

**Roccy DeFrancesco** J.D., CWPP,<sup>™</sup> CAPP,<sup>™</sup> MMB<sup>™</sup>  
Founder of The Wealth Preservation Institute

# Bad Advisors

HOW TO  
**IDENTIFY THEM**  
& HOW TO  
**AVOID THEM**



**BAD ADVISORS**

HOW TO IDENTIFY THEM  
& HOW TO AVOID THEM

**ROCCY DEF RANCESCO**  
J.D., CWPP, CAPP, MMB

**Table of Contents**  
**Bad Advisors**

**How to Identify Them & How to Avoid Them!**

Acknowledgements..... iv

Preface.....v

Foreword (Including About the Author)..... vii

**Chapter 1**

Everyone’s Worst Nightmare .....24

- 80-year old widow with assets of less than \$1 million.....24
- Middle class 67-year old who retired in 2007 .....26
- 65-year old multi-millionaire.....27
- Middle class 45-year old.....31
- 30-year old who just got married.....36

**Chapter 2**

Insurance Marketing Organizations (IMOs).....37

- What is a General Agent (GA)? .....37
- What is an IMO?.....39
- Why most IMOs are NOT good for the industry or consumers .....42
- Some IMOs are owned by insurance companies! .....45
- Questions to ask insurance agents to determine if they are “bad advisors” .....50

**Chapter 3**

Life Insurance/Annuity Agents.....52

- Two types of “captive agents” .....52
- Competing for business .....54
- What products does this chapter apply to? .....55
- The benefits of working with an independent agent.....57
- Expectation of disclosure.....58
- Mentally captive agents .....60
- Free trips .....64
- Additional bonuses/compensation .....65

*Table of Contents*

---

-Relationship driven sales .....67  
-Career agents .....69  
-Questions to ask insurance agents to determine if they are  
“bad advisors” .....74

Chapter 4

Broker Dealers (BD) and Security Licensed Advisors .....76  
-Definitions .....76  
-Commissions and fees .....77  
-What does a BD do? .....81  
-What is a Registered Investment Advisor (RIA)? .....84  
-What type of advice and products are off limits? .....86  
-Fixed Indexed Annuities (FIAs) .....88  
-Many BDs forbid the sale of FIAs.....94  
-Lack of disclosure.....95  
-Equity Indexed Universal Life (EIUL) insurance .....99  
-Many BDs forbid the sale of EIUL policies .....102  
-Lack of disclosure.....104  
-Questions to ask your securities licensed  
advisors to determine if they are “bad advisors” .....108

Chapter 5

Financial Planners/CFPs® .....110  
-What is financial planning? .....110  
-What’s wrong with many financial planners or CFP®s..113  
-Reaching your financial planning goals .....118  
-Questions to ask financial planners to determine  
if they are “bad advisors” .....120

Chapter 6

“Fee-Only” Advisors .....122  
-What is a “fee-only” advisor .....122  
-“Fee-only” is great marketing.....123  
-“No-load” life insurance and annuity products .....124  
-What makes a “bad” “fee-only” advisor?.....125  
-Example phone call to explain the problems  
with “fee-only” advisors .....127  
-One more example of the problems  
with “fee-only” advisors .....133  
-“Fee-based” planners.....134

-Questions to ask “fee-only” advisors to determine if they are “bad advisors” .....135

Chapter 7

Sale System Advisors .....137

- What is a sales system? .....137
- Are all sales systems bad? .....140
- Missed Fortune 101 and Stop Sitting on Your Assets....141
- United First Financial .....143
- LEAP Systems® .....147
- College Planning Systems .....149
- The Infinite Banking System® and Bank On Yourself...155

Chapter 8

Attorneys.....165

- Classic attorney work .....165
- Lack of follow through.....166
- What kind of advice should you NOT look to receive from your attorney?.....167
- Examples of bad advice.....169
- Questions to ask attorneys to determine if they are “bad advisors” .....176

Chapter 9

CPAs/EAs/Accountants .....177

- Classic accounting .....177
- Do CPAs provide “real” tax planning?.....178
- What about corporate structure advice? .....181
- Financial planning services .....182
- What about CPAs who sell insurance or annuities? .....185
- What about estate planning advice? .....182
- Questions to ask CPAs/EAs/Accountants to determine if they are “bad advisors” .....188

Chapter 10

Concepts Good Advisors Should Know .....191

Chapter 11

Real World Horror Stories .....200

Help From the Author .....203