

## Finish Rich Now/Powerful Wealth Strategies – Outline of Services

Through our Wealth Management Coaching Program, we help people cut through the conflicting, confusing, and many times erroneous information from the news media and unknowing financial “experts”.

In order to improve the likelihood of success we work with our clients on an ongoing basis including the following:

- **Investing:** We teach our clients to implement a method of portfolio management used by most corporate pension plans today. We shun common myths of investing like stock picking, market timing, and past performance. Instead, we guide each client through a program that not only educates, but ensures the necessary steps are taken toward reaching your investment goals.
- **Tax Planning:** Many accountants just take what you did and record your history on your tax form. This typically causes taxpayers to send more money to Uncle Sam than necessary. We review previous years tax returns and proactively work with our clients to integrate the techniques that put more money in our client’s pockets.
- **Protecting and Keeping Money:** With the economic downturn, it seems that people with wealth are looking more and more for complaint asset protection planning that will protect their assets from an increasingly desperate society looking for excuses to sue people and recover whatever they can. We integrate your wealth to include solid ways to protect your assets from divorce, frivolous lawsuits and the IRS.
- **Business Planning:** Choosing the form of entity under which a business will operate is one of the first, and often the most important, decisions a business owner will make. Selecting a business entity can be a complex decision with long-term effects on the ownership, owner liability and taxation of a business. We work with clients to use entities and benefit plans to grow and protect the wealth of the owners.

### Wealth Advisory & Coaching

Our Wealth Advisory and Coaching Service include the following steps:

#### I. Goal Definition, Data Gathering and Organization

##### A. Goal Definition

- Goals, Objectives and Assumptions

##### B. Data Gathering

- Brokerage Statements
- Debt terms (mortgage / lines of credit)
- Employee Benefits Information
- Estate Planning Documents (wills, trusts, medical directives, etc.)
- Financial Statement
- Insurance Policies (Life, P&C, Umbrella, Long-term care)
- Tax Returns

##### C. Data Organization

- Tax returns, estate planning documents, historic brokerage statements, insurance policies and any other relevant financial information is scanned and returned to the client in its original form as well as on a CD. We encourage the client to save the files from the CD onto their home computer and then place the CD in safekeeping.
- Additionally our tax clients most recent tax returns, insurance policies and estate planning documents are posted to our secure Vault on our website for the client and their advisors to view. This becomes a secure, easily accessible file cabinet for the client and their trusted advisors to access their key financial information.

**II. The Advisor Meeting** – This includes the client’s advisors in the process from the beginning. Sharing the client’s data from the beginning with his/her trusted advisors is necessary to assure the best solutions.

### **III. Presentation of Extreme Money Makeover & Personal Wealth Guide**

- A. The **Extreme Money Makeover** is presented to the client. The analysis is the supporting information for the recommendations which are also presented.
- B. The **Personal Wealth Guide** is the system which keeps the client’s financial life in order. As the relationship moves forward, the Personal Wealth Guide is updated with new information. Clients rely on this organizer as the one place they know they can turn for all of their important financial information.

### **IV. Prioritization and accomplishment of initial recommendations –** the following items are most commonly accomplished:

- A. Insurance
  - Establish or reorganize insurance coverage.
- B. Income Tax & Cash Flow
  - Identifying specific items which could improve cash flow and/or reduce income tax.
- C. Educational Funding
  - Establish or reorganize educational funding program.
- D. Investments
  - Establish or reorganize investment portfolios.
- E. Estate Planning
  - Establish or reorganize estate plan.
- F. Debt recommendations
  - Refinancing mortgages, lines of credit,
- G. Wealth accumulation / retirement goals
  - Identifying specific steps that will need to be achieved to accomplish desired goals.

### **V. Electronic Data Organization at My Secure Vault on our web site, [www.powerfulwealthstrategies.com](http://www.powerfulwealthstrategies.com) –** providing the client easy access to their information

- A. All of the client’s financial information is organized so that one secure password logs them into all of their accounts, including investments, insurance, banking, mortgages, credit cards, etc. allowing them to see their financial information in real-time as often as they choose.

### **VI. Transition to proactive wealth advisory & coaching services or reactive maintenance.**

- A. Wealth Advisory & Coaching Services: Once the Extreme Money Makeover is complete, we transition to our Wealth Advisory & Coaching Services. These services combine to form a disciplined process ensuring proactive review of each of the areas a client needs to address in their financial lives at a minimum of once each year. Certain areas, such as investments and tax planning, are reviewed much more frequently, while other areas, such as insurance, are often reviewed only once each year.
- B. Reactive Services – following the completion of a Mini Money Makeover or Extreme Money Makeover, clients not exceeding \$1,250,000 of net worth and \$500,000 of liquid investments may elect to continue our relationship on a reactive basis. They are encouraged to call or email with questions throughout the year, knowing that an unbiased expert that is already completely familiar with their affairs will be able to thoughtfully answer their questions. The

annual fee for reactive maintenance is \$500 payable at the beginning of the calendar year.

In the event a client is no longer eligible for reactive maintenance, we look forward to providing them with our Proactive Wealth Advisory Services.

**Wealth Advisory and Coaching Service (beginning of all client relationships):**

**Primary Client Path:** One full quarterly fee calculated using the fee schedule below – minimum quarterly fee of \$1,250

OR

\$3,750 + \$1,250

**Alternate Client Path:**

B.

**Ongoing Wealth Advisory & Coaching Services:**

Becomes active upon completion of the Extreme Money Makeover, charged according to the fee schedule below. The minimum quarterly fee is \$1,250.

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**Quarterly Fee Schedule:**

| <b>Net Worth</b>  | <b>Fee - percentage of net worth</b> |
|-------------------|--------------------------------------|
| Up to \$3,000,000 | 0.100%                               |
| Next \$3,000,000  | 0.050%                               |
| Over \$6,000,000  | 0.025%                               |

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**Sample Quarterly Fee Calculation**

| <b>Net Worth</b> | <b>Standard Fee</b> | <b>Reduced Fee*</b> |
|------------------|---------------------|---------------------|
| \$1,250,000      | \$1,250             | \$1,250             |
| \$3,000,000      | \$3,000             | \$2,000             |
| \$6,000,000      | \$4,500             | \$3,000             |
| \$10,000,000     | \$5,500             | \$3,667             |

\* Business interests which exceed one-third of a client's net worth are excluded from the fee calculation. Additionally, a one-third reduction of the quarterly fee is applied for clients whose employer/concentrated stock represents greater than one-third of their net worth. Fees cannot be reduced below the minimum quarterly fee of \$1,250.

**Please note:** other financial professionals involved in your affairs will charge their own fees. Thus for example, to the extent your estate plan is in need of work, your attorney's fees will be billed directly to you by your attorney.

## **Wealth Advisory & Coaching Services**

Our Wealth Advisory and Coaching includes the following:

### **I. Insurance Advisory Services**

**A. Insurance Policy Statement** – your specific goals for your insurance program.

**B. Annual Review of Insurance** – to ensure compliance with your insurance policy statement.

1. Life Insurance
2. Disability
3. Health
4. Long-Term Care
5. Property, Casualty, and Liability

### **II. Income Tax and Cash Flow Advisory Services**

**A. Tax Bracket Management** – Annual review of most efficient way to meet your current and future cash flow needs, while minimizing taxation.

**B. Annual Tax Packet** – the items noted below are delivered to your accountant to aid in the preparation of your taxes so they can spend more time analyzing your tax information than tracking it down.

1. Investment gains and losses
2. Investment fees
3. Investment interest expense (margin)
4. Family Gifting Summary
5. Charitable Gifting Summary

**C. Annual meeting with accountant** – review current year tax projection and impact of any current tax reform.

**D. Tax sensitive investment advice** – focus on after-tax rates of return, tax loss harvesting, and other tax sensitive strategies.

**E. Quarterly estimated tax payments** – coordinated with accountant as needed.

### **III. Employer Stock Option Advisory Services**

**A.** Specific tracking of employer stock options.

**B.** Specific recommendations on what and when to exercise in order to accomplish your goals and objectives.

### **IV. Investment Advisory Services**

**A. Investment Policy Statement** – documenting your objectives and expectations for investment allocation and portfolio performance.

**B. Quarterly Review of Investments** – quarterly report comparing your portfolio's performance to specific expectations and benchmarks, instilling disciplined portfolio management.

**C. Investment allocation and reallocation** (as needed)

**D. Specific investment manager recommendations** (as needed)

**E. Investment Transaction Administration** – detailed tracking of cost basis and transactions for tax purposes.

## **V. Estate Planning Services**

- A. Estate Policy Statement** – documenting your specific objectives for what do you want to do with your estate and why in order to assist your attorney with the customization of your estate plan (reviewed and updated annually).
- B. Estate Flowchart** – visual illustration of your current and/or proposed estate plan. Reviewed and updated as necessary to ensure compliance with your estate policy statement.
- C. Annual meeting with attorney** – review your current estate plan and any significant tax law changes.
- D. Family Gifting Summary** – annual summary of gifts to family members to be included in your Annual Tax Packet.

## **VII. Additional Services**

- A. Net Worth Statement Preparation** – personal, children, trusts, partnerships, etc.
- B. Debt Management** – efficiently structuring debt to accomplish goals
- C. Family Meeting(s)** – gathering(s) to openly discuss family and other financial issues
- D. Retirement and Wealth Accumulation Illustrations** – modeling and monitoring of progress towards wealth accumulation goals
- E. Income Tax Preparation** – personal and business
- F. Business Planning** – aligning goals with business structure, tax planning, accounting, and appropriate benefits.

**Finish Rich Now and Powerful Wealth Strategies are independent fee based advisory services. We do not profit from commissions nor do we have alliances with mutual fund companies, brokerage houses or insurance companies to interfere with making the best recommendations for our clients.**

**We have a common interest... YOUR SUCCESS!**