Foreword

This book is dedicated to readers who are looking for understandable answers to the following questions:

1) Is investing money in the stock market the "best" place to grow wealth?

2) Notwithstanding all the hype about how well the stock market has done over the last 20+ years, what are the real statistics showing what the "average" investor has actually earned when invested in the stock market (the answer is shocking)?

3) How do you build a tax-free retirement nest egg in the most efficient and **least risky** manner possible?

4) Does it make financial sense to overfund a tax-deferred qualified retirement plan or IRA?

5) Is "Revolutionary Life" insurance a good financial tool to build wealth for retirement?

6) Are there wealth-building tools that can **guarantee you a 7%+ rate of return**?

7) Are there wealth-building tools that can **guarantee you a lifetime income** you can never outlive?

If you find the above questions interesting, you will certainly enjoy this book.

WHY YOUR ADVISORS WILL NOT KNOW MANY OF THE TOPICS COVERED IN THIS BOOK (OR IF THEY KNOW THE TOPICS, WHY THEY LEARNED THEM FROM BIASED SOURCES)

Why advisors do not know many of the topics covered in this book is a very common question I receive when educating clients on the concepts covered.

The main reason local advisors do not know many of the topics covered in this book is because there is no formal educational body in the country that educates on them.

Let me restate that; I cover the topics discussed in this book in much more detail in the Certified Wealth Preservation Planner (CWPP™) course (www.thewpi.org) that is offered through The Wealth Preservation Institute. However, the course is very intensive and geared towards advisors who have or want to have an affluent client base. Therefore, I only have 75-200 advisors take my courses per year. My point being that 99% of the advisors out there (CPAs, attorneys, financial planners, insurance advisors) do not know much of what you'll read about in this book.

BIASED SOURCES

One of the reasons I decided to write this book is because I have grown tired of the hypocrisy I've seen over the past many years in the financial services industry (which has gotten worse over the last few years).

What hypocrisy?

What I'm about to tell you is not known to 99.99% of the consumers (non-advisors) in this country.

Broker Dealers (BDs)—Do you know what a broker dealer is?

A BD is typically a firm in the business of buying and selling securities for itself and others. BDs must register with the SEC. When acting as a broker (stock or mutual fund broker), a BD executes orders on behalf of his/her clients (consumers).

Have you heard of Merrill Lynch, A.G. Edwards, LPL Financial, Raymond James Financial Services, Inc., AXA Advisors LLC, Northwestern Mutual, or Waterstone Financial Group?

There are literally hundreds of BDs out there.

In essence, what a BD does is license advisors to sell securities and clear them (sell them) through the BD. As you can imagine, the liability that goes along with being a BD is significant.

As you'll see when you read my bio information in the upcoming pages, I have quite a diverse background; and at the forefront of everything I do, I try to put the client's or the consumer's interest first.

BDs in my professional opinion are NOT about putting the client first. Most of them are about 1) gathering assets under management and 2) avoiding lawsuits.

Why do I bring this up and why should you care?

It's pretty simple; the alternative wealth-building tools you'll read about in this book are **forbidden** tools by many, if not the majority, of the BDs. When you learn of the power and protective nature of the wealth-building tools I'll be discussing in this book, the fact that many BDs **forbid** their advisors from dealing with them will outrage you.

The tools I will be discussing, for the most part, do not provide an asset under management fee. Therefore, if a securities licensed advisor counsels a client to position money in these tools, the BD does not make much, if any money, and certainly is not set up to make a trail of fees on the money over the next many years.

Also, most BDs do not understand the value of the tools I will be discussing in this book; and it is my opinion that, because they do not understand these tools, they see them as causing potential litigation when sold by their licensed advisors (which makes sense since the BD does not educate the advisors on these products).

NO BD OR BROKER DISCLOSURE

What really gets me on my high horse with the hard core money under management type of advisor is that most DO NOT disclose to their clients that their BD **forbids** them from discussing and selling the wealth-building tools I will cover in this book.

Let me just give you an example that should truly outrage you.

You are going to learn about in this book two very powerful and protective wealth-building tools. The general features of these tools are that they **do not let your account values decline** when the stock market goes negative and they **lock in your gains** when the stock market goes positive (and one tool guarantees you a 7% rate of return (accumulation value) coupled with a guaranteed lifetime income).

Do you think these are tools that a money manager/financial planner should have at his/her disposal? I certainly do.

Assume you are 68 years old and that you sat down with a "financial planner" to discuss what to do with the $500,000 you've saved for retirement. You tell the securities licensed advisor that your most important goal is to not go backwards in the market and, if possible, you'd like to be set up to never run out of money in retirement.

Do you know what advice you will receive from the vast majority of securities licensed advisors? They will tell you that you need a "*properly allocated asset class of stocks, bonds, and mutual funds,*" for long-term money and maybe some fixed instruments like a CD for short-term money.

If you were given that advice in 2007, the chances that in 2009 your account value would be **50%** of where you started would have been significant.

Full disclosure to consumers is a huge issue for me. I write my books in a full-disclosure manner so readers know the pros and cons of topics.

The vast majority of securities licensed advisors DO NOT disclose to their clients that they can't even discuss and certainly can't sell the wealth-building tools I discuss in this book.

Using my example, if the securities licensed advisor had disclosed to the client who had $500,000 to use for retirement that he/she could not discuss and could not sell the tools discussed in this book (ones that protect principal and lock in gains in up years), do you think the potential client would have hired or used that advisor?

No way!

The client in my example would have shown the securities licensed advisor the door and then would have gone forth to find an advisor who could help him/her with the tools discussed in this book.

NOT ALL SECURITIES ADVISORS HAVE THEIR HANDS TIED

Even though I just spent the last few pages telling you my distain for BDs and how they tie the hands of the advisors who sell through the BDs, there are some BDs that "get it."

There are some BDs that allow their licensed advisors to discuss and sell the wealth-building tools I discuss in this book. The BDs who allow this don't usually encourage it, but it is nice to know that some securities licensed advisors can provide advice to clients on what I believe are two of the best and most protective wealth-building tools clients have at their disposal.

I can nearly guarantee you this—if a securities licensed advisor gives you my book to read, the chance that his/her BD allows him/her to discuss and recommend the protective wealth-building tools in this book is significant.

PUNDITS AND TALKING HEADS

One of the reasons I decided to write this book is because I have increasingly become annoyed at the advice I hear as it is being given to consumers today by "experts" on radio and TV.

You're probably familiar with Susie Orman and Dave Ramsey?

Without belaboring the point, many of what I would call the "real" experts in the financial services field believe that Susie Orman gives some of the worst advice they've ever seen on her TV and radio shows and in her books. I agree.

The same is true with Dave Ramsey who is known as the "get-out-of-debt" guy on radio and TV. I can speak to his advice as an expert in the field. I've written two books on home equity management.

One book (The Home Equity Acceleration Plan) tells readers how to pay off a mortgage as quickly as possible using a unique mortgage acceleration plan. You can find out more about H.E.A.P.™ at www.heaplan.com.

The other book (The Home Equity Management Guidebook) explains specifically why it's a terrible idea to pay off your mortgage (vs. building wealth elsewhere with that money).

Dave Ramsey and Susie Orman do not speak about the wealth-building tools you will read about in this book. Why? I have no idea, and it doesn't really matter to me. They are not much different than most average advisors giving advice to clients every day in this country (except they can be seen and heard on TV and radio).

My point is that, with my knowledge of the wealth-building tools in the marketplace coupled with the fact that I'm an insider in the financial services industry, I am in a very unique position to write a book telling readers the "straight scoop" when it comes to discussing two of the most viable wealth-building tools readers can use to grow and protect their wealth.

I, frankly, have been putting off writing this book for far too long, and I'm glad I finally found the time to do so.

I hope you enjoy reading the book as much as I have enjoyed writing it; and as you will see in several places in the book, if you have any questions, feel free to contact me at roccy@retiringwithoutrisk.com or you can go to www.retiringwithoutrisk.com for more information.

About the author

My name is **Roccy DeFrancesco, Jr, JD, CWPP™, CAPP™, MMB™**; and I am an attorney, licensed to practice law in Michigan and Indiana.

I've already told you a little bit about why I decided to write this book, and you'll read more stories in the book which will further elaborate on why I devoted time to this project.

As with any book or educational program, I believe it is vitally important for you to know the details of the author's background. Why? When reading a book which is supposed to help you alter your life to build wealth in a tax- favorable and/or protective manner where your decisions will affect you for the rest of your life, don't you think you should know something about the person who wrote the book? I think so.

Therefore, if you will indulge me, I will give you the not-so-brief history of my professional career and will let you determine for yourself my credibility as an author.

Let me start a discussion about my background by going back to my fourth year of undergraduate studies at Embry Riddle Aeronautical University in 1992. In 1992, I was a commercial pilot looking to graduate undergrad in 1993 and start looking for a job. As it turned out, the airline industry was in a tailspin (pun intended), and you could not find a job anywhere (and if you found one, it was a very low-paying job). Actually, to get a job, you had to pay the airlines for your own training (which usually exceeds $10,000).

Thinking that flying would be a fun career, but not the only possible one, I contacted my parents and asked them what they would think if I decided not to work as a pilot and instead go to law school?

To my surprise, they were very supportive of the move; and so in 1993, I started law school at Valparaiso University School of Law.

While in law school, I decided that I wanted to be a personal injury attorney (you see them typically on the back of your phone books). I had family friends who did that type of law, and they seemed happy and made more money than other attorneys in my home town. Therefore, when taking elective courses in law school, I concentrated on personal injury courses.

When I graduated from law school (similar to the airline industry), personal injury law was on the downswing due to "tort reform." Therefore, few firms were hiring in the area where I wanted to live.

As it turned out, I could not find a job that I wanted; and so in 1996, I ended up coming back to my home town of St. Joseph, Michigan, to practice law with my father, Roccy M. DeFrancesco, Sr., J.D. My areas of practice were business law (setting up corporations), real estate law, a little personal injury law, and a heavy emphasis on estate planning and divorce law.

I was truly amazed at how much Roccy, Sr., knew and was more than happy to make virtually no money while learning as much as I could from him.

As it turns out, I've got one of those personalities where I'm always searching for that next challenge in life. The next challenge was to still become a personal injury attorney. After a year or so of working with Roccy, Sr., I found out that our local personal injury firm in town was hiring (a rare occasion). The firm was founded by a long-time family friend who after an interview process hired me to be their new associate in the summer of 1997.

During that summer, I blew out my knee playing with my dog in the yard and had it operated on by another long-time family friend, Dr. Sterling Doster, and his new sports fellowship-trained surgeon, Dr. Gregory Fox. Most people stop me when I'm going through the twisted story of why I do what I do for a living and ask why I tell people I blew my knee out. The answer is simple─blowing my knee out and having it operated on ended up being a life-altering event as you will read.

On one of the follow-up visits with the doctors who fixed my knee (their office was in Bloomington, Indiana, which was four hours south of where I lived at the time), we all went out to dinner. After a few glasses of wine, the doctors asked me if I wanted to come down to Bloomington to run their medical practice. They said their office manager was getting in over her head and that they'd double my salary to come run their practice.

I told them I could not possibly entertain accepting their offer as I just took a new job with the local personal injury law firm in town. After dinner, I went home and continued to work at the law firm. As it turned out and through no fault of the new employer, I really didn't enjoy the personal injury work I was doing.

Therefore, after working at the new firm for a few months, I called the doctors back and asked them if they were serious about me running their medical practice. They said they had a few glasses of wine that night and sort of remembered the conversation. They asked for a few days to talk about it and a week later called me and told me to come down to Bloomington, Indiana, to run their medical clinic.

When I told the attorneys who hired me at the personal injury firm that the medical practice was going to double my salary, they laughed a bit and wished me well. I didn't expect them to match that offer; and as I said, they were long-time family friends and they simply wanted the best for me.

When I moved down to Bloomington, Indiana, in January of 1998, my wife was pregnant with our first child and things were moving quickly. The lady who was supposed to train me took six weeks of sick time and then quit. I learned on the fly how to run the medical practice, which took a good six months.

As it turned out, I was a <u>terrible manager of people; but I was a whiz with the finances</u>. Understand that I came out of a litigation practice where I went to war every day with other attorneys on behalf of my clients (especially the divorces I used to work on). Then suddenly I ended up running a medical clinic with thirteen female employees who worked under an office manager who really did not give much direction.

Needless to say, I did a very poor job of managing the staff the first six months. The finances of the office, on the other hand, were another matter. Since I had no faith in the previous office manager, I decided to shop every vendor the medical practice used to see if I could save the office some money.

As it turned out, I saved the four-physician medical office over $35,000 in expenses my first year. On what? Health insurance, malpractice insurance, office supply purchasing, outside professional help, collections expenses, overtime; and I successfully helped negotiate a very difficult purchase of the medical office building the practice rented.

After about six months, I had things in the office the way I wanted them from a financial point of view. While I did not always get along with the staff, I have to give them their due in that most of them were top notch and did a tremendous job in their particular specialty. What that left me with, however, was a dilemma.

After fixing the office financially, and because the staff did not require much oversight from me, I had a tremendous amount of free time on my hands. I could run the medical office for what I needed to do as a manager in two-to-four hours or less each day. Remember, that in the practice of law, I used to have 25+ clients all wanting something from me and now I was running a medical office with less than 20 employees. If I didn't come to work for weeks on end, the office would run just fine.

The physicians at the medical office knew I would get to the point of being bored and thought I would open up a small legal practice out of the medical office or that I would play golf every day. Instead of doing either, I decided to research in extraordinary detail "advanced" planning for high-income/net-worth clients (which were my physician employers).

People wonder how I was able to create three advanced education/certification courses with over 1300 pages of text and two books by the age of 37. It's really not that I'm any brighter than anyone else or anyone reading this book. It's that, due to the extraordinary circumstances of my employment at the medical practice, I was able to spend two-and-a-half years researching: asset protection, income, estate and capital gains tax planning/reduction, corporate structure, advanced estate planning, long-term care, disability and life insurance, annuities, mortgages, on the list goes on and on.

After my research on a topic, I would write an article on it and get it published in any number of places including, but not limited to the following: Orthopedics Today, Physician Money Digest, Physician's News Digest, MomMD, American Urological Association Newsletter, Today in Cardiology, The Rake Report by PriceWaterhouseCoopers, The CPA Journal, CPA Wealth Provider, Strategic Orthopaedics, General Surgery News, the Indiana Bar Journal, the OH CPA Newsletter, Financial Planning Magazine, and Insurance Selling Magazine.

Then I started doing educational seminars for the following organizations (not an exhaustive list): Indiana State Medical Association, Ohio State Medical Association, Academy of Medicine of Cincinnati, Mid-America Orthopaedic Association, the MI, OH, IN, and KY CPA Societies, Professional Association of Health Care Office Management (PAHCOM), BONES, the American Academy of Medical Management, TX Medical Group Management Association (TX MGMA), Texas Medical Association Insurance Trust (TMAIT), the Michigan Orthodontics Association, the National Funeral Home Directors Association, the Society of Financial Service Professionals, the National Association of Insurance and Financial Advisors, and more.

After awhile, you have enough content from articles and speaking engagements to write a book; so I wrote my first book, The Doctor's Wealth Preservation Guide.

MOVING ON FROM THE MEDICAL PRACTICE

While at the medical practice, I started two separate consulting companies—one company where I would provide advice to physicians and one company to work with advisors who wanted help with their physicians and other clients.

As it turned out, I made enough money from the side consulting businesses to allow myself to try consulting full time. By then my wife was pregnant with our second child; and since the family didn't visit us much in Bloomington, Indiana, we also wanted to move back to Michigan so we could be closer to the entire family.

That's just what we did in the spring of 2000. My wife, daughter, and soon-to-be son moved back to my home town of St. Joseph, Michigan, where I worked with my two companies to help physicians with asset protection, estate and tax planning, and advisors who had physicians or other high-income/net-worth clients who needed help.

The good news is that I was making a good living with my two consulting companies. The bad news is that after awhile I became miserable. I don't want to sound like I was crying with a loaf of bread under my arm; but I was traveling a lot to visit clients and advisors around the country as well as doing several seminars, and I was getting worn out. It's not that I didn't enjoy it; but with two young children, I was looking for a business model that would let me go to their ball games, go to the pool, and work in the yard (although I despise yard work).

THE LIGHT BULB GOES ON

I was in Las Vegas in 2004 giving a seminar for the National Society of Accountants (NSA) when the light bulb finally went on for me. A friend of mine, Lance Wallach (who introduced me to the NSA), and I were out to dinner in between the days of the seminar; and I was complaining to him about how I was making decent money but that I was really getting worn out. I basically had made the decision that I needed to do something else, and I was even considering going back to practicing law (it's hard to even type that and see it in print).

Lance told me to stop complaining and then off the cuff said: "Roccy, what you need to do is to create your own Roccy-certification course. You need the School of Roccy."

Of course, he was making fun of me, which I'm sure I deserved; but he was onto something and didn't know it. Lance had heard me speak many times and read my book, The Doctor's Wealth Preservation Guide. As someone "in the industry," he knew that the topics I dealt with in my book and spoke about at seminars were fairly unique and that other advisors who have or want to have high-income/net-worth clients would like to learn these topics.

Like the day I decided to take the job running the medical practice, that day in Vegas was again one of those days in your life you look back on and see it as life altering.

I went home from the Vegas NSA seminar and thought about putting my own educational program together. I figured I could put the program together with no problem. I had a lot of content and some of the best experts in the country who were nice enough to let me bend their ear on advanced-planning topics. The question was: Could I make a living doing "education"?

I said to myself that it really didn't matter as I didn't want to continue traveling like I was no matter how much money could be made. Therefore, I told my wife that I was changing courses; and I hoped for everyone's sake it would work out. I decided to put together what I now call the only "advanced" education/certification courses in the country where I educate CPAs/EAs/accountants, attorneys, financial planners, mortgage brokers, security traders, etc., advanced planning for high-income/net-worth clients.

I formed my own educational institute with an educational board of some of the country's best experts in their fields.

The three courses are the Certified Wealth Preservation Planner (CWPP™), Certified Asset Protection Planner, (CAPP™), and Master Mortgage Broker (MMB™). Each course requires advisors to read over hundreds of pages of text, take a lengthy multiple-choice/true-false test, and pass an essay test. The essay test confirms to me that the advisors who take the courses not only understand the material but can apply it in the "real world."

I rolled the CWPP™ and CAPP™ courses out in 2005 and have had a nice steady flow of advisors sign up to take the courses online or in person. In 2007, I finally rolled out the MMB™ course.

I'm proud to say that the reviews from those who have taken the courses have been tremendous. I imagine that is the case not so much because I'm that great of a writer of the material but because the material is practical and usable in the real world (vs. esoteric educational material) and because the majority of the topics in the courses are new to those who take them. No other entity in the country provides unbiased education on asset protection, which is the foundation of the three certification courses.

My travel has been severely curtailed as I only put on about six in-person seminars a year; and I get to do what I've found I'm best at, which is to help other advisors fashion solutions for their clients. Therefore, it seems that the move from full-time consulting to educating advisors and working with their clients has turned out to be a good move for me, my family, and those who have taken my courses.

RECENT NEWS

As the certification courses continue to get traction nationwide, I am always searching for the next challenge. I found that next challenge when I decided to form a new society called the Asset Protection Society (APS™) (www.assetprotectionsociety.org).

I finally got tired of all the asset-protection "scammers" in the marketplace who were luring unsuspecting clients to do business with them only to have the clients find out that the services they purchased were worthless and usually far too expensive.

I formed the APS™ with a handful of other like-minded advisors with one overriding goal and that was to form an organization that would protect the public. It's a tough chore and one that will take time to accomplish, but I believe it is a worthwhile cause.

The APS™ is a place where the public can receive baseline education on how to protect assets from creditors (like the personal injury attorneys I used to work for). In addition, the APS™ "Rates" advisors on their knowledge of what I call "global-asset protection."

My definition of global-asset protection is that anyone or anything that can take your money is a creditor. Think about that for a second. Who is your number one creditor every year? The IRS. Is the stock market a creditor? Sure. Did you lose money in the stock market in 2000-2002 when it lost nearly 50% of its value and again in 2007-2009 when it lost 59% of its value? What about the costs of long-term care? Is that an expense that will take your money in retirement? Absolutely.

Because advisors have knowledge in different areas, the APS™ gives out either an A, AA, AAA, G, or O Rating. G stands for global and O stands for offshore.

I wanted to create a Society that would set the "standard of care" in the industry for how to provide asset-protection advice, and I wanted the public to feel comfortable going to the Society to look for help from "Rated" advisors. I believe the APS™ is such a place, and I look forward to having it grow over the coming years with the help of all of its members and State Representatives.

If you are interested in asset-protection or finding an advisor who can help you, please check out the Society on the web.

THE END

By "the end," I mean that the end of my overly long summary of my background. I probably made this section of the book too long, but I figure, if you are not interested in the whole story, you can flip through it or skip it. I know that when I talk with people these days, they seem interested in the whole story so I thought I would put it in the book.

The end of the story is really the beginning of this new book, Retiring Without Risk. As you now know, the reason I felt compelled to write this book is because of the bad advice consumers are being given when it comes to growing wealth in a protective manner. Bad advice from advisors to consumers or consumers having nowhere to turn for good advice has cost millions of Americans billions of dollars.

This book won't solve every American investor's problems, but I am confident that readers who take the advice offered in this book will sleep better at night. Knowing your money will not go backwards when the market tanks and will lock in the gains when the market has positive returns will put the mind at ease for many (and some will choose to use a wealth-building tool that guarantees a 7% return every year (accumulation value) coupled with a guaranteed income for life).

HELP FROM THE AUTHOR

Invariably when you write books, you have a segment of readers who want to get in touch with the author to ask questions. I understand that, and I will do my best to accommodate the inquiries. You can always e-mail me directly at roccy@retiringwithoutrisk.com. I am usually fairly timely with my responses. I will be able to give you a brief response, but then I will probably forward you the name and contact number of an advisor in your local area who can help you.

For those of you who believe you need more comprehensive planning (asset protection, estate, and tax planning), you should consider using the C.A.L.M. Plan. It is a platform I put together for the advisors to use who have taken a certification course. C.A.L.M. stands for Comprehensive Asset Liability Management. You can read about the C.A.L.M. Plan at http://assetprotectionsociety.org.

Again, thank you for buying this book; and I hope it helps educate and motivate you to build your wealth so you can retire without risk.

Roccy M. DeFrancesco, Jr., JD, CWPP™, CAPP™, MMB™
Founder: The Wealth Preservation Institute
www.thewpi.org
Co-Founder: The Asset Protection Society
www.assetprotectionsociety.org
3260 S. Lakeshore Drive
St. Joseph, MI 49085
269-216-9978