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How to Retire Early and Dramatically Impact Others for Good

The rich don't settle for lousy money market or CD returns, and you don't have to either!

Everybody knows the #1 most fundamental principle of wealth creation: Own or control assets that generate income. These assets might be rental properties, businesses, oil wells, patents, franchises, buildings, stocks, bonds, or mutual funds, etc. The amount of income generated by the assets depends on the size of the asset and the rate of return. The typical annual rate of return on traditional assets is anywhere from 1.5% to 15% per year. Many assets require your time to manage them. However, here's what most people don't know…

Shhh… Come closer… Here's a little secret…

There are non-traditional assets that can generate sustainable double-digit and triple-digit annual returns, without requiring your time to manage them!

The Labor Game vs. the Money Game

Having a "job" is the riskiest type of income.

Most people know how to play the "labor game", but never really learned how to play the "money game". Most people trade their labor and their time for money, by becoming employees. This is called "active income," because it requires daily action to generate the income. This strategy limits their earning potential, because there is a limited amount of time in each day (it is impossible to work more than 24 hours in a day). When the "active income" is insufficient to meet their needs, they use debt, in the form of credit cards and home equity loans, to make up the difference. This is called "**Consumer Debt**". This is a bad type of debt and results in bondage to creditors and even bankruptcy.

Active income is the riskiest type of income, because it can stop at any time due to causes which are outside of your control, such as illness, accidents, or involuntary unemployment (you're fired!). According to the Weekly Initial Jobless Claims, over 400,000 skilled, talented employees hear those two dreadful words each week. For millions of people, the American Dream has become the American Nightmare, because they only think like employees, they only utilize "consumer debt", and the only game they know is the labor game, where time equals money.

When it comes to the money game, most people stick with the preschool version and only put meager monthly savings into investments, and they only choose traditional "retail" investments that generate low returns. That is why they have to wait 30 years for it to hopefully amount to anything! Their actions perpetually keep them in the category of the "Have Not's". Some turn to real estate investing, multi-level marketing, internet marketing, or home-based businesses to supplement their income. Others, in their quest for higher returns, take courses in trading and investing and become spare-time traders, often losing more than they make, due to lack of time and resources necessary to effectively compete with the professional, full-time traders that dominate the financial markets.

In the 3rd Quarter of 2009, Goldman Sachs generated $10 Billion dollars from proprietary trading and investing, compared to only $899 million from core investment banking.

The wealthy, on the other hand, choose "alternative" investments that have double and triple digit returns! That is why instead of waiting 30 years to see results, they start to see wealth creation and massive passive income immediately! Their actions perpetually keep them in the category of the "Have's". The only separator between the "Have's" and the "Have-not's" is a series of specific actions. The purpose of the Financial Freedom Foundation is to teach you what these actions are. It is up to you to take action or not.

Beyond Preschool: Wealthy people are not employees. Wealthy people make money <u>their</u> employee. **They don't work for money, money works for them!** If you already have a "nest egg" of $100K available to work for you, then you can get started right away. If you have $10K available to work for you, then you can get started, too. But what if you don't even have that? Then use Other People's Money (OPM)!

Wealthy people make money <u>their</u> employee!

(For details, go to www.TheFinancialFreedomFoundation.org/details)

<u>Pre-eminent Source of OPM</u>

The least-expensive, lowest-risk form of OPM that we have come across is using non-personally guaranteed, unsecured business lines of credit.

- <u>Non-Personally Guaranteed</u> means that you do not act as the personal guarantor. Only the corporation you'll form and own is liable for repayment of the debt, not you personally (Sometimes, you have to start out as the personal guarantor, but remove yourself as a guarantor once you have established a repayment history with the lender).

- <u>Unsecured</u> means that you don't have to pledge a car, house, your first born, or anything else as collateral that will be seized if the debt is unpaid.

- <u>Business</u> means that the borrower is the corporation that you create and own, not you personally. It does not show up anywhere on your personal credit profile, only on your business' credit profile.

- <u>Lines of Credit</u> means it can be either:

  1. A standard business credit card

2. A traditional business loan, with a fixed interest rate and a fixed number of years to repay the loan (large corporations issue bonds with these characteristics)

3. A flexible business line of credit where you can access the money by writing a check and must begin paying interest only when you draw down on the line of credit

This kind of debt is called "**Investment Debt**". This is a good type of debt. Since it is business credit, it does not report on your personal credit profile. Most importantly, you can use investment debt to generate investment income or "passive income".

Assets with Highest Returns and Least Hassle: "Managed Accounts"

Many have track records of generating triple-digit annual returns, especially in down markets!

Savvy investors open up accounts with brokerage firms and have world class, professional traders, with very profitable strategies and lengthy track records, trade these accounts for them. The professional traders may specialize in stocks, options, commodity futures, foreign currency exchange (forex), exchange traded funds (ETFs), or any number of financial instruments. Their market of choice does not matter. It is their track record of consistent stellar returns that matters. Many have track records of generating triple-digit annual returns, especially in bear markets! For our own investing, we consistently search for these Top 1% of professional traders who do not trade exclusively for large financial institutions. Such traders are a rare breed, but once you know who they are, it is easy to point them out to others. Since the Financial Freedom Foundation has found some of the needles in the haystack, we can easily point them out to you. We will tell you the ones we know of when you become a member (in reciprocation, if you know of others, please share them with us).

These Accounts are Ponzi- Proof!

You see the actual results of each and every trade, in real time!

The professional traders, in exchange for their services, receive an annual fee or keep a percentage of the profits. It is a win-win situation. These types of brokerage accounts are referred to as "managed accounts". You have complete control over your managed accounts and complete transparency: you can see each and every trade, before it is placed. These accounts are Ponzi-proof! You see the results of each and every trade, in real time! You are the only one with authority to place money in-to or withdraw money out-of the account. You will give the professional traders a "letter of direction" which only permits the trader to recommend trades for your own broker to execute on your own account, implementing their strategies that often generate triple-digit annual returns!

Because the wealthy put their financial intelligence to work, they do not need to go to a "job" each day to generate this "passive" income. This strategy has unlimited earning potential, because their employee (money) works 24 hours a day, 7 days a week, without vacation or sick days. And the profits can easily be reinvested, causing a compounding of the return. This is huge!

The Birth of the Concept

How did we come up with our investment model? While getting our MBAs at The Wharton School, we took steps to create our own currency hedge fund, only to find other professional traders in the market with lengthier and more profitable track records than us. We decided to make our competition our employees and began searching for more of these traders, and placing capital with them. Why spend all day trading if you don't have to, right? Understanding portfolio management and risk management, we created a hands-off investment model that is bullet-proof. It is no big deal for us to share these concepts with you.

Do such traders exist, or are we just making this up?

Well, here is a snap-shot of some of the professional traders (final 2009 performance has not been reported yet):

Professional Trader #1: Began trading 1984. He focuses on commodity futures and options on stocks & exchange traded funds (ETFs). He generated non-compounded returns of 241% in 2008, 337% in 2007, and 216% in 2006. He places SAFETY FIRST, giving very little back to the market. His strategies vary according to market conditions. This trader typically holds trades for 3 to 4 months, and it takes about 7 months of time for a new account to get fully up to speed. He charges an annual fee and will refund the fee if he doesn't generate at least a 100% return on your account.

Professional Trader #2: Began trading in 1983. He focuses on commodities and foreign currencies (forex). With forex, he generated non-compounded returns of 196% in 2008, 104% in 2007, and 88% in 2006. With commodities, he generated returns of over 300% in 2008, 202% in 2007, and 206% in 2006. This trader typically holds trades for 2 months, and it takes about 4 months of time for a new account to get fully up to speed. He charges an annual fee and will refund the fee if he doesn't generate at least a 100% return on your account.

This is just the tip of the iceberg.

Our list includes several other traders with equally stellar performance.

Professional Trader #3: Began trading in 1983. He focuses on forex. Generated non-compounded returns of 106% in 2008, 395% in 2007, 143% in 2006, and 99% in 2005. This trader follows the directional trend of the market. This trader typically holds trades for 1 month, and it takes about 3 months of time for a new account to get fully up to speed. He charges an annual fee and will refund the fee if he doesn't generate at least a 100% return on your account.

Professional Trader #4: Began trading forex in 1996. He designs self-adjusting indicators that adjust to changing market conditions. Since 2004 he has generated an average annual, non-compounded return of 75%. This strategy places 2 or 3 trades per day, allowing a new account to get fully up to speed within the 1st month. He charges an annual fee and offers a money-back guarantee.

Professional Trader #5: Began trading forex in 2003. Trades short-term positions with strategic money management principles for limited volatility and quick recovery from losses.

Monthly returns from Jan - Nov. 2009 ranged from 23% to 58%, for an average of 36% per month. This trader typically holds trades for less than 48 hours, allowing a new account to get fully up to speed within the 1st month. He charges a fee of 25% of the monthly profits he generates on your account.

This is just the tip of the ice-berg. We've found several others…

(For details, go to www.TheFinancialFreedomFoundation.org/details)

The Power of Compounding: The Rule of 72

Albert Einstein, arguably one of the greatest scientific minds to have ever lived, is said to have described compounding interest as "the most powerful force in the universe." Compounding occurs when you re-invest your profits or gains, resulting in geometric growth. The Rule of 72 is an easy way to estimate how long it takes for an investment account to double in value, when all monthly profits are reinvested and therefore, compounded monthly. If the non-compounded rate of return is 12% annually, then it takes about 6 years for the account value to double (12 x 6 = 72). If the non-compounded returns are 36% annually, then it takes 2 years for the account value to double (36 x 2 = 72). If the non-compounded returns are 72% annually, then it takes only 1 year for the account value to double (72 x 1 = 72).

How does this apply to you? As an illustrative example, suppose you start with a one-time investment of $100K and find a professional trader who generates a non-compounded Annual Percentage Rate of Return (APR) of 72% per year or better. If you were to re-invest all of your profits every month, which causes compounding of the return, your account would double in value every year:

The Exponential Effect of Compounding Returns

Starting amount	APR	# Years	Ending Amount
$100,000	72%	1	$201,220
	72%	2	$404,893
	72%	3	$814,725
	72%	4	$1,639,387
	72%	5	$3,298,769
	72%	6	$6,637,772
	72%	7	$13,356,500
	72%	8	$26,875,903
	72%	9	$54,079,597
	72%	**10**	**$108,818,775**

**Initial investment of $100k earning 72% non-compounded return per year, compounded monthly, for 10 years.*

Note: This table is for illustration purposes only.

Year	1	2	3	4	5	6	7	8	9	10
Start	x 2	x 2	x 2	x 2	x 2	x 2	x 2	x 2	x 2	x 2
$100K	$200K	$400K	$800K	$1.6M	$3.2M	$6.4M	$12.8M	$25.6M	$51.2M	**$102.4M**

As you can see from the tables above, The Rule of 72 is an approximation for doubling your money every year (the second table shows exact doubling). However, by comparing the two tables, you'll notice that the end result is practically the same. By using a critical mass of starting capital and by maximizing the effect of the power of compounding, you could potentially create a net worth of over $100,000,000 in just 10 years!! That means you could potentially become a multi-multi-millionaire within a decade. Now, this is an illustrative example only. How this plays out in reality may be better or it may be worse.

- Some of the traders generate triple-digit, non-compounded annual returns, not just 72% per year, and this would positively impact your overall returns.
- Unless you have your money in a Roth IRA, then you will have to pay taxes on your annual gains, which would negatively impact your overall annual returns.
- If you use OPM for your initial investment capital, then you would have to repay that line of credit, plus the interest, which would negatively impact returns in the first few years.
- You may choose to not re-invest all of the profits and instead take some out as personal income, which would negatively impact your overall returns.
- You may have a couple of accounts for different strategies, some for passive income purposes and a couple of accounts for long-term wealth creation.

Here is the key point: the amount of passive income you generate is directly related to 1) your rate of return, and 2) the size of the starting "nest egg" of capital you start with or "investment debt" that you can obtain and invest.

It all depends on your amount of starting capital, and the compounded rate of return.

This method of generating passive income results in:

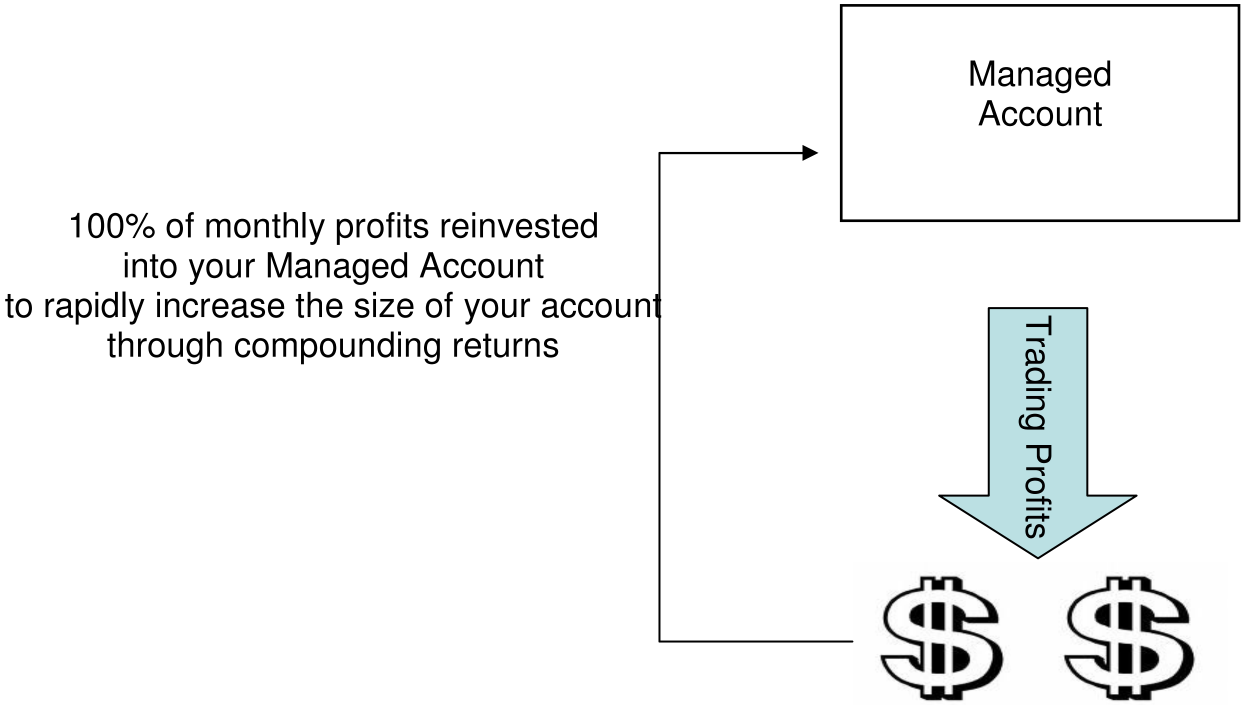
1. Having discretionary time for family and hobbies
2. Having discretionary income to pay-off creditors
3. Having more than enough income to meet your needs
4. Having extra time to dedicate to community involvement
5. Having income left over to contribute to the charitable and philanthropic causes you deem most worthy, such as feeding the hungry, clothing the naked, and administering relief to the sick and afflicted (the best method is anonymous giving, although it can be difficult at times to remain anonymous)

By giving you a formula to become independently wealthy and retire early, we are encouraging you to give some of your time, talents, and resources to charitable organizations that relieve human suffering, as described above.

(For details, go to www.TheFinancialFreedomFoundation.org/details)

The Big Picture: How it All Fits Together in a Visual Model

Wealth Creation Strategy



Below is an analysis of the Wealth Creation Strategy, both with and without taxes, depending on if the managed account is being held in a Roth IRA or not. Numbers in **blue** are the assumptions (if you do not like detailed financial analysis, just skip to the next page).

Wealth Creation Strategy (without taxes)

Effective Tax Rate 0% (assumes account is in a Roth IRA)

Yr	1	2	3	4	5	6	7	8	9	10
Beginning Balance	**$100,000**	$200,000	$400,000	$800,000	$1,600,000	$3,200,000	$6,400,000	$12,800,000	$25,600,000	$51,200,000
Percent Return **(Compounded)**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Trading Profits	$100,000	$200,000	$400,000	$800,000	$1,600,000	$3,200,000	$6,400,000	$12,800,000	$25,600,000	$51,200,000
Taxes	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Available for Reinvestment	$100,000	$200,000	$400,000	$800,000	$1,600,000	$3,200,000	$6,400,000	$12,800,000	$25,600,000	$51,200,000
Percent Reinvested	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Reinvested	$100,000	$200,000	$400,000	$800,000	$1,600,000	$3,200,000	$6,400,000	$12,800,000	$25,600,000	$51,200,000
Ending Balance	**$200,000**	**$400,000**	**$800,000**	**$1,600,000**	**$3,200,000**	**$6,400,000**	**$12,800,000**	**$25,600,000**	**$51,200,000**	**$102,400,000**

Wealth Creation Strategy (with taxes)

Effective Tax Rate 20%

Yr	1	2	3	4	5	6	7	8	9	10
Beginning Balance	**$100,000**	$180,000	$324,000	$583,200	$1,049,760	$1,889,568	$3,401,222	$6,122,200	$11,019,961	$19,835,929
Percent Return **(Compounded)**	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Trading Profits	$100,000	$180,000	$324,000	$583,200	$1,049,760	$1,889,568	$3,401,222	$6,122,200	$11,019,961	$19,835,929
Taxes	($20,000)	($36,000)	($64,800)	($116,640)	($209,952)	($377,914)	($680,244)	($1,224,440)	($2,203,992)	($3,967,186)
Available for Reinvestment	$80,000	$144,000	$259,200	$466,560	$839,808	$1,511,654	$2,720,978	$4,897,760	$8,815,968	$15,868,743
Percent Reinvested	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Amount Reinvested	$80,000	$144,000	$259,200	$466,560	$839,808	$1,511,654	$2,720,978	$4,897,760	$8,815,968	$15,868,743
Ending Balance	**$180,000**	**$324,000**	**$583,200**	**$1,049,760**	**$1,889,568**	**$3,401,222**	**$6,122,200**	**$11,019,961**	**$19,835,929**	**$35,704,672**

For the other strategies: 1) **Passive Income Strategy**, 2) **Hybrid Strategy**, and 3) **Nest Egg Creation Strategy**, go to:

www.TheFinancialFreedomFoundation.org/details

The essence is that you use seed capital to plant money trees whose fruit you can pick at any time, according to your intended strategy. Once you double your money in an account, remove the original investment principal from that account. For all intents and purposes, your money in that account is now growing "risk free", because your original investment principle is no longer at risk. You can then use your seed capital to start a second account with a different trader, thus planting another money tree… Repeat the process using different professional traders and you've effectively created a well diversified, high yielding orchard of money trees (portfolio of income producing assets). Get the picture?

Another way to look at it is, for every $100k that isn't working for you in the investment model, it's another $400 per day that you're not receiving (based on a regular work week). Based on an 8 hour work day, that's about $50 per hour.

Why doesn't Wall Street talk about this opportunity?

It's simple: Managed accounts are not "securities". Foreign Exchange and Commodity Futures are not securities. Wall Street, the financial media, and the financial planners who push financial products don't make their fat commissions and fees from these types of investments, so they don't want people to know that they even exist. They want to put blinders on you and have you focus on just the types of investments that make THEM the most money…not the ones that make YOU the most money. Every insider knows that by the time a traditional investment reaches the public retail markets, all the real money has already been made. (FYI: Foreign Exchange and Commodity Futures are regulated by the CFTC and the NFA).

Learn more about what you've been missing!

We invite you to see what you've been missing. To create excess cash flow, you must #1 maximize income and #2 minimize expenses.

To generate income, you can apply these financial concepts with professional traders that you find, or you can become a Registered Member and we'll share the contact info of the ones that we use. To help you maximize income, we have a short-list of who we consider the best traders in the world, with track records of double-digit and triple-digit returns. (We do charge a modest, one-time registration fee for you to join out "Inner Circle." You can read more about that by following the link at the bottom of the page.)

To help you minimize expenses, we'll share with you for FREE our Personal Money Management System, once you become a Registered Member.

Some people's greatest expenses are principal and interest payments on their consumer debt. If you already have an initial nest egg of $100K or more (bare minimum $10K), you can start generating passive income immediately. If you do not have an initial nest egg yet, and/or have bad credit and lots of consumer debt, we have a short-list of professional service providers who can help you:

1. Get Unsecured Business Lines of Credit
2. Improve your Credit Score
3. Negotiate your Consumer Debt down to 10 cents on the dollar within 12 months

These 3rd party, professional service providers charge a fee for their services, as this is their profession. However, we do not charge you anything for their services.

Will this work for me?

These strategies even work for people who have ruined their personal credit through foreclosure or even bankruptcy! We have found ways to work around any road block, obstacle or excuse, except lack of discipline and inaction. Our goal at The Financial Freedom Foundation.org is to help you achieve Total Financial Freedom, and to inspire you to share your abundance with others. This is our way of giving back. We are saddened to know that there are millions of skilled, talented people who are on the brink of economic implosion due to involuntary unemployment. Since the "labor game" doesn't work for most people, we hope you find that the "money game" can and will, when played correctly.

The Next Step

Learn how to become a Registered Member at: www.TheFinancialFreedomFoundation.org/details

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Note: This FREE REPORT is dedicated, in part, to all the "seminar junkies" who have been searching for a way to figure out these wealth creation principles on their own, only to spend tens of thousands of dollars on self-proclaimed "gurus" and "coaches" who make millions by "teaching" you how to make thousands. They fill a room with 500 people, get them to buy their course for $2,000 or more, and walk away pocketing $1M for a couple hours of work while you walk home with too much information to digest. We believe that this ends up doing more harm than good. We don't have any seminars we want to you attend, and we don't want to be your "coach". If you read all the content on this report, you will see that the path is not too difficult to navigate. Fill out the Membership Application Form and we will tell you the names of the service professionals and traders that we use, whom we trust. We will also get on the phone with you and share some ideas on how you might customize the different strategies to your personal goals and objectives. By keeping the model as hands-off and simple as possible, you don't need a coach to implement it. Just put the pieces in motion and let them work for you, perpetually.

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