



**WSB
Financial
Foundation
Educational
Program**

W o r k b o o k

*A National Campaign for
Financial Literacy*

BUILDING A BUSINESS
IN THE
FINANCIAL INDUSTRY

What you will learn in class 5:

- ❖ Find something to _____ in, and put your life to _____ for it
- ❖ The new _____ for the financial industry
- ❖ A proven successful _____
- ❖ _____ the world
- ❖ Making _____ in financial industry
- ❖ Be part of something big: _____

Do You Know What You Want?

What motivates you to go after your goals every day? What gives your life purpose? List 5 reasons why you want to change your future and your family's future.

1. _____
2. _____
3. _____
4. _____
5. _____

If the reason is strong enough, you will find the way.

Own Your Future

At WFG, you can create a _____ and a _____ where you are in _____. While helping others _____ and _____, you are doing the same for yourself and your family.

As a WFG member associate, you are:

Your own _____.

In charge of your _____ and your _____ future.

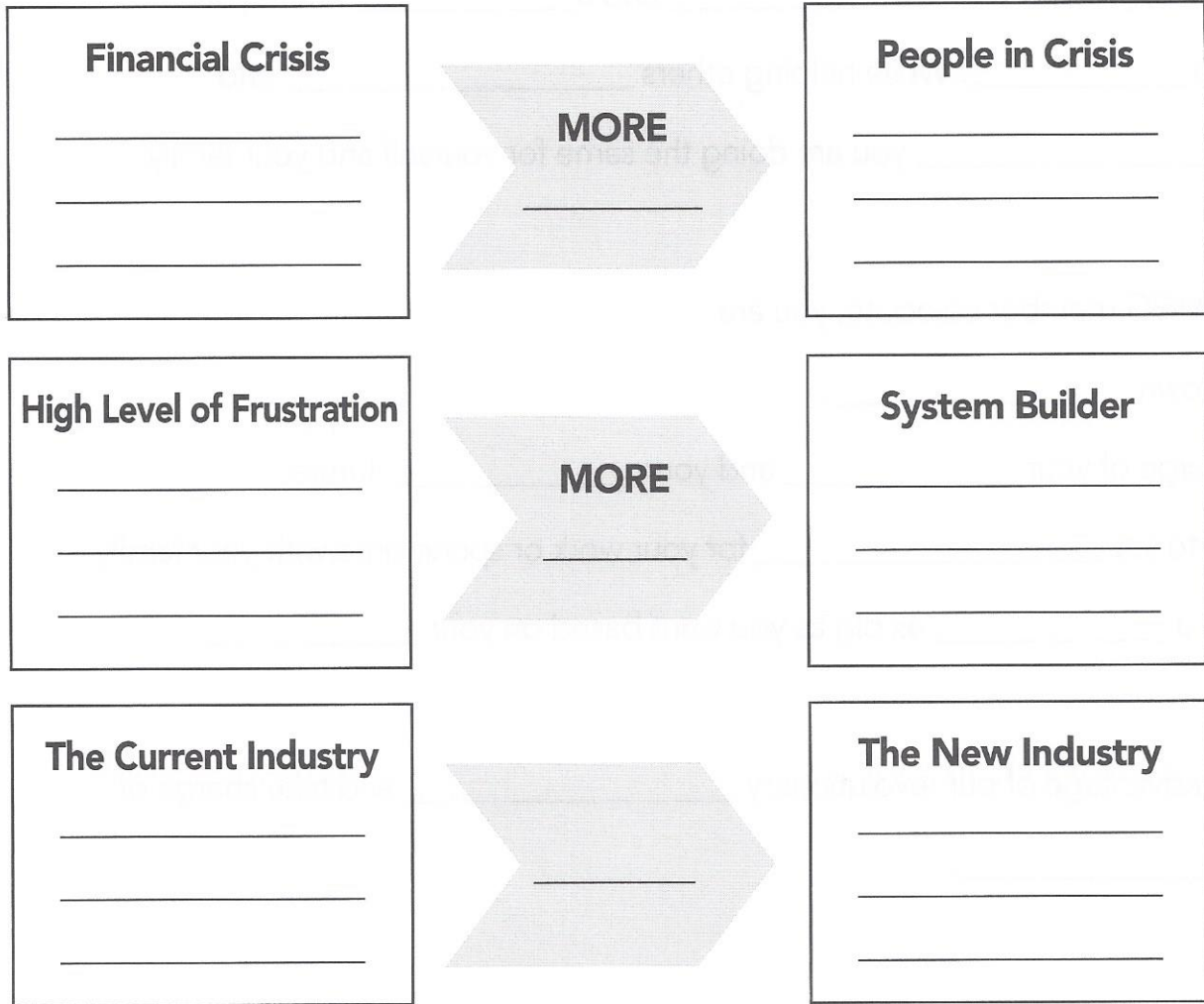
Able to set _____ for your work or spend time with your family.

Build a _____ as big as you want based on your _____.

Take advantage of our revolutionary _____ and take charge of _____.

Building a New Industry

THE HUGE MARKET



These are probably the most _____ of _____ and _____ in the history of the world as well as the _____.

Everyone needs to build and rebuild

Right _____, right _____, right _____.

Vision of a New Industry

The old industry is _____. We're the new _____ of the new _____ industry.

OLD INDUSTRY

NEW INDUSTRY

Employee / Agent	_____
Career Glass Ceiling	_____
Limited Territory, Income	_____
Usually Have Quotas	_____
Focus on Sale	_____
Closed System	_____

At WFG, you can:

- a) Be an Independent Contractor.
- b) Be a Financial Professional.
- c) Build a Business.
- d) All of the Above

In the first 6 months with WFG, you can build in:

- a) Your own city
- b) Your state
- c) Max 3 states
- d) No territory limit

The people who brought you in and are above you are sometimes called your upline. In WFG:

- a) You cannot make more money than your upline.
- b) You cannot build bigger than your upline.
- c) You cannot achieve a higher position than your upline.
- d) You can make more money, build bigger, and get a higher promotion than your upline.

What does WFG's "open system" mean?

- a) You can choose many products and services from different provider companies.
- b) You can build anywhere.
- c) You can work with anyone and are not limited to working only with your "manager" or "upline".
- d) All of the above

The Integrity of Our System

We don't make _____ recruiting people.

Everybody gets an equal _____ to join.

We practice what we _____.

J: _____

O: _____

S: _____

If you recruit 10 new members per month, you will not receive a recruiting bonus.

True or False

You can make money even if you have nobody joining you.

True or False

J.O.S. (Join - Own - Share) means you:

- a) Recommend products and services but you don't own them yourself.
- b) Recommend products and services that you own.

We Believe and Participate

We join because...

We can see the _____ to help us save money.

We receive _____, _____ and _____.

We have _____ to critical information, products and services.

We're _____. We have the know how to do the business the way we _____ to.

It's easier to do the business when you _____ and when you have _____.

Do It Right. Do It With Pride.

Who are considered your warm market?

In the warm market, you have what the industry doesn't, our _____ relationship.

A Proven Successful System

"First we Train the _____ and then we Build the _____."

MEMBER

MEMBER

**MARKETING
DIRECTOR**

**SYSTEM
BUILDER**

You are in the business for _____ but not _____.

Our Trainers are with you _____.

We provide _____, _____, and _____.

We help you to get the appropriate _____ in all states in the US and all approved _____ in Canada.

A Proven Track Record*

On average, we currently pay over \$_____ in commissions every week to our _____ in the US and Canada.

Over _____ of our associates have earned over \$100,000+.

Many people make good _____ income, and many others make it a _____ business career.

How long can you get help from the Trainers?

- a) First 6 months
- b) One year
- c) Until you become MD
- d) As long as you have the need and they are available

I don't know anybody in Canada, but I brought in a member from Texas who brought in a member from Toronto. Can I build and make money in Canada? Yes or No

People can earn a major six-figure income with WFG and still be part-time. True or False

There are many products and services that I'm not knowledgeable about. If I am properly licensed and I ask other Trainers to help my clients, do I get some commission? Yes or No

**Many people have experienced various levels of success with World Financial Group. However, individual member experiences may vary. This statement is not intended to nor does it represent that any current member's individual results are representative of what all participants achieve when following the World Financial Group system.*

***In the United States: World Financial Group, Inc. (WFG) is the paymaster of any compensation to associates from WFGIA and TFA. In Canada: World Financial Group Canada Inc. (WFGC) is the paymaster of any compensation to associates from WFGIAC and WFGS. Pursuant to the terms, rates and/or schedules established by WFGIA, TFA, WFGIAC and/or WFGS. Compensation terms, rates and/or schedules for products sold or referred through WFG or WFGC are established by WFG or WFGC, respectively. WFG, WFGC, WFGIA, TFA, WFGIAC and WFGS reserve the right to change their respective compensation terms, rates and/or schedules at any time.*

If I want to make sales in other states, I need to:

- a) Pass the licensing exam of that state.
- b) Get a non-resident license with that state without taking a new test.

Can I build over 1,000 member associates in all 50 states in the US and all provinces in Canada? Yes or No

New Business Model For The Financial Industry

1. Entrepreneur
2. No Quotas
3. Unlimited Income
 - ❖ Build Direct
 - ❖ Build Indirect
 - ❖ Build Together
4. Open System

Being an Entrepreneur means:

- a) You can make a lot.
- b) You can make nothing.
- c) You have no salary.
- d) All of the above

Which licenses require small annual quotas to keep your license?

Insurance licenses Securities licenses

When you refer a member to a Trainer in a different state with the MAP program, how much commission would you get from the referral member?

- a) 50%
- b) 25%
- c) 75%

Can you make arrangements with out-of-state Builders to build your team members for you? Yes or No

Captive agents:

- a) Typically work for one company or agency
- b) Can only sell their company's products
- c) Are limited within their designated territory
- d) Are usually required to meet quotas
- e) All of the above

Travel The World

If you meet the appropriate requirements, you can:

- a) Qualify for WFG's annual Hawaii Trip and other trips around the world.*
- b) Qualify for WSB's international destinations sponsored by your leadership team.**
- c) Organize your own trip for your team.
- d) All of the above

**In order to qualify for participation in contests, and to receive prizes and awards, an individual must have an active membership in and be in good standing with World Financial Group, Inc., World Financial Group Canada, Inc. and their affiliates.*

***These sales contests were sponsored by Independent Contractor of World Financial Group, Inc. (WFG) and or World Financial Group Canada, Inc. All points are generated through the sale of products and services offered through WFG-affiliated companies.*

Advancement Guidelines¹

ASSOCIATE (Level 10)²

- **3 - 3 - 30**

(Recruit 3 new associates and observe your field trainer complete 3 non-securities sales calls in 30 days.)

OR

- 20,000 net points in a rolling 3 months

MARKETING DIRECTOR (MD - Level 17)²

Rolling 3 Months

- 3 direct associates
- 5 Life-licensed associates in downline
- 40,000 base shop net points

SENIOR MARKETING DIRECTOR (SMD - Level 20)^{3,4}

Rolling 3 Months/Rolling 12 Months

- 10 licensed associates in downline
(6 must be life licensed)
- 3 direct legs (1 direct leg must be an MD - Level 17)
- Rolling 3 months: 75,000 base net points⁵/ OR
Rolling 12 months: 225,000 base net points⁵
- \$35,000 or more in rolling 12-month cash flow⁵/ OR
\$20,000 or more in rolling 6-month cash flow⁵

EXECUTIVE MARKETING DIRECTOR (EMD - Level 65)⁶

Rolling 6 Months

- 3 direct SMD legs⁷
- 500,000 base thru 1st net points⁵

Rolling 12 Months

- 3 direct SMD legs⁷
- 750,000 base thru 1st net points⁵

CEO MARKETING DIRECTOR (CEO MD - Level 70)⁶

Rolling 6 Months

- 6 direct SMD legs⁷
- 1 million base thru 1st net points⁵

Rolling 12 Months

- 6 direct SMD legs⁷
- 1.5 million base thru 1st net points⁵

EXECUTIVE VICE CHAIRMAN (EVC - Level 87)⁶

Rolling 6 Months

- 9 direct SMD legs⁷
- 1.5 million base thru 1st net points⁸

Rolling 12 Months

- 9 direct SMD legs⁷
- 2.25 million base thru 1st net points⁸

(The following disclosures pertain to the information above.)

1. World Financial Group's Compensation System and Advancement Guidelines are subject to change at any time. Unless otherwise specified, advancement and compensation guidelines are for all WFG associates.
2. Advancement requires approval of direct upline SMD.
3. Advancement requires approval of direct SMD and CEO MD.
4. Exchange leg only occurs once upon advancement to SMD.
5. No more than half (1/2) Net points can be personal and one-half (1/2) or less Net points can be from any other leg for SMD advancements. For EMD & CEO MD advancements, no more than half (1/2) Net points can be personal and only one-half (1/2) or less can be from any other leg or your own base shop.
6. Points/Legs earned through Base Shop Standard of Excellence will not count toward advancements. Advancements to EMD require the associate to be dually licensed.
7. An exception advancement to Level 20 will not count as a leg toward an upline's Executive Level advancement until that Level 20 associate fulfills all the published SMD requirements.
8. No more than one-third (1/3) of Net points can be personal and one-third (1/3) or less Net points can be from your own base shop or any other leg.

(The following disclosures pertain to information on page 94.)

9. The 100% Table varies from the Basis Points due to rounding.
10. This example only applies to fixed TPLIC products that pay 125 to the field.
11. Meeting the minimum requirements does not guarantee inclusion in the Base Shop Pool.
12. For bonus pool payout information, please go to WFG-online.
13. Pool compensation is subject to change at any time without prior notification.
14. Percentage of total pool dollars.
15. To participate in the Super Base and Super Team bonus pools the associate must be securities licensed.

Many people have experienced various levels of success with World Financial Group. However, individual member experiences may vary. This statement is not intended to nor does it represent that any current member's individual results are representative of what all participants achieve when following the World Financial Group system.

We Have A Great Building Compensation System

BASE SHOP

Title	Fixed: TPLIC	Based on 100% Table ⁹	
	Basis Points ^{9,10}	Fixed: Other	Variable
Training Associate ⁶	30	25	25
Associate	45	35	35
Marketing Director	62	50	50
Senior Marketing Director	80	65	65

GENERATIONAL OVERRIDES

Level	Fixed: TPLIC	Based on 100% Table ⁹	
	Basis Points ^{9,10}	Fixed: Other	Variable
1 st Generation	17	12	10
2 nd Generation	8	6	5
3 rd Generation	5	4	3
4 th Generation	3	3	2
5 th Generation	2	1.5	1
6 th Generation	1	1	.5
Total Generation Override	36	27.5	21.5

SUPERVISORY OVERRIDES

Position	Variable
Branch Office Supervisor	1.25
Branch Office Manager	5.5
OSJ Manager	1
Total Supervisory Override	7.75

(Supervisory Overrides on variable business only.)

TOTAL POOL CONTRIBUTION

Fixed: TPLIC	Based on 100% Table ⁹	
Basis Points ^{9,10}	Fixed: Other	Variable
9.0	7.5	5.75

TOTAL	125 POINTS	100%	100%
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BASE SHOP POOL ^{11,12,13} **40%**¹⁴

- SMDs and Up
- 25,000 base shop net points with 3 or more Recruits; **or**
- 30,000 base shop net points with less than 3 Recruits

SUPER BASE BONUS POOL ^{13,15} **30%**¹⁴

- EMDs and Up
- 15,000 base shop net points and 100,000 base thru 1st net points
- Qualifies on base thru 1st Generation net points
- Pays on 1st Generation net points
- Base shop qualification exemption for Chairman's Council Members

SUPER TEAM BONUS POOL ^{13,15} **30%**¹⁴

- EMDs and Up
- 100,000 base thru 1th net points and 500,000 base thru 6th net points
- Qualifies on base thru 6th Generation net points
- Pays on 1st thru 6th Generation net points

The WFG Dream

The following examples show how helping a family results in a \$2,775 commission paid to the field, with the commission based on an average Life Insurance Policy sale to a 40-year-old male who is contributing \$185 per month to the policy.^{18, 19, 20}

<p>\$106,560 ^{20, 21, 22}</p> <hr/> <p>Produce 5 personal sales/month</p>	<p>\$231,768 ^{20, 21, 22}</p> <hr/> <p>Produce 3 personal sales/month Develop 3 associates who produce 4 sales/month</p>
<p>\$330,869 ^{20, 21, 22}</p> <hr/> <p>Develop 3 Associates who produce 6 sales/month Develop 6 1st Generation SMDs who produce 6 sales/month</p>	<p>\$513,086 ^{20, 21, 22}</p> <hr/> <p>Develop 3 Associates who produce 6 Sales/month Develop 6 SMDs in each of the 6th generations below you Each Generation SMD produces 6 sales/month</p>

This doesn't even include income available to associates from renewals, trails, fees, bonuses, or sales from the diversified product portfolio.

Many people have experienced different levels of success with WFG. However, individual member experiences may vary. This is not intended to, nor does it, represent that any current member's individual results are representative of what all participants achieve when following the WFG system.

*18 Opportunities to build other income may be achieved by qualifying for additional compensation and by qualifying for bonus pools.
19 Commission amount may vary based on product type and size of purchase.*

20 This is a hypothetical scenario for illustrative purposes only. There is no assurance that these results can or will be achieved. Income is earned from sales of WFG authorized products and services. No income is earned for recruiting. See the current WFG Field Manual for compensation percentages on all diversified product lines. All compensation plans subject to change. Advancement criteria/designations are determined and offered by or through WFG. Personal percentages earned on products may vary based on advancement level with WFG. Assumes WFG Associate contract level of 36%, SMD contract level of 64%, SMD override level of 28%.

21 Associates of WFG are independent contractors, regardless of field title/designation.

22 Example assumes all SMD's team members are at the Associate level.

Recurring Income

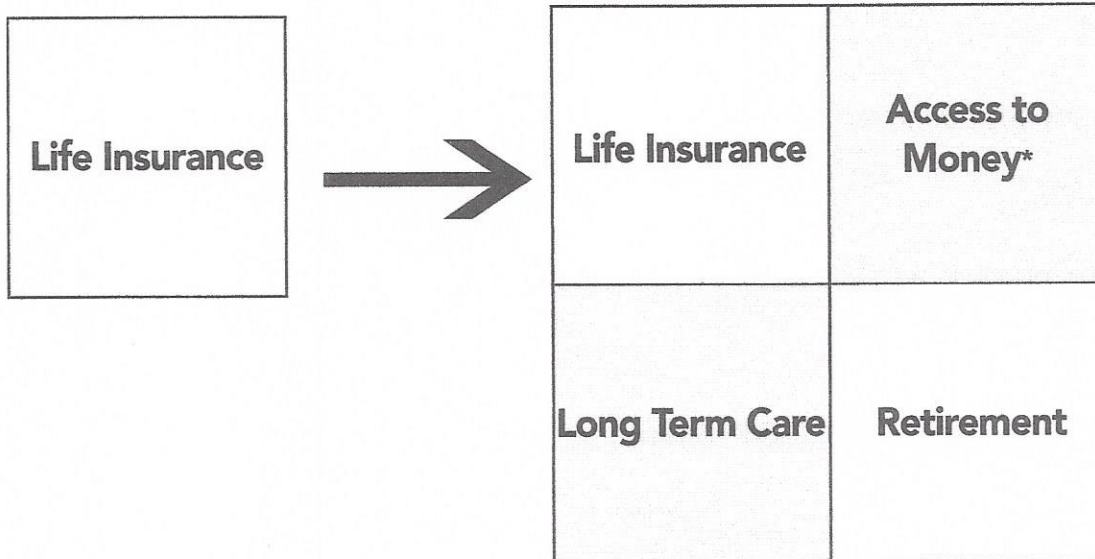
The following chart is an example of the Assets Placed Under Management (APUM) growth and increase in fees paid to an Investment Advisor Representative annually when the APUM grows at a rate of 8%, compounded annually, after 10 and 20 years.*

Clients	APUM	SMD Recurring Income**	APUM after 10 years at 8% return	SMD annual income at Year 10	APUM after 20 years at 8% return	SMD annual income at Year 20
Client A	\$520,000	\$3,177	\$1,154,213	\$6,447	\$2,561,937	\$12,685
Client B	\$25,000	\$161	\$55,491	\$357	\$123,170	\$793
Client C	\$50,000	\$322	\$110,982	\$714	\$246,340	\$1,585
Client D	\$150,000	\$965	\$332,946	\$2,135	\$739,020	\$4,335
Client E	\$2,500,000	\$12,431	\$5,549,101	\$24,917	\$12,317,007	\$52,632
Client F	\$3,500,000	\$16,526	\$7,768,741	\$34,007	\$17,243,810	\$72,807
Client G	\$75,000	\$483	\$166,473	\$1,071	\$369,510	\$2,311
Client H	\$3,500,000	\$16,526	\$7,768,741	\$34,007	\$17,243,810	\$72,807
TOTAL	\$10,320,000	\$50,591	\$22,906,687	\$103,655	\$50,844,600	\$219,954

*APUM after 10 and 20 years assumes an 8% annual compounded rate of return net of fees and assumes no taxes, fees or additional contributions. The investment is compounded annually. The chart shown is hypothetical and is not intended to represent a typical case. Both return and principal value of investments will fluctuate over time. It is unlikely that any one rate of return will be sustained over time. Fluctuations in value will affect the income paid to an IAR.

**Recurring income is payable annually at .0099% of the total APUM times the .65% SMD payout. The example shown is hypothetical.

A Possible Solution For The New Age



Major Elements of an Index Universal Life (IUL)

- ❖ Various Indexes: _____
- ❖ Minimum _____ Floor, Maximum _____ CAP**
- ❖ Insurance _____
- ❖ May offer certain Tax Advantages:
 - Tax _____ Growth
 - Tax _____ Death Benefit
 - Tax _____ Withdrawals and Loans
- ❖ Access to _____
- ❖ Can provide a _____ rider (additional fees may apply)

A _____ concept!

**Withdrawals and policy loans can only be made in accordance with policy provisions and if the policy has sufficient value. Loans, withdrawals will reduce the policy value and death benefit. Loans are subject to interest charges. If a policy lapses while a loan is outstanding, adverse tax consequences may result. Policy loans are generally not taxable when taken and cash withdrawals are not taxable until they exceed basis in the policy. Policy owners should consult with their tax advisor regarding their particular situation.*

***Product floor and cap rates are subject to change and may vary.*

Income Calculation Practice**Example 1**

Assume your contract is at 65%. You have 3 Trainers at 50% contract. Your override on the Trainers is 15%.

Calculate the amount you will earn if this month you make 3 personal accounts and your 3 Trainers each make 2 accounts.

Assume each account pays \$3,000 commission.

Personal: _____ x _____ x 65% = _____

Override: _____ x _____ x _____ x 15% = _____

Total Earnings = _____

Example 2

Assume you override your baseshop at 15%, and you override your first generation SMD at 12%.

Calculate the amount you will earn if this month your baseshop does 20,000 points, and 4 of your first generation SMDs do 15,000 each?

Base _____ x _____ = _____

First Generation SMDS _____ x _____ x _____ = _____

Total Override = _____

This is a hypothetical scenario for illustrative purposes only. There is no assurance that these results can or will be achieved. Income is earned from sales of WFG authorized products and services. No income is earned for recruiting. See the current WFG Field Manual for compensation percentages on all diversified product lines. All compensation plans subject to change.

The Progress of The Insurance Industry

In the past, life insurance policies focused mainly on what would happen if you

_____.

Modern day policies not only have _____ benefits but also provide _____ benefits.

- ❖ _____ protection
- ❖ Build up _____ for the long term
- ❖ Can access _____ if needed*
- ❖ Can get distribution for _____ need
- ❖ Have _____ if facing long term health challenges

Making Money Through Your Personal Effort

Table of Potential Commission Earned by Helping A Family's Financial Needs

<i>Product Offered (one account)**</i>	<i>Field Payout</i>	<i>Commision Earned by SMD</i>
Legacy Shield / Netlaw (Estate documents)	\$227	\$193
HIFE CPP (College planning)	\$818	\$675
Medicare Supplement at \$3,000 per year Premium	\$300	\$195
Car Insurance at \$2,500 per year Premium	\$114	\$94
Homeowner's Insurance at \$2,500 per year Premium	\$114	\$94
IUL at \$3,000 per year Target Premium	\$3,000	\$2,400
Index Annuity at \$100,000 Premium	\$6,000	\$3,900
Potential Total Commission Earned		\$7,551

First year payout does not include future renewals. Examples are hypothetical typical transactions.

**Withdrawals and policy loans can only be made in accordance with policy provisions and if the policy has sufficient value. Loans, withdrawals will reduce the policy value and death benefit. Loans are subject to interest charges. If a policy lapses while a loan is outstanding, adverse tax consequences may result. Policy loans are generally not taxable when taken and cash withdrawals are not taxable until they exceed basis in the policy. Policy owners should consult with their tax advisor regarding their particular situation.*

***Results may vary based on product / carrier. This is a hypothetical scenario for illustrative purposes only. There is no assurance that these results can or will be achieved. Income is earned from sales of WFG authorized products and services. No income is earned for recruiting. See the current WFG Field Manual for compensation percentages on all diversified product lines. All compensation plans subject to change.*

Building Is Simple

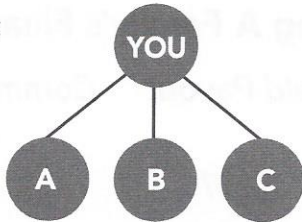
THE SYSTEM FLOW



1. MD TRAINEE:

J _____ - O _____ - S _____
 _____ / _____

2. MD CLUB:



Do _____ to become MD Club
 _____ Associates
 _____ PFS/Field Training Sales in 30 Days

3. MD (MARKETING DIRECTOR):

Build _____ MD Club legs
 _____ Licensed Agents
 _____ production

4. MD FACTORY:

Build more _____

You become _____ and help people become _____. The system will build you up and help you grow.

You Don't Have To Be A Good Salesperson

We invite the person who wants to _____.

We sell to the person who wants to _____.

We work with the person who wants to _____.

We Have A World Class Platform of Support

WFG is the most powerful _____ of support.

WSB is the best building _____.

We have a proven success _____ system, _____ Trainers, and
_____ leadership.

We are with you _____ of the way.

Become Your Own Money Manager

Part time / _____ schedule

Learn how _____ works.

Work with a _____ to start the business.

Help a few _____ / _____ to become a member.

Make some _____. Build up your _____.

Become A Trainer

Help _____ and _____ new members.

Build a small _____.

Become an MD (_____).

Get more knowledgeable in _____ and _____ building.

Make more _____ and build up strong _____ in case you want to
go _____ in the future.

Building It Big. Become a Builder.

Build a strong team with many _____.

Become a better Builder with an _____ to more _____.

Your part time business income is _____ than your current job and income.

Decide to go _____. Become an entrepreneur. Follow your _____.

Be Part of Something Big

We want to build a _____. We are building a new _____ system to replace the _____, _____ industry.

We want to build a new _____ of well-informed _____ / _____ who understand, have a strategy and an action plan to build a _____ future.

Life is short. Don't do it _____.

If you want to be _____, you must be part of something _____.

You will never be free until you have _____ freedom.