Transition Expertise Matters for Fiduciaries

Financial Transition Planning is a specialized area of practice. We train the experts, Certified Financial Transitionists™
She is a mess with money.

☐ True
☐ False
LIFE HAPPENS
Transitions Drive Business

70% Hire

82% Av Age 50 to 69
TWO SIDES of MONEY
Are equally important and equally complex

technical  personal

Personal side is dominant while in transition
Life Events Pivot Life in New Directions

- Loss of Spouse
- Retirement
- Divorce
- Legal Settlements
- Sale Biz
- Inheritance
- Career Change
- Windfall

The challenges transcend age, education, gender, culture, and sophistication.
Change Can Be Stressful and Turbulent

Stress = Regress
effects on cognition - severe stress

- Hallucinations
- Amnesia
- Paralytic Fear

Generalized Cognitive Performance

- Stressor Supplied
- "Sweet Spot" Cognitive Improvement
- Potentiation Ends Fragmentation Begins
- Dissociative Responses
Characteristics of Transitions

Narrow focus
Short attention span
Invincibility
Hyper reactive
Fear-based decisions
Withdrawal Isolation
Fatigue

Fractured focus
Euphoria
Loss of possibilities
Inconsistent behavior
Victim behavior
Combative/angry
Fragmentation
Numb
Transitions
Drive
Business

70% Hire

70% Fire

82% Av Age
50 to 69
Does your process adapt to clients in transition?
from - What Was

to - What Will Be...

new normal

passage

anticipation

ending
Psychology

Behavioral Finance  Trauma – PTSD

Neurology

Stress = Regress  Neuro-Economics
Adherent Behavior

Sociology

Social Anomie  Disequilibrium

Physiology

Stress Response  General Adaptation Syndrome
70% of change initiatives fail because adaptive challenges are addressed with a technical model.

Traditional Financial Advisory Process Is A Technical Change Model
Adaptive Change Model

Status Quo

Destabilizing Event

The Fall

Transactional Aspect

Transformational Aspects

Transformational Ideas

Image of the Future

New Status Quo

Cauldron of Change
Chaos - Order - Opportunity

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www.suddenmoney.com
Email short agenda day before
Names and two main points
Soften tone
One page overview take-home
Decisions in 48 hours
Financial Triage™

Name

Normalize

Prioritize

Organize

Stabilize
<table>
<thead>
<tr>
<th>Immediate Fears:</th>
<th>Control</th>
<th>Manage</th>
<th>Monitor</th>
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<th>Possible Fears:</th>
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<th>Unlikely Fears:</th>
<th>Control</th>
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NOW Decisions:
__________________________________________
__________________________________________
__________________________________________
__________________________________________

SOON Decisions:
__________________________________________
__________________________________________
__________________________________________
__________________________________________

LATER Decisions:
__________________________________________
__________________________________________
__________________________________________
__________________________________________

Organize

Stabilize
Cash Flow Plan January 2007

Tom and Janet Evening, ages 60 and 57
Vision: enjoy life together without worrying about money
Event: Sale of Business net amount $5 million, IRA rollover - $2 million

Investment Accounts

<table>
<thead>
<tr>
<th>Trust Accounts</th>
<th>Joint Account</th>
<th>IRA</th>
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</thead>
<tbody>
<tr>
<td>Trust 1 – 2.5 million Growth and Income Distribute 8.5K/mo</td>
<td>$550,000 #1 Money Market</td>
<td>2 million Growth for 10 years</td>
</tr>
<tr>
<td>Trust 2 – 2.5 million Growth and Income Distribute 8.5K/mo</td>
<td>#2 Money Market Back-Up Account 100K</td>
<td></td>
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Holding Account
#1 Money Market Account in the Joint Account

- Begins with $68K Four Months Income
- Receives 8.5K/mo from each Trust – total $17K/mo

Transfers Each Month
- 15K to Operating Account
- 2K to Major Expenses

Operating Account
ABC Bank Checking
- Receives $15K/mo
  - $10K bills and expenses
  - $5K taxes

Major Expenses
#2 Money Market Account in Joint Account
- Starting Balance $23K
- Receives $2K/mo
- Insurance premium $7K Jan. 1st
- Property Tax $6K Nov. 1st
- Vacation $10K May 1st
Cash Flow Plan November 2008

Tom and Janet Evening, ages 60 and 57
Vision: enjoy life together without worrying about money
Event: Sale of Business net amount $5 million, IRA rollover - $2 million

No change in income and three years of income in cash

**Investment Accounts**

**Trust Accounts**
- **Lost 6% Same Income For 2 years**
- Trust 1: $2,350,000 million
- Distribute $8.5K/mo
- Trust 2: $2,350,000 million
- Distribute $8.5K/mo

**Joint Account**
- $550,000 two and a half yrs income
- #1 Money Market
- #2 Money Market
- Back-Up Account 100K

**Holding Account**
- #1 Money Market Account in the Joint Account

Begins with $68K Four Months Income
- Receives $8.5K/mo from each Trust – total $17K/mo
- Transfers Each Month 15K to Operating Account

**Operational Account**
- ABC Bank Checking
  - Receives $15K/mo
  - $10K bills and expenses
  - $5K taxes

**Major Expenses**
- #2 Money Market Account in Joint Account
  - Starting Balance $23K one year expenses
- Receives $2K/mo
  - Insurance premium $7K Jan. 1st
  - Property Tax $6K Nov. 1st
  - Vacation $10K May 1st
<table>
<thead>
<tr>
<th>Traditional Advisor</th>
<th>Financial Transitionist™</th>
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<tbody>
<tr>
<td>Expert, CFP®, JD, CPA</td>
<td>Thinking Partner, CFT™</td>
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<tr>
<td>Life is Predictable</td>
<td>Life Unpredictable</td>
</tr>
<tr>
<td>Known Parts</td>
<td>Parts have changed</td>
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<tr>
<td>Identifiable Goal</td>
<td>Tools for Co-creation</td>
</tr>
<tr>
<td>Easy fix</td>
<td>Goals less clear, changing</td>
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<td>Transformation over time</td>
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Investment Advisor Practices

Organize
Formalize
Implement
Monitor

AND

Financial Transitionist™ Process

Communication discovery
Triage, organize
Small steps
Shorter meetings
Visual overviews
Flexible timelines
Structured conversations
Review, refine, rediscover
Thinking Partner Skill Set

Process = Presence

Tools = Co-Create

Lower Stress to Increase Capacity

Keep Safe Until Capacity Returns

Normalize and find meaning in chaos

Support unpredictable time lines and results
Certified Financial Transitionist™

Sample Materials

The Widow’s Guidebook
Susan Bradley, CFP®
Founder, Sudden Money Institute

Susan Bradley, CFP® is a recognized thought-leader and author in financial transition planning. She is the founder of the Sudden Money® Institute (SMI), a resource center for Life Transitions and Good Decisions. In 2013 Susan opened the Institute for Certified Financial Transitionists, a division of SMI dedicated to training financial advisors, attorneys and mental health professionals in the unique process and tools for managing the human dynamics of financial change. She has served on the FPA’s National Board of Directors, currently sits on the National Football League’s Players Associations’ Financial Education Advisory Board, and serves as the Dean of Transitions for the Council of Deans of the Purposeful Planning Institute. She is seen and heard frequently in the national media including NBC’s Nightly News, CNN, NPR, The Wall Street Journal and The New York Times.

Courtney Pullen, M.A., LPC
President, Pullen Consulting Group

Courtney Pullen is the President of the Pullen Consulting Group. He has more than 25 years of experience in coaching, business and management consulting, leadership development, communication training and team building. Courtney received his graduate degree in Psychology, was a Clinical Associate at the school of Professional Psychology at the University of Denver and an Adjunct Professor at the University of Colorado. The Pullen Consulting Group works with families who aspire to move from simply good to exceptional. We are engaged by the family to work for the family. He works one-on-one with individual members while also weaving together the personalities, potential and passions into a unified whole.
Kathleen M. Rehl, Ph.D., CFP®
Rehl Financial Advisors

Dr. Rehl is a leading authority on the subject of widows and financial planning. She is the award-winning author of Moving Forward on Your Own: A Financial Guidebook for Widows. A widow herself, Kathleen is frequently invited to speak to professional advisors and women’s groups. Her work has been featured in numerous publications. The U.S. Army Survivor Outreach Services centers use her book worldwide. Kathleen owned her financial planning firm for 17 years before closing that business in late 2013, giving more time for speaking, teaching and writing. Kathleen is passionate about empowering her “widowed sisters” to feel financially secure… while helping advisors work effectively with these women.

Moira Somers, Ph.D., C.Psych.
Money, Mind and Meaning

Dr. Somers’ area of expertise is helping financial professionals get better at serving and retaining clients. She has a particular interest in the psychological factors that affect people’s financial decisions and actions. She works directly with clients who are in the midst of major financial transitions (such as sudden money events, changes in marital status, or retirement), helping them put an end to their struggles with and around money. She is on faculty with the Sudden Money Institute, where she trains an elite group of advisors on the cognitive and emotional factors at play during financial transitions.
Thank You

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