



THE ELITE WEALTH MANAGER

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

NAIL THE WEALTHY CLIENT EXPERIENCE

DISCOVERY MEETING PART TWO

VIDEO TRANSCRIPTION

John Bowen: And as it grows, what would you want to achieve?

Bill: Security. So, as we're aging the allocations have to be more conservative. Definitely. And we've gotten some good guidance on that but I'd like to enhance that a little more and get a little more proactive or at least have a money management system in place that's a little more minding the store a little maybe more than we have because it's a little disjointed. We have a Merrill Lynch guy and we have a CPA. I'm not talking to them that much, but yeah you mentioned we need the security. We're looking at that. Healthcare because we'd have no idea what's going to happen. We don't have a crystal ball. We don't know if there's going to be a situation where one of us needs long-term care, which can really eat a hole very quickly in the savings and the uncertainty of our grandson's health and just making sure that our children and grandchildren have some umbrella, have some protection, is very important to us at this point of our lives.

Rita: Yeah. We don't have... Since we sold the business, it would be nice that the money and some way keep coming in. So that's the main thing.

John Bowen: Well in a dollar figure. When you talk about money coming in, have you thought through kind of what type of income you need from the assets today that you have to have the lifestyle that you like, the cashflow?

Bill: Hmm. We haven't done our homework enough to really put a dollar figure on it yet. We're comfortable. The house is all paid for. Thank goodness. It was worth about 1.5 million, but the market is so lacking now. We don't really know what it is. And yeah, we're getting some income from the commercial building, is generating about \$15,000 a month, but you have to take away some of the management costs and the property taxes and stuff. So, you know, it's about 120,000 a year.

With the house paid for, we can squeak by. We're all right. We also have a diversified portfolio with Merrill Lynch that's paying with a 2% to 4% or something, but it's three quarters of \$1 million on that. So, it's something and we have IRAs and profit sharing.

John Bowen: Okay great. I'll ask you some questions about that and make sure we get the details in a second. When you think about your money, given all that's been going on in the world, are there any concerns or needs or feelings that really come to mind?

Rita: Yeah, we just don't want to be risking in this market. We don't want to be foolish and throw away money that we otherwise could live quite comfortably on. So that's just the main thing during this time where we're weary to be honest.

VIDEO TRANSCRIPTION

Bill: Oh sure. Because like everybody else, a 20% to 30% of our mutual funds and stuff have evaporated. So, I know we're not alone in that, but of course at our age with the earning power and the years left ahead of us, it's a little spooky.

John Bowen: Okay. Okay. Thank you. Okay. And let's go into relationships. And if I were going to ask, I mean, why don't we start with which family members are most important to both of you?

Bill: Oh, a pecking order on those who shall be equal at all times.

Rita: That's Sophie's choice.

Bill: That's Sophie's choice.

Rita: Well, each other, it's very important and we do have life insurance, survivor's insurance, to make sure of that. I think as long as our children are taken care of then their children will be taken care of.

John Bowen: So, let's go over each of the kids, their situation. Okay, well let's start with the oldest.

Bill: Andrew is going to be 31 this year. He is also an architect. So, the apple didn't fall far from the tree. He has a terrific income. He makes approximately \$500,000 a year. But one of my gripes that I usually succeed in keeping to myself, but not always, is that he has a, let's just call it an urban lifestyle of great affluence. So, I'm amazed on how little he's managed to actually squirrel away.

John Bowen: Yeah. Do you have concerns because of that? About Andrew?

Bill: Yes. The honest answer is yes. He's a smart kid. He knows what he's doing. And he's going to land on his feet just fine.

John Bowen: Is he married?

Rita: Yes.

John Bowen: And what's his wife's name?

Rita: Maria.

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John Bowen: Okay. and how's your relationship with Maria?

Bill: Oh, he's a sweetheart.

John Bowen: Great. Great. And how old is she? Approximately?

Rita: 33.

John Bowen: A couple of years older than he is. Okay. And any kids?

Bill: Yes.

John Bowen: Okay. And the children are?

Bill: Andy who we've discussed. He's the one, he's 4. Angela is a seven.

Rita: And Willie, he's nine.

Bill: Willie is nine.

John Bowen: And Willie is 9. Okay. And we talked about Andy. Angela was how old again?

Rita: She's seven. We call her Angie because there's already... She's Angela by birth that we call her Angie because there's already an Angela, so there's no confusion.

John Bowen: Andy was four, we talked about. And any other health or serious concerns other than Andy in the family?

Bill: No.

Rita: No, just ourselves, but that's it. We have just our own health concerns. And then-

John Bowen: Anything significant health wise between the two of you that I should know? As we were pointing out the financial affairs.

Rita: My mother passed on to heart disease and so that's just the... I'm healthy, but that's the only thing.

VIDEO TRANSCRIPTION

John Bowen: Okay. Okay. And, after Andrew, any other children?

Bill: No.

John Bowen: Okay. All right.

Rita: Just our daughter.

Bill: Our daughter has not married or had children yet.

John Bowen: Okay. And she was 29 is that correct?

Rita: Mm-hmm (affirmative).

John Bowen: Okay. Okay. Any other family members, once removed or any really close friends that are important relationships that we need to be aware of?

Bill: I don't think as far as making a financial impact, no. We have very dear friends, but most of them, thank God, are very comfortable and...

Rita: Yeah. And we contribute to the church and the only concern is our eldest daughter just because she hasn't found something and we worry about her being able to take care of herself or if she does finally decide on something, will she be able to pursue it? So, she's our main concern because she also isn't married so there isn't somebody who can help her and once we go and that's all.

John Bowen: Okay. Okay. How important are the relationships you have with people in the community?

Bill: Very important. I sing in a choir and both of us are involved in the church and-

John Bowen: What church is that?

Bill: Catholic. And Rita's very active and we do, as she mentioned, we contribute maybe \$10,000 a year and we'd like to continue that. So that might be something you could put in the hopper is that we would like to keep that approximate amount going on into time as much as we could.

VIDEO TRANSCRIPTION

John Bowen: Okay, great. I captured that. Okay. Let me see where we are... Yeah. Well let's see. And the relationship we talked about is the choir that you're involved, is that the church as well?

Bill: No, we do religious music because that's what a whole lot of the material is. But it's not affiliated officially with a church.

John Bowen: Okay, great. Great. And how important are the relationships with the people you're associated with the church? Is that a very important relationship to you?

Rita: To me it is. I mean, I raised my kids in this community and we've been so close for so many years. Our father Boyd he's been there for us.

Bill: At our house for dinner many times.

Rita: Yes. And he's been through us through our concerns and when the children, he's been an amazing guidance for us. So, he's almost family to us. And then just this community of the kids going to soccer and going to dance and everything, I'm very close with everybody in my community. I'm very blessed.

Bill: Yeah, we've put down roots, that's for sure.

John Bowen: Oh, that's excellent. That's great. Okay. and how would you describe yourself? An introvert, extrovert.

Bill: Well Rita's absolutely an extrovert.

Rita: I think I'm very social. Yeah. I love people. I love to go out too, that's why I'm involved in the church and I love to, yeah.

Bill: In high school she was very, very popular and was in a lot of student leadership.

John Bowen: Where did you meet?

Rita: In college.

Bill: Pepperdine.

VIDEO TRANSCRIPTION

Rita: But he's met friends from high school.

John Bowen: Oh yeah. Now how would you describe yourself, Bill?

Bill: I'm a little more on the fence, I think.

Rita: I think he's on the fence too.

Bill: Yeah. I need to-

Rita: He likes to fish.

Bill: I like to fish.

Rita: He can get up there with a group of people and sing.

Bill: Working with clients over the years you have to have a certain number of gregarious elements in your makeup. But I love being alone too. I like my quality solitude.

John Bowen: Ah, that's great. Ah, what pets do you have?

Rita: Dogs. We have two dogs. Yeah, we have our old one. He's this old shepherd and he's 10.

John Bowen: Well, what's his name?

Rita: Jermaine. Yeah, he's beautiful and he's getting a little... His hips are a little bit failing him.

Bill: Then we have a rambunctious Saint Bernard.

Rita: Billy Bob.

Bill: Billy Bob.

Rita: He lives up to his name.

Bill: Sort of seems like three dogs have come into the room when he comes in.

VIDEO TRANSCRIPTION

Rita: And the Shepherd's just like, why?

Bill: That's my cross to bear.

John Bowen: Are there any other pets than the two dogs?

Bill: No, I mean there's pets, we live in the country, so I've kind of adopted the wildlife in my yard so-

Hummingbird feeder, a couple of bird houses of changing tenants.

John Bowen: Sounds beautiful. Now how important are the two dogs to you?

Bill: Oh, very, there they are family, that's for sure.

Rita: They haven't moved out and had children. They're so happy for us when we come home so.

John Bowen: Are there any famous people that you know?

Rita: Oh boy, famous people, personally that we just in passing or that?

John Bowen: We find sometimes, one of the things you'll see, I'm asking a lot of questions and on occasion some of the questions might not feel like they're applicable and they may not be. And the idea of famous people is oftentimes it will stimulate something that jumps out that a relationship that you have that might be material on a financial basis. And that's how we're just trying to check in. So, is there anybody that jumps out as a famous person that you know?

Bill: Not really, they avoid us.

Rita: Yeah. They would love us if they knew us.

Bill: I was a waiter with Danny Elfman.

He was, in my waiter days, a waiter with me. Now he's one of the most successful music scoring guys in Hollywood.

VIDEO TRANSCRIPTION

John Bowen: It's amazing how that weighting scale, I did that for a bit too, it's amazing where we can all start out and actually acquire some very important skills along the way.

Bill: Of course.

John Bowen: While talking about skills, I mean what schools did you go to? You mentioned real quick, I just want to make sure I captured it. Pepperdine.

Bill: Pepperdine. That's where a lot of the classes in architecture and drafting and those kinds of disciplines were learned. Met Rita there.

John Bowen: Okay. Okay. And how important is Pepperdine to the two of you? I know it's a beautiful campus. I love it.

Rita: That's part of the reason we love the coast so much. It brings back that...

Bill: We probably go to one alumni function a year, I'd say. And we get the emails and the magazines that make some contributions, try to lend a sympathetic ear to the Pepperdine.

Rita: But our son went there too. So, it's in the family we would love for us for the generations to continue there because it was an amazing experience. It was beautiful.

Bill: Never forget your college days.

John Bowen: Okay. Let, let's take a look at when I sent you the letter, I sent a letter and I asked you, well I see a whole bunch of material that you both have on the wills and the insurance policies and would it be okay to take a quick look at that? And then what I'm going to do is I'll have one of our staff members make a copy of these because what I wanted to do is have you bring the original, so it'd be convenient and then we'll make a copy.

Bill: Yeah. Anything you need that you don't see there, please just give us an email or a call because we can put our hands on it.

John Bowen: Okay, great. Great. Is there anything that you had a challenge finding at all?

Rita: Oh, what was the thing from 1998 that...

Bill: Oh, I know what you're saying.

VIDEO TRANSCRIPTION

Rita: We were struggling to find, was it the insurance or the mutual fund? Anyway, we found it finally, but it was something we hadn't really dealt with since 1998.

John Bowen: I'm going to set this aside and then I'll have my assistant make a copy of all this for us. As I'm looking at you, I'm hearing kind of the values what's important here, I mean the financial security, the kids, the grandkids, and financial independence. And so, you're well positioned to take care of each other and really doing it in a way peace of mind. And then some of the goals that you have of the second home and a really enjoying life here. The travel, I mean it sounds great taking care of the grandkids, making sure that the medical side, as things come up, that we're well positioned to take care of that. And then also, as you know, really Andy has any challenge whatsoever that we're there if we need to be to help.

And then Angela, as she's really discovering herself to that you can help and be in a position there and facilitating as you make some of these transitions, the building as well. If we could design a, a wealth management plan that would help you kind of achieve all that, would that be a basis of going forward? That makes sense.

Rita: We would definitely consider.

Bill: Certainly.

John Bowen: Okay. Okay. Well let's go into the assets here and when you think of your source of income today, where is the income coming from today? You mentioned we've got the commercial building that about \$15,000 a month and it's generating \$120,000 of net income maybe-

Bill: After the expenses. The expenses are \$65,000 a year and knocked off the top of that and then a little bit of income from that Merrill Lynch portfolio.

John Bowen: Okay. And you're thinking that runs 2% to 4% and there was about, I've got the statement here, but it was how much? About 7?

Bill: \$750,000.

John Bowen: Okay. And then there were some IRAs. And where are the IRAs now or are they, I've got statements. Are they at the with Merrill or are they at a bank or in a mutual fund?

Bill: They're with Merrill.

VIDEO TRANSCRIPTION

John Bowen: Okay. And about how much was in each of those?

Bill: Well, let's see-

Rita: There's 1 million from...

Bill: Profit sharing.

And then sold the business one year ago for \$1 million and that's in a money market account.

John Bowen: And is there anything else?

Bill: Do you want to know the value of the house or?

John Bowen: Yeah, I wrote down... and I didn't capture, I think you were, you were saying that you thought the value was approximately today about...

Bill: It's so hard to know, but before the downturn, it was about \$1.5.

John Bowen: And I captured that.

And are there any other sources of income today? I'm going to repeat myself a couple times just to make sure we don't miss anything.