

## Scott Brooks Video Transcripts

VIDEO 19: 10:11

SCOTT: So, if you recall in the class that you took, I made five commitments to you that night. I'm going to repeat those five commitments so we can review those and know what those are so you know exactly what to expect of me. Commitment number one: I committed that I'd put together for you a written Retirement Financial Plan that's going to contain three sub-parts. Part 1-A are going to be your goals. Part 1-B is going to be the risks that you face that could derail your goals. And then Part 1-C is going to be step-by-step instructions that you need to follow to overcome these risks so you can accomplish your goals. That's the first thing I committed to. The second thing I committed that I'm going to do for you is I'm going put together for you a written Retirement Income Plan. Remember we talked about in the class, remember where you learned in the class that the four cornerstones of retirement financial planning are income, income, income, and income.

PATTY: Uh-huh.

SCOTT: If you have all the guaranteed income you need coming in every single month for the rest of your life -- Patty, here's your guaranteed income to

accomplish your goals, here's your guaranteed income to accomplish your goals -- and the stock market crashes, and here's your guaranteed income to accomplish you goals. If you have all that guaranteed income coming in every month to accomplish your goals, and the stock market crashes, how does that stock market crash affect your ability to accomplish your goals?

ROY: It doesn't.

SCOTT: It doesn't. It doesn't, right? Guaranteed income, right? What if we have a bad economy and you have all the guaranteed income you need coming in. How does it affect your ability to accomplish your goals?

ROY: It doesn't.

SCOTT: It doesn't, right? Income is king in retirement, okay? So, I'm going to put together a plan to how to have all the income you need coming in every month, preferably on a guaranteed basis, so you can have the peace of mind that you can accomplish all your goals, okay?

PATTY: Uh-huh.

SCOTT: The third thing I'm going to is I'm going to put together for you a written Retirement Investment Plan. Very simply stated, what I'm going do is I'm going to show you how you can strive to take the least amount of risk necessary

to accomplish the . . . to get the returns you want, so you can accomplish all your goals and enjoy the rest of your life. I said that over and over in the class, right? Remember? Like a college professor saying "This is going to be final! This is going to be on the final!" Guys, it is important here. Remember, we're going to strive to take the least amount of risk to get the returns you want so you can accomplish all your goals and enjoy rest of your life. The fourth thing that I'm going to do for you is I'm going to do a risk analysis on your current portfolio. I'm going to look at investments that you have right now and I'm going to show you how much risk is embedded in those investments right now so that you can see that when the market corrects again -- can we agree it's going to correct at some point in time right?

ROY: Right.

SCOTT: So, when the market corrects again, you can see how much money you potentially stand to lose. That way you can decide in advance whether that's an amount you're comfortable with, or maybe you prefer not lose that much money, okay? And then the fifth thing I commit that I'm going to do is I'm going to look at the investments you have right now I'm going to compare side-by-side against what I'm recommending to you so that you can see that, had you been

with us the last five, ten, 15-plus years, how much better off you'd be today with us as opposed to where you're at today. I'll show that to you, okay? Now, in exchange for those five commitments, I ask that you make four very simple commitments to me. They are as follows. Commitment number one: I need you to commit to keep your appointments. Remember I said in the class that night, I said I will always respect your time; please respect mine. So, number one, keep your appointments. Number two: information. I can't do a good plan without good information, okay? This is probably wonderful information here, all right? From time to time I'll need more information in the future. So, just make sure I get my information, okay, when I need it. Roy, I need to give you an assignment. I need you to call your HR department at work, all right? And I need you to ask them a very simple question. I need you to you ask them, am I eligible to do an in-service rollover of my 401K?

ROY: Okay.

SCOTT: Can you remember that?

ROY: Yeah.

SCOTT: All right. If they say yes, you need to ask "How can I do it?" If they said no, I need you to ask "When can I do it?" Does that make sense?

ROY: Uh-huh.

SCOTT: Remember we talked about the in-service rollovers in the class where you could roll your money over while you're still working? Now I want to be clear, I'm not saying we're going to do that. I just to want to know what our options are so I can build our plan within the parameters of the options that we have, okay? I need that information as soon as possible. When can you get that to me?

ROY: This is Friday. I can probably get it sometime Monday.

SCOTT: Monday? Okay. So, it's okay if you email me to say "Scott, yes on the in-service rollover, it's a phone call. All we have to do is call the custodian," or maybe "they have a special form I have to sign." Just find out what, you know, that is, okay? So, I need that done, okay? So, the second thing you're committing to is to give me good information. I can't do any job without good information, all right?

PATTY: Uh-huh.

SCOTT: And that commitment holds true going forward, because in the future, even if you're working with us, I will need information from time to time. Get me what I need, and I will get you the plan, okay?

ROY: Okay.

SCOTT: The third thing I need you to commit to, and this is going to be really important in our next meeting, is feedback. At our next meeting, I'm going to deliver all five of my commitments to in writing, okay? But at that meeting you have to give me feedback. This is what I mean by that. I'm going to go through your plan. It looks like this. I'm going identify where you're at today, and then I'm going pick a path that will help you to accomplish all your goals, all right? As I go down this path and I discuss it with you, if I talk about something and you don't understand it, stop me. Call time-out. Make me explain it to where you do, all right? Now, this is important; once you understand something, if I talk about something and you don't think you like it, you have to tell me. I don't care if you don't like it or not. If you don't like something, we'll just take it off the table. We'll just eliminate that from the plan. Now, if we change something in your plan, here's what will happen. See what your path looks like now? If we change it, your path will change a little bit. It's okay if the path changes. We can still accomplish your goals. We just need to find the right path, all right? Remember, I'm a fiduciary, so I act in your best interests, but I'm also a human being and I'll misread a situation. So, if I talk about something, and you don't think you like it, no biggie, I'll just take it off the table. Now, as important as it is to tell me when

you don't like something, it's even more important to tell me when you do. And this is the part people have the most trouble with. I think because we're conditioned as consumers to play our cards close to our vests, because we're afraid if we say we like something, that somebody will try to sell us something.

ROY: Uh-huh.

SCOTT: I give you my word I will never act like a financial salesman, so please don't treat me like one. Here's what will happen. If you tell me what you don't like, we remove it from the table. If you tell me what you like, we leave it on the table and we build your Retirement Financial Plan to accomplish all of your goals around the things you like and are comfortable with, okay?

PATTY: Okay.

SCOTT: Think about it this way; I'm like a sketch artist here, okay, like a police sketch artist. I'm drawing a picture of your retirement. You're describing it to me, I'm drawing it, and then I show it to you. You say "Hmm . . . can you change that part there?" So, I erase that part and I'll change it. You go "What about this? Can I change this?" I keep erasing and changing as you describe it to me until you say "Yes, that's what I want." Does that make sense?

PATTY: Yeah.

SCOTT: I can build that, but you have to give me feedback, okay? I can build that Retirement Financial Plan to accomplish all your goals, but you got to give me feedback. The fourth thing I need you to commit to is the process. Remember in the class that night I told you that I would do this for you as an extension of the class and I wouldn't charge you anything to do your written Retirement Financial Plan, and I will honor that. I will honor that promise to you. But, obviously I don't work forever for free, okay? So, this is going to be a two or three meeting process that we will go through together. Today is our first meeting. Next time we get together we'll have our second meeting. We're going to agree today that at the end of our second meeting, that we're going come to one of three possible conclusions, all right? Now, that second meeting, I'll deliver all five commitments to you, and I'll go over your whole plan. That second meeting will be just as pleasant a conversation as our first meeting, hopefully you feel it's been, all right? But at the end of that meeting we're going to agree that we come to one of three conclusions. Those possible conclusions are as follows: number one, you don't like what you see, you're not comfortable, I'm not comfortable, for whatever reason, we just decide it is not a fit, so we decide to disengage. Even if we disengage, you'll be able to walk out of my office saying I taught a great class at the university, and I treated you with respect in my office, okay? So, option one is



disengage. Option two is you like what you see. And, quite frankly, I think you'll love it. Option two is to engage services, all right? And then, option three. Option three is we decide we want to have a third meeting. Now, why would we want to have third meeting? Well maybe you want me to change something in the plan. Maybe you want to check references. Or, maybe you just want a week to think about it. So, if we decide to have a third meeting, we're going to agree today that we're going to schedule our second meeting so that if there's a third meeting, we can do that third meeting within one week of that second meeting. Now, I don't mind if there's a two or three or four-week gap between today's meeting and our second meeting, but we need to schedule that second meeting so if we do a third meeting we can do it within a week. So, if you have any vacations coming up, anything going with the grandkids, I don't want to keep you from it, we need to schedule that second meeting so that we can do the third meeting, if necessary, within one week. And I'll tell you the reason we have that one week on the third meeting. It's very simple. I've been doing this for 30 years, and I've learned one thing: if we schedule a third meeting further away than that, we're just wasting each other's time and we may as well just disengage. Out of sight, out of mind, all right? Now, if we decide to have a third meeting, anything you want between that second and third meeting, I'll supply. If you want references, I'll get you

references. If you need to do any research or anything, you do your research between the second and third meeting. When you come in for your third meeting, which, of course, you will keep, because you committed to keep your meetings, all right? When you come in for your third meeting, I'll answer any questions you've got, I'll review anything you want me to review. You'll find that meeting to be just as pleasant a conversation as all of our other meetings have been. But, at the end of that meeting, we're going to come to one of two possible conclusions: We're either going to disengage, or we're going to engage. Can you guys make those four commitments to me? Patty, can you make those four commitments?

PATTY: Yes.

SCOTT: Roy, can you make those four commitments to me?

ROY: Yes.

SCOTT: Very good. Let's check the calendar here and schedule your next meeting.