Choosing a Wealth Manager

These are my notes for the Live Chat call. They are not written as an article or anything but notes.

Using a financial advisor is a smart idea if you are unsure how to manage your portfolio or don't know what to do with a large inheritance. However, not all financial advisors are created equal, and some might be trying to line their own pockets with commission-based sales of financial products, rather than give you the best advice for your investments and retirement planning.

Although you are relying on your financial advisor for their expertise, it remains very important to ask questions and gain an understanding of what your advisor does, how they do it, and what strategies they are trying to employ. Here are 10 questions you should consider asking your advisor this year to ensure you are getting the best advice.

Investopedia

The questions below are great starter questions that can be asked of anyone you are planning to engage in money management and financial planning.

- Why did you decide to become a financial adviser?
- Are you a certified financial planner, registered investment adviser or broker? Are you a fiduciary?
- Have you ever been disciplined by a government regulator?
- What kind of fees or commissions will you charge?
- What percentage of your clients are retired or approaching retirement?
- What services do you or the Agency offer?
- Do you have any areas of specialty?
- How often will you review my portfolio?
- How often do you suggest meeting or talking with me?
- How can you help me meet my retirement goals?
- What kind of withdrawal strategies do you use when someone is in retirement?
- What are your investment strategies? Do you invest primarily in individual stocks and bonds, or mutual funds, and why?
- What is your investing philosophy?
- Do you provide a written agreement in advance detailing compensation and services?
- How did your clients' portfolios fare during the market downturn?

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- What investment benchmarks do you use?
- Which Custodian Do You Use?
- Do You Offer Hybrid Robo-Advisor Services or Access to New Technologies?
- Who is doing the work? (The Advisor you are interviewing or a staff member)

7 Questions to Ask a Financial Advisor

1. **What experience do you have?**
   Find out how long the planner has been in practice and with what types of firms they have been associated with. Ask for a brief description of work experience and how it relates to the planner's current practice.

2. **What are your qualifications?**
   Ask what licenses and other financial services credentials your planner or advisor holds. Find out how they stay current with changes and developments in the financial planning field. CFP® professionals expand their knowledge and must stay up-to-date through mandatory continuing education courses.

   If the advisor holds a designation or certification, you can check her background with the relevant professional organizations.
   For CFP® professionals, visit cfp.net or call 800-487-1497.
   • For individuals and firms registered as a RIA, visit the Securities and Exchange Commission (SEC) at https://adviserinfo.sec.gov/.

3. **What services do you offer?**
   Are the services you are most interested in at this point in your life available?

4. **What types of clients do you typically work with?**

5. **How will I pay for your services? What is your usual hourly rate, project fee, investment management fee schedule, or commission?**
   For those starting out or experiencing a life transition, paying a project fee for a

comprehensive financial plan including "what if" scenarios may deliver the most value at the least cost. For investors with small, inactive, or legacy accounts, a commission-based arrangement may be most cost effective. For do-it-yourself investors, the lower fees for a software-guided account may be attractive. For investors with complex financial situations or significant assets, establishing a full-service relationship that includes financial planning and ongoing investment management assistance may be most appealing. The best answer for you will depend on your unique situation.

6. **Do you sell or recommend proprietary products or services?**

7. **Have you ever been disciplined by any government regulator for unethical or improper conduct or been sued by a client who was not happy with the work you did?**
   Investment advisers file Form ADV to register with the SEC and/or the states. You can verify the response to this question by checking *Item 11 Disclosure Information* on the advisor's ADV form at https://adviserinfo.sec.gov/.
8. **Imagine that I gave you 1 million right now. How would you invest my dollars?**
   a. **Ask them about their goals. Why they want to invest money and what they try to achieve. What their attitude to risk is, whether they are looking for a safe investment or want to risk (and perhaps win big or lose big).**

9. **Stock market is plummeting and an important client calls you, saying that they want to sell everything and withdraw the funds. What will you do?**

Reference:
[Top 13 Wealth Manager Interview Questions & Answers]
(See Wealth Manager Interview document)

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By asking your financial advisor questions and better understanding their background, you will be able to determine whether you feel comfortable with them overseeing your finances. Ask them about their qualifications, experiences, fee structure, and philosophy to gauge whether you'd still like to hire them and use their services. -Investopedia

The following items were what many wealth managers request from a potential client

- What are your personal goals and objectives?
- What are your spouse's goals and objectives?
- Would you consider yourself conservative, moderate, or aggressive when it
- comes to investments?
- Your current ages and preferred age of retirement?
- Please provide the following documentation to allow me to complete a
- Financial Plan.
- Last 3 IRS Form 1040's and also 1041's if you have a corporation
- A current Net Worth Statement
- All Life, Health, and disability income contracts covering your lives
- Copies of your most recent bank, investment, and savings statements i.e. Credit Union, MM Funds
- It generally takes a week to 10 days to complete your study and will call to schedule an appointment, usually takes 2 to 3 hours to review.

Financial well being is more than what's in the bank. Your financial journey is deeply personal, affecting your health, state of mind, family dynamic, and work. The best match as a financial advisor for you now is exquisitely dependent on who you are and where you are in your life journey.

Over the past few years, proposed regulatory changes to who is held to the standard of fiduciary responsibility, how fees are charged, and transparency by financial advisors have fueled intense media attention.

Typically, you will want to ask if an advisor provides hourly financial planning (preferably a Certified Financial Planner™) versus one that only does investment planning. The

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conversation with the financial planner will focus on developing a budget (cash flow), establishing an adequate savings account and earmarking funds for investing (401(k), IRA/Roth IRA, or after-tax account). Some firms will offer these services as separate packages to help keep your costs down, while others may offer managed investment accounts with a smaller minimum investment and lower fees, and others will not work with you at all unless you establish a sizable investment account.

The next stage of life – becoming established -- may find that you now have a consistent budget, an adequate savings account and even some retirement investments. This means that your questions will be significantly different than someone just starting out. Your questions may focus on what services are available to help you set goals (short, mid & long-term); what additional investment options should be considered; whether insurance is needed to help protect family and/or business interests; college-savings options if you have children; setting aside funds for big-ticket purchases; and possible income replacement sources in retirement.

What you should find out:

- Ask about the wealth manager's processes for matching clients to suitable investments and managing risk.
- About the institution itself- Are they close to retirement? Is there someone taking over??
- Who is managing - who is doing the work? You should find out if your proposed adviser will be managing your portfolio, or if they are more of a relationship manager, with investment management happening "behind the scenes". One model is not necessarily inferior to the other, and many institutions operate a team approach to managing clients for the sake of continuity.

Understanding the fees / cost of Service

The right answer will depend on who you are and where you are in your life journey.

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DON'T LOOK HERE FOR AN ADVISOR

- "Best Advisors" lists. There are countless lists of so-called best financial advisors or attorneys in the country, but most are meaningless. The criteria can be skewed to favor some advisors over others, and in some cases, an advisor with little experience can qualify for a list if they pay a hefty application fee.
- Television. Don't hire an attorney, CPA, or financial advisor just because they are on TV. Good advisors do make it on TV, but not all advisors who are on TV are good. I've done my share of TV shows, so I know first-hand how it works. For some shows, the vetting process is detailed – they really only want the best of the best. On other shows, they just want a warm body. If you get an advisor from TV, you may be getting a good advisor or maybe just a good marketer. If you see someone on TV, who you think may be a good fit for your needs, do your research and follow the guidelines in this chapter to make sure he's qualified to provide advice, not just look good on TV.
- Local bank. Sudden wealth requires sophistication and highly specialized knowledge. No matter how friendly the branch manager at your local bank is, she/he probably doesn't have the experience or technical ability to best advise you. The best advisor for your needs may be in the local branch of your bank but chances are, they aren't. Do you think the country's wealthiest individuals work with the teller or branch manager of their local bank? Neither should you. Willy Sutton robbed banks because "that's where the money is," but if he wanted someone to manage his money, he'd probably drive past his local branch and go to where the talent is instead.
- Your current advisors. Some sudden wealth recipients already have a tax person, financial advisor, or attorney they know or work with. This can give them the false sense of security that they already have a team in place to help them, when this is usually not the case. It's tough because sudden wealth can create anxiety and alienation, so it can feel good to see familiar faces. The problem with using existing advisors is that they are usually not experts in sudden wealth and do not have the knowledge or skills to handle the complexity of your situation. In fact, it's better when a sudden wealth recipient doesn't have any advisory relationships because it forces them to find them. Part of your job is to start thinking of yourself differently. Pre-

money, the financial advisor who helped you set up your IRA or sold you a life insurance policy may have been a good fit for your needs at that time, but post sudden wealth, you're playing at a whole different level. Your advisors need to match that level. Your friendly tax professional who does your 1040 tax return may have been perfect for your needs before sudden wealth, but there is very little chance she/he will know how to minimize your AMT after paying attorney fees.

- Friends and family. What happens if you receive sudden wealth and your brother-in-law is an attorney or your best friend is a CPA? Doesn't it make sense to work with people you trust and to support friends and family? Absolutely, but not at the expense of working with someone who may not have the experience or skills to best serve you. Good intentions do not save taxes or protect your assets. It can be very difficult to say "no, thank you" to friends and family. I've seen situations where clients could not bring themselves to say no and suffered greatly as a result. I've also seen situations where the client did say no and their relationships suffered greatly. There are no easy answers. "Sudden Wealth Principle 5: Manage Relationships" will provide you with more insight and tools to help you deal with friend/family advisors who want to work with you but who are not qualified. For now, focus on the fact that you need and deserve the best advice you can get, wherever it may come from, and that the more financially sound you are, the better you are able to help your friends and family.
- Referrals. After a sudden wealth event, become used to receiving unsolicited advice and hearing, "You have to talk to my guy," from just about everyone. And although referrals can be invaluable for finding a good restaurant or knowing what movie to see, when it comes to finding highly specialized experts, it's unlikely you'll find advisors with the necessary experience from a referral.

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Recommended articles:

How To Find a Socially Responsible Financial Advisor or Planner

How to Find a Financial Advisor or Planner at Any Age

Resolving Disputes With Your Financial Advisor

Top 13 Wealth Manager Interview Questions & Answers

Additional Resources

How to Find the Best Financial Advisor for You Now

Financial Industry Regulatory Authority

This site offers consumer tools on how to find, interview, hire and work well with a financial planner.

http://FINRA.org/

PLAN WITH CONFIDENCE. PARTNER WITH A CFP® PROFESSIONAL.

Let's Make a Plan <<----- (Texas Snake talks about finding one Board Certified)

This site helps you look up the individuals who are currently authorized to use the CFP® and CERTIFIED FINANCIAL PLANNER™ certification marks. Planners who have been publicly disciplined by the CFP® Board will also be listed.

Financial Planning Association

FPA PlannerSearch

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Financial Industry Regulatory Authority

http://FINRA.org/

FINRA Investor Information and FINRA BrokerCheck® are resources to help consumers learn about the professional background, registration/license status and disciplinary history of firms and brokers in business. Information is available on nearly 5,100 registered firms and more than 660,000 brokers. FINRA also offers helpful information for investors on common scams, complicated products, claim restitution funds, and a mutual fund expense analyzer.

https://www.findawealthmanager.com/wealth-managers/

https://www.findawealthmanager.com/knowledge/how-to-interview-a-wealth-manager/

https://www.newwestern.com/blog/how-to-find-good-contractor

Family Office - Legacy Planning

What's your legacy?

Family office staff may be compared to a rubber ball, bouncing between tactical needs and requests of the various family members they support. We find that most families are very diligent about strategic planning for their business, but family offices often find it difficult to step back from the daily demands to take time for longer-term planning.

For a family to achieve its desired legacy, it must be intentional about strategic planning. The greater the complexity and size of the family, the more important such planning becomes.

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• Family charter:
Your family charter is the foundation of your strategy. It is your 100-year plan,outlining your family's purpose,its values, vison for how the family will be governed and how wealth will support your legacy.

• Strategic plans:
Create a 5- to 10-year plan that outlines the strategy for training the next generation, so that the family is prepared for key changes in business or technology and for long-term business changes, investment opportunities or development projects.

• Business plans:
1- to 5-year plans will support your strategic plan that describes key initiatives to meet the family's short-term objectives as well as the 10-year plan.

Succession planning

Succession planning is a key component of strategic planning. Enabling a successful transition requires a focus on four dimensions of your succession plan: leadership, ownership, legacy and value, and wealth transition. Those four dimensions sit at the heart of any successful succession plan and are key considerations for all three primary stakeholder groups — owners, families and the business and investments.

FAMILY GOVERNANCE & FAMILY OFFICE

A family governance system is a key part of a comprehensive plan for managing generational wealth within families.

Family governance can serve your family as a system, a process and a tool.

- As a system, it can manage family members' competing and interrelated interests, defining roles and boundaries and supporting the family's collective vision.
- As a process, it can help your family make decisions based on a shared sense of values, mission and vision.
- As a tool, it can help your family recognize and manage specific family, wealth and enterprise dynamics

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Family legal architecture diagram.

Your family governance system should be a living entity, one that builds on family tradition but can be amended as your family evolves.

The first phase of this process is designed to map out your family's complete architectural design, encompassing its individuals, entities and sources of wealth.

Presenting the current architectural framework enables your family, as well as your trusted advisors, to have a clear understanding of the entire landscape.

Once defined, your family has a baseline from which to work to build upon areas of strength and address areas of weakness.

A legal architecture diagram can help your family understand how the various family entities fit together and affect one another. Your advisors can use this diagram to find potential gaps and determine how family governance programs can best operate in conjunction with legal entities.

By identifying assets within each legal entity, your family gains further insight into its current financial affairs. Your advisors can then offer cash flow analysis, estate disposition and global asset allocation to help you determine the best ways to deploy financial resources to develop human and intellectual capital

Best Practices: What to Learn

- [ ] how succession and the transfer of wealth across generations are likely to fail without governance building initiatives by the incumbent generation;
- [ ] how to use a board; directors can help;
- [ ] how to set family policies, like family constitutions, that govern key areas of family concern;

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- [ ] how to encourage trans-generational entrepreneurial activity and preserve the continued spirit of enterprise;
- [ ] how to counteract Materialism and/ or feelings of entitlement in the family; how to nurture active working members and the family's service and philanthropic initiatives; how to govern the family with a sense of purpose after a wealth creation events

Summary

Family assembly activities include learning about the business through presentations by family and non-family managers, discussing (not deciding) the direction of the company, being educated about what the company does or about important skills like reading financial statements.

It is also a good forum to get updated on changes in the family such as important events and accomplishments, and on changes in ownership.

For example, have any shares changed hands since the last meeting? Are there new tax laws shareholders need to be aware of?

Effective governance empowers leaders of wealthy families and/or families in business to make the most of the unique strength of a family enterprise: the synergy between a strong, unified owning family and a well-run family enterprise or family office.

The family council can be composed in several ways, the typical way being one member elected per family branch.

Go over Family governance doc

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Philanthropic management

An increasingly important part of the role of a family office is managing its philanthropic efforts. This will include the establishment and management of a foundation, and advice on donating to charitable causes.

These services would typically involve:

- • Philanthropic planning and strategy
- • Assistance with establishment and administration of charitable institutions
- • Guidance in planning a donation strategy
- • Advice on technical and operational management of charities
- • Formation of grant-making foundations and trusts
- • Organizing charitable activities and related due diligence

Estate and wealth transfer Family offices will be involved in business succession and legacy planning, enabling the transfer of wealth to the next generation. These services will include:

• Wealth protection, transfer analysis and planning related to management of all types of assets and income source

Administrative services Administrative services, or back-office services, are essential to the smooth running of a family office.

These services will include:

- • Support on general legal issues
- • Payment of invoices and taxes, and arranging tax compliance
- • Bill payment and review of expenses for authorization
- • Opening bank account
- • Bank statement reconciliation
- • Employee management and benefits
- • Legal referrals and management of legal firms

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- • Public relations referrals and management of public relations firms
- • Technology systems referrals and management of these vendors
- • Compliance and control management

Succession planning Ensuring a smooth succession and planning for future generations is integral to the long-term viability of the family office and the family it serves. These services will include:

- • Continuity planning relating to unanticipated disruptions in client leadership
- • Evaluation of the strengths, weaknesses, opportunities and threats (SWOT analysis) of senior executives both within and outside the family
- • Re-evaluation of family board regarding roles of non-family directors
- • Structuring of corporate social responsibility platforms and programs
- • Development of formal knowledge sharing and training programs
- • Implementation of intergenerational estate transfer plans
- • Adoption of a family charter or constitution, specifically aiming to:
    - ★ 1. Formalize the agreed structure and mission of the family business
    - ★ 2. Define roles and responsibilities of family and non-family members
    - ★ 3. Develop policies and procedures in line with family values and goals
    - ★ 4. Determine process to resolve critical business-related family disputes

Advisory

Tax and Legal Advisory

Tax, in particular, has become a much more important issue for family offices in recent years and as such has assumed a more important part of the functions of a family office. Legal matters are also important. A family office will typically employ a general counsel and/or a chartered or certified accountant, or several accountants and tax experts. These professionals usually provide the following services:

• Construct a tax plan that best suits the family

• Design investment and estate planning strategies that take into account both investment and non-investment income sources and their tax implications

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• Ensure all parts of the family office are tax compliant Compliance and regulatory assistance Family offices need to ensure strict compliance with regulations pertaining to investments, assets and business operations. These services will include:
• Providing auditing services for internal issues
• Establishing a corporate governance mechanism
• Ensuring a high level of staff hiring
• Group performance monitoring and compliance
• Offering recommendations on independent and board advisory formation
• Strengthening the regulatory investment process

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- • Group performance monitoring and compliance
- • Offering recommendations on independent and board advisory formation
- • Strengthening the regulatory investment process

Risk management and Insurance Services
This is a service that has assumed a more important role in recent years because of the financial crisis of 2008–09 and the subsequent fallout. It will be a crucial service for family offices in the future as well.
These services will include:
• Risk analysis, measurement and reporting
• Assessment of insurance requirements, policy acquisition and monitoring
• Evaluation of existing policies and titling of assets
• Evaluation of security options for clients and property
• Formulation of disaster recovery options and plans
• Protection of assets, which could involve the use of offshore accounts

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• Development of strategies to ensure hedging of concentrated investment positions
• Physical security of the family • Data security and confidentiality
• Review of social media policy and development of reputation management strategy

References:
Abbott Downing - Family Governance
Family Governance Powerpoint
66356543-Family-Governance
406327160-EY Family Office Guide

Go over Giving Away Money doc

The 3 P's of Money

The 3 P's of Money

Protection of Principal - Rule #1
- NEVER spend the principal. NO matter What, come hell or highwater.
- Money never sleeps. Should always be working for you.

Plan & Patience - Rule #2
- Make a Plan. One that works for YOU.
- Make a Budget. That does NOT exceed income from the Principal.
  • Build on spreadsheet, annuals separate from monthly
  • As building, use % of total for each line item, as well as amount. When income changes, all categories will recalculate for you.
- Assume maximum tax brackets on income… Fed, St, Local, in case NESARA is delayed.
- Have the patience to work the plan and allow it to work for you.

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Play - Rule #3

- Plan fun things you do or want to enjoy doing. No sense following the first two Rules, if not going to reward myself for doing so.
- Include items in the Budget for play-time.
- Always use profits from investments for play time… see below AND Rule #1.

NEVER, NEVER, break Rule #1 !!!!!

- You are trying to enjoy your newfound wealth, "pay the bills and taxes", and help others – family, friends, project beneficiaries. That cannot happen over more than a few years if you do not follow Rule #1.

DON'T MAKE THESE COMMON SUDDEN WEALTH MISTAKES

.1 MAKING UNNECESSARY DECISIONS - Depending on the type of sudden wealth event, there may only be a handful of decisions you need to make early on. Work with your advisors to learn which tax, financial, and legal decisions you must make and which ones you can delay. Bottom line, unless it is necessary, hold off on making a decision.
2. SPENDING MONEY - There will be plenty of time to spend, but this is not that time. You still need to know how much you will get after taxes and how much you can comfortably spend. If you are tempted, write it on your Wishlist.
3. PROMISING ANYTHING OR MAKING COMMITMENTS - If you just found out you will be receiving money, it is too early to make any financial or non-financial commitments. Don't make promises or commitments to friends and family. Again, it is too early to know what you have and what you can give.
4. SHARING NEWS WITH OTHERS - Keep your sudden wealth situation private. The fewer people who know the better. You'll get less unsolicited advice, and you won't feel the pressure from others. If possible, keep your windfall anonymous.
5. RETREATING - While you don't want to broadcast your windfall to the world, you should avoid hiding. Stay social and engage in the activities you've always enjoyed. This will help you stay grounded, and the social interactions will help ease the stress.
6. SELF-MEDICATING WITH ALCOHOL/DRUGS-- It's understandable that you want to take the edge off a situation that can be highly stressful -- and drinking or drugs will certainly do the trick -- but overdoing drugs or alcohol will only make your situation worse. There are many more healthful alternatives such as exercising, talking to friends, or participating in therapy that are more effective and that will set you up better for the later sudden wealth stages.

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7. SPEND TOO MUCH - It may be incomprehensible for someone who was making $50,000 a year to go broke after receiving a $10 million windfall, but it happens. It might not disappear in a year or two but if the person is consistently making bad financial decisions, they can go through the money in less than a decade and much quicker if they also engage in one of the other sudden wealth sins below. Get assistance to pace your spending.
How can you avoid this fate? Go slow, work with experts, figure out how much you can spend, and then stay on track. If you still have problems, work with a therapist or money psychologist. The few hundred you spend learning about your triggers and underlying issues will be one of the best investments you could make.
8. GIVE TOO MUCH - Sudden wealth recipients who spend too much on themselves will often give too much as well. When confronted with giving too much to family, one client confessed, “I feel guilty having this new house and stuff when the rest of my family is still struggling. I can’t enjoy what I have unless I give them what I have.” There are often familial pressures and hidden expectations to take care of the family that can weigh on the person. Helping those in need and others to create a better life for themselves can be one of the most rewarding uses of your windfall, but there is a limit to what you can do.
9. Stick to a spending plan, help the right way, and stay on track with monthly reports. Work with your advisors to create a long-term and sustainable plan to assist your family. Have your advisors become involved in the discussions with your family, if necessary.
10. DIVORCE - can wipe out 50% or more of your wealth overnight. Divorce is also one of the most common reasons why sudden wealth recipients lose their money. Protect yourself with co-habitation, prenuptial, and postnuptial agreements. Work with a family law attorney to ensure you have some protection against separation or divorce. (For more from this author, see: Inheritance Planning: How to Avoid Family Problems.)
11. INVEST BADLY -- A common and large source of loss for sudden wealth recipients is making bad investment decisions. Many smart people have made bad decisions and have invested too much of their sudden
wealth in red investments. Avoid these and stick to mostly green and occasionally some yellow investments. Work closely with your advisors to review each investment – especially those that are yellow or red categories.
12. FRAUD -- The Bernie Madoff Ponzi scheme proved that you cannot trust anyone. Madoff was a highly respected investor and was once chairman of the Nasdaq stock market. The onus is on you to create a system of checks and balances to protect your money. Follow the guidelines in Sudden Wealth Principle 10 as a starting point. Also, never invest in a company or venture your advisor recommends in which he is also involved.
13. LAWSUIT -- In an instant, all your assets could be in jeopardy if they are not protected. Lawsuits are all too common, especially for people who have wealth. Your sudden wealth

makes you a larger and more visible target. Work with an asset protection attorney to shield your assets from creditors and lawsuits.

14. TRUSTING TOO EASILY -- Those who come into sudden wealth, such as an inheritance, lottery win, legal settlement, or sudden fame, but haven't been trained to manage their money, can find themselves particularly vulnerable to bad investment opportunities.
Work with professionals for investment guidance.

15. SEEKING COMFORT, NOT FREEDOM -- Comfort is the enemy of abundance and the most dangerous element of finances. The entire middle class is built on seeking comfort. The wealthy seek freedom and so much abundance that money is no longer dependent on their efforts. More is the mantra, abundance is the affirmation, comfort isn't on their menu and freedom is the focus. Need a clear point

16. DEPENDING ON ONE INCOME FLOW No matter how big your income is, never depend on one flow. I knew an executive who was earning $350,000 a year, the top 1 percent of all incomes. Suddenly the industry she worked in came to halt and her one income flow was shut down. This has happened to many Americans, destroying trillions of dollars of "pretended" wealth.

17. To create wealth, you must make investments that will create dependable streams of income flows, independent of your main source of income. I use rental income from apartments and partnerships in other companies to throw off passive flows of income. I continue to pay attention to each of these flows to make them stronger. This is not diversification -- it's fortification of wealth.

18. INVESTING IN TRENDS -- Avoid investing in the latest and greatest technologies that can be displaced by new technological developments. Don't get on the roller coaster. Take the longer, slower ride that guarantees arrival.

19. TRUSTING WITHOUT PROOF The single biggest mistake of my financial life was naïvely trusting a group of people because I liked them, and it felt right. I neglected to get proof that they were actually as they presented. Instead, I went with my feelings and was deceived. By the time I figured out something was wrong, I was out millions.

20. Disregard your feelings when it comes to people and always look for solid evidence. If you are so close to people that you are not willing to ask them to provide evidence, make it a policy not to do business with them.

21. PRETENDER SPENDER. On the other end of the spectrum is the pretender spender. They try to impress others with how they spend money. It's not their money, it is always someone else's. Sports cars, expensive clothes, designer bags, shoes, V.I.P. tables -- the list is endless.

22. The wealthy are not trying to impress anyone, they are seeking freedom.

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23. When the wealthy hit affluence and abundance, they start throwing money around on ridiculous things -- cars, boats, planes, vacation homes. By then, it no longer matters that the things are poor investments. The very wealthy may appear to be flaunting their money with extravagances, but, they are not. The money they are spending is miniscule compared to the abundance they've created.

SUDDEN WEALTH can provide an amazing opportunity to create a better life for yourself and others. To best do that, set yourself up for success by making this stressful process a little easier. Breathe, slow down, and avoid these common sudden wealth mistakes.

Reference - Don't Make These Sudden Wealth Mistakes pdf

PRIVATE BANKING 101

When it comes to private banking, finding the right bank and banker can make a huge difference in your money, profits, and even taxes. Not to mention, securing the products and services that you actually want or need.

In other words, establishing the right private banking relationship from the outset means your money is safer, more accessible, and ready to support you and your family however you need it to.

This might include managing your money more effectively early on in your career, supporting future generations, philanthropy, or ensuring you and your spouse live out your days without ever thinking about money again.

Whatever the reason, with the right private banking relationship, your money will be available to support you how you see fit.

That said, finding the right private banking relationship can be tricky. There are a number of important considerations that go into choosing which bank is right for you.

First, if you lead an international life or own assets in multiple jurisdictions, bank selection gets even more complicated.

Likewise, while there are many private banking jurisdictions to consider, certain countries are better suited to certain client profiles.

And of course, knowing which private banks will actually be able to provide the services and products that you require is key, because not all will.

Choosing a Wealth Manager

These are my notes for the Live Chat call. They are not written as an article or anything but notes.

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some of the key benefits that clients of private banks can
expect when opening accounts.

- Access secure and stable banks with strong financials
- Receive dedicated one-on-one service from your private banker
- Access tax planning services to support international portfolios
- Receive investment advice to direct your investment strategy
- Secure wealth for future generations with inheritance planning advice
- Reduce your banking costs through overall consolidation of accounts
- Unlock cashflow from completely illiquid assets that you own

This is by no means an exhaustive list, it's more like a small look into the benefits that private banking can deliver

Most private banks offer services in the following four categories:

- Investment Services
- Financing Services
- Planning Services
- Speciality Services

Reference: Private Banking Starter Guide pdf

Educational Resource - Learn about Private Banking
versus Private Banks -- links to Wikipedia are in red...
From Wikipedia: Private banking is banking, investment and other financial services provided by banks to high-net-worth individuals (HNWIs) with high levels of income or sizable assets.The term "private" refers to customer service rendered on a more personal basis than in mass-market retail banking, usually via dedicated bank advisers. It does not refer to a private bank, which is a non-incorporated banking institution.
NOTE: If you look in the Dropbox folder for this document, the .pdf will have the linked docs attached (as in one complete document).
Private banking forms a more exclusive (for the especially affluent) subset of wealth management. At least until recently, it largely consisted of banking services (deposit taking and payments), discretionary asset management, brokerage, limited tax advisory services and some basic concierge-type

services, offered by a single designated relationship manager. The primary difference between private banking and wealth management is that private banking does not always deal with investing. ... In general, private banking can extend to encompass wealth management, but wealth management firms cannot provide clients with private banking facility services.
Private banks are the banks owned by either the individual or a general partner(s) with limited partner(s). Private banks are not incorporated. In any such case, the creditors can look to both the "entirety of the bank's assets" as well as the entirety of the sole-proprietor's/general-partners' assets.
Private Banking is done in a second-tier fashion with most filing managed by the staff of the principal bank entity providing this service. While Private Banks offer non-commercial, even more private vehicles with opportunity to support additional sub-accounts for others and you may want to do this, such as Societe-Generale. You get the benefits of being an owner of an independent private bank without the issue of onerous oversight.
Take a look at the following documents which describe these vehicles in more depth. We can know that our New Treasury will be providing a unique vehicle similar to the Private Banking vehicle formerly provided by the Federal Reserve. Know the difference in PRIVATE BANKING versus PRIVATE BANKS so you can discuss this wisely during exchange.

Reference: Private Bank vs Working Bank pdf

Go over: Private Banks Doc
Becoming Your Own Banker concept
Estate Planning with Questionnaire