



JOSEPH J. TALLAL, is president of Life-Plan, a personal financial management services company.

## Business Profiles

By Bonnie Baber

# Life-Plan solves conflict of interest in financial planning

DALLAS — Would you go to a doctor who was employed by a pharmacy which was owned by a major drug manufacturing company? Of course you wouldn't. The potential for conflicts of interest in such a scenario would prevent any person concerned with their physical well being from accepting such an arrangement. But as ludicrous as the above illustration sounds, this is the only form of service available from the nationally recognized firms offering personal financial planning.

Where do most people turn when they need financial help? Consider the recognized leaders in the financial planning industry. Each company houses financial planners who work in company store front offices and sell their company's proprietary products. Unfortunately, in the financial services industry, it is commonplace for the doctor (the financial planner) to work for the pharmacy (the company store) owned and stocked with drugs manufactured by a major drug company (insurance companies, securities brokerage firms, etc.).

Life-Plan, with national headquarters in Dallas, has created a different system which offers competent, objective personal financial management services. Its mission "is to provide objective, non-biased, financial management education and services at an affordable price."

"Contrary to popular belief, true personal financial management has nothing to do with selling life insurance, mutual funds or annuities," said Joseph J. Tallal, CEO of Life-Plan. "Personal financial management is the analysis of one's income, outgoes, assets, liabilities, goals and objectives so as to create a coordinated program to achieve the maximum possible from one's financial environment."

The heart of the Life-Plan system is an intensive, educational 4-hour workshop which provides basic, practical knowledge on personal financial management. "The Life-Plan workshop not only educates an individual about how to create his/her own personal program, but also motivates and inspires real change," Tallal explained.

"It helps each participant to see that successful financial management is possible for everyone, regardless of their economic posture."

The Life-Plan Personal Financial Management Workshop shows participants how to create a college education program which can save up to 63 percent of the cost of sending a child to college; how to project and build an estate which will, after inflation, allow a person to achieve their retirement goals; how to determine the amount of capital that person's family would need in the event of a disability or death; and how to coordinate one's goals to fit within one's income. The workshop is completely void of any presentation of investment or other product for sale.

One of the unique aspects about Life-Plan is that it does not offer its services directly to the general public. Instead, through an affiliation with Life-Plan, CPAs, banks, churches, trade associations, corporations and even radio stations sponsor Life-Plan workshops for their respective clients, customers, congregations, members, employees or listeners. By sponsoring the Life-Plan workshop, these entities are letting their people know that they care about their financial futures and want to help.

According to Tallal, "This type of personal financial management is not taught in college, and yet it is mandatory to know if one is to have a chance of succeeding financially. Our program would not be possible without the incredible commitment our affiliates have to serve their people's needs."

For those not ready to create their own financial programs after attending the workshop, Life-Plan affiliates offer a comprehensive financial management service. This service does everything the person was taught to do for his or herself in the workshop. "Our workshop is like teaching a person how to fly a plane," Tallal revealed. "However, many people after being taught how to fly, recognize that they would prefer to get on an airliner, be served dinner, and let a professional pilot fly them to their destination."

The major distinction in the Life-Plan system over traditional financial planning is that neither Life-Plan's

workshop or its comprehensive financial management service involves any discussions concerning investments or other commission products. Neither of these two services give advice with regards to securities or other investment opportunities. "This is where the conflict of interest issues come in," Tallal continued. "How can a person give objective advice of what investment or other product is best for their client if he or she is going to receive a commission from a third-party product vendor, especially since commissions can run from as low as nothing (in the case of a no-load mutual fund) to more than 100 percent (in the case of a life insurance policy)? Which would you choose if you had to make part of your living from commissions?"

Tallal points out, "What is missing in the financial services industry is objective, competent physicians — professionals who have sworn an oath to serve their patients' needs and have the expertise, objectivity, commitment and ethics to do so competently." He added, "Additionally, they are not paid based on the number of prescriptions they write."

Life-Plan has helped establish such a group of professionals and sponsors the Personal Economic Research Foundation, Inc., a non-profit institution. This foundation houses an advisory board composed of financial industry experts who continually evaluate the economy and the best available financial options.

The Personal Economics Research Foundation has been formed to be a financial planning consumer advocacy group offering competent expert advice to financial planning clients who want objective, non-biased suggestions. No board member may recommend a proprietary product or receive any compensation or commission directly or indirectly as a result of any product or investment recommendations. Each member is compensated solely on an hourly fee for his or her services, must have a minimum of 10 years experience in their field of expertise and must be recognized as a leader in their industry by their peers. Therefore, the advisory board is comprised of members with both the expertise and objective to serve

the general financial consumers' needs. There is absolutely no economic stimulation of any kind which can affect the advice the board gives.

The Advisory Board issues its findings in the form of Advisory Board Bulletins which are available free of charge to people who make a request and have a written plan of action. The Advisory Board bulletins are suggestions to these people on how to implement each step of their personal financial plan. The Personal Economics Research Foundation and its Advisory Board Bulletins offer clear, objective competent advice. This vital service is not available anywhere else.

Life-Plan also provides specially licensed people called implementors who can assist clients in implementing their bulletins. All Life-Plan implementors have signed contracts to implement only the exact recommendations contained in each Advisory Board Bulletin. Life-Plan's implementors are similar to pharmacists who can only fill whatever the doctor prescribes.

Therefore, like a pharmacist, Life-Plan implementors cannot develop a conflict of interest with their customers as they assist them in implementing their personal financial plans. The result of this service is a no-pressure forum for people to acquire the investment and insurance products they need without having to worry that somebody will "twist" them into a high commissioned product.

Life-Plan's system clearly separates the physician from the pharmacist and, because Life-Plan has no proprietary products for sale, there are no drug companies as a part of this equation. "I wanted to see a company developed that did not have a hidden agenda," Tallal explained. "One which was built to see the problem through the eyes of the consumer and provide the services that they would want if they knew enough about the financial services industry to ask."