarfc.org)  
513 424 1656 ext. 14

**Susan Cappa**  
Program Coordinator  
[susan@iarfc.org](mailto:susan@iarfc.org)  
513 424 1656 ext. 16



Ed Mossaw

## From the Chairman's Desk...

# Have You Written to Your Member of Congress?

**Have You Written to Your Members of Congress?** Maybe this would be a good idea. It is even rumored that some will actually allow your message to be passed through to them by their staff. Here are some tips:

- Send your letter by physical mail on your business stationery. This will attract more attention than an e-mail.
- Address only one topic. You may have many disagreements with the way this country is being run, but a laundry list of them will achieve nothing.
- Pick the issue of most concern to you. Explain that specific issue and exactly what you would like to see happen.
- Make reference that you are a Registered Financial Consultant and a member of an international association of financial advisors, the IARFC. This adds weight to your views.

**Reps with alternate positions.** Some Members of Congress may be in violent opposition to your position. Why write? While you might not have a chance of altering their position, you might cause them to moderate their position if they feel that many local voters are articulate in their opposition.

### **You Don't Have to Donate Money.**

Politicians like to get your campaign contributions, of course. But the price to "buy their vote" is incredibly high, so a contribution will not make any difference. However, if you think they are doing a fine job, attaching a small check payable to their campaign committee will not do any harm.

**What About Your Clients?** Naturally all of them do not share your views. However, if your letter is short and well written

they will not be re-examining their relationship with you if they feel differently than you do. You might encourage them to also write their representatives. One RFC sent a letter to his Representatives and Senators. He took strong opposition to one of the specific provisions in the Health Care Bill, HR 3200.

He cited: page 425, line 4–12 provides a "government mandate of advance-care planning consultations. Those on Social Security will be required to attend an "end-of-life planning" seminar every five years, which has been referred to as "Death Counseling."

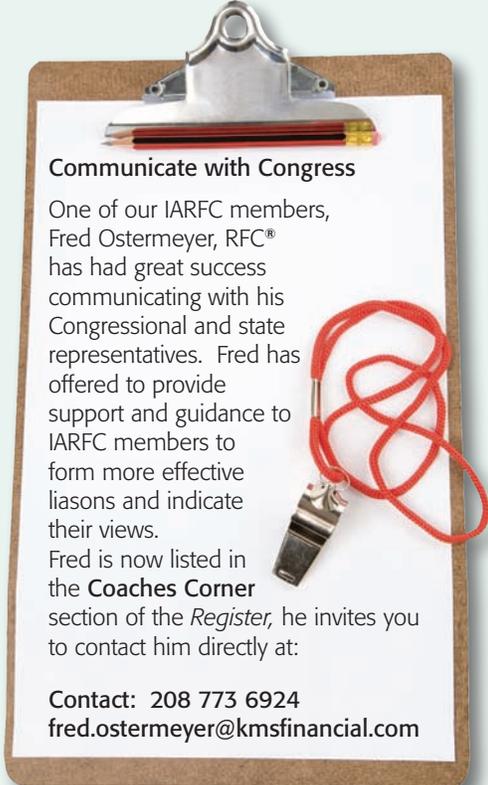
His letter was specific: "Congressman, \_\_\_\_\_, I feel that you and the other members of Congress have no right to enact such powerful legislation, and yet to exclude yourselves from all the provisions of the bill. Please vote to repeal similar provisions in this and other proposed legislation and return our country to a place where choice is left to the people as one of their inalienable rights."

**Do Your Homework.** Check to be sure the provisions are really there. For example:

### **Advance Care Planning Consultation.**

(1) Subject to paragraphs (3) and (4), the term 'advance care planning consultation' means a consultation between the individual and a practitioner described in paragraph (2) regarding advance care planning, if, subject to paragraph (3), the individual involved has not had such a consultation within the last 5 years. Such consultation shall include the following:

- (A) An explanation by the practitioner of advance care planning, including key questions and considerations, important steps, and suggested people to talk to.



### **Communicate with Congress**

One of our IARFC members, Fred Ostermeyer, RFC® has had great success communicating with his Congressional and state representatives. Fred has offered to provide support and guidance to IARFC members to form more effective liaisons and indicate their views. Fred is now listed in the **Coaches Corner** section of the *Register*, he invites you to contact him directly at:

**Contact: 208 773 6924**  
[fred.ostermeyer@kmsfinancial.com](mailto:fred.ostermeyer@kmsfinancial.com)

- (B) An explanation by the practitioner of advance directives, including living wills and durable powers of attorney and their uses.

### **Form Your Own Opinion – and Articulate .it.**

Whatever your political position may be, your clients will most likely appreciate your concern on their behalf and on behalf of the country.

**Letters to the Editor.** Your local newspaper and business courier tabloids and area magazines are always seeking copy. If you don't like an article, or especially an opinion-based editorial, then be sure to respond carefully. Believe it or not, most editors welcome opposing views and controversy and they'll run your copy. Why?

Because it stimulates readership, conversation and that leads to their dearest subject – subscriptions.

**Remember, identify yourself.** You should use your occupation, credentials and membership in the IARFC to bulwark your comments – and this may encourage a potential client to contact you or a local association to ask you to speak to them on that topic.

Here's a response sent to a local daily newspaper with a circulation of over 35,000. No one called... except the program chairman of the local Rotary Club. The financial advisor was invited to speak and he acquired two new clients as result of the appearance.

*"As a Registered Financial Consultant who has been guiding the economic plans of area clients for the past 24 years, I wish to state my violent opposition to your endorsement of using Home Equity Lines of Credit to resolve short term spending problems. I have witnessed the damage done by HELOCs especially to young couples who have excess spending problems. They consolidate their loans, reduce their home equity and then often move on within months to return to deficit credit card use. The solution is to reduce spending, prepare and use a budget and to learn fundamentals – spend less than you earn. Those who embrace their approach not only get out of debt – they stay out of debt. They can then make wise purchases of investments and insurance. Excessive spending will destroy families, businesses and governments."*

Sincerely,

Reginald Rathbone, RFC  
Rathbone Financial Services

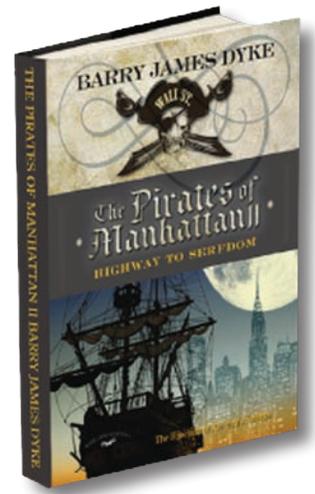
Contact: 800 532 9060  
edm@iarfc.org  
www.iarfc.org



## Book Release

# The Pirates of Manhattan II

by Barry James Dyke



*The Pirates of Manhattan II: Highway to Serfdom, The Hijacking of America's Savings* is being released after four years of concentrated in-depth research. If you really want to understand what is going on in the economy of mid 2012, read this book!

Dyke, gained immense credibility as he warned of the economic meltdown before it happened in May 2007 and this book is an eye opener of the first order. Major points document the following:

- **America is an empire in decline like the Roman Empire.** In addition to a military industrial complex, America today is controlled by an asset management industrial complex which controls most of the savings and credit in America. This enriches Wall Street, mutual funds, hedge funds and private equity, which the author calls the "asset management industrial complex."
- **Congress no longer makes regulations.** Lawmakers delegate financial controls regulation to regulators, and regulators are controlled by lobbyists. Two key financial watchdogs, the SEC and FINRA, are impotent to protect consumers. In reality, they are in bed with the industry they are supposed to supervise.
- **Media giants have a co-dependent love affair with banking and Wall Street.** This includes Bloomberg, CNBC/NBC/Comcast, Disney, The Tribune Company, CBS, NPR, News Corp, Marketplace Money, and PBS. The truth is not being reported.
- **Elites.** The Federal Reserve, the Federal Government, FINRA advocate the use of financial products with guarantees.

- **Major companies in America are ignoring their employees.** This includes IBM, CBS, News Corp, Apple, CSX, Best Buy, Raytheon, Disney, Kodak, Fluor and hundreds more. They are throwing rank and file employees into the casino abyss of Wall Street speculation with target-date mutual funds, which are simple in comparison to other Wall Street products such as collateralized debt obligations. Yet through lobbying, these products, which not one person in a thousand can understand, are the most favored designated retirement products to fund 401(k) accounts.

Topics include the continued predation of Wall Street, The Student Loan-For Profit Education Industrial Complex, The Private Equity Industry, Lobbying, Lack of Financial Regulation, The Collapse of the Media, and Target-Date Funds, How America's Savings Has Been Hijacked by the Asset Management Industry.

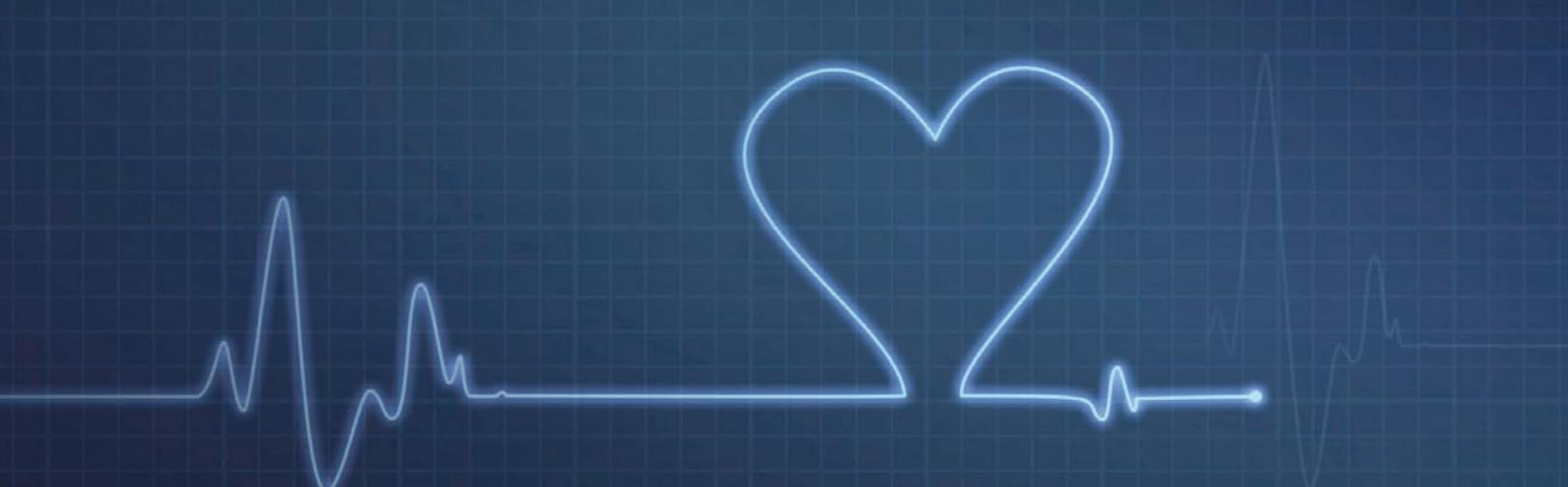
This book is now available for sale exclusively at the author's website. America's financial retirement system is in a meltdown mode for most Americans. You will gain a new perspective on what the Federal Reserve, Wall Street and the asset management industrial complex is doing to our country! ☐

To order go to:

[www.thepiratesofmanhattan.com](http://www.thepiratesofmanhattan.com)

For press copies or other inquiries, please email the author at:

[castleassetgmt@comcast.net](mailto:castleassetgmt@comcast.net)



# What's Love Got To Do With It?

Sometimes inspiration comes from the strangest places. As I sat at the computer, ready to come up with an article, I noticed Tina Turner's *What's Love Got To Do With It* playing on Pandora. And then it hit me...

Using the model of *The Big Ten Questions Every Client Is Thinking, Even If They Don't Ask*, (for a complete list of *The Big Ten Questions*, email [info@maxbolka.com](mailto:info@maxbolka.com)), we can find many parallels between each question and the concept of Love as a way to develop a viable, meaningful mission, including many of our industry's best practices. Let's look at the first of these questions:

## **What Do You Do For A Living? = Love What You Do**

While there's no scientific evidence for the old adage, "Love what you do and the money will follow," it sure sounds like a lot more fun to me. Working eight hours a day (or more) at a job you hate weighs you down and can lead to poor physical and emotional health. And while there are lots of people who have made a fortune doing what they hate, many of the most successful people I know, including Michael Jordan and Steve Jobs, tell you that their secret is, "I love what I do. I'd do it for free if they didn't pay me."

You can listen to Steve Jobs' 15-minute commencement address to Stanford University on the internet. While we all may never reach the heights of these two great entrepreneurs, every financial advisor can apply their wisdom to our own business.

## **Combining Your Passion & Paycheck**

One of the first clients I mentored was a woman whom we'll call Janet. Janet had gone to school 30 years ago at the urging of her mother to become a lawyer. She was bright, articulate and ambitious. Over the years, she ended up narrowing her practice to Family Law, which included many cases on domestic violence. She would go to court day after day and fight for the rights of women who were being taken advantage of. It was a noble cause. The problem was she hated it.

By the time she got to me she was burned out. She began to resent her clients because many of them were poor and she often had to wrestle with them just to collect her fees. She was putting on weight and her health began to fail. It was obvious she had changed and had outgrown her career. The entire legal system no longer resonated with who she had become.

However, she had invested a lot of time, effort and money into her career. How could she call it quits now? What would she do? Where would she go? How could she reinvent herself? Doubt had paralyzed her.

## **What Would You Love To Do?**

A common stumbling block to loving what you do when it requires big changes is the lifestyle one has already carved out. We would rather be certain and miserable than face the uncertainty of being open to all possibilities, trusting in our abilities and having faith that everything will work out. The truth is, things are desperately trying to

work themselves out, but we keep getting in the way by resisting. How much more misery would Janet choose to endure before she would make a change? To add to her dilemma, Janet and her husband were now getting a divorce.

I urged Janet to answer the question, "What would you do if you had all the time, money, contacts, energy and resources in the world? In other words, if you had all the freedom in the world, what would you love to do?"

Janet indicated that her passion was money and finance. In fact, during her divorce, her father suggested she see a financial planner, who proceeded to help organize and simplify her finances, plan for her future, and invest the proceeds from her divorce appropriately. Janet loved the process so much, she started thinking about changing careers. I reminded her of the quote by Michael Jordan and Steve Jobs. The light was starting to go on.

## **Examine The Facts To Remove The Fear**

The much harder part was convincing her it was OK to make such a dramatic change after having invested so many years in the legal profession. Janet's case wasn't difficult or lengthy. The material lifestyle she had carved out wasn't particularly extravagant. In fact, as an independent attorney, she was barely breaking even. We both agreed she was better off taking an entry level position with a financial planner, and eventually start her own company when she had saved enough money. She would immediately earn more money than

she was currently making as an attorney, and she would receive benefits, something she had previously denied herself.

Today, Janet takes home over \$300,000 a year as a Certified Divorce Planner™, helping couples resolve their differences in an equitable manner, preserving their capital in the process. She loves sharing her own experience to help alleviate her clients' fears and show them how they can keep their personal relationship, as well as their money, intact despite their divorce. (Disclosure: In some cases, Janet still must go to court on a limited basis.)

### Love It Or Leave It

Life's too short. Make room for someone else who will do a better job and appreciate the opportunity. Celebrate the fact that you found out who you are and what you love to do. Then go out and do it. As Steve Jobs said, follow your heart. We all like to do business with people who are happy. Why not be that happy person to whom others are attracted? If you do what you love and you are successful, you'll be rich and happy. If not, you'll just be happy.

Here are some questions to ask yourself to begin bringing you closer to loving what you do:

- If you had all the time, money, contacts, energy and resources at your disposal, (in other words, all the freedom and no excuses) what would you do?
- Would you do it for free if you could?
- What are you most passionate about?
- What are the primary financial benefits you provide to clients?
- What are the primary non-financial benefits you provide to clients?
- What personal qualities are missing from your business?
- How might you structure your business to express more of your passion, these benefits and qualities?

*What's Love Got To Do With It?* Just about everything. God bless Tina Turner. I'm just grateful that on this particular day,

Pandora wasn't playing B.B. King's classic, *The Thrill Is Gone*. 📻



**Max Bolka**

**Max Bolka** is a 30-year veteran of the financial services industry. Today he "Builds First-Class Financial Advisors & Enlightened Entrepreneurs" through his professional speaking, writing and mentoring.

**Contact: 800 472 3288**  
**max@maxbolka.com**  
**www.maxbolka.com**



## Business made easy.

Staples saves you time and money

With **Staples Business Advantage** you achieve tremendous savings over time and so much more. We make things easy for you by providing:

- Dedicated Account Management
- J.D. Power Certified Customer Service
- Spending and compliance programs
- Access to more than 80,000 products
- Easy on-line ordering and unprecedented control
- Fast and Free Delivery
- Customized program to fit your needs

For further information, please contact **Denise Frasier** at 800.693.9900 X480 or Denise.Frasier@staples.com.



**STAPLES** Advantage

# 5 Simple Ways To Overcome FEAR



## What is FEAR?

The dictionary defines it as an unpleasant emotion caused by the belief that someone or something is dangerous, likely to cause pain, or is a threat.

One of my respected mentors, Mr. LeRoy Shuffler defined it as a:

- False
- Expectation
- Appearing to be
- Real

Fear is one of the biggest single factors that deprives one of being able to achieve his/her full potential. We experience fear more as a result of our internal communication of mind rather than because of actual external factors.

Fear is an unseen enemy that whispers negative thoughts into your mind, body and soul. It tries to convince you that you will not prosper and that you cannot achieve your full potential.

Our lives can be compared to beautiful streams, which are destined to flow, grow in majesty to create wonderful features such as cascading waterfalls, and give nourishment and life to those in its path.

Sometimes we let fear put up a small dam in our rivers of life and it causes us to have stunted growth. We need to be able to rise above it, rise above the fear, break the dam and let our potential flow.

When we allow fear to create dams in our rivers of life, then our streams become like the Dead Sea, which is stagnant and void of life and movement. When we confront fear, we break the dams and free our potential to flow forward.

We are beings of immense potential, ability and skills. In order to realize our God given talents we need to break through the fear barrier, which through its invisible walls, traps us better than any physical prison can be constructed by the hands of man. Our human will and faith can break any barriers that fear can construct.

## Steps on what to do next to overcome Fear

### 1. CONFRONT your fears

Jerry Gillies said, "Confront your fears, list them, get to know them, and only then will you be able to put them aside and move ahead."

Once you know your fears you can defeat them, delete them and move towards your God given full potential.

### 2. FAIL FORWARD

As you stretch your new wings and move out in action, you may fail in some steps, but if you do, fail forward. Each perceived failure is really a stepping-stone of experience and feedback, taking you closer to your goals.

### 3. BE POSITIVE!

"Once you replace negative thoughts with positive ones, you'll start having positive results." — Willie Nelson

It is important that you have a positive mindset and surround yourself with positive music, people, news and media.

You have the control over what you put into your mind, so create a positive environment that leaves little room for fear to take root and grow.

### 4. MODEL YOURSELF after those who have overcome their fears!

We have many recent examples of the barriers being broken, because individuals broke through the fear barrier. One of my favorite examples is that of Roger Banister, who broke the 4-minute mile on the 6th of May, 1954.

It was unthinkable at the time, that a human could accomplish such a feat, however he was able to break those mental and physical barriers and in so doing inspired others to break the record in the same year.

When in doubt, look to the examples of the warriors who demolished the enemy of fear.

Look around you every day for examples and let those examples continue to inspire you to overcome your fears.

### 5. ACT! I define an act as:

- Action
- Consistently
- Taken

Dale Carnegie said "Inaction breeds doubt and fear. Action breeds confidence and courage. If you want to conquer fear, do not sit home and think about it. Go out and get busy."

One of my own personal quotes, "When one has his dreams in front pulling him, his actions at his side supporting him, and his positive attitude behind him pushing him, there is little room for fear"

### *Wake up today and take action!*

Once you have overcome your fears your potential success would be unlimited, you will realize immense power, energy and happiness! ☺



**Inshan Meahjon, BA Hons, MABE, RFC®**

**Inshan Meahjon, BA Hons, MABE, RFC®** is president of Altus Company Ltd, bringing his well-rounded wealth of knowledge and experience to this world-class wealth management corporation; he is an experienced, performance-driven, highly motivated executive with over twelve years of experience. He has successfully carried out financial training in many institutions throughout the Caribbean, Central and Latin America.

**Contact: 868 384 9825**  
[imeahjohn@altuscompany.com](mailto:imeahjohn@altuscompany.com)



# Analyze This!

## The Biggest Blunders on Advisor Websites

### First the Facts:

- The financial services industry ranks dead last in the 2011 and 2012 Edelman Trust Barometer. That means target markets are skeptical of advisors.
- Skepticism demands that you make more contacts (6-8) with your clients and prospects – if you want to overcome the skepticism. (referrals and new business)
- Marketing in the financial industry tends to be psychologically dysfunctional. In other words, the marketing contacts you're making with your prospects and clients are probably not doing what you want them to do. They could be hurting you.

**Specifics.** To start solving those problems, let's look first at where advisors tend to make the worst mistakes. And, because people look for information differently today, let's look mainly at your website. It's the first place people go to check you out.

### The Biggest Blunder – Giving the wrong first impression

A successful website depends enormously on the **first impression**. And, that means two things: design and content. If the design and content are not presented (in the right way), your message will very likely fall on deaf eyes. (There is a tremendous amount of research to substantiate this point.)

**The design** has value only if it is effective at making the visitor feel comfortable

and secure, and guiding his/her eyes to relevant information. Consider where that person looks first? If that position is not inviting and compelling – game over. The visitor will abort the site. The look needs to be guided by psychology, but very few designers and advisors understand psychology. Thus, they tend to make a catastrophic blunder.

They build the top of the marketing page around a generic image that is irrelevant to the visitor (your prospect). An image of a horse or tall buildings might look pretty, but prospects are not looking at marketing hoping to find something pretty. Research into the eye-movement patterns of people viewing websites clearly shows that those generic photos are a negative, adding zero value to your site. Imagine I walk into your office and say, "I'm looking for a good advisor to handle all my family's finances," and you respond by showing me a photo of a horse. How long will I stay in your office?

**The content** is where the company can demonstrate its true relevance – or not. On a website, there are many spots you can place relevant content. However, you absolutely must understand that people do not read websites in a "Z" pattern. Because they're skimming, their eye follows an "F" or "E" pattern. So, map out an E or F and place a fat (relevant) subhead right there. With content in mind, here are a few ways advisors drop the ball in their digital marketing:

- **Websites.** Advisors to write their website as though it's a brochure

with long sentences, long paragraphs, and no subheads. They write for reading, rather than for skimming, often simply placing brochure content on the website.

- **Blogs.** They write a blog as though it's a lofty pontification loaded with personal anecdotes and opinions.
- **Email.** They write email believing that it's the same as direct mail, and assuming that people want to read it.

So, websites and other digital marketing media require a completely different approach and logic. Think in terms of visual stepping stones. Give the "reader" something to look at, like a series of subheads, that guide the eye to points of relevance in descending order.

### First Impression and Value

Why is this first impression so important? It tells a visitor IF you have any value for him and IF you value his time and the connection with him. Websites are packed with locations that can communicate value. Unfortunately, far too many advisor sites fail to use those locations well. Instead, they make bad decisions that give an uninviting and irrelevant first impression

How are advisors mismanaging these locations? When their good intentions are perceived by the visitor/prospect as obstacles to getting relevant information quickly. Let's look at some of these locations:

1. A Splash screen that introduces your site but gives no value.
2. Pop-ups that insert themselves between the visitor and the content.
3. A layout that is not clear and/or well organized.
4. Irrelevant images.
5. Links that try to trick you into clicking on them.
6. Pop-ups that do not have a "close" button.
7. An element that blinks.
8. An element that automatically comes up and plays a video or audio.
9. Content that is obviously not written for web reading/skimming.
10. Poor legibility of the content. (small text and stupid color combinations)
11. Links that are not obvious.
12. Fixed page widths set for large screens (thus the right side is cut off on small screens)

- information is located.
2. Give the reader visual stepping stones: subheads guiding the eyes to points of relevance in descending order.
3. Use sidebars, quotes, or graphics to break up large chunks of text.
4. Keep in mind that your website needs to reflect what your customers want to learn — not what you want to say.
5. Link to something your visitors will find valuable.
6. Short paragraphs are easier to read, where long ones are tedious.



**Michael Lovas**

How can an advisor get an objective first impression of his own website? He can't because he's already seen it and is way too familiar with it. The best he can do is get a consultant to visit the site and catalog true first impressions. Of course, it helps if that consultant also understands the psychology behind what causes failures and successes in the first impression.

**Michael Lovas** is the author of twelve books, mainly on Professional Credibility and Psychological Communication in the financial industry. He has been published more than a thousand times since 1986. All of Michael's work teaches professionals how to use simple, effective psychology to write more business and inspire their clients to love them. He is also the cofounder and a principal of AboutPeople, a unique consultancy focused on helping advisors build credibility and relationships with their chosen target.

**Contact:** 509 465 5599  
[michael@aboutpeople.com](mailto:michael@aboutpeople.com)  
[www.aboutpeople.com](http://www.aboutpeople.com)

### Managing First Impressions

This is a study in probabilities for giving the visitor a positive experience. Making those locations work for you is easy. Here are a few simple guidelines:

1. Place graphics and subheads so they draw the eye to where important

**Your Reward.** Turning a website into a viable, productive marketing tool is simple but it's not easy. You have to have guidelines that help you know what to look for. We use a 21-Point Psycho-Social Marketing Analysis. I'm happy to send you a copy of the criteria we use in that analysis. ☺

# AMG Insurance Group, LLC

## Many Choices - One Solution

**NEW** Property and Casualty *Affinity* Program for the exclusive benefit of our members.

**Diversify Your Practice**

- Earn **"Turn-Key"** Referral income on New AND Renewal business
- Build a Valuable "Book of Business"
- Value added Service for clients and prospects
- Great Prospecting Tool!

Excellent Business Expansion  
Concept for **General Agencies**



**Program Highlights**

- No Servicing the Accounts (turn-key)
- Adding Value Services for your existing Clients
- Excellent Prospecting Tools
- Earn Commission on Renewals
- Build a valuable Book of Business
- Enter a \$500 Billion Industry
- No E/O required

Phone: 602-359-0556

Email: [thomas@amginsurancegroup.com](mailto:thomas@amginsurancegroup.com)

Contact Us for an Informative Webinar

# Special Rate Of Return Report

## Learning How to Properly Illustrate EIUL Policies

With taxes on the rise and with a volatile stock market, many advisors have turned to using Equity Indexed Life Insurance (EIUL) policies as a powerful and risk-adverse wealth-building tool.

### What are the benefits to growing wealth using an EIUL policy?

- No stock market losses (returns are zero in negative years)
- Gains are locked in every year never to be lost (gains are subject to caps of between 10-17%) Tax-free growth
- Tax-free borrowing

The best way to illustrate the power of building wealth in an EIUL policy is to look at what happened from 1998-2008 in the stock market. During this time frame, the stock market averaged a **negative 1.45%** rate of return. In a good EIUL policy, the rate of return would have been a **positive 5.91%**.

While building wealth with an EIUL policy is powerful, it's just one of many tools a client should look at when deciding the best way to grow wealth for retirement.

**Illustration Pandemonium** — unfortunately, there is no one regulating how EIUL policies are illustrated; and in my informed opinion, most of the time they are not illustrated in a “real-world” manner.

Most agents use “default” illustrations. A default illustration uses the backed-tested return of the policy with today's current and historically low interest rates on policy loans that are projected out 20-30+ years. For example, I know one company that allows agents to illustrate at an 8.00% rate of actually return. However, when I back test the probability that the policy would have actually earned 8.00% over the last 20 years, the percentage is only 17%.

It is not reasonable in my mind to illustrate a policy at 8% when the likelihood that it will return 8% is remote. The problem is

that clients don't understand the illustrations they are looking at. What's worse is that most advisors don't understand how to run a conservative illustration.

### Special EIUL Rate of Return Report

Besides which policy has the best design, the **#1 question** I receive from advisors is what rate should they be illustrating on various products when showing them to clients. It is for this reason that I created this special report.

This report is a **20-year, back-tested summary** of what various products would have returned with different policy designs. The numbers are hypothetical percentiles for rolling periods of time starting in December 1991 and ending in December 2011. Because the numbers come from rolling periods (vs. a static beginning and ending date), a percentile calculation can be made indicating the likelihood that each product design would achieve certain returns over time.

What you will see in the report is the likelihood that each product would return a certain rate of return 100%, 90%, 80%, 70%, and 50% of the time. Additionally, the report shows the likelihood that each product would achieve an average rate of return of 7%, 8%, and 9%.

For example, a new product with a 17% cap and a blended stock market index had a 100% chance to earn 7.5% over the last 20 years, a 98% chance of returning 8%, and a 79% chance of returning 8.5%. That's very strong considering that the average investor over the last 20 years has earned returns of less than 4%\* (\*per the most recent DALBAR study).

### Getting a copy of the EIUL Rate of Return Report

If you would like a copy of my 2011 year-end report, simply e-mail [info@thewpi.org](mailto:info@thewpi.org); and I'll e-mail it to you. Every advisor who is selling or is thinking of selling EIUL policies to clients should have this report as a desk-reference guide. ☐



by Rocco DeFrancesco

**Rocco M. DeFrancesco, Jr., JD, CWPP™, CAPP™, CMP™**, is the Founder of The Wealth Preservation Institute, and the Co-Founder of the Asset Protection Society. Rocco is the Author of *Bad Advisors: How to Identify Them; How to Avoid Them*®, *Retiring Without Risk*®, *The Home Equity Management Guidebook*®, *The Doctor's Wealth Preservation Guide*®, *The Home Equity Acceleration Plan (H.E.A.P.)*®, and the Editor of: *Wealth Preservation Planning: A "Team" Approach*®, by The National Society of Accountants.

Contact: 269 216 9978  
[rocco@thewpi.org](mailto:rocco@thewpi.org)  
[www.thewpi.org](http://www.thewpi.org)



# *Ground Breaking Course!* **End Of Life Planning is the "Missing Link" for the INSURANCE ADVISOR!**

**WRITE MILLIONS MORE in... Life Insurance Coverage!**  
**WRITE MILLIONS MORE in... Annuity/Income Planning!**  
**WRITE MILLIONS MORE in... LTC coverage, CI, & Asset Based LTC!**  
**WRITE MUCH MORE... Final Expense & Funeral Expense Trust Sales!**

## **"Build a Multi-Generational Insurance Practice!"**



**Look Us Up On  
Linked In, Face Book and Twitter!**



**Your Business Will  
Benefit From It!**

**GUARANTEED**

- **Connect with Beneficiaries before a crisis hits!**
- **Serve the Insurance and Financial Planning needs of Entire Families!**
- **Be trained on the "Connect All Conversations" that will Unlock Hidden Sales Opportunities!**
- **Learn Fee For Service Methods that any Insurance Advisor can and should employ!**
- **Learn In Your Home or Office!**
- **Certificate and Recognition from the IARFC!**

**CALL US at: 855.571.7526**



YOU CAN EMAIL US AT: [info @ EOLPN.COM](mailto:info@EOLPN.COM)

[WWW.EOLPN.COM](http://WWW.EOLPN.COM)

# Lloyd Lowe Sr.

## The Journey Begins with a Single Step



### **Lloyd Lowe Sr., CSA, RFC®**

Spanning over 20+ successful years in financial planning, Lloyd partners with his clients to help fulfill their dreams. He has a strong foundation in business that provides him a practical understanding of the balance that must be maintained to achieve investment results and long-term financial wealth for his clients. He has helped thousands of clients meet their financial goals and retire. His firm has been recognized by many publications including *Investment News*, *Frisco Style Magazine*, *Texas Monthly*, *Forbes*, *Worth* and *Barron's*.

In his personal life, Lloyd and his wife Cinda are active in the community and love to travel. They spend time with their family, spoiling their young granddaughters Tatum and Blakely and go for long walks with their three rescue dogs, Hoot, Callie and Ralphie. Hoot often accompanies Lloyd to his office.

**The *Register* recently invited Lloyd to the roster of IARFC Member Profiles. Here is what he told us.**

### **How did you first enter financial services?**

After deciding to get my MBA in Financial Planning, I began working with the MONY Insurance Co. I was interested in financial planning as a career and felt an MBA was an important step in my career path. I would not be the person I am today at all without the effect of education. That is a very positive thing. My life, and the lives of my family and long-term employees, have been dramatically improved by the benefits from my MBA. I firmly believe my clients, who just gave my firm a 4.9 out of a possible 5 on our semi-annual, anonymous, third-party survey, have benefitted also. The University of Dallas was selected because it offered a specific concentration in Financial Planning.

### **What was your educational background?**

I have a Bachelor of Arts, Business Management from LeTourneau University and the MBA, Financial Planning from the University of Dallas, Graduate School of Management.



Lloyd snorkeling with a manatee in Florida. He and his wife, Cinda, are avid divers with PADI Advanced Open Water certification)

#### What were your early job duties?

Early on I worked with a limited staff and personally did all the financial planning, trading, investment research and most of the administrative work. This "boots on the ground" experience benefited me greatly as the business flourished and I took on more staff.

#### Were you successful at first?

There is no war story here. I had a good first year and the business has improved every year since, for 20 years. Our big struggle came later, as we became larger and began to receive more and more referrals. A decision had to be made to either expand horizontally and try to work with as many clients as possible or vertically and provide a niche solution for a certain type of client. Eventually, we settled on vertical growth after sitting on a plateau for a couple of years. As soon as we made the commitment to define the where, when and how that detailed our preferred business, the growth followed.

#### What or who influenced you the most?

My experience at University of Dallas had a tremendous influence on me. One of my fondest memories of the University of Dallas was arriving. I worked full time while finishing my MBA. It was a real grind, but, the same hammer that shatters glass

tempers steel. Every time I got to the UTD campus and saw that clock tower, I knew I was that much closer to my goal. People who influenced me include Alan Goldfarb of the University of Dallas and Ed Morrow of the IARFC. Alan Goldfarb is a respected financial advisor in Dallas and was one of my professors at UTD. He taught me more than was necessary, going beyond the curriculum to add a level of finesse and the foundation for expertise.

I entered the IARFC early in my career after looking at several professional financial organizations to get exposure to other successful planners. Ed Morrow and many of the other long-term professional members of the IARFC have been very generous with their time during the training

meetings at conferences and individually. I have often reached out to them for a sounding board when I needed to make decisions that I felt were beyond my current experience.

#### What were your major obstacles?

Myself. More than anything, I set my own barriers. I had to learn to overcome self-imposed barriers before I could move forward. For example, I spent quite a bit of time avoiding wealthy clients because I did not feel comfortable with my ability to perform to the standard I imagined they would have.

#### Tell us about your current practice.

I own and run a boutique wealth management firm with 11 wonderful staff and planners that I have been blessed to know and work with for an average of over nine years.

Our focus is on "blocking and tackling" comprehensive financial and wealth management. We do our investment management in house also.

My team and I pride ourselves in being a high-performance group that operates as the "point of the spear" for our clients.

My company's culture revolves around service. A client's needs are given the highest priority, and every member of the LD Lowe Wealth Advisory team knows to put the client first. A person always answers the phone during business hours (each person in the office knows to pick up on the second ring). Any call that results in a message must be returned to the client before sundown. The attitude of each person at LD Lowe is to consider the client as a friend. We also understand that it's the little things that matter to a friendship, such as sending thank-you gifts, get-well gifts,

Consider the client as  
a friend, and understand  
that it's the little things  
that matter to a friendship.



Lloyd (far left) and Cinda Lowe (middle) shown with tarpon they caught while fishing in Puerto Rico. They enjoy catch-and-release fishing together.

hosting retirement parties and special events and creating Shutterfly memory books commemorating those events. All of these extra “touches” let our clients know that they are important to us.

I personally manage the investment and portfolio creation with my junior business partner Ethan Bonar. We work with an elite group of my staff that focuses on wealth management for divorcees. Our advisors meet with clients four times per year, and our firm’s preference is to hold at least two of these meetings in person.

Another part of the service commitment involves having relationships with a number of external parties. These are trusted partners of the firm and can help our clients with specific issues such as finding grief counselors, CPA advisors, certified personal trainers, mortgage and real estate professionals, legal counsel and concierge medical doctors.

#### How do you market now to acquire new clients?

Over the last five years, all of our new clients have come to us as referrals. What we do is extremely personal — we help people fulfill their dreams. And you don’t select a wealth manager on a whim, or because you saw an ad. The personal recommendation is everything, and I believe our commitment to outstanding customer service is what drives our high referral rate. If you do a good job for someone, they

want to recommend you to others. We also include a gentle reminder for referrals in several of our client communications. Finally, we made a commitment to get a copy of our book, *Life’s Bridges: Building Your Bridge to Financial Wealth*, into the hands of every client, and gave them an opportunity to purchase the book for friends and family.

#### What are your major frustrations?

The current environment that these downs taking advantage of their clients has placed all the sincere financial advisors in!

#### Tell us about your business continuation plan?

My junior partner, Ethan Bonar, is set up to take the business over through a fully funded buy sell agreement if something should happen to me. This arrangement was made originally to protect my clients and staff in the event of my untimely demise and has also become a full buyout plan for my eventual retirement.

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

It’s hard to say. The IARFC was the first professional organization that I joined in this industry and there have been so many positive things that have come from it. Ed Morrow has been particularly helpful in recommending specific trainers and coaches for specific skill-set improvement.

#### What do you see in the future for the Association?

We need to continue to elevate financial advisory to a profession.

#### What should financial advisors be doing to give back to the community?

Each advisor should find something that they are individually passionate about. I work with Vogel Alcove, a homeless children’s program in Dallas, Texas, and Mazie’s Mission, an animal rescue organization. All planners need to be giving back to their individual communities.

In 2011, Ethan and I co-authored the book, *Life’s Bridges: Building Your Bridge to Financial Wealth*. The full proceeds of the sale of the book are donated to the Vogel Alcove. As of January, 2012, our firm had donated more than \$9,000 to the Vogel Alcove from this effort. In addition, we made additional donations to Vogel Alcove on behalf of our clients during the holiday season of 2011, in lieu of a client year-end event. Please visit our website [www.ldloweplan.com](http://www.ldloweplan.com) and see links to the book and our donation.

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

Technology is a game changer for our industry. Embracing it can lead to enormous gains in productivity and profit.

#### What do you advise an RFC to concentrate on?

Service, Service, SERVICE!

#### What’s looming on the horizon for our profession?

I think there will be more regulatory and governmental changes.

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

I wish I had become more involved with my local community.

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

Always act with integrity and with your client’s utmost benefit in mind. ☺

Contact: 972 335 2523  
[lloyd@ldloweplan.com](mailto:lloyd@ldloweplan.com)  
[www.ldloweplan.com](http://www.ldloweplan.com)

# Bad News — Good News



We all know that with challenges there often come opportunities. Bad news frequently leads to good news. The hazards of occupying outer space have led to many commercial products and electronics advances, such as the GPS devices and wireless services we all use today. There are circumstances that apply to a very large number of prospects that are easily approachable by financial service professionals. How many? About 7 million!  
**Good News!**

Others have exploited this opportunity, so let's examine how they did it. We are going to change the names of the parties and alter the circumstances just a bit — the players are:

- Charles Consultant, CFP®, RFC®
- Sam Successful, Founder and CEO
- Bill Banker, Loan Officer

Charles has been in practice for more than 15 years. Following a three-year employment with a technology firm, he entered financial services and soon enrolled in and passed the CFP course and exam. His business grew and his income diversified:

- 20% Life and Health
- 30% Annuity
- 25% Securities trades
- 25% Assets Under Management

However, in the last two years, his AUM revenue had gone down sharply as result of the market decline and several large clients retiring and transferring their assets to an advisor in their retirement area. Few of his clients needed more life insurance and the annuity commission percentage rates had fallen... **Bad News!**

Charles had joined the International Association of Registered Financial Consultants and mounted on his office wall his large RFC certificate, along with his CFP and college diploma. He also displayed an ethics plaque, course certificates and no product-related literature or trophies. He

was following the branding and communication suggestions offered by the IARFC which helped retain his clients — but which had not yet opened new revenue for him.

Then he reviewed the benefits offered by a new IARFC one-day intensive Business Owner Consulting Workshop. It suggested he could charge plan fees to businesses and also sell products such as Life Insurance, Disability Protection, Critical Illness coverage and perhaps even acquire new AUM clients. His CFP curriculum had not adequately addressed this segment of service — and he was very unprepared to market to business owners. He registered for the Business Owner course (\$395) and paid for a plane ticket and single night hotel room \$430...  
**Bad News!**

The workshop equipped Charles with a 200 page workbook and a CD-ROM with 116 files and over 300 pages of text. Included were Excel spreadsheets, PowerPoint presentations for use with prospects and clients and a generic business fact finder he could customize. The Word files contained letters, agendas, checklists, scripts, certificates and sample plans. A menu system on the CD-ROM made it easy to find and read this wealth of material. There was even a Drip Marketing Sequence with letters, articles, phone scripts and generic implementation checklists.

Charles' first reaction was "All of this is good stuff — but it just points out all the writing I will have to do!" He was amazed to learn that every page was his to use — all he needed to do was use the "Save As" feature in Microsoft and transfer the files from his CD to his hard drive. He could quickly review and edit everything and even customize the presentations by inserting his name, logo, and that of his business prospects. Enormous amount of time saved... **Good News!**

The weekend after he returned home, Charles started reading, customizing and printing the items — such as his marketing Certificates, Fee Schedule, Engagement Agreement and Satisfaction Assurance. He used the guidelines to easily customize the client presentations and prepared his first Sample Plan. Unfortunately, he spent most of the weekend in his basement office — reading, editing, adjusting, printing and script rehearsal. More time invested... **Bad News!**

Charles had built his initial customer base using Jack Root's Successful Money Management System. A very capable seminar presenter, he was comfortable using materials developed by others. However, SMMS was no longer available and his prior focus was on middle-aged and pre-retirement customers — not business owners. He knew there were many local business prospects, but had no way (other than physical cold calling) of reaching them. A prospecting dilemma... **Bad News!**

Included in the IARFC Workshop was a reference to a Tampa based firm, RME — Response Mail Express, specialists in filling seminars or private consultations with qualified prospects — in this case, local businesses.

He called them for a free exploratory interview. They helped Charles clarify his target market: business owners with more than 20 employees that were locally owned (no food franchises) plus professionals with more than 5 employees or associates — none who worked for hospitals or government institutions. He gave his age parameters and geographic location.

His RME advisor did a demographic study and sent him some invitations to review. Based on his demographics, they recommended a nice dinner seminar in a private room at a highly respected restaurant. He would deliver about a 60 minute presentation, review a small handout booklet and ask attendees to

complete a short response form. However, the mailings, phone booking service, initial confirmation were an expense – total, including the steak, chicken or lobster dinner was about \$5,000... **Bad News!**

However, Charles remembered the great results achieved years ago with Jack Root's seminars, so he went ahead. At the suggestion of RME, who has filled thousands of seminars, he offered two evening options, Tuesday or Thursday. (see table)

Charles knew from his SMMS experience that many seminar attendees who were legitimate prospects just did not sign up immediately. Therefore, he put the still interested dinner attendees plus the 7 persons expressing interest who could not make either date and also the 5 "no shows" into a Drip Marketing Sequence.

So, Charles started sending 48 letters on his professional stationery, each accompanied by a multi-page article that was included on the CD-ROM from the workshop. (Of course, he could have written all the letters and articles himself – but he just did not have the time). He would continue mailing and calling until 12 letters and articles had been mailed (48 x 12 x \$1 paper and postage = maximum cost of \$576). Some would drop out of the mailings as they either scheduled an appointment or firmly indicated no interest. Probable cost \$300... **Bad News!**

Charles started calling the "interested persons" and scheduling the appointments personally. A few spoke with his assistant, Ruth, who was at the dinners and she had collected the interest forms and handled the "very interested – call me" persons. He arranged nine interviews for a detailed presentation on Business Planning.

At each initial interview, he delivered a packet of materials and forms in a folder plus a Business Documents Archive Case. Total cost of materials for nine presentations \$65 each – total cost, another \$585... **Bad News!**

What would be his conversion rate for those in the Drip Mailing? That answer is unknown, but many financial consultants expect better than 20% conversion from a group that had previously expressed interest. 25% of 48 might mean 12 presentations and about 8 new clients...eventually.

Of the nine presentations, he secured an engagement agreement with six companies with a fee for producing his plan. He charged a small \$1,500 fee, "A lot less than I believed they would pay. I have already decided to increase my fee in the future."

Seminar Results	Tuesday	Thursday	Total
Persons Registered	40	41	81
Less Spouses	16	13	-29
Business Owners	24	28	=52
Initial Appointments	4	6	-10
Not Interested	3	3	-6
Interested, Not Registered	3	4	+7
Interested No Shows	3	2	+5
Prospects Remaining	23	25	=48

Result: 6 clients; \$1,500 fee from each; initial revenue = \$9,000.

His revenue, from just the fees, was in excess of his total expenses... **Good News!**

Client Number One – in the midst of the planning, he called Charles and said, "My daughter has been very seriously injured in a skiing accident and we're headed east. This will be a long time I'm afraid, so I'll call you when I return." **Bad News!**

Client Number Two – indicated his company's book value was \$3,200,000 but the valuation analysis Charles prepared with a spreadsheet (from the workshop) indicated the market value was \$5,100,000. The client, Sam Successful, indicated that his two key employees, who owned 10% each, had expressed serious concern about the lack of a succession plan. Where would they come up with the \$4 million required to purchase Sam's ownership percentage? No way could they acquire that much money!

Charles used a spreadsheet to also illustrate that the company could not afford loan service on \$4 million – over half a million per year.

Charles pointed out that the company had a \$2 million loan that Sam had signed for personally. Therefore, if the founder Sam died, the loan would be immediately called and that would require far more cash than the company possessed. Sam's executor or spouse would be asked to pay. But, even then, there was insufficient cash... **Bad News!**

With Sam's approval, Charles scheduled an appointment with Bill Banker. During that meeting, he started out by explaining that while the company had always paid on time, Sam's death would cause a loan default and the bank might take a serious

loss. Bill said, "We haven't considered that – what can be done to prevent this? We don't want to close a profitable business, but my loan committee would expect me to demand instant payment. How can we avoid this potential disaster?" **Bad News!**

Like many loan officers, Bill had focused on the traditional aspects of small business loans – cash flow, collateral and business ratios. However, he genuinely liked Sam and wanted to help... **Good News!**

Charles showed him the solution. "Sam's company has been making payments based on a five year amortization plus a floating interest rate, currently 7%." That meant an annual payment of one fifth of the \$2 million, plus interest. The loan had just entered the second year – with a required principal payment of \$400,000 plus about \$100,000 of interest – \$500,000.

"Here's what we'd like to ask you to do to help Sam solve this problem:

1. Can you reduce your interest rate a bit? A one percent reduction would be great.
2. We'd like you to alter the amortization that started at 5 years to extend the loan over the next 6 years.  $\$1,600,000 / 6 = \$266,000$  plus interest of about \$100,000. Total cash flow \$366,000.
3. We will use the cash flow to buy a whole life contract on Sam – which will also build cash values as additional collateral for the bank, since we will give you a collateral assignment on the policy.
4. Furthermore, we'll have Sam insured against a critical illness for \$1,000,000 and use those proceeds to reduce the loan if Sam has a stroke or heart attack."

The presentation was written on a single page and Bill Banker took it to the bank's loan committee with a positive attitude... **Good News!**

At the next session, Bill responded, "The loan committee feels that the interest rate is already attractive — and the best we can do. So that option is out." **Bad News!**

"However, we have agreed to re-amortize the loan, which would reduce the principal payment portion by about \$140,000." **Good News!**

Charles presented the plan to Sam and explained that the cash flow savings will more than fund the life insurance (\$40 per 1,000 for \$2 million of coverage = \$80,000 plus about \$8,000 for the critical illness coverage.)

Charles scheduled the insurance exam. After the initial coverage was issued, he asked the insurance company to consider a \$4 million term policy — to fund the stock redemption plan he was going to propose. That proposal will probably be accepted. The client, Sam, and banker Bill are very pleased — as are the minority shareholders.

Charles is pleased to have guided his client through the recognition of a serious problem and he has been promised a referral to Sam's best customer and to his brother who has a similar business in a nearby state. Unfortunately, Charles Consultant will have to pay a lot more income tax... **Bad News!**

What's the future hold for Charles Consultant? He still has four more business cases underway, plus the prospects who are in his Drip Marketing Sequence and also two powerful referrals from Sam. His revenue will be substantial... **Dynamite Good News!**

Maybe you don't want to enter this vastly underserved market. There are only 7 million small and medium businesses with 120 million employees. When markets are down and the economy and Congress are in a tailspin, you can feel dejected about all the **Bad News**, or you can transition to a better market and start getting more **Good News!** ☺

**Ed Morrow** is the chairman and chief executive of the IARFC and has been a practicing financial advisor for forty years, and across the world. As the CEO of the IARFC he is one of the developers of the Financial Planning Process™ course and a frequent instructor, both nationally and in many countries.

Contact: 800 532 9060  
edm@iarfc.org  
www.iarfc.org



# Develop a New Market

**Charge ...** non -investment fees  
**Sell...** giant insurance policies  
**Diversify...** practice revenue  
**Acquire...** new affluent clients

## Business Owner Consulting Workshop

### Identify and Prospect a New Market

Leading financial consultants and Top of the Table insurance producers have long reconized that the solution is to **go where the money is!** The more successful the business, the greater the need for objective assistance from a third party advisor - LIKE YOU!

### Acquire All the Tools

PowerPoint presentation, fact finder, letters, agendas, checklists, forms, motivating articles, plan text and easy-to-use calculation spreadsheet that motivates business owners to immediate action. Approach local businesses using tested letters, articles, sample plans, certificates, agreements and a proven professional system fully scripted. Also: Why and how to insure all business debts.

### Close the Sale

Maximize this workshop experience. Practice the initial presentation, business evaluation and funding analysis — so you can immediately see revenue results.

**Download Registration form at [www.iarfc.org](http://www.iarfc.org)  
or call Amy at 800.532.9060 ext 34**

### Venue Locations: 9am to 5pm

Charlotte, NC - June 7  
Middletown, OH - July 12  
Smithtown, NY - September 12  
Tampa, FL - December 6  
Tampa, FL - February 2013

**Workshop Tuition: \$395  
1-Day Special Workshop**



7 IARFC approved CE credits for workshop attendance;  
15 additional with post workshop study and exam completion.

**Author: Ed Morrow,**  
CLU, ChFC, CFP®, RFC® Chairman & CEO of IARFC

### International Association of Registered Financial Consultants

Financial Planning Building  
2507 North Verity Parkway  
P.O. Box 42506  
Middletown, OH 45042-0506

Fax: 513 424 5752  
Questions: 800 532 9060  
[www.IARFC.org](http://www.IARFC.org)  
[info@iarfc.org](mailto:info@iarfc.org)



# A Smart Income Tax Reduction Strategy

We Must Change the Traditional Financial Advice Given to Middle American Families...



Lew Nason, RFC®, RTIA, LUTCF

As we discussed in previous *Register* articles, one of the most serious problems we have today is that the traditional financial advice (Conventional Wisdom) that has been passed on from generation to generation from the people we trust and respect... our friends, parents and grandparents, is outmoded and doesn't work in today's financial world. Much of today's conventional financial wisdom was born out of the 'Great Depression'. It is what our great-great grandparents and great grandparents learned they had to do in order to just survive.

Is there any question that many of the assumptions we based our financial decisions on over the years have dramatically changed since our Grandparents and Great Grandparents generations? Today, most people probably won't have a Company Paid Pension Plan. Social Security, if it is there at all, probably won't play a major role in our retirement income. We're likely to still have a mortgage payment, a car payment and credit card payments during our retirement years. And, we can expect to be retired for 25 years or longer, with inflation constantly nipping at our heels!

*While many households will spend a great deal of time shopping for an automobile, the decision of who to trust with their wealth too is often made without as much thought.*

Dr. James Mallett, Stetson University

If we want to have a secure financial future, it's now totally up to us. And, unfortunately it's NOT going to happen following the traditional advice our Grandparents and Great Grandparents have given us. If we want to have a secure financial future we need to start putting 'ALL' of our money to work for us, instead of us just working for our money.

Isn't it our responsibility, as RFCs, to help families to spend, save, invest, insure and

plan wisely for the future, to achieve financial independence? Then shouldn't we be setting a good example and be open minded to new ideas to helping families to find the money to save and invest.

## Can You Help Families To Maximize Their Income Tax Deductions?

Consider, if you were eligible for a federal income tax deduction, how much of a deduction would you want to have? Wouldn't you want to have the largest deduction you can possibly get?

Now, how long do you want to be able to reduce your federal income taxes? Wouldn't you want to reduce your federal income taxes for as long as possible?

The problem is that most of the traditional advice (conventional wisdom) we receive today is telling us to do just the opposite. By following conventional wisdom in most cases we are reducing and eliminating many of our last remaining tax deductions!

Consider, the federal government has slowly but surely been increasing our taxes without calling it a tax increase.

In a study for the National Bureau of Economic Research, Boston University economists Laurence J. Kotlikoff and David Rapson found that our all-in marginal tax rate is 40%, give or take a bit. Yes, you read that right: 40%. Most workers will pay about that much on each dollar of income when all taxes — federal and state income taxes, sales taxes, taxes for benefit programs, etc. — are considered.

*What all of us have to watch out for is much more subtle — new and improved forms of weasel wording that raises taxes without seeming to raise taxes. Both parties do this, witness the dreaded Alternative Minimum Tax and its equivalent for retirees, the taxation of Social Security*

*benefits. Then think about disappearing itemized deductions and the disappearing standard exemption.*

Scott Burns, Financial Columnist, Universal Press Syndicate

Laurence J. Kotlikoff, Professor of Economics at Boston University and author of the book "*The Coming Generational Storm*", has concluded after much study that; "*After calculating the immediate and permanent federal personal and corporate income tax hike needed to achieve generational balance... the requisite tax hike is a whopping 69 percent!*"

There are plenty of other authors out there saying the same things. Based on the current federal debt, social security short-falls, etc., I think you'll agree that income taxes are going to be higher in the future.

## Out-Dated Advice From Most Financial Advisors

For years, most financial advisors have been telling us; "*Pay off your home mortgage as quickly as possible and you'll save thousands of dollars in interest payments.*" On the surface this may appear to be very sound advice. But, is it? When we follow their advice and pay additional money towards our mortgage principle aren't we lowering our tax deductible mortgage interest each year? In effect we are killing one of the last remaining income tax write-offs that we have today?

**It's not what you make.  
It's what you keep!**

If you were instead to invest the extra money you would have put towards your mortgage principal at a rate higher than you are paying for your mortgage (tax deferred), you could pay off your mortgage even earlier. And, you'll still have the maximum mortgage interest income tax deduction for that whole time.

The decision to invest in a home is not only a practical decision in terms of meeting lifestyle and family needs, it can also serve as a means of accumulating wealth through property appreciation.

Additionally, with the deductibility of mortgage interest and the special treatment of capital gains, there are unique benefits associated with leveraging an investment that is a relatively stable asset. Thus, a properly financed home can enhance an individual's overall investment strategy. Morgan Stanley...

### Smart Mortgage Equity Management

Rather than viewing all debt in a negative light, I believe that specific types of debt, such as a home mortgage, can play a very strategic role in a family's overall financial profile. Successful Mortgage Equity Management ultimately allows existing assets to grow undisturbed, free from the possibility of liquidation, while providing liquidity for further investment opportunities that may potentially enhance a family's net worth.

To put it another way, if you can make more on your money than it's costing you to borrow the money, why wouldn't you borrow the money?

Consider, isn't that the premise behind any successful business? They borrow money to invest in their business at a competitive interest rate and then they write-off that interest on their income taxes each year. They know that when the money is used properly, every dollar they borrow and invest in their business to grow sales and increase their profits will have a return on investment (ROI) of 15% or much more each year.

If you could use the same premise with your home mortgage interest and make more on your money than it's costing you, how much better off would you be?

Let's free up those "lazy, idle dollars" that are "trapped" in your home. ☐

Lew Nason, RFC®, RTIA, LUTCF, with his sons Jeremy Nason, RFC®, and Will Nason, are the creators of Found Money Management™, a complete 'Turnkey' marketing and sales success system dedicated to helping Middle Income Families to 'Live Debt Free and Truly Wealthy.'

Contact: 877 297 4608  
coach@insuranceproshop.com  
www.insuranceproshop.com

## CAREER OPPORTUNITIES

### (Willing to Relocate?)

**Financial Planning positions available at all levels. Mature practice with existing marketing systems in place to produce a constant flow of new prospects.**

Candidate(s) should possess RFC®, CFP®, ChFC or CPA credentials; Life & Health Insurance, Securities 7, Real Estate or Mortgage Brokerage Licenses. Opportunities available in Long Island, NY and Tucson, AZ.

#### Contact us today:

acoletti@designcapital.com (631) 979-6161 x 102 www.designcapital.com

**LET OUR STRENGTHS BE YOUR ADVANTAGE.**



The Design Capital Planning Group, Inc.

## Annuity Sales Secrets Revealed

**Are you wondering how the Top 1% of Annuity Producers are still able to consistently earn \$50,000 or more of annuity commissions every month using annuity seminars, when everyone else is saying that annuity seminars are being overdone? (Even with all the Bad Publicity and the Current Economy) What is it that they know that you don't?**

**Would you like to know their secrets and learn how to:**

- 1. 'Fill' your seminars every month w/30 to 50 qualified senior leads!**
- 2. Create immediate trust and confidence with your audience!**
- 3. Set appointments with '9 out of 10' of your attendees!**
- 4. Collect \$1,000,000 of annuity premiums each month!**

**Get My Secrets NOW!**

**FREE E-book...**

**'10 Deadly Mistakes' That Keep You From Collecting 'One Million Dollars' Of Annuity Premiums Every Month!**

**Call Today... 877-297-4608**

**www.InsuranceProShop.com**

# Market Perceptions — Market Realities

*part two*

## The Economy: It's Not Going to Get Better Soon

An interesting point from the Treasury Borrowing Advisory Committee (TBAC) compliments of Zerohedge. Their latest letter to Timothy Geithner contained the following paragraph:

*There was a lengthy discussion regarding the bid-to-cover ratios at recent Treasury bill auctions. It was broadly agreed that flooring interest rates at zero, or capping issuance proceeds at par, was prohibiting proper market function. The Committee unanimously recommended that the Treasury Department allow for negative yield auction results as soon as logistically practical.*

It's probably the perfect summary of our insane monetary system in which common sense and everything else has been turned on its head. Here we have a group of Wall Street bankers "advising" the Secretary of the Treasury to implement a system for allowing negative interest rates as soon as possible. Yes, real life negative interest rates all in the name of allowing proper market function. Market function is the one thing that we have been sorely lacking for the last ten years with two once-in-a-lifetime bubbles brought about by non-market interest rates set by our central planners at the Federal Reserve.

And now our global "markets" are little more than casinos betting on what the central banks will decide to do next. On March 14, 2012 in testimony before Congress, Fed Chairman Ben Bernanke stated that if the European debt crisis gets worse it would mean a 50% drop in stock market values in the U.S. but the banking industry would still be adequately capitalized to weather the situation.

Treasury Secretary Geithner followed up by saying the recovery for Europe will take several years if successful and will mean very slow economic growth for the US in the interim. Not the kind of news that



MSNBC leads with but if you watch C-SPAN these wonderful nuggets of economic news occasionally reveal themselves. Interestingly, the austerity measures that Greece is trying to implement will NOT insure that their bailout will ever be repaid but that another bailout will have to occur. This does not include the problems of Italy, Spain, Portugal or Ireland.

Sadly, the "too big to fail" banks are now even bigger than ever. The total assets of the six largest U.S. banks increased by 39 percent between September 30, 2006 and September 30, 2011. If they were to fail today, they would be even more of a threat to our financial system than they were back in 2008. Could a 1933 replay be possible?

And our major banks continue to be very highly leveraged. In fact, major banks all over the world are absolutely swamped with debt.

**The U.S. banking system is leveraged 13 to 1**

**The Japanese banking system is leveraged 23 to 1**

**The French banking system is leveraged 26 to 1**

**The German banking system is leveraged 32 to 1**

Yes, proper market function is what we need most to clean out a system that has

been gummed up with unsustainable levels of debt and an insolvent banking system. But, negative interest rates aren't going to do that. Real negative interest rates, in which the loss of purchasing power due to price inflation is greater than the interest earned, have been a powerful driver of the gold price for many years now. But, what happens when actual interest rates go negative? What they will do is light a fire under the price of gold.

However, in light of this data, when the Euro shows weakness due to their severe banking problems, the U.S. dollar "strengthens" since it is perceived to be the stronger currency. This is perception. The reality...we are broke. \$15 trillion in debt and COUNTING. However, we are told the dollar is now the safest haven for investors. Perception at its zenith!

Jim Rogers, who co-founded the Quantum Fund with George Soros in the 1970s has been critical of the U.S. Federal Reserve for buying bonds with newly printed money, which Rogers said will debase the currency over the medium term.

*People, rightly or wrongly, when there is international turmoil, put their money in U.S. dollars. It is the wrong thing to do but that's what they do, so I still own my dollars,* he said. Jim understands the perception and reality of markets.

As stated in my previous article we are living in an age of perceptions and sound bites from the mainstream media. We are told inflation is low (Bernanke stated it was 1 1/2% -2% and will be so for the next two years); however, look at the prices of food, energy and healthcare and realize these are essentials that are not included in the official index. 2% inflation with these items is offered by the media and is the accepted perception. For everyone, prices are rising dramatically; that is the experienced reality.

### Rare Coins – Waiting for The Call

U.S. gold type coins have not shown much strength and continue to have some erosion in premium. Even a few issues in MS-67 have declined, namely the Liberty quarter eagle and the \$20 Saint Gaudens. Another item that seems awfully cheap is the \$20 Liberty in MS-64 and -65. Why? Many collectors and some speculators are selling into this market since they have realized more profits from their coin holdings than from equities. It's a great influx of material into this market. Perception, the market

great to sell into...reality, consider this a buying opportunity.

In the non-gold type arena, things are quiet and steady with flying eagle cents taking off in MS-62 and -63, and 3-cent silvers needed in large quantities in G-VG for promotions by direct marketers. Interestingly, there is also strong investor demand at the far end of the spectrum for 3-cent silvers in proof grades.

A question frequently is how the rare coin market is doing. If you asked 50 different dealers, you would get 50 different answers. To try to take the subjective element out of evaluating the state of rare coin markets, indices were developed to help answer such questions.

The Salomon Brothers Coin Index was published annually from 1978 through 1990. Unfortunately, it only consisted of 20 U.S. coins of specific grades. This index contained too small a sample of components to match the state of the overall market, especially since it turned out that all of the coins were scarce to very rare. This index was abused by telemarketers. The Nachbar 100 Index was another attempt to provide data on performance but was not followed by most dealers. Today there are prices from PCGS, gpAnalysis, Numismedia, NGC, as well as the Certified Coin Dealer Newsletter and the Coin Dealer Newsletter (the difference being one publication is for certified coins only). There was the BM Index (created by the editor) that tracked common gold coins from 1975-2005, however, the index only covered gold coins which did not account for the performance of the rest of the market. In 2006, Gary Knaus of Chicago produced a index based on active trading of coins called a K-Score that was based on a revolving group of undervalued rare coins.

Patrick Heller, a long time numismatist from Lansing, MI came up with five indices to track different segments of the U.S. numismatic market. Two were titled the U.S. Investor Blue Chip Coins and U.S. Investor Better Date Coins. Two were labeled the U.S. Collector Generic Coins and the U.S. Collector Key Date Coins. The fifth was for the U.S. Large Size Paper Money. Following are the results for the index related to coinage from his study.

To try to neutralize the impact of a single coin realizing a huge price change while the rest of the market was stable, an

assumption was to make an even \$1,000 investment in each component of the four coin indices. That way, if one coin went up 10 percent and another went down 10 percent, the net result would be no change – no matter what the actual price of the two component coins were. The Certified Coin Dealer Newsletter (Blue Sheet) PCGS bid prices were used for MS-63, MS-64 and MS-65 grades for both investor indices. For the Collector indices, the Coin Dealer Newsletter (Greysheet) bid prices were used for the specific grade of the component coins.

When the state quarter series debuted in 1999, Patrick established indices for U.S. Silver Proof Sets 1950-1964, U.S. Regular Proof Sets 1968-1998 and U.S. Proof Silver Eagles 1986-1998. The same \$1,000 per component as used with the earlier coin indices and again used the Greysheet bids for data. Here is how they performed for 2011:

Proof Silver Eagles 1986-1998	+20.2%
Silver Proof Sets, 1950-1964	+12.5%
Investor Blue Chip Coins	+10.6%
Collector Generic Coins	+10.3%
Investor Better Date Coins	+1.7%
Collector Key-Date Coins	-4.9%
Regular Proof Sets 1968-1998	-8.7%

While the spot price of silver at the end of 2011 was almost 10 percent lower than at the end of 2010, the average price of silver over the course of 2011 was 74 percent higher than the average 2010 price (roughly \$35 in 2011 and \$20 in 2010). The sudden silver price drop at the end of 2011 did not offset the fact that the top two performing indices were sparked mostly by higher silver spot prices over the course of the year. An interesting result is that the Blue Chip and Generic coin indices both did as well as they did, outperforming all major global stock market indices for the year. A slight amount of the increase came from higher silver and gold prices, but there was also strength in coins where metal value was not a factor in the coins' prices. When rare coin markets are strengthening, the most common coins tend to lead the way. These are the very coins in the Blue Chip and Generic indices. Major marketers first promote the coins they can obtain in large quantities, which is one reason common coins tend to lead the way.

Another anomaly was that the MS-65 component coins in the Investor Blue Chip Coin Index were up 17.6 percent, much better than the MS-64 (+7.4 percent) and MS-63 (+6.7 percent) coins. Yet, in the

# COACHES

# ROSTER

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.

**Wilma Anderson, RFC®**

Long Term Care & Critical Illness  
www.CriticalIllnessCoach.com  
WilmaAnderson@q.com.com  
720 344 0312

**Max Bolka**

Comprehensive Business Consulting  
www.MaxBolka.com  
Max@MaxBolka.com  
800 472 3288

**Connie S.P. Chen, RFC®**

Chen Planning Consultants, Inc.  
CPCinc@chenplanning.com  
212 426 1910

**Mark Gremler, RFC®**

Billion Dollar Mentoring  
www.billiondollarmentoring.com  
marketing@billiondollarmentoring.com  
877 736 7492

**Christopher Hill, RFC®**

End of Life Plan —  
Education, Training and Marketing  
www.FuneralResources.com  
Chris@FuneralResources.com  
703 917 8501

**Maribeth Kuzmeski, MBA**

Practice Management & Marketing  
www.RedZoneMarketing.com  
MK@RedZoneMarketing.com  
847 367 4066

**Fred Ostermeyer, RFC®**

Communicate with Congress  
fred.ostermeyer@kmsfinancial.com  
208 773 69245

# Sprint®



Together with NEXTEL

## Just for you. Right now.

Get a **\$50**

credit back when you shop at your Sprint Private Store! Just apply "SAVE50" at checkout.

Web-only offer. Applied within 3 invoices. New line activation and two-year Agreement required. Restrictions apply.

Save

**16%** on select regularly priced Sprint service plans

**16%** on select regularly priced Nextel service plans

Requires two-year Agreement

Visit an online store with discounts just for you and your practice.

Make the most of special savings for you and your family.

Get on the Now Network.

[sprint.com/iarfc](http://sprint.com/iarfc)

Online offer just for members of the IARFC.

To order by phone IARFC Members can speak with Andrew Trout, Account Representative at: 513.263.0213 or Andrew.Trout@sprint.com.

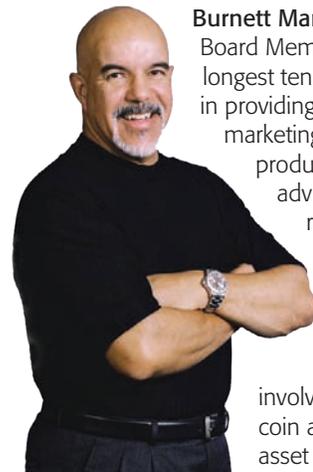


Investor Better Date Coin Index, the MS-63 component coins were up 2.6 percent, the MS-64s were up 2.8 percent, while the MS-65s were net down 0.4 percent.

Here are some longer-term results of these longest-dated indices since their inception in 1988 or 1989:

Collector Key-Date Coins	+315.1%
Collector Generic Coins	+255.7%
Investor Better Date Coin	-41.6%
Investor Blue Chip Coins	-54.8%

The poor performance of the investor coin indices should not be taken as a fair analysis. The U.S. numismatic market hit a major peak at the Long Beach Show at the beginning of June 1989. Only about 12 percent of the coins in these two indices are now at higher prices than in mid-1989, with a few of them resulting from higher gold spot prices. The demand in early 1989 was heavily skewed towards certified coins, so it should be no surprise that the uncertified coins and paper money have outperformed the slabs since then. In general, the 2011 results are encouraging for overall market direction in 2012. There is no obvious sector of the market that is likely to outshine the other niches. The best advice is to look for coins that exhibit solid quality for the grade and that may have underperformed in recent years. Thanks to Mr. Heller for his research. ☐



**Burnett Marus, RFC®**

**Burnett Marus**, past IARFC Board Member with the longest tenure, specialized in providing customized marketing services and products for financial advisors, attorneys, realtors and selected small businesses. He has been involved with rare coin and tangible asset investments since 1975 and currently has a private firm

that specializes in working with RIAs and their HNW clients. Burnett Marus Associates has the experience and resources to complete the project in a timely and cost efficient manner.

Contact: 972 644 6117  
bmarus@sbcglobal.net  
www.irCBS.com



# When Faced With A Death — An Important Checklist

Losing a loved one is arguably one of the most difficult experiences in life. In addition to coping with the grief and loss, there are also a variety of challenging tasks and important financial decisions to be completed, some of which include:

- ✓ Making final arrangements
- ✓ Reviewing funeral costs and funding options
- ✓ Settling an individual's estate and heirlooms
- ✓ Notifying family, friends and co-workers
- ✓ Working with various companies and government agencies
- ✓ Providing important vital statistics for insurance claims and death certificates
- ✓ Securing the financial security of the remaining spouse

The following is a checklist to help your clients get through the difficult time.

## Time-Sensitive Tasks

Contact all close family members, friends, co-workers and clergy first. This is not only important to notify them of this loss, but because you will need their help with funeral planning and emotional support.

Begin working with the family and loved ones to arrange the funeral, burial or cremation and memorial service. Since everyone knows that death is a guaranteed event, my hope is that financial professionals have properly planned and prepared their clients and prospective clients in most of these End of Life arrangements ahead of time.

Review all of the important paperwork and documents to identify any instruction containing their final wishes. In most cases, these key End of Life and estate planning instructions can be found in his or her Last Will, Living Trust, or other estate planning preparations.

Notify family, friends, co-workers and loved ones of the final arrangements. These final arrangement notifications should include details such as cultural and religious rituals, memorial service and funeral etiquette details and funeral flower or donation preferences.

Notify the decedent's place of work, professional organizations, unions, associations, military branch and any other organizations where he or she may have been a member or volunteer.

Recommend that each of the decedent's loved ones notify their own personal employer and arrange for bereavement leave.

Make sure that an obituary is created in their local newspaper as well as on the Internet.

Promptly begin obtaining certified copies of the death certificate. In most cases the family doctor or medical examiner provides a death certificate within 24 hours of the death. The next step is for the Funeral Home and/or Funeral Director to complete the form and file it with the state. Note: Be sure to request and obtain many original copies, since photocopies are not always accepted. These death certificates become important for tasks such as applying for benefits and settling an estate.

Be sure to review all financial affairs, particularly focusing on estate planning documents such as a Last Will or Living Trust, deeds and titles, marriage certificates, birth and adoption certificates, military paperwork and other relevant documents.

If applicable, locate and contact the decedent's estate planning attorney for all copies of estate planning documents, particularly the originals.

Contact the decedent's local bank to verify if they had a safe-deposit box. Note: If the decedent did not leave behind instructions or details regarding who is authorized to open their safe-deposit box, you can petition the probate court for an order to open.

Contact the Social Security Administration to report the death. Also note:

- If your loved one was receiving any benefits via direct deposit, request that the bank return funds received for the month of death — and thereafter to Social Security as well.
- Do not cash any Social Security checks received by mail. Return all checks to the Social Security Administration as soon as possible.
- Surviving spouses and other family members may be eligible for a lump-sum death benefit and/or survivor's benefits. You can visit [www.ssa.gov](http://www.ssa.gov) for more information.

Prepare a comprehensive list of all of the decedent's assets.

If applicable, be sure to put safeguards in place to protect any key property.

Make sure any mortgage payments and insurance premiums continue to be paid while the estate is being settled.

Regarding the decedent's place of work, be sure to:

- Request to receive their belongings.
- Inquire about collecting any salary, vacation or sick pay owed.
- Ask about continuing health insurance coverage and potential survivor's benefits for their spouse and/or children.
- Review all employer, union, or association death benefits details. Be aware of the fact that if the death was work-related, the

decedent's estate or beneficiaries may be entitled to worker's compensation benefits.

- Contact the decedent's past employers regarding any pension plans, survivor benefits, as well as any other forms of defined benefit or defined contribution retirement savings plans.
- If the decedent was a military veteran, inquire about any potential eligibility for burial and memorial benefits. This can be accomplished by contacting the Department of Veterans Affairs by either calling (800) 827-1000 or visiting their website [www.va.gov](http://www.va.gov)
- Contact any IRA custodians, trustees, and guardians. Be sure to review and confirm all of the IRA beneficiary designations, as well as understand all of the IRA distribution options.
- Locate and review all life insurance policies, which could include individual insurance, group life insurance, mortgage insurance, auto credit life insurance, accidental death and dismemberment, credit card insurance and annuities.
- Contact each insurance company to find out the necessary procedures and documents needed to file claims.
- Promptly contact all credit card companies to notify them of the death and, assuming there are no other names associated, cancel all credit cards.
- Retitle all jointly held assets such as bank accounts, automobiles, stocks and bonds and real estate into the surviving parties' name.
- If the decedent was an owner, principal, or had a controlling interest in a business, review all corporate documents and details. Be sure to check to see if there are any additional business agreements such as a buy-sell agreements, split-dollar agreement, etc.

#### Tasks to Be Completed Within 9 Months:

- If the decedent created a Last Will or Living Trust, be sure to file these documents with the appropriate probate court. If there was any real estate owned out of his or her state of domicile, be sure to file ancillary probate in that state also.
- If the decedent did not leave behind a Last Will or Living Trust, contact the probate

court or a probate attorney for instructions and assistance.

- With regards to any of the decedent's creditors, be sure to notify them by mail as well as by placing a notice in the local newspaper. Any debtor's claims must be made within the statute of limitations. Although this varies from state to state, the standard time is usually 30 days from actual notice. Once a claim has been made, be sure to insist upon proof of all claims.
- With regards to estate taxes, you may be required to file a federal estate tax return within 9 months of the date of death. Due to the fact that state laws vary, there is the possibility that state estate tax and/or inheritance tax returns may need to be filed. Federal and state income taxes are due for the year of death on the normal filing date, unless an extension is requested. Should there be any existing Trusts in place at the date of death, a separate income tax return may need to be filed. It is highly recommended that all financial professionals and their families seek the advice of seasoned tax and estate planning professionals.

#### Tasks to Be Completed Within 9 to 12 Months

- One of the most important tasks, which can often be overlooked or postponed, is to update your own estate plan — or your client or prospective client's estate plan — if someone was a beneficiary or appointed as an agent, trustee or guardian.
- Along the same lines, it is also extremely important to revise and update all beneficiary designations on the decedent's or surviving parties retirement plans. This includes accounts such as IRAs, Transfer-on-Death (TOD) or Payable-on-Death (POD) accounts, pension plans, life insurance policies, annuities and any other accounts on which the decedent was named as a beneficiary.
- Review the impact of the "big picture" financial situation, which includes changes in the household income, expenses, budget, as well as short and long-term goals and objectives.
- Review the families insurance needs, including the insurance amounts, types, beneficiary designations and most importantly, any needs for insurance.
- Reevaluate whether or not the existing investment options still make sense. This includes reviewing details such as the

existing asset allocation, goals and objectives, risk tolerances, income and estate taxes, income distribution and legacy planning.

#### Other Key Considerations

Although this is a matter that most families and loved ones wish to complete and have behind them, take your time and do not try to rush the settlement of a loved one's estate. When it comes to estate planning and distribution, there are many important decisions that must be made in compliance with the Last Will or Living Trust and applicable state and federal laws. This is exactly why it is so important to seek the help and advice of an experienced estate planning attorney.

If your client, prospective client or loved one did not leave behind any End of Life plan with regards to their final plans and preferences, you can visit [www.funeralresources.com](http://www.funeralresources.com). This is a family-focused resource center that contains the large majority of information most families seek help for when it comes to funerals, burials, memorial services, End of Life Planning and much more. ☐



**Christopher Hill, RFC®**

**Christopher P. Hill, RFC®**, started his career in financial services industry in 1986, working as a college intern assisting a veteran stockbroker. Mr. Hill has more than 24 years of experience as a top producer in the financial services industry as a nationally-recognized speaker, seminar expert, and MDRT Top of the Table Producer. Mr. Hill is also the Founder of FuneralResource.com, the Internet's leading educational Resource Center for families and Funeral Directors. Mr. Hill received our Cato Award in 2008 for his contributions to the *Register*.

**Contact: 703 917 8501**  
**[chris@funeralresources.com](mailto:chris@funeralresources.com)**  
**[www.funeralresources.com](http://www.funeralresources.com)**

# The Slower You Go, The Quicker You Get There



## Practice Development, Sales

We live in a hurry/hurry, go/go world. It seems as if most of us are in a hurry to get somewhere. Yet, we know that there are times when the slower you go, the quicker you get there. Let's use a simple example. The quickest way to communicate an idea is to tell someone. But this method is often the slowest way to obtain buy-in. People are more comfortable with their conclusions than ours. You are more likely to win someone over if they are given an opportunity to express themselves and feel that they are in control of the process.

Rod Tyler is a financial advisor whom I coach. He is based in Regina. Recently, Rod was referred to a couple who had \$2,000,000 to invest. They received the money through a settlement and did not have experience in managing money. Initially, they were hesitant to trust Rod, even though he had been referred by someone they trusted.

The first principle in building trust is to focus on the other person(s). Rod began by asking a lot of questions to help them identify, clarify and intensify what was important. Their primary concern was the safety of their capital. Rod also took the time to patiently answer their questions. Recognizing their concerns, he proceeded slowly and met with them a number of times. At the same time, they met with a banker who recommended one of the bank's balanced investment funds. They told Rod that they were more comfortable dealing with the bank. Rod suggested to them that they needed three people to help them with their financial affairs, two of whom were already in place. The first was a good lawyer who could assist in structuring their wills and estate planning. The second was a good accountant who could provide tax and accounting advice. Rod knew both their lawyer and accountant and expressed his confidence in them. The third person is someone to provide investment counsel

and assist with the insurance requirements of the estate plan.

At that point, Rod asked them the name of the banker with whom they were dealing. They could not remember his name. Rod asked them, "What are the chances you will see the same person in the branch three years from now?" The wife laughed and reminded her husband this was the third person they had seen in the last six months. Rod shared a story of another client who was in a similar situation and had the same concerns. In the story, he illustrated the range of choices available to them to protect their capital and provide enough growth to offset inflation and withdrawals. The story resonated with them.

People treat facts as factors, but make decisions primarily based *upon feelings*. Rod connected with these people at an emotional level. At no time did he hurry them or press them to make a decision. In due course, they made the decision to work with Rod. Sometimes, the slower you go, the quicker you get there. ☐



**Norm Trainor, NQA, CLU, RFC®**

**Norm Trainor, NQA, CLU, RFC®** is the President and CEO of The Covenant Group, referred by many as "The Business Builder." Norm is an international speaker; the author of the best-selling books, *The 8 Best Practices of High-Performing Salespeople* & *The Entrepreneurial Journey*; and has written articles for various leading publications in North America and internationally.

Contact: 877 903 3878  
tcg@covenantgroup.com  
www.covenantgroup.com

## Journal of Personal Finance

### Call for Papers



**Get Involved:** We welcome the submission of articles from IARFC practitioners. This is a great way to contribute to the profession.

**Professional Articles:** The Journal is seeking articles by practitioners that may deal with the application of financial planning techniques, marketing and practice management. These are expected to be very high level papers and/or articles.

**Publicity Opportunities:** Naturally, we encourage published authors to advise their clients and the media of their published articles by sending a media release and copies.

Contact: **Dr. Michael S. Finke, RFC®**  
P: 806 742 5050 x259 E: michael.finke@ttu.edu  
www.journalofpersonalfinance.com

# Business Mirrors Life

## Dad Throws Cold Water on Passing the Torch

*Advisors and their clients struggle over the knotty issue of succession planning. They hope that a son or daughter will take over the enterprise and solve the problem. Well Hesh is here to remind us that it won't work. And he knows firsthand. Hesh tried taking over his dad's auto repair business. Here is his true story, well not really "true" in a factual sense. But Hesh is allowed some liberties as our in house humor columnist.*

We had an agreement. I'd work in the business for five years, then Dad would retire and it would be mine. It's been seven years and I'm still waiting.

On paper I own the company, but Dad still comes in every day. True, it's not at 6.30 A.M., anymore. He waits until 8.00. That is our first dilemma. I'm not a morning person. I don't mind staying at the shop until 9.00 P.M. preparing invoices and responding to e-mails. But in the morning, I just love to sleep in an extra hour and brew my own espresso.

I was looking forward to running the business my way, but Dad still beats me into work. He tells the crew which cars to work on and he continues to aggravate the insurance adjusters. I had plans to go upscale and work only on foreign cars. But you know what? Nothing has changed.

To make things worse, I get reminded daily by my wife, Barb. I promised her that when I owned the business, we would skip Sunday dinners with my folks and she could start going to her own hair dresser. Most importantly, we were going to switch churches. The priest really drove her nuts with his lisp.

But first it was Communion for my oldest; it just had to be at Grandpa's church. And Barb had gone back to school, so my mom just couldn't understand why we would prefer take-out pizza over a Sunday dinner

of her homemade lasagna (my favorite). I had a solution. I just stopped coming into work. First I had the flu and was in bed for a week. Then my oldest, Jennifer, wanted to visit colleges on the East Coast. I had promised her that I would take a few days off to go with her.

Even God got involved. A main water line near the garage broke and caused the entire road to flood. Our shop was saved, but none of our customers could get near us for a week. I just stopped going in. Of course, Dad showed up every day. It was actually funny. He went up to our cabin, brought back the small dinghy, and used it to get to the shop.

I couldn't hide anymore. The water line was replaced and the road rebuilt. We were re-opening, and the lieutenant governor was going to smooth over the last patch of new asphalt. All the shop owners in the strip mall were invited to join him. Dad, as the oldest tenant, was asked to drive the steamroller the last hundred feet.

Barb told me that it was now my business, and I should be driving the steamroller, not Dad. Then she gave me that look. You know, the look that says: This one is non-negotiable. It's like the time she told me we weren't going to have any more kids. I still wanted to try for a boy. She said three girls was her limit, and she gave me that look! (I scheduled the vasectomy the next day.)

I decided to be straight-up with Dad. I had been watching a lot of Dr. Phil at home and knew I had to confront him. I did. Sorry folks, it didn't turn out OK. That only happens at the Cosby's. Dad was livid. He reminded me how he had started the business from his dad's garage after returning from Vietnam, how mom had sold homemade pierogies to supplement their income. And ... and we all had heard the stories before.

Dad and I stared at each other, neither saying a word – a stalemate. Mom walked in and started to cry. "You're fools. Why don't the both of you stay home, and I will drive that damn steamroller." Dad and I looked at each other, smiled and said, "You're right. Go for it, Mom."

The evening news showed Mom in a beautiful orange sun dress driving the steamroller. Of course, she did not know how to shift gears, and it stalled on her three times. They had to have four re-takes before they got it right, and the lieutenant governor was running late and was pissed. And then it started to rain, but Mom was beaming the entire day.

As for changes at the shop, Mom now runs the business. ☐



**Hesh Reinfeld**

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

**Contact: 412 421 8379**  
**hesh@heshreinfeld.com**  
**www.heshreinfeld.com**

# BUILDER Suite

Software, Training and Support for Financial Advisors

20%  
Member Discount

## PlanBUILDER

Interactive, Real-time, Personal Financial Planning System



## PracticeBUILDER

Client Relationship Management Solutions for Financial Advisors



## ClientBUILDER

Presenting Your Financial Services to Prospects



See why **BUILDER** Suite Leads Client Management Software for Financial Professionals!

For a FREE Web Demo call: 800.666.1656 x13  
or visit [www.FinancialSoftware.com](http://www.FinancialSoftware.com)

*This offer is not available in conjunction with any other affiliate discounts, software renewals, and/or purchases prior to the promotion.*



International Association of Registered Financial Consultants

Financial Planning Building - 2507 North Verity Parkway  
P.O. Box 42506 - Middletown, Ohio 45042



## Create your own IARFC website now!

- Get a professional and attractive online presence
- Attract new clients and service existing clients better
- Packaged with consultative Internet marketing expertise
- It's always working, even when you're not!

Only \$39.95/month (regularly \$44.95) • \$149 set-up fee

[www.iarfcwebsites.com](http://www.iarfcwebsites.com) | 1-800-593-9228



Powered by Smarsh Financial  
Visions Website Services