the Register

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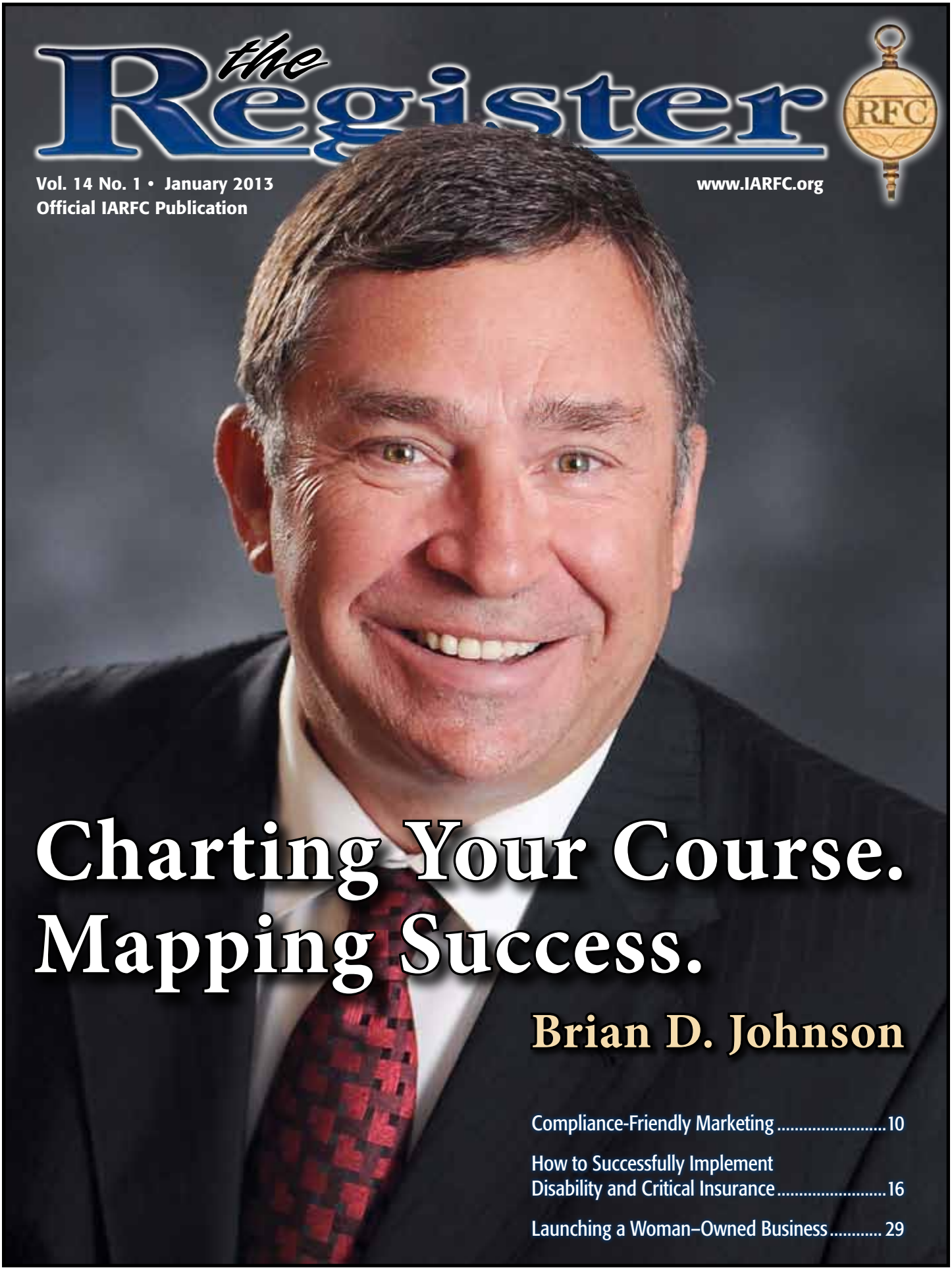

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Brian D. Johnson

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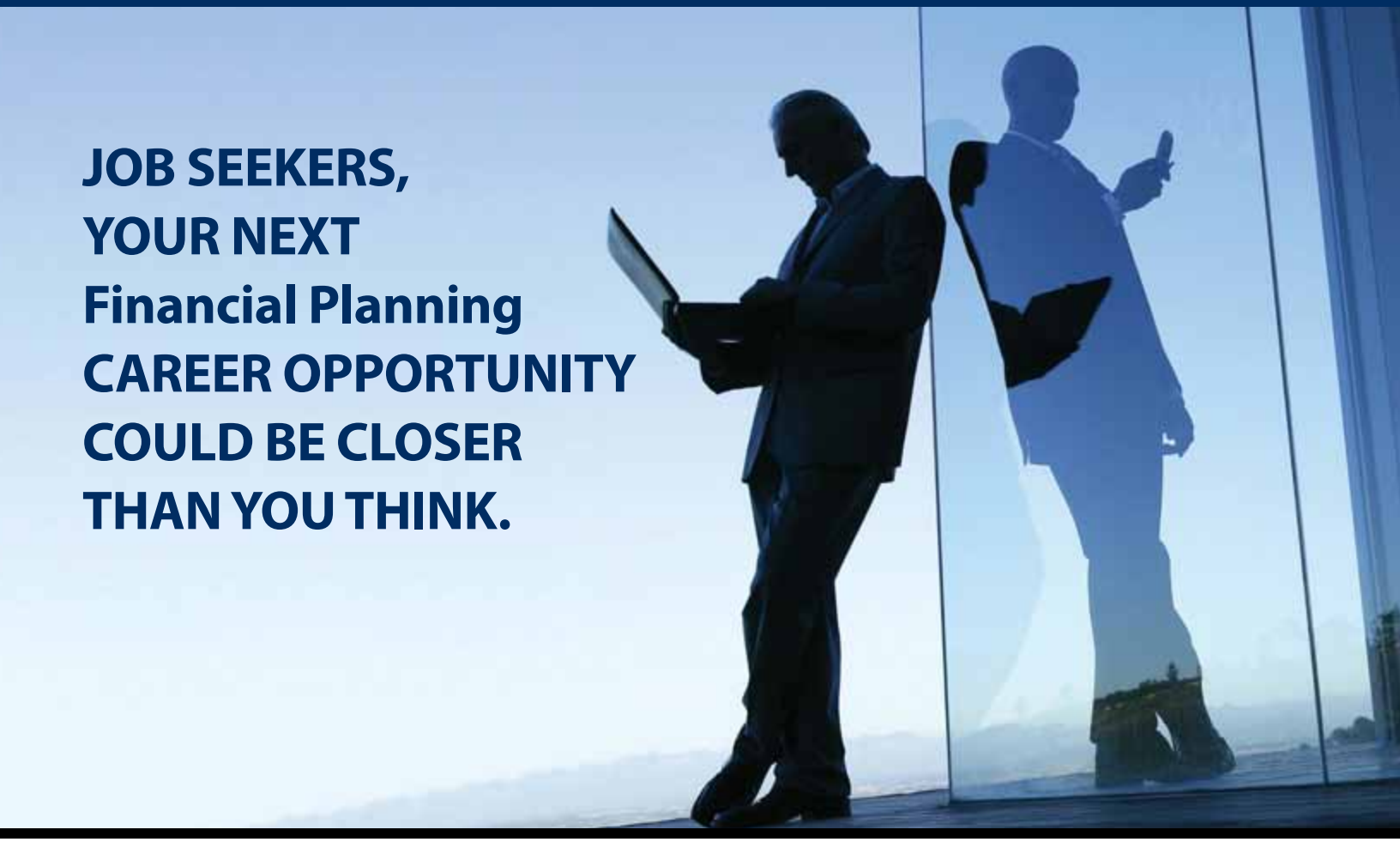

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In This ISSUE Vol. 14 Issue 1

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INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

2013 Events Calendar

JANUARY

RME Sales & Marketing Super Cruise
January 17-21, 2013
Tampa, FL to Cozumel, Mexico

FEBRUARY

IARFC Board Meeting
February 22, 2013
Middletown, OH

MARCH

Business Owner Consulting Workshop
March 21, 2013
Middletown, OH

MAY

IARFC CE@SEA™ Venice Italy to the Divine Mediterranean
May 25 – June 1, 2013

For IARFC event speaking or sponsorship contact: 800 532 9060

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Kimberly A. Arnesen, RFC®, WA
Kendall R. Curry, RFC®, KS
Frances Giambanco, RFC®, NY
Toni Hill, RFC®, AL

New International Members

Indonesia	9
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Members Who Recommended New Members

Referror of the Month
Al Coletti, RFC®

Al Coletti, RFC®
Thomas W. Hill, RFC®

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From the **EDITOR**

If you haven't yet written an article for the *Register* maybe now is the time. As a Registered Financial Consultant this will strengthen your relationships with clients, prospects and centers of influence. The ideal story might give readers a unique problem and a solution for one client. It might be some technique you adopted to increase client service. Your article may be a commentary of the industry of the profession. Then, after your article is published, send a copy to the local media and to all your clients.

Positioning yourself as a professional with a strong desire to build client relations and provide the best service for your clients is what the *Register* can do for you. Submission Guidelines are easy. Send us an email and we will get you started.

Even if you have no desire to write, we recommend you share the *Register* with other advisors to help build our association. Remember the value in the IARFC membership is directly proportional to what you make of it. We all have personal reasons for being a member of the IARFC. Recruiting new members is not just about growing our membership numbers, it's about becoming a better professional organization. The ideas and experiences new members bring to our professional community enhance our collective wisdom. Please contact us and we will be happy to send a copy to them. Don't forget if you refer a member you receive $50 for each member that joins on your referral.

We have come a long way, since our first issue in 2000. This year the we made changes to some of our Departments. You will notice the first being "In This Issue" (table of contents). I hope you notice and appreciate the other Departments as well. We plan to continue updating and enhancing the *Register* to bring you a fresh publication with easier reading pleasure. Send us your comments and letters. We look forward to a prosperous 2013 and your participation in the IARFC.

Wendy M. Kennedy, *Editor*
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IARFC Domestic and International Directory

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Register Round Up

IARFC Leaders and Financial Industry Experts were asked for their insight and advice on issues facing consultants in today's economy. Note: Responses are printed in no particular order.

Q: What are the "3 best practices" from your business that you would recommend to other practitioners?

A: Communicate — personally, in as many ways and as often as possible! This way people begin to feel a relationship with you and you get to demonstrate that you possess expertise that is relevant to them. Use blogs, newsletters, personal emails, comment on their websites, LinkedIn messages and comments, personal mail (USPS).

Build the relationship BEFORE making the presentation. How else would you know what the person really wants and needs?

Ask questions then be quiet. After interviewing hundreds of advisors, the main obstacle they encounter is their own mouths. Be kind, curious and quiet. Let the prospect talk.

Michael Lovas
Colbert, WA

A: Our research shows that making clients feel comfortable, both physically and emotionally, is of primary importance. Based on this, advisors should evaluate their office environment and remove the top three things that might cause clients stress:

Remove barriers between the client and advisor: consider meeting with clients using comfortable chairs rather than sitting around a table;

Turn off financial news programs during client meetings: financial news — particularly on bullish days - creates client stress

Train staff in stress reduction techniques: clients can sense when an adivsor and his/her staff are stressed, which causes the client stress. It is important to remember that when clients feel stressed, they tend to be less willing to implement recommendations!

John Grable, RFC®
Athens, GA

A: Have a professional office, with a professional staff. Also never go to a client's home or place of business unless the client cannot get to your office. Remember you are a professional.

Steve Bailey, RFC®
Charlotte, NC

A: The ability to consistently communicate with our clients has been paramount to our success. We use simple 3rd party tools to accomplish this. Our favorites are the Virtual Sales Assistant, Send Out Cards and a Help Centers subscription. These are all very reasonable in cost and highly effective.

Ed Ledford, RFC®
Carmel, In

A: Take really good care of staff. In 2012 I took the women to a Victorian Tea Party for Christmas instead of our traditional lunch out. I have to always remember to compliment on a job well done. Cash for the holidays is a winner.

Stay balanced. If my health, relationship with God, rest and fun time are not balanced, work will wear me out!

Let my clients know I love them — regularly.

Donna Graber, RFC®
Syracuse, NY

A:
1. Focus on the client's best interests, without regard to what's in it for you.
2. Create processes and systems to enable you to deliver outstanding client services easily and efficiently.
3. Build your brand. Being a great advisor is of little value if no one knows it.

Ric Edelman, RFC®
Fairfax, VA

A:
1. Get your series 65.
2. Learn about taxes.
3. Be focused on your target market and constantly market to them.

Always have something that you can do that consistently makes you money while you work on your larger goals

Mark Kanakaris, RFC®
Canton, GA

A: Run a "trial probate" to show a client what his situation would be if he died today regarding estate taxes, probate and administration costs etc... This opens up HUGE areas of potential business (especially for permanent life insurance)!

"Niche" prospecting via referred leads. Dairy farmers were one of my best groups. They make a lot of money and few gave much thought to financial planning. (Also not heavily prospected like doctors).

Keeping current on estate and tax law but specializing in one area so that you became the "go to" guy for professionals in your area (and wider).

Jack Gargan, RFC®
Ban Wang Phoem, Thailand

A: I believe you need to be known as an expert in a specific niche and viewed as the "go-to" person when they need that product or service we provide.

Master and define your elevator speech. When asked, far too many financial professionals say they are a "life insurance agent, financial advisor, or financial planner". A better answer should be something like "I help families learn and fully understand the two best ways to save for college."

Host seminars. They provide an excellent opportunity to introduce you and your services to a large number of people and at the same time, help them figure out the four key things they need to know before they consider working with you: Do they like you? Do they trust you? Do they think you are competent? Do they think you have their best interests at heart?

Christopher P. Hill, RFC®
Falls Church, VA

A: Telephone the appointed client the day before to confirm and if not answering, leave the message about the appointment time/date and the address. This saves wasted time the next day if there's a "no show" and displays your professionalism.

First impressions count — so ensure your receptionist is smiling and the reception waiting area is clean and contains current magazines (our protocol is to replace out of date magazines every month — unlike other waiting rooms I've attended — sometimes seeing how old the oldest magazine happens to be!), supply the daily newspaper and ensure NO material is displayed advertising or promoting an investment product (Our Australian Laws prevent such as it may "imply" a recommendation withOUT having the full details of a person sitting in our waiting room).

Quality Control — nothing leaves the office unless a senior second person reviews the entire document for content, compliance and ensuring layout, spelling and overall "appearance of the letter" or document complies or makes sense to the reader. Saves phone queries etc. upon receipt, plus issues regarding future complaints or compliance issues.

George Flack, RFC®
Eaglehawk, Victoria, Australia

A: I believe that best practices are not just limited to three points. However, here are a few that are imperative for planning professionals to follow:

1. Create a well-defined systems, process and definiteness of purpose for your business… people do not plan to fail, they fail to plan.
2 Prioritize, Focus and Follow Up…successful people prioritize their top 3 daily goals, focus on one at a time (beginning with their number 1 goal) and they never forget to follow up.
3. Warm marketing will put you in front of more people and much quicker than cold marketing…working with centers of influence is significantly more effective, efficient and profitable.

Don Hansen
Elkhorn, NE

A: Over my 30 years of being in the business and coaching others, I have found there are many pillars to building a great practice. Here are my top three:

1. Know who you are and where you want to go. Then track your time and make certain all your activity is purposeful.
2. Master your technical expertise so you have something of value to add to your clients' lives. Clients pay you for only one thing; to help them solve their financial problems.
3. Manage your clients' expectations in advance. This means mastering the marketing process and your selling skills.

Unfortunately, many financial advisors can't or won't do marketing, and I have yet to meet one who admits they need sales help.

Max Bolka
Asheville, NC

As a financial advisor, I would focus on one Best Practice that I believe drives how a firm operates, is perceived by their clients and the marketplace and more. In simple terms it comes down to "Client First" or "Act as a Fiduciary". Most of the advisor marketplace does not provide planning advice, they provide illustrations to motivate sales. Many people holding out as financial advisors use planning as a "cross-sell" or "multi-product sell" — an efficiency tool to get a higher share of the wallet. There is an ethical and professional difference if we act as true fiduciary advisors. This has nothing to do with product/financial regulation in the US, Canada or India. It is a standard of care for those of us trying to see financial planning evolve into a profession. If we get this right, it transforms every aspect of our business.

Shawn Brayman
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From the Chairman's Desk…

Lemonade out of Lemons

The Election is Over. Some of us were happy and others were sad with the choice of President and other officeholders. Nevertheless, I am assuming that all IARFC members voted, based on their appraisal of the candidates and the issues appearing on their ballots.

Where does the USA stand today and what will happen from an economic standpoint? We faced the giant "Fiscal Cliff" and the nation will have to face many more important financial issues. This will place great stress on every citizen. Some cities and states are already facing bankruptcy. All governmental bodies are going to have to cut back in project spending and personnel. More stress. Stocks, real estate, metals and all commodities will rise or fall — hurting different segments of society. More stress.

Make some Lemonade. You are familiar with the advice that when things are sour "Make lemonade from your lemons." There is a lot of fear in the air. In his first inaugural address in March of 1933 Roosevelt said, "The only thing we have to fear is fear itself." It sounded good. But the USA did not climb out of the Great Depression until the advent of World War II. During that decade some made money, some lost and millions lived a difficult life.

There are Lots of Lemons. There are many things that can go wrong and certainly some will: the real estate market, the stock market, the cost of food, unemployment, civil disorder and the threat of military conflict. Where is the safest haven? If you had purchased some stocks in 1932, you might have been wealthy by 1940 or 1950. But other securities would have failed totally.

Pick the Winners. Merrill Lynch was founded in 1914, survived the crash, and slowly grew — while many other brokerage firms failed. Who could have picked the firms that would survive from those that would fail? Would you have predicted success for a young man from Kingfisher Oklahoma when he purchased a failing variety store in Newport Arkansas? Would you have stayed with him when his landlord refused to renew his lease? Hindsight often explains why some persons and businesses were successful, but who would have guessed…? How many would-be investors would have anticipated that Warren Buffett would overcome his failed investments to become an investing giant?

Self-Improvement. Because he realized the need to *Win Friends and Influence* People, Buffett enrolled in a Dale Carnegie course. Do you need to improve your speaking and personal skills? Maybe not! But would it hurt? Remember, if you're not getting better, you are sliding backwards. Perhaps there is some aspect of financial planning that requires your further education. The investment of your time and money might pay enormous dividends in the near future.

Back to the Lemons. Should Americans be frightened of the future? Is financial paranoia justified? Will stocks crash and gold soar? Will the dollar collapse and food lines be formed? Do you know? Do you know…or sure?

Gain Historical Perspective. Certainly Franklin Roosevelt realized that he had to address the issue of fear — with new and untested government actions. Sure — he failed in some, but overall he was successful in keeping the country together. But we need to go back further, to December 23, 1776 when Thomas Paine wrote his short treatise on The Crisis:

These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of their country; but he that stands by it now, deserves the love and thanks of man and woman. Tyranny, like hell, is not easily conquered; yet we have this consolation with us, that the harder the conflict, the more glorious the triumph. What we obtain too cheap, we esteem too lightly: it is dearness only that gives everything its value. Heaven knows how to put a proper price upon its goods; and it would be strange indeed if so celestial an article as FREEDOM should not be highly rated.

Reach Out to Clients and Prospects. Those who fear, and also those who are fearless, all need your leadership. Is now the time for sequestering assets offshore? Certainly some would sleep better knowing they were taking positive steps to diminish the economic negatives by taking action to reduce political and regulatory risk and stress. A major benefit of a trust agreement is the assurance that one has activated a wise plan for themself and their heirs. Shouldn't all your clients become further exposed to these protective steps and make informed choices with your guidance?

Protect Yourself as Well. You need to grow your practice by adding high quality clients who will refer you to their family, friends and business associates. To protect their interests most families need a trust. Every trust needs a Trustee. Every trust needs a Trust Protector. Every trust needs a Trust Financial Advisor (that's you). You cannot be all things to all people, but you can bring more in benefits to a more affluent client base.

Marketing is Your Lemonade. It will help you retain your clients. It will lead you to more and even better clients. Whether you are speaking publicly, writing for the media or communicating with your clients you must reach out with greater vigor. Deliver the services and products that diminish fear.

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Here's a prospective RFC member!

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On The Path to Accreditation

Accrediting Agencies

Jim Lifter, MBA, RFC®

Welcome back to our latest stop on the path to accreditation. In this month's column, we are going to look at some of the third-party groups that actually provide accreditation for associations and designations such as the IARFC. These organizations take on the responsibility of reviewing and passing judgment on the various designations being offered by entities in various fields of endeavor. While we are mainly concerned with the area of financial services, accrediting agencies cover the gamut of designations, including those dealing with medicine, education and homeland security.

In order for us to narrow down the scope of the accrediting agencies that we would consider, we had to look at myriad choices. There are agencies that are U.S. based and international. There are agencies that solely work in the area of higher education. There are faith based accrediting agencies as well as regional agencies. As you can probably imagine, there are almost as many accrediting agencies as there are designations and degrees. We narrowed our focus down to two and from there to the one organization with which we would interact.

The National Commission for Certifying Agencies (NCCA) was the first of the organizations that we reviewed in our quest for accreditation services. This group has been in place since 1987 and was developed originally by the Institute for Credentialing Excellence (ICE). According to ICE, the NCCA was developed "to help ensure the health, welfare, and safety of the public through the accreditation of a variety of certification programs/organizations that assess professional competence."

The NCCA standards require that their applicants demonstrate a valid and reliable process for development, implementation, maintenance, and governance of certification programs. Their application process is a lengthy and complicated series of evaluations that result in a review of the entire scope of the organization and the processes that we use to maintain our RFC designation. According to the NCCA, an organization that submits their programs for accreditation are evaluated based on the process and products, and not the content. Therefore, the standards are applicable to all professions and industries.

NCCA accredited programs certify individuals in a wide range of professions and occupations including nurses, automotive professionals, respiratory therapists, counselors, emergency technicians, crane operators and more. To date, NCCA has accredited approximately 300 programs from more than 120 organizations. Some of you might recognize or even hold designations such as CFP and CSA, which are both accredited by the NCCA.

The other designation that we considered was the American National Standards Institute (ANSI). This organization oversees the creation, promulgation and use of thousands of norms and guidelines that directly affect businesses in nearly every sector. This group was formed in 1918 and has provided the basis for standards that are used across the United States and across the world.

According to the ANSI website (www.ansi.org), "Throughout its history, ANSI has maintained as its primary goal, the enhancement of global competitiveness of U.S. business and the American quality of life by promoting and facilitating voluntary consensus standards and conformity assessment systems and promoting their integrity." In the ANSI process for accreditation, the IARFC would be required to submit documents related to each of the requirements/standards specified in the standard; this is followed by an onsite audit conducted by qualified ANSI-trained assessors.

The ANSI process focuses on the entire organization, and is designed to provide feedback both in areas that may be highly commendable as well as those where improvements are needed. The accreditation process includes a review of the IARFC's organizational structure, the development and maintenance of the RFC program, the assessment tools used initially and for re-certification and the policies and procedures related to documentation, confidentiality, security, and more. The emphasis is on continuous quality improvement.

As you can see from this short look at the accrediting agencies, there are many factors to consider. Each of them has positives and negatives when it comes to the work that must be accomplished to gain the accreditation. Both organizations have accredited other financial service designations and both are well thought of in the marketplace. While seeking out the ANSI accreditation was thoughtfully considered, it was determined that the NCCA accreditation would be of more value to us initially. So we have decided to step forward on accreditation by the NCCA.

In future columns I will share with you the processes and procedures that we are going to have to undertake for the accreditation process. We will look at the development of testing services, the creation or editing of internal documents, the job analysis as it relates to financial planning, and the impact each of these will have on our members and on future RFC designation holders. Until we meet again, at least on paper, thank you for your continued support of the IARFC.

Jim Lifter, MBA, RFC®, the IARFC Education Director, has an undergraduate degree from Ohio State University in Marketing and an MBA from the University of Dayton. Jim is responsible for coordinating the development and distribution of the IARFC educational courses.

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COMPLIANCE-FRIENDLY MARKETING

Why Tax-Free Income is Vital for Your Clients

Katherine Vessenes
JD, CFP®, RFC®

Here is the number one question I get from advisors: how can I get in front of more clients and differentiate myself from other advisors?

The answer may surprise you. It is not about gathering more assets or doing a better investment plan. It is not about the latest asset allocation strategy, technical analysis or referral strategy. (Bear with me, I will get to the answer in just a minute.)

Let's shift gears just briefly: Here is the number one question we get from clients: will I run out of money in retirement?

In fact, the answer to the advisor's biggest concern is also the answer to the investor's biggest concern.

Here it is: A Tax-Free Retirement.

A dependable, predictable source of tax-free income in retirement. Who doesn't like the sound of that? Picture yourself and your client sitting on an idyllic beach with a drink in hand. A feeling of peacefulness as the burden of the taxman is nowhere in site.

I predict Tax Free Income is going to be the future of our industry. Why do I believe this will be a growing trend? With the recent fiscal cliff and Taxmageddon, more and more people are getting concerned. But I believed taxes were going up long before the White House announced the most recent election was a mandate from the American People to increase taxes.

Here are a few of the reasons I believe we will see a steady stream of tax increases:

- Retiring Baby Boomers are creating a heavy drain on Social Security.
- Costly entitlement programs keep increasing benefits to larger numbers—some say as much as 50% of our US budget is entitlement programs.
- Aging infrastructure requires tax dollars to fix our highways and bridges
- True unemployment figures show millions of Americans are both getting entitlements and not paying taxes, a double whammy for those who are paying taxes.
- Growing national debt, now in excess of $16T will require years of taxes to pay back the piper.
- Underfunded pensions mean tax payers will be bailing out both private and public pensions.
- Oh and let's not forget the new Obamacare taxes that are going into effect, along with the elimination of the Bush tax cuts.
- And these are just a few reasons your clients will be facing more taxes in retirement!

That's why you need to take action today to help protect your clients. (And by the way — it will be good for your business, too.)

With taxes going up, it makes sense for financial advisors to focus on helping clients protect part of their retirement income with tax-free assets.

Increased taxes and running out of money in retirement is definitely on the minds of your clients. I ask every client whether they believe taxes are going up or down in the future. With one exception, they have all said, taxes are going up! Clients are looking for advisors who are going to bring up these issues and provide them a solution for the future.

What does tax-free income do for your clients?

- You are hedging the risk of increased income taxes eroding your client's retirement.
- You are providing a more predictable source of income for their retirement because your clients no longer have to worry about whether their 401k plan is going to be minimized due to higher taxes in the future.
- You are providing an additional source of income that is not dependent on their pension, their 401-k, or Social Security.

How do we get tax-free retirement income for our clients? There are only three ways to get tax-free income:

1. Muni Bonds. As you know, if your clients purchase a state bond in their state of residence, then the interest is free of income tax at both the federal and state level. We rarely recommend these for a number of reasons: returns have been low, and certain states, California and Rhode Island come to mind, have had numerous municipalities go bankrupt. For most of our clients this is too much risk for too little return.

2. Roth IRAS. If your married clients make less than $178,000 jointly and are less than 50, then they can do a direct Roth contribution of $5,500 in 2013. This is not usually enough to fund a tax-free retirement, unless their expenses are very low. It is a good place to start.

For some of our clients, we use a "Back Door Roth" when they make over the income limits. This only works for clients who do not have an existing IRA. Here is how that works: assuming they don't have any funds in an existing deductible IRA, then we would create a brand new, non-deductible IRA. The client would fund it with after tax money. Then we would immediately convert it to a Roth. Since there is an immediate conversion and the funds have already been taxed, there is no tax on the conversion.

3. Investment Grade Life Insurance. Unfortunately many comprehensive financial planners do not understand how important cash value life insurance can be to help clients retire with a reduced tax burden.

Here is how it works. Over the last 15 years, the insurance companies have become more savvy at looking at this product and the blessings Congress has bestowed on it.

All permanent life insurance has a savings account feature that is called a cash value account. Congress in their infinite wisdom has declared that the earnings in the cash value account grow tax-free

and, if done properly, can be withdrawn tax–free in the form of loans. With the right client, this can be significant income in retirement.

How that savings account is invested depends on whether it is a Whole Life Policy, Universal Life, Indexed Universal Life or any of the many other variations. It is not unusual to get a 3% to 5% return on Whole Life policies or Universal policies. Note, this is an after-tax return. So going forward, for your clients who are now in the highest tax bracket, this could equate to a 6% to 10%, pre-tax return.

We usually recommend an Indexed Universal Life policy for our clients. The returns there will vary from company to company of course, but 8% to 9%, after tax, over the last 25 years is not unusual. Of course we never illustrate the returns at these levels because we think the future is uncertain and we want to be more conservative.

The amount of tax-free income from these policies can be substantial. Take this real life situation: with one of the carriers we use, a 35 year old, healthy (standard) male, who invests $2,000 a month up to age 65, could enjoy an estimated tax free income of $188,000 every year from age 65 to 120!

We are always careful to explain how the product works, downsides, risks, surrender charges, expenses, and explain that these are estimates of what their income could be, not a guarantee.

So here is your takeaway: adding a new permanent insurance product to your suite of solutions could be great for your clients and good for you, too. It sets you apart from the other advisors who are doing a straight AUM business and shows that you are different because you want to help clients reduce their income now and in the future.

Katherine Vessenes, JD, CFP®, RFC®, has the best job in the world. She gets to help advisors, broker-dealers and insurance companies get their businesses to the next level. Known for fun and content rich training programs, she is an in-demand public speaker. Author of ***Building Your Multi-Million Dollar Practice***, she also has her own private practice where she works with physicians.

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Profile Interview

Brian D. Johnson, RFC®

Charting your course. Mapping success.

Brian D. Johnson, RFC®
Owner of Midwest Financial of Glidden, Iowa. He brings 30 years experience in financial consulting and management to his clients. Mr. Johnson is an Investment Advisor Representative with ING Financial Partners, and he has also been recognized as a qualifying member of the Million Dollar Round Table.

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

How did you first enter financial service?

Starting in the financial services industry with Northwest National Life Insurance in 1983, I was an Independent Insurance Agent from the get go. As a one–man show, I focused mainly on Life Insurance sales and Estate planning. My operation ran with me, setting my own appointments, meeting with prospects and clients, and processing all my own paper work.

What was your educational background?

I graduated from Iowa State University with a BS degree in Sciences with a Zoology Major and Chemistry Minor.

Were you successful at first?

From the beginning I was very successful qualifying for one of the company conventions within the first three months. As a Rookie Agent, I spent a lot of time on building a client base using Estate planning for older clients and Total Needs Family planning for young families.

Who has influenced you the most?

Bill Nelson probably influenced me the most on how to become an advisor and how to move towards a total planning process for my clients not based on product sales. He is the reason I joined the IARFC and I am so fortunate I did.

What were your major obstacles?

The desire to move my business away from the "salesman" mentality and move towards

a holistic planning process was a big obstacle. There was no training for this planning process in the field I was in at that time. Spending time researching what other successful advisors have done took precedence. I spent time finding out… what schools, classes, workshops, advanced training etc. was needed to become the advisor I would want to hire. My research led me to join some professional organizations to gain the proper training and make a large investment in myself and my business. This is how I pursued my personal course to provide the holistic approach I wanted to offer to my clients.

How do you market now to acquire new clients?

Currently we use many avenues when it comes to acquiring new clients. Of course, the best and most inexpensive is offering great value and service to current clients. They will share you with their family and friends. We also are a member of America's Wealth Management radio show broadcast every weekend on two Iowa radio stations. Our show is a 30 minute segment where we cover and discuss a multitude of topics from Social Security Planning, Estate Planning, Tax Planning and Retirement Planning all areas of a holistic approach. We also offer seminars covering Social Security Planning and Roth Conversions etc.

What benefit of the IARFC has been of greatest value?

The greatest benefit of being a part of the IARFC is that we learn practical management ideas that work and not theoretical ideas.

What do you see for the Association in the future?

The IARFC needs to keep bringing real ideas to advisors who care for their clients in a manner that shows this concern. We have a lot of great advisors that can bring these ideas to the table.

Do you have any advice on reaching out to the community?

Giving back to the community in which you live is so important. We all should be educating not only our clients, but also the general public in some way, whether it is a newspaper article, monthly newsletter that goes out to clients and prospects, or a radio show.

What will be the impact of technology on financial advisors?

It is critical that we keep up on technology that can help us explain to our clients what they need to do to keep their plan intact. We need software that can stress test different scenarios for our clients (taxes, inflation, long term care, etc.) to accomplish their goals. I believe the more technology we can use to help the client the better.

What do you advise an RFC to concentrate on:

- Put the goals of the client first.
- Protection of their money from economic conditions and market downturns.
- Service, Service, Service and not just empty promises.
- Call them, Review with them, See them, Help them!
- Random acts of kindness to show them you care.

What's looming on the horizon for our profession?

There will be more regulation and scrutiny on our profession in the future. This is a positive for those of us that are doing a great job taking care of our clients,

"I pursued my personal course to provide the holistic approach I wanted to offer to my clients."

keeping in contact with them on a regular basis and bringing ideas to the table that are of value to them. Some types of regulation will open more doors to prospects for us in the future to prospects that are not receiving this kind of service now which they deserve.

What do you wish you had done, early in your career.

I wish I would have moved towards the advisory and fee–based role a lot sooner and got away from product sales focus. It is so much more rewarding working with clients on goals and seeing those goals become reality through our holistic planning approach.

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

We have tried to be the educator in the area through our seminars, newspaper articles, radio show etc. We want our clients to know we are at the top of our game on current issues and education to offer the help and guidance they need to develop their retirement plan or any issues they have.

What experiences stick out in your mind when working with your clients?

There are difficult and sometimes emotionally devastating times that come with working with clients. In these events, it is an absolute honor to be involved. They are often heart wrenching moments when you have a lump the size of a grapefruit in your throat and tears threatening to burst from your eyes. Sometimes it is working with someone that has been blessed with the forewarning that they are going to a much better place than we currently occupy. This is one of the highest honors helping their family and it's a heartbreaker, because what we do is not about the money, as money is not the goal. Money is how we help our clients plan for and achieve their goals now and after they have passed on.

We've adopted this "coaching" approach for our clients as I have been a volunteer high school football coach for 22 years. We've made many analogies to this and to flying as I also enjoy flying my airplane. Charting your course. Mapping success.

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Underway

Financial Plan Competition

Sponsored by Cetera™ ADVISORS LLC Member FINRA/SIPC

The Collegiate Plan Competition is underway and we have more than 20 schools from around the country participating this year. Bowling Green State University, in Ohio, has more than 15 students participating on different teams. The BGSU football team known as the Falcons are in contention for the Mac East championship and their slogan for the season has been "Close the Deal"! This spring we will find out if the students in financial services are able to likewise "Close the Deal" with the winning comprehensive financial plan for the fictional Brewster family.

At the conclusion of the last Plan Competition, we were overwhelmed with positive and heartwarming comments from RFCs and college faculty alike. It is extremely rewarding to see these earnest young women and men pursuing careers that we already find valuable and worthwhile. (As a point of interest, the competitors from K-State, Salina, are all female! Assistant Professor Daniel Botz is not offering a handicap to any of the male competitors from other schools!)

We received this enthusiastic note from Banker Phares, Faculty Advisor at Stephen F. Austin State University in Nacogdoches, Texas:

"Here at Stephen F. Austin State University in Texas, we are excited to participate in the IARFC Financial Plan Competition. We have just added another student and all the students are becoming more familiar with the software program. To use their expression, 'They can really get into it.'

I am very pleased with the interest the students are taking in the competition and I already see the benefits they are receiving from their participation."

IARFC President, Les Anderson, has been actively pursuing sponsors for the competition. These sponsors will enable the IARFC to grow the event for even more participation, recruit more students, gain further recognition for the RFCs and offer even greater rewards to the winners!

The first major corporate sponsor to sign on was Brett L. Harrison, President and CEO of Cetera Advisors, part of Cetera Financial Group. Cetera Advisors recently changed its name from MultiFinancial Securities Corporation. "Encouraging students to get excited about this business and what financial advisors can do for clients is extremely important," said Mr. Harrison. "Cetera Advisors is a place where financial advisors can build a business with their own vision, and create value for themselves. We are proud to support students doing the same thing for their future. The IARFC, the students and faculty are grateful for the support."

The deadline for the students to submit their comprehensive personal financial plans is January 30th, 2013. Watch the ***Register*** for additional details as more sponsors sign on and the final details are announced.

Participating Universities

Ashland University
Bowling Green State University
Kansas State University
Northern Kentucky University
Olivet Naxarene University
Post University
Radford University
Saint Joseph's University
Stephen F. Austin State University
University of Missouri
University of Florida — Gainesville
University of Tennessee — Martin
University of the Incarnate Word
University of Wisconsin
Virginia Commonwealth University
Western Kentucky University
Woodbury School of Business — U.V.U.

Contact the IARFC for Sponsorship Opportunities:
800 532 9060 • mark@iarfc.org . www.iarfc.org

How to Successfully Implement Disability and Critical Insurance

Are you one of the many advisors who have attempted to implement Disability and/or Critical Insurance but either saw limited success or failed miserably? If so, please know that you are not alone. This happens to be a very common issue with many advisors. However after having in depth conversations, I find that most often times these advisors were not trained or positioned properly for successful implementation. So, for those of you who would really like to have Disability or Critical Insurance as a part of your protection portfolio, the real issue is not the lack of success you might have experienced, it is how you get properly trained to implement the products.

Here is the start to our training foundation. The definition of training is: The action of teaching a person a particular skill or type of behavior. Out of curiosity, about how long do you think it takes to be taught skills and/or behaviors? Do you think that it might take more time than what you had experienced in past trainings? Might it also require a different approach than what was used with you? From now on, we need to test training opportunities against this definition to see how well they stack up. Now, the next thing you need to do is ask yourself, how teachable are you? Remember, you can lead a horse to water but you can't make him drink. There is no amount of training that will show you success if you are not willing to be teachable.

Now that we have training defined and have touched on the importance of being teachable, we need to review the importance of being selective on who you allow yourself to be trained by. Let's get this straight… just because a person is excited and passionate about a product does not mean that they qualify as a great trainer. People who sell product based on personality and emotion, do not usually have a duplicateable system. In addition, many times the training is based on theory, not practicum. Don't advisors take the exact opposite approach to their clients? Don't advisors gather detailed information and then seek to educate their clients on what is best for them based on the unique scenario? Then why would you give any time to being trained by someone who sells, instead of advises?

Furthermore, most "trainings" are set up by product marketers, mass recruiters or insurance carriers who have a clear bias on their own product… which is a perfect transition to talk about pure "product" trainings.

It is my professional opinion that this business is not about products, it is about relationships. I do believe it is important for you to know a product but I believe it is more important for you to know concepts, proper approach and have access to a good team of advisors — especially when implementing coverage you aren't as knowledgeable about into your client's protection portfolio.

Having reviewed the normal training process in this industry and understanding that is a major reason for failure; let's move on to the implementation of Disability and Critical Insurance specifically. The best place to start is understanding balance. Most advisors understand the importance of a balanced portfolio. Why would it not be just as important to have a balanced protection of that balanced portfolio? A balanced approach requires a system and process to follow. The last thing we want to do is overwhelm our client or come across as just wanting to sell them products. So, instead of trying to eat the elephant in one bite, we should take one bite at a time.

Disability and Critical Insurance coverage are actually very simple to implement. Instead of just trying to sell a Cadillac plan, offer your client three options to choose from. The first option represents the highest premium, the second option is the moderately priced premium and the third option represents the lowest price premium. Guess which one the client normally chooses? You are right, the middle option and guess what just happened? The client purchased a policy. So, if you are doing the right thing by the client, you will be conducting annual reviews. It is at the annual review where we can recommend additional coverage, as necessary.

The actual sales process for Disability and Critical Insurance products are different and I will be sure to touch on both in future articles. The goal of this article though is to encourage you to consider or reconsider adding Disability and Critical Insurance to your protection portfolio and to help you overcome any past failures with these products. By finding the right team of people who can train you and help you properly implement Disability and Critical Insurance, you will find significant difference in your success. The best part is that you will be better positioned to take care of your clients.

Donald A. Hansen

Don Hansen is a principal at The Ark Group, a National Insurance Brokerage and Planning Company based in Omaha, Nebraska. He and his company work with financial advisors across the country by providing them with powerful financial protection strategies uniquely structured to fit their client's specific need through proper case development, research and implementation.

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Your Faithful Servant

"The chains of habit are generally too small to be felt until they are too strong to be broken!" *Samuel Johnson*

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

Who am I? I am…

- Your constant companion.
- Your greatest helper or your heaviest burden.
- Your path to Success or Failure.
- Completely at your command.
- Half the things you do. So you might as well turn them over to me and I will be able to do them quickly and correctly.
- Easily managed, you must merely be firm with me. Show me exactly how you want something done and after a few lessons, I will do it automatically.
- The servant of all great men and of all failures as well.
  Those who are great, I have made great.
  Those who are failures, I have made failures.
- Not a machine, although I work with all the precision of a machine, plus the intelligence of a human being.
- Yours for the using, for profit or for ruin.
  It makes no difference to me.
  Take me. Train me.
  Be firm with me and I will put the world at your feet.
  Be easy with me and I will destroy you.

I AM… HABIT.

Examine your habits. Where are they taking you?

Kinder Brothers International teaches sales and management professionals how to experience lasting success. Both **Jack** and **Garry Kinder** are members of the IARFC and authors of books and courses on financial services. Their associate, **Bill Moore**, is a director of the IARFC and he delivers the Professional Patterns course worldwide and is developing the Registered Financial Manager workshop.

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Warnings from the VIX

The VIX is an index that measures market volatility. That is what most people believe, anyway. Actually, the VIX is an index that reflects the expense of put options on the S&P 500 index. And to further define, a 'market' of stocks no longer exists since the central bankers decided to set prices years ago by constantly manipulating the indices. Put options, of course, become more valuable when the S&P 500 index is falling. Therefore, a rising VIX generally reflects a falling S&P 500 and a falling VIX generally reflects a rising S&P 500. This would seem intuitive but the real question is does the VIX tell us anything about the future? Or, does it simply reflect a trading trend that we already observe?

The chart is a 20-year look at the VIX in red and the S&P 500 in blue on a weekly basis. Here is what I see.

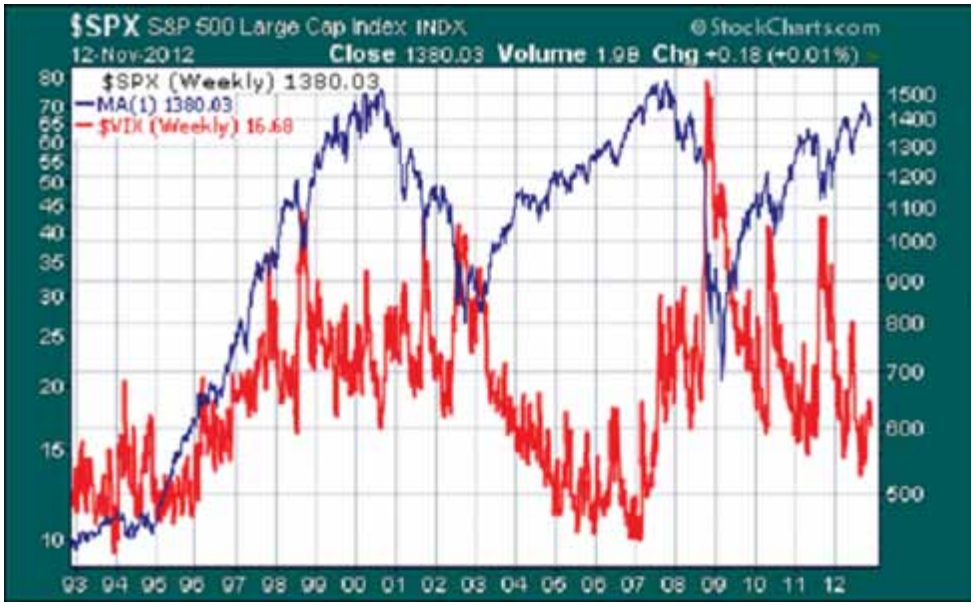

Chart: Source – StockCharts
Blue line – 20 years weekly - SPX in blue,
Red line – VIX in red

The S&P 500 and the VIX are like Shakespeare's Romeo and Juliet. They are two lovers that cannot remain separated over time. Their respective lines on the chart must eventually meet. They must be together. We can see from the chart that they were together in 1995 and they separated. They joined again in 2002 and again separated. They came together again in 2009 and once again separated. These are seven-year cycles and they should join together again in 2016. This means the VIX should rise and the S&P 500 should fall. Don't panic. This won't happen until 2016. Until then, the stock bubble will continue to be inflated by central bankers who are desperate to grow their power. Their whip of obedience is the stock index.

Of course, Romeo found Juliet asleep and thought she was dead. He then committed suicide. Juliet awakened to find Romeo dead and she then committed suicide. It is a depressing story. Neither character lived to enjoy a 'happy ending'.

Today, the VIX is currently working its way toward 20-year lows and the S&P 500 is currently working its way toward 20-year highs. I suppose the next few years will see this pattern play out until the bubble finally bursts in 2016. The central bankers are working diligently to inflate the bubble while debt continues to grow on every balance sheet. And yes, US corporations do have an enormous amount of cash in the banks but they also have an all-time high debt load at those same banks. In three years, the US will likely have amassed close to $20 trillion in quasi-sovereign debt and the EU nations will still be in debt-induced recession. What will pop the bubble? Maybe we run out of central bank liquor. Who knows?

But what should we do right now? Party on, of course. The liquor is still flowing and tomorrow is a holiday. We don't need to get sober yet. I believe the central bankers will keep pushing the stock indices to new highs and the VIX will respond by falling to new lows. But here comes the warning. As the chart tells us, these two indices will eventually get back together. Probably around 2016. The scenario might be that the S&P 500 will climb to maybe the 1600 level on central banker leverage that will be supported by ebullient economic news regardless of reality. 2016 rolls in and the bubble bursts taking the VIX up and the S&P 500 down 50% below its 1600-level highs.

But for now, the central bankers are operating distilleries, breweries, and stills. The VIX is just warning us that real heartache will once again befall the precious stock indices. But why worry about the future? The Fed is our friend, right?

Barry M. Ferguson, RFC®

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

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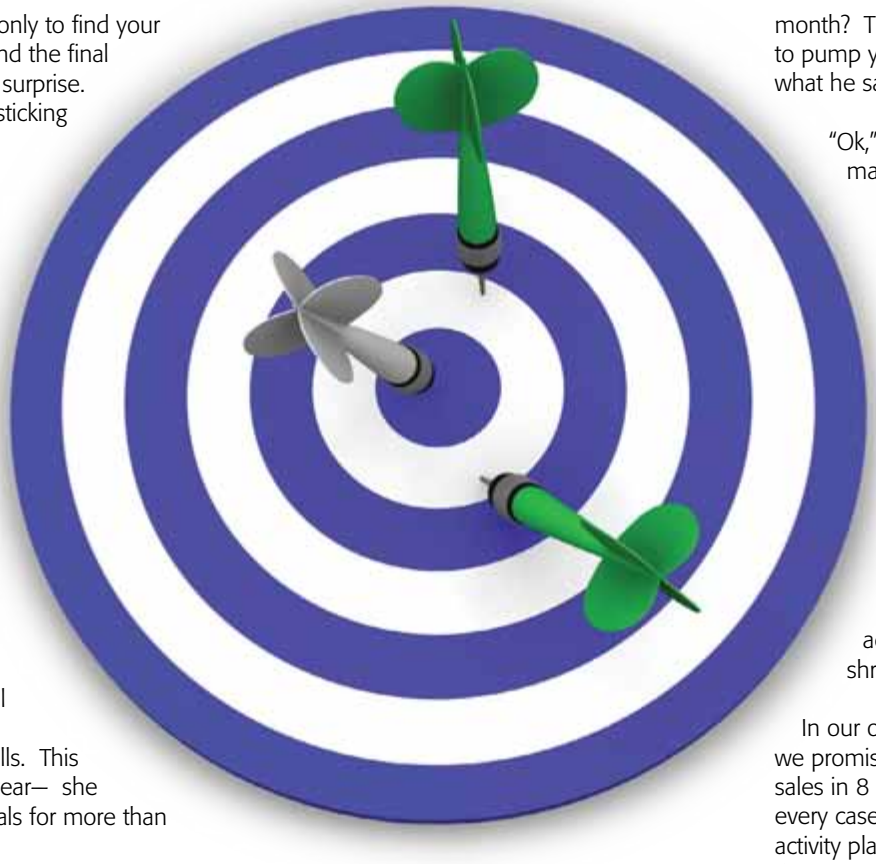
3 Simple Steps to Hitting Your 2013 Targets



Ever set New Year's goals, only to find your game plan didn't last beyond the final football kick-off? That's no surprise. Setting goals is easy — it's sticking to the plan to attain those goals that trips most of us up. But there is hope.

Jan was excited about her New Year's resolutions last year. She planned to lose 20 pounds, prospect more for business, ask for more referrals, and make a lot more money. "After all," she told herself, "You can never be too skinny or too rich."

Unfortunately, it didn't take long before she was once again indulging in her usual morning doughnut and procrastinating her sales calls. This seemed to happen every year— she could never stick to her goals for more than a couple of weeks.

There's great reason to set goals (and then follow through on them). Years ago, studies conducted on Harvard University graduates showed that students who set career goals achieved three times as much income as their peers who failed to plan. The majority of top producers use written business and marketing plans, as opposed to less than 10% of the lowest-producing advisors. As J.C. Penney once said, "Give me a stock clerk with a goal and I will give you a man who will make history. Give me a man without a goal and I will give you a stock clerk."

But the reality is that it's tough to change. Chances are you're still pretty much the way you were five years ago, except for the new clothes you're wearing and your hair style (and even those may have stayed the same!). Recidivism — prisoners going back to prison within five years of getting out — is a whopping 85% nationwide. The divorce rate for second marriages is significantly higher than for first marriages.

Is prison so much fun that felons are dying to go back? Is divorce more enjoyable the second time around? Of course not. It's just tough to change. Most of us have a hard enough time adjusting when the network pre-empts our favorite TV show. No wonder it's so difficult to make the really important changes required to achieve our goals.

What does it really take to achieve your goals?

An advisor went to a firm conference to listen to a famous motivational speaker talk about goal–setting. The advisor came back, walked into his manager's office, and said, "I'm sorry, but I can't make my goals this month." The manager said, "What do you mean you can't make your goals this month? The firm paid that speaker $20,000 to pump you up! Don't you remember what he said? Be positive!"

"Ok," the rep said. "I'm positive I can't make my goals this month."

There's more to achieving your goals than simply deciding that you will — although of course, determination and motivation are the first step. Here are three keys to achieving your goals this year.

1. **Be Specific.** Years ago, I asked a rep I was coaching to name a goal that would motivate him. He said "to be happy." Then I asked him how he would know when he achieved that goal. He just shrugged his shoulders.

In our one-on-one coaching program, we promise clients an 80% increase in sales in 8 weeks. It is startling that in every case as we create a detailed game/activity plan, our new clients report it's the first time they were ever held that closely to specific activities that produce success. The irony is the more independent you are, the less likely you are to be able to be disciplined enough to stick to a game plan. Yet without exception, when a producer adheres consistently to their activity plan, sales double and triple. I have never had a client fail to hit their goals.

Nebulous goals like "happiness" only serve to frustrate us. Varying degrees of happiness fade in and out daily. I played tennis on a basketball court once when I was a kid. The court had lines but no net, and I couldn't tell if my strokes were winners or dogs. People who try to achieve vague goals are playing tennis without a net.

I told the rep to come up with three specific achievements that would make a contribution to his sense of happiness. He said "A Mercedes 560 SL, $100,000 in

liquid investments, and to be home at 5:00 p.m. daily so I can play with my kids." Now we're cooking. He got specific. I then asked him to set dates when he would like to acquire these objectives. When he set dates, the goals became real.

If you haven't set any goals yet for 2013, make sure the objectives you establish are very specific. If you already did your business plan, make sure your goals aren't nebulous. They should be measurable. It should be easy to visualize exactly what they are and when you want to achieve them.

2. Create short-term and medium-term objectives that tie back to long-term goals.

Your primary goals should be long-term tangible dreams with a time frame of 1-5 years (at least) — buy a vacation home in Vail, for example, or take a month-long trip around the world, or be able to work only two days a week and do charity work the remainder of the time. Try to focus on the deeper reasons behind your numerical or financial goals, because those reasons will motivate you much more effectively than an otherwise isolated number.

Now, for each primary longer-term goal, work backwards and set a medium-term goal that can be achieved in one month to one year-doubling your AUM or annuity sales from referrals, for example, or gaining 15 clients from a new marketing program with a strategic partner. This mid-term goal objective should be a stepping stone to hitting the long-term dream.

Finally, work backwards once again from the medium-term goal and set short-term objectives. Short-term objectives are things you want to accomplish today, or this week. For example, you may want to ask three clients for introductions before you go to lunch today, or complete the mailing for the marketing program by the end of this week.

This level of specificity really does work. The advisors who are best at setting objectives work to achieve their goals by the day, and often by the hour. They do what they said they'd do, or they don't allow themselves to go home. They are committed to and focused on achieving the goals by the date they want them. I spoke to one client recently who told me to call back in an hour, it was his time to call referred leads and he was obsessed on his block of time to do it.

3. Keep your goals "top of mind."
People are visual creatures. As children, we all used pictures to reinforce goals or things we wanted to achieve. At an early age, children put posters or photographs of people they look up to as "heroes" on the walls of their bedrooms: Superman, Batman, music and rock stars, sports heroes.

We need to do the same thing to visualize our goals: put a picture, poster, magazine advertisement, or some other visual or tangible reminder of your objective in your office or on the bathroom mirror — a spot where you will look at that picture several times during the day to remind you what it is you're working toward. All you have to do is produce a photo of your goal, its price, when you want it, and what you'll do to get it — or put together your own visual reminder. You can do a separate sheet for each primary long-term goal you've set, or choose the one you find most motivating. This visual reminder will keep you directed and help you stay on schedule.

When I was on the pro tennis tour in the mid-1970's, the star of the sport was Guillermo Vilas. He was a top spin hitting Argentine who once reeled off 58 wins in a row. He mentioned once that 3 years before he ever won a major, he put up a photo of the French Open. He then worked backwards and mapped out his training schedule down to the month, week and day to get it. Whatever gets measured gets done. He won the French Open 2 years ahead of schedule and became one of the greatest players tennis has ever seen.

It also helps to take some time and discuss with your spouse or a trusted friend exactly what you want and when you want it. Accountability and support can be very useful.

Lastly, come to terms with how your priorities may need to change in order to achieve your goal. H.L. Hunt, the late great Texas oil and ketchup tycoon, was once asked to reveal the secret of his success. "Decide what you want," he replied, "but also decide what you will do to get it." This is a strong statement coming from a tycoon who won his first Oklahoma oil well in a poker game of five-card stud. But it is profoundly accurate. You can't achieve a goal without changing some aspect of your business or personal life.

What are you willing to sacrifice to get what you desire?

Think big

Big goals bring out the best in us. We perform best when we stretch a little. Don't sell yourself short because of fear.

I once played in a Grand Prix tennis match In St. Moritz, Switzerland, against the German national champion. Nobody believed I could win against such a strong player. He was ranked 69 worldwide, while I was rated in the 90s (for two weeks, until the ranking system on the ATP computer was fixed and I dropped down to 10,037). But I made no mistakes during the match. My volleys were crisp. My serves were so solid, I thought I could burn a hole through a concrete wall.

I eventually won by a narrow margin in the last set — and I also played the best game of my life. If I had not been challenged to such a high extent, I wouldn't have stretched my game. Keep your objectives big so they will bring out the best in you.

No great achiever has ever succeeded without goals. They help us become profitable and productive and build self-esteem. Start the year working toward your objectives using the techniques I've discussed, and you'll be more successful without working any harder in the long run.

Kerry Johnson, MBA, Ph.D.

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Maybe the Clouds Are Really Black

Once upon a time there was a nice young man named "Charlie" who graduated from college and took a sales position in a well-respected store that served as a distributor for electric appliances and electronic components. He swiftly moved into a sales position and was moving ahead in the world when he began to sense that the locally-owned store was being seriously challenged by the "big box" stores. Price competition was now fierce and the owner was being squeezed. Charlie started working longer hours, but he just couldn't compete on a price basis. And then the store owner announced he was closing. He gave Charlie a letter of recommendation, and his best wishes.

Soon Charlie joined a major life insurance company where he could use his winning personality and sales skills. He advanced through attending the company's schools and then courses offered by the American College. He qualified for the MDRT and tried to attend the meetings as often as possible. His income continued to increase. But the industry was changing and the life company came under challenge due to the irresponsible investments made by home office executives. The image of a "life insurance agent" was being tarnished because major players in the industry had received very negative reviews.

Charlie was courted by a brokerage manager for a large, national diversified financial services firm that had "lots of clients and not enough sales reps." The regional manager implied that he could use the firm's international reputation and would make a lot more money. And for a while, that is what happened. But Charlie began to sense that many in the brokerage firm did not have sufficient regard for their clients. They would sell them anything and joke among themselves about how much of "Brand X" they were unloading on the unsophisticated customers. Despite the prestige of the international firm, the exciting pace and good money, Charlie did not feel at home with the unethical behavior.

One day Charlie read an article about a moderately sized firm that specialized in offering more training and support to their reps. The payout wasn't as high, but there was much more focus on the customer. Charlie made the change and soon relaxed. It looked like he finally found his true home. He could sell insurance, securities and even deliver plans on a fee basis. Through the firm's RIA, he could bring assets under management for a fee. The firm was growing and started bidding for more licensed reps to join them. Charlie took this as a good sign – they were growing.

At the company's annual convention, a new customer service tool was announced. The brokerage firm had made a deal with a software company and would be enabling all the reps to have access to a Client Relationship Management (CRM) system. The head office was going to transfer all the customer records into electronic format and enter them into the new system.

Of course there would be a small monthly cost to Charlie, plus an additional fee he would have to pay for his assistant to access the system. Charlie could now access the data from his desk, his home or even in a client's office. How was all this remote processing possible? The home office executive explained that this is a "cloud-based" system. All the data and all the capacity would be on the Internet. Investment values would be updated on a real time basis, and all the program enhancements were installed at no cost or inconvenience to Charlie.

The "cloud-based" system enabled Charlie to send letters and notes to his clients, but each new mailing was delayed for review and revision by the compliance officer.

Then there came an announcement that Charlie's financial services firm had been acquired by an even larger conglomerate. Immediately they began to insist on greater production and started reducing services. Charlie felt that his position was being degraded — back to the environment of the prior firm where everything was about more money and greater profit for the executives.

It was time for Charlie to go out on his own — or form a partnership with a couple of other financial advisors, to share office space, furnishings, equipment and service personnel. His overhead would increase, but Charlie felt that his clientele would support him. After all, he had the records "on the cloud" of all the families and businesses he had served over the years. So Charlie tendered his resignation, leased new space and got a good buy on some very well maintained office furnishings. He set up shop and decided to send a letter to all his clients with his new address and contact information. He opened up his computer, accessed the Internet, and prepared to send out his announcement.

But he could not get into his "cloud-based" CRM data base. He sent them a message. No response. Called the software firm and said, "I can't get into my client records, there may be some problem…" He was then told the bad news. "Our software program was licensed to the broker/dealer. They have all the rights, and they believe all your clients and contacts belong to them now."

A quick call to his former broker/dealer revealed that was exactly how they looked at the ownership issue. The clients that Charlie had developed and nurtured over the years belonged to them. If Charlie tried to contact them, they threatened legal action. Charlie felt the clients were his — he had prospected to them, sold them on his services, given them good advice and superior service. He helped them decide what to purchase in the way of securities and insurance. ***They were his clients!***

So, he started calling and was amazed to learn that each of his clients had already received a letter from his old firm, and that a new "service representative" was taking over their account. Charlie would have to fight to retain his clients. He could not access any of the electronic client files. Instead of coasting with his 22 years of clients, he would be swimming upstream to keep some of them, just at the time his overhead had gone up.

The Big Questions

Who really owns your clients?
Who controls the access?
Who owns the software license?
What are the consequences?

If you don't own your client data, how can you sell your firm and client base to a successor?

If your broker/dealer changes direction, are you locked in by having all your records in their cloud-based system?

What other programs do you use that are "owned" by your broker/dealer? Could that data be transferred? Could you continue to use the system on a personal basis by just assuming the software service fee?

If your product mix does not include a substantial amount of proprietary products, can you be terminated or your payout rate decreased. Can your access to client data and files be removed?

Getting Your Vision Focused

A philosopher once said — "If you're not a bit paranoid, you just don't understand those who threaten you." Company ownership and management can change overnight. Your respected associates and friends could be removed in a flash. It is your responsibility to be sure that what you think is a bright, puffy cloud in a clear blue sky is not really a dark cloud that presages a storm or tornado…!

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Death of Defined Benefit Pension Plans

Gives Birth to IRA Rollover Opportunities

It seems like it was just yesterday when American workers put in their 20 years, collected their gold pocket watches, and began to receive a lifetime of income from their employer sponsored Defined Benefit Pension Plans. A comfortable retirement was a sure thing; just put in the time and reap the rewards of a guaranteed retirement income. Life was good and a comfortable retirement was all but a sure thing. Then something unexpected happened and the retirement landscape began to change.

Employers who offered these plans depended, in part, on interest earnings to be able to meet their obligations to their retiring employees. One of the factors used to determine how much money an employer would need to deposit into their Defined Benefit Plan to cover its obligations was interest earning or gains on those deposits. When interest rates were high, the employer's contributions were more affordable. When interest rates began to drop, the companies were hard pressed to come up with the money to keep the plans sufficiently funded to meet the plans obligations. Today with interest rates at a 40 year low, an increasing number of companies have decided it is no longer practical to continue to offer such rich retirement benefits to their workforce. Many iconic companies, including General Motors, began offering their workers an option to take a lump-sum payment if they were willing to give up the guaranteed lifetime income offered by the company's pension plan.

This change in the retirement landscape gave birth to the increasing popularity of 401k plans that forced the employees to pay the majority of the cost of their retirement plans, while the company's obligation was to contribute only a percentage of the cost with matching

company contributions. Congress acted in 1986 to replace the defined benefit plan for federal civilian workers (CSRS) with a less generous defined benefit plan (FERS) and a generous 401(k)-type plan (TSP). In both the private and public sectors, defined benefit plans were giving way to the less costly 401k plans, shifting more of the retirement savings burden to the employee/participant. According to the Investment Company Institute the total assets in 401(k) plans more than doubled from 2000 to 2011 and today it is estimated that there is close to $4 trillion of assets in 401k and similar plans.

The shift from company pension plans to the more affordable 401(k) plans has created an opportunity for financial advisors in two ways:

1. Defined Benefit Pensions Plans, for the most part, did not give the participants an opportunity to take a lump-sum settlement. In other words; they had a right only to the income stream but could not take out the cash and invest it where they chose. Over 70% of 401(k) and similar plans allow the participant to roll the plan to the more flexible IRA after age 59 ½, opening up the entire universe of investment choices. Participants can also access their cash in a lump-sum at retirement or when they have a break in service. Savvy advisers can now help their prospects reposition these assets and increase their IRA rollover business. What was locked up in pension plans is now more liquid and has opened up a very lucrative financial planning opportunity.

2. Many companies struggling to fund their pension plans are offering their employees an opportunity to take cash settlement, like in the case of General Motors. This increasing trend will lead to the ability to reposition company pension funds into flexible IRAs and is an opportunity for the trained IRA distribution planner to capture an even larger share of the IRA rollover market.

The opportunity to grow your annuity, life, and managed money practice will dramatically increase as more employers switch from defined pension plans to 401(k) and similar, more liquid plans. To take advantage of the exploding IRA rollover market and grow your practice to the next level, it will take two things:

1. Training – This is the prime ingredient to the success recipe of becoming an IRA Distribution expert. You will need to know the facts to guide your clients through the maze of IRS regulations, restrictions and penalties. Get the training you need to capture your share of the biggest event in the history of the financial services industry.

2. Marketing – Training alone will not get the job done. Think of training the way you picture education. Education without job availability is why you encounter the cashier with an MBA degree. In the IRA distribution arena training will only get you halfway there. In addition to training you will need a reliable IRA marketing system that will populate your practice with prospects that can benefit from your expertise.

The opportunity is here to grow your practice as an IRA distribution expert and capture the exploding IRA distribution market. The shift from defined benefit pension plans to 401(k)s and IRAs has created an opportunity for the trained IRA advisor who has a reliable marketing system.

David F. Royer

David F. Royer entered the financial services industry in 1969 after completing his military obligation. He began studying the growing IRA Distribution market in 2002 and today he is a nationally recognized speaker and trainer in qualified plan distribution. He has trained thousands of financial advisors in the discipline of qualified retirement plan accumulation and distribution. David's many articles on qualified plan distribution have been published in leading national financial periodicals. He is also the author of "The Top 10 IRA Mistakes and How to Avoid IRS Tax Traps".

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Mental Marketing

How to Guide Your Prospect's Mind

In any presentation, the other person or audience will hear 70% of what you say in the beginning, 10% of your middle and 100% of your ending.

Why is this so important? If you organize your meetings and seminars to address those numbers, you will likely be more successful at influencing. You'll certainly stand a greater chance that the other person(s) will receive more of what you want them to know.

What's the reality? Unfortunately, every advisor we know approaches prospects and audiences wrong. They open a conversation, presentation or seminar with meaningless facts, "Bill, our firm was founded in 1989 by two brothers who believed in blah blah blah…." Who cares?

Before you get started. The first thing you must succeed at is relevance. You must name points that the other people see as relevant. This is different from points you think are relevant to them. For example: Harley Davidson is different from Honda. Motorcycle is different from affordable transportation. Foreclosure is different from market volatility. In other words, you need to find out what's important to the other people before you start. This is how you capture their attention so they hear (at least) 70% of your beginning.

How to get started. Grab their attention, only then can you begin. There are five important tools you can use to nail your beginning. They are:

1. Intriguing words and phrases
2. Numbers
3. Stories
4. "You" Phrases
5. Props

In this article, we're going to look at intriguing words and phrases.

Research says…. Research in psychology suggests that by using introductory phrases you can announce that you are about to say something important. Here are a few:

1. Did you ever
2. Picture this
3. There is no doubt that
4. I question whether
5. Which do you prefer
6. Scientists contend that
7. In the beginning
8. Can you relate to this

While you were sleeping…. If anyone is going to nod off during your presentation, it will most likely happen during the middle part. That's because most presentations represent a rabbit hole of logical points that the prospect is supposed to follow. But they don't follow it. That's due in part to our shorter attention spans — Oh look a puppy!

The point is, only half the population is inclined to follow a logical process, but all people follow their values. Because this is such an important point, we should illustrate it.

Scenario 1. Imagine you're deep in a cave when the lights go out. Your eyes are open, but you cannot see anything through the total blackness. Then, someone turns on a flash light. Will you look at the light? Of course. That light serves as one of your values.

Scenario 2. Imagine you're traveling through a non-English-speaking country and your train is cancelled. You are surrounded by sights and sounds that you cannot relate to. People look different, smell different and speak in unintelligible tongues. You're enveloped by a world that is totally strange, frightening and confusing to you. Then, someone calls your name. Your head immediately snaps to the sound. Your name serves as one of your values.

Scenario 3. Imagine you're at a dinner meeting and a wholesaler is telling everyone about his product. A few minutes in the program, your mind is a zillion miles away. Then, you hear the word "sex." Immediately, you pop back into the reality of the room. That word serves as one of your values. In fact, there are many words that represent your values. Do you know what they are? Even better, your target market has (and responds to) its own list. You might seek to identify them.

Use it like this. Every time you mention someone's values, you cause that person to wake up, perk up and pay attention. Go back to what you learned at the top of this article — people will hear 70% of what you say in the beginning, 10% of your middle and 100% of your ending. But, those numbers are skewed high if you don't use words and phrases that connect with those people.

In Conclusion. Remember, the prospect or audience will hear 100% of your concluding remarks. So, make sure you announce it — loud and clear. Whenever I deliver a presentation, I always say, "And, in conclusion." It alerts the audience that I'm about to say something important and they should pay even closer attention. The following is a list of statements that announce your conclusion:

1. For those reasons
2. To sum up
3. In short

4. In brief
5. As you can see
6. To be sure
7. Undoubtedly
8. In any event
9. In conclusion
10. In other words
11. In summation
12. Obviously
13. Unquestionably
14. Finally

In Conclusion — really. Here's the power in what you've just learned — when you use intriguing words and phrases appropriately, they help you grab and hold the prospect's attention. Remember, the prospect hears 70% of what you say in the beginning, 10% of the middle, and 100% of your concluding statements. Your goal is to exceed those numbers. And this is how you can make it happen.

Your IARFC Reward. If you enjoy learning about how to use psychology in your marketing and selling, send me an email with "Persuasive Words List" in the subject line. I will send you a copy of the 108 words that can add power to your sales and marketing. My gift to you.

Michael Lovas

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 thier chosen target.

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Do You Know the Difference Between Medicare and Medicaid?

Roccy DeFrancesco, Jr., JD, CWPP™, CAPP™, CMP™

It's amazing how many advisors don't clearly understand the difference between Medicare and Medicaid. Maybe you're one of them or maybe you just think you know the difference. If you get confused sometimes, imagine how your clients must feel.

Every advisor dealing with retirees should have a good understanding of the difference between the two if for no other reason than to be able to properly guide your clients.

For more information on Medicaid planning, our mentoring support center, and why this area of consulting is our industry's biggest area of growth, go to www.medicaidplanning.org.

Medicare and Medicaid both sound alike and both are government programs that provide health services to the elderly. Both programs also pay for some portion of a nursing home stay, but most people can't tell you which one pays for what portion.

Here are the basics every advisor should know about Medicare:

- Medicare is an **automatic** primary health insurance for seniors age 65 and over.
- Medicare also provides primary health insurance for some people under age 65 who become automatically eligible because of their disability.
- Medicare does NOT pay all of a covered person's medical expenses. The gap between the cost of services and the coverage is known as the Medigap and, as many of you already know, a private Medigap insurance plan helps cover the difference.
- Medicare now has a prescription drug coverage plan which is known as Part D with a separate premium, supported by the government and separate co-pays.

When it comes to a **nursing home**, most people think Medicare covers long-term

care. They get a rude awakening when they learn that the most Medicare covers is 100 days in a skilled nursing facility. And even then, it's not a full 100 days.

Medicare pays full price for the first 20 days. For the remaining 80 days, the patient has to pay the first $144.50 (2012 amount; figure adjusted annually). To even qualify for that, the patient had to have spent at least three days in the hospital first and transfer to the nursing home within a limited period of time after discharge from the hospital.

In short, Medicare is not a solution to nursing home expenses like most seniors think it will be.

Medicaid, on the other hand, is the biggest payer of nursing home expenses. But unlike Medicare, you **don't automatically qualify** for coverage.

Why no automatic coverage? Because the laws state that in order to qualify, patients must dramatically spend down assets in order to qualify for coverage. For individuals the amount of "countable" assets they can own and still qualify is approximately $2,000 (which sounds crazy to most people).

Countable assets include IRAs, stocks, mutual funds, bonds, CDs, etc. These assets must be repositioned using proper Medicaid planning techniques (visit: www.medicaidplanning.org to learn more) or spent on nursing home care before Medicaid will pay for expenses. And if you think clients can just give their assets away and immediately quality for aid, that's not going to happen. Improper gifting coupled with an ill-timed Medicaid application can cause a waiting period of in excess of five years before being able to qualify for aid.

And any assets they let the patient keep, the state can put a lien on them and take them when the patient (or the patient's spouse) dies through estate recovery.

Bottom line – Knowing the differences between Medicare and Medicaid is better than not knowing them, but if you are giving advice to clients ages 65 and older, you really need to learn this subject matter so you can give the best advice and avoid lawsuits. Also, for selfish reasons, you might consider learning Medicaid planning. There are 7,000 people turning 65 every day and with people living longer than ever, the amount of people who will need Medicaid planning to preserve assets is greater than ever. This means opportunity for those who know this subject matter.

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The Un-Comfort Zone

Pack Mentality

When my son was two years old, we got a Samoyed puppy, and for the next 18 months they were the best of friends. Then the dog changed.

Suddenly she started growling at my son and biting him. At first I thought that maybe he was pulling her tail or something else that was irritating her, but that wasn't it.

My dog had become an adult and instinct kicked in. She became concerned with her place in the pack hierarchy. I learned that our family was her pack, that I was alpha-dog, and that she had no intention of being at the bottom of the pecking order. That meant someone had to be beneath her and the easiest choice was my toddler.

Through training and discipline we got the biting to stop, but to this day she still considers my son subordinate to her.

It's all about status and exclusivity. And human beings are just as motivated by it as a pack animal. When Abraham Maslow created his Theory of Human Motivation in 1943, he identified five levels of motivation or five needs that humans strive to satisfy. Those needs are, in order: Survival, Safety, Social, Esteem, and Fulfillment.

Status is an esteem need and regardless of where we fall on the economic ladder, we all strive to achieve status before we can move on to the highest need. Whether we admit it or not, we all want to feel as if we are a little bit better than the people around us. We begin to establish that — at least in our own minds — with the accourements of wealth such as branded clothing, jewelry, luxury automobiles, and exclusive neighborhoods. Even the poorest of people find symbols with which to establish their status. The visibility of these status symbols can create the powerfully motivating emotion of envy.

Most happiness that is acquired by achieving status symbols is short lived. Overtime such trappings become meaningless to us, at which point, we seek genuine achievements to prove our worth. Studies have shown that after reaching a certain income level (usually around 250K) an individual's happiness does not increase until they reach the status of super-rich (approximately 10M).

But, status can continue to motivate us long after money ceases to do so. Bestowing a new title with added responsibilities yet without any added pay is a common method for rewarding employees.

Volunteers can be motivated in a similar fashion. I have been a Boy Scout leader for the past five years. The Boy Scouts of America rewards its leaders with patches embroidered with colorful square knots that are worn on the adult uniform. Different colored square knots represent the variety of services a volunteer has provided or achievements that he or she has earned. Some square knots represent achievements earned years earlier when the volunteer was a Boy Scout.

When I attend formal full uniform functions, I find myself scanning fellow leaders' square knots to note their status. There is one we all look for; it is the red, white and blue knot that indicates the wearer earned the highest status in scouting as a youth: the Eagle Scout award.

When the United States was founded, one of its distinguishing characteristics from the rest of the world was the lack of a feudal or caste system. That doesn't mean status doesn't exist in America.

Indeed it does, but here we must earn it. Best of all, people have a choice and can rise above the station they were born into

Lacking status puts us in the Un-Comfort Zone and drives us to achieve. When you help someone up the social ladder, you can motivate them in a powerful and positive way.

Robert Evans Wilson, Jr

Robert Evans Wilson, Jr. is an author, speaker/humorist, and innovation consultant. He works with companies that want to be more competitive and with people who want to think like innovators. Robert is also the author of the humorous children's book: *The Annoying Ghost Kid*.

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Launching a Woman–Owned Business

One of the fastest-growing new business segments in recent years has been in the area of women-owned enterprises. There are many benefits to launching a woman-owned business, not the least of which is helping your client pursue a dream or take control of her destiny. Wealth managers and financial planners are in a unique position to help women start their businesses on a strong foundation, well positioned for smart growth and well protected from risk.

Benefits of Minority and Women Business Enterprises (MWBE)

According to the U.S. Small Business Administration (www.sba.gov), a woman-owned business must be 51-percent owned or controlled by a woman or women. MWBE businesses have a distinct advantage when it comes to accessing government contracts at the city, state and federal levels. In addition, in early 2011 the SBA announced the new Women-Owned Small Business (WOSB) Federal Contract Program, which was aimed at expanding opportunities for women-owned businesses to be considered for government contracts.

To qualify for government contracts, a woman-owned business is required to obtain a Dun & Bradstreet (DUNS) number. A DUNS number is also important for any small business looking to establish business credit.

In addition to the government, private organizations across the country have also made an increased commitment in recent years to supplier diversity by hiring more MWBE subcontractors.

When helping a client establish a woman-owned business, it is important to consider that relying solely on a large government contract for income to the business can be risky. For example, KoonsFuller Family Law recently handled a divorce case for a woman who owned a business with her husband. A large portion of this company's income was earned through a government contract that was awarded to the business due to its MWBE status. While the wife owned the business, the daily operation was primarily executed by her husband. When they chose to divorce, ownership of the enterprise was assigned to the husband. When a competitor learned of the arrangement, they were able to successfully win the contract away because it had been awarded on the basis of the business' woman/minority status.

Getting Started: Begin with the End in Mind

When planning for anyone starting a business, it is important to begin with the end in mind. This may include an exit strategy for your business, but should also cover your personal financial goals through retirement. LD Lowe Wealth Advisory recently worked with a woman looking to set up her own real estate business. To address both her personal and business goals, we recommended incorporating as an S-Corp and setting up payments to herself that would yield tax reduction benefits. We also recommended that she register as a MWBE so she may increase her visibility to contract opportunities with large relocation companies, as well as open the door to speaking engagements to promote her business.

Should You Use Retirement Funds to Start a Business?

With the recent bad economy and limited bank lending, small businesses have felt the squeeze and entrepreneurs may be tempted to dip into retirement funds to start a business. While it can be done, it is not a good option, as using retirement funds directly to fund a business can result in up to a 45-percent cost in early withdrawal penalties and taxes. A good alternative is to start the business and establish a 401k.

Existing retirement funds can then be rolled into the new 401k, at which time the owner can take a loan from the 401k at a low rate of interest while avoiding costly penalties and taxes.

Practical Matters to Protect the Family

Often, the most forgotten risk of starting a new business (women-owned or otherwise) is the risk to the owner's personal assets through business liability and the personal guarantees which are often required by lending institutions that provide start-up capital. It is therefore very important to consider the right structure for the new business. In general, sole proprietorships are not a good option because of the inherent risk to personal assets. Instead, incorporating as an LLC or S-Corp represents an important step in protecting personal wealth from the risks of the business.

Another consideration involves how to best establish ownership of a business within the family structure. As with the earlier example, events such as divorce, disability or death of a spouse can have a significant impact on the health and long-term viability of the enterprise. Any time a business is owned by one or more parties (i.e., in a corporation or an LLC), it is a good idea to have a buy-sell agreement in place – even if the partners are a married couple. If one of the partners becomes disabled or passes away, the spouse who continues with the business can assume ownership of shares or partnership interest with fewer probate issues.

Protect What You Build

Just as it is important to protect personal assets, it is important to also protect a business from risk. Financial planners play an important role in ensuring their clients have adequate levels of insurance for all aspects of running a business. Insurance considerations for the business should first include errors and omissions insurance, which protects a service business from bearing the full cost of a claim related to negligence on the part of employees of the company. In addition, a business owner who uses loans for start-up capital should consider a form of life insurance.

In terms of health insurance and other related employee benefits, one of the most promising ways to deal with changes in health insurance law is to use a PEO (Professional Employer Organization) to employ staff and provide benefits. The PEO will handle the staffing payroll, worker's compensation, employee handbooks, legal requirements for staff training, 401k and medical, dental and vision benefits while spreading the costs over a much larger group than just the employees of the business.

Finally, it is important to remember to counsel a woman starting her own business (or anyone starting a business, for that matter) to take care of herself by achieving a good work-life balance. A good concept is to have "free days" that involve no work for a 24-hour period; admin days which serve as preparation time for production days; and production days, which are set aside to meet with clients, bring in sales and assets, etc. Starting a business is certainly personal in many respects, but it's important not to let business become all that there is.

Lloyd Lowe Sr., CSA, RFC®

Spanning over 20+ successful years in financial planning, **Lloyd Lowe Sr., CSA, RFC®** partners with his clients to 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. Lloyd is the co-author of "*Life's Bridges: Building Your Bridge to Financial Wealth.*"

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Rick Robertson, JD

Rick Robertson is one of Collin County's best known divorce attorneys and manages the Plano, Texas office for KoonsFuller Family Law. He is the firm's President and co-Managing Partner. In 2012 he was named in Texas Lawyer's Go-To Guide of top lawyers.

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IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

Financial Planning Building
2507 North Verity Parkway
Post Office Box 42506
Middletown, OH 45042-0506

Fax: 513 424 5752
Phone: 800 532 9060
Website: www.IARFC.org
E-mail: info@IARFC.org

Application for IARFC Membership

Annual Membership Dues:	**$150**
Nonrefundable Application Fee (one time):	**$45**
Total First Year:	**$195**

Please Print

Your Name_____

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

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First Name_____ Middle_____ Last_____

❑ **Check** Enclosed $_____ or ❑ **Credit Card** No._____ Expires _____

Name of Business_____

Business Address_____ Ste #_____ City_____ State____ Zip_____

Phone_____ Fax_____ Business E-Mail _____

Business Website URL _____

Residence Address_____ City_____ State_____ Zip _____

Phone_____ Birthdate_____ IARFC Sponsor, if any_____

Your Educational Background (Since High School)

Name and Address of Institution	Location	From Mo/Yr	To Mo/Yr	Course or Major	Graduate?	Degree

FINRA Member Firm (if any)_____ FINRA CRD No. _____

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

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

Primary Insurance Company (if any)_____

Affiliated with an SEC Registered Investment Advisor (RIA)? ❑ Yes ❑ No Name of RIA_____

Designations: ❑ AAMS ❑ AEP ❑ CFA ❑ CFP ❑ ChFC ❑ CIMA ❑ CLU ❑ CPA ❑ CPA/PFS ❑ CRSA ❑ EA ❑ FSS ❑ JD/LLB ❑ LLM ❑ LUTCF ❑ MBA ❑ MS ❑ MSFS ❑ MSFM ❑ Ph.D. ❑ RFP ❑ Other _____

Financial Services Education: ❑ Financial Planning Process™ Course ❑ CFP Prep Course at _____

❑ Other Courses _____

Financial Services Experience: Number of years as a practitioner in the field of financial planning: ❑ Full time_____ ❑ Part time ____

Current Practice Mode *(check those which apply)*: ❑ Charge Plan Fees ❑ Hourly or Modular Plan Fees ❑ Portfolio Management Fees

❑ Insurance Products ❑ Securities ❑ Mutual Funds ❑ Trust Services ❑ Other _____

Other Qualifications_____

Please see the questions and signature requirements on the reverse side.

Questions relating to business and ethical conduct

Have you ever been refused a surety bond or other form of employment security? ❑ Yes ❑ No
Have you ever been denied or enjoined from selling or dealing in securities or from functioning as an Investment Advisor? ❑ Yes ❑ No
Have you ever been arrested, indicted, or convicted for any felony or misdemeanor, except for minor traffic offenses? ❑ Yes ❑ No
Have you ever been known personally by any other name, or have you ever conducted financial activities, conducted businessor carried brokerage or bank accounts in any other name? ❑ Yes ❑ No
Have you ever become insolvent, failed in business or compromised with creditors? If "Yes" – please provide the date name and location of court, disposition, liabilities, and assets. ❑ Yes ❑ No
Have you ever had a license, permit, certificate, registration or membership denied, suspended, revoked or restricted, or have you had an application of such type ever withdrawn for cause? ❑ Yes ❑ No
Have you ever been the subject of any order, judgement, decree or other sanction of a foreign court, foreign exchange, or have you ever been the subject of any action by a foreign or domestic governmental or regulatory agency? ❑ Yes ❑ No

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES" PLEASE ATTACH A WRITTEN EXPLANATION

The following should be read carefully by the applicant:

1. I hereby certify that I have read and understand the foregoing statements and that my responses are true and complete to the best of my knowledge.
2. I hereby apply for IARFC registration and, in consideration of my application, I submit myself to the jurisdiction of the organization and hereby verify that I agree to abide by all the provisions of the bylaws and regulations of the organization as they are and may be amended; and I agree to comply with all such requirements, subject to right of appeal as provided by law, and I agree that any decision as to the result of any examination(s) that I may be required to pass or annual CE requirements will be accepted by me as final.
3. I further agree that neither the association nor its officers or employees shall be liable to me for action taken or omitted in official capacity or in the scope of employment, except as otherwise provided in the statutes, bylaws, or the association's rules and regulations.
4. I authorize the organization to make available to any federal, state or municipal agency, or any securities or commodities industry self-regulatory organization, any information they may have concerning me or to request confirmation of my status, and I release those organizations, employees and agents, from any and all liability of whatever nature by reason of furnishing such information.
5. I further agree that any part of the information contained in this application and any subsequent documents in my IARFC registration file may be divulged to interested parties as part of the referral system for the benefit of members and the public.
6. I hereby certify that I have a sound record of business integrity with no suspension or revocation of any professional licenses, and I hereby subscribe to the IARFC Code of Ethics, a copy of which I have read and understand.
7. It is agreed and understood that any material misrepresentation of facts or information given in this or subsequent application or renewal may be cause for immediate revocation of membership and all its privileges, without refund of any dues or fees paid.
8. I understand that failure to disclose any regulatory event, including suspensions or revocations, may disqualify me.
9. I agree to maintain proficiency in my work by completing continuing education in the field of financial planning and counseling — which can include subjects relating to practice management, delivery of professional services, portfolio management or financial product application and service.
10. As an applicant for registration, I understand and agree that my RFC designation with the IARFC will not become effective until submission of all required documentation in proper order and upon written acceptance by the IARFC.
11. I understand that all IARFC Certificates of Registration remain the property of the Association and must be destroyed or returned to the Association should my membership or the right to display the designation certificate be suspended or terminated.
12. I understand that continuation of the RFC designation requires 40 hours of CE per year, which commences January of the year following acceptance.

_____ _____ _____

SIGNATURE OF THE APPLICANT ***(required)*** **DATE** **SIGNATURE OF A WITNESS** ***(required)***

How did you learn about the RFC? ❑ Advertisement ❑ Article ❑ Association_____ ❑ Broker/Dealer _____
❑ Direct Mail ❑ E-mail ❑ Exhibit ❑ Forum ❑ Insurance Co._____ ❑ Mailing ❑ Partnership
❑ Presentation by_____ ❑ Referral by _____ ❑ IARFC website ❑ RFC class
❑ Other _____

Please recommend associates or colleagues for the RFC designation — or the Financial Planning Process™ course:

Name _____ Name _____
Firm_____ Firm _____
Address _____ Address_____
City/State/Zip _____ City/State/Zip_____
Phone_____ Email _____ Phone_____ Email_____

IMPORTANT: Evidence of license, diploma or similar documents may be requested. **However, you need not submit evidence with the application.** The Association is compensation neutral regarding plan or portfolio fees, insurance, securities or real estate commissions, salary or bonus. The $45 application fee is nonrefundable.

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MAREE MOSCATI, CEO, COPYTALK

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Transcription as a Documentation Solution

With increasing FINRA regulations, documenting all client interactions is essential to managing regulatory compliance. Every moment you or your staff spend preparing documentation is time lost from prospecting, direct customer service, managing portfolios, and an endless list of other essential tasks.

To maintain the thorough documentation their business requires as efficiently as possible, many advisors are turning to transcriptions services like Copytalk (www.copytalk.com/IARFC). Given that most people speak around four times faster than they can type, the time investment falls drastically once "talk time" is all they need to make room for during their already-full day.

Features to Consider

Once you've made the decision to allow technology to enhance your time, efficiency and compliance regulations, you will want to find a transcription service that sets industry standards within the world of financial services.

Affordability is the most obvious element an advisor will consider. A transcription service frees up you and your advisors to spend more valuable time doing revenue-generating work.

The value of your documentation is directly proportional to the accuracy of the documents. Make sure the service you are considering is a business solution and not a simple consumer one. For example, are their transcriptionists trained to understand your common terminology?

Availability is another important factor to consider. Ideally, your transcription service can receive dictation without interruption. A service that allows you to dictate on the go is even better, allowing you to call in from a mobile device as you drive between meetings or wait for a client to arrive. The most efficient service is one that works on and with your own schedule. And, of course, one of the primary reasons for documentation is compliance. Always assess the security of any transcription service.

Security Concerns

When evaluating any service — especially one that is low cost or "free" — you should consider the value of your dictated data and whether that data is being used to subsidize the service. Ask how dictated information is used to process your transcription, and make sure it cannot be accessed for other uses by the service's staff or other partners.

Transcription services often involve the dictation of personally identifiable information or potentially protected health information, all of which may carry with them legal or regulatory requirements. Here are some questions to ask a potential transcription provider:

- Where are your transcriptions processed?
- Who is processing your dictations?
- Is the service HIPPA compliant? Gramm-Leach-Bliley?
- Does the service have systems and processes in place to ensure your dictated data remains confidential?
- Does the service have a privacy policy that protects you, or one that allows expansive use of your data?
- Will the service be responsive to your company's security requirements?

Make sure you choose a business grade solution that meets all of your requirements.

Maree Moscati is CEO of Copytalk. Copytalk is the leading mobile transcription service within the financial services industry. Maree holds FINRA Series 24, 7 & 63 licenses and comes from 23 years of service within the Financial Services Industry.

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