How to make the most important financial decisions of your life.

The book about investing, mortgages, retirement, and asking the right people the right questions.

Opes Advisors, Inc.

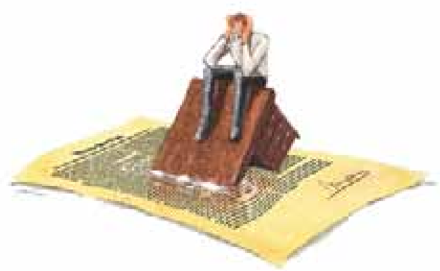
This book is for absolutely everyone who is making big financial decisions—or soon will:

If this is your first house, your first marriage, or your first commercial property.

If you're a big spender or thrifty.

If you're financially naïve or savvy.

This book is about asking the right questions in order to get the answers you need.



How people screw up.

There are lots of ways to screw up financially.

People buy too much house.

They buy too little house.

They invest too much—on tips from friends, stockbrokers, and magazines.

They invest too little.

They buy second homes with mortgages they can't pay for.

They invest in commercial real estate they don't understand.

They don't invest in any real estate.

They plan for retirement.

Or they don't.

They make mistakes.

And the one thing they learn—or don't learn—is very important.

And that is: Making one really bad decision can set you farther back than making ten right decisions can set you forward.

But how do you know which is which?

How do you make financial decisions?

Most people ask someone they trust.

Their spouse, their family, their Uncle Harold.

Or friends.

Or successful people they know.

Or professionals such as bankers, lawyers, doctors, mortgage brokers, investment advisors, or salespeople.

Some of those people have your best interests at heart.

Some of them have agendas and interests other than yours influencing them.

But most simply don't have a comprehensive view of your life, your options, your dreams, and your retirement.

To make important financial decisions, you need to know a few things.

You need to understand that, for most people, the goal of investing is to secure an income stream from their assets (both liquid investments and illiquid real estate investments) that allows them to do what they want, where they want, when they want.

Particularly if what *you* want to do is to continue working.

Or if what you want to do is to retire.

Or especially if, someday, circumstances force you to retire.

Retirement is setting up your investments to take care of you—no matter what you want.

At this point, you might be asking yourself why you need to think about, and know about, retirement.

You need to think about it because your three-legged retirement stool probably has only one leg.

The story of the three-legged stool—with one leg.

In the olden days, when your grandparents grew old, they had a three-legged retirement stool.

It supported them.

The first leg was Social Security.

This government insurance program was set up to supply money to widows, orphans, the disabled, and old people in their retirement—mostly to old people in their retirement.

This is how the government's Social Security system worked since Franklin Delano Roosevelt signed it into law in 1935: As long as they were working, your grandparents paid into it, so they could expect to get money out when they retired.

And they did.

Unfortunately, a lot of factors make it unlikely that the Social Security system will be able to pay you what you've been promised when you retire.

So it's smart to not count on Social Security.

The second leg was your grandparents' pension plan.

A pension plan was a program in which the company made contributions for your grandparents' retirement.

The pool of funds was invested on your grandparents' behalf, allowing them to receive payments during retirement.

A lot of companies had these pensions. The longer you worked there, the bigger your pension got.

Pension plans were intended to build employee loyalty. But today most companies don't offer pensions.

So you're not likely to be counting on a pension.

The third leg of the stool was your grandparents' personal savings and investments.

They saved money in a bank account or they bought stocks and bonds, and maybe real estate.

Of the three legs your grandparents could count on for retirement income, today you—and most people—can count on only one.

Your own savings and investments.

Because that's true, you need to pay special attention to saving and investing.

This isn't easy. It's confusing.

Your one-legged stool.

What should you do?

One of the things your grandparents could count on, in addition to the three-legged stool with all three legs, was retirement at age 65.

Projections are that you're going to live longer in retirement than them.

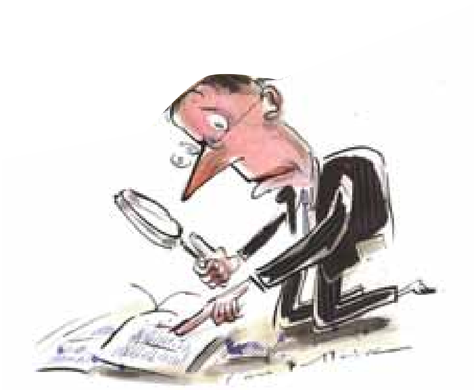
A lot longer.

During the 20th century, the average American's lifespan increased considerably.

So the good news is you'll live longer and spend a lot more time in your retirement than they did. But the bad news is you'll need a lot more money for retirement than they did.

It also means you'll need to make retirement plans and investment decisions that your grandparents never had to make.

And you might need help with all that.



Whom can you trust with your investment decisions?

You probably have people who help with your investments.

Stockbrokers, investment advisors, money managers, your Uncle Harold, books, magazines, online gurus, financial wizards. Some you know. Some you know by reputation alone.

But if your investments are important and interconnected, and if they affect your future and retirement, don't these people need to talk to each other about your retirement plans?

Don't they need to talk clearly about the way they make money and how that affects their recommendations?

They should make money by helping you make the right decisions for your investments and retirement, shouldn't they?

The question is, do you have the right people advising you?

Are they biased?

If they are biased, do you need somebody to help you put a group of unbiased advisors together?

To find out, think about the questions you should ask them.

The questions your broker, investment advisor, or even Uncle Harold isn't prepared to answer.

- ☐ How can I determine when I can retire?
- ☐ How can I assess the tradeoffs between investments in stocks and bonds and investments in real estate?
- ☐ How can I assess the impact of my investments and debts on my retirement strategy?
- ☐ How can you help me if I want to retire sooner?
- ☐ How exactly will you make money from helping me devise a plan for my retirement?

If you're not satisfied with the answers you get, it's because most of these people are not set up to help you.

What's worse is that they probably can't help you at all with some of your most important financial decisions: buying a house with a mortgage or investing in real estate.

For that, you need real estate advisors and mortgage people.

Welcome to The Mortgage Game.

You talk to several bankers and mortgage people.

You answer some questions, you complete some applications, and you see who approves you for the “best” mortgage.

You go with them.

They sell you a mortgage based on their guidelines and their ratios, but not based on your family, your goals, or your long-term retirement plans.

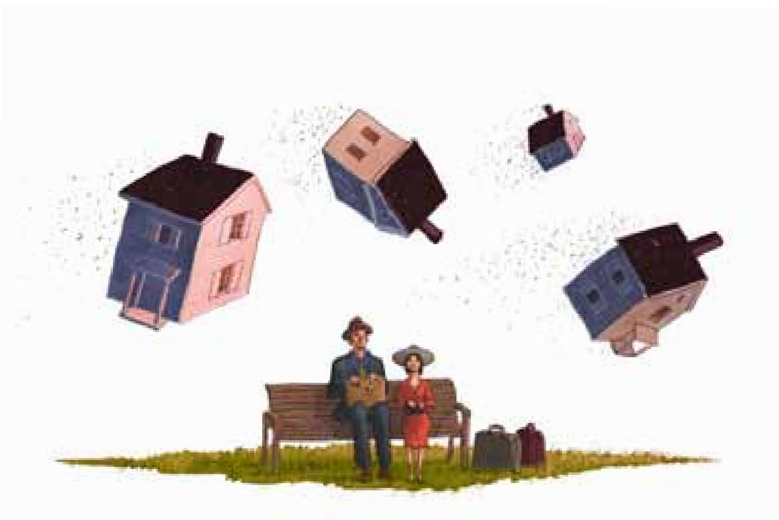
The bankers or brokers will make their commissions, because they’ll have sold you a mortgage based on their guidelines and their ratios.

But it means you might be paying more each month than you can afford.

This fact might not matter in the first month or the first year, but it will consume your resources month by month. It will divert funds that you could be saving, investing, and using for a secure future, and for your retirement.

Eventually, it could put your whole financial life at risk.

And when that happens, it’s not a game anymore.



These are the important questions to ask your mortgage person.

- ☐ What percentage of my total liquid assets does it make sense to use as a down payment, and why?
- ☐ What did you use to determine what loan I can qualify for?
- ☐ What's the difference between what I can qualify for and what I can afford?
- ☐ How do we determine what I can afford?
- ☐ Will buying the house I qualify for put my peace of mind and my retirement at risk?
- ☐ Will I still be able to save after I pay my mortgage, taxes, and other home expenses?

If the answers make you think hard about your decisions—and the person you're talking with—that's good.

Because asking important questions and getting answers that make sense is the first step in putting yourself on the right track.

And your family in the right home.

Ask yourself these retirement questions.

If retirement is the time of your life when your assets support you, then—while you're still working—you need to make important decisions to prepare those assets to do that.

One of the big decisions you need to make is what you'll do with your home when you retire. Some people think they can just move out, sell it, take the money they have in equity, and move "someplace else."

Ask yourself:

- ☐ How much money will selling your house provide?
- ☐ What if it's worth considerably less than you projected?
- ☐ Where will you invest the proceeds?
- ☐ Where is that "someplace else" you plan to live?
- ☐ Will you be happy there?

These are important questions. Are you asking them?

Is anybody helping you find the answers?

The trouble is that the answers to these questions start to affect your retirement immediately.

But the people who often influence the biggest decisions affecting your retirement don't have your long-term financial health in mind—or might have interests that conflict with yours.

You need to know a lot.

And you need help.

The story of the three-legged friendship.

There once was a bright young man named Jonathan, who won the game.

He built successful companies, bought houses and cars, and had money.

He thought he could retire, but he wasn't sure.

He needed help to make some big, important investment and life decisions.

He asked a lot of banks, investment companies, and money managers about those decisions, and his retirement.

They all looked at their favorite part of his balance sheet: his liquid assets.

They all gave him lots of contradictory advice about his retirement.

He wondered why none of them was looking at the big picture of him—his home, his real estate, his debts, as well as his investments—when they talked about his retirement dreams.

He decided that if they weren't concerned about all that, he shouldn't be either.

They had their guidelines, their ratios, their computer models, and analytics—and they were successful—so he thought they must know what they were doing.

So Jonathan retired.

He bought stuff.

Including a big commercial building.

It cost him plenty.

Including his retirement.

So he said, *"If all those people at all those successful organizations couldn't help me make important decisions about my retirement, and it's something I needed, there must be other people like me who need that kind of help, too."*

He decided that if he had to go back to work, that he'd try to address this problem.

He talked to his friend Susan about it.

You should see what Susan saw.

Susan built a mortgage company, sold it, and then went to work at a big mortgage bank.

She knew mortgages as well as anyone.

She saw that banks just aren't set up to help people when they make some of the biggest financial decisions of their lives: buying houses and living the American Dream.

She saw people being offered loans—based on guidelines and ratios that didn't take their total financial pictures into consideration—that just weren't right for them, their situations, and their financial goals.

She saw loans that just weren't affordable.

She saw that nobody was talking about the most important thing: that these people weren't just buying houses, they were making some of the most important financial decisions of their lives—without looking at the big, long-term picture of those lives.

She saw that all these loan guidelines and ratios were based on the unquestioned belief *that real estate values would always go up because that was all anyone had ever seen.*

She saw customers who thought they were buying houses for their future security and a happy retirement.

She saw that people either didn't know or didn't understand the most important, most fundamental truth: *Just because you qualify for a loan on a house doesn't mean you can afford it.*

And if you can't afford the loan on your house, you can't plan for the future, or retire.

She didn't like what she saw.

So she sat down with Jonathan and their friend Mark.

Mark and the silos.

Mark was an investment advisor in the investment department of a very big bank.

It was a land of information silos.

One silo was the investment department. It had everything to do with stocks and bonds and mutual funds.

Another silo was the mortgage department. It had everything to do with mortgages, second mortgages, and debt-to-income ratios.

But there was nearly no connection between the silos.

He didn't like that those disconnected silos often exposed clients to unnecessary risks. Many already had significant risks because they worked for startup companies, had stock options, or had stock in high-tech companies—with their attendant ups and downs.

He also didn't like what the bank wasn't set up to do.

The bankers weren't set up to advise their customers to make those most important financial decisions. And when they did, their recommendations were based on the guidelines and ratios of the silos, never on the complete picture of individual clients and their lives' needs.

The bank's investment and financial advisors almost never took real estate assets and liabilities into account, because even if they were sound, sensible investments, they weren't a kind of investment the bank handled.

So they almost never recommended that clients invest in real estate.

Unfortunately for their clients, the bankers just didn't have a silo for that.

The Whole Life Balance Sheet

Jonathan, Mark, and Susan talked a lot about the three-legged stool with one leg.

Then Jonathan showed them a software tool he built that could show his whole financial life as a balance sheet—everything. Susan and Mark added securities, real estate, mortgages, the works. It showed him the future impact of his current investment decisions on that balance sheet, for years to come.

Mark explained that the implication of the three-legged stool story is this: *The retirement crisis is going to get a lot worse for a lot of people unless they get help.*

They all recognized that Jonathan's new software tool could help a lot of those people.

It could become a key part of a multi-expert, interconnected advisory service that could help people make sound financial decisions about securities investments, real estate investments, and mortgages based on their lives and dreams, rather than on some bank's or mortgage company's guidelines and ratios.

They saw that such an advisory service could keep a lot more people from making the same kind of mistakes as Jonathan made—and some he didn't make.

So Jonathan, Susan, and Mark decided to do something about it.

And they did.

The stories in this book are true.

Which means there's now a company that's built to help you make the most important financial decisions of your life.

The people in this book are real. Their names are Jonathan Lee, Susan McHan, and Mark Duvall. Their actual pictures and phone numbers are on our website, so you can actually talk with them.

Perhaps you should.

The company they founded, Opes Advisors, is obsessed with helping you live happier and retire smarter by making it possible for you to look at the big picture of you, your life, your family, and your retirement—taking into account your lifestyle, your family, your investments, your debts, your real estate, and your dreams of retirement. Not only that, you'll see how your financial decisions today will affect you in 20, 30, or 40 years.

They started Opes Advisors because nobody else does all that in one company, with experts who work together for you.

They do.

Their goal is for you to never be alone with the most important financial decisions of your life.

They work with you and their team of experts to help you make a plan that makes sense for you, your life, and your future, including your retirement.

Please call soon, because if you've read this far, it's likely that we have some very important work to do together.

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