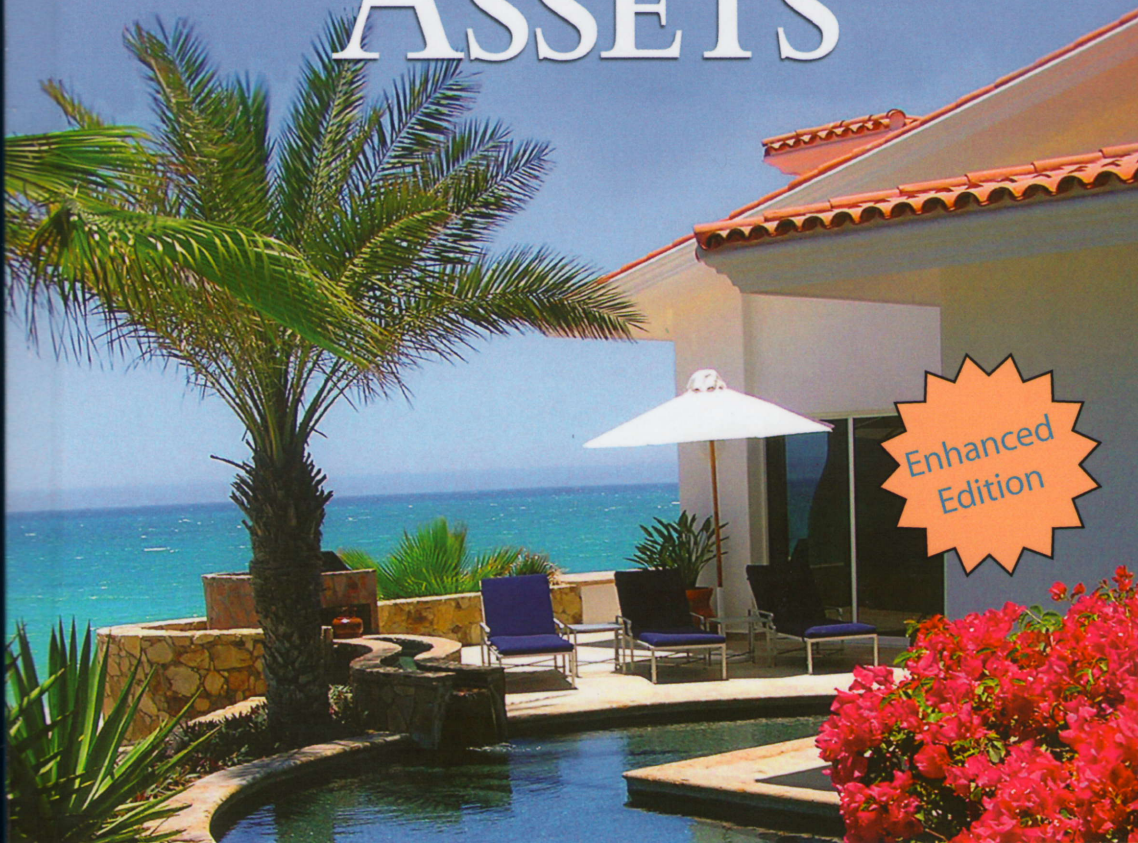


# STOP SITTING ON YOUR ASSETS



**How to safely leverage the equity trapped  
in your home and transform it into a  
constant flow of wealth and security.**

**MARIAN SNOW**

Co-authored by YAN ZHANG



## Are you caught up in the financial thinking of the last century?

That's when we learned to buy a home and pay it off as quickly as possible. It made sense in the conditions that existed back then. It doesn't make sense today.

### *About the Authors*

Marian Snow's scientific background led her to unique discoveries that have benefited thousands of people interested in safely building a secure financial future. During her long career in mortgage banking, she uncovered contrarian habits being commonly exhibited by extremely financially successful clients. In order to share these rare and exclusive insights with others, she founded and is CEO of HERO Solution, Inc., a company dedicated to assisting clients in safely securing wealth by taking advantage of 21st Century economic opportunities. She is a member of the faculty of Strategic Equity University and trains professionals all around the country in the proper application of real estate equity management strategies.

Please visit Marian's website at [www.StopSittingOnYourAssets.com](http://www.StopSittingOnYourAssets.com)



Yan Zhang received a Bachelor of Science Degree in Education from Hebei University in China in 1985. In 1991, she earned a Masters Degree in Social Psychology from Nagoya University in Japan. She has had a professional career with several Fortune 500 Companies, including Olympus Optical Company, Ltd. and The Home Depot. She founded Retirement Solution 101, where she promotes safer money strategies and tax advantaged programs.



Yan believes we need to make our money work hard for us, while we work hard for our money, and it's never too late or too early to plan it right for our retirement. As a first-generation Chinese-American, Yan is proud to live in the "land of the free," but she feels strongly we cannot be truly free unless we are also financially free.

As a licensed financial consultant, Yan strives to empower people with sound financial plans. Yan is a true global citizen who offers her knowledge and support to a vast array of people who desire to create a brighter financial future. Her goal in life is to impact people's lives by helping them build solid financial foundations.

Everyone deserves a chance to learn powerful concepts to change their lives for the better, so get educated! Please feel free to contact Yan for a personal evaluation of your financial situation. Yan's knowledge has changed her life and built a legacy for her family, now she would like to make a difference in yours. You've got everything to gain and nothing to lose.

Yan can be reached at 770-634-5396 or [Yan@RetirementSolution101.com](mailto:Yan@RetirementSolution101.com). She is passionate about helping you reach your financial goals with the right vehicles and the best available solutions.

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Ethan Madison Publishing  
Chicago

## Foreword

Congratulations for exploring new ideas! With this book in hand, you hold the key to acquiring knowledge that could bring you more financial success than you ever thought possible. The information you'll find in this book has the potential to change your life and the lives of your family members. I must warn you, though, at first glance, these concepts will be foreign to you. You may argue that these ideas couldn't work. The financial models in this book will challenge everything you thought you knew about your money.

Marian Snow, a scientist by education, is a financial analyst and underwriter for a Chicago mortgage-banking firm. Her rare insider's view into the money activities of thousands of individuals for over fifteen years brought some interesting revelations to her attention. Many extremely wealthy people were not following the traditional conventional wisdom of the past.

*Heuristics* is a field of science that has been around since the fourth century. The word comes from the same Greek root as "eureka," which means, "I find." It has been used in the technical analysis of financial trends for decades. Often applied within the arena of the behavioral sciences, it can be utilized to study why people do what they do with their money.

Knowing these methods, Marian wanted to discover the essence of what the wealthy were doing differently. To achieve this end, she gathered real numbers from thousands of mortgage application files that came across her desk.

In much the same fashion as the professor in the CBS Television show, *NUMB3RS*, who uses mathematical analysis to solve crimes, Marian, armed with an analytical mind and a scientific background, set out to drill-down to the details of what the wealthy were doing differently to achieve such successful financial results ... the results so illusive to the majority of Americans.

The methods she validated were so simple that almost anyone would be able to begin using the strategies right away to make a tremendous difference in the outlook for their family's future. In *Stop Sitting On Your Assets*, Marian reveals how to make immediate changes with your current holdings and then reposition the money that flows through your hands in the future to guarantee your life's financial success.

I invite you to come along on this journey of financial exploration. You'll be enlightened and surprised. You may even find yourself looking at the world in a different way after reading this book. You'll discover that while the financial methods you are used to may have worked long ago, they do not necessarily apply today. With the world powered by the internet and other innovative technologies, equity markets have become extremely volatile. What are you doing differently to secure your retirement future and protect your assets effectively? The "Sit and Wait" method is no longer working. It's too painful and costly.

Understanding and applying practical financial concepts will increase your confidence to build ample wealth for the

security of your future and the future of your family. A very successful man once said, "Keep doing what you always do, you'll get what you've always got. In order for things to change, you have to change!" Let me ask you this one favor... for the time it takes you to read this book, don't automatically believe or routinely dismiss what you read.

I would like to thank Ms. Marian Snow for this wonderful opportunity to share my experience and valuable concepts in achieving financial goals. It has always been my pleasure to give back what I've learned by empowering the people who choose to secure their financial future. If what you've been doing does not give you the results you want, this book is for you. I am dedicated to help you shorten the learning curve and build your confidence by applying useful knowledge and providing you the best available vehicles.

After you read this book, please feel free to contact me at 770-634-5396 or [Yan@RetirementSolution101.com](mailto:Yan@RetirementSolution101.com). I'll be happy to help you use these ideas to create a bright and prosperous future.

Remember... without yesterday, there is no today and without failure, there is no success.

To Your Financial Success!

**Yan Zhang**  
[Yan@RetirementSolution101.com](mailto:Yan@RetirementSolution101.com)

## THE HEALTHY WAY TO GROW MONEY

**T**hough a "money tree" is an idea often reserved for legends or slogans, I believe we all possess the power to grow our own real *money trees*. A healthy tree, of any kind, requires positioning in the right environment, preventing and controlling damage from bugs and weeds and having time to grow. No, I'm not talking about plants; I know there is a "money tree" plant. I'm talking about money -- and even though I know you've always heard that money does not grow on trees, I believe you can create your very own *money tree*.

For your healthy *money tree*, your *money seeds* need to be placed in a particular environment, protected from damage and given time to grow. We need to put our *money seeds* into the most cutting-edge investment vehicles. We have to protect our *seeds* from threatening factors, like loss of capital, taxes and fees. And, in time, we will be able to enjoy the *fruits* of our *money tree*. I wouldn't necessarily *eat* the fruit from the money tree, but the rewards sure are sweet. In this chapter, I would like to make some very complex and difficult ideas very simple. I want to explain how we can find an easy solution to a complicated problem many people are facing -- which is to keep, grow and protect their hard-earned money.

I want to help you plant your *money tree* and show you how to help it grow healthily.

### **The Problem**

Let's talk about an unhealthy *money tree*. If your *tree* is covered with *bugs*, how can it grow healthily? Imagine each dollar you pay in taxes, fees, expenses, losses and inflation as *bugs*. Is your *tree* covered in *bugs*? Let's get rid of those *bugs*!

### **First Type of Bug:**

#### **Loss of Investment**

Why is it so important to eliminate loss on your investments? We've all heard that "time is money." It's no secret that playing the market has its risks, and losing money is only half of the problem. When you lose money, do you think about how much time it will take for you to make-up those losses? Look at the chart below -- here's how long it would take to re-cultivate your *money seeds* after a loss in the market.

**Chart 1, Time is Money**

If you lost this much in the market:	How long it could take to recover at these hypothetical annual returns:		
	@ 3%	@ 6%	@ 8%
10%	3.6 Years	1.8 Years	1.3 Years
20%	7.5	3.7	2.9
30%	12	6	4.6
40%	17	8.6	6.6
50%	23.2	11.6	9



**How long can you afford to lose both time and money?  
How fast can your money grow if you keep losing it?**

Remember when the tech bubble burst in March of 2000? Most people left their money, unprotected, in the stock market, with no market down-turn protection strategy implemented. As a result, many people experienced the market free-fall and got hit with a staggering 60 to 80% loss, on average. Let's say we lost 50% in a market down-turn and we consistently made an 8% return after that; based on the chart above, we'll be back to our original level in about 9 years. That cost us a long 9 years to catch-up! It can take much longer if we make less than 8% or if we have more loss in the mean time. That's 9 years we lost, just trying to get even.

What happened in the end of 2008? The stock market crashed because of turmoil in the mortgage industry. Scores of investors experienced a 30 to 50% loss. If you were still recovering from the last big market loss, imagine how long it will take to recover again. The catch-up game just continues... think of the opportunity costs!

I'm sure you've heard of *the cost of opportunity*. Besides the lost money, how about the money you could have made? We lose the opportunity to make more money or do any other useful things with the money we lost. In other words, those who planned on retiring on their money in the stock market, now have to wait longer to retire; those who already retired may have to go back to the work force for a while... That is the consequence of the cost of losing money.

---

The investment genius,  
Warren Buffett, has two  
rules on investing:

**Rule #1:**

*Never lose money.*

**Rule #2:**

*Never forget Rule #1.*

We all want to learn from successful people and achieve the results they have. But how many people can really do what they do?

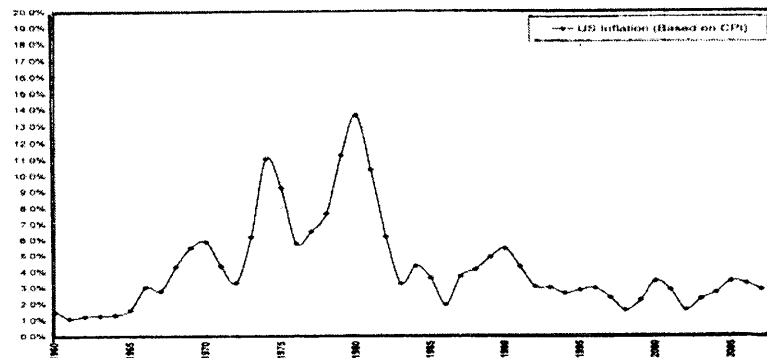
"Never Lose Money," may sound simple, but it's hard to achieve for many people. Success does not need to be complicated. To limit the downside risk, you don't have to play catch-up games and waste precious time. Later in this chapter, I'll discuss what would be a proper vehicle to eliminate market risks and gain a peace of mind.

### **Second Type of Bug:**

#### **Inflation**

Now you know the importance of not losing money, let's talk about how to make our *money seeds* grow, without the interference of inflation. You can get an idea on overall inflation tendencies from the graph below.

**Chart 2, Rate of Inflation from 1960-2008**



Core inflation does not include food and energy because economists eliminate the two most volatile components from the calculation. When the rate of inflation is 4%, and your

money grows below 4%, then your money is actually decreasing in value.

So how does money really work? We can find the answer in compound interest, The Rule of 72. Albert Einstein discovered it and called it the, "Eighth Wonder of the World." Compound interest is considered to be the most powerful force in the universe. It helps determine how many years and how many times it would take your principle or debt to double in value at a constant rate-of-return. To obtain the number of years, divide the number 72 by the interest rate that your savings, investment or debt is crediting. The examples below show how much you can earn over time with an initial investment of \$10,000 at various rates of interest.

**Chart 3, How Compound Interest Works**

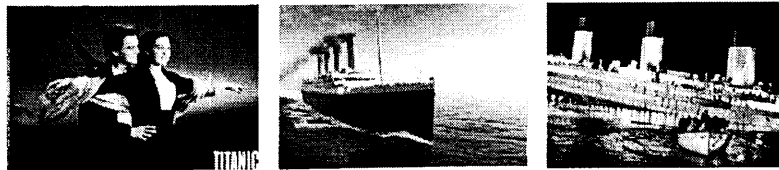
<b>72 ÷ 4 = 18</b>		<b>72 ÷ 8 = 9</b>		<b>72 ÷ 12 = 6</b>	
Money doubles every 18 years		Money doubles every 9 years		Money doubles every 6 years	
<b>Age</b>	<b>4%</b>	<b>Age</b>	<b>8%</b>	<b>Age</b>	<b>12%</b>
29	\$10,000	29	\$10,000	29	\$10,000
47	\$20,000	38	\$20,000	35	\$20,000
65	\$40,000	47	\$40,000	41	\$40,000
		56	\$80,000	47	\$80,000
		65	\$160,000	53	\$160,000
				59	\$320,000
				65	\$640,000

Compounding interest has a huge impact on building wealth. A consistent rate-of-return and a specific period of time can work together to increase your investment value exponentially. Understanding and utilizing the power of compound interest is as simple as saving money on a regular basis, investing it and earning interest, then having the interest earning you more interest. Compound interest is a smart way to make your money work hard for you -- letting your money make you more money, interest making interest, instead of

you doing all the work to earn money. The accumulation over time can astound you.

This is an ideal mathematical concept. However, the performance of investments fluctuates based on many variables, such as the consistency of leaving the principle in an investment, different investment vehicles, market downside risks, changes on performance rates and expenses or charges associated with an actual investment. So, the actual time it takes an investment to double can not be predicted with any certainty and without controlling all the variables, there is no guarantee that an investment or savings program can outpace inflation.

I've often heard people speak of *investment boats*. The idea is that people position themselves on different levels in the *boat*. Some of your investments are on the "aggressive" first level, some are on the "blended or medium" second level and some are on the "conservative" third level. This is the traditional way to explain the idea of diversification. Many people believe that as long as they are spread evenly across the *boat*, they will be safe. But, if your *boat* hits an iceberg, the whole thing is going down, not just the first level. Similar to when we experience the stock market crash, it does not matter if you lost only 10% vs. 50% ... it is a true loss and the damage is done.



Too many people place everything they have in the *investment boat*, believing they are safe as long as their investments are diversified. What many don't realize is that



they really don't have control of their *boats*. The *ocean* has all the control. The *ocean* is, of course, the stock market, and this *ocean* has its own energy to make waves and affect all the *boats* on it. How safe is your *investment boat*? Are you truly diversified?

Later in the chapter, I'll explain the importance of being able to lock-in gains, how we can use a financial vehicle to control the factors that keep us from achieving the results of compound interest and how to keep your *boat* afloat or get out of it all together. Now, back to our *money tree*...

### Third Type of Bug:

#### Taxes

We've all heard it... "The only *sure things* in life are death and taxes." But did you know there are three types of taxed money?

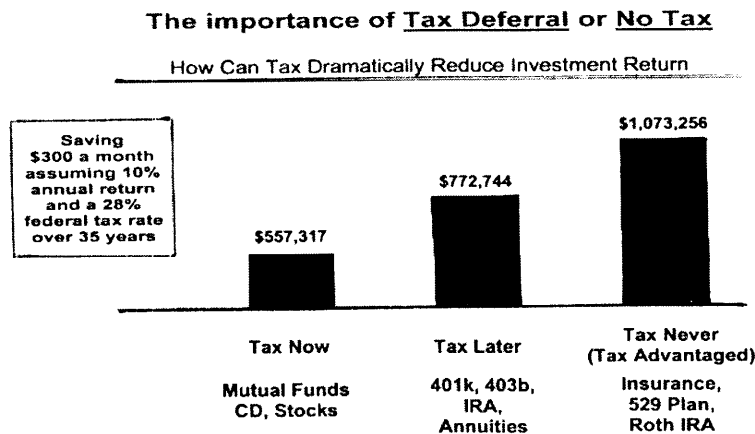
**Chart 4, Three Types of Taxed Money**

Taxed Now \$	Taxed Later or Deferred \$	Tax-Advantaged \$
Savings Checking CDs Mutual Funds Stocks Bonds Treasuries Income / Salary	IRAs 401(k)s 403(B)s Fixed Annuities Variable Annuities Index Annuities Savings Bonds	Roth IRAs Cash-Value Life Insurance 529 plan (till 2010)
Pay tax every year and whenever you sell	Save <b>before tax money</b> , pay tax when taking out	Save <b>after tax money</b> , Tax-favorable outcome

We know it's a *sure thing* that we have to pay taxes, but how can you keep and grow more money, so you will reach your financial goals on time? We certainly need to diversify within the three types of money.

Now, please take a moment to do a "reality check" for yourself. What types of tax money do you have? Do you even know? Putting everything in one category is a major downfall, and many people don't even realize they are doing it. Later, I will emphasize the important ones for you to put into perspective. For illustration purposes, let's do some comparison among the three types of tax money. Look at the chart below to see how different they can be.

**Chart 5, the Outcome Comparison on Three Types of Taxed Money**



**How would you like to keep more money for yourself?**

### **Fourth Type of Bug:**

#### **Expenses**

Not long after I started investing in mutual funds in the '90s, I realized there are many charges involved... sales load fees, purchase fees, account fees, exchange fees, annual fund operating expenses, management fees, the list goes on and on. The frustrating thing was, aside from all those fees, that whether I sold my mutual fund or not, even if it had big losses, I still had to pay the capital gain tax and dividend tax every year.

That did not make any sense to me. At the time, I accepted these circumstances because I didn't realize I had better options. Of course, there are cost-efficient investments with fewer fees, like exchange traded funds (ETF), index funds, stocks etc., but as long as you are in the 'tax now' money category, the tax becomes an on-going process. Once you deduct all the expenses associated with the investment, there may not be as much of a return as you think. When your investment takes a loss, you still have to pay the regular fees, on top of accepting the actual investment losses. Over time, these differences in cost can really add up.

Have you ever read something like this at the bottom of a performance report?

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*The returns shown reflect the performance of the Wilshire 4500 and EAFE indexes (without deduction of any administrative expenses, trading costs or investment management fees), respectively.*

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In many cases, we don't even know exactly what these expenses cost us -- they are deducted from our brokerage account automatically. These expense and fee *bugs* are eating

away at your *money tree*, like termites. In this situation, though, we can't exactly call an exterminator, so what can we do? Be a wise investor. Take the time to look at the fees. You want to have your money working for you. How about achieving financial goals with minimal cost or without fees?

Now that we've identified four types of *bugs*, let's talk about how to get rid of them. You won't find soapy water or Sevin® dust in the solution, but you will find a strategy to help your *money tree* grow healthily and *bug-free*.

### **The Solution:**

#### **The Equity Indexed Strategy**

What is the Equity Indexed Strategy? This concept has been gaining popularity in the United States since the beginning of 2000. It allows you to protect your principal and benefit from the upsides of the stock market, without enduring the downfalls. The Equity Indexed Strategy can offer safety, a reasonable rate-of-return and simplicity.

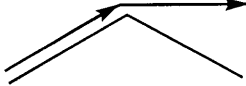
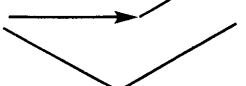
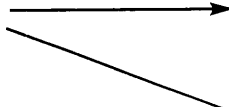
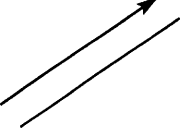
With an Equity Indexed Strategy, you earn interest based on the movements of a chosen index or indexes, excluding dividend income. Your account is not technically *in* the stock market and does not participate in any stock or equity investment. Therefore, you are not exposed to the risks of the stock market. A downturn in the market cannot reduce your account value.

Take a look at the chart below, it shows four stock market scenarios.

The top lines ( —→ ) represent an Equity Indexed Strategy and the bottom lines ( — ) represent traditional investments.



**Chart 6, the Outcome of the Equity Indexed Strategy In  
Four Stock Market Scenarios**

Market Up & Down	Market Down & Up
	
Market Down	Market Up
	

Which of the two strategies would you rather have, no downside risk with locked-in limited gain or unlimited downside risk with unlimited gain?

Remember Warren Buffett's #1 Rule on investing... "Never Lose Money."

By eliminating the market downsides, you don't have to waste time playing catch-up, thus picking-off the *Loss of Investment Bug*.

An Equity Indexed Strategy allows you to gain from the market upsides and lock-in those gains, automatically, year after year. Your account has NO market downside risk.

**Chart 7, the Index Options and Crediting Methods**

Index Interest Options	Crediting Methods
S&P 500 NASDAQ 100 FTSE 100 / Euro STOXX 50 Blended Index Fixed Interest	Monthly Sum* Annual Point-to-Point* Monthly Average* Annual Fixed Interest *Subject to a cap or a participation rate, varies by company

\*Guarantees are subject to the financial strength and claims-paying ability of the issuing company.

With traditional investment instruments, you don't really receive the benefit of the gain unless you sell. You have no control over the gain and your accounts are vulnerable to losses. With an Equity Indexed Strategy, you can lock-in gains and never have to lose it, even in less than favorable market conditions, you can be sure your money will make more money and interest will make more interest. With steady compound growth on our money and reasonable rates-of-return, we've just gotten rid of the *Inflation Bug*.

Let's talk about some of the tax-advantaged ways to keep our money for ourselves. There are two major vehicles, Equity Indexed Annuities and Equity Indexed Universal Life policies. Both can achieve safety, reasonable rate-of-return and simplicity.

An Equity Indexed Annuity (EIA) is a fixed annuity with an interest rate that is pegged to stock indexes. The primary function of an EIA in today's market is as a risk-management tool. EIA offers safety of principal, a guaranteed minimum return (provided the annuity is held for the full term) and a limited ability to participate in equity market gains through an index-linked interest rate. The interest rate can increase or

decrease depending on the market, but is guaranteed by the issuer not to go below a specified rate (typically 3 percent).

**Chart 8, Financial Vehicle Comparison**

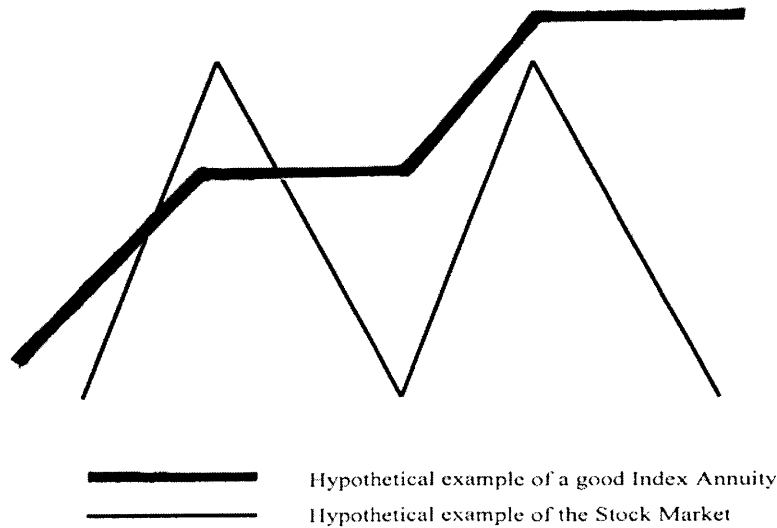
	Non Tax-Deferred Fixed Rate Vehicle	Mutual Fund	Fixed Index Annuity
<b>Tax Deferral</b>			✓
<b>Premium Guaranteed</b>	✓		✓
<b>Upside Market Potential</b>		✓	✓
<b>Liquidity</b>		✓	✓
<b>Potential to avoid probate</b>			✓

Equity Indexed Annuities offer:

- Potentially High Yields
- Tax-Deferred Growth with Guaranteed Lifetime Income Options
- Liquidity and Flexibility of Premium
- Potential Social Security Tax Advantages
- Guaranteed Death Benefit for Beneficiaries and Avoidance of Probate

An EIA is a very effective retirement planning tool. It can replace existing retirement plans, including qualified and non-qualified funds (e.g. CDs), 401(k) rollovers and IRA rollovers. Wouldn't it be nice to stop worrying about losing your money in the stock market, beating inflation or outliving your money?

**Chart 9, a Safer Money Solution**  
**What Goes Up Does Not Need to Come Down**



**Potential of Equity Index-Linked Growth**  
**Without Any Risk**

Answer the following questions... Are your assets working for you in the most tax-efficient way? Are your assets properly leveraged to take advantage of maximum opportunity? Are you accepting unnecessary risk with your life insurance or retirement account? If your answers are "No" or "Maybe" and if you are searching for a way to accumulate tax-deferred cash values that may be accessed tax-free in the future, then an Equity Indexed Universal Life policy may be the answer for you.

An Equity Indexed Universal Life (EIUL) is a permanent cash value life insurance contract. It offers family protection and the flexibility and control of long-term savings needs.



Equity Indexed Universal Life policies offer some very unique features.

- Permanent Life Insurance Protection to Cover All Stages of Life Needs
- Tax-Advantaged Access to a Sub-Account's Cash Value, Which Grows Tax-Free
- Annual Locked-in Interest Earnings Based on the Upward Movement of Indexes, without the Downside Risk
- Flexible Coverage and Premium
- Income to Leave Tax-Free to Heirs

An Equity Indexed Universal Life contract can be a very important financial planning tool. An EIUL can provide a terminal illness benefit, a death benefit for your beneficiary and a living benefit with cash value that can be accessed during your lifetime.

We are looking for safety, reasonable rate-of-return and simplicity. EIUL and EIA accounts grow tax-free and offer safety and great earning potential. Proper use of these tax-advantaged vehicles can help you achieve your financial goals. Remember the three types of taxed money and the *Tax Bug*? By utilizing the benefits of EIUL and EIA accounts, it offers you the best type of taxed money... the tax-advantaged type.

With EIUL and EIA accounts, your money does not directly participate in any stock or index. The credited interest *reflects* the selected index or indexes' performance, subject to an interest floor and/or cap. Because you are not buying or selling stocks, bonds or indexes, there are no trading fees to pay. No sales charges are associated with index-credited interest accounts. Even better... some of the industry leaders offer incentive-matching bonuses on top of the benefits

provided. Congratulations, you've just called Terminix® and your *money tree* is now *healthy* and *bug-free*.

There are many dangers out there for your *money tree*. We have to protect it from *weeds*, like the weakness of the economy, stock market downturns, the loss of jobs, rapid rate increase on cost of living, the credit market pitfalls, the housing market meltdown, the weak dollar, etc., etc. We have to find a way to keep these *weeds* away from our *tree*. We have to protect ourselves and keep growing our *money tree* in a healthy way.

- The bad news is... the market crash is coming.
- The worse news is... nobody knows when.
- The good news is... a crash is only a small cycle in a big chain of cycles and a good market always comes after a bad one.
- The better news is... regardless of the market climate, if you know how to protect yourself from risks in a declining market, while locking-in gains in a climbing market, you will certainly get ahead of those who don't.

I believe in *money trees* and I believe in using EIUL and EIA accounts as incredible diversification tools, which I have employed for my retirement, for the protection of my family and assets, and for my peace of mind.

I appreciate the safety and diversification of EIUL and EIA accounts a little more each day... every time I hear new clients complain about how much they lost in the stock market, how confused they are about their future, how bitter and helpless they feel. Before I knew about EIUL and EIA accounts, I lost so much money in the stock market and felt helpless and confused, too. Yes, these are very different

strategies than you are used to, but they work! I am passionate about and dedicated to sharing these powerful ideas with you because I use them and know what a life-changing difference they can make.

I am here to help you. I want to help you make sure your money is working for you. I want you to choose the best financial tools to fit in your needs. I can give you the information you need to make educated and informed decisions about your money. I have thoroughly examined these concepts and the companies that offer these strategies. I know which companies are the industry leaders and offer the best available solutions.

My knowledge and understanding of the financial concepts we've discussed are my *gardening tools*. I want to share my *tools* with you to help your *money tree* grow healthily and exponentially.

Time is money. Time is of the essence. Please don't wait to plant your *seeds*, get started now and you'll enjoy *fruits* beyond your greatest expectations.

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**"Things do not happen; things are made to happen."**

John F. Kennedy

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Here's to your *money tree* and your financial independence!

*Yan Zhang*

**[Yan@RetirementSolution101.com](mailto:Yan@RetirementSolution101.com)**

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