



THE ELITE WEALTH MANAGER

BUILD A SIMPLE AND ELEGANT WEALTH MANAGEMENT BUSINESS

**NAIL THE WEALTHY
CLIENT EXPERIENCE**
DISCOVERY MEETING
PART THREE

VIDEO TRANSCRIPTION

John Bowen: 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.

Bill: No, I'm not doing consulting.

Rita: The annuities, 100,000. There's nothing. Yeah.

Bill: There is an annuity and, and I regret to say I'm not as sharp on it as I should be. I got it, I bought it years ago and the fellow, I haven't talked to him in a while, I'm not absolutely sure what the status of it is right now.

Rita: Right.

Bill: It's not a significant portion.

John Bowen: And I saw it in the paperwork. So, I'll take a look.

Rita: Thank you.

John Bowen: And we'll see if we can get that information for you.

Bill: Yeah, I'm sorry, I'm not more prepared on that one.

John Bowen: No, no, no, no. There's so much things going on in life.

Bill: Sure.

John Bowen: It's hard to have everything always.

Bill: And it's out of sight, out of mind sometime.

John Bowen: Yes.

Bill: I mean, you know, you get statements once in a blue moon about it.

John Bowen: Yeah. Well, you know, and how are, we've got how you're having an income today. Do you see it changing at all over the next few years?

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Bill: Certainly, in the, when I finally do want, when we do want to unload the building of course then we're not going to have that, that 15,000 a month. So.

Rita: And if and when we build the house too, that'll be money that'll be coming from-

Bill: Some of the holdings, yeah.

John Bowen: Yeah. And how much are you thinking, the vacation home? You know, whether you build it or acquire it, how much would you want to allocate, do you think?

Rita: Wow. That is, that's a big question.

Bill: It's got to be probably close to three quarters of a million dollars.

Rita: Right. I was thinking the same thing.

Bill: I don't know if we want to build it from the ground up. I don't know if either one of us want to be that much of a hands on. I mean, I think renovations on an existing might be a little more in line with our vision.

Rita: It would be.

John Bowen: Okay. Okay. And the timeframe of doing that, what were you thinking?

Bill: I'd say within the next five years.

Rita: Yes.

John Bowen: Okay.

Bill: And it would certainly follow the sale of the building.

John Bowen: Okay, great, great, great. Let's see what else I should be asking you here. Yeah, we've got the documentation on the investment holdings. Help me understand the strategy that you've been using for investments.

Rita: Wow.

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Bill: Well, we have a CPA who, and his name is Jack Robbins, and we've been with him many years. I started with, we started with him when we were, when our estate was a lot less complicated, and he's been great. I do like him, but you know, things change, everything shifts and we're talking about a whole different beast than we were, and I'm not absolutely sure he's as, I don't want to say responsive. I mean he'll do anything we ask and he's a good guy. Then we have a local estate planning attorney. His name is Steve, Steve Smith.

Rita: Yes.

Bill: Steve Smith. The reason I pause is because we haven't actually met with him since 1999.

John Bowen: Okay.

Bill: He helped us set up a living trust.

Rita: Right, and things have changed, you know now that grandchildren are in on it.

John Bowen: Oh, sure.

Bill: That's right. That was before. That's right.

John Bowen: That was then, and this is now.

Bill: That's right. There was no little Andrew or Angie and Willie in those days.

John Bowen: Okay. Okay. Okay. And you're also working with someone at Merrill Lynch.

Rita: Right.

John Bowen: Who's the advisor over at Merrill Lynch that you're working with?

Rita: Bill Evans.

Bill: Bill Evans. Bill Evans is his name.

John Bowen: Okay.

Bill: And he's doing a commendable job, I think.

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John Bowen: Is he the primary advisor helping you on positioning your investments or?

Rita: With the portfolio, yes.

John Bowen: Yeah.

Rita: He's our contact person.

John Bowen: Okay, great. Let me see. You mentioned Rita life insurance, and what life insurance do you have today?

Rita: We have a survivor's benefit.

Bill: Three million dollars with the Mutual of Omaha.

John Bowen: Okay. Okay. Okay. And I saw it in there. It was a joint life survivor's policy. And how long ago did you get that?

Bill: That was in 1996.

John Bowen: Okay. Okay, great. Okay. And let's see? What type of real prop, or any other real property? We've got the house; we've got the commercial building.

Rita: Commercial.

Bill: Yeah.

John Bowen: Or personal property, you know?

Bill: No.

John Bowen: Significant. Artwork or that or major jewelry, that type of thing.

Rita: We've been pretty modest with our spending. For us, trips are more important to us than things.

John Bowen: Collecting memories versus things.

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Rita: Right.

Bill: A terrific set of fishing poles though. Terrific set.

Rita: Don't, please don't ask.

Bill: I brought the lures to show you.

John Bowen: Okay, well we'll have to talk about that a little bit more here. And how are the assets structured or held today? Are they held in community property, joint tenancy or in?

Bill: Living trust?

John Bowen: Oh, they're all in the living trust. Okay. That's right.

Bill: Yeah, the major assets are all in the living trust.

John Bowen: Okay, and we've got every, we did get everything in the trust in 1998 with Steve?

Bill: 1996.

John Bowen: 1996.

Rita: Yeah. And then the, yeah, so the commercial building, every, yeah, it's in all there.

Bill: It's all there, and so of course we will have to revisit the trust when we, when we unload that.

John Bowen: Okay. Okay. There any new assets you expect. Any inheritance or anything like that, that we should plan on?

Bill: No. We did get some money from our parents, but they didn't have living trusts. I think their generation just didn't embrace it as much as it seems to be these days.

John Bowen: Okay. And we mentioned income taxes. You know, with, what is your opinion on income taxes today?

Rita: I feel we've paid enough. When we sold the business, we had to pay capital gains.

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John Bowen: Oh, yeah.

Rita: And we paid it, but-

Bill: Wasn't fun.

Rita: Yeah. We have paid so, such a significant amount throughout the years. We've been always good taxpayers, but at this point in our life we, the income isn't coming in anymore.

John Bowen: Right.

Rita: And we've paid on it. So that's a big concern.

John Bowen: Okay.

Rita: Huge.

John Bowen: Okay, great. Great. I've got that. And when you think about your financial affairs, I mean if you were going to name the three biggest worries that you have today, what might they be?

Bill: Taxes. Health care.

Rita: Health. Tax, health and probably just protecting our wealth.

Bill: Yeah. Right. Not going backwards. Protecting what we have.

Rita: Yeah. To ensure security.

Bill: Those are our, so yeah, taxes, health and protecting, protecting the nest egg.

John Bowen: Okay, great.

Rita: Maybe the nest egg should come first, but.

Bill: We'll juggle them.

John Bowen: Well it depends on what's going on at the moment here.

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Rita: Right. It could just switch around.

John Bowen: You know, if you look back over your life, I mean, what are your kind of best and worst financial moves that you've done? What jumps out? Kind of smart things and not as smart things.

Bill: Marrying her was the smartest thing I did.

Rita: Thank you.

John Bowen: I love it.

Rita: Points. You get points.

Bill: I got points for that one. Having my own business, you know, I think that was a smart thing to do.

Rita: Right.

Bill: I had an opportunity in the late '80s, an associate wanted to get into some commercial development, a venture that I was hesitant on. It was a little rocky at the time and it felt like a very speculative move, but looking back, I should have done it. I should have diversified. I should have gotten into this commercial development area because I understood it, it was attractive, but I just got cold feet, and looking back now I can, I can say that I have, I have some genuine regrets about that.

John Bowen: Okay. Okay. Okay. Okay. Rita, anything else jump out for yourself.

Rita: Yeah, I'm really proud that we stuck it out and we were very, I wouldn't say shrewd, but we were, we had our priorities straight, and we were able to put away, and we worked very hard. And the fact that we have our home paid is a huge peace of mind because to have a mortgage right now would, yeah, it would definitely be weighing on us. So those are the things and again, our children, you know.

Bill: Yeah, I'm glad she mentioned paying the house off. That's very true.

John Bowen: I'll put a double check on that one.

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Bill: And having our son be doing quite well, is a lot peace of mind for us.

Rita: Yeah.

John Bowen: No, there's a lot of great things here. Let's switch gears and we'll go to advisors and just check in. We talked about Steve Smith, and it's been since 1996 that we've done anything with him, but we created a living trust, and what's great is it's funded.

Rita: Yeah.

John Bowen: Is this, if there were changes that needed to be made, would Steve be someone we would go back to? Or?

Bill: If he still remembers who we are. I'm sure he does.

Rita: That's terrible.

John Bowen: That's not a priority. You want, whatever makes sense you want to-

Bill: Well, but it's on the horizon, John. I mean, going and adjusting the trust is imminent. So.

John Bowen: When I talk about, excuse me, I misspoke or miscommunicated. When I say not a priority, Steve, working with Steve, it sounds like making sure the estate issues are taken care of is a priority, but we're fairly indifferent. Whoever's the best attorney that could help you most cost-effectively that makes sense?

Bill: Oh, yeah. Yeah. We don't owe a brother-in-law any favors.

Rita: Right.

Bill: Okay, yeah. Okay, great. And on the CPA side, it's Jack Robbins and it sounds like you've got a very good relationship and that's how we met too.

Rita: Right.

John Bowen: Okay, good.

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Bill: It is. It is. It's been a little quiet because since we sold the business, there's not as much traffic in the CPA realm.

Rita: Yeah. That's understandable.

John Bowen: And he's the guy on your tax returns.

Bill: Absolutely. Every year. So, we, you know, if we have questions on our estimated taxes.

Rita: And he knows our concerns. At least personally.

John Bowen: Yeah. Okay. And then your life insurance agent, who's that?

Rita: Oh. That was-

Bill: I don't remember.

Rita: Mel Davis, was it? No. No.

Bill: No. Mel, Daniels. Mel Daniels.

John Bowen: Okay.

Bill: D-A-N-I-E-L-S is his name.

Rita: Okay.

John Bowen: And I don't need to ask that it's a real important relationship, it sounds like.

Bill: Well, you set it up, you structure it. And then you don't really-

Rita: I don't even know if he's even there anymore.

Bill: -you don't really revisit it. I'm amazed I remember it actually.

John Bowen: Okay. Okay.

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Rita: You didn't.

John Bowen: You got the Mel.

Bill: It was a team effort. It was a team effort. Not the first time.

John Bowen: And when we go to investment advisors, obviously we've been working with Bill Evans for a while. Are there any other advice, investment type of advisors or financial planners that you've been?

Bill: Morningstar.

John Bowen: Oh, the web, the internet here.

Bill: Sure. Yeah, Google is one of my big advisors.

John Bowen: Okay. Is how is your relationship or how do you feel about your relationship with Bill Evans? Is that strong? Not strong, indifferent, very positive?

Bill: Indifferent, leaning towards strong. I mean, you know, he's always been a straight shooter with us.

John Bowen: Okay.

Rita: Yeah, he seems honest.

John Bowen: What's been your best experiences in working with financial advisors? Really, you know, like Bill in the past.

Rita: That he didn't risk our future on something. That he knew us well enough to know that he would contact us if we, the communication, I guess was the best part.

Bill: Yeah.

Rita: Communication is key with-

Bill: Yeah, he was very transparent in all of his dealings. He never tried to sell us a bill of goods that sounded weird to us. I feel that he was able to spread the, as we age, he was able to

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spread the mix a little more conservatively into bonds as opposed to the large cap and all those kinds of things. So those allocations made sense to me as a layman.

John Bowen: Okay. Okay. And you know, have you switched financial advisors along the way?

Bill: No.

Rita: No.

Bill: We really haven't.

John Bowen: Okay.

Bill: But that's one reason why we're sitting with you today.

Rita: We stick.

John Bowen: Yeah.

Rita: You know, we're-

John Bowen: Well, have there been any bad experiences with Bill in the past?

Rita: Let me think.

Bill: He got a little defensive at the dot bomb meltdown. He did some backpedaling that I didn't think was necessary just to, because I think he was just flabbergasted and embarrassed at how bad some of the tech stocks were doing. And he, I wanted to reassure him, I said "How much can you see this coming, Bill?" But, no, overall, I've been pleased with him.

John Bowen: Okay, great. Great. How involved do you like being involved in your finances?

Rita: Definitely to a degree that we're being notified and educated about decisions that are going to be in our best interest. To me that's really important.

Bill: Yeah, it's a balance. I mean, you don't want to be pestered too much, but you know, quarterly meetings would be a good thing.

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Rita: Yeah, I think quarterly's the most important.

Bill: Telephone notification if there's going to be some big shift or if there's something in the wind that following.

Rita: Just as needed, I think.

John Bowen: Okay.

Bill: As needed.

John Bowen: Okay. Okay. Great. Okay. Let's see. Do you like to be contacted, is it better by phone or do you like email? What works better for both of you?

Bill: I would say email?

Rita: Yeah, that's lovely.

John Bowen: Okay.

Bill: And not necessarily, you know, three a day or anything.

John Bowen: No, no.

Bill: Nothing's more annoying than junk emails.

John Bowen: Is it more, you know, if there's any really obviously a need to communicate or any, you know, would you like me to check in with you if there's some sudden?

Rita: If it's urgent, call.

John Bowen: Okay.

Rita: If it's very urgent, please.

Bill: Or an investment opportunity that in your judgment, as we get a personal relationship going and we learn to value when you think something is coming down the pike that's very attractive, of course we'd like to be notified.

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John Bowen: And what security measures do you want to see used to protect your personal and financial information?

Bill: In firewalls?

John Bowen: Yeah, well really everything.

Rita: Whatever's the best, but the most economical.

John Bowen: Okay.

Bill: Well said.

John Bowen: Yeah, we take privacy very seriously here.

Rita: Right. Yeah, I was wondering when you're like, let us take a copy. I was like, wait, what?

John Bowen: No, we're very high. How often do you want to do an overall review of your financial situation and the kind of the progress to your goals?

Bill: It depends on how thorough you're talking. If you're talking about a 20-minute meeting, we could do that once or twice a year. If you're talking about two or three hours at a time, then 18 months to two years out. It's hard to just pull a number like that out.

John Bowen: Okay.

Rita: Yeah. Or like quarterly meetings are great. I mean just so they let us know what we can expect, or what or how we did the last quarter.

Bill: Let me ask you John, is that common for a couple like us to sit face to face every quarter? Is that common?

John Bowen: You know, there's not a right or wrong answer, Bill.

Rita: Okay.

John Bowen: And it's going to depend on exactly what you like to achieve and you know, I'm getting a good feel and as we review the information with our team of experts and begin to put a

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plan together, what we'll then do is identify the actions that we should take. And oftentimes in the first couple of years it's a little bit more frequent we get together.

Bill: Yes.

John Bowen: And quarterly ends up probably, three or four times is kind of the average we'd get together, but then it starts trailing off, you know, really once to twice a year once we've got everything into more of a stability, maintenance mode, a peace of mind.