

2015 SUMMARY DESCRIPTIONS OF LECTURES

LECTURE #1: UNDERSTANDING THE NEW VARIABLE ANNUITY LIVING BENEFIT RIDERS

This lecture discusses, generically, the new living benefit riders available to clients. This is a “plain English” lecture designed to provide attendees with a solid understanding of the basics of living benefits. Each living benefit is examined in light of who is the best candidate for the benefit. Practical examples are given of each benefit to show how they can help specific clients. Objections to living benefits (i.e., costs, etc.) are discussed and attendees are shown how to honestly and simply counter these objections. This lecture requires 80 minutes to present.

LECTURE #2: VARIABLE ANNUITIES AND MUTUAL FUNDS: DISPELLING THE MYTHS AND MISCONCEPTIONS SURROUNDING VARIABLE ANNUITIES AND MUTUAL FUNDS

This lecture examines several myths and misconceptions regarding mutual funds and variable annuities. Factual data is provided for distribution to attendees that dispels these myths and misconceptions. Attendees will learn that when mutual funds and variable annuities are *fairly* compared, the variable annuity often proves to be the better long-term investment. This lecture requires 90 minutes to present. A partial list of the myths examined in this lecture include:

- The myth that mutual funds owners are taxed at a maximum of 15% if they hold their mutual funds for more than a year.
- The myth that variable annuity owners in a 25% tax bracket pay 25% on withdrawals from their variable annuities.
- The myth that the stepped-up basis for mutual funds is a major benefit.
- The myth that mutual funds are cheaper to own than variable annuities.
- The myth that variable annuities are always subject to both death and income taxes when the owner dies.

LECTURE #3: VARIABLE ANNUITY SALES TECHNIQUES OF MULTI-MILLION DOLLAR PRODUCERS

This lecture explores a series of sales techniques used by the country's top variable annuity producers. Sales techniques selected for this lecture do *not* require a significant expenditure of time or money. All of the sales techniques discussed are used by producers who typically sell over twenty-five million dollars worth of variable annuities annually. An example of two such techniques are:

- How to strip a qualified or non-qualified variable annuity of all potential estate, gift and income taxes.
- How to transfer money held in a qualified or non-qualified variable annuity to a *tax-free* investment without having to pay income taxes. Once the variable annuity has been completely transferred to the tax-free investment the tax-free investment can be liquidated without income taxes. The end result is that a client can own a variable annuity, let it grow and avoid *all* income taxes on the annuity's growth.
- How to show potential clients that variable annuities are often the best long-term investment among all available investments.

At the completion of this lecture attendees should have several new ways to increase variable annuity sales. This lecture requires 100 minutes to present. A master manuscript is provided for attendees.

LECTURE #4: DO VARIABLE ANNUITIES BELONG IN QUALIFIED PLANS? – A LAWYERS VIEW

There is a great deal of confusion surrounding the issue of whether variable annuities belong in qualified plans (IRAs, 401(k)s, 403(b)s, etc.). This lecture examines the three major arguments advanced for *not* putting variable annuities in qualified plans and concludes that none of these arguments has any merit or validity. Next, Notice to Members 99-35, which is the NASD Notice that regulates this area, is explored in detail. This notice informs financial professionals as to when it is appropriate and when it is not appropriate to put a variable annuity into a qualified plan. A two page disclosure statement is provided that ensures compliance with directives issued by regulators. This is a 70 minute lecture. A manuscript is provided for distribution to attendees.

LECTURE #5: HOW TO CORRECT THE TEN MOST COMMON UNFOUNDED OBJECTIONS TO VARIABLE ANNUITY OWNERSHIP

Investors typically raise several objections to purchasing variable annuities. This lecture shows how these objections can be overcome by demonstrating:

- Variable annuities cost less to own than mutual funds.
- Variable annuities are more tax efficient than mutual funds.
- Variable annuities have benefits at death that provide as much or more than the step-up in basis mutual funds receive.
- The commissions on variable annuities are lower than other products.
- Variable annuities can be stripped of both death and income taxes.
- Surrender fees and IRS penalties imposed on variable annuities are easy to avoid.

This lecture shows financial representatives how to honestly and simply overcome unfounded objections raised by clients who are considering the purchase of a variable annuity. This lecture requires 90 minutes to present.

LECTURE #6: THE TRUTH ABOUT VARIABLE ANNUITIES – FACT VS. FICTION

This lecture requires 90 minutes to present and discusses the 15 most common myths regarding variable annuities and shows what the truth is and provides resource materials for attendees who want to examine any myth in more detail. A sampling of the myths discussed include:

- The myth that the annual cost of owning the average variable annuity is more than owning a similar mutual fund
- The myth that annual capital gains taxes on mutual fund distributions are capped at a minimum 15% under current tax law.
- The myth that paying ordinary income taxes on withdrawals of variable annuity gains make them less attractive investments than mutual funds.
- The myth that the step-up in basis is a benefit mutual funds provide that variable annuities do not. Because of this, variable annuities make poor wealth transfer vehicles.
- The myth that variable annuities, over the long-term, do not perform as well as stocks and mutual funds.
- The myth that variable annuities are just as risky as other investments and are really nothing more than tax-deferred mutual funds.

LECTURE #7: HOW TOP VARIABLE ANNUITY PRODUCERS PROTECT THEMSELVES FROM CLIENT COMPLAINTS AND POTENTIAL LITIGATION

This lecture requires a minimum of 90 minutes to present and discusses the potential malpractice traps that financial professional may be setting that may result in litigation when the next stock market correction occurs. Some topics addressed include:

- Not understanding the tax aspects of mutual fund and variable annuity investing.
- Incorrectly disclosing investment costs.
- Failure to understand the impact of living benefits.
- Incorrectly explaining the step-up in basis rules to clients.
- Not being aware of pending legislation affecting mutual funds, variable annuities, stocks, etc.
- Failing to inform clients of techniques that can help them (or their estate) avoid large tax bills.
- Not understanding the new creditor protection rules for retirement accounts.

LECTURE #8: ESTATE AND RETIREMENT PLANNING: VARIABLE ANNUITY ISSUES FOR CPAs, ATTORNEYS AND FINANCIAL PROFESSIONALS

This lecture is designed to help attorneys, CPAs and other financial professionals understand the benefits of variable annuities. It also dispels many of the misconceptions attorneys and CPAs have concerning variable annuities. This lecture requires a minimum of 90 minutes to present.

LECTURE #9: TWENTY-FIVE MILLION DOLLARS IN ANNUAL VARIABLE ANNUITY SALES – EIGHT SIMPLE STEPS

Most variable annuity producers believe they have had a good year if they crack the \$1,000,000 mark for variable annuity sales. Mega-producers have sales in the \$10-\$40 million range consistently. The difference in these sales results is directly related to a few things mega-producers do that regular producers fail to do. This lecture discusses the seven things that mega-producers do to mainstream their high level of sales. This lecture requires a minimum of 90 minutes to present.

LECTURE #10: THE FOUR STEP SALES TECHNIQUE THAT HELPS VARIABLE ANNUITY PRODUCERS EARN MILLION DOLLAR INCOMES

There are many sales techniques that can be used to increase the sales of variable annuities to those clients who are good candidates for these products. However, there is one *key* sales technique that has more positive impact on variable annuity sales than any other technique used today by variable annuity producers. Financial professionals who use this technique often have sales that result in them earning incomes that can easily reach \$1,000,000 a year. This lecture fully discusses this sales technique. This lecture requires a minimum of 90 minutes to present.

LECTURE #11: USING FULL DISCLOSURE AND PRODUCT KNOWLEDGE TO ATTAIN TOP VARIABLE ANNUITY PRODUCER STATUS

Many top variable annuity producers in the United States have found that the key to success in the variable annuity arena is fully understanding how variable annuities work and combining that knowledge with full disclosure of all aspects of variable annuities. This process, coupled with innovative sales techniques, will almost always lead to higher standards of professionalism, increased income, reduced liability and client satisfaction. This lecture requires a minimum of 90 minutes to present.

LECTURE #12: BECOMING A TOP VARIABLE ANNUITY PRODUCER BY INCORPORATING PROFESSIONALISM AND ETHICS INTO YOUR SALES PRESENTATION

This lecture discusses several things that top variable annuity producers do to increase both their professionalism and sales. This lecture discusses several of these “sound practices” and demonstrates how these practices can lead to increased sales and satisfied clients who feel comfortable referring others to their financial professional. This lecture requires a minimum of 90 minutes to present.

LECTURE #13: SALES PRESENTATIONS USED BY THE COUNTRY’S TOP PROFESSIONAL VARIABLE ANNUITY PRODUCERS

The sales presentation of a variable annuity must include a full and transparent discussion of every aspect of variable annuity ownership. This is the key to becoming a top variable annuity producer. When any aspect of variable annuity ownership is omitted it leaves the door open for the client to obtain incorrect information regarding variable annuity ownership from non-professionals. This lecture emphasizes why it is a “best practice” to fully discuss all aspects of variable annuity ownership with clients. This will reduce client reliance on variable annuity myths spread by non-professionals and will increase both the advisor’s trustworthiness and his sales. This lecture requires a minimum of 90 minutes to present.

LECTURE #14: HOW TO CREATE A VARIABLE ANNUITY PRACTICE BASED SOLELY ON CLIENT REFERRALS

This lecture shows financial advisors how to build a referral based variable annuity business. Nearly four out of five potential variable annuity purchasers decide not to purchase a variable annuity at the last minute because they believe the myths about costs, taxation, liquidity, lack of a step-up basis, etc. Those financial advisors who learn how to overcome these myths and couple them with proven techniques for obtaining reference often see their business shift to a 100% referral based business. This lecture requires a minimum of 90 minutes to present.

LECTURE #15: TEN FINANCIAL CONCEPTS ALL VARIABLE ANNUITY PRODUCERS MUST UNDERSTAND

This lecture discusses ten important concepts every financial advisor should know. This lecture requires a minimum of 90 minutes to present. A sample of topics covered include:

- Net Unrealized Appreciation (NUA)
- IRS's Aggregation Rule
- Tax Consequences of Partial IRC §1035 Transfers
- Withdrawing Variable Annuity Proceeds without Taxation
- Phantom Losses and IRC §1035 Transfers
- Tax Deductibility of Variable Annuity Losses
- Indirect Transfer of Non-Qualified Variable Annuities
- Understanding Penalty Ages
- Income in Respect of a Decedent IRC §691
- Obtaining Roth benefits without an income or estate tax liability

LECTURE #16: TEN CRITICAL COMPLIANCE ISSUES FOR 2015

This lecture discusses the eight “hot” regulatory issues for 2015. It includes a discussion of the following topics:

1. Outside business activity
2. Mental capacity of clients
3. Failure to supervise
4. Exotic investments
5. Failure to document all transactions
6. Improper Use of Social Media
7. Deceptive Use of Certifications
8. Suitability
9. Failure to be honest about product costs
10. Failure to understand basic taxation of the products you sell

LECTURE #17: ROTH CONVERSION–TWELVE POTENTIAL LIABILITY TRAPS

Articles and advertisements appearing in the financial press have many broker/dealers and registered representatives believing that the new Roth conversion rules that became effective January 1, 2010 will be a boon to the financial industry. Securities attorneys who represent investors see improper Roth conversions as the next major area of litigation against broker/dealers and registered representatives. The number of clients who would benefit by a Roth conversion or have the resources to properly effectuate a Roth conversion is much smaller than the financial media hype has indicated. At the same time, the potential for making a mistake in recommending that a client convert to a Roth is significantly higher than the industry realizes. The lecture examines who should and who shouldn't convert their IRAs and qualified plans to a Roth IRA. This lecture requires a minimum of 90 minutes to present. Several potential litigation traps are discussed including the following:

- Failure to consider the time value of money used to pay taxes.
- Failure to understand the benefits that can be lost if conversion is elected (taxation of Social Security, loss of first time home buyer credit)
- Converting qualified plans to a Roth if they will pass to a charity or survivors.
- Overlooking net unrealized appreciation (NUA) when converting a 401(k).

LECTURE #18: PROTECTING YOUR CLIENTS AND BROKER-DEALER FROM PONZI SCHEMES

This 60 minute lecture examines the major indications of a Ponzi scheme. The following topics are discussed:

1. Unreasonable high returns
2. Requiring gains to be reinvested
3. No oversight
4. Exotic investments
5. Little or no risk

LECTURE #19: INVESTMENT ONLY VARIABLE ANNUITIES – AN OPPORTUNITY FOR FINANCIAL ADVISORS

With the advent of the new tax laws, many investors might be better served with an investment only variable annuity than a variable annuity with a living benefit. This lecture addresses the advantages of an investment only variable annuity and it requires 90 minutes to present.

A ONE OR TWO DAY TRAINING PROGRAM CAN BE CREATED
BY COMBINING SEVERAL OF THE ABOVE LECTURES.