Foreword by New York Times Best-Selling Author Pamela Yellen

The SECRET TO LIFETIME FINANCIAL SECURITY

The Nation's Leading Financial Advisors Reveal How to Turn Your Back on Banks and Wall Street and Take Control of Your Financial Future Today

FEATURING

RUSS GRZYWINSKI, PAMELA YELLEN
& The Nation's Foremost Financial Security Professionals

CHAPTER 33

FINDING THE RIGHT FINANCIAL ADVISOR

BY RUSS GRZYWINSKI

Since choosing a financial advisor is one of the most important decisions that you will make, I believe it is important to know a little more about that person than what's presented in their bio. So here's my story.

As far back as I can remember, I have had an interest in money, investments and wealth accumulation. As a teenager, I clearly remember reading stories in the newspaper about the wealthy, and I would pay particular attention to programs on TV that had anything to do with the wealthy, and what they were doing to earn high incomes and build wealth. When initially deciding on a career path, I had determined that being a computer operator/programmer would be my road to a high income future. As it turned out, although I was earning a very good income as I progressed in the data processing field, I determined pretty quickly that working in the corporate world was not for me.

So in 1974, I began selling real estate. My thinking was that by becoming a real estate broker, not only would I have the ability to control my income, but it would also give me the opportunity to identify good investment opportunities for personal investment. As I became more experienced and successful as an investment real estate broker, I opened my own real estate firm in 1978, which specialized in commercial and investment real estate. I primarily worked with high-income individuals

who were interested in large tax write-offs and building a personal investment real estate portfolio. During that time, the strategy was to leverage real estate investments at the maximum level possible, and to take full advantage of accelerated depreciation that was available to shelter one's income from taxes.

In the early 1980s, inflation was out of control, and interest rates were at historic levels, reaching a high of 21.5 percent in June 1982. At those interest rates, few people were able to qualify for a mortgage or justify the purchase of an investment property, because the cash flow did not cover the debt service. To make things worse, tax laws were changed and the accelerated depreciation write-offs for investment real estate were also significantly reduced, making investment real estate even less appealing. As a result of these changes, I was effectively out of the real estate business, and my personal real estate portfolio had to be liquidated at a significant loss.

Around that same time, a fellow real estate broker called to ask how my business was doing, and to tell me what he was doing to help people with their finances. As it turned out, he was showing people how to buy term insurance and invest in tax-deferred annuities. So in 1981, I obtained my insurance license, and that would be the beginning of what would become a long and successful career as a financial advisor. In 1983, I joined a large financial planning firm's training and mentoring program to become a full-service financial planner. In January 1987, I started my own financial planning practice, then co-founded an independent fee-based investment advisory firm in 1995.

So what does all of this have to do with you, and why should you care? Well, I believe that it makes me highly qualified to help you reach your financial goals, and that you will benefit from the lessons and experiences I have had in regard to real estate risk, the impact of hyperinflation and double-digit interest rates, the importance of diversification, as well as truly understanding the meaning of investment risk and how to correctly manage it.

Chasing unrealistic rates of return and basing long-term financial decisions solely, or primarily, on return simply doesn't work. Most people don't really appreciate the significance of how the inevitable financial losses that will occur in their investments can impact their

overall returns. They also let their emotions affect the decisions they make regarding their investments.

What I have also learned is that most of the time, taking extreme positions with one's investments, such as having excessive allocations in gold, silver, currencies, commodities, real estate, etc., is rarely successful over the long term, and that well-balanced diversification among noncorrelated financial vehicles has historically provided the best and most consistent long-term returns, without all of the sleepless nights that can be the result of chasing the highest return or the latest fad. Greed also causes most people to make really bad financial decisions, and often times chasing those unrealistic returns will end up costing them significant losses, or even the loss of their entire investment.

So my approach to wealth accumulation is a balanced approach. I believe that the best plan you can have for long-term wealth accumulation should include wealth-building vehicles and strategies that are safe, liquid, predictable and guaranteed to grow, such as Bank On Yourself, as well as investments that are appropriate for one's individual financial situation.

As an independent financial advisor, I am able to review and perform my own due diligence on financial vehicles and strategies, to determine if they may be appropriate for my clients. Typically, the majority of things I have reviewed over the years have failed my personal due diligence, and are not presented to my clients. However, there are times when a unique or little-known financial vehicle or strategy comes to my attention and meets my requirements. One such strategy that passed my test was Bank On Yourself. It is a proven strategy for wealth accumulation that is safe, liquid, predictable and guaranteed to grow.

Bank On Yourself also gives you the opportunity to create your own source of financing, and this is one of the most significant aspects of the plan for this reason: **It is far more important to eliminate what you're paying out in interest charges, rather than trying to chase the highest returns (and highest risk of loss) with your investments.** In the majority of cases, significantly reducing or eliminating high interest charges that you pay during your lifetime (financial loss), will have a much greater impact on the success of your overall wealth accumulation plan, compared to what you are consistently able to earn on your investments.

In my opinion, Bank On Yourself is the best way to *start* a wealth accumulation plan when you have limited funds available and can't afford to put those funds at risk of loss. On the other hand, if you already have a significant portion of your money invested and at risk of loss, *it provides the perfect diversification and complement to your risk-based investments*, by adding a degree of safety and predictability to your overall plan.

To demonstrate how you may benefit from this strategy, I'd like to share a few examples of how I'm helping clients reach their financial goals.

Jim is a lieutenant with the Chicago Fire Department. He was referred to me by Jim's father and his wife, with whom I have worked with for more than 20 years. Jim is married, has two young boys, and is a disciplined saver. Jim told me that he was concerned about his retirement and paying for his boys' college education. One of the reasons he contacted me was that he had been looking at his retirement plan account statement from the Chicago Fire Department, and based upon his estimation, **after 10 years, his account value was approximately the same as it was 10 years earlier.**

What appealed to him about Bank On Yourself was that it is something that is safe, predictable and guaranteed to grow. After reading Pamela Yellen's book and having a conference call with me, during which we discussed how Bank On Yourself could put him on the path to reaching his financial goals for his family, Jim asked me to design some plans based upon his situation. After reviewing the plans with him, he decided to implement a Bank On Yourself plan not only for himself, but for his wife and children, as well. Jim's plan is primarily being funded by the money he was previously directing to his CFD retirement plan.

Joe and Jamie, in Charlotte, North Carolina, are in their 30s, have one son, and enjoy two very successful careers. I started working with Joe when he was still single, and even at that time, Joe was doing well in his career, was financially disciplined, and was saving a portion of his income. Initially, I set Joe up with a basic investment plan, which was the start of his long-term financial plan at that time. I learned from working with Joe that he was somewhat conservative, and did not want to take a high degree of risk with the money he was able to set aside. Fortunately, as he continued to work hard and enjoy success in his career, he was

not significantly increasing his lifestyle to match his increasing income. Quite the contrary; he wanted to set aside more money as a result of his higher income. So in 2004, I introduced Joe to Bank On Yourself. Based upon the safety, liquidity, guaranteed growth and opportunity to create his own source of financing with a Bank On Yourself plan, it was obviously a perfect fit for Joe's conservative approach to wealth accumulation.

Not too long after Joe and Jamie were married, they started a Bank On Yourself plan for Jamie, and over the years, they have used their plans to self-finance vehicles and pay off a mortgage, and they may possibly use their plans to purchase a lot for a future new home. When it comes to college education funding for their son, instead of using a 529 Plan, their Bank On Yourself plans will be a far better option. Although Joe and Jamie are using their plans as the foundation of their long-term financial plan, we continue to have an allocation to investments, which I believe is appropriate for a well-diversified long-term financial plan.

Jeff, in his early 60s, and his wife Dianne, in her early 50s, live in South Carolina. They initially looked into Bank On Yourself because they were interested in reducing the risk to the funds they had available and also having an opportunity to supplement their retirement income. In our initial conference call, we reviewed their current financial situation and financial goals. During that discussion, we actually determined that a typical Bank On Yourself plan was probably not the best solution in their particular situation. As an alternative, I presented a strategy to Jeff and Diane that we refer to as Bank On Yourself for Seniors. I explained that for individuals who are approaching or already in retirement, have a lump sum of money available that they do not want to put at risk of loss, and are interested in having safety, liquidity and guaranteed growth on those funds, this lump sum or single pay plan was much more appropriate in that situation. After explaining the differences as well as the benefits of this particular strategy compared to the typical Bank On Yourself plan, they determined that the Bank On Yourself Plan for Seniors was much more appropriate and suitable for their situation. As a result, they have implemented their plan and are quite happy with the peace of mind that it has added to their financial situation.

There is an extremely important point to keep in mind when it comes to the Bank On Yourself strategy. Bank On Yourself is not an investment,

and should it not be compared to an investment. By using the correct financial vehicle for its implementation, it does not expose your capital to market volatility and risk of loss. It provides a high degree of certainty, and as such, serves a very important role in your overall wealth accumulation plan. Unfortunately, as I cautioned earlier, the desire for always seeking the highest return tempts some people to try and "improve" a Bank On Yourself plan by using variable or investment-oriented vehicles when establishing a plan. By doing this, you have now introduced *variability* into your plan, and possibly even risk of loss. In my opinion, that is the biggest mistake one can make when starting a Bank On Yourself plan, because you are now eliminating the certainty, for the *possibility* of higher returns.

So what are the steps that you should take to implement a financial strategy that will provide you with a solid game plan to achieve long-term success and the opportunity to have financial peace of mind?

1. **Understand that there is no "one size fits all" strategy** when it comes to building long-term financial security. You need a plan that is appropriate to your individual situation.

2. **Avoid chasing unrealistic returns.** This is extremely important. Historically, those who chase unrealistic returns typically experience a significant loss at some point, or perhaps have even found themselves putting their hard-earned funds into what ultimately turned out to be a Ponzi scheme.

3. **Don't underestimate the importance of having a well-diversified and appropriate strategy to accomplish long-term wealth accumulation.** The financial pyramid has been around for decades, and continues to be the best approach for most people when putting together a financial plan. If you are not familiar with the financial pyramid, it basically indicates that the greatest portion of the money that you have available to save/invest should be in relatively safe, liquid financial vehicles. As you approach the top of the pyramid, you allocate smaller percentages of your available capital toward higher risk financial vehicles, so that you are not putting a significant portion of your capital into financial vehicles and strategies that have a high risk of loss. A well- diversified financial strategy that is adjusted

over time to account for changes in the financial sector, as well as changes that have occurred during your lifetime, will give you the best chance of accomplishing your financial goals and long-term financial security.

4. **Try to really understand your risk tolerance.** The truth is that people feel they can tolerate a certain level of financial loss in their investments, only to discover that in reality, when they experience actual financial loss in their accounts, they find their risk tolerance is much lower than what they actually believed it was.

5. **If you don't have a plan, take the time to establish one now.** Start with a plan that is conservative, then consider increasing the risk, within your comfort zone, once you have established the foundation for your plan. Once your plan is established, the next most important thing is to have the discipline to stick with it. If you don't know where to begin, seek guidance from an experienced financial advisor. If you don't know who to contact, you might want to reach out to someone that you know is financially successful, and ask them who they work with, or who they might recommend. That may potentially increase the odds of finding an advisor that you can trust. Once you have identified an advisor, be sure that you are comfortable with his or her personality and with the recommendations and guidance that the advisor provides.

6. **If you already have a plan, consider getting a second opinion.** You might be surprised to find out that your plan is no longer appropriate for your current situation. Changes in the economy, the markets, your current age, lifestyle and new financial strategies all have an impact on the success of your plan.

I wish you much success in your financial journey and remember that having a financial plan that is appropriate for your situation will also help you to sleep at night.

About Russ

W. Russell Grzywinski is the president of Oak Brook Financial Group Ltd., and a co-principal of Oak Brook Advisors Ltd., a registered investment advisory firm. He has been a financial counselor since 1982 and has a wide range of experience in the areas of retirement and estate planning, corporate employee benefits, 401(k), profit sharing plans, insurance and investments. He is also a *Bank On Yourself*® authorized advisor.

For over thirty years, Russ has been helping hundreds of individuals, business owners and other professionals take control of their financial future. He has provided his clients with strategies to help them build their wealth and reach their retirement goals, relative to their individual financial capabilities.

Russ has published numerous articles on personal finance, retirement and estate planning, as well as tax reduction strategies. He has been quoted in ***Entrepreneur*** magazine and his columns have appeared in the ***Charlotte Business Journal*** and ***Business Today.*** In addition to his appearances on **Fox News Charlotte, News 14 Carolina,** and **News/Talk 1110 WBT Radio**, he has also been a featured speaker at national and regional conferences on a wide range of financial planning topics. Russ conducts seminars and workshops on a variety of rather unique financial concepts and strategies, which are often overlooked by other advisors.

As a *Bank On Yourself*® authorized advisor since 2004, Russ has become one of the country's leading experts by helping hundreds of clients grow their wealth with safety and predictability, reduce their taxes and put them on track to achieve their dreams of financial security.

Community service is also important to Russ. He has served as an officer of the Rotary club and is past president of a suburban Chicago Chamber of Commerce. As an instructor for Junior Achievement, Russ taught students the basic concepts of investing and related subjects.

Though based in Charlotte, North Carolina, Russ works with clients around the country, and especially in the Chicagoland area. He is also available to speak at your company, organization or association.

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