

# Wealth Protection Workshop

Sponsored by *Private Wealth*,  
AIU Private Client Group and  
The Advisors Forum

Hyatt Regency — Chicago, IL

Tuesday, August 4, 2009



# Agenda

- Defining wealth protection
- The asset protection gap
- Personal protection concerns
- Cultivating affluent clients for wealth protection

# The Components of Protecting Wealth

Liability Management/P&C +

Asset Protection Planning +

Personal/Family Security +

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Wealth Protection

## Characteristics of Wealth Protection

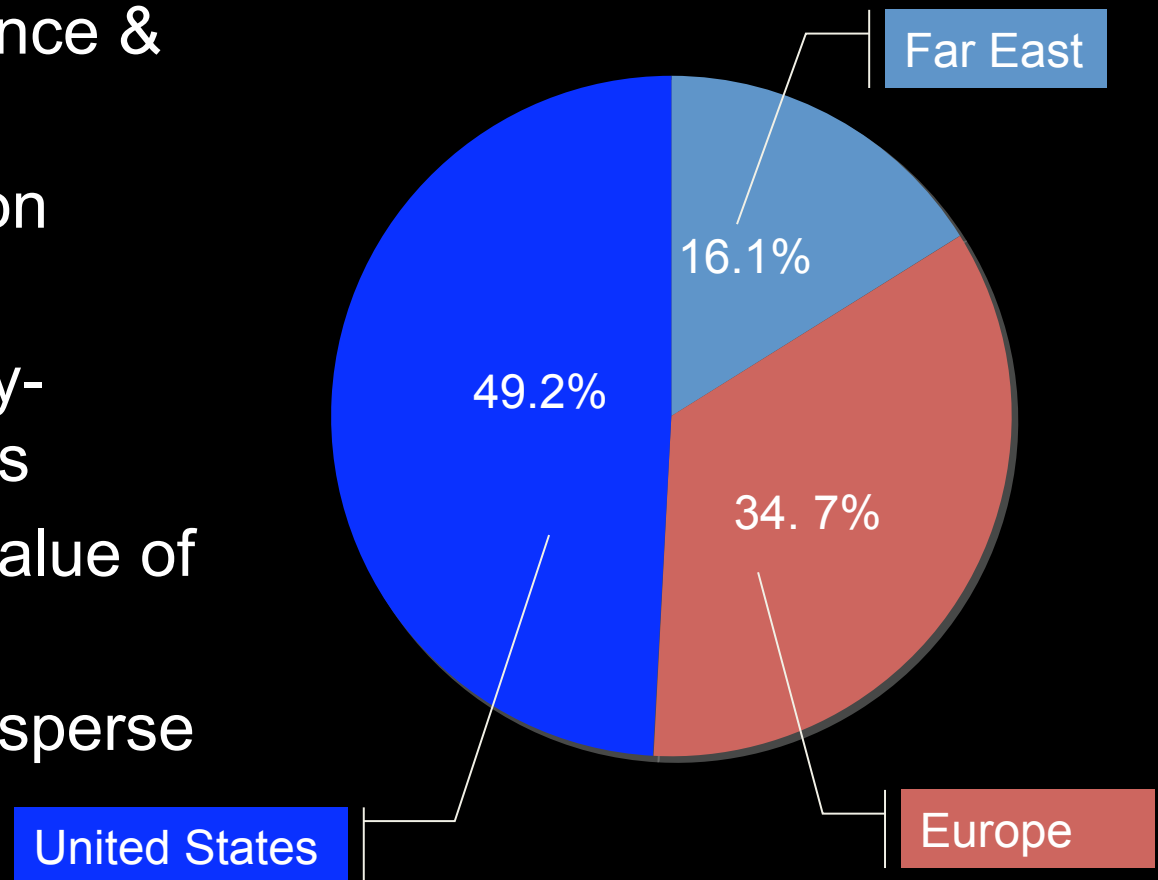
- The service mix is highly attractive to the wealthy
- The three components are interrelated in the mind of the affluent
- Holistic approach to dealing with their overall concerns

## The Asset Protection Gap

- Wealthy family business owners
- Affluent physicians
- Middle-class millionaires
- Hedge fund managers
- Celebrities
- Mid-sized business owners

## A Research-Based Approach

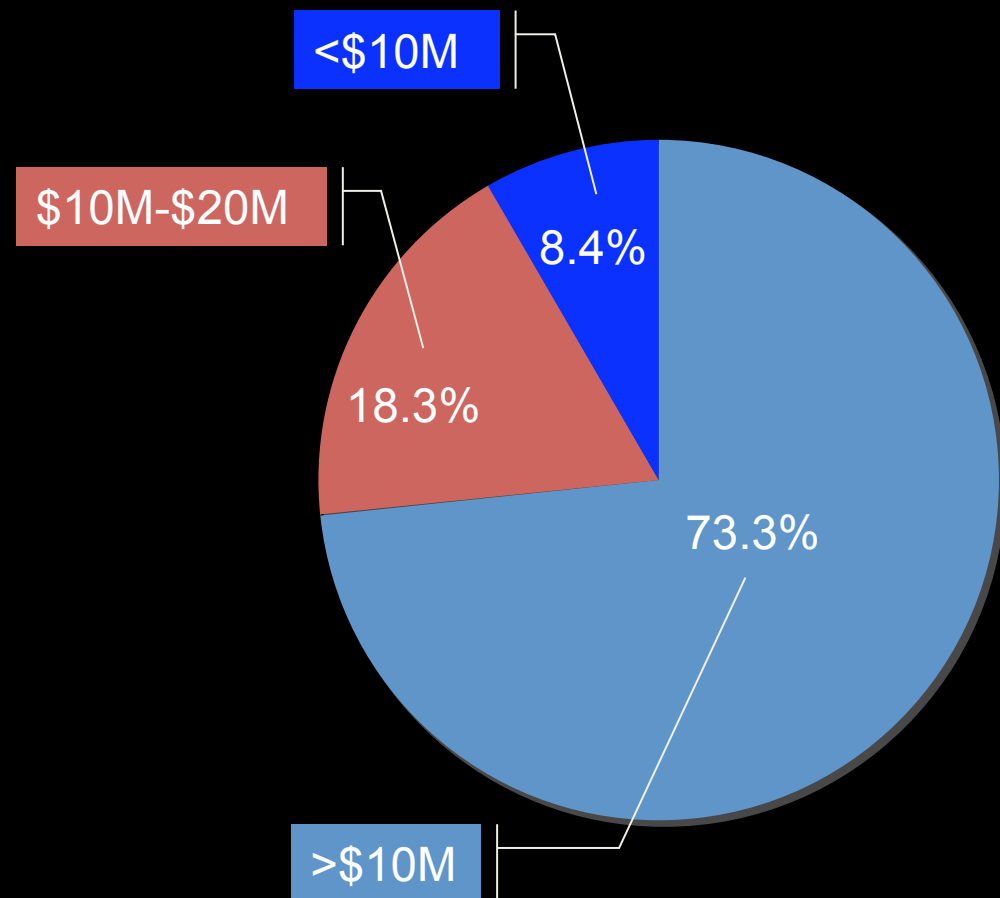
- Conducted by Prince & Associates, Inc.
- Phone or in-person interviews
- 242 affluent family-owned businesses
- \$731.2 M mean value of businesses
- Geographically disperse



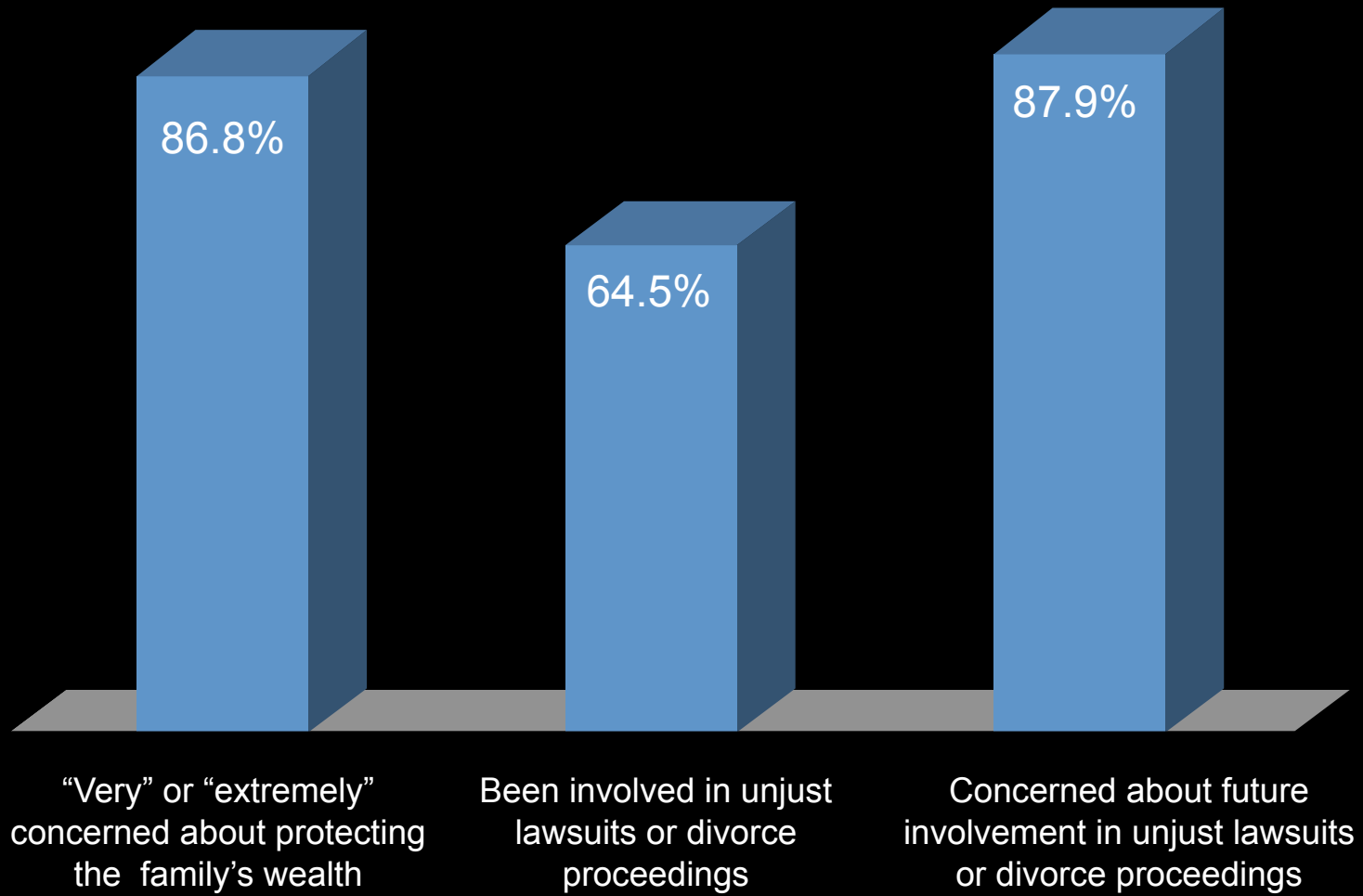
# A Research-Based Approach

- Conducted by Prince & Associates, Inc.
- Phone or in-person interviews
- 1,402 mid-sized businesses
- In business 5+ years
- 5-100 employees
- Annual gross sales between \$2M-\$50M

Net Worth of Business Owners

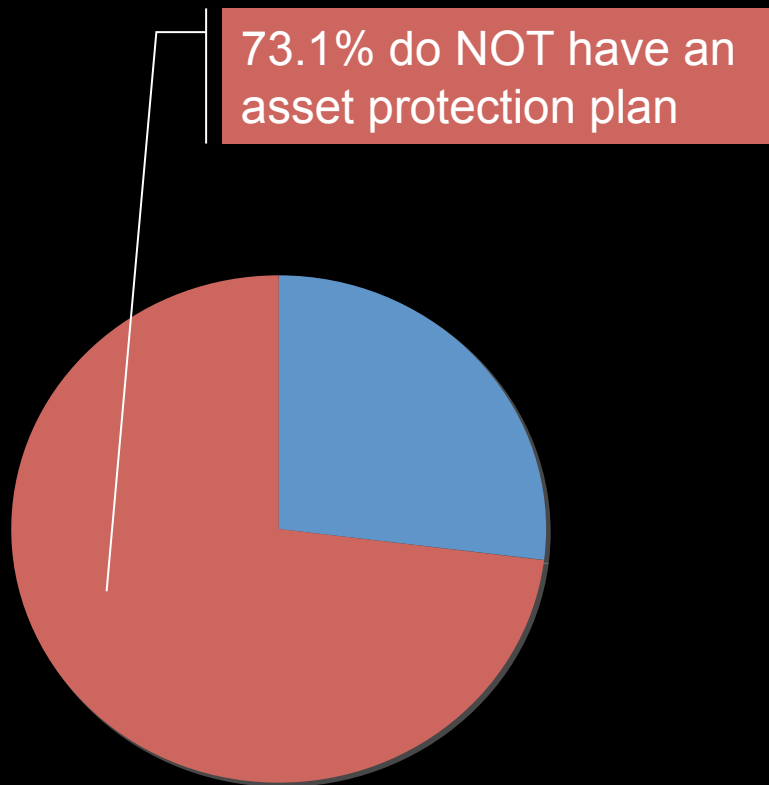


# Wealthy Family-Owned Businesses

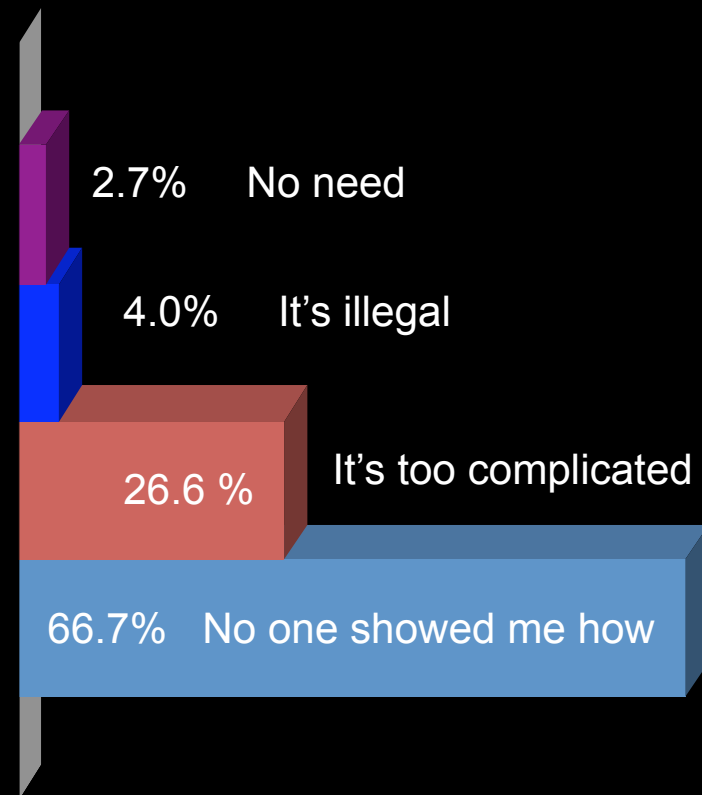




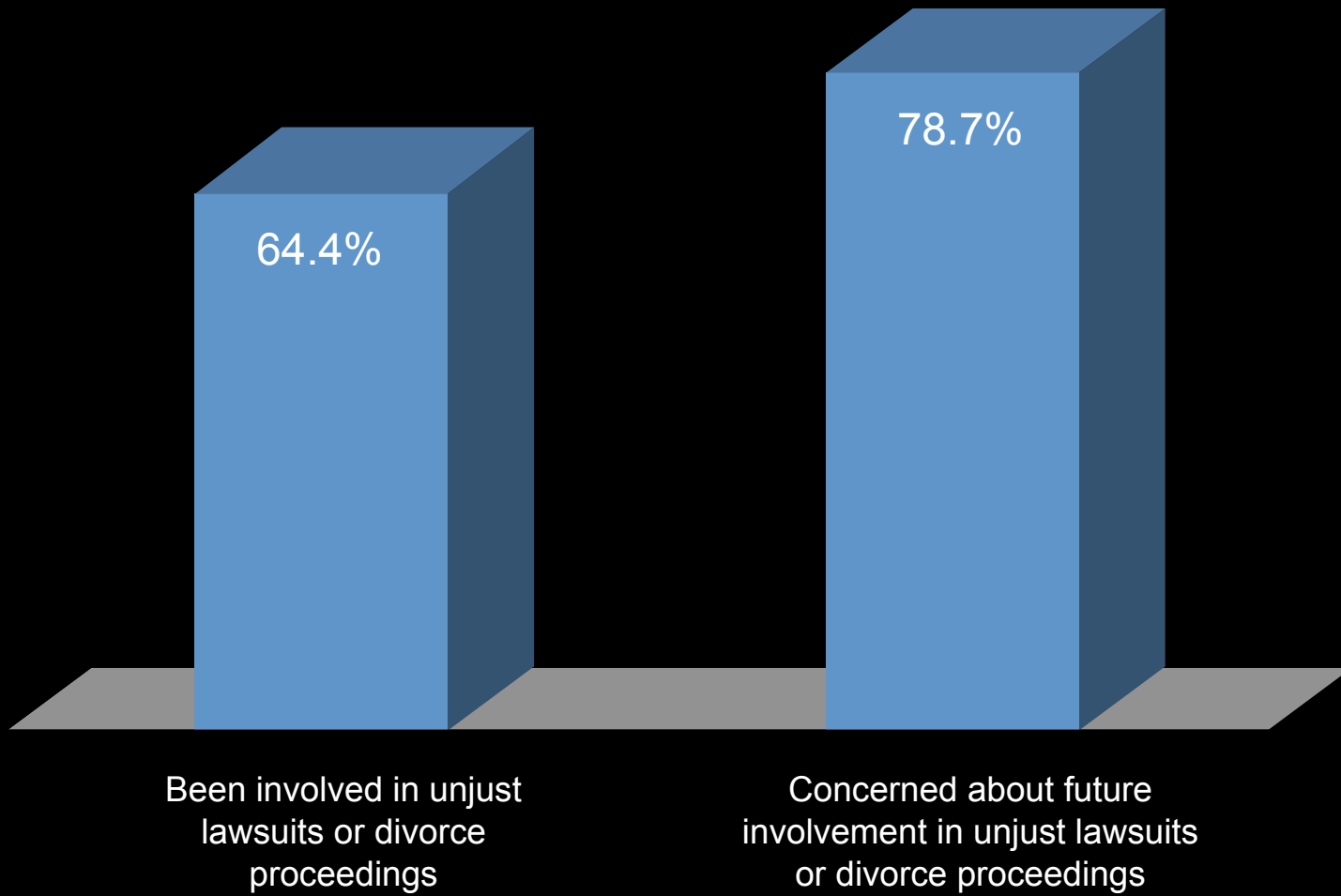
# Wealthy Family-Owned Businesses



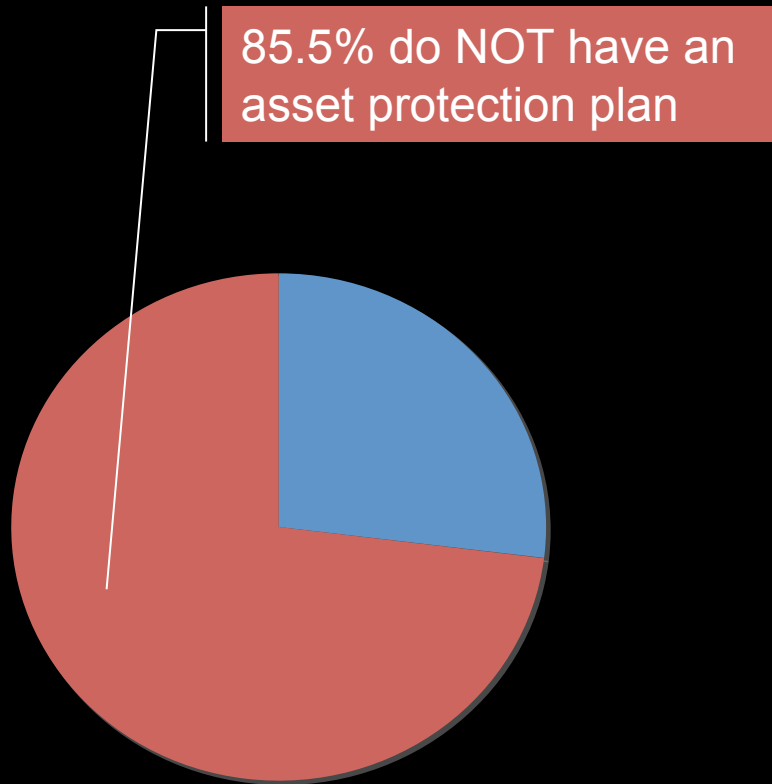
## Why Not?



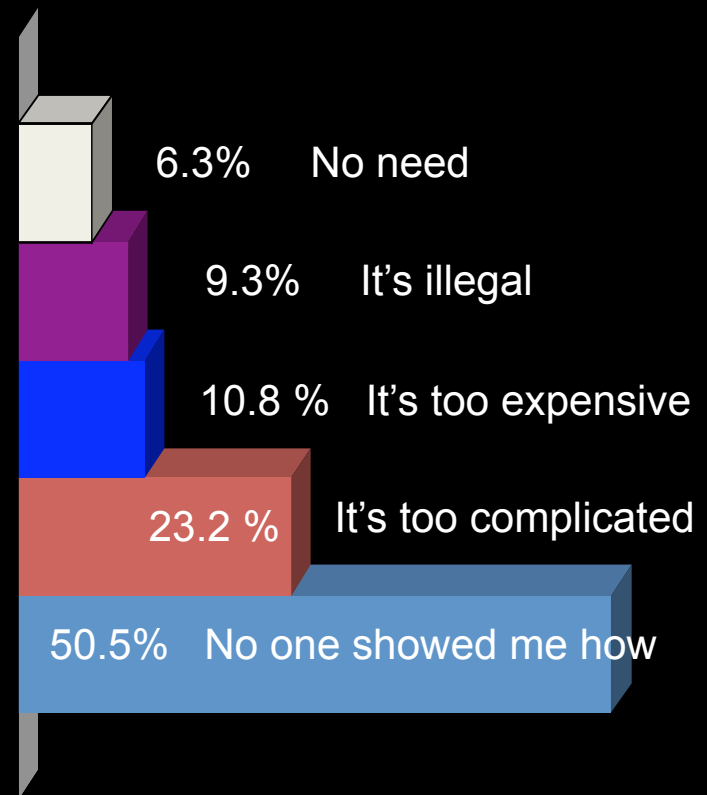
# Mid-Sized Businesses



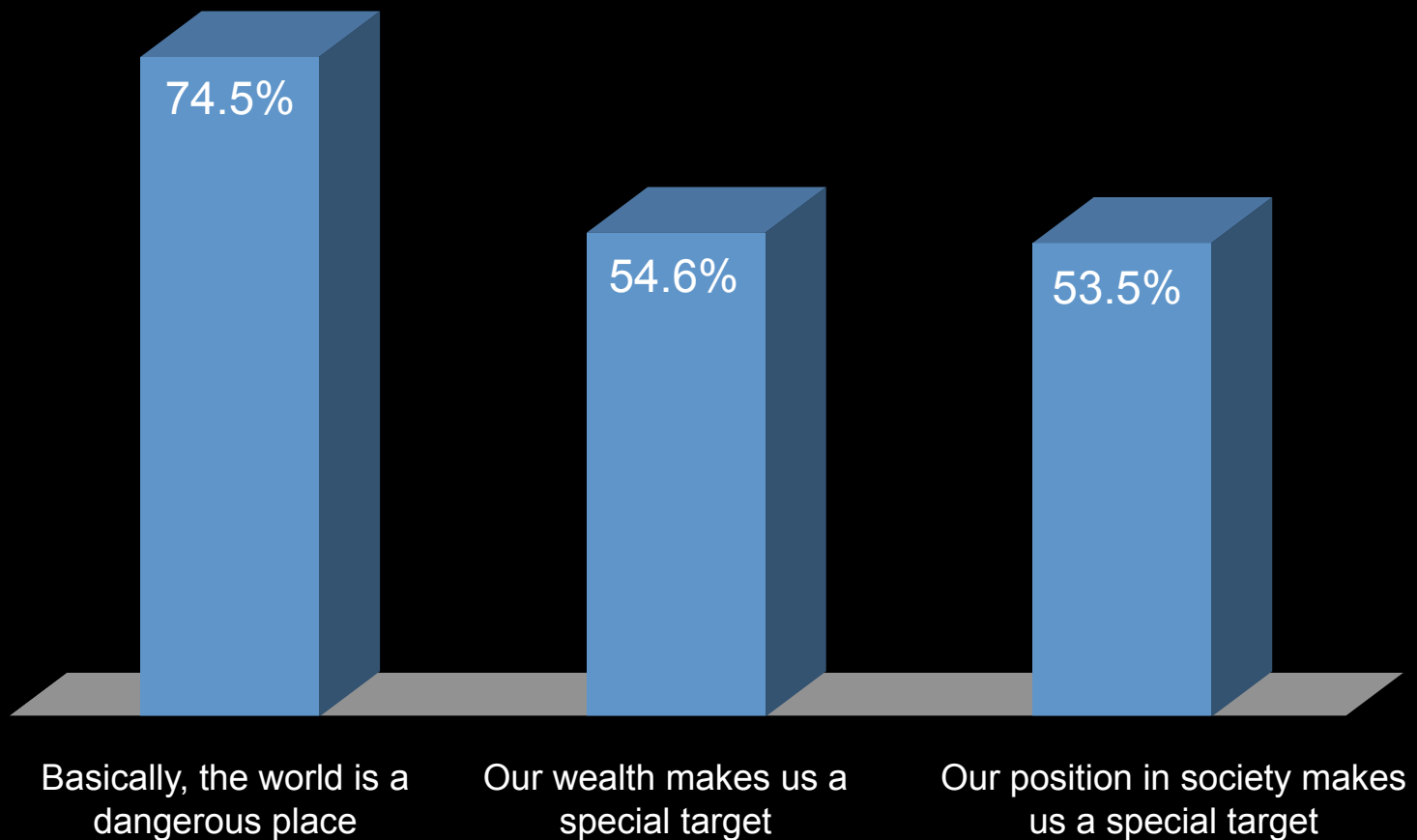
# Mid-Sized Businesses



## Why Not?

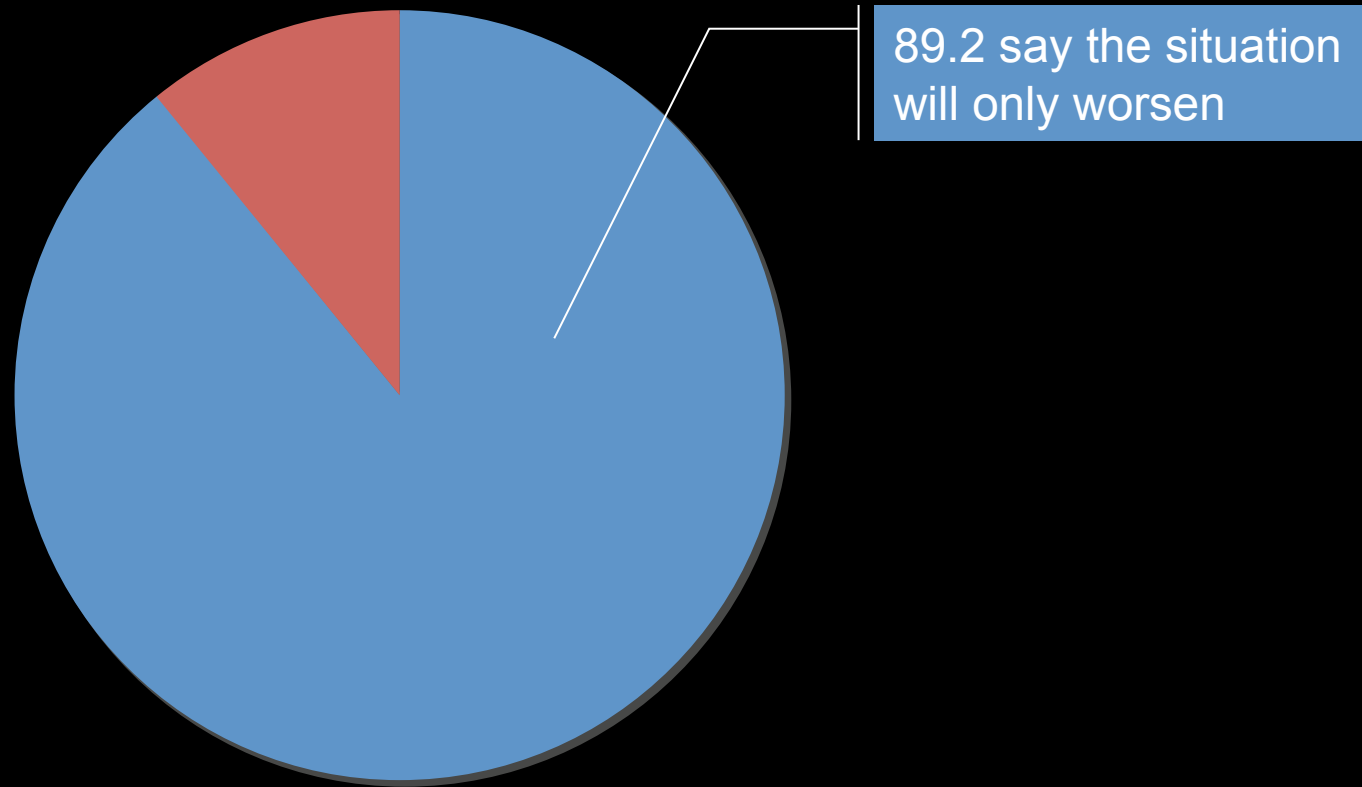


# Personal Protection Concerns



N=427 individuals w/\$1M+

# A Dismal Outlook



N=427 individuals w/\$1M+

# Services

- The wealthy and their loved ones
- Confidential information
- Property

## The Wealthy & Their Loved Ones

- Crisis contingency planning
- Close protection services
- Transporter services
- Regular background checks

## Confidential Information

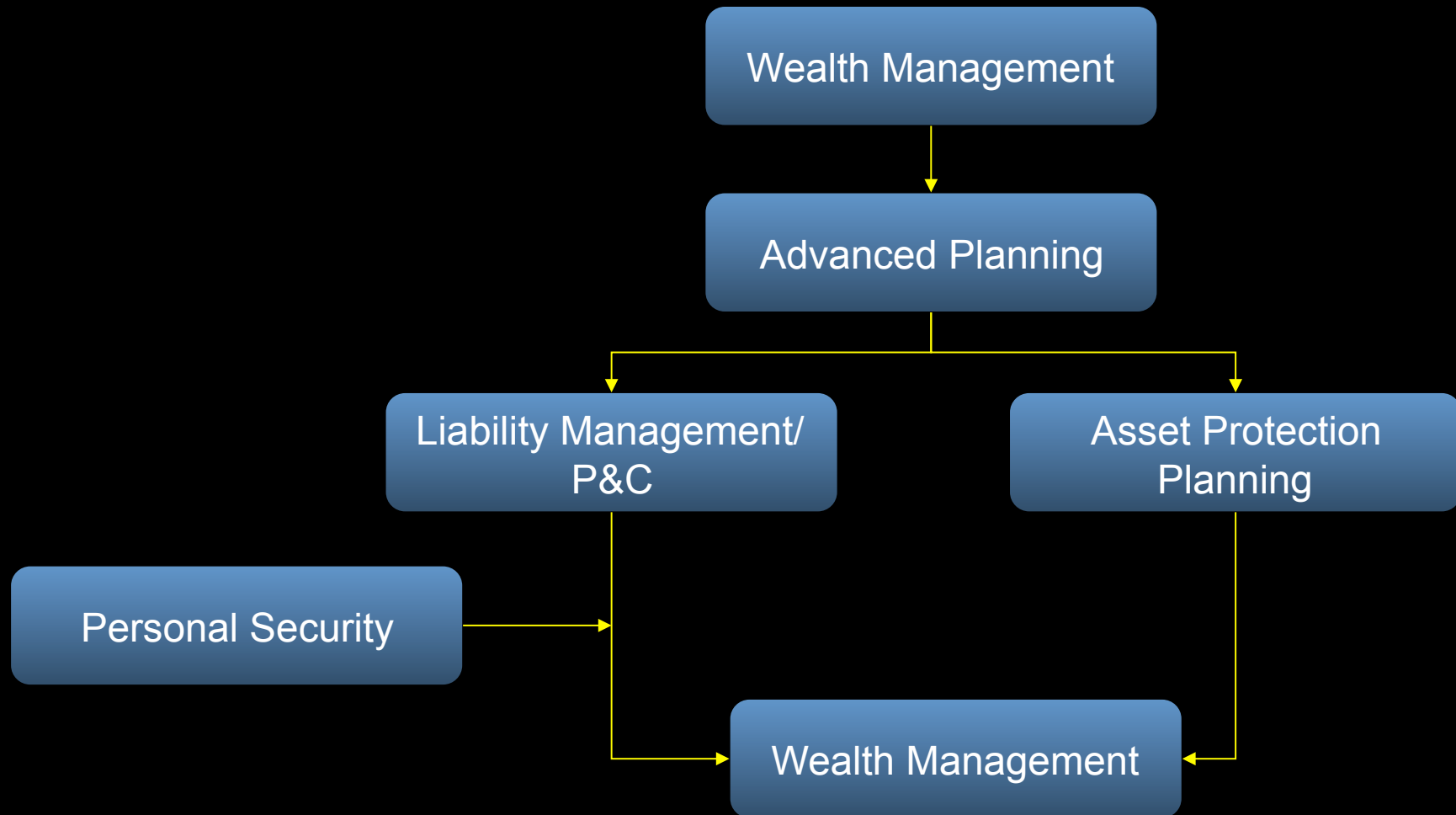
- Education on keeping secrets, secret
- Identity assessments and checks
- Counter-surveillance services
- Encryption services



# Property

- Detailed access protocols
- Safe havens
- Surveillance and alarm systems
- Transporter services

# The Relationship between the Management & Protection of Wealth



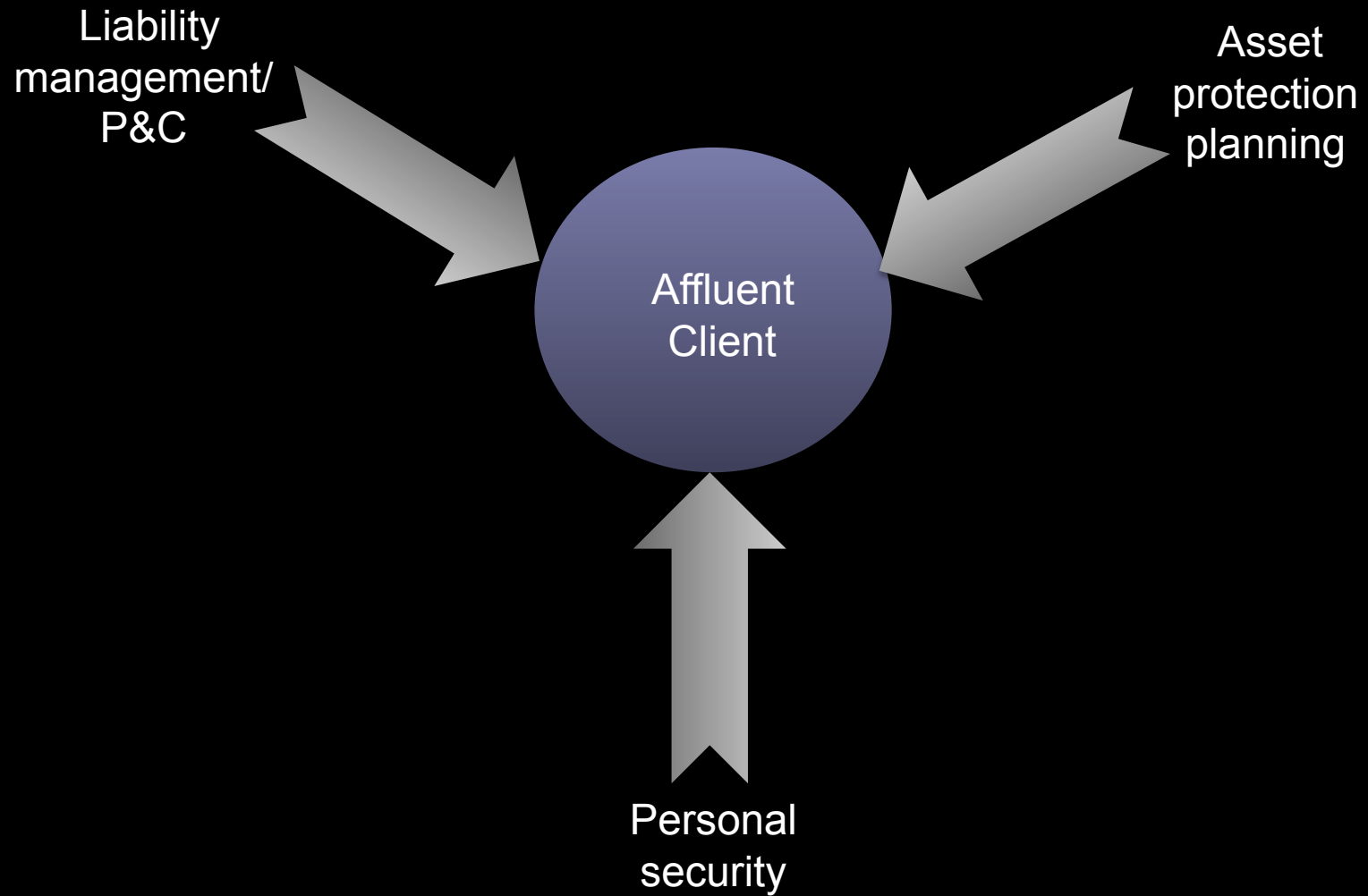
# 80% Overlap in Critical Wealth Protection Services



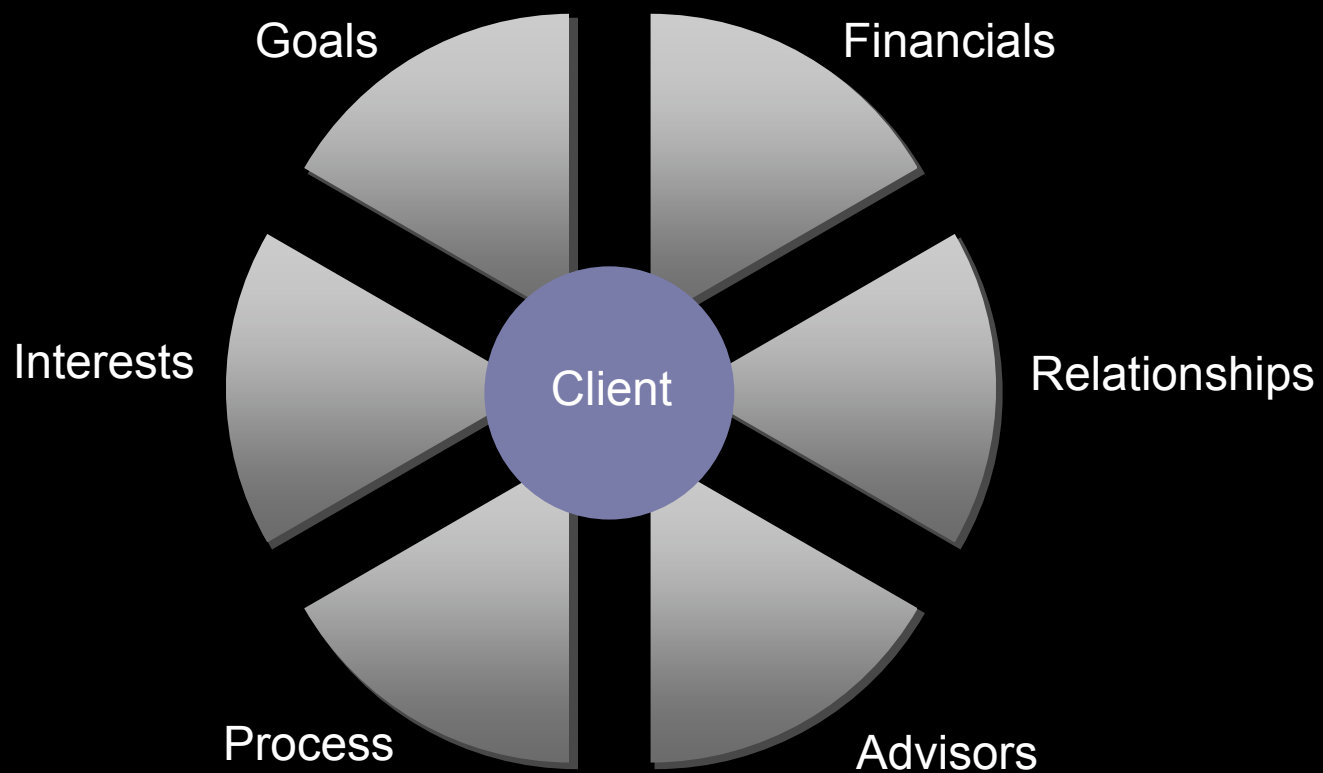
# Business Development

- Group approach
  - Breakfast meetings
  - Lunch meetings
  - Dinner meetings
- One-to-one approach - optimal
  - Interview driven
  - Focus on specifics
  - Use the Whole Client Model
- Not effective
  - Newsletters
  - Brochures
  - Websites

# Three Points of Entry



# The Whole Client Model



Q&A