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the Register

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www.IARFC.org

Jamie Bosse

Making Life Count!®

IN THIS ISSUE

IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

2015 IARFC
National Financial Plan Competition

Featuring

H. Stephen Bailey
CLU, ChFC, FIC, RFC®

Stephanie Bailey
RFC®

Ed Morrow
CLU, ChFC, RFC®

Amy Primeau

For More Information
www.IARFC.org/FinancialPlanCompetition
800.532.9060

IARFC
INTERNATIONAL ASSOCIATION OF REGISTERED FINANCIAL CONSULTANTS

CHARLOTTE MOTOR SPEEDWAY CLUB • April 29 & April 30, 2015

Focus on the Future
2015 National Financial Plan Competition.

Join us in Charlotte, NC — one of the Financial Centers of the U.S.

April 29 — Business Owner Consulting Workshop
Add a new revenue stream to your practice. Learn techniques for approaching business owners and receive practical tools to get you started — a full day of exploring this underserved market and its potential.

April 29 — Speedway Tour and Dinner
After the workshop, enjoy a unique opportunity to network with the next generation of Financial Consultants through a private tour of Lowes Motor Speedway and an elegant plated dinner at the luxurious Speedway Club.

April 30 — Finals of the 2015 National Financial Plan Competition
Listen to the three finalist teams present their financial plan entries in person. Then judge and crown a winner of the competition. The day also includes special lectures from industry professionals. This is an exciting opportunity to get a glimpse at the future of our industry. It is also a great way to give back to your profession.

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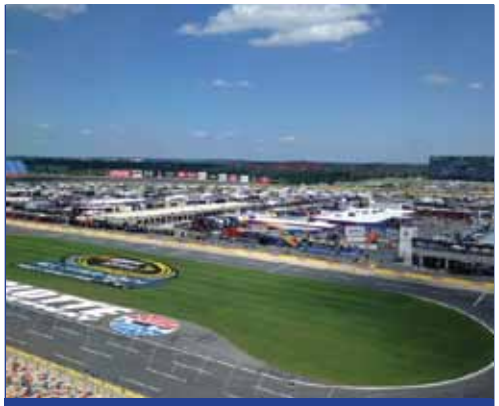

focusing on the future

IARFC
National Financial Plan Competition
April 29-30, Charlotte, NC

We invite the IARFC members to join the competition and become part of the judging process. Contact: 800.532.9060

IARFC Calendar

2015

March

Semi Finals
National Financial Plan Competition
March 12, 2015
Middletown, OH

IARFC Annual Board Meeting
March 13, 2015
Middletown, OH

IMM and IARFC Greater China Conference
March 13–15, 2015
Xiamen, China

April

Business Owner Consulting Workshop
April 29, 2015
Charlotte, NC

Finals
National Financial Plan Competition
April 29-30, 2015
Charlotte, NC

August

CE@SEA™ British Isles Cruise
August 9-17, 2015
Princess Cruises, Ocean Princess

New IARFC Members

Domestic Members

Lanta Evans-Motte, RFC®, MD
Lane G. Martinsen, RFC®, UT
Daniel W. Chapman, RFC®, MI
Ernest A. Almanza, RFC®, TX
Willi W. Reif, RFC®, PA
Richard A P Girard, RFC®, TX
James H. McKee, RFC® WV
Anthony S. Gentile, RFC®, FL
Andrew S. Toccaceli, RFC®, OH
Ryan C. Lawson, RFC®, IN
Jeremiah S. Castaneda, RFA®, TX
Robert Sacchetti, RFC®, MA

International Members

Canada: 1
China: 92
Taiwan: 7

Members Who Recommended Members

David M. Boike, RFC®
Thomas Kalejta, RFC®
Jim Moss, RFC®
William A. Smith, Jr. RFC®

Referrer of the Month Recognition
David M. Boike, RFC®

IARFC Blog: http://iarfc.org/iarfc-blog
Contact susan@IARFC.org for assistance with IARFC Blog

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Contact editor@IARFC.org for assistance with IARFC Facebook

Journal of Personal Finance

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You can access the full online version by logging into your membership or by joining the IARFC. Hard and Adobe PDF copies are available to Members and Non-Members: Order today.

http://store.iarfc.org/publications.aspx

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China — www.iarfc.cn

Hong Kong — www.iarfc-hk.org

India — www.iarfcindia.org

Indonesia — www.iarfcindonesia.com

Philippines — www.iarfcphils.org

Taiwan — www.iarfc.org.tw

the Register

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Cover Story

Features

Columns

Departments

the Register
In the News

Members In the News. Keep us informed on your recent accomplishments. Have you added staff, certifications, seminars, celebrated an anniversary in the business? Send a brief description and a print-quality photo when available to editor@iarfc.org.

Gary M. Hershgordon, RFC®, Jenkintown, PA

Gary M. Hershgordon presented "You Bet Your Life" on December 10, 2014 at the Delaware County Bar Association. The program was very successful with well received compliments from the Association: "Both this program and the prior program you presented, 'Life Insurance 101,' were highly informative and educational. Your ability to sustain the interest of those in attendance during your two-hour presentation, coupled with your vast and superior knowledge of the topic, are making you one of Ars Lexica's most popular speakers. We look forward to having you present additional insurance-related CLE programming," Marc A. Werlinsky, Esq

Craig S. Wright, RFC®, Xenia, OH

After much sweat and labor, I have moved into my new office. Clients have been very pleased with the move although it entails a longer drive for most. They are greeted with a sign above our swing that reads: "Welcome to our Porch". The unique country setting (we are about 3 miles out of town and located in a barn) fits beautifully with our downhome service and commitment to old time values while providing innovative, life enhancing financial services. Phase one is complete, phase two will include a conference / presentation center with seating for 16 to 20 and a workout room, both of which our clients are welcome to use professionally or personally. Phase two is scheduled for completion in 2015.

Burnett Marus, RFC®, Richardson, TX

Burnett was pleased to have been quoted by CNBC article; *How—and whether—to invest in rare stamps and coins*, written by Deborah Nason Saturday, 10 Jan 2015.

What do you do when a client comes to you with a stamp or coin collection?

"The first thing you need to determine is if it is a professional collection or an assemblage of material," said Burnett Marus, founder of Burnett Marus Associates, a tangible asset consultant who works with financial advisors.

But before moving forward, verify if you can help.

"Broker-dealers don't want their representatives to do anything out of the norm due to liability issues; therefore, registered reps should check with their compliance officers," he said.

He lists the premier reference sources as: The Red Book, used for evaluating U.S. coins (note that their prices are nine months old), The weekly "Coin Dealer Newsletter" for current prices., The "Certified Coin Dealer Newsletter", PCGS and NGC, the top two coin certification firms.

When deciding to liquidate the asset, clients may consider selling to a wholesale dealer or through an auction house.

"Be aware that with auction firms, the seller's fee is always negotiable," Marus said. "And the more valuable the material, the more willing they are to negotiate."

the Register
Round Up

IARFC Members 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 type of financial plans are you providing your clients?

A: With regards to new clients, I have always stated that 90% of our job is to protect our clients against large losses — which extends far beyond just large losses in their investment portfolios. In other words, I believe the first and most important step is to build a "moat around their castle" — rather than building a castle that can easily be stripped away and cause financial ruin from life's unexpected events. Therefore, nearly all of my financial or retirement plans begin by reviewing important details such as their car/home/umbrella insurance, disability insurance, long-term care, health insurance, social security, wills and trusts, end-of-life planning, and life insurance.

Another reason this planning process works well is because, while my clients are in underwriting for any necessary insurances, we can continue our planning process with subsequent meeting(s) to discuss what they really enjoy talking about — which is growing their money versus protecting it. This affords us more time to spend together, get to know each other better, and review their existing investment strategies, allocations, fees, performance, etc. — and ultimately propose my recommendations for improving their investment results going forward.

So whether someone becomes a client by purchasing an insurance policy or establishing an investment account, I have found they are highly likely to work with you on both matters. Therefore, this has proven to be a solid planning process for both my clients and my practice.

Christopher Hill, RFC®
Roanoke, VA

A: Recently our office did a study on client demographics and found that 44% of my clients are 60 years or over. For this demographic when they retire as part of their annual review, we offer to provide a monthly cash flow integrating all sources of income. The previous financial plan, goal setting, expectations and results are now converted to achieving a lifestyle! The registered retirement plans combine with government pensions along with corporate and other pensions. Minimum and/or maximum payout restrictions are explained as well as clawback provisions of the Old Age security pension. This exercise provides an opportunity to examine any changes that have taken or will take place in their lives: changes in beneficiaries, power of attorney, funeral prepayments, life insurance updates, executor changes or other concerns. It most often keeps both spouses up-to date-which is most appreciated!

Noel Milner, RFC®
Ontario, Canada

The ideas and strategies you receive from this and other sections of the *Register* may inspire you to send us your answer to one of our future *Register* Round Up questions. If you would like to share your tips and techniques with other RFCs, please do not hesitate to send in your response to editor@iarfc.org.

Our next issue will ask this question

Why is Accreditation for the IARFC important?

What we are looking for are several sentences, although more are welcome. This may entice you to submit a short article on the current proposed *Register* Round Up question. These questions are sent out via email. Contact us to join the list.

You can also send us a short article for the *Register* or suggest additional topics for future issues. Remember, our goal is to make this magazine an even more valuable resource for you and the clients you serve.

From the **EDITOR**

Changes in Leadership — you may have noticed this title of the Chairman's Desk column on page 8. Ed Morrow has been authoring this column for more than a decade and has been at the helm of the IARFC guiding us through changes in the financial services industry and the Association. He has promoted workshops, cruises, insurance programs, software benefits and client relationships issues. However, changes are inevitable.

During the IARFC Annual Board Meeting, Ed is handing the title of Chairman to H. Stephen Bailey, LUTCF, CEBA, CEP CSA, RFC®. Steve has been a member of the IARFC since 1987 and has served as its President and Vice Chairman. We are looking forward to his steadfast commitment as Chairman and his future columns of the Chairman's Desk.

Ed will continue as CEO of daily operations, serve on committees such as the Loren Dunton Memorial Award, research potential benefits to enhance IARFC membership as well as submitting articles to the *Register.*

We are grateful to Ed for his time and dedication to the IARFC and look to the future with the ongoing leadership of Steve Bailey as the IARFC Chairman.

Wendy M. Kennedy, *Editor*
the Register magazine
editor@iarfc.org

L-R: Cetera CEO Brett Harrison, Ed Morrow, Les Anderson and Cetera President Erinn Ford

As a member of the Loren Dunton Memorial Award committee, Ed Morrow had the great honor in presenting IARFC former President, Les Anderson with the 2014 Loren Dunton Memorial Award at his broker/dealer event Cetera Connect Conference.

COACHES CORNER

The IARFC is pleased to provide contact information on persons who offer coaching, mentoring or tutoring services.

Some extend free time or a discount to IARFC members. This listing is not an endorsement or guarantee — as RFCs are qualified to judge who can help them in the areas where services are most important. This roster is alphabetical by last name.

Wilma Anderson, RFC®
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www.CriticalIllnessCoach.com
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208.773.6924

Katherine Vessenes, RFC®
Consulting and Education
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Katherine@VestmentAdvisors.com
www.VestmentAdvisors.com
952.401.1045

Richard Weylman
Richard Weylman, Inc.
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www.WeylmanConsultingGroup.com
800.535.433

Paid advertisement, contact wendy@IARFC.org for details

On The Path to Accreditation

Standards

We have all heard the old adage, "the only constant is change". Nowhere is it more appropriate then when it comes to the world of accreditation. This is a truth that we have recently discovered as we walk the Path to Accreditation. As most of our readers are aware, the IARFC is in the midst of work to gain accreditation for the newly developed MRFC designation. The bulk of this work is being driven by the requirement that we measure up to a set of standards put forth by the accrediting agency.

Well, just as no good deed goes unpunished and there is no sleep for the weary, so too there is no rest for those who are trying to get accredited. The NCCA, the group responsible for the development and promulgation of standards for the accreditation of designations such as the MRFC, have decided to release new standards that go into effect January 1, 2016. After an extensive review process and months spent writing and re-writing material, they presented the world with a new version of the standards that they hope will be clearer in nature and more protective of the public good.

Where does this put us then? Well, with our goal of being accredited by 2017, we are now going to be subject to the newest version of the NCCA Standards. We will have to meet all of the rules and regulations set forth in that fifty page document in order to submit our application for review. This means additional work for our entire team, but we will handle it with the same sense of intensity that we have used so far in the accreditation process.

The NCCA has expanded the requirements for accreditation to include specific standards related to the workings of the IARFC and the MRFC Certification Board. Both groups are going to be scrutinized as part of the accreditation process, and both groups are going to be ready when the time comes. Let me share with you examples of some of the twenty-four standards to which we will be subjected in this evaluation:

Standard 7: The MRFC Board and the IARFC must establish, enforce, and periodically review policies and procedures related to our certification. This means that we will be publishing the rules and regulations that we are applying as we continue on as an association. This includes policies such as our non-discrimination policy, our privacy policy, and our policy regarding retired designees, all of which can be found on our website.

Standard 16: The MRFC Board must develop the new examination in accordance with sound examination principles and practices. We have brought to our team a professional psychometrician who is helping us to create the new MRFC examination that will be available to all of those interested in earning the new designation. This work is ongoing and will ultimately culminate in a test that will be accepted by the NCCA and will fairly and equitably measure the ability of our designees to perform financial services tasks.

These are just a couple of the standards by which we will be judged. We realize that because our members feel that the ultimate acceptance of our new MRFC designation by a third-party is important to them, that it is equally as important to us. We are continuing to move forward in our efforts to gain NCCA accreditation for the MRFC and will do everything in our power to meet all of the qualifications.

While the road to accreditation has been long and bumpy, it is a road we are happy to be traveling upon for the benefit of both our members and the public who will avail themselves of our members' services. Despite the constancy of change, we at the IARFC are more dedicated than ever to see this project through to completion. We welcome your comments and suggestions and invite you to keep reading the Register and checking our website for updates.

Jim Lifter, MBA, RFC®

Jim Lifter, MBA, RFC®, 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.

Contact: 800.532.9060 x 312
jim@iarfc.org
www.iarfc.org

From the Chairman's Desk…

Ed Morrow

Change in Leadership

This time of year is a significant regrouping period for the IARFC. March is the traditional time for our Annual Board of Directors meeting — thus, I am looking forward to welcoming my esteemed colleagues to once again convene at the corporate office in Middletown for a session of reviewing and planning.

This year, we welcome back two recently re-elected Board Members to another term – Isabel Cooper and Jon Rogers. Our newest addition Mayo Woodward, will be joining us for the first time.

Directors are asked to arrive on Wednesday evening March 11th for the Semi Finals judging of the National Financial Plan Competition beginning early Thursday morning. Last year, this proved to be very exciting and popular with the Board. They enjoyed seeing firsthand the candidates and listening to their presentations and their enthusiasm. The Directors will pick the top three teams to continue on to Charlotte North Carolina for the Finals April 29 & 30th.

Friday is a full slate of discussions — reviewing IARFC operations during the past year and setting goals and objectives for 2015. Most important on the Agenda will be moving forward with accreditation. As the IARFC will be rolling out the exam for Master Registered Financial Consultant in the coming months, the Board will be updated on the entire planning process.

Changing of the Guard

For over a decade I have had the privilege to represent the IARFC as its Chairman. After this Board meeting in March, I will be stepping down as Chairman of the IARFC. I am pleased to hand over the reins to Steve Bailey who will be assuming this significant role and the responsibilities. I have enjoyed serving as your Chairman and know that Steve is enthusiastic to step into the position and continue on the work of the IARFC. My role of Chief Executive Office has not changed and I will continue to keep the IARFC on track in the day-to-day operations.

IARFC Presence Felt at Greater China RFC Conference

During the same time as our Annual Board Meeting, I was asked to travel to China to address the Greater China IARFC Conference — which unfortunately made my attendance impossible. In lieu of an in-person greeting, we developed a personal video to be presented to this noteworthy group of individuals. The video covered the challenges of financial consultants in the US and suggestions for Chinese RFCs on their personal development and business practices. I am extremely sorry to miss networking with these members. It is always enlightening and insightful to see firsthand how the international chapters are progressing and the economic trends in China. My congratulations and blessings to all who attend.

Dunton Award Presentation at Cetera Connect Conference

In January, I had the honor to present to Les Anderson the Loren Dunton Memorial Award in Denver at the Cetera Connect Conference. It was especially gratifying to recognize Les in front of his peers — approximately 400 Advisors. Cetera is an important promoter of our National Financial Plan Competition. We are now asking for nominations for the next Dunton recipient for 2015. If you have any suggestions please contact the IARFC.

Important Work to Do

As my time as Chairman is coming to a close, I want to stress to the members the important task that will be our focus for the next 2 years — NCCA Accreditation. The accreditation process is going to ramp up shortly with the first Master RFC exam. It is a costly and time consuming project for the IARFC — but, we cannot stand still and continue on "business as usual." I have felt throughout my years as your Chairman that our organization would benefit greatly from official third party recognition and am proud for the IARFC to have taken on this challenge.

It has been an honor to serve all of you.

Ed Morrow, CLU, ChFC, RFC® is the Chairman and Chief Executive of the IARFC and has been a practicing financial advisor for forty years. His advice and systems are used by thousands of financial advisors in the U.S. and across the world. As the CEO of the IARFC he is one of the developers of the Financial Planning Process course materials and a frequent instructor, both nationally and in many countries.

Contact: 800.532.9060
edm@iarfc.org
www.iarfc.org

Tech Tips

How Can I Grow My Practice?

Do you have a tool to help your clients with their company-sponsored retirement plans?

Are you in search of an innovative, inexpensive way to add new clients?

If the answer is "Yes"…
We may have just the thing for you! And, this may come as a surprise — it is available at low or even no cost to you.

Howard Capital Management, Inc. (HCM) sets itself apart from most other money managers by offering you, the advisor, an innovative way to help your existing clients, while striving to simultaneously grow and add value to your practice. The HCM 401(k) Optimizer® is that tool, and it is certified by DALBAR as a Certified Computer Model under Section 408(g) of ERISA.

Many plan participants are often bewildered by the vast amount of basic information available about the plan as well as their investment choices. However, for a number of reasons, there really hasn't been very much help in answering the most important questions most plan participants have about their company-sponsored retirement plans, e.g. What should I invest in? When should I be invested? How often should I change those investments?

As a result and mostly by default, target date funds continue to increase in popularity as a fund choice in company-sponsored retirement plans.

"Target date funds do not, however, take into account the individual risk tolerance of any particular investor or any investor's individual circumstances, including any holdings of other assets, and target date funds do not take a uniform approach in constructing their glide paths. While all target date funds provide for more investment in equities for younger investors and more investments in fixed income for investors near or at retirement, the glide paths used by different fund providers vary. For example, some providers design their target date funds to reach their most conservative asset mix at or shortly after the target date. Other providers' design their funds to reach their most conservative asset mix 10, 20, or more years after the target date.

Additionally, an employee's DC account may be invested in a target date fund by default if (a) the plan fiduciary has selected target date funds as a default investment; (b) the employee has not given affirmative instructions to select investments; and (c) the employee has received information in advance about the plan's investment options and his or her opportunity to select investments for the account."

Reference: © Investment Company Institute's Publications & Resources, Frequently Asked Questions about Target Date or Lifecycle Funds.

Howard Capital Management provides answers to the questions participants have about their Defined Contribution (DC) accounts, so they won't have to settle for target date funds. They can utilize Howard Capital Management's innovative, web-based tool, the HCM 401(k) Optimizer®, which is designed to provide the plan participant with help in managing his retirement plan assets.

The HCM 401(k) Optimizer® provides affordable, individualized advice for plan participants in most any 401(k), 403(b), 415(m), 457, Thrift Savings Plan and other company-sponsored retirement plans. This online service uses Howard Capital Management's professional portfolio management strategy to analyze a plan's available choices and provide a customized recommendation of how much to invest in each of the available funds, based on each plan participant's individual circumstances.

And, it provides advisors a low- or no-cost, marketing/relationship development tool that keeps them, on at least a quarterly basis, in front of the plan participant —freeing up time for the advisor's other day-to-day operations. Additionally, advisors may benefit by growing their practices from referrals of plan participants who have been utilizing the HCM 401(k) Optimizer®. And, the advisor relationship with the plan participant may over time strengthen, providing the advisor with an enriched opportunity to help plan participants with their rollovers at retirement.

Ideally, when plan participants begin using the HCM 401(k) Optimizer®, they will feel

more in control of their financial futures, and in turn, they will be motivated to refer others, e.g. co-workers, family and friends. Subscribers receive an allocation for their portfolios at a minimum of once a quarter. Additionally, advisors receive a notification of every email sent to their subscribers as well as 24-hour access to their client lists with detailed information, e.g. risk tolerance profile, current allocation, etc. on each of their subscribers, provided, for privacy reasons, the subscriber chooses to share it with the advisor. This gives the advisor an opportunity to contact their subscribers to remind them that new allocations are available. This may also be a great time for the advisor to open up a dialogue with the aim of getting more referrals and/or to assisting with the subscriber's other financial planning needs.

A key component of the HCM 401(k) Optimizer®, as well as of all of HCM's equity models and mutual funds, is the proprietary strategic indicator, the HCM-BuyLine®, which signals when to move out of, or back in to, the equity markets. "Over the last decade, we have had two really severe down markets (in 2002 and 2008) that in many cases, had a significantly negative impact on people's retirement account balances," says Vance Howard, CEO, President and founder of Howard Capital Management, Inc.

Vance goes on to say, "We have found that in these types of markets, the main question that most people have isn't about where to be invested, but rather whether they should be invested at all. What makes our advice different from most other money management companies is that we attempt to manage all our clients' money based on the concept of ***what you keep may be more important in the long run than what you earn.*** So when a severe downtrend in the market develops and violates the HCM-BuyLine®, we issue an interim recommendation to all our Optimizer subscribers to get defensive with their allocations, and move to cash or the least volatile option that is available in their company-sponsored retirement plan. That happens in *real time*; we don't wait until the end of the quarter. Then, when that trend reverses and a strong uptrend develops, we issue new recommendations that increase exposure to equities. We believe this more tactical and proactive approach to investing may potentially give the plan participant a smoother ride in their account compared to a more traditional *'buy and hold'* approach.

The main reason that plan participants don't really recognize the true potential of their company-sponsored retirement account is that they don't have any guidance on what to invest in, when to be invested, and how often to review those investments. They are simply too busy with work and everyday life to devote the necessary time it takes to do all the research involved. However, by having us do the analysis, the 'heavy lifting', so to speak, it becomes really simple. All the subscriber needs to do is simply log into the HCM 401(k) Optimizer® website and get his recommendations at least every quarter. It is all there, ready for the subscriber to implement and make the recommended changes in his account. And, we even send an email reminder when their recommendations are ready! How is that for simple?" said Vance.

When advisors sign up as partners with HCM, they are asked to provide their pictures, logos and contact information so HCM can create personalized information panes that all their subscribers see every time they log in. They are also provided with Promo Codes that can be used by new subscribers to get 10% off their subscriptions upon signing up at the website, www.hcm401koptimizer.com. Using these Promo Codes also connects the subscribers to their advisor. Subscribers create their own usernames and passwords when signing up on the website. During that process, unless the subscriber's company is already listed on the website, subscribers or their advisor will need to send HCM a list of all available investment options in their plans, so that the initial analysis and optimization process can begin. Once the analysis is complete, initial recommendations based on the subscribers' individual risk tolerances and financial profiles are posted on the website, and they receive an email notification to log in and view their recommendations.

Following the initial analysis and recommendations, subscribers receive at least quarterly updates with adjustments to the investment allocation. Recommendations are based in part on the strategic indicator, HCM-BuyLine®.

The HCM 401(k) Optimizer® may be used by individuals or by advisors working with individual 401(k) plan participants or by those who service corporate 401(k) or other retirement plans. "Really, pretty much any type of retirement plan, where people have multiple investment options inside the plan will work with the HCM 401(k) Optimizer®," says Vance.

A subscription to the HCM 401(k) Optimizer® also includes access to the proprietary Optimized Trend Indicator (OTI) which is designed to help subscribers who work for companies whose stock is publicly traded make better decisions as to how much, if any of their company stock to own in their accounts.

The fee for the HCM 401(k) Optimizer® is $79 a year for a Standard Subscription. The Pro Subscription is $389 a year and includes a subscription to LifeLock® and use of the Optimized Trend Indicator with an unlimited number of ticker symbols. A 10% discount applies to each subscriber who signs up using a advisor's Promo Code.

Advisors also have the option to subscribe to the Optimizer themselves under the Advisor Subscription, which gives them the ability to give subscriptions free of charge to their clients, as part of the holistic financial planning process, or to prospects, as part of their marketing efforts.

Advisors interested in learning more about the HCM 401(k) Optimizer® can contact Howard Capital Management, Inc. at www.hcm401koptimizer.com, at 770-642-4902, or by email at info@hcm401koptimizer.com.

Diane Brewer, RFC®

Diane Brewer, RFC®, is the wholesaler for HCM for Central and Northern California and the Pacific Northwest. Diane is a public speaker, former financial advisor, a contributor to radio & TV interviews, researcher, reporter on "Key to Wall Street & Special Report: Women on Wall Street", KEYT 3 TV Santa Barbara, CA, subsidiary of ABC.

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Your Killer Marketing Plan

Month after month, year after year can slip by without any meaningful marketing activity on your part. But it doesn't have to be that way.

The Market

"Just get me in front of more qualified prospects" is the battle cry I hear from consultants almost daily, and my response is always the same: Who are you trying to reach? It will be a lot easier to reach qualified prospects (qualified meaning ready, willing and able to hire you) once you've identified exactly who you want to reach.

Who is your target market? You can have as many target markets as you like. You just have to be specific. If you don't target market, you'll probably end up appealing to nobody instead of everybody. Somewhere between 2-4 target markets is optimal for most consultants.

Create an Ideal Client Profile for each of your target markets. Your Ideal Client Profile consists of anywhere from a couple of paragraphs to a full page for each target market describing your ideal clients *using as many non-financial criteria as possible.* Examples might include common values, lifestyle, stage in life, hobbies, major financial concerns, level of financial sophistication, level of required service/ hand holding, philosophies about money, investing, business, people or life.

Your Ideal Client Profile gets printed and goes in your introductory kit, appears on your website and is verbally expressed during the initial client interview. The goal is to give your potential client something to hang his/her hat on, to screen them in, and to have them say to themselves, "Hey, this consultant serves clients just like me!"

The Message

Once you've identified whom you wish to reach, you'll need to create a compelling message to convey. Your mission statement may be great, but here's what your prospect is thinking: "What makes you different, what makes you unique, and why should I hire YOU?" There are many consultants out there claiming they "really, really care" and that they "help clients formulate their most important goals."

You may want to do business with me because I'm a doctor with a net worth of $5 million, but that's not a reason why I want to do business with you. Your Unique Selling Proposition (USP) describes any combination of your technical expertise, market niche specialty or deliverables which, when combined, make you relatively unique.

Similar to your Ideal Client Profile, your USP goes in your introductory kit, goes on your website, and comes out of your mouth during the initial client interview when your prospect innocently asks, "Have you ever heard of xyz competition?" You reply, "Why yes I have, but let me tell you the six reasons clients hire us/enjoy doing business with us/why we feel we're different."

The Medium

Once you know what you want to say and to whom you wish to say it, the medium or method for reaching them becomes much easier. This is why it's so important to accurately define your target market(s) first. There are dozens of effective ways to market your services. The methods you choose should fit both you and your target market.

First, identify your personal preferred method of communication. Do you communicate better one-on-one or in a group? Speaking or writing? On the phone or in person? One-way communication or two-way conversations? You get the idea. If you aren't comfortable communicating

at all, you either need to become comfortable or find someone who is, and put them in charge of your marketing and sales operations.

Next, how does your target market obtain and process the type of financial information you're looking to convey? For example, mid-career, 50-year old surgeon working hospital shifts likes to receive and process financial information in an entirely different manner, in both quantity and quality, than seniors and retirees. Therefore, the marketing methods you choose will differ.

Select at least 3-4 marketing methods to implement. A multi-pronged approach will be more effective for reaching all your markets.

Be creative… For example, did you know you can take a free cruise in exchange for conducting on board finance lectures? I have a mentoring client, a planner from Phoenix, who is cruising through Alaska as I write this article. I built a nationwide clientele using this method among others. It's fun, easy, inexpensive and effective, with a lot of built in credibility, which shortens the sales cycle. It's a wonderful way to meet HNW clients from all over, many of whom will be sufficiently impressed with you to become clients.

Creating Your Marketing Plan

Many financial consultants have superficially defined markets (no real Ideal Client Profiles), no compelling reasons why potential clients should choose them over their competition, and only dabble in a few unrelated marketing strategies. In contrast, a **Killer Marketing Plan puts together your Market, Message & Methods above into a coherent campaign with specific action steps and time frames.**

In addition, any marketing effort needs to be consistent. Just as you can't go to the gym onetime to work out and then claim, "There, that's it. I'm in shape for the year!", you need a consistent, year-round marketing effort, aimed at your target markets, to keep your business growing towards your ultimate goals.

And like any other investment, you'll want to track your returns or your ROI. Any marketing method must be evaluated by how much it costs, what is the potential for new business, how much waste is there, how much competition/credibility will you have and how much effort is required on your part.

For example: The free cruises listed above will cost less (you still have to get to/from the ship, tip the staff, etc.) than an advertisement in most big city newspapers, or even the cost of a one-time cold mailing. You avoid the 99% of the prospects who do not qualify because these are high end cruises, and you have no competition… There are no other financial consultants doing lectures during your trip.

There is an abundance of low cost/no cost and easy ways to market your financial services. But you must take action.

Summary — Don't Waste Time

Now is the perfect time to put together a Killer Marketing Plan. Don't wait! The sooner you get started, the sooner you'll see results. Combine your Market, Message and Medium into a plan, even if you then delegate the execution. Admittedly, developing and consistently implementing an effective marketing plan takes time and attention, but is an investment that pays for itself many times over. Those who do it, thrive. Those who don't always seem to struggle in this business.

Remember, financial consulting is 50% about finance (the technical end of the business). But it's also 50% about consulting, and that takes real communication and relationship management skills, including marketing and selling.

Max Bolka

Max Bolka is a 32-year veteran of the financial services industry who developed and served a nationwide financial planning and investment clientele. For the past 17 years, he has also been, "Building First-Class Financial Advisors" of all kinds through his industry professional speaking, writing and one-on-one mentoring program.

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Teamwork: Working With Your Internal Team and Your External Partners

In a highly competitive environment, every sales producer suffers from the pressure to produce or die. You have lived with sales and hired staff to help. But let's face it. You are probably a good producer. But management is not your strong suit. You know how to asset allocate but don't know how to delegate. You know how to present assets under management but don't know how to train. As a consultant once said, "You are working in your business but not on it."

One of the most basic skills you need to run your business like a business is to get control. The easiest way to run your business is to DIP every single day.

The DIP Approach (Daily Information Protocol)

An important way you can regain control of your business is to know what is happening on a daily basis. Make sure you are using the DIP approach every morning for 15 minutes. Get all of your staff together when they first walk in and ask 3 questions.

1. What did you get done yesterday?
2. What are your goals today?
3. Here are my priorities for you today?

This simple process will help each staff person work as a team and help you keep control. Often you run your business as if everyone automatically knows what to do. If you don't keep control of your office and your business, your cash flow will be out of control soon. Your staff can't read your mind. If you don't direct your staff daily, they will do what they think is important or nothing at all.

Your staff will fill their day with whatever you give them. If you don't direct their day, they will appear busy doing nothing, every single hour.

There are 4 kinds of managers. The Laissez-Faire manager, who manages by interacting with staff only when there is a problem. The Theory X manager who says, "Do it because I told you to." The coaching Theory Y manager, who tells you to do it, but explains why. And the Inspirational Manager who just cheer leads. Whether your style is Theory X, Y, Laissez-Faire, or Inspirational, you first need to get control of your staff and your business. The DIP program is a simple way to start. You will discover that the DIP program will increase communication and control. You will also discover that you probably won't have the discipline necessary to do it more than a week. But if you do, you will get a lot more done and a lot more out of your team.

Kerry Johnson, MBA, Ph.D.

Kerry Johnson, MBA, Ph.D. is a best-selling author and frequent speaker at financial planning and insurance conferences around the world. *Peak Performance Coaching* (his one on one coaching program) promises to increase your business by 80% in 8 weeks. To see if you are a candidate for this fast track system, visit www.KerryJohnson.com/coaching and take a free evaluation test. You will learn about your strengths and what is holding you back.

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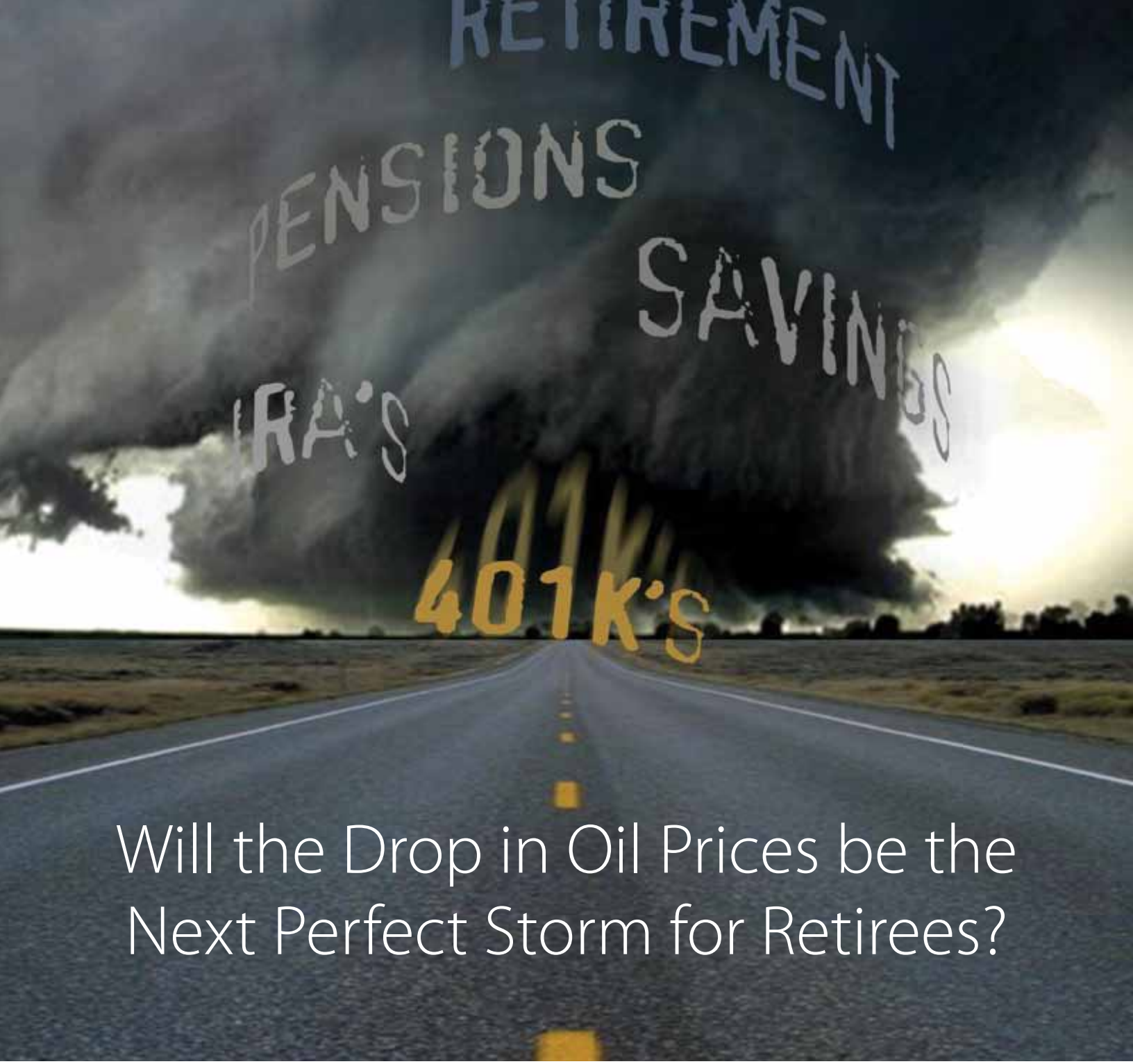

Will the Drop in Oil Prices be the Next Perfect Storm for Retirees?

The dramatic drop in oil and gas prices has boosted consumer confidence in America. In fact, consumer confidence has been the highest it's ever been in the last eight years. First of all, the United Stated is the beneficiary of these lower oil and gas prices compared to the other world nations. It will strengthen the dollar and it will boost the GDP (Gross Domestic Product) for 2015 if trends continue. That's all good news.

Many economists think that there could be a number of unpredictable ripple effects. For example, currently US oil companies have about $200 billion in debt. They can't quit producing oil. The result of this could bring America into a vicious economic cycle within the energy sector. Oil companies' credit lines come due this March. Unfortunately, this will bankrupt many small oil companies and could hurt the banking industry and also could hit the higher yield bonds. The negative impact could hit the oil states such as North Dakota, Texas and Oklahoma.

As mentioned earlier, the energy sector of our economy could be headed towards a vicious cycle. Economics theory and practice — we have two primary cycles that indicate how the economy is doing going forward, and what we are doing at the current time. **The virtuous cycle** is the good environment for all American people. Companies are making money, people are buying goods, corporate profits are rising and stock prices are going upwards. It is the Federal Reserve Board's, and Janet Yellen's as chairman, objective to maintain the virtuous cycle within the economy.

The vicious cycle brings economic turmoil within the marketplace. Our first vicious

cycle of recent years was from 2007–2010; with the sub-prime housing debacle, bank failures, Stock Market collapse, increased unemployment and AIG bailout. After this turmoil, America broke out of the cycle and things started improving, real estate prices increased and recently, job growth and higher consumer confidence, as mentioned earlier. Unfortunately, we are entering a vicious cycle in the energy sector, as evidenced by 50% pullbacks in oil and natural gas prices in the last 6 months. Our economy is benefiting from this conflict of the vicious cycle.

Jobs will start to lack at the oil patch. It's on the way to a debacle. Long term, it could ruin our economy. Right now, some analysts think that the commodities futures prices on oil contracts could collapse. Goldman Sachs has been very positive on future oil contracts and believed that they could stay at $80 a barrel. Three days later they changed their view and said that oil would go to a $42 futures price. A sheik from one of the OPEC nations recently stated that he thinks oil could drop to $35 a barrel and could stay there for five years. Some economists think oil could rebound and the price of a barrel of oil could be back on track by next year, bringing the energy sector out of the vicious cycle and back into the virtuous cycle.

According to many economists, the Stock Market could see a lot of volatility in 2015. We as consultants must warn our clients to fasten their seatbelts for a bumpy ride and help them design a hedge of protection for the retirement assets they have accumulated throughout their working years.

In December 2008, gas prices dropped all the way to $1.68 per gallon, according to the US Bureau of Labor and Statistics. What followed was the great recession. Consider that the Stock Market generally follows a seven-year cycle from peaks to crashes. Will history repeat itself? Retirees need to take control and structure a financial house with a retirement nest egg. Over time, they have built this house: their house, car, savings, investments, IRAs and 401ks. This is the financial house. What is the strongest area of a house? The foundation. This should be the strongest point of your financial house as well. You should start by protecting your clients' principal with guaranteed growth and income for the rest of their lives.

What would happen if a house had no foundation? The same could happen to your clients' investments or retirement assets if they don't have a solid foundation. They could be literally blown away.

There is a way to turn your clients' financial house into a family financial fortress. Where no matter what economic turmoil or personal financial storms come along, your clients' financial fortress is shielded and protected and can provide guaranteed income with the ability to increase each year to keep up with rising costs in retirement. Many retirees depend on a monthly income these days and one of their biggest problem is watching that income decline. With their principal declining due to withdrawals or market losses and income needs staying the same, some folks could run out of completely. The family financial fortress can provide our clients with guaranteed income for the rest of their lives no matter what happens with the economy or if they live a long time. This can be accomplished through a blend of retirement protection techniques that are tailored to each client's specific retirement needs.

The key benefits that we focus on for our clients are: preservation of principal, minimization of risk, accumulation of tax-deferred savings and a plan for guaranteed retirement income.

As a senior business development consultants with Broker Choice of America marketing, I feel strongly that the time is right to implement sound retirement strategies to weather any type of economic storm in 2015 and beyond. In the end, you will be recognized as the retirement professional that you are and the one who is skilled in offering your clients sound advice.

Joseph Clark, CFEd®, RFC®

Joseph Clark, CFEd®, RFC®, has extensive knowledge in preservation and distribution of wealth, retirement planning, reduction of financial risk, tax efficiency and protecting assets from catastrophic illness. He is an experienced teacher, consultant and advisor with Brokers Choice of America. Joseph also works with personal clients through his agency, Clark Advisory Group.

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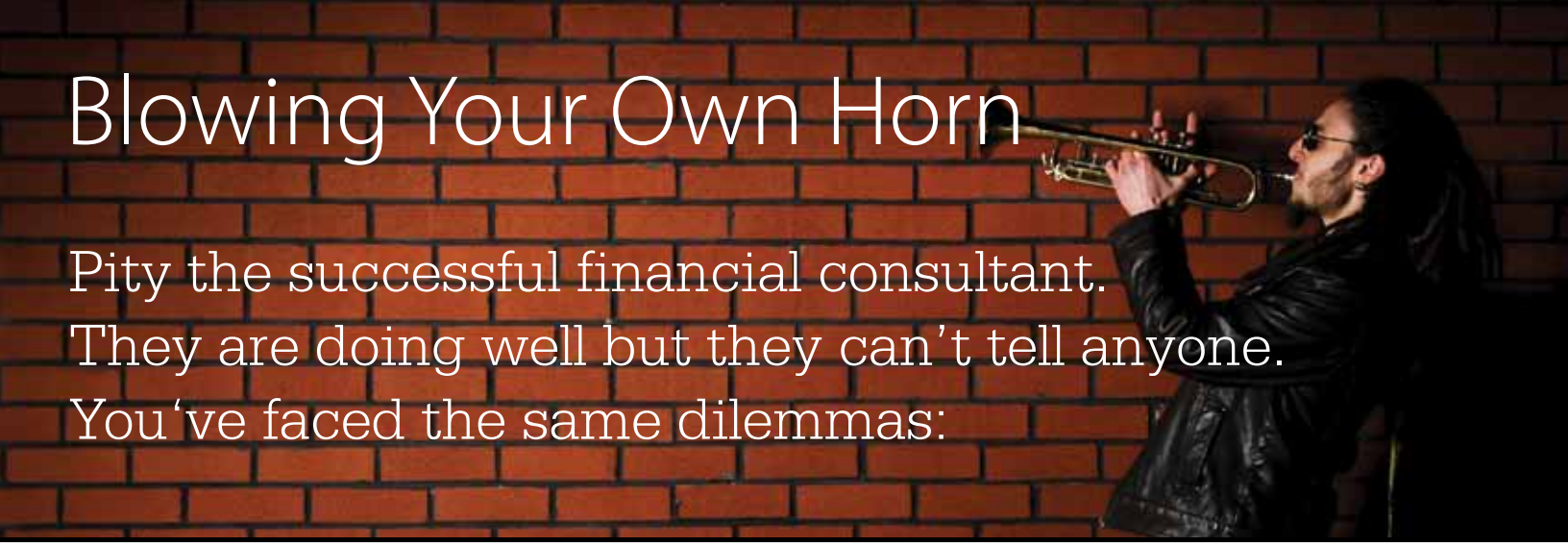

Pity the successful financial consultant. They are doing well but they can't tell anyone. You've faced the same dilemmas:

You Say:
"I'm having my best year ever."
"We're off on an expensive vacation."
"John Smith made a lot of money."
"I am such a great stock picker."
"My clients would be lost without me."

They Hear:
"He makes money at the client's expense."
"Why is my broker living better than me?"
"Aren't they forbidden to talk about clients?"
"What an arrogant jerk!"
"Someone take him out and shoot him."

Let's look at ten ways you can communicate success and position yourself without sounding like you are bragging or fishing for business.

1. **Dress Well** – The first and simplest rule of communicating success is dressing well. "It's a lot easier to get to where you want to be if you dress like you are already there." (I recall seeing this in Gentleman's Quarterly years ago.) Always dress well and conservatively, even when visiting the home improvement store or grocery shopping. Don't read the tabloids at the checkout line. People are watching.

Their Reaction: People who take care of their personal appearance likely have good attention to detail in their professional lives. People who are successful dress well. TV soap operas and dramas drive this point home.

2. **Answering "How's Business?"(1)** – You are asked all the time. The typical answer is "Great" because no one wants to hear you complain. Try a new strategy. Hear the question differently. Assume they asked: "How have you helped someone recently?" This can be followed with an anonymous story. You helped a person retire early. You found them a lower rate on a credit card. The unspoken message is: "It makes me feel good when I can help someone."

Their Reaction: They realize you just don't hold securities or place trades. You make people's lives better.

3. **Answering "How's Business" (2)** – You have a problem. Life changing scenarios aren't a part of your average business week. No problem. You hear the "How's business?" question as "How have you helped someone avoid making a big mistake?" Your anonymous story might involve a client under age 59½ who wanted to withdraw money from a retirement account. You explained why it was a bad idea and gave them an alternative.

Their Reaction: You help people. They start thinking about someone they know who is about to make the same mistake. Perhaps they should send their friend to you.

4. **Why You Can't Come Out and Play** – You practice in Southern California where the weather is always perfect for golf. Your friends suggest playing a round this Saturday. You don't have the time. Explain why. You have three portfolio reviews to present on Monday and two on Tuesday. You need Saturday to prepare the reports. Because you try to provide each client with a face-to-face review in the first quarter, it's unlikely you will have a free Saturday until March.

Their Reaction: You are accountable to your clients. You give them a report card. They know where they stand.

5. **Mailing Articles** – Your friend works for a publicly traded pharmaceutical company. From time to time you see articles about her firm. You clip the article out with a pair of scissors and mail it along with a short note: "Thought you would find this interesting." (You check with Compliance to be confirming the wording is acceptable.) You do NOT send a link via email or duplicate on a copier.

Their Reaction: It's assumed you have access to only one copy of the daily newspaper. A physical clipping implies "Of all the people she could mail it to, she chose me." You remember details like where a person works or stocks they own. You care about your clients.

6. **Spouses to the Rescue** – You can't blow your own horn. Spouses have slightly more latitude. You are late for a dinner with friends. Everyone is standing in the restaurant. The maitre d' is tapping his pencil. Where are you? Your spouse explains: "I can see it now. He was about to leave. The phone rang. He never ignores a ringing phone. It was probably a client and they had a problem. He sat down to listen to the client and try to help.

Let's sit at our table now. He will get here when he gets here."

Their Reaction: You are an consultant who puts his clients first, ahead of his own personal life. Everyone wants an consultant like that.

7. **Letters to the Editor** — You feel strongly about an issue in town. An article ran in the local paper. You feel compelled to bring up points not mentioned or reinforce the message in the article. You write a short letter to the editor. (Beforehand you visit their website and learn about format and protocols.) Hopefully it gets published. (I recall Tom Stanley talking about a variation on this idea in the early 1980's.)

Their Reaction: Your friends read your letter to the editor on the Editorial page. They know what you do for a living. Now you are a thought leader too. They see you as an articulate person able to get their point across. If they agree with your position, you have stood up for their cause.

8. **Free Advice** — Doctors and lawyers get asked all the time. Consultants too. People think of investing as buying stocks. They want tips. This has huge potential for disaster because you don't know enough about their situation for suitability purposes. They are asking when to get in, what about when to get out? The upside is limited and the downside is great. Give a bad suggestion and they will tell everyone. Why should you give anything away? You explain: "I don't know what the market will do in 2015 but I can tell you that 2014 was a good year for my clients who invested in the healthcare sector. It was up about 29% close to year-end. (12/9/14) Some investors are thinking of taking profits."

Their Reaction: They want a consultant who can make them money. They are asking for free advice. You have confirmed you can't tell the future (they know) and told a story about people who followed your advice beforehand and made money. You are advising your clients if they should lighten up. Many investors say "brokers" tell you when to buy but not when to sell.

9. **Speak Up** — You attend lots of meetings. You are in the audience at Chamber, service club, school and civic events. Often there is a Q&A session. Raise your hand, take the microphone and ask an articulate question. If the issue involves finance, state your background to demonstrate your understanding. Be brief, not preachy.

Their Reaction: Friends and others in the audience will understand you have an understanding of the issues, can organize your thoughts and ask an insightful question. You are a logical thinker seeking facts before making a decision. You are level headed, not emotional. These are qualities people want in their CPA, attorney and financial consultant.

10. **"Best of" Lists** — Local newspapers and magazines often run a "Best of" list highlighting local businesses chosen as reader favorites. Find out which newspapers or magazines in your area compile these lists. You are interested in two items: How are businesses nominated and when is voting done? Having a friend in the public relations industry can help with question one. Calling the newspaper and asking is another. You might have a favorite restaurant to enter into the running. Do they have a category for financial consultants? Getting into the running might be as simple as members of the public submitting nominations online. How is voting done? Do your clients know about this process? Many clients might not know how to send referrals yet would vote for you as a reader favorite given the opportunity.

Their Reaction: If members of the public read you are a "Reader Favorite" as a financial consultant, that's great publicity. A banner across your office announcing the good news might not be out of place.

You can advertise success without being obnoxious! Often the little things you do speak volumes!

Bryce M. Sanders

Bryce M. Sanders is president of Perceptive Business Solutions Inc. in New Hope, PA. His book "Captivating the Wealthy Investor" can be found on Amazon.com.

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Your Educational Background (Since High School)

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Financial Services Education course(s): _____

_____

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 business or 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)***

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Register Profile

Jamie Bosse,
CFP®, RFC®

Making Life Count!®

Dedication to Education:
Personal Financial Planning Program Advisory Board at Kansas State; (Jamie 7th from L)

Jamie Bosse, CFP®, RFC® is unique in that she was a competitor in our 2004 National Financial Plan Competition in New Orleans. Since the IARFC is immersing itself in the Semi Finals and then the Finals of the 2015 National Financial Plan Competition the next two months, Jamie mirrors the IARFC Commitment to Education. Jamie has taken her IARFC experiences and designations to a level of credibility in an industry that is in need of younger, capable financial professionals.

We are extremely pleased to feature Jamie Bosse, CFP®, RFC® on our cover. Jamie is unique in that she was a competitor in our 2004 Financial Plan Competition in New Orleans. Since the IARFC is immersing itself in the Semi Finals and then the Finals of the 2015 Competition the next two months, Jamie mirrors the IARFC Commitment to Education. She has taken her IARFC experiences and designations to a level of credibility in an industry that is in need of younger, capable financial professionals. Let's explore how her educational path has shaped her career.

Jamie, first tell us about your general educational background? What university did you attend? What was your major and why did you choose that field of study?

I went to Kansas State University not really knowing what I wanted to be when I "grew up." I was the first generation of my family to pursue an education beyond high school, so I had a very limited view of the types of careers that were out there. I knew that I wanted to work with people and make a difference in their lives. I discovered the field of Financial Planning when I was a sophomore and remember thinking that it was the perfect fit! I would get to help people reach their goals, with the added bonus of learning how to manage my own financial affairs. The Financial Planning undergraduate degree track at Kansas State allows you to sit for the CFP® exam upon graduation, before meeting the experience requirement.

Part of your time starting out was spent in Portland, OR. You then returned to Overland Park, KS to continue your career. What was the reason for the geographical shift?

We really enjoyed our time in Oregon, but my husband and I are both originally from Kansas so we made the move to be closer to family once we started having children of our own. It has been a lot of fun reconnecting with old friends and being closer to our immediate and extended families. We are now of the age where many of our friends are contemplating financial planning issues as they are building homes, expanding their families, getting promoted at work, and have more disposable income. I have really enjoyed being able to help those in my cohort with their financial planning and investment questions and concerns.

Are there any particular subtleties in dealing with clients from the West Coast vs the Heartland of America? Any differences in values? In financial philosophies?

There can definitely be differing perspectives and ideals on the West Coast when compared to the Midwest, but at the end of the day, people are people. Everyone has goals and objectives that they would like to achieve and concerns that they would like to have addressed and resolved. I actually see more similarities than differences. Some common themes among the clients that I have worked with are: hoping for a secure retirement, protecting their families in the event of disaster, disability, or death, seeing their children grow up to be successful, and of course, managing their tax situation.

You seem to be interested in writing for industry publications. Were you always a writer or did you just "discover" your talent for putting words on paper?

I have enjoyed writing for as long as I can remember. When I was in middle school, I would go to my grandmother's house to work on writing my "stories". They were cheesy sitcom-style episodes of my future life. In the stories, my friends and I were all married to professional football players, living on the same street in Salina, KS with lots of kids and dogs who were always getting into trouble. Adult life through the eyes of a 7th grader is pretty powerful stuff! I wrote my first industry publication as a student at Kansas State describing my experience as a volunteer at a financial planning conference. I have since written several articles for the *Register* from the lens of being an employee in a financial consultants firm and attempting to bridge the gap between consultants who are nearing retirement and planners who are coming out of financial planning programs ready to hit the ground running. I now frequently write articles for my company blog www.kcfinancialplanning.com, covering a variety of financial planning topics.

Where do you get the topics for your articles?

Mostly from topics that clients tend to ask about in meetings or questions that friends and family members ask me related to financial planning. Being a young parent myself with many of my friends in the same boat, a lot of my recent articles have addressed issues that young, working families face: their income is increasing, their families are growing, and they are trying to balance saving for the future with living their lives today.

Give words of encouragement to those who find it difficult to get their name out there.

Get involved! I have found that the more involved I am in the industry and in my community, the more things start to happen. Getting involved does not have to be a chore or an obligation. Find something you are passionate about and go from there. There are a lot of ways to get involved in improving the industry through writing articles, participating on boards, and being involved with associations like the IARFC. Getting involved with your favorite charity or community organization is also a great way to get your name out there while serving a cause that you care about. The "extracurricular activities" that you participate in can be what sets you apart to potential employers, business partners, and clients.

Your membership with the IARFC began as an RFA® and then progressed to an RFC®. Why do you think designations are important in this industry?

The title "Financial Advisor" means different things to different people. Advisors can be comprehensive financial consultants, investment specialists, insurance providers, annuity salespeople, or even lenders. Designations help distinguish the consultants that are focused on comprehensive planning relationships who are committed to keeping up with industry trends and changes. The designations prove that we care about continuing education and want to provide the best service to our clients. I was able to get the RFA® while I was still a student at Kansas State. Having this designation before I graduated really helped boost my resume and set me apart from other job candidates.

Do you think as a young, female professional that the designations are important for credibility?

Of course! Designations are important for everyone in the field regardless of age, sex, or background, but young female professionals have a few more stereotypes to overcome. Some employers or clients may be hesitant to hire a young female professional because of the potential for disruption due to maternity leave, the need for a flexible schedule, or the potential that

Family Time: Jamie with son Landry, husband Weylan and son Oscar

she will leave the industry or workforce altogether. Having professional designations can help show employers and clients that you are serious about your career and that education is an important part of your career path. If you ask someone on the street what they picture when you say "financial consultant" the common response is probably "A middle-aged male in a dark suit with cuff links", like what you see in the commercials, not a young mother in her 20's or 30's. Designations can help level the playing field by identifying consultant as a CFP® and/or an RFC®, not by male or female.

How do you feel the IARFC has helped you?

The IARFC has helped me develop from being a financial planning student to being the professional I am today. I joined the IARFC as an undergrad and was encouraged to participate in and speak at their educational conferences, obtain the RFA® designation before graduation, and write articles for the *Register.* All of these experiences helped me to meet and network with industry professionals and really start to define myself as a financial planner.

The IARFC is going through a third party accreditation process that will ultimately end up with an accredited designation — the MRFC. How do you see that helping the Association?

This is great news! When I share with people that I am a CFP® and an RFC®, they generally recognize the CFP® marks, but usually ask what the RFC® stands for. I think this will make the Association even more credible and increase awareness.

As an RFC®, you support the use of a comprehensive financial plan. What is your secret to building a successful client plan? What is your process? How do you engage clients during the year to make sure the plan is proceeding as designed?

I think that the keys to a successful financial plan are listening and communicating with the client in terms that they actually understand. Anyone can enter data into financial planning software and generate a "plan". When we listen to clients and really hear what they are saying, only then can the plan become truly customized. The client wants to know that you heard what they said and that you really understand their objectives, so we review their goals in every meeting — using their terminology, not ours. We put the recommendations in actionable terms that the client understands and then make the implementation phase as easy as possible for the client. You can design a great plan, but if nothing is ever implemented, what was the point? We educate our clients on why we have made each recommendation and how it helps them get from where they are now to where they want to be. We typically meet with our clients 2-3 times per year to make sure that they are on track and that we are proactively addresses any issues that may surface throughout the year. We revisit outstanding action items at every meeting to ensure that things are not falling through the cracks. We do a lot of things for

the clients outside of meetings as well, so we end up basically serving as their personal CFO.

Why do you think that the National Financial Planning Competition is important to those students who are competing? How so?

The National Financial Planning Competition is where the rubber meets the road. It gives the students a chance to apply their book knowledge to a realistic client situation. It is a culmination of what they have been learning and studying over the years.

What advice would you give to the newly graduated financial professional who is looking to brand themselves? What do you think the IARFC has to offer this new professional?

Network, Network, Network! You know that old saying, "It's not about what you know, it is about who you know"? There is definitely some truth to that! Attend industry events through the IARFC or other financial planning conferences or associations. Ask to do informational interviews with financial consultants in your area and get their take on the profession. Read industry magazines and blog postings to see what the hot topics are and what experienced consultants are talking about. There are many different avenues that you can take as a financial professional, so explore all the options. The IARFC helps develop new professionals through the RFA® program, financial planning competition, events and conferences. They offer an excellent forum for newly graduated professionals to network with and learn from seasoned consultants.

What does Jamie Bosse do when she is not in front of clients? Family? Hobbies? Passions in life?

I enjoy spending time with my husband, Weylan and our two beautiful sons, Oscar (2 year) and Landry (3 months). We enjoy traveling, cooking (Weylan is actually the master chef of the household), entertaining, and anything that involves cheering for the Kansas State Wildcats! I have also been known to dabble in random sports like kickball, badminton, and ping pong from time to time. I enjoy being active on the board for Kansas State University's financial planning program to give back to the program and to serve as a mentor for the students.

Career, marriage, and children: Jamie with son, Landry James, born 12/31/14

What are your goals for the next 5 years? How do you see continuing education fitting into your own personal plan?

I want to continue growing my knowledge base and level of expertise so that I can better serve clients. Continuing education will be a significant part of my career for the next 5 years and beyond. We owe it to our clients and ourselves to continue learning and keeping up with changes in the industry.

I am currently an employee at KHC Wealth Management and hope to be moving along the path towards ownership in the next 5 years. The current principals have made it their focus to groom and grow the next generation and I feel really good about where we are headed.

How have changes in your life situation affected your career path?

I have been through several life changes during the course of my career — marriage, having children, and moving across the country. I have found that it is important to work for a company that truly values its employees and wants them to be successful in the office and in their personal lives. KHC Wealth Management has a motto of "Making Life Count!®," which translates to living well today while planning for your future. We apply this mantra when working with clients, but also incorporate it into our own lives. I feel very fortunate to be a part of an organization that sincerely supports the needs and desires of the employees by implementing flexible work schedules, open vacation policies, and an overall team-based structure.

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Permission was given to use "Making Life Count!®" for the title of this article by Koesten Hirschmann & Crabtree, Inc. ("KHC") and is a registered trade marked motto of KHC.

Koesten Hirschmann & Crabtree, Inc ("KHC") is an SEC registered investment adviser located in Overland Park, Kansas. Koesten Hirschmann & Crabtree, Inc.

Perspectives

Determining the Right Income Structure For Your Business

When determining the right income structure for your business, I believe it is most important to maintain a long-term perspective throughout the exercise. What we do is not a transactional service — clients don't hire a consultant for a few months or a year. It is a relationship that will last many years that is best built on trust and mutual respect. Keep this in mind as you structure your fees. I believe that communicating to your clients not only the fees you charge, but also the value you provide for those fees, will position your firm for success — today and in the future.

A logical starting point for any discussion of income structure starts with your costs: what does it take to run your business and make a profit? As financial consultants, we all know how to determine a break even and a reasonable margin. We do, however, have a variety of ways to arrive at this figure over time, and each choice impacts the management fee we should charge. Looking at them comprehensively not only gets you to an income structure for the business — it guides decisions you make in the interest of your clients.

Financial Plan Development Fee

There is no question that a financial plan has value to both consultant and client. It forms the foundation of the long-term relationship and provides the roadmap for the decisions we make on behalf of our clients for years to come. In addition, general industry best practice is to evaluate this plan annually and adjust it based on our clients' needs.

Should you charge a flat fee at the outset of your relationship for the plan? Arguably, this approach makes sense. There is certainly a cost involved in both time and tools to create plans. But there is also merit to arguing that this is a cost of doing business for us, and should be part of the management fee. Our approach is to include the plan in our income structure, and we look at it not just in terms of the first year, but the life of the relationship.

Regardless of how you choose to charge for it, the most important point about the financial plan is its value, and that value is rooted in your approach to creating it. Ask yourself: is the plan you create a ***safety*** tool for your clients, or a ***sales*** tool for you? We have a variety of technology tools available to us today to quickly develop plans for our clients. Plugging a wrong assumption into a plan can lead to disaster. While it may be tempting to make aggressive assumptions on projected returns when your clients want to achieve a dream of retiring at age 50 in order to win their business, I would argue that in the long run it does both you and your clients a disservice.

Internal Product Costs

The types of products you use for your clients and their internal costs can impact the total costs and returns to your clients dramatically. The existence of these costs has certainly driven mainstream media stories about transparency in our compensation. They can't be ignored when

you make choices about what products to use. My rule of thumb, always, is to look at what is best for my clients. In general, 60-80% of the products we use in our LD Lowe business (such as ETFs) have no or very low internal cost. In cases where other commission-based products make sense (such as an annuity), there is a cost-benefit rationale behind it. We make it clear to our clients why we choose a particular product and how internal product costs impact the total fee costs of their portfolio. We waive management fees as an offset to commissions made in the year the commission income occurs. Making our approach a "fee-offset" strategy has lowered costs to our clients dramatically.

Hard Costs

The final piece of the cost puzzle involves the direct hard costs of servicing client accounts. While the costs of doing business vary by client account and need, taken as a whole you can determine a total hard cost for servicing client accounts and spread those costs across all accounts through a reasonable standard management fee. For LD Lowe, these fees include the financial plan, trading costs and custodial fees. Charging by transaction can give the appearance of "nickel-and-diming" clients and can damage that foundation of trust that is so critical to a healthy client relationship. We provide added value to our clients with a net worth of $500,000 or more by including their annual tax preparation, tax planning and estate preparation expenses as part of our management fee.

First Year Commissions

When talking about commissions, let's go back to the idea that we're building a long-term relationship with our clients. In our firm, we look at our income structure over a five-year time horizon and we consider first year commissions in the equation. In our view, these commissions typically offset our first year hard and soft costs of creating plans and onboarding new clients. Rather than "sell" our clients on an aggressive strategy that has them retiring to a beach villa in their 50s, we communicate a five-year value of the relationship through actual fees paid in our initial meetings.

Communicating Value to Your Clients

Good communication is key to the success of any relationship. Communicating with clients is not unlike sustaining a marriage — both must be built on a foundation of trust that is not easily shaken. When we engage a new client, we explain our income structure in detail using a detailed table that outlines total assets under management, tax savings (where applicable, such as with oil and gas investments), our standard management fee offset by commissions in the first year, and the estimated management fee over the next two years. In addition to providing a transparent account of fees, we include as part of our discussion the value of hard costs we handle as part of the management fee (financial plan, tax and estate preparation, trading costs and custodial fees). Typically, with our fee-offset structure, our clients pay less than our standard management fee over time.

I believe transparent visual representations like a management fee table help a great deal in communicating value in a fact-based way and go much farther in defining your worth at the outset of a relationship, more so than an aggressive plan.

Beyond the initial engagement with clients, it is important to provide consistent, ongoing communication about performance on your client's account with an "attitude of gratitude." It may sound cliché, but one of the most important things you can communicate to your clients is genuine appreciation for their business — particularly when discussing your fees.

Lloyd Lowe Sr, MBA, RFC®

Spanning over 20+ successful years in financial planning, **Lloyd Lowe Sr**, MBA, 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. Lloyd is the co-author of *Life's Bridges: Building Your Bridge to Financial Wealth.*

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Investment Advisory Services offered through LD Lowe Wealth Advisory, a Registered Investment Advisor.

Consumer Focus

Wealth Psychology

A few months back, I had a rather wealthy client literally explode into tears in my office. She was heartbroken at how her children and grandchildren were always fighting, never able to save a penny, and not one seemed to appreciate the amount of work she and her deceased husband had put into building a sizable estate and a chain of very successful retail outlets. She was seriously considering leaving most of the money to a charity that "would appreciate it!" After this meeting, I took some time to study how different generations look at wealth.

The definition of wealth has changed significantly in the last twenty years. Let's say it has evolved. Just a few decades ago, the definition of wealth was rather one-dimensional and had to do with your bank balance sheet and maybe your financial assets.

Today, people have realized that wealth has a much broader definition. Wealth is not about how much money you have in the bank or what your assets are, but the quality of your life. It's about the degree of fulfillment you're having in your life — how you're serving, helping and empowering others with what you have. If you're doing that, it matters less what your bank balance sheet is, as long as you're comfortable with it. Wealth is really about how you're bringing fulfillment to you and the people that you love.

Unfortunately, over the last few years, we've seen the word "wealth" looked at as almost a bad term. If you're a wealthy person, it's something to be ashamed of these days, according to the media. There's a perception that the wealthy are more or less self-serving. You hear about the huge income that certain, say, corporate executives and bank executives have, and the kind of bonuses they're getting, and you think, "What are they doing with all that money?"

Many people perceive these individuals as only accumulating wealth and not really giving back with it, in any great extent. What happens is, we have a perception of wealth in terms of the negative, and we see it in terms of that negative expression, at least collectively.

Being wealthy is absolutely nothing to be ashamed of. We all strive to achieve a degree of wealth. Unfortunately, a lot of us envy those who have achieved it, because often we don't know them personally. There's this perception that these nameless individuals who have all this money, success and wealth, really don't seem to be sharing it with others.

Even though there appears to be a negative overall perception of the wealthy, it seems most everyone strives to achieve a degree of wealth in their own lives. Many are trying feverishly to find a way to build wealth. It takes creativity, it takes discipline, it takes perseverance, it takes planning and most importantly, it takes goal setting. There are many ingredients in the elusive recipe and code to create and achieve true wealth. Many in this world don't have the fundamental background or the necessary ambition to set that foundation in motion.

Remember back to the days when we only had a few channels on our TV's (many still black & white), and one of the most important televised news events was the New York Marathon. The nightly news would begin with film clips showing the remarkably fit people finishing the race. They showed many of the galloping runners breaking record times as they exploded across the finish line. What the television viewer would see is the finish line, but what they wouldn't see are those 26 miles of grueling torture the runners went through to

The point is, a lot of people see the wealthy once they get wealthy, but in many cases, they don't see all the hours, sweat, equity, ignoring the family and all the things they had to do to build wealth.

get there. The point is, a lot of people see the wealthy once they get wealthy, but in many cases, they don't see all the hours, sweat, equity, ignoring the family and all the things they had to do to build wealth.

There are a few fundamentals that are required to achieve wealth and a lot of preparation that is required to get there. We don't see that when we just see the wealthy and just what they have.

When interviewing many parents and grandparents, we find their biggest dream in life is to make sure their children can do better than they can. With children, it is vital to start early so they have a strong understanding of financial literacy. Talking to them about how to identify and establish goals, as well as how to establish discipline is key. It is not only important for parents to show their children how to develop a forced degree of sacrifice and delayed gratification, but also to demonstrate the power of hard work for them to achieve those goals.

What we don't want to do often is tie self-worth and self-esteem to achievement. When you do that, if a child doesn't reach the goal in the way that he or she is expected, then their self-worth is challenged. It's important to start young with children and young adults in teaching them to really think about money in a constructive way, to plan, to organize and to use self-discipline to achieve their goals.

"Price is what you pay, value is what you get."

It's important to not shortchange yourself when you're making purchases. It's about discernment with regard to how you use your money, and using it consciously. My grandfather was a carpenter in a small town in Massachusetts for all of his adult life, and my grandmother was a librarian. They were quite successful at the time in their small fishing village on the Cape. Whenever I spent time with my grandfather, he seemed to exude this sense of confidence. Anything was possible. It took a little hard work and it took some sacrifice, but he valued quality.

Recently, I was talking with a friend of mine who is a psychologist. She was describing how when she was raised with her brothers and sisters, they were quite poor. One winter, her father was prepared to buy new winter coats for the kids. He wanted to buy the cheapest coats they could find. The mother said to the father, "We're too poor to buy cheap coats."

The rationale behind that was a little counterintuitive, but what she was trying to communicate to her husband was, "We have to buy the best we can afford, because it has to last. We have to be able to pass that down from one kid to the next." It made more sense to actually buy quality than to buy the cheapest thing, because at the end of the day, that was going to cost them more. That's what my grandfather was communicating to me at a young age.

Many times, however, the human mind works against the person. In other words, always chasing the unbelievable or gambling, when there's a safe solution. The way they should be allocating money is right in front of their eyes. There is also the concept of conscious versus unconscious spending and debt. Too many times, we spend money unconsciously. Because of that, it's like a bucket of water with a slow leak. We wonder where it all goes at the end of the day. It's important to develop habits of conscious spending as opposed to unconscious spending, and become fully aware of the amount of debt being taken on. Debt often has a bad rap in our society, because a lot of people go into debt and hurt themselves or get into situations that quickly become a massive problem for them financially.

It's important that we use debt constructively to achieve our goals. The first thing that we have to do is establish clear goals and a direction. That way, if we're going to use our ability to borrow, we use it in a way that moves us toward our goals, and not just fritters away the income that we have achieved.

I'm just amazed sometimes. People have all the money they need to have a successful retirement, yet they gamble with it continuously and end up back where they started, trying to build back up again. There's a famous story we talked about on our Financial Safari Radio show a couple of years back about a guy in Wisconsin who ended up suing the state lottery commission because he won a multimillion dollar lottery, quit his job, and then eventually, ran out of money and was poorer after he won the lottery than before. He was suing the state for his demise, which is amazing. It was his own bad decisions that led him to the poorhouse. When it comes down to it, it's about taking responsibility. Some of us are just not prepared. We haven't prepared ourselves for financial success or for wealth. An unfortunate truth is, a third of the lottery winners who win millions of dollars end up losing it all. Many times, it's because they don't have the preparation or the emotional and mental discipline to manage that wealth.

The money world and the psychological world are both important features in the blueprint of wealth. I describe it as an energy or a momentum. People who win the lottery are suddenly thrust into this paradigm of wealth. That archetype has a power and an influence and if we don't know how to manage it, it will manage us. When it manages us, usually it manifests in a negative way, and often it can destroy our lives. This is why proper financial planning almost always has a psychological element and many times, begins with the end in mind.

Peter J. "Coach Pete" D'Arruda, CTC, RFC®

Peter J. "Coach Pete" D'Arruda, RFC®, CTC, is a Financial and Tax Coach. He is host of the nationally syndicated weekly radio show, ***The Financial Safari***, as well as the author of four books, including ***Fine Print Fiasco***, ***Financial Safari***, ***7 Financial Baby Steps*** and ***Have you been talking to Financial Aliens?*** Themes of these easy readers include helping others avoid being taken advantage of and translating financial jargon for any layperson.

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Move Your Own Damn Cheese

A few weeks ago, I had the opportunity to speak to a group of local business owners about the topic of change. I always enjoy these events for a couple of reasons. They're obviously great prospecting and referral opportunities, but I also like just hearing about the challenges other business owners are facing and offering up any advice I can.

I started by asking the group, "Are you really living the dream today?"

"Not someone else's dream. Not what others think you should be doing, but the life of your dreams."

Some shook their heads no. Some looked around the room or stared at the floor, but only one raised her hand and said yes.

How would you answer that question? Are you living the dream?

If not, what are you doing about it? Has it always been that way, or have the winds of change in our industry taken all the fun out of things for you?

Who Moved My Cheese? is a #1 bestselling book, originally published in 1998 by Dr. Spencer Johnson. At the time, it was wildly popular and marketed as a "management fable". For those of you that haven't been in lit class for a few years, a fable is a made up story created to deliver a message.

Who Moved My Cheese is a fable about dealing with change. It's about two mice and two tiny little people that live in a big maze spending their days eating cheese. One day, they head to their regular cheese eating spot and their cheese is gone.

This comes as quite a shock for them. The mice are pretty simple minded. They don't overthink things. They don't allow fear and complacency to hold them back. They just shrug their little mouse shoulders, twitch their noses and head off to find new cheese.

The tiny people are, well, they're people. They don't know what to do. The more they think about their new situation, the more upset they get. They start feeling sorry for themselves. They start asking a lot of "why me" questions. They begin to think they are owed their cheese. They consider taking action, but they don't.

The tiny people are comfortable with the status quo, and don't want to change. They're also afraid to go looking for new cheese. What if something terrible is out there in the dark recesses of the maze?

What if there's a lot of work involved in finding new cheese? What if the cheese comes back while they're gone?

So they do nothing. They whine. They gripe. They just hang around and hope things get better. But more often than not, that's not the way change works, is it?

The key lessons of *Who Moved My Cheese* are:

1. Change happens
2. Learn to anticipate it
3. Adapt to it
4. Enjoy the change
5. Be ready to change again

Now, I love all that and I believe it all to be true. However, the story doesn't go quite far enough for me.

Experience has taught me the key to happiness and success in life and business is not just about *managing* change. Managing change isn't enough. I believe we should *embrace* change. I believe we should poke life with a stick! I believe we should go out of our way to create constructive change in our lives.

Life is too short not to! It's a precious gift. You and I know better than the average mouse that life can be taken away from us at any moment. We are created with the expectation that we make the best of it. We are expected to leverage the gifts we have been given to fulfill our unique destiny. Anything short of that eventually leads to regret.

I'm sure you have all heard that the majority of people on their deathbed regret the things they *didn't* do far more than things they did do. Not the dumb things they did. Not their *mistakes*. They regret the things they didn't do! They regret they *didn't* pursue their unique destiny.

Don't make that mistake. Write your own story. Don't let anyone else do it. Don't let fear determine it. Make your life an autobiography. I'm willing to bet most of you have created change at least once in your lives. And I'll bet things turned out just fine, didn't they? It may have taken a couple of steps, but in the end you wound up in a better place. And that's cool. That's what life is all about.

It's about the relationships we develop and the amazing things we experience. It's about fulfilling our own unique destiny and helping others fulfill theirs. For the most part, my life has been a blast. I have been very blessed. Things could have been very different. For me, it started with flipping pages in a college course catalog, closing my eyes, and pointing to choose my major. That's a true story!

That simple action lead to a series of crazy, stupid to some, decisions in my life and career that resulted in some of the most incredible experiences I could have ever imagined. All those great opportunities didn't happen because I was so smart. Heck no! All those amazing things happened for me because I took *action.* I didn't let fear and negativity hold me back. I wanted something better, and I did something about it.

Good things happened not because I adapted to or managed change, but because I created change.

I moved my own damn cheese!

So I challenge you. Don't settle. Don't be complacent. Don't be afraid. Shake things up. Poke life with a stick. Make your life an autobiography.

Move your own damn cheese.

Paul Mallett, RFA®

Paul Mallett, RFA®, is Senior Vice-President and Chief Operating Officer of Postema Marketing Group, a nationally-recognized independent marketing organization providing product support and business consulting services for independent advisors. Paul is a regular blogger and contributor to a variety of industry publications and social media platforms.

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Expert Anxiety

FACT: Pre–Retirees and Retirees have "Expert Anxiety" when they realize that they have to meet with a Financial Consultant.

Being on the Marketing side of things in the Financial Industry for 20 years, I have realized that individuals eventually reach an age and a financial situation when they finally understand the critical need to get advice regarding managing their Money, Assets, Estate and Financial Plans. They begin to wonder…Am I doing the right things with my money?

During that critical, insecure and emotional stage, if you reach these individuals with the right message and a trustworthy offer to help them, they will give you the opportunity to look at their finances and into their personal goals.

Keep in mind they are continuously being exposed to newspaper and magazine articles, news media, Radio and TV commercials all telling them that in today's changing economy, it is important to seek financial advice from a professional. As a result, confusion begins to take place and they become somewhat paralyzed and procrastinate in taking action. I call it "EXPERT ANXIETY".

When successful or financially prudent individuals realize that they have to reveal their personal financial situation to an expert, they may feel embarrassed. They have pride so they will struggle with opening up to you because they feel that it may show weakness and a lack of discipline or knowledge.

Your primary purpose is to relieve that anxiety and make these folks feel confident that they are not alone in that very common confusing financial dilemma. They have many choices and options so you must make them feel like seeking YOU out was their first positive step. You then must earn their trust by showing them that what they are experiencing is 100% normal at this stage in their life. I still see and hear many consultants in your profession using big scary terminology, industry jargon, product-speak, complicated calculations, and talking over people's heads when they promote themselves.

So what can you do to attract rather than scare these concerned individuals? It starts with your marketing approach…your message, your value proposition, your experience, how you reach them, how you position yourself, how you talk to them and more importantly where you first ask them to meet with you.

The initial meeting place is the most crucial. I have been a huge advocate of doing local social dinner events for over twenty years. Events at restaurants create those ideal non-selling, no pressure, social neutral site settings that allow you to overcome their psychological and behavioral issues. First, when they receive your invitation and call-in to RSVP they are immediately telling you that they are willing to hear what you have to say. Second, by attending your dinner event, it re-confirms their interest. Third, they will see others just like them in the room seeking the same type of guidance. Fourth, there is that "safety in numbers" social comfort by combining your presentation with a nice dinner evening out. All of these features make seminars a very powerful vehicle since they also position you as the expert.

At the event, you have to earn their trust and confidence by demonstrating that you have proven solutions and the answers to their dilemma and confusion. Explain up front that it is normal to have anxiety in these financial matters…they need to hear that several times, so validate it. Make things simple. Present well and you will convert over 45% of your seminar event attendees.

Jorge Villar

Jorge Villar is one of the original founders of RME360 and is the creator of the Seminar Success marketing program. Under Jorge's leadership, RME360 developed the original sales process, the invitations and the concepts for the "social" neighborhood dinner events. Jorge is a recognized speaker at numerous national marketing functions.

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Three Billion Strategies

So what is new in the precious metals markets? Absolutely nothing. For the past 9 months, depending on what month we looked at, gold and silver was either up or down in the same ranges. It was up…then down…back up…down again…up again. It was like a heartbeat monitor on a patient… with one major exception — this patient WILL NOT DIE! It never has and never will. The real assets of gold, silver, platinum and yes… rare coins have never, ever gone to ZERO. They never have gone bankrupt…EVER! When I was asked why I haven't authored an article on the subject for a while, the answer was simple. Frankly, there was nothing to report. The sideways movement of the markets really were self-explanatory. And, writing articles in that period would seem as if I was a constantly optimistic cheerleader saying "hang in there team…you will overcome and go on to victory!" Sorry, not my style. I leave that to telemarketers. Right now, bullion is in a good, no, great price range to buy.

This "Bears" Repeating… A Paragraph From Newsletter to My Clients

Meanwhile, where does gold go from here? The most accurate analysts say the bear market will deepen. Goldman Sachs Group Inc. and Societe Generale SA correctly forecast this year's rout. New York-based Goldman says prices will drop to $1,110 in 12 months and Societe Generale, in Paris, sees an average of $1,125 in 2014. (read this as "GOLD IS ON SALE!") Prices will average $1,300 in the fourth quarter, the lowest in three years, according to the median of 12 analyst estimates compiled by Bloomberg. The result will be banks buying gold cheaply and investors getting shaken out of the gold market due to FEAR. The one element that has most investors confused is the disconnect between the price of ***paper*** *bullion (ETFs) and the price of* ***physical*** *bullion. For example, premiums in China and India remained very high due to physical demand. Shanghai premiums are at $28 over spot and in Mumbai premiums jumped to $30 to $40 an ounce from last week's $5 to $7 an ounce. Bullion premiums in western markets remain flat.*

What's the Better Buy? Gold or Silver?

Do not fall in love with the metal. Look to the performance potential. Previous high for gold was $1,850. Previous high for silver was $45. Current range of gold is $1,200 per ounce, silver is $17.50 per ounce. When asked if gold could double, the answer is… probably. But it would then be priced at $2,400 per ounce, a level that has never been reached. When asked if silver could double…the answer is yes. It would then be priced at $34 per ounce which is about $11 per ounce LOWER than its previous high.

At the current gold/silver price ratio of 68, silver is undervalued. The "normal" ratio up until a few years ago was a ratio of 40 when gold was $1,850 and silver was $45. Using the 40 ratio, silver should be priced at $31.25 right now. That is almost a 80% increase over the present price. If the ratio reverts to the norm, silver increases dramatically without establishing any unbroken ground. An 80% increase on gold bullion would be gold priced at $2,160…a new high that has never been reached. And if gold does go back to its previous high of $1,850 that is a 50% increase from current prices. If silver reaches its previous high of $45, that is an increase of 160% from current levels. If you were given a choice of an asset with a

potential to reach previous highs, one returning 50% the other return 160%, which would you choose? The answer is not…what metal is it?

Someone asked me last week if they should buy gold at $1,200. I said "No, wait till it gets back to $1,400 and buy when everyone else is." I'm not being sarcastic, but the majority of buyers of most assets buy at the top and sell at the bottom. That's why we all have jobs as financial consultants…to point out strategies and market conditions that make sense.

Gold at $1,200, silver at $17.50, a gold/silver ratio of 68, a national debt of $18.3 TRILLION, a stock market without a major correction for over 1000 days, more government subsidies to the American public than any time in history, almost zero interest rates, a "stated" rate of inflation of 2% (seriously), new conflicts with Russia, ISIS, and radicals in the Middle East add up to an economic environment that defies logic. However illogical as the markets seem, you take what it gives you before you get burned. This is why gold and silver bullion have been recommended as insurance for equities. Equities can and have gone to ZERO…so have currencies. Gold and silver bullion…never, ever declined to ZERO…in all of history.

Three Bullion Strategies

1. **Conservative Stategy:** If you own gold or silver, think long term and hold. Understand the bullion market will continue a see-saw movement as long as $85 billion of debt is being purchased by the Fed and it is what is keeping this "Wizard of Ozbama" economy going (play no attention to the man behind the curtain). Eventually the bullion market will respond to the over-printing of fiat currency and the unsustainable world debt. Some experts are expecting gold to smash through $3500–$4000 per ounce. I feel the same given the logic of the numbers but look to the return of gold to the previous high of $1,850 per ounce as significant. Silver however, is dramatically undervalued and based on traditional gold to silver ratios should currently be priced at $32 per ounce. That is a 50% gain from present levels. To return to its previous achievable high is over a 100% gain. For gold to achieve a 100% gain would mean a price of $2,500 per ounce which has never been reached. A 50% gain in gold bullion is a return to its previous high.

When these corrections occur is not a matter of "if" but "when". However, the longer the government "kicks the can down the road" (and they have not been hesitant about doing so), this remains an illogical market.

2. **Moderate Strategy:** Keep what bullion you have purchased and buy additional on market drops below $1,150 per ounce for gold and $19 per ounce for silver. If physical gold and silver is scarce to buy, at least you still have what you have initially purchased.

3. **Risk Strategy:** Sell any gold you have now when gold reaches $1,375 or higher. If you have loss positions take the tax deduction. Hold the resulting cash from the sale in something LIQUID…and if gold, as some pundits say, declines below $1,150 per ounce, buy gold back (if you can). This is active dollar cost averaging. Then if you sell again at $1,350 after purchasing at $1,150 that is a 17.40% gain on the trade. If you are currently in at $1,350 and the market takes a dip to $1,150 and then returns to $1,350, your net gain is zero. The same strategy holds for silver. Sell at $28, buy on pullbacks in the $19–$20 range. Loss harvesting is a viable strategy as well. Remember to keep precious metal positions in the 15–20% of total assets range for all strategies.

Burnett Marus, RFC®

Burnett Marus, RFC®, is a past IARFC Board Member, and he had the longest tenure as a director. He has specialized in providing customized marketing services and products for financial advisors, attorneys, realtors and small businesses. He has been involved with bullion, rare coin and tangible asset investments since 1975 and currently has a private firm that specializes in working with RIAs and their affluent clients. His experience with precious metal, various securities has enabled him to guide clients into a balanced approach.

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Saving the Day:

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Closing the Gap

There is always a question of, "What is the market going to do?" I don't care what TV station you turn on or what radio station you tune to, they've all got different ideas. I think in the financial world, a lot more focus needs to be put on not where the markets are going and not what's going to happen in the economy, but on what people need to be doing with their own money. Taking control of what they currently own, taking control of their own decisions and deciding what they're going to do instead of relying on external forces that are out of their control is vitally important. What's the market going to do?

I remember a particular couple that came in for a meeting in 2007, right at the height of the real estate and stock market boom. For this article, we will call them "Mr. and Mrs. Know." They were both in their early 70's and were already taking their RMD's from their IRA accounts. They were both in great shape for their age. "Mr. and Mrs. Know" had 3 children, 2 of whom had great families and careers, but as it happens, the third child, their only son, was not in the best of shape. He not only had been divorced for a number of years but also had suffered serious injuries in an auto accident. Some of those injuries would be with him for the rest of his life.

"Mr. Know" had purchased (overpaid) some real estate with the hopes of having his son become his property manager. The remainder of his money, with the exception of about $15,000 he called "play money", was in accounts way too risky for his situation. I could tell that "Mrs. Know" wasn't comfortable with all of this risk by the way she looked down at her hands when I drilled down for more information from her husband. It was clear he was "the boss" when it came to financial matters in their household. The most worrisome aspect for their family was that the only income their portfolio was producing was rental income from their real estate. They had no dividend producing stocks, bonds or annuities. My recommendation to at least peel a minimal amount off their portfolio to fund an income plan that would give them an income floor, (an amount of money coming in each month to meet minimal living expenses) was laughed at by "Mr. Know" with his exact line being, "Not enough upside potential!"

To give a quick summary of their situation, "Mr. Know" continuously denied there was any risk in the hefty amount of real estate he had purchased. He further denied that investing in individual stocks with his IRA money was a bad idea — even when I stressed to him that owning 80+ stocks in his brokerage account was more stocks than many mutual funds have, and they have staffs of 50+ people to manage their operations. After weeks of not returning our calls for a "Future Financial Blueprint" meeting, they disappeared off our radar screen, just as both the stock and real estate markets soon did.

I still think of the heavy beating his portfolio sustained, and how a simple reallocation could have saved them a fortune. He didn't grasp the power of the two simple charts I went over with him. Chart 1, I call **"Core & Explore Retirement Portfolio Planning,"** is where I help explain that utilizing income planning techniques and annuity strategies to develop an income stream is vital but not totally encompassing of a financial plan. The chart helps the client understand why we isolate some money from risk and how much we should have in higher horsepower potential investment vehicles.

The 2nd chart, I call "**The 3 Aspects of Money,"** is used to show clients that everything sacrifices something in the financial world. In other words, we all would love a product that has unlimited growth with 100% safety & liquidity. Heck, might as well throw in a flying carpet and a unicorn too while you're at it. Those products just don't exist. But, the goal in the financial world is to get as much as you can of all three. Once clients can understand both the concept of the "Core & Explore" strategy and the "3 Aspects of Money," they become a lot more at ease with their planning. Too bad "Mr. Know" didn't take this type of planning more seriously.

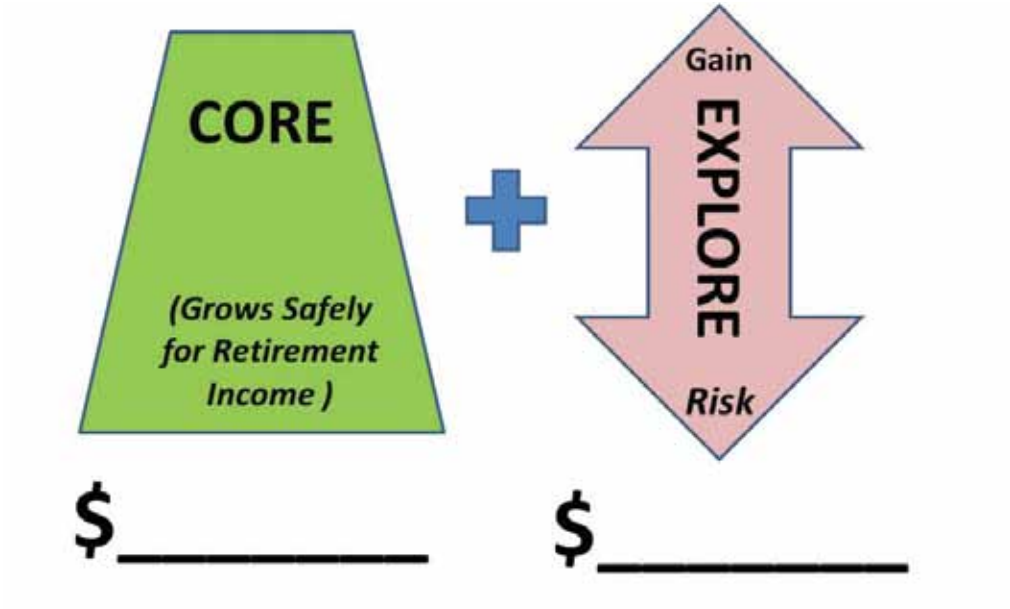

Chart 1: Core & Explore Retirement Portfolio Planning

Many folks today have probably heard time and time again about that Rule of 100. That's a good rule of thumb. One hundred minus your age (as a %) is probably the maximum amount that somebody should have at risk. For example, my advice, and a lot of sound advice out there would tell a 70-year-old to have at least 70% of their money insulated from market risk, including not just the stock market but also real estate market. A person who utilizes the proper safe/risk money equations often times finds it easier to sleep at night.

It seems almost everyone these days focuses on one aspect of returns and that is rate of return. Can this financial vehicle or whatever I'm investing in, return me a rate of 1% at the bank, or 5% bonds, or 10% in the market, or 20% in hedge funds, etc? Everyone is focused on rate of return. That's what we hear about all the time in popular media.

The one thing many investors and some financial consultants don't spend enough time thinking about is order of return. Sequential returns is really just in what sequence you are earning your returns. To break it down and keep it very simple, if you are earning a 2% rate of return on $1,000, that's very different than if you are earning a 2% rate of return after you have grown your money for a long time and now you have 1 million dollars. Realistically, everybody focuses on, "What is my average rate of return?" The markets averaged an 8, 9 or 10% return, whatever stats you want to look at out there. On a year by year however, how much is it returning compared to how much money you have built up?

When one hears about average rate of returns of 8% or 9%, whatever the number is it sounds great, but that's not real life. That's just something that can be featured on a brochure. Real life is year by year. What is this returning, how much do I have at risk in that vehicle and how does that impact me? Investors need to ask themselves before investing, where they are in their life cycle. How much money should be at risk, what should their money be doing for them, and can they absorb this average? Can they absorb what that brochure shows? This has been 30 years, and this is what is averaged. Most people aren't willing to stick something out for 30 years, so they're not looking at that long-term average. They are looking year by year and what direct affect it has on their lifestyle.

Many people that have had money invested in the market over the last 30 years have had phenomenal success in that market. We experienced in the '90s the biggest bull-run in the history of the modern world. People have had a love affair with the stock market, but at some point in time, most financial consultants need to transition their client's thinking, away from that accumulation mindset and into the distribution mindset.

People who have participated in the large market run up have a pile of money and need to ask themselves what they want their money to do for them. I suggest a quick 3-step process. Step 1: Sit down and consolidate all the assets into one statement. Take a look at what is at risk, what is safe, and determine the comfortable levels of each. This initial step is something that many people haven't done, and that amazes me. I do think that if people would sit down, look over what they have, and use the Rule of 100, they would see that they are overexposed to risk. Step 2: Determine the total amount of income needed in retirement. Is the need $4,000 a month or $6,000 a month? What's the magic number? Of that number, how much is coming from Social Security, pensions, and other guaranteed sources? Is there a gap?

For most people, there is a gap. If they need $5,000 a month, pensions and Social Security may take care of $3,000 of that, but there is a $2,000 gap. Looking back at all the money, now the question is, "What is at risk, what is safe, and where is my $2,000 a month coming from?" It needs to be coming from safe and guaranteed sources, not taken from risky portfolios.

Let's close that gap and let's calculate how to construct that desired monthly income in our example of $2,000 with as little to no risk as possible. Find safe and contractually guaranteed options out there to remove this sequential risk that we're talking about. If you remove all types of risks in the future, it is easier to go to bed at night and wake up in the morning knowing that your basic needs are taken care of.

Chart 2: The 3 Aspects of Money

Peter J. "Coach Pete" D'Arruda, CTC, RFC®

Peter J. "Coach Pete" D'Arruda, RFC®, CTC, is a Financial and Tax Coach. He is host of the nationally syndicated weekly radio show, ***The Financial Safari***, as well as the author of four books, including ***Fine Print Fiasco***, ***Financial Safari***, ***7 Financial Baby Steps*** and ***Have you been talking to Financial Aliens?*** Themes of these easy readers include helping others avoid being taken advantage of and translating financial jargon for any layperson.

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The Loren Dunton Memorial Award

In1969 Loren Dunton convened a group of financial professionals in Chicago and founded an industry of outstanding service and commitment. From this event and from Loren's leadership and interactivity with many persons now in the IARFC, such as Vernon Gwynn and Ed Morrow, would come an educational institution, the College for Financial Planning, and the personal financial planning curricula now taught on over one hundred campuses.

As the first editor of *Financial Planning* magazine Loren helped to publicize an emerging profession, bringing various practitioners together to a common cause, sharing practice and marketing techniques and promoting ethical conduct. That respected magazine has continued, contributing to the profession for thirty years.

Two associations came initially from this effort, the International Association for Financial Planning and after the first class of Certified Financial Planners graduated in 1973, the Institute of Certified Financial Planners. These organizations have since merged to become the Financial Planning Association. Using Loren's model, more than forty countries have formed similar organizations.

Loren continued to promote the value of the financial advisor as a professional whose quest for knowledge should never cease. He authored seven books that have helped to shape the careers and services of financial advisors. Loren's commitment to these principles was evidenced in the Institute for Consumer Financial Education that he nurtured for many years, and which earned a Presidential Citation for public service. It is in Loren's tradition of recognizing the value of professional advice and service that the IARFC presents the Loren Dunton Memorial Award to persons who have made a significant contribution to the financial services profession and to the public.

Call for Nominations

The Award is made, in honor of the founder of the financial planning profession, Loren Dunton, to a person who has made a substantial contribution to the financial services profession and/or the financial interests of the public. Generally regarded as the father of financial planning, Dunton organized financial professionals in the late sixties.

With their help he created the financial planning movement — including the formation of associations, magazines, colleges, university programs and foundations. Some persons believed that "planning" was totally separate from the "sale" of insurance and investment products, but Dunton always recognized that they were but different roots of the common tree, and that products are necessary elements in the implementation of the financial plan.

Dunton was able to use his experiences to frankly explain what all of us now recognize. Having been a successful businessman, although never a financial advisor, his comments were obviously from the heart. Dunton realized and publicly espoused that salesmanship be taught by the managers and trainers of the financial services industry, and that the ethical sale of financial products and the delivery of competent advice is a very noble calling.

Criteria for the Dunton Award

Candidates must hold a professional designation (i.e. ChFC, CFP®, CLU, RFC®, CPA/PFS, CEBS, MSFS, MSFM or Doctoral degree) and must have disseminated their comments by having been widely published on financial topics in articles, journals, books, etc. They must have provided outstanding personal service or leadership in the financial services industry. Nominees must have participated in some aspect of financial education, to the public or to other members of the profession.

Candidates must have demonstrated effectiveness in carrying the message of responsible financial stewardship to the public, and naturally they will have high ethical and professional standards. Their career must be a support of Loren's mission, "to help people do a better job of spending, saving, investing, insuring and planning for the future, in order to achieve financial independence.

Go to: **www.IARFC.org/Dunton**
and nominate a candidate today.

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