......15 Years and still rolling.......

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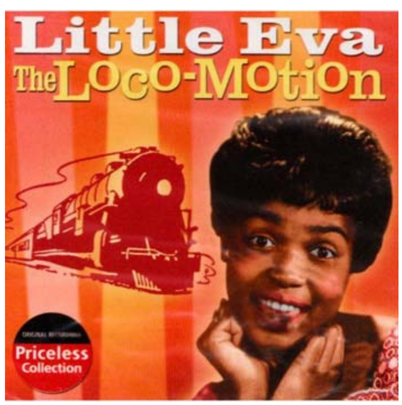
The nice thing about being senile is you can hide your own Easter eggs

"Borrow money from pessimists -- they don't expect it back."

Carole King- Songwriter "It's Too Late" Now 67

As a lifetime fan of Ms. King I so enjoyed seeing her in concert last year. Even at age 67, she rocked the house. Her album **Tapestry** has sold over 25 million copies. Here is a little piece of trivia many don't know. She also wrote ***Locomotion*** sung by Little Eva in the early 1960's.



The trivia is this...**Little Eva** was her babysitter and was only 16 when she recorded it.

Ms. King now lives in Idaho. (home of the **Boise State Broncos**)

17%

Recently announced increase of packaged coffee prices by **Starbucks**. Coffee prices have nearly doubled in the past 12 months.

My guess is “Hell” would freeze over before the BD and Hhedg would allow this to happen….the little guy paying the fee is just to inviting….BB

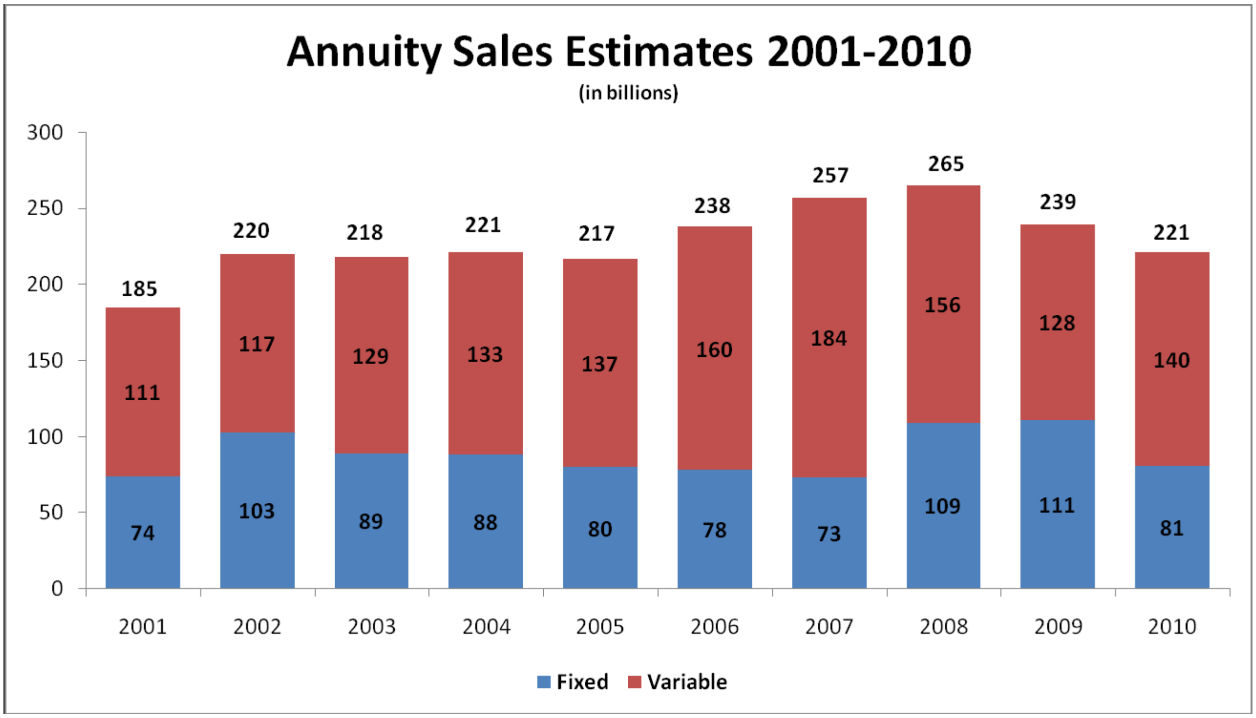
SEC: Boosting threshold for customers who can be charged performance fees

June 1, 2011 6:01 am ET

The SEC proposed a rule that would **raise the net-worth threshold** at which advisers can charge **performance-based fees** — a measure opposed by small hedge funds, private-equity firms and some registered investment advisers.

he SEC proposal would require “qualified clients” to **have $1 million** invested with the adviser or a total net worth of at least $2 million before the adviser could charge a performance-based fee. The SEC also proposed that the value of an investor's **primary home be excluded** from the net-worth calculation.

If passed, the home value exclusion would likely keep some wealthy individuals out of hedge funds or other private-investment vehicles. Comments on the proposal are due July 11.



Variable, fixed (EIA) sales last 10 years

Editorial 

I don't like to eat peanut butter, sardines or avocados. I do like lettuce, cherry jelly and Quinoa.

We all have our likes and dislikes and certainly no one would enjoy life if they liked or hated all things.

One thing I don't like is **Variable Annuities**. I sold them in my early career and I consider myself reasonably educated about how they work. But for me, they just don't work; as a matter of fact I think they suck.

But since this is an editorial (my editorial) I can say what I want because it is only my opinion (see disclaimer at bottom of notes).

Recently I was chided by a listener (and agent) for being too unprofessional in my remarks about VA. I suppose he was right in one aspect, I am **VERY** negative about them.

I don't know for sure why I am so negative about VA…maybe it is the fees, the admin fees, the management fees, the rider fees, the fact the funds on deposit are at risk or the fact most folks selling them are so blindsided by the product themselves.

It must be one of those reasons….my DNA is set and I can't see me ever being talked into liking VA. As a matter of fact, I know that there is nothing on this planet that could ever get me to like these crummy disgusting products.

Remember…this is an editorial…my editorial.

Bill

So to balance the scale for those who have a different opinion.....**please submit your Open MIC OP-Ed** and I will add it to the editorial in full and intact without editing...but you must enclose your name.

Deal?

Crew Share

Email me... (bbroich@msn.com) your sales success and experiences and share with the Crew....will always be anonymous.

A Few Comments From Emails This Week About Leads and Selling Experiences....Both Good and Bad

(From 11 emails)

- Joe: I generally enjoy the call. Today seemed unprofessional. The Jedi mindset and slamming variable agents is uncalled for and unproductive.

- Bill, what good does it do anyone to pick on VA, we all know they are not good products, can't you be more positive?
- Retire Village. That is very good. Just sent the RV stuff to Joe and will get him my list of names and emails.
- Mark is very helpful in loading the data on your Retire Village

---

Hot News and Other Helpful Info

- **Medicare Going Broke article:** http://insurancenewsnet.com/article.aspx?id=262929&type=topnews
- **New Too Big to Fail article:** http://www.bloomberg.com/news/2011-05-30/mobius-says-fresh-financial-crisis-around-corner-amid-volatile-derivatives.html?source=patrick.net
- **Crediting article:** http://insurancenewsnet.com/article.aspx?id=259718&type=annuity
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-

Almost **1 million** people show up to apply for 50,000 McDonald's jobs.

Recently McDonald's decided to have a mass hiring of 50,000 new employees for it's US based hamburger restaurants some of which will be full-time and some part-time. They actually ended up hiring 62,000 new employees as a result of all the applications they received.

Because many of the restaurants are owned by franchisees the wages are not controlled by the company but many of the jobs were estimated to be for more than the nationwide minimum wage of $7.25 / hr. and managers can make up to $50,000 per year.

The success of RV is almost daily....I really liked this exchange.....have a look.....BB

The Power of Retire Village

This is the drip which was sent to the crew's database last week.

Dear John,

It may feel like as though 401(k)s have been around forever, but they've only been with us since the 1980s (okay, maybe that is forever). Until the 401(k) came along, if you had a workplace retirement plan it came in the form of a traditional defined benefit pension.

Click Here For More Information

If you do not wish to receive any further communications you may unsubscribe here.

This is the response from John (who is a prospect in the RV database)

From: John johnxxxxxx@gmail.com>
Date: May 28, 2011 7:08:17 AM MDT
To: The crew members email address

Subject: Re: 5 Ways to Make 401(k) Plans More Like Pensions

So here's the thing I have been reading books and talking to several folks. I am beginning to think the only way to have an annuity work for the buyer and get a decent return is to die or live past 85. In the American Equity product I talked with a person who had it 12 years and they made 4.4% on their contract accountant. I compared each investment choice since I think it was 2002 and the return was less than 3.5% if you got lucky you won

3.5%. This is silly...

So I took a look at variables and it looks like expenses eat up the account value in such a manner the only way you could come out ahead is to die or again live past 85.

Interesting enough the same amount of money invested yields the same monthly income in both policies.

I am now reading about hybrid annuities (fixed, immediate and indexed combined).

I know you guys have to make money, but do you have any products that give a guy a fair deal?

Here is the agent's response

John

Thanks for your inquiry, as with all things the answer is; "It all depends" The "depends" part means, it depends on what is the reason for the funds. "What do you want them to accomplish?

If the reason is only safety and security, you have several choices, bank products, US Treasuries and fixed and indexed annuities. The only determining question remaining is the yield of each product.

Choosing a "variable" annuity opens the door to fees (generally on the 2-4% annually range) depending on products and rider expenses, and there is no guarantee of your funds from risk of loss.

If your eventual planned use of the funds is "income" the choose is absolutely obvious. The indexed annuity offers three things no other product can:

- **Bonus**, depending on product, the bonus can be an additional 5-8% of your account value. This means a deposit of $100,000 becomes instantly more because of the bonus.
- **Annual return guarantees**, each year depending on the product, you will know in advance what your rate of return will be, generally between 7-10%. This means each year your account is guaranteed to grow. It then becomes an absolute guarantee of future values.
- Your **factor** determining what your income will be is contractually guaranteed so you know in advance what your income will be in any given year.

Our products have no contractual fees and your funds are never ever at risk, safety and security is the backbone of these products and by simply naming a beneficiary, your funds will pass without the need of probate.

Please feel free to email me with further questions or if you wish we could visit in person.

Thanks

Agent

Result

The end result was a face to face appointment, newly updated fact finder and a $400,000 annuity sale. All because of **Retire Village** and the power of the "non" threatening drip.

Once you understand the power of this tool, it will be the foundation of your marketing.....BB

Slowly.......annuities are coming.....BB

Stern Advice: Retirement number that's changing the debate

By **Linda Stern**
WASHINGTON | Wed May 25, 2011 1:05pm EDT

(Reuters) - Retirement planning almost always seems to focus on "the number." Usually that's the amount of money somebody thinks you need to retire securely.

But here is the real number to watch: **$25 trillion**. That is a rough (and conservative) approximation of the amount of wealth controlled by the baby-boom generation, based on Federal Reserve Board data.

In the next five years, some $**2 trillion will roll over into personal individual retirement accounts,** reckons FRC Research Corp. That is a lot of money -- and every corner of the financial services business wants a piece of it.

Some people fear workers will take that money and blow it on early retirement expenses, leaving themselves with nothing for their later years. The financial services companies that manage all of those retirement savings have a different sort of worry: They see a big pile of assets slipping away.

The realization that **the boomer behemoth** is going to start cashing out soon, coupled with the new appreciation for risk that followed the market crash of 2008-2009, has caused a shift in the way experts are now talking about retirement, and especially about 401(k)s and other defined contribution retirement accounts.

Kreisberg favors the traditional defined pension plans which paid workers a regular amount monthly for as long as they lived. Now financial services companies are introducing new products aimed at making defined contribution plans behave more like those pensions, at least during the withdrawal years.

Companies including Morningstar, Financial Engines and Guided Choice have rolled out products designed to help 401(k) savers keep their funds in those accounts after they retire. They use different investment approaches to manage the accounts while allowing regular monthly withdrawals.

Mutual fund powerhouses including Fidelity Investments and Vanguard investments have created automatic payout mutual funds especially designed for rollover money.

And insurance companies are pitching immediate annuities at employers, in the hopes employers might offer them to retiring workers within their 401(k) accounts.

This is a transitional phase, for sure. Here are some thoughts for future retirees.

-- Washington will probably get involved. The Obama Administration has expressed interest in the idea of offering employers some kind of **'safe harbor'** for agreeing to keep retirees' money in their 401(k) accounts.

For example, employers could offer a low-fee **annuity** or other investment management approaches that would make it attractive for employees to keep money there. Why would employers want to do that? It could indemnify them from lawsuits from retirees who stay in the plan and then lose money, or save them from having to offer early retirement packages to would-be retirees who cannot afford to leave.

That is the same kind of thinking that created automatic enrollment rules in which workers can be put into target-date mutual funds during their accumulation years. But a federal program like that governing 401(k) withdrawals is probably years off, experts suggest.

-- **We want it all. Workers want to take their lump sums and have guaranteed lifetime benefits**, says David Speier of benefits consultant Towers Watson. "We get real mixed messages." Workers surveyed by his firm want to retain control over their money, though older workers say they're willing to sacrifice more from their paychecks for a **guaranteed lifetime benefit**. A compromise? Perhaps someday employers will put their matching contributions directly **into annuities** or some other payout plans.

-- Fees will really matter. Some employees have been spending too much of their retirement money on fees hidden in their 401(k) accounts, and it would be a bad idea to extend the overpriced, hidden-fee traps into the retirement years. On the other hand, employer-sponsored retirement plans have the bulk buying power that individuals do not have. They could end up offering cheaper, better annuities and payout plans than individual retirees could find on their own. Starting in 2012, Labor Department rules will require the clear disclosure of all 401(k) fees.

--

BD selling notes to banks to resell to their customers….who believes in due diligence anymore? If it doesn't work out then sue….BB

Securities America's Nagengast: Banks sue to skirt MedCap liability

By Bruce Kelly

May 29, 2011 6:01 am ET

Two banks are suing a number of broker-dealers as a legal maneuver to cut down their liability in the sale of failed private placements, according to a memorandum from Jim Nagengast, Securities America Inc.'s chief executive, that was obtained by *InvestmentNews*.

In the e-mail to the firm's advisers, he also claimed that a pending settlement in a class action filed against the broker-dealer, if approved, will wipe out the banks' claims against the firm.

Those two banks, **The Bank of New York Mellon Corp. and Wells Fargo Bank** NA, filed separate lawsuits at the end of last month against the broker-dealers — including Securities America — stemming from the broker-dealers' sales of notes issued by Medical Capital Holdings Inc.

The medical-receivables firm sold investors **$2.2 billion of private placements**.

(a private placement was a note promising to pay....BB)

The Securities and Exchange Commission in 2009 charged the company with fraud.

Both banks were trustees of Medical Capital.

The Bank of New York claims that the broker-dealers breached their obligation to MedCap investors by selling the product to **investors for whom it was unsuitable**. The complaint also alleges that broker-dealers failed to make proper disclosure of the MedCap notes' risks.

The Wells Fargo complaint claims that the broker-dealers are "obligated to partially or fully indemnify" the bank if it is compelled to pay investors any damages stemming from the plaintiffs' class action.

But in the e-mail, sent last Friday, Mr. Nagengast told Securities America's 1,800 independent representatives and advisers that the banks' lawsuits are an attempt to lessen any potential judgment the banks may face.

"As background information, the two banks that served as trustees for the investors' funds in Medical Capital have been sued in a number of class action and mass action lawsuits," he wrote. "The banks are suing the broker-dealer to try to reduce or eliminate, to the extent possible, the amount of any judgment against them."

Mr. Nagengast went on to note that the banks' argument "is that the broker-dealers are at fault for the investors' loss to some extent, and that any judgment against the banks should be reduced by the amount of the broker-dealers' fault."

Bank of New York Mellon has sued 13 broker-dealers, seven of which are no longer in business. Wells Fargo has sued six firms, as well as Ameriprise Financial Inc., which owns Securities America, the biggest seller of Medical Capital notes. Not all broker-dealers that sold the product were included in the suit.

Janine Wertheim, a Securities America spokeswoman, did not return a call at press time to comment about Mr. Nagengast's e-mail message.

Medical Capital investors sued the two banks in a class action in U.S. District Court for the Central District of California in September 2009, just weeks after the SEC charged MedCap with fraud. **The plaintiffs in that class action claimed in an amended 2010 complaint that the two trustees signed off on requests by Medical Capital executives to take $325 million in fees — despite documents for the notes indicating that fees were not supposed to come from investor funds.**

NEXT STEP

Securities America has moved to settle several lawsuits against it for the sale of MedCap notes, including a pending class action. The next step is a fairness hearing scheduled for the end of July.

"While Securities America does not believe that the banks can hold the broker-dealers responsible for any alleged misconduct by the banks, even if they could, the settlement, pending approval, would wipe out any claim the banks think they may have against Securities America," Mr. Nagengast wrote the brokers.

Neither Joel Feuer, a lawyer for BNY Mellon and a partner at Gibson Dunn & Crutcher LLP, nor Marc Dworsky, an attorney representing Wells Fargo and a partner at Munger Tolles & Olson LLP, returned calls seeking comment about Mr. Nagengast's assessment.

From 2003 to 2008, dozens of independent broker-dealers **sold notes of Medical Capital, which raised $2.2 billion.** Securities America sold about $700 million.

Investors have lost more than $1 billion in principal, and regulators and the Medical Capital bankruptcy trustees have said the operation was a Ponzi scheme

This is not exactly the same thing…oh wait a minute…it is the same thing except it wasn't overseas….below is the SEC warning on bank or "prime" notes…..

I had a call from an agent about "prime" notes…..seems like every month I get the same question…..

BB

(I left links in)

SEC.

How Prime Bank Frauds Work

Prime bank programs often claim investors' funds will be used to purchase and trade **"prime bank"** financial instruments on clandestine overseas markets in order to generate huge returns in which the investor will share.

However, neither these instruments, nor the markets on which they allegedly trade, exist. To give the scheme an air of legitimacy, the promoters distribute documents that appear complex, sophisticated and official. The sellers frequently tell potential investors that they have **special access** to programs that otherwise would be reserved for top financiers on Wall Street, or in London, Geneva or other world financial centers. Investors are also told that profits of 100% or more are possible with little risk.

Individuals and entities are targeted, including municipalities, charitable associations and other nonprofit organizations. The promoters of these schemes have demonstrated remarkable audacity, advertising in national newspapers, such as *USA Today* and the *Wall Street Journal*. Some promoters of these schemes avoid using the term "Prime Bank note," and tell prospective investors that their programs do not involve prime bank instruments in an effort to demonstrate that their programs are not fraudulent. Regardless of the terminology, **the basic pitch – that the program involves trading in international financial instruments** – remains the same, and investors should continue to be vigilant against such fraud.

Signs of Banking-Related Investment Fraud

Below are warning signs of prime bank or other fraudulent bank-related investment schemes.

Excessive Guaranteed Returns

These fraudulent investment pitches typically offer or guarantee spectacular returns of 20 to 200 percent monthly, absolutely risk free. Promises of unrealistic returns at no risk are hallmarks of prime bank fraud.

Fictitious Financial Instrument

Despite having credible-sounding names, the supposed "financial instruments" at the heart of any prime bank scheme simply do not exist. Exercise caution if you've been asked to invest in a debt obligation of the top 100 world banks, Medium Term Bank Notes or Debentures, Standby Letters of Credit, Bank Guarantees, an offshore trading program, a roll program, bank-issued debentures, a high yield investment program, or some variation on these descriptions. Promoters frequently claim that the offered financial instrument is issued, traded, guaranteed, or endorsed by the World Bank (Department of Institutional Integrity (INT) or Operations Evaluation Department) , International Monetary Fund (IMF), Federal

Reserve, Department of Treasury, International Chamber of Commerce (ICC), or an international central bank.

Extreme Secrecy

Promoters claim that transactions must be kept strictly confidential by all parties, making client references unavailable. They may characterize the transactions as the best-kept secret in the banking industry, and assert that, if asked, bank and regulatory officials would deny knowledge of such instruments. Investors may be asked to sign nondisclosure agreements.

Exclusive Opportunity

Promoters frequently claim that investment opportunities of this type are by invitation only, available to only a handful of special customers, and historically reserved for the wealthy elite.

Claims of Inordinate Complexity

Investment pitches frequently are **vague** about who is involved in the transaction or where the money is going. Promoters may try to explain away this lack of specificity by stating that the financial instruments are too technical or complex for nonexperts to understand.

You should be especially watchful for prime-bank related schemes promoted over the Internet. Despite numerous SEC actions charging prime bank promoters with multiple violations of the federal securities laws, prime bank offerings **continue to proliferate in cyberspace**.

Partners,

A great basic guide to estate planning and estate tax planning options.

http://www.the-trust-store.com/the-learning-center/tax-planing/?video=13

Thanks,
Anthony R. Owen
Vice President, Eagle Shadow Financial, LLC
Co-Founder, Annuity Agents Alliance
Marketing Advisor, Annuity.com
Office: 303-284-3582

-

.Share piece from Jerry Baxter....BB

Bill,
I read what I thought at first to be an almost benign article in today's InvestmentNews Daily:

http://www.investmentnews.com/article/20110529/REG/305299975&dailycount=1&issuedate=20110531

I find it curious that, even though the offending (and suspended) securities advisor was busted for inaccurately representing small whole life policies to satisfy mortgage insurance needs, the article's author saw fit to attack FIAs. By the sixth or eighth paragraph, he gratuitously sticks this in:

And a common criticism among registered reps is that insurance agents who lose a license to sell securities products often sell equity-indexed annuities, an insurance product that is nonetheless marketed as an investment that can compete with a mutual fund or variable annuity.

First, since this wasn't even part of this particular individual's problem, why even bring this argument up? And second, if a certain type of prospect is tired of incessant and extreme fees, and the potential loss of their accumulated capital every few years, I just happen to think that an FIA ***can*** compete...and quite well

JWB

Jerry W Baxter, RHU
Cornerstone Insurance Solutions, LLC
816-589-3725
http://cornerstone.retirevillage.com

Jerry has agreed to be our guest today and share converting his 30 year career from health insurance to annuities.

For more than 35 years Jerry Baxter has spent his working days helping protect clients against the financial uncertainties of life. Using the safety and guarantees of insurance, Jerry has guided business owners and individuals to sound decisions on issues surrounding life, health, disability and retirement concerns.

Recently, prompted by a continued decline in corporate sponsored pensions and a poor economy, helping clients create a personal pension plan - "a secure income for life" - to fulfill their individual retirement dreams, has become Jerry's top priority. He's anxiously waiting to help you get started on your personal plan.

A proud armed forces veteran, Jerry and his wife Rebecca are both lifelong Kansas City area residents. With two grown daughters, and one granddaughter, Jerry and Becky are active grandparents serving their church and several charitable outreach ministries.

This topic was discussed a couple months ago...but had a question about how to explain “annuity taxation” to prospects....so here it is...just copy and make it a regular handouts....BB

Annuity Taxation

A tax deferred annuity is a plan in which income tax on an original deposit of invested income is not charged during the investment period. The tax liability is postponed until the annuity's owner or beneficiary begins to receive (or accesses funds) periodic payments of earnings from the invested funds. This benefit is known as "tax deferral.'

One of the most attractive features of a taxation annuity is a tax advantage known as tax deferral. Tax deferral is allowed as long as the funds in the annuity are kept intact and not touched by the annuity owner. The interest or earnings credited to the annuity grow and accumulate, tax deferred, until the funds in the annuity are accessed, either by the annuity's owner or their designated beneficiary. The accumulated funds in the annuity can then be accessed as needed as a pension or supplemental income for the owner or beneficiary's income needs.

The original deposit or deposits, the last funds to be removed from an annuity, are never taxed, as the tax liability is only assessed on the accumulated tax deferred portion. Tools can assist the annuity owner in managing the future tax liability of a tax deferred annuity, and using these tools, the annuity owner can shelter tax liability and use the future accumulated value as an income option. If the funds are merely removed, the full tax liability of the funds is due. A partial removal of the tax deferred annuity results in appropriate tax liabilities on the amount removed. But when the annuity owner uses the funds in a tax deferred annuity as income with a fixed payment option, the tax liability can be managed and spread over a time period chosen by the annuity's owner.

This method of spreading the tax liability over a chosen time period is known as the "exclusion ratio", or income option, and allows the annuity owner control over the tax liability. The actual amount of taxable income and tax free income (the refund of original deposit) is calculated by the insurance company when the annuity owner initiates a fixed payment period option. The amount of actual tax liability varies, based on the amount of the original deposit, the accumulated earnings and the income option selected by the annuity owner.

In the event an annuity is inherited by a beneficiary, the full tax liability of the accumulated interest in a tax sheltered or deferred annuity passes to the beneficiary. If the funds are removed in a lump sum, 100% of the tax liability is realized, but the IRS allows for a delay of up to five years in the beneficiary's receipt of income from the annuity, which allows for tax planning fitting the beneficiary's specific needs and situation.

Also....Exclusion Ratio (above)

The exclusion ratio has made more annuity sales for me that anything I can ever think of. The exclusion ratio is a benefit we should all make certain our clients and prospects are aware of. Explain it this way.

If you convert accumulated funds in an annuity to an income stream you can access the exclusion ratio. The exclusion ratio is the percentage of income that is excluded from tax liability.

I like this example

- **A $50,000 deposit has grown to a value of $100,000.**

If the annuitant takes any funds from this account it is 100% taxable at ordinary income tax rates.

In our example lets pretend that the annuitant selects a 10 year payout and we will round off the calculations for the sake of illustration.

- **$100,000 will provide an annual payment of $10,000 for 10 years.**
- **$5,000 basis and not taxable, $5,000 interest and taxable.**

The $5,000 basis is the exclusion ratio.

Because we have accessed the exclusion ratio we can *"spread out"* the tax liability over the selected time period which in our example is 10 years. This means that only **50%** of the income received is taxable. By spreading out the payment we have spread out the tax liability!

DReaMS

To clear up some questions about our new "Screened Leads"....here is the script used to call the Raw Lead Source and convert them to annuity prospects.....plus notes are always forward to you...BB

- **Telemarketing script**

- **Lead is called for delivery to agent**

- *"Hello my name is ………. from (agents name) office may I speak to Mr. Kent Tyler?"*
- *"I was just following up on your request for information that you sent in about reducing your social security tax as well as a couple of other items and I wanted to verify the info so we can get it to you. I'll be very brief."*
- Name off a couple of the checkmarks on the card and ask "*is that correct*".
  - **<u>No possibility of market losses</u>, ever – contractually guaranteed.**

- **Bonuses of up to 10%** - contractually guaranteed.
- **Guaranteed Lifetime Income**, income you can NOT outlive – contractually guaranteed.
- **Growth of up to 7%/year** for income purposes – contractually guaranteed.

- *"Have you taken action on any of these items before, or purchased a tax deferred annuity in the past?"*
- *"When were you thinking you might want to have these items taken care of, a couple of months or so? Any rough idea on that aspect of things?"*
- *"Is your zip code 58588?"*
- *"What we do right now is just turn this over to one of our independent advisors (*Mr. Joe Brown*) who will contact you about the information you are looking for and do the legwork for you. This might take a day or two. They will answer all your questions and see if they can help you out. Whens a good time and day for them to get back to you Mr. Tyler?"*
- *"With your permission I would like to e-mail you* (agent's name) *picture and bio so you know a little about him before he calls. What is your e-mail Mr. Tyler?"*
- *"Oh by the way one other quick question I forgot to ask you ~ The average person requesting this information has at*

between $100,000 and $500,000 in investable assets ~ would you say you fall into that category or more?"

- *"Great, give us one or two days and someone will be in touch with you to answer any quick questions you may have and get the information to you."*

Timing Lead Script

For those leads where the prospect does not want to have an agent call them.

I don't want anyone to call me

- *"No problem. With your permission I would like to e-mail you the information. Would that be alright?"*
- *"In addition we also send out timely and helpful information a couple times a month that may be helpful to you. What is your e-mail Mr. Tyler?"*
- *"Oh by the way one other quick question I forgot to ask you ~ The average person we send this information to has between $100,000 and $500,000 in investable assets ~ would you say you fall into that category or more?"*
- *"Great, we will send the information right out to you. Please look for it in your e-mail to make sure it doesn't get caught up in your spam filter. It will be from (*agent's name*)*

along with his contract information should you want to get ask him any questions."

- *"Thanks again…."*

Recently, I had a call form Chad about TIPS….here is some info and some research….BB

Treasury Inflation Protected Securities

Treasury inflation-protected securities, or TIPS, are one answer to the inflation risk problem that all bond investors face. All investors, particularly long-term investors, can lose a substantial portion of the purchasing power of their invested funds due to a gradual increase in price. TIPS can help prevent this from happening.

TIPS are marketable, book-entry debt securities. They are issued by the U.S. Treasury and are sold by the government at a quarterly auction, in minimum amounts of $1,000. TIPS are issued with maturities of 5, 10, and 20 years and at maturity, the inflation adjusted principal amount is paid.

TIPS carry a fixed annual interest rate and pay interest twice a year. The inflation protection aspect of TIPS is provided by adjusting the principal amount of the security according to changes in the inflation rate. The semiannual interest payment is then calculated based on the adjusted principal amount.

For example, if an investor purchases a $5,000 TIPS bond, paying 3.5% annual interest, in January. By July, when the first interest payment is due, inflation has increased 1.5%. The adjusted principal amount of the bond is now $5,075. The interest payable at that time is $88.81, calculated as $5,075 x 3.5% divided by 2. If by January of the following year, when the second interest payment is due, inflation had run at 3.5% for the whole year, the principal amount of the bond would be $5,175. The second interest payment would be $90.53, calculated as $5,175 x 3.5% divided by 2.

However, in a deflationary market, the principal amount of the TIPS is adjusted downward, resulting in an interest payment that may be less than the stated payment. If after the bond reaches maturity, the adjusted principal amount is less than the principal amount at issue, an additional amount will be paid to return the bond investor to at least the original principal amount.

However, as with all investment, there is some risk involved. The major risk with TIPS is if a bond is sold before maturity, the bond investor may receive less than originally paid. If an investor buys a TIPS and holds it to maturity, the government is obligated to repay at least the original principal amount. Again, the risk is, if a bond is sold before it matures the investor may receive less then originally paid, due to fluctuations in the market ultimately affecting the market value of a TIPS.

There are some important tax issues with regards to TIPS. Interest income from TIPS is treated in the same way as interest from other direct obligations to the U.S. federal government. Interest income from TIPS is taxable by the federal government, but is usually exempt from state and local tax.

One unique aspect of TIPS is that any adjustment of the principal amount is considered to be current taxable interest income. Looking at the example above, the investor would have $163.81 of taxable interest income for the first year. Of that, $88.81 of the interest was actually received as cash, and $75.00 in the form of an inflation adjustment to the principal amount.

Although TIPS are issued and guaranteed against default by the federal government, they are also marketable securities and can be bought and sold in the open market. TIPS prices in the open market can move up and down. Price move most often in response to changes in the general level of interest rates. Usually, if rates rise, the price of an existing bond will fall and if interest rates decline, the market value of existing an bond will increase.

There are investment uses for Treasury inflation-protected securities. TIPS can serve as a source of periodic income, for investors looking to meet current expenses. The inflation adjustment feature of these bonds is usually the main attraction for many fixed income investors. TIPS can also be a useful investment in a tax-deferred IRA or qualified retirement plan. However, the current taxable income nature of the inflation adjusted principal amount may be a downside for some investors.

There are two ways to invest in TIPS; direct and indirect ownership. With direct ownership, investors own TIPS directly. TIPS are bought in their own names using either an account with a securities brokerage firm or an online account with the Treasury Department. For more information on an online account with the U.S. Treasury Department:

Please visit www.treasurydirect.gov. Indirect ownership is the second way to invest in TIPS. With indirect ownership, open-end investment companies, known as mutual funds, pool the resources of many individuals, and offer an investor access to a diversified, professionally managed portfolio.

What has the yield been in last 8 years, 5 year time periods

Series description	Market yield on U.S. Treasury securities at 5-year constant maturity, quoted on investment basis, in indexed

Time 5 year Period	
2003	**1.27%**
2004	**1.04%**
2005	**1.5%**
2006	**2.28%**
2007	**2.15%**
2008	**1.3%**
2009	**1.06%**
2010	**0.26%**

TIPS..10 year holds, yields inflation indexed

2003	**2.06%**
2004	**1.83%**
2005	**1.81%**
2006	**2.31%**
2007	**2.29%**
2008	**1.77%**
2009	**1.66%**
2010	**1.15%**

Source: Federal Reserve

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Life insurance sales growing….LIMRA article, I left links in….BB

LIMRA: 2011 individual life sales looking good

- **BY SMA STAFF**

Published 5/31/

Total individual life insurance new annualized premium increased 8 percent, and policy count rose 2 percent in the first quarter of 2011, compared to first quarter of 2010, according to LIMRA's Individual Life Insurance Sales Survey.

"Nearly all product lines showed strong growth in the first three months of 2011," said Ashley Durham, senior analyst, LIMRA product research. "Impressively, 65 percent of companies were able to increase their sales over first quarter of 2010, including 16 of the top 20."

Universal life new annualized premium grew 14 percent in the first quarter of 2011 and policy count jumped 18 percent, contributing heavily to the overall growth of individual life insurance.

Most UL product lines performed well.

- Current-assumption UL, providing the lowest-cost coverage without long-term secondary guarantees, **increased 16 percent**.
- Accumulation-focused products were 22 percent higher in the first quarter of 2011 than in the first quarter of 2010. This growth was heavily influenced by indexed UL products, which registered 61 percent growth over first quarter 2010.
- UL products featuring long-term secondary guarantees improved 4 percent. Sales, which have been affected by price increases and companies exiting the market, still represent about 45 percent of all UL annualized premium.

Whole life also continued to experience robust growth for the seventh consecutive quarter. WL new annualized **premium leaped 15 percent**, and policy count increased 9 percent. Three-quarters of all WL writers were able to increase their premium.

The biggest premium increases reflected affiliated agent or career agent sales, particularly those working for the large mutual companies. Some of the biggest increases in policy count were the result of growth in the direct and worksite channels.

Variable universal life new annualized premium was **up 14 percent** in the first quarter, primarily driven by small corporate COLI. VUL policy count fell by 11 percent.

Term life was the only product to experience a drop in premium sales during the first three months of the year. Term premium and policy count fell 11 percent.

Source: LIMRA. View the latest data table on U.S. life insurance sales trends. For more statistics, visit the newly updated Data Bank.

This past week's Retire Village drip was regarding 401 (k)....here is an article form the Wall Street Journal that expands on it....BB

Your 401(k): Leave It or Roll It?

By ANDREA COOMBES

You thought the hardest part about saving for retirement was figuring out the best place to invest your money? Here's another head-scratcher: what to do with your 401(k) when you leave your job.

Generally, you can leave the money with your ex-employer, move it to your new employer's plan (if that company allows it), roll it to an individual retirement account or cash out. Each choice comes with potentially negative consequences for your savings.

If you have $5,000 or more in the plan, your former employer must let you leave it there until you turn 65, says David Wray, president of the Profit Sharing/401(k) Council of America, a group that represents employers who offer retirement plans.

If you have between $1,000 and $5,000, and don't choose one of the above options, the company is allowed to roll the money into an IRA it opens for you. If you have less than $1,000, the employer can cash it out and mail you a check.

Plenty of people leave their money in a former employer's plan. Mr. Wray estimates, based on U.S. Labor Department data, that about 15 million accounts owned by ex-employees are stashed in employer plans (including multiple accounts owned by one person).

Whatever you do, try to avoid cashing out. Say you've got $50,000 in your 401(k) and pay a federal income tax rate of 25% and state rate of 7%. Those taxes plus the 10% penalty for early withdrawal will leave you with just $29,000. (The 10% penalty doesn't apply if you leave your job and cash out your 401(k) plan at age 55 or older, according to Fidelity Investments.)

Before you make a decision, consider your personality, says Scott Holsopple, president of Smart401k, which offers portfolio-management services. A do-it-yourself investor may prefer an IRA, with access to more investment options, he says.

But if you're unlikely to do the work of finding low-cost investments, you may benefit from keeping the money in a 401(k), depending on the size of the plan. Large employers' plans often include low-cost investment options because they can negotiate lower expenses—you're getting institutional rather than retail prices.

New regulations should bring better fee disclosures for 401(k) investors next year. For now, to compare costs of an IRA and 401(k), focus on investment expenses. That's the best proxy for total 401(k) costs, says Robyn Credico, defined contribution practice leader at consulting firm Towers Watson. "Ninety-five percent of your expense is your investment expenses, so you can come pretty close just by looking at that."

Compare services, too. "For a lot of 401(k) plans that I serve, I do one-on-one consulting and education with the participants," says Michael Chisnell Jr., director of retirement services at Sequoia Financial Group, a money-management and 401(k) advisory firm in Akron, Ohio. If your former employer doesn't offer much help, it might make sense to move your money to an IRA.

Another advantage of rolling the money into an IRA is that combining your funds in a single account makes managing a diversified portfolio easier, says Ryan Alfred, president of 401(k) rating company Brightscope.

If you choose to roll your money into an IRA or new 401(k), ask for a trustee-to-trustee transfer, where the custodian of your old account pays the money directly to the new plan's custodian.

If a check does come to you, you need to get the money into the new plan **within 60 days** or it may be considered an early withdrawal—and taxes and penalties may apply. The hitch, even if you deposit that check by the deadline: Since the money went to you first, your former employer must withhold 20% of the account balance for tax purposes.

That means you must come up with that 20% for the new account yourself or the amount is considered a distribution. (You'll get credit for the 20% withheld when you file your income taxes.)

If you're near retirement, your ability to start distributions becomes a key metric in your decision. If you don't need the money just yet, you might leave it in your old plan until you do, though some plans may force you out at age 65.

Along with access to more investment options, IRAs generally give you more freedom than a 401(k) to manage your money when you're ready to create an income stream from your account, **including buying an annuity** or setting up regular withdrawals.

Still, some 401(k)s help retirees create retirement income. A few offer systematic payments in an amount of your choosing. Plans with a managed-account option may extend those services to retirees in the form of help managing withdrawals, says Pamela Hess, director of retirement research at consulting firm Aon Hewitt. Plus, some plans offer annuity options.

If you plan to work past age 70 1/2, moving your 401(k) to a new employer, if allowed, could let you delay the distributions required of 401(k) and IRA owners at that age, according to Fidelity.

A person who is actively employed (and not the owner of the company) may be able to delay required minimum distributions until retirement.

Also, with a new employer's 401(k) plan, you can take out a loan if the plan has the option.

Write to Andrea Coombes at andrea.coombes@dowjones.com

Here is the link

http://online.wsj.com/article/SB10001424052702304066504576352121222756568.html?mod=googlenews_wsj

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"Big Truck" Sales Tips

Chad and Tony Owen

A weekly annuity sales tip

Sales Tip this week is:

The Matrix

The Power of the virtual account.

Is my money real or not?

Agent question: **What you consider the term, "hybrid annuity," to mean?**

What is a hybrid annuity?

(Investopedia)

An insurance contract that allows buyers to allocate funds to **both fixed and variable annuity components.**

Most hybrid annuities allow the investor to choose the amount of assets to allocate to the more conservative, fixed return investments, which offer a lower but guaranteed rate of return, and what amount to allocate toward more volatile variable annuity investments, which offer the potential for higher returns.

As far as I am concerned just another way for the VA guys to try and hide behind us..... BB

The Other Side of the Table

…..it's all based on your view…………

Sometimes it is how you look at things that can make the difference. The other side of the table is all about that….how you look at things!

Retirement Gold PDF is attached to the notes.

Andrew Rafal ran into a case where he was competing with another advisor. Both were suggesting the very same product, American Equity Retirement Gold….Andrew got the case because he had more advance knowledge of how to sue the product.

Our Guest: Andrew Rafal…… 

Disclaimer:

I guess I should start adding a disclaimer, so here goes. I get information from many sources, print, internet, agent gossip and other media. I always try and provide the original source or the link but my note taking habitually is lacking.

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