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

Open MIC is open for anyone.

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

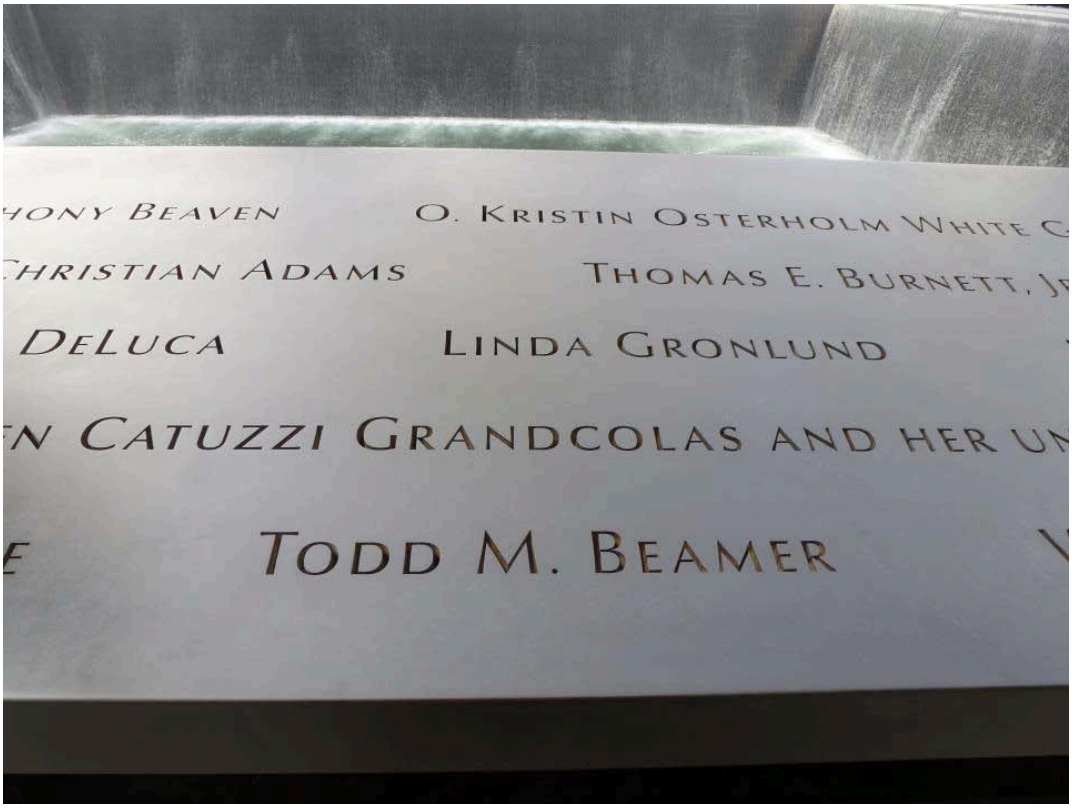
ANTHONY OWEN

888-74AGENT (24368)

tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

Annuity | Agent's Alliance
Real Help From Real Agents.



Dave and Kathy visited this Sacred Spot….

Ground Zero Memorial, Let's Roll Mr. Beamer, Let's Roll!

Thanks…thanks for your business and thanks for your patience, next week we will begin showing additions to Annuity.com that will help your business and your bottom line.

In the next few weeks we will show you how to be ranked at the top in Google searches in your local market. Plus tons of other things.

Bill

Great Tip to Help Build Relationships

Do you have an older prospect or client who is on too many mailing lists - and spending or giving away too much money as a result?

Show them how to add their name to:

Do Not Mail list at **Directmail.com .**

Leading Economic Indicators and Annuities

September's Conference Board LEI index. . (Leading Economic **Index)**

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-0.59	+8.63	**-0.09**	**+2.91**
NASDAQ	-1.15	+13.85	**+3.46**	**+6.60**
S&P 500	-3.31	+8.12	**-1.57**	**+1.71**
REAL YIELD	9/16 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.13%	1.00%	2.38%	**3.50%**

Sources: online.wsj.com, usatoday.com, bigcharts.com, treasury.gov, treasurydirect.gov - 9/16/11[8,9,10,11]
Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.
.

Why bother.....Why not just buy a simple fixed annuity and sleep well at night....oh...a nice warm glass of milk and an income rider would be nice!

Exasperation and Confusion turned into a sale through fact finding and a "list"

I had an appointment last week with a couple who had been referred to me. They were in their late 50's and were very unprepared for retirement and completely oblivious to how much money they would need to fund retirement. In beginning the process of **fact finding** I was mostly stonewalled about personal situation, it was not that they didn't want to work with me it was that they had never had such an **"examination of conscience"**

Of the 10 reasons' listed below, they said verbatim the ones marked in **red**....I think this is important because it shows how many people are really not ready for planning and for allocation of assets.

Reason #10: *"I'm too busy"*
I can't tell you how often I hear this excuse. So many people want to plan for a better retirement, but they don't have time. They think they'll take care of it tomorrow, or the day after that ... and before they know it, several years have gone by. The best advice I can give you is to stop procrastinating and start planning today.

Reason #9: *"It's too soon"*
I don't know how this happened, but many people have adopted the notion that you don't have to start planning for your retirement until you're almost there. This is totally incorrect. The truth is, the sooner you start planning, the better chance you stand of having the kind of retirement you want. It's never too soon. Many people start planning in their early twenties!

Reason #8: *"It's too late"*
If you're already near or past your retirement eligibility date, you may think that whatever you've got is what you're stuck with and it's too late to do anything about it. Think again. If you're **unsure of what your options are**, speak to a professional. Even if you've already retired, it's important to consider how you're receiving income and how long it will last. It's never too late to revise your income distribution strategy.

Reason #7: *"I don't need to"*
I've heard this excuse many times and it always baffles me. Many people think that because they've been diligent about contributing to a savings account, they're all set. While saving for retirement is good, you also need a plan for income distribution once you enter retirement. Are you certain that what you're saving will be enough? Have you considered your distribution plan? What about taxes? What about inflation? And are you sure your money will be properly invested? There may be other, better options for you and it may prove worthwhile to look into them.

Reason #6: *"I don't have enough money to get started"*
This excuse seems marginal at first glance, but there is some truth behind it. You need to have money to save or invest money. However, unless your bills are exactly equal to or greater than your net income, you DO have enough to get started. Starting small is better than not starting at all, and if you plan well, you'll eventually have more to work with.

Reason #5: *"My finances are a mess"*

This is all the more reason to seek out an advisor who can help you sort through and understand your assets. Perhaps you have a 401(k) from a former employer that has not been rolled over, a couple of savings accounts, a trust from a deceased relative, some stocks that your parents bought in your name when you were younger ... a circumstance like this can be confusing, but leaving it as it is won't improve the situation. Consider speaking with an advisor who can look at your complete financial picture, help you to understand it, and help you to develop a plan to make your "financial mess" work for you.

Reason #4: *"The Government will take care of me"*....said laughingly but with belief!

The bottom line is this ... there's a chance Social Security may not be available when you retire, and even presuming it is, it may not be enough to provide your ideal retirement income. If you're planning to retire on Social Security alone, I would advise you to create a back-up plan at the very least.

Reason #3: ***"Between my savings and my 401(k), I'll be fine"***

Saving for retirement without an income distribution plan can be a mistake. How will you use that money once you have it? And while you may think you'll have everything you're going to need, have you considered inflation? Taxes? And furthermore, some people are living past 90. Will your assets last that long? If you outlive your income, what then? It's a good idea to look ahead and plan lifelong income.

Reason #2: *"I don't want to think about it"*

Many people **procrastinate** simply because the thought of discussing financial matters (or growing old) is unappealing. I can certainly understand that. But consider this ... if you bite the bullet now and put a firm plan in motion, you may not have to think about it again for quite some time.

Reason #1:*"I don't know how"*

If you knew everything there was to know about financial planning, you'd probably be a financial advisor yourself. While it is possible to do everything on your own, that generally involves a great deal of research and a huge time commitment. If you're putting off retirement planning because you don't know how, consider speaking to a professional who does.

The end result was this: I put down my FF and told them to get all their financial statements, everything they had, from that I finished their fact finder. The results were not bad and certainly not good...they had to be extremely careful with their assets and any loss could not happen, safety and security was their only choice.

Once they understood their only real chance for income over their SS, it was an easy move.

$140,000 sale in an indexed annuity with an income rider.....

I would suggest you print these top 10 reasons' and carry them with you, would be a cool sales piece to get them out and cross them off as a prospect whines about their situation...actually very powerful.

BB

This is in response to my **"Opinion"** piece about Variable Annuities. I offered to print anyone's opposing view; here is the one response I received.

Thanks

Bill

Open MIC OP-Ed Response:

Let me begin by saying that I usually enjoy the Open Mic Thursdays. I find them informative and helpful. And I appreciate the fact that you allow for a difference of opinion with your Editorial Section (although I haven't seen many takers). I am pleased that I feel comfortable in sharing without fear of having contracts terminated or other harsh repercussions (a credit to your organization). I believe that we have an opportunity to learn thru Open Mic and I thank you all for the opportunity that you give us during this time.

My editorial is in response to the tirade against Variable Annuities on 6-2-11. (I have delayed my response to let cooler heads prevail.)

While I am securities licensed and have sold VA's, I do not believe that they fit all clients and all situations. I believe that as agents/brokers we are to look out for our clients. We are to find the best product that fits their needs. I believe and think that you will agree that the product we sell should not be based upon the commission percentage, the trips that are offered by some carriers, my personal production needs to achieve a bonus, my personal biases or any other such criteria. I believe that I am to present the very best option that I can find which is legal, moral and ethical and MEETS MY CLIENTS NEEDS. I further believe that at times that is a VA. While some cases would be difficult

to express in detail, I believe that I have one example which is pretty simple to understand.

Mr. Client age 65 has requested information regarding a guaranteed fixed annuity with a 7-year investment horizon. He lives in the state of Missouri and wants to invest $50,000 of non-qualified money that he has set aside for his heirs (he doesn't want income). (I do see this with the leads I purchase - I Love The Leads!) As of today, the best 7 year rate, meeting this criteria, is 3.0%. This 3.0% can be found with a few "A" rated companies with MYGA platforms. All of them have a MVA in the contract and none of them have any type of additional death benefit.

It is my belief, that NOT showing Mr. Client his option of having a 3.0% guaranteed return with a 7 year surrender, with an "A" rated company, with no MVA (MVA can be a good thing but probably not in this interest rate environment), AND a FREE 5% Death Benefit Rider would amount to MALPRACTICE (assuming I am licensed to represent such a product).

All I am really saying is that to make blanket statements about an entire investment category is reckless. (I don't think Joe thought I could get the DRIP program approved by my broker/dealer, but I did! Thanks for your help Joe!) We need to be aware of our clients needs and desires. After all, it is their money and we should do our best to help them make the best decision possible. We need to keep an open mind about all types of products, learn how they can help our clients and manipulate them to our clients benefit. By the way...just in case you are wondering...the VA that waves all fees if you stay in the fixed account including the Death Benefit fees and has a minimum 3% guarantee for the life of the contract with no MVA with an "A" rated carrier with no more risk than any other comparable fixed insurance company product and is sold by many well trained and knowledgeable brokers is...

American National's Wealth Quest III Variable Annuity:
I hope that we can keep our discussions positive and productive. I don't slam other carriers when I am in a competitive sales situation and I don't think we should slam others who have different ideas or products when they aren't present to give a defense. I don't find that to be professional.

Thanks for listening and for participating in my continual education.

Bill Prichard
wpfs@charter.net

PS...Open MIC is for Everybody.....BB

The Pitch

My clients seem to get pitched all the time. It can be at a seminar, over the internet or even at a church meeting thought to be a fund raiser for the church....that is where this came from. My good client brought me this and I now share with you....All I can say is tell your prospects and clients to be careful. **This "pitch" is being franchized**....be the first on your block to own one....LOL.

This enclosed pitch is about as bad as it can get....I asked where the "yield" was coming from and he said, there are numerous choices.....What?

If you or your clients receive these be careful....**my added comments are in red**.....things like this is why insurance agents are considered lesser quality....except for our crew which is fact finder based and not **"product pitchers"**

(I withheld his name and did not include the illustration since it is completely meaningless, this was handed out at the meeting along with the illustration, plus many of you already know who this is, a regular internet marketer)

How to Recovery from the Stock Market Decline!!!
How much can you afford to lose?

Here is a strategy that nearly triples (triples?) your money in 10 years.

There are three moving parts.

(1) An annuity which receives a 10% bonus and rolls-up 8% each year and is guaranteed or life insurance
(2) a security of your choice and
(3) a non-recourse loan. A non-recourse loan is a loan that you do not have to pay back. (who gives you the loan? How can it be non-recourse? I will take a million or so LOL)

In this illustration, you invest $138,667 in securities, choose the security;(how, what, where?) and exchange the security certificates with a lender who in turn gives the investor up to 80% LTV non-recourse loan. (sounds like a margin loan, banks I know will not loan at 80% and most margins are about 40%, where do we get this loan? Who is the lender?)

The investor uses the loan to buy an (poor grammar) $100,000 annuity which is guaranteed to grow to $237,482 in 10 years in an income account. In this example, one could choose to receive income for life ending in the 10th year or let it compound at 8% annually and take a larger income later. (income rider I assume)

You have an option to have life insurance instead of an annuity. The advantage of life insurance is that you would receive tax-free income (how does a life insurance policy provide tax free income?) and have a death benefit. (What is he speaking about? Am I buying an annuity or am I buying life insurance?)

The securities could grow an average of 7.2% (who, what how does this happen?) per year and hence double in 10 years. The last 20 years averaged slightly higher than 8.3%. However the stock market is not guaranteed to repeat itself. (is this the disclaimer?)

After 10 years, the loan is paid back and the investor ends up with $385,402 or an Internal Rate of Return of 10.75% before taxes.

The interest for the loan can be a wash depending up on the security. (????)

The minimum is a $100,000 loan. The loan has a small % percentage fee or points are charged which varies with the loan amount (points? How much is the fee and does the loan incur interest? How can it be non-recourse).

This is a win - can's lose transaction. (I need a long explanation of this, plus he left out the T in can't)

Call me if you have any questions.

Best regards

Words cannot describe the ridiculousness of this concept...after the meeting; my friend was sent a constant flow of emails saying the same as above.....I suggested the Insurance Commissioner might be interested in all this...and the Department of Finance.

BB

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http://news.prudential.com/images/20026/2011ChangingAttitudesAboutRetIncome.pdf

Good share from John Harris....thanks John

- Nearly three-quarters express concern about a significant decline in the stock market immediately before or after their retirement (73%).
- 59% worry about how much income they really need in retirement (+17).

- 56% question whether their current investment strategy is right for their retirement needs (+11).

- 84% are concerned about inflation eroding the value of their retirement savings (+8 points

Learn all about your target market as you can…the more informed we are, the better annuity salespeople we will be.

If I were you I would read this report cover to cover and be as informed as I could about our "target market" The Baby Boomers.

Annuities are on "Fire"

http://www.dispatch.com/content/stories/business/2011/09/25/investors-snap-up-annuities-despite-low-rates-of-return.html

Last week we made the point about annuities and yield….avoidance to risk is more important….

Help…Please call Senator Harken

http://www.advisorone.com/2011/09/23/dodd-franks-call-for-a-federal-insurance-regulator

151?…nope…they could come in the back door…**Senator Harken**…Where are you?

Mandated federal overseer of insurance industry? What about **States' Rights?**

Evolution

http://insurancenewsnet.com/article.aspx?id=278078

Annuities have evolved and demand and need has changed...not your father's Oldsmobile anymore...BB

SEC after Offshore Accounts

http://www.ft.com/intl/cms/s/0/462980ea-e2c9-11e0-897a-00144feabdc0.html#axzz1Z4foEtjj

No one will escape the taxman .....

PS...might had trouble opening this link, subscription

Stuff Worth Knowing

http://retirementincomejournal.com/issue/september-15-2011/article/12-retirement-plan-concepts-financial-advisors-must-know

The myth of free administration. **There is no such thing as a free lunch of free 401(k) administration**. Whether plan sponsors are using an insurance company platform or are large enough to deal directly with mutual fund companies, they are **paying for administration** whether they believe it or not.

Whether the administration fees are considered "free" or low, the provider makes up the low cost through **wrap fees** (hidden fees added to mutual funds by insurance providers) or 12b-1/revenue sharing fees (that mutual fund companies wouldn't have to share in a bundled environment).

Section 408(b)(2) regulations. The Department of Labor regulation that is supposed to be implemented in April 2012, requiring plan providers to reveal to the plan sponsor **direct and indirect compensation** that they receive from a plan. All financial advisors should consider revising their service agreements to comply with the new fee disclosure regulations.

Analysis Paralysis

Analysis Paralysis is where you can't make any forward progress because you bog yourself down in details, tweaking, brainstorming, and research … anything but just getting on with it. Sound familiar?

Agent email…..

Hi Joe, I met with this guy last week he is from the internet leads. Did fact finder he is 55 wife is 51 both retired 500000.00 in 401k looking at bonus gold for $200k see below the email he sent. Any suggestions would be helpful.

Thanks
Joe Agent

From: Prospect's email
Sent: Friday, September 23, 2011 2:27 PM
To: Joe Agent
Subject:

Question: How many index annuity owners wind up paying early-withdrawal penalties? No industry statistics exist. But Karrol Kitt, a personal finance professor at the University of Texas and a consumer representative for the NAIC, says that a look at insurers' books implies the numbers are significant....

My Answer: **these are stats which insurance companies keep secret (percentages) because it has to do with pricing....there are so many ways to manage around surrender penalties, 10%, annuitization etc....I have found that any prospect who focuses on these points is not a real prospect but instead big wastes of time....just quoting sources like UT professors tells me he will never buy.**

Question: For example, in 2009 American Equity Investment Life, which does 92% of its business in index annuities, collected $63 million in surrender penalties -- equal to more than half its $101 million operating income.....

My Answer: **this is completely wrong because even though they collect them, this is not income, this MUST be offset with investment portfolio readjustment...plus compensation already paid to agents, already paid advertizing etc.....silly and meaningless...not any comparison between amount of surrender penalties and profits...silly and stupid comparison**

Question: Bonuses can cost you.. Part of what sold XXXXXXX on her annuity, she says, was that the agent told her she would get a $27,500 upfront bonus. Roughly half of index annuities offer such bonuses, usually totaling 5% to 10% of the amount you put in, as a way to encourage people to buy.

My Answer: **Of course it is an encouragement to buy....welcome to America. What does every other business in America do?....buy one get one half price....another silly worry and meaningless**

Question: But "bonuses are never free," says Jack Marrion of Advantage Compendium. They always come with tradeoffs such as higher surrender fees or lower caps on returns, he says. And you typically have to satisfy certain requirements -- such as refraining from cashing out early -- or you forfeit all or a portion of the bonus. You might get dinged even more than the bonus amount.

My Answer: **If an annuity owner gets a bonus it could mean they could have lower caps...big deal, which would you prefer? Give me the bonus all day long.**

Dear Agent ….Sorry to inform you but this guy is wasting his time with this prospect, you will never sell this guy and if you do, they guy will free-look it...I guarantee that....

It is so much easier to find a new prospect than to deal with someone who asks this level of questions.

BB

Hello Partners,

Just and FYI that there is a counter statement article by Sheryl Moore on the Lisa Gibbs article linked at the bottom.

Lisa Gibbs has written what I would say is the most misleading and blatant skewed attacks on our articles this year. So many obvious manipulations of the facts like quoting the percentage of complaints instead of revealing the actual number of complaints represented in that percentage compared to the number of annuities sold. I have included the link to Sheryl Moore's response just in case you run into the Gibbs article.

http://www.sheryljmoore.com/2011/01/response-the-safety-trap-a-k-a-my-52-point-correction-to-lisa-gibbs/

Thanks for the biz,
Anthony R. Owen

Care Preparation

I have had numerous requests form the crew to help in combating the "perceived" move to gold by our prospects. The fact remains **Gold has never kept up with inflation** since Nixon removed the Gold Standard.

Gold is thought to be protection against inflation and it is but historically only for short periods of time....then it's ruthless volatility raises its ugly head and **Wham**....Here are some examples and some great thoughts from Anthony Owen....

BLEAK WEEK FOR GOLD & CRUDE 9-20-11

Commodities took a beating last week as the dollar strengthened. **Gold lost 9.64%** last week (and $101.70 on Friday) to end the trading week at $1,637.50 an ounce. **Oil fell 9.45%** last week, with futures settling at $79.85 per barrel Friday.[7]

Hello Partners,

Is Gold Safe? Many of our clients think so. Today is a good indication that it is not. Anything that can drop 9% in value in a day or two is not safe, period!

Today investors made a rush to move their money to cash based on some data out of China. Commodities are heavily influenced by manufacturing demand. I am under the impression that our demographic has been brainwashed into thinking that the worse things get the more gold is worth.

That is just not true. 50% of the world supply of gold is used for jewelry, 10% is used for industry, and only 40% is used for investments.

A global economic downturn fundamentally should have no other effect on gold prices than a decline in value. Any other result is a bubble.
Here are some other reasons why Gold is not the safe haven as it is promoted.

Historically there is no precedence for Gold being considered a safe haven in economic crisis. Cash has always been king. Today is a perfect example as institutional investors moved their money out of gold into the US $.

Many other currencies are also looked on as safe when the US $ is faltering like the Swiss, Australian, and Japanese currencies.

What about total disaster?

Once again, historically there is no precedence of gold having any significant value in survival mode. In total chaos and breakdown of our institutions and government what in the heck is someone going to do with gold? Water, food, fuel, and ammunition would become the bartering tools of survival.

Do any of these gold commercials remind you of all the real-estate investor ads during the housing boom? I wonder why?

It's the definition of insanity.

Anthony R. Owen
Vice President, Eagle Shadow Financial, LLC

Co-Founder, Annuity Agents Alliance
Annuity Marketing Consultant, Annuity.com
Office: 303-284-3582

More

Hello Partners,

Last week was the worst percentage retraction in gold prices since 1983. What's even worse for the gold market is the volatility.

Why?

Most institutional traders, and many active retail traders, trade on what is called "margin". "Margin Trading" occurs when you borrow money to buy equities or commodities.

Margin ratios vary for the sake of this example we will use a simple doubling of an investors' money. For example, if an investor has $100 they would be able to borrow another $100 from their broker to invest in gold. They pay interest on the $100 they borrow but they get to keep any of the gains from the investment they buy with the borrowed money. Any decrease in value and/or interest fees are taken out of the equity value in the principle $100.

Benefits:
This allows investors to leverage their dollars for a bigger stake in their investments without using their own money. Margin interest rates are relatively low because they are secured by the principle investment.

Cons:
Someone that borrows on margin does not have complete control over the sale of their investment. Whoever provided the loan has what are called "margin requirements".

Margin requirements are kind of like equity to value requirements from your mortgage company. For example, if your loan is 95% of your home value your bank will probably not give you a mortgage loan. Margin loans also have requirements but the difference is that the requirements can be changed once the loan is taken.

Imagine if you bought your house with a loan at 80% of the value and the mortgage company had a clause that said if your loan gets to 85% of the loan value they could force you to sell your house?

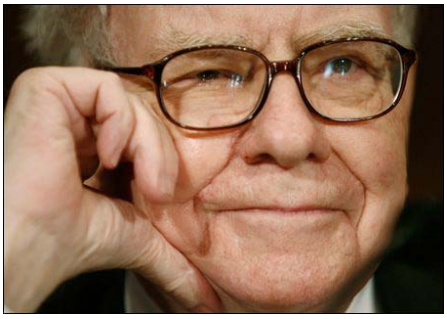
One of the things that effect margin requirements is **volatility.** Gold margin requirements increased by 21% last week.

When you invest on margin your equity value + cash value must maintain a percentage of value over the loan amount. Not only do you have to worry about the change in your equity value but you also have to worry about the change in the margin requirements. The simple risk is that when you are on margin your investment can be sold and unless you can add cash to your account within usually 24-48 hours there is nothing you can do about it.

You wake up one morning, gold has dropped, you get a margin call, you don't have cash, and your gold is sold at a loss to cover the margin loan. So what does this have to do with the overall gold market or any other investment markets. When the price of any equity or commodity drops rapidly investors may be forced into an automated non-voluntary liquidation of their investments. This can create a domino effect especially when very large institutional investors get margin calls. For example, gold drops by $100. Volatility increases and in combination with a retraction in price margin calls are activated. This caused a massive automated sell off of gold futures and gold equities which activates even more margin calls and causes the price of gold to crash.

Now your client might not even know what a margin account is. They might be thinking, gold is safe but I would never be stupid enough to invest with a margin account.

Unfortunately, that does not protect them from margin trading. If large institutional investors get margin calls the market is retracting and your client is along for the ride whether they like it or not.



Here is what Warren Buffett says about gold

Gold is a way of going long on fear.

Buffett goes on to say this about the giant gold cube:

"I will say this about gold. If you took all the gold in the world, it would roughly make a cube 67 feet on a side...Now for that same cube of gold, it would be worth at today's market prices about $7 trillion dollars – that's probably about a third of the value of all the stocks in the United States...For $7 trillion dollars...you could have all the **farmland in the United States**, you could have about seven **Exxon Mobils**, and you could have a trillion dollars of walking-around money...And if you offered me the choice of looking at some 67 foot cube of gold and looking at it all day, and you know me touching it and fondling it occasionally...Call me crazy, but I'll take the farmland and the Exxon Mobils."

Afterthought.....Hmmmm

Large institutional investors buy gold on margin

Gold prices drop

Margins are called

Gold is sold to cover margins

Excess product means what?

Basic economics

BB

Disclaimer:

I obtain 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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