



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

**Open MIC is open for anyone.**

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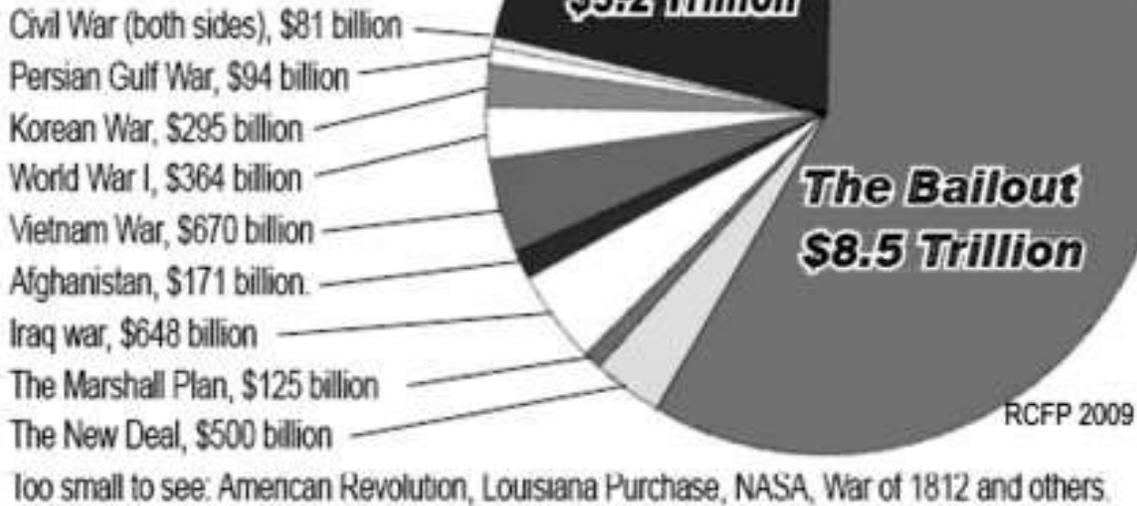
[tony@annuityagentsalliance.com](mailto:tony@annuityagentsalliance.com)

OR VISIT OUR WEBSITE



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## Wall Street Bailout So Far Exceeds the Total Cost of All US Wars



Source.....RCFP (reporters committee for freedom of the press)

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**Hancock LTC premium increase....**rumor from a LTC agent, Hancock increasing LTC premiums about 90% as of May 19th.....still a rumor, if you hear anything email me....

I wonder how long LTC will even be offered...One thing I make sure my clients and prospects know is the LTC premiums are not guaranteed....BB

NY Times article about LTC fading away:

<http://www.nytimes.com/2010/11/13/your-money/13money.html?pagewanted=all>

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**Marion and how they relate to market returns as reported by Montoya. Tony Below are returns on indexed annuities form had some very interesting points with the enclosed graph....see my question at the bottom.....BB**

## **From Jack Marion's website**

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

### **5 Year Index Annuity Returns Average 4%11/11**

This is the tenth year I have collected 5-year return data and I deeply appreciate the cooperation and support of the carriers that were open in sharing what some of their annuity owners earned in their index annuities. The carriers providing information were: American Equity, Aviva, CUNA Mutual Life, EquiTrust, Fidelity & Guaranty Life, Great American Life, ING, Lafayette Life Insurance Company, Lincoln Financial Group, LSW, Midland National Life, National Western Life, North American Company, and Union Central.

#### **Average Index Annuity Returns Have Exceeded Index Fund Returns In 70% Of 5-Year Periods Since 1997**

The average reporting index annuity credited **4.06%** annualized for the five year period from 9/30/06 to 9/30/11, which compares favorably with the **2.3% you would have earned in 1-year CDs**, but is slightly less than the 4.2% 5 year CD rate you might have chosen. Whether the stock market was better depended on whether you chose stocks or bonds. **An index fund with reinvested dividends lost 1.3% a year over the last 5 years and the average stock fund also lost money.** However, putting all of your money into taxable bonds returned 4.8% annualized; a 50/50 mix of stock and bond funds gave you a 3.6% overall return.

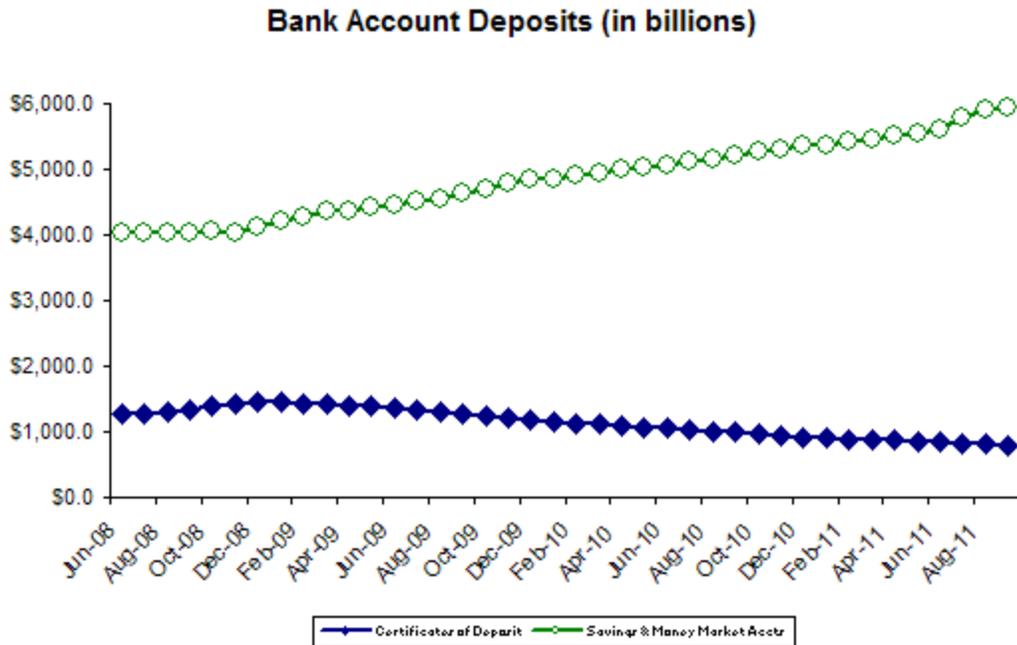
### **\$5.9 Trillion Earning 0.5% 11/11**

Since November 2008 \$634 billion has been taken out of CDs. Where did it go? It appears much of it, and a lot of additional money, moved to bank money market accounts where the amount on deposit has increased by \$1907 billion over the last three years. The reasons for the increase in money market deposits is savers didn't want to tie up their money in low yielding CDs and investors were fleeing the stock market.

At the start of fall \$5.9 trillion of penalty-free cash was sitting in bank money market accounts looking for

an alternative paying more than 0.5%. What do agents do after they have converted all of those money market dollars into index annuity sales? There is still \$797 billion currently sitting in CDs earning less than 1% on average. And when that's gone? Since May \$56.6 billion of mutual funds have been cashed in – during the first week of October alone \$11 billion were taken out of mutual funds – but don't worry.

**There are still \$11.6 trillion of mutual fund assets left to convert to index annuities.**



## As of March 19, 2012

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+8.31	+13.94	+1.85	<b>+2.47</b>
NASDAQ	+17.28	+16.75	+5.75	<b>+6.35</b>
S&P 500	+11.65	+11.72	+0.25	<b>+2.04</b>

Sources: cNBC.com, bigcharts.com, treasury.gov, treasurydirect.gov - 3/16/12<sup>6,7,8,9</sup>  
 Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.  
 These returns do not include dividends.

**Explain to me this simple question? Why would someone who has to have their funds protected and still grow, choose anything but an indexed annuity?**

# Why be exposed to risk?

## The Stock Market...or the Rocky Mountains?

You Decide.



Hello Partners,

You don't have to be a technical trader to see the trend. We don't have the invention of the 401K or a tech boom to keep us on a sustainable bull market like we see before the saw tooth started.

401K's flooded the stock market with buyers and now seniors are doing just the opposite. A flight to safety and withdrawals for income from the fastest growing demographic in our country could make it very difficult for the stock market to find buyers in the future compared to what we have seen in the past.

Add to that:

- Unprecedented national debt**
- International destabilization**

- Gridlocked domestic politics**
- A war that can't be won, only maintained**
- Unpreventable catastrophic risk of terrorist attracts**
- Wall Street corruption**
- Automated algorithmic computer trading**
- Etc.,... etc.**

Most of us can't tell our clients what we think the markets will do but we can point out what can affect the markets. We can talk about risk, and the **risk business is booming.**

Thanks for the biz,

**Anthony R. Owen**

Office:**303-284-3582**

Cell:**720-989-9564**



I was in a meeting this week with an older client of mine who said her broker told her not to worry about the market, it always comes back.....Here is my question:

What happens when you need the funds and it is not back? The overall yield of almost any 10-20 year time period is about equal to the yield in annuities, why even take the risk?

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## **Large Annuity Company has site:**

**I am not allowed to mention their name....so here is the site they were talking about in their agent eblast this week...thanks to all who sent it to me...BB**

## **Here is site for annuity information:**

<http://indexedannuityinsights.org/>

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## **Here is big news....Hartford Leaves Annuity Business**

<http://online.wsj.com/article/SB10001424052702304636404577294972124322432.html>

Hartford helped pioneer the VA business, now this is how it ends? Hedge fund manager has way too much influence and power.....he owns 8.5% so I guess he does have a say...BB

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**Had call this week from agent wanting to know where to find SB info...thought others might need it also...BB**

## **Savings Bond Calculator**

<http://www.treasurydirect.gov/BC/SBCPrice>

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**Some new restrictions for using this, but easy to do...BB**

## **FINRA Broker Check**

<http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

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**I am sure many of you saw this on the national news...**

Really says a lot for the creeps on Wall Street

[http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?\\_r=1](http://www.nytimes.com/2012/03/14/opinion/why-i-am-leaving-goldman-sachs.html?_r=1)

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## **New Option for Annuities**

<http://www.cnbc.com/id/46397671/>

Nice share from Steve Burgess, thanks!

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## **\$25,000 or less**

<http://www.journalgazette.net/article/20120319/BIZ13/303199943/1185/BIZ13>

**How can this be?....BB**

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## **How could we be included in this pile of crap?**

**Wall Street thinks we are “principal protection notes”? The slime of these guys is way too much for me.**

**I say...”Heck Yes!” we are principal protection (insert your name) Folks that buy our products do have their funds protected....BB**

[http://www.cbsnews.com/8301-500395\\_162-57395298/how-wall-street-exploits-individual-investors/](http://www.cbsnews.com/8301-500395_162-57395298/how-wall-street-exploits-individual-investors/)

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Written by **Marvin H. Feldman, CLU, ChFC, RFC, President and CEO of the LIFE Foundation**

**Many of you have read our White Paper about the Perfect Storm. It really is the Perfect Storm, have a look at this article by a well-respected industry member.**

## **The Right Time for Annuities**

Thursday, March 15th, 2012 **Marvin H. Feldman, CLU, ChFC, RFC, President and CEO of the LIFE Foundation**

Did you know that the majority of retirees are not overly confident they have saved enough for a comfortable retirement? In addition, nearly four in 10 retirees have not estimated how many years their assets and investments might last in retirement, according to LIMRA’s study “Will Retirement Assets Last a Lifetime.”

Enter annuities. Now before you stop reading because the word turns you off, know that you are not alone. According to **the study “Reclaiming the Future” by Allianz Life**, 54% of those surveyed did not like the word “annuity.” But when asked to choose between high returns and guarantees, 69% of those surveyed said they would prefer a product

that was “guaranteed not to lose value,” which describes an annuity. In retirement planning, lifetime income annuities provide safety, security and a guarantee that you (the annuitant) will not outlive their income.



Annuities have a long history of helping people. I bet you didn't know that they've been around since the Roman Empire? Here are a few highlights of the history of annuities as compiled by **Tom Hegna in his book Pay Checks and Play Checks.**

- 225 – A Roman judge produced the first known mortality table for “annua,” which were lifetime stipends made once per year in exchange for a lump-sum payment.
- 1776 – The National Pension Program for Soldiers was passed in America prior to signing the Declaration of Independence. It provided an annuity payment to soldiers and their families.
- 1812 – The Pennsylvania Company for the Granting of Annuities was founded.
- 1935 – President Franklin D. Roosevelt signed the Social Security Act. Social Security is essentially a lifetime income annuity.
- 1940 – Ida May Fuller became the first Social Security recipient. She received 35 years of payments for a total of \$22,000.
- 1952 – TIAA-CREF offered the first variable deferred annuity, which enabled educators to invest part of their retirement in equities as a hedge against inflation.
- 1986 – Congress passed tax reform that made deferred annuities one of the few financial products where you can invest unlimited amounts and get the benefit of tax deferral.
- 2011 – Individual annuity sales reach \$240 billion

Are you part of the **nearly half of Americans ages 45 to 70 who have no financial plan in place to protect against outliving their assets** and the rising cost of health care should they live longer than they expected? Safety, security and an income you cannot outlive: An annuity is the ideal investment for longevity and retirement planning.

**Here is the link:**

<http://www.lifehappens.org/the-right-time-for-annuities/>



## ***Questions from the crew for the Owens Brothers.***

Email Bill at [bbroich@msn.com](mailto:bbroich@msn.com) and Chad will share his answers with the **Open MIC** crew.

### **Question:**

“How do you explain income riders?”

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**Dave has some product updates...**



# Outrage



**If this case doesn't cause outrage then you are not paying attention. We all need to get involved.**

# **The Neashan Case in California**

## **Here is an agent's answer to the WSJ article, stand united or fall alone...BB**

Dear Leslie,

I thought I would kindly make a few comments about your article.

1. Your presupposition regarding commissions "that can be up to 12%" is somewhat misleading because most 10 yr annuities average between 5% and 7% in first year commissions and then we service the account for life with no additional compensation.

2. Looking at the entire case in context, it is only fair to point out that Mr. Neasham would have had a very difficult time knowing that she had early stages of dementia. Even one of the doctors in the case stated this.  
It seems that there was no definitive proof of intent to defraud here.

3. You also failed to point out that her current account value was approximately \$210,000, a gain of nearly \$40,000 and that someone (an annuity expert Dick Duff) wanted to buy her annuity from her for more than she invested in it.

Why did you fail mention this?

4. In CA just like Florida, a client must sign many pages verifying that they understand the terms, agreements, surrender penalties etc.

At what point is a client responsible and accountable for their actions?

I understand and agree that if an agent truly knows that the person is not competent than he/she should be prosecuted, but if there is no substantial evidence, how can you just go on hearsay and blame the agent for that?

Do you really think he would put his entire career on the line for \$14,000?

From my understanding, he has no complaints or history of this behavior.

Lastly, My mother is age 74. She currently has a non-malignant brain tumor (inoperable).

She is at times forgetful and we are not sure of what the outcome will be.

She is not a 100%, but you would never know it!

Just imagine for a moment that you were her agent/ advisor, and before she was ever diagnosed you sold her a financial product. Imagine that you were really trying to help make her money safe and that you left over \$100,000 in liquid savings for her to access (which the agent did). Imagine now that one of my family members turned around to sue you once she was diagnosed?

Does that mean you are automatically a criminal?

Does this seem fair to you?

I sincerely wish you take the time to write a more balanced article.

**The agent who wrote this is a good friend of ours but his BD had not approved his letter so asked us not to use his name.**

## More

From: Rocco DeFrancesco  
To: Leslie Scism  
Sent: March 19, 2012

Leslie,

I just read your article.

It was a classic hatchet job of someone who doesn't know the industry (not that your lay readers will know).

From our discussion on Friday, I was led to believe you were interested in writing a factual article.

Instead it seems you went for an article that would be the most inflammatory?

See the following:

*"Indexed annuities are attractive to agents because of the high commissions they receive from insurers, which can be 12% or more of the invested amount."*

I don't know any FIA that pays a commission of 12%. I don't know any that pay 10%.

Most FIAs pay commissions of between 6-7% and that's been dropping due to the 10-year treasury yield.

I really thought you were interested in good information to write an accurate article?

Too bad you didn't read my [Bad Advisors](#) book before you put this out. If you did you wouldn't have used the following:

*"The firm (ValMark Securities Inc) for years has discouraged agents from selling certain indexed annuities. Now Mr. Rybka (chief executive ) wants them to sell even fewer."*

If you read my book [Bad Advisors](#) you would know that any firm that discourages agents from learning about and selling FIAs appropriately should be on a bad advisor list. FIAs with GIB riders are better or much better than their Variable Annuity counterparts when it comes to guaranteed income for life.

If you get a change of heart about writing articles that portray an accurate depiction of the industry, let me know and I'll help you educate your readers on some of the real problems in the insurance industry.

Roccy DeFrancesco, J.D.  
Founder, The Wealth Preservation Institute  
269-216-9978

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# Reply from WSJ

**From:** Roccy DeFrancesco [mailto:roccycwpp@thewpi.org]

**Sent:** Monday, March 19, 2012 3:06 PM

**To:** Scism, Leslie; 'Pete Tychsen'; 'Bill Broich'

**Subject:** RE: Neasham Annuity Case

As I already indicated to you in an e-mail this morning, you didn't do a good job with your research.

That was glaringly evident with the 12% commission comment.

Then you chose to take the article in a direction that was inflammatory with the quote by the **guy who runs a BD that frowns on FIAs.**

You essentially took sides with the way you chose to slant the article. No lay person reading that article would think there are redeeming values to FIAs. Further, most will read it and think insurance agents are commission driven scum that push products to old people in an unsuitable manner.

In my extremely informed opinion, a stance by a BD to frown on or what's worse, forbid it's agents from dealing with FIAs is grounds for multiple lawsuits by elderly clients who are given "retirement" advice by their restricted advisors.

All you had to do was put in the counter point which I gave you during our call and as I point out with extreme clarity in my bad advisors book that FIAs have a place in

retirement planning and that any advisor giving retirement advice without knowing about and being able to offer such products are in my opinion “bad advisors.”

Again, it was my hope you wanted to put out an accurate and unbiased article and unfortunately that was not the case.

Roccy

## Neasham granted bail pending appeal

By Jeremy Walsh -- Staff reporter  
Updated: 03/20/2012 12:15:19 PM PDT

LAKEPORT -- A Lake County judge Tuesday granted a request from Glenn A. Neasham for bail pending appeal, allowing the local insurance agent to avoid starting his jail term in April if he posts \$20,000.

A jury of 12 county residents convicted the 52-year-old Hidden Valley Lake man of felony theft from an elder in October.

The charge stemmed from a \$175,000 Allianz MasterDex 10 annuity he sold to Lucerne resident Fran Schuber, then 83, in February 2008, several years after she reportedly had been diagnosed with dementia.

The California Department of Insurance investigated the transaction and determined it was illegal. The Lake County District Attorney's Office arrested Neasham in December 2010.

# Outrage



Here is our Miss Sheryl's view.....

<http://www.producersweb.com/r/pwebmc/d/contentFocus/?pcID=cdf289ac9c1de1062c479f9c7fbc73d>

## Here is a snippet:

I would merely like to offer a different perspective: as a licensed insurance agent, former insurance home office employee, regulatory liaison, pre-law graduate and granddaughter of two **Alzheimer's** patients. That being said, I do not endorse any company or financial product, Allianz and their products included. Albeit I am a huge fan of **indexed annuities**, I am completely independent and serve merely as an insurance expert.

Now, the general overview that we have been provided on Glenn Neasham's predicament is that:

1. He conducted a proper suitability review in the process of selling an indexed **annuity to California** resident, Fran Schuber;
2. Mr. Neasham dealt with obstacles in completing the sale of the annuity, as others questioned the health and independence of the prospective annuitant;
3. The policy was issued by Allianz Life without incident;
4. Subsequent to the annuity sale, the Lake County District Attorney began to question the annuity transaction;
5. The annuitant earned approximately \$40,000 on the annuity she purchased from Glenn Neasham, despite the fact that it was acquired during the worst recession since WWII;
6. Mr. Neasham was arrested, charged with three separate crimes, found guilty of felony theft, and
7. Neither the home office that issued the annuity, nor industry trade groups, have spoken-out or lent support to Glenn Neasham or his family.

## **Here is Leslie Scism (WSJ) answer back to me:**

Dear Bill,

Thank you for taking time to express your views. We know we have the most educated readers around and are always disappointed when they think we haven't done a good job.

Story was meant to present to our readers the debate over all the provocative issues that you detail below...not to answer them one by one. We wanted to make readers aware that California brought these issues to the fore in opting to prosecute Mr. Neasham and agents are debating them.

We tried to make it clear to readers that some people-Mr. Neasham/Mr. Jochim-contend Ms. Schuber was fine in 2008. Ms. Abelson, on the other hand, is quoted on the point that there was ample evidence, not just from the bank manager, of another side of the story.

We didn't take sides here. We gave readers both sides of the coin.

Best regards,

leslie scism

If you would also like to **voice your displeasure** with Ms. Scism, feel free to e-mail her directly at **[Leslie.Scism@wsj.com](mailto:Leslie.Scism@wsj.com)**. If you do so, *please be professional* and assume *whatever you write will end up in her next story.*

This is the time to be heard, the price of admission to **Open MIC** this week is an email to Leslie.....Do It.

Remember our old company motto: **You Go We Go**....while Mr. Neasham is not a crew member, he still is a member of our profession....**take action now.**

# Remember:

**This could have been you!**

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