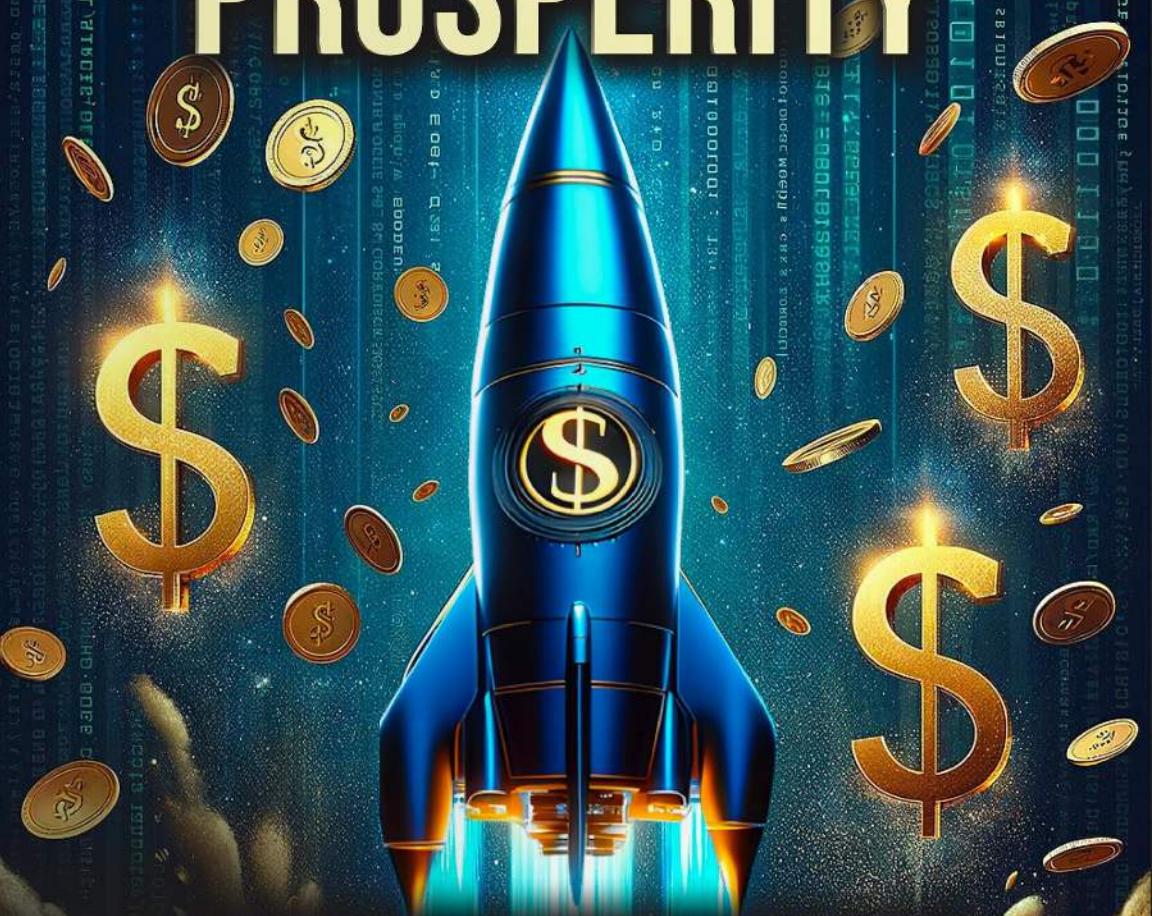


YOU CAN RETIRE RICH BY TRANSFORMING PAYMENTS INTO PROSPERITY



ESCAPE THE PAYMENT MATRIX
BECOME DEBT FREE
AND **SKYROCKET** YOUR
WEALTH POTENTIAL



TONY MANGANIELLO

Winner Of
BestofBestReview.com
Best Personal Finance Book for
Financial Freedom of 2024!



TRANSFORMING PAYMENTS INTO PROSPERITY

Transforming Payments Into Prosperity™
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DEDICATION

This book is dedicated every American family—beginning with mine, the bedrock of my world. As a husband blessed with thirty years of marriage, and a father of seven remarkable souls, I've learned that family is an intricate tapestry woven from moments of joy, trials of hardship, and the relentless passage of time. Next to my unwavering faith in my Heavenly Father, my family stands as my most cherished treasure.

This book is a testament to the enduring spirit of family, not just mine, but yours as well. To the family you've built, or the one that's still taking shape in your dreams. Family transcends simple definitions; it embodies our hopes, our struggles, and our legacy.

In the intricate dance of life, where money plays an undeniable role, understanding its true nature is pivotal. Yet, for many, the foundational truths about money remain elusive, shrouded in misconception and misunderstanding.

With a hopeful heart and a deep sense of purpose, I dedicate these pages to you and your family's journey toward financial enlightenment. Herein lies more than just strategies and advice; within these pages is a path to freedom. Freedom that allows us to cherish our families more deeply, liberated from the constraints that financial uncertainty often imposes.

May this book serve as a beacon, guiding your family toward a future where financial stress no longer casts a shadow over life's precious moments. Together, let us unlock the secrets to transforming payments into prosperity, ensuring that the generations to come inherit not just wealth, but the wisdom to nurture it.

Let the journey begin.



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FOREWORD

I was 11 years old when the foundational pieces of my life shifted. The kitchen table, in our Italian family, was more than just a piece of furniture; it was the heart and soul of our home. It wasn't just where we ate; it was where life happened—where thousands of card games and board games were played, and where, when extended family gathered, we celebrated our togetherness.

This kitchen table, in the warm embrace of our home, was where one of the most pivotal family meetings of my life took place. Unlike the gatherings that were filled with joy and anticipation of family vacations or dinner plans, this meeting carried a weight that pressed heavily on my young shoulders. It was a meeting that would set the course for my passion, my career, and ultimately, the message I want to share with the world through this book.

That day marked a turning point. As the baby of the family, I faced a challenge that seemed almost Herculean in its scope. My mission was clear yet daunting: to convince my father, the man who had drifted away from us, to return home. With the innocence and honesty that only a child could muster, I said, "Dad, it doesn't matter what you've done, we forgive you. And it doesn't matter what you haven't done, we still love you. And no matter what you think—we want you—to come home to us."

The gravity of those words hung in the air, a mixture of hope and desperation. My father looked at me, a glimmer of understanding in his eyes, as if the weight of those words reached into the depths of his heart. He even agreed, acknowledging the wisdom in my youthful plea. "When did he get to be so smart?" he wondered aloud, looking towards my mother.



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She simply replied, “See what you’ve been missing.”

But then, everything changed in an instant. He stood up, his eyes reflecting a storm of emotions that I could barely begin to understand. With a look that lingered on us, he turned and walked out the door. That moment reshaped the trajectory of our lives forever.

That day marked a turning point for me. The concept of family morphed from a given to an obsession. The absence of my father created a void, not just in our home, but in my very soul.

Years later, that determination bore fruit. I am abundantly blessed with a beautiful, devoted wife and seven unbelievably wonderful children. My heart, once marked by absence, is now overflowing with love and joy. However, the path to this fulfillment wasn’t paved solely with good intentions and love; it was also shadowed by the specter of financial strain—a strain all too familiar to many.

When my father walked out that day, leaving us to navigate the complexities of life without him, it wasn’t just emotional distance that separated us. Financial pressures, I later realized, were a significant part of the chasm that had developed between him and our family. While not the only reason for his leaving, it served as a catalyst, amplifying other issues to an overwhelming extent.

This realization sparked a curiosity within me—a desire to understand the intricate dance between financial stress and family dynamics. Why does money have power over relationships defined by love and commitment?

As I grew and embarked on my own journey of financial discovery, I realized that the narrative surrounding money and family was fraught with misconceptions and missed opportunities. The pressure to make



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ends meet, the relentless cycle of payments and debts, was not just a personal challenge; it was a common thread that unraveled the fabric of families everywhere.

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My personal journey of reconciliation with my father, though fraught with its own challenges, eventually led to a place of understanding and forgiveness. It underscored a pivotal truth: financial stress doesn't just affect the individual; it permeates every aspect of family life, eroding the foundation upon which we build our most cherished relationships.

This book is born from a deep-seated desire to change that narrative. It's not just a collection of financial advice; it's a manifesto for reclaiming the joy and unity that financial stress has stolen from so many families. I've seen firsthand the devastation that financial discord can bring to a marriage, to the relationship between parents and children, and to the individual's sense of self-worth.

The lessons I've learned, both through personal experience and professional expertise, have crystallized into a conviction: managing personal finances effectively is not just about securing your future financially; it's about securing the happiness and well-being of your family.

In these pages, I will guide you through understanding how money works in a way that demystifies the financial jargon and complex concepts that often serve as barriers. I will share stories, strategies, and insights that I've gathered over the years, all aimed at one thing: transforming your payments into prosperity.

My mission is to arm you with the knowledge and tools you need to break free from the cycle of financial stress. The goal for our journey is



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to transform your future. Imagine a time when financial discussions at the kitchen table shift from the stress of making ends meet to planning for a life rich with moments of genuine connection, joy, and prosperity. I'm here to guide you toward that future.

In this endeavor, it's crucial to remember: your career or the nature of your work doesn't dictate your ability to achieve prosperity. No matter your profession whether it's the blue collar of physical labor, the white collar of the corporate world—or any other color that marks your line of work—the color of your collar doesn't matter.

Our experiences with over 3,000,000 people across three decades have proven that, with personal finance, everything is always proportionate. The diversity of those we've helped underscores a powerful truth: the principles of financial well-being and prosperity are universal.

What matters most is not the collar you wear to work, but the willingness to embrace a new perspective on your finances. It's about the desire to learn, the readiness to apply newfound knowledge, and the courage to take decisive steps towards your financial future. This book aims to serve as your guide, regardless of your current financial state or the path that led you here.

Welcome to *Transforming Payments Into Prosperity*. This journey we're embarking on isn't for you alone. It's for the ones you love and for the generations yet to come. Together, let's take the first step toward a brighter future.



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INTRODUCTION - GRAB THOSE SHADES, NEO; IT'S TIME TO SEE THE REAL WORLD... OF MONEY!

Remember that scene from The Matrix? Neo, the protagonist, teeters on the edge of a mind-bending realization. After an electrifying sparring session, he tells Morpheus, “I know what you’re trying to do.” With that ever-mysterious smirk, Morpheus replies, “I’m trying to free your mind, Neo. But I can only show you the door. It’s you who must walk through it.”

Hold that thought. We’re not diving into a sci-fi world where we are nothing but energy pods for the machines. We’re not about to dodge bullets or leap across skyscrapers, but we are on the cusp of something equally revolutionary. Imagine a Matrix, not of machines, but of money; a system not powered by human batteries, but by your hard-earned cash, your sweat, your dreams. This isn’t about freeing your body from pods; it’s about liberating your wealth from the chains of conventional finance.

THE AWAKENING - REALIZING YOU'RE IN THE PAYMENT MATRIX

During my 30-year dance with personal finance, I've spotted a consistent beat: people churning out wealth but stashing none of it away. Think about the cash you've raked in over the past decade, then eyeball your bank balance. Feel the mismatch?

Dive into some digits with me.

According to our pals at [Bankrate.com](https://www.bankrate.com), the average hard-working American household pulls in about \$94,003 annually. After Uncle Sam takes his share, we're looking at a net of around \$73,322.34 a year. Over five years? A whopping \$366,661.70! Whether your stack is taller or shorter, the point remains: where's all that cash disappearing to?

Insert drum roll ... Payments!



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You might chuckle and say, “Well, yeah! I’ve got payments for my coffee, my cat, my car, my two-legged pets (a.k.a. kids), the roof over my head...” That, my dear friend, is the essence of this literary journey. We’re about to decode the insidious “Payment Matrix” where your hard-earned dollars are gobbled up by the payment machine, leaving your prosperity dreams high and dry.

PEELING BACK THE CURTAIN - THE ILLUSION OF THE PAYMENT MATRIX

You see, payments aren’t the enemy; it’s where they’re going that really counts. Right now, they’re lining someone else’s pockets. And you’ve been misled to think payments are the only way to get what you want. But here’s the magic: we can flip that.

What if I told you there’s a way to hack the system? To turn the tables and make the machine work for you?

This book? Think of it as your personalized red pill. A guide that’ll unveil the covert financial universe, one where you’re the master of your payments and prosperity. A world where you, Neo of the financial realm, aren’t just generating wealth but accumulating it.

THE ART OF WAR (AND PEACE) WITH MONEY

Sun Tzu said, “Know your enemy and know yourself and you can fight a hundred battles without disaster.” Our enemy here is not money itself, but our misunderstanding and misuse of it.

Consider the concept of “good debt” versus “bad debt.” Society labels consumer debt as bad because it depreciates in value. Meanwhile, “good debt” is associated with investments, like real estate, that potentially increase in worth. But here’s a thought: any debt can be good if it’s leveraged to increase your net worth or generate income.

This book will show you how.



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THE BLUEPRINT TO FINANCIAL LIBERATION

Step by step, we'll dismantle the myths that have shackled your financial potential. We'll explore strategies to:

- Transform debt into a wealth building tool.
- Leverage payments to generate income.
- Create a tax-free generational wealth stream.
- Use the same dollars for multiple purposes, maximizing your financial efficiency.

THE LEGACY YOU LEAVE BEHIND

Finally, we'll envision the legacy you can build. Imagine a future where you're not just surviving but thriving, where your wealth doesn't just last your lifetime, but spans generations. This isn't just about you; it's about the future you'll create for those you love.

Are You Ready to Step Through the Door?

Two worlds are humming side by side. One where your hard-earned income evaporates into thin air, leaving you scrounging for pennies. And another, where you're the king or queen of your financial kingdom. This book is your gateway to the latter.

So, truth seeker, as Morpheus told Neo, "I can only show you the door. You're the one who has to walk through it." These pages are your door to a world where your bank account isn't gasping for air? Strap in, keep reading, and cross the threshold. Your financial revolution awaits!



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Free Course

Are you ready for the ultimate red pill? In these pages you're learning how you can transform your financial future. But words can only take you so far. As a "Thank You" for buying my book, you're invited to enroll in my NEW, on-line course, *Your Prosperity Formula: Generating Your Transformation Plan* – a \$59 value – for free!

In three brief but comprehensive sessions, I'll guide you through using the included spreadsheets to uncover your personal numbers and reveal what your personal transformation can be.

Visit transform.smallestwealth.com - or scan the QR code below to gain INSTANT ACCESS and start your transformation.





CHAPTER 1 - YOU'VE BEEN DUPED!

“Just because you can make your payments doesn’t mean you can afford them.”

~ TONY MANGANELLO

It starts off innocently enough, right? Fresh out of school, first day on the job—you’re riding high. But wait! You need a set of wheels, a chariot worthy of your newly employed status. No problemo! You haggle with the smooth-talking salesman, pick a ride that screams “you,” and jaunt off to the finance office for a payment plan that doesn’t make you weep.

Life’s good! Until it’s not. More shiny things beckon—a house, furniture, perhaps a timeshare in Cabo. Financing to the rescue, right? WRONG. Before you can say “debt ceiling,” you’re up to your ears in—wait for it—payments.

Queue the dramatic music, enter the “B-word”: Budgeting.

Spreadsheets emerge like unsolicited emails. The calculator app becomes your most-used tool. Suddenly, you’re the Beethoven of budgeting, orchestrating a symphony of numbers. Finally, Eureka! You’ve got a budget! And, huzzah, you’ve even got some simoleons left over—maybe even that sacred 10% the financial gurus chant “pay yourself first” about. Life’s peachy, right?

WRONG!

Here comes the plot twist: you’ve just set yourself on a collision course with becoming a 92 Percenter.

What’s a 92 Percenter, you ask? Picture this: You could fill the Dallas Cowboys’ stadium with these folks 1,300 times over! According to the



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National Institute On Retirement Security, 92 percent of hard-working, budget-believing Americans will never taste the sweet nectar of a comfortable retirement.

“But Tony, I’ve ticked all the boxes. Payments? Check. Extra cash? Double check. What gives?”

Here’s the deal: budgeting does something to your financial future ... and it’s not filling your wallet. Quite the contrary.

Speaking of wallets, hold on to yours, because here’s where I drop the D-bomb: Budgeting does something DEVASTATING to your financial future. Yeah, you read that right. Devastating: causing great damage or harm. Or, to put it in layman’s terms, your budgeting habit is like setting your money on fire and hoping the warmth will last you a lifetime.

This devastation isn’t just a slow burn; it’s a wildfire, spreading uncontrolled through your financial landscape. Your income, that hard-earned cash you sweat bullets for, is engulfed in flames, consumed by a cycle of never-ending payments. Every dollar that could have seeded growth is instead tinder fueling the fire, leaving behind nothing but ashes of what might have been. This financial inferno threatens not just your present comfort but incinerates the bridge to your prosperous future.

You see, you’ve unwittingly assigned a purpose to your income—and spoiler alert—it’s the wrong one! The budgeting theatrics have led you to believe, “As long as I can make all my payments and stash away a little fun money, I’m set.” But here’s the kicker—these theatrics have duped you into “making payments” the purpose of your income.

Wrong again! And here’s why. Your income shouldn’t just fill up your gas tank; it should provide liftoff catapulting you out of the Payment



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Matrix and into the prosperous future you deserve.

But how? You might wonder. We're talking about a seismic shift in your financial thinking. We're not just stashing cash or playing it safe with the "conventional" financial wisdom. We're talking about transforming your approach to money, making it work in strategic ways that even the most astute Wall Street moguls would lean in closer to listen.

So, what's the right purpose for your income? Drum roll, please...

"The purpose of the income from your work should be to replace the income from your work."

As you soak up these words, you might start picturing your new life—no clock to punch, no boss to please. Imagine a world where "budget" sounds as ancient and irrelevant as a pager in a 5G world. How would it feel to be in that 8%—the ones who figured out the game while the rest played bingo with their financial future?

Imagine if, instead of just making payments, you're making moves. Big, bold, audacious moves. Moves that have your future self writing thank-you notes to your present self. Moves that transform the very fabric of your financial destiny.

But wait, don't fast-forward to your yacht just yet. First, we must take a little detour—a financial off-ramp, if you will. We need to first understand the whys of this widespread epidemic of financial faux pas before we can dig into the hows. Understanding why you wound up where you are now will make it easier to embrace the "hows" required to make your transformation.

That off-ramp's coming up quick. The good news? You're in the driver's seat, and I'm your GPS to prosperity.



CHAPTER 2 - WHO DO YOU THINK YOU ARE?

As A Man Thinketh In His Heart, So Is He.

~ PROVERBS 23:7

“Who do you think you are?” This isn’t your mother scolding you; it’s a wake-up call echoing in the corridors of your financial life.

You, my friend, are more than a cog in the colossal Payment Matrix of the US economy. You’re not just an income generator or a consumer. You’re a potential financial powerhouse, a millionaire in the making!

Yes, I can hear your inner skeptic chuckling, “Hang on you little Italian ... A millionaire in the making ... me? What get-rich-quick scheme are you talking about? Come on!”

But hang with me. Most people, and you might be among them, view their financial life through what I call the “Budgeting Lens.” A narrow lens that only focuses on what comes in and what goes out, focusing on making sure there’s something left over, right? But here’s the twist; this perspective is exactly what keeps you from seeing the bigger picture. The bigger picture the Payment Matrix doesn’t want you to see.

It doesn’t see you as just another spender. Oh no, it sees you as the star of your own financial epic, with a Lifetime Value of a whopping \$2.7 million, according to [Zippia.com](https://www.zippia.com). That’s right, you’re a box office hit in their eyes!

“Hold on a second. What on earth does ‘Lifetime Value’ even mean, and what \$2.7 million are you even talking about?” According to [Zippia.com](https://www.zippia.com), the average Joe or Jane will earn around \$2.7 million during their working lifetime. That’s your economic worth in the eyes of the Payment Matrix, your Lifetime Value, and it’s drooling over every cent!



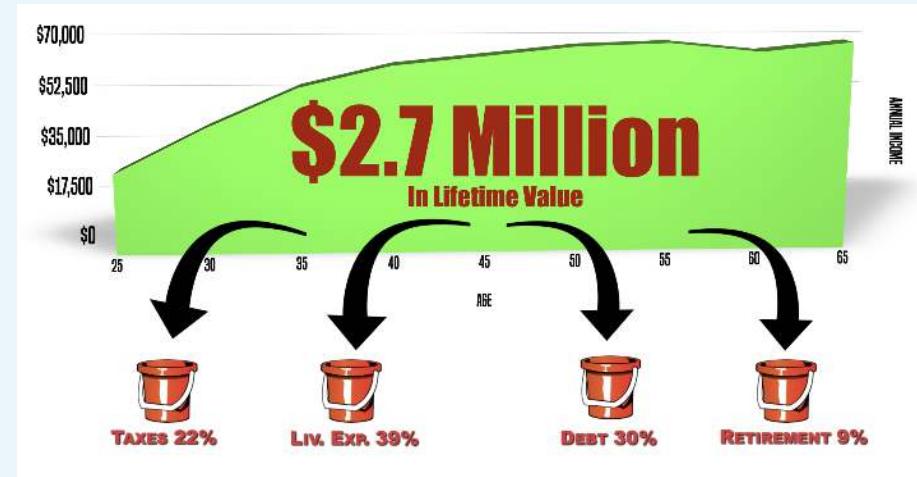
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Car commercials? They're all about the monthly payment, never the total cost. Mortgage companies? They seduce you with minor monthly savings, trapping you in an endless cycle, where your payments are mostly interest, not equity.

You're bombarded with ads that fit snugly into your budget, making you believe those payments are affordable. But here's the kicker: every payment you make is a tiny piece of your potential wealth slipping through your fingers.

How is this small fortune slipping through your fingers?

Think of it this way. Let's break down your financial life into four buckets: Taxes, Living Expenses, Debt Payments, and Retirement. As you live your life, your Lifetime Value is drained into these buckets through something like a bank checking account.



Let's take a look at these 4 buckets and the estimated percentages of your Lifetime Income they drain away from your future wealth potential.

1. The Tax Bucket:



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Inescapable, with the average American family losing about 22% of their income to federal taxes. Sure, you can do some finessing here and there with a savvy tax-prep person. But what you may be overlooking is that when you make your payments, you make them with “net” dollars.

Have you ever stopped to ask yourself, “How much do I have to gross to bring home enough to make those payments?” If you’re making a \$400 a month payment for your car, and you’re at the 22% federal tax bracket, guess what? You have to gross \$6,153.85 a year just to make your car payment. And I’m not even considering state taxes (because they’re all different). Part of Transforming Payments Into Prosperity involves a strategy that moves you from a “tax me now” to a “tax me never” environment. You’ll find out more as you continue.

2. The Living Expense Bucket:

This one’s a beast, gobbling up around 39% or more of your income. It’s not just the essentials; it’s the lattes, the streaming services, the birthday gifts for your kids’ friends’ birthday parties, haircuts … all of it. In today’s consumption culture, spending has become almost too easy. You don’t even need to pull out your wallet with autopay and smartphone options.

Your living expenses can swell unexpectedly, much like a balloon at a child’s birthday party. At first, it seems fun and harmless. Yet, if you stretch it too far, disaster strikes. The balloon pops. Suddenly, you’re left with nothing but the echo of the burst, and the tears of the child who had plans for that balloon.

3. The Debt Bucket:

Here’s where things get mystifying. The total debt you carry is primarily driven by your Debt-to-Income (DTI) ratio. You calculate DTI



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by dividing your total debt payments by your gross income. Lenders might laud your (DTI) ratio as 'healthy' if it's under 36%. But let's decode this calculation.

Say you're raking in \$100,000 annually. A "healthy" DTI of 30% means \$30,000 of that is vanishing into debt payments every year. And remember, you perform this vanishing act with your net income (imagine what you must gross to bring home the \$30K?). It's like watching your wealth disappear into thin air, much like ships and planes in the Bermuda Triangle. Fear not, we'll navigate these treacherous waters and chart a course to safer, wealthier shores.

You'll discover how to pay off all your debt and build tax-free wealth with the same dollars at the same time. This is kind of our mantra, and the core of transforming payments into prosperity.

4. The Retirement Bucket:

Ah, the elusive dream. You're supposed to save 10% of your income here, but that can be a tall order for most. Many of the folks I've worked with over the years are lucky to muster up 5%. Think about that for a moment. How are you supposed to build a nest egg big enough to support you in your retirement using just five to ten percent of your income? Ah ... don't worry ... we'll skyrocket that percentage in the coming pages.

Here's the twist though, the advice of saving 10% for retirement is as outdated as a rotary phone in a touchscreen world. This concept comes from *The Richest Man in Babylon*; a book almost a century old...

(published in 1926). A classic that predates mortgages, credit cards, and student loans.



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Times have changed, but our financial strategies? They're stuck in the silent picture era. Well... until now...

THE 12% MYTH

And let's bust a myth while we're at it—the myth of the magical Rate of Return (ROR). You've heard the spiel: "Invest your 10% now and watch your money grow at an astonishing rate!" Investment folks promote 12% annual average rates of return like they grow on trees.

I was once among those who casually tossed around 12% rates of return. It was like scattering confetti at a New Year's Eve party.

Have you ever wondered where that mythical 12% comes from? Let's see if this sounds familiar...

You're told, "Hey Alexis, if you invested \$10,000 in the XYZ fund 20 years ago, it would be worth \$250,627.05 today. That's a 17.5% annual rate of return. Of course, past performance can't be indicative of future results, but what if you earned just 12%..."

That 12% sounds like it's coming from the attempt to be conservative. You're thinking, "Gosh! 17.5% annually, 12% must be a reasonable expectation."

That's what it's supposed to sound like. This is called "price anchoring." Where what you're being sold is framed alongside different numbers, making the numbers you're buying appear more reasonable by comparison. However, the figure of 12% doesn't originate from this comparison, despite appearances suggesting otherwise.

So why is 12% used so often?



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Well... when I was trained as a licensed mutual fund salesman back in the early 90s, we were told it was the maximum the NASD (National Association of Securities Dealers) and SEC (Securities and Exchange Commission) will allow the “investment folks” to use when selling financial products like mutual funds.

The sobering reality is that, when it comes to equity-based mutual funds, the actual average 30-year return hovers around a modest 7.13% before taxes, as per Dalbar, Inc.’s findings. Dalbar, Inc. stands as a beacon in the realm of market and financial services research. For nearly half a century, this independent firm has been a trusted source of data.

The stark contrast between expectations and reality can be explained by several factors. Perhaps the most definitive factors can be provided by a quote from Jack Bogle, the visionary founder of the Vanguard family of mutual funds. He shared these insights with Tony Robbins during Tony’s research for his book, *MONEY Master the Game: 7 Simple Steps to Financial Freedom*.

“Tony, it’s simple. Most people don’t do the math, and the fees are hidden. Try this: if you made a onetime investment of \$10,000 at age twenty, and, assuming 7% annual growth over time, you would have \$574,464 by the time you’re nearly my age [eighty]. But, if you paid 2.5% in total management fees and other expenses, your ending account balance would only be \$140,274 over the same period.”

I don’t know about you, but when the founder of one of the largest mutual fund companies in the world is expressing concern over how the seemingly negligible mutual fund fees can cost investors 77% of their earnings potential, that speaks volumes!



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So, what's the grand finale to the 12% Myth? First, understand that you've been paying yourself last all this time. Think about it. Uncle Sam takes his cut (he's the one always getting paid first), then comes those living expenses—the supporting cast. Next, you calculate the payments for your car, credit cards, student loans, and your mortgage so you can "squeeze" them into your budget. Only after all these payments are made do you try to save that magical ten percent.

Let's flip the script. You've got two buckets that always need filling – the Tax and Living Expenses buckets. But the other two, Debt and Retirement, are where you can direct the movie.

What if you could reroute the funds from the Debt Bucket to the Retirement Bucket? In the pages ahead, I'll lay out a strategy to do just that. We're going to take that 10% you've been scraping together for retirement and use it to rescue the 30% or more currently draining into your Debt Bucket. Imagine channeling 40% or more of your income towards a blockbuster retirement!

This isn't just about saving money; it's about creating wealth. Real, lasting, tax-free, generational wealth for you and your loved ones. Unfortunately, right now, you're more like the battery Morpheus shows Neo in that pivotal scene where he reveals to Neo that the Matrix has reduced all humankind into batteries.

That's what the Payment Matrix is doing to you. It drains your financial energy from your Lifetime Value until you're broke, and you can be discarded and replaced, turning your legacy into a vacuum.

When you reflect on the question, "Who do you think are?" the answer is more than a financial battery powering the Payment Matrix. As you journey through the pages of this book, you may find yourself



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greeted by an answer that surprises you.

The following chapters are where the plot thickens, the action intensifies, and you — yes, YOU — turn the tables on the numbers.

You'll learn how to make your money work harder for you, so you don't have to work harder for the Payment Matrix.

Free Course

Discover the real cost of your debt in Session 1: The Interest Rate Myth of *Your Prosperity Formula: Generating Your Transformation Plan*. Uncover how much of your monthly debt payments are lost interest.

You'll learn the staggering truth of the difference between the interest rates you're "charged" and the actual volume of interest dollars you're paying.

Visit transform.smallestwealth.com - or scan the QR code below to gain INSTANT ACCESS and start your transformation.





CHAPTER 3 - SAVE THE BEST FOR LAST

"The end of a matter is better than its beginning, and patience is better than pride."

~ ECCLESIASTES 7:8

In Chapter 2, we uncovered a startling truth: despite the popular “pay yourself first” mantra, you’ve actually been paying yourself last all along. But here’s the twist – that’s not just okay, it’s potentially brilliant.

When you scrutinize your lifetime financial journey, two buckets—the Tax Bucket and the Living Expense Bucket—are unavoidable. Taxes? Well, aside from voting and smart planning, there’s not much wiggle room there. And living expenses? Sure, you can trim the fat, but remember, you’re not just surviving; ya gotta live a little too.

But here’s where it gets interesting—your debt payments. This, my friend, is where your “Acres of Diamonds” lie hidden.

Acres of Diamonds

“Acres of Diamonds” is the tale of Ali Hafed from Russell H. Conwell’s inspiring allegory. Ali, upon hearing tales of others finding diamonds and becoming immensely rich, sells his farm to raise money to fund his personal diamond chase. He travels far and wide, spending all his money in the fruitless pursuit of wealth, tragically ending his life in despair.

Meanwhile, the man who bought his farm discovered a sparkling stream on the property, which turned out to be filled with diamonds. This stream was part of the famous Golconda Diamond Mines, one of the most productive diamond mines in history.

The moral of the story? We often seek fortune afar, blind to the riches in our own backyard.



This should sound familiar. Chasing after those elusive double-digit rates of return with the 10% you're paying to yourself LAST is like searching for diamonds in distant lands. Meanwhile, a whopping 30% or more of your gross income is flowing out to lenders, filling their coffers with profits via interest from your hard-earned cash. That 30-plus percent, dear reader, is your undiscovered diamond mine.

The question is, how do you start mining?

The Snowball Method Of Debt Elimination

Fortunately, there is a proven method for mining that 30-plus percent! A method my business partner, John Cummuta and I, have taught to over 3 million people since the early 90s. It's called the Snowball Method of debt elimination.

Instead of rolling the dice with the 10% (or whatever you can scrounge up) that's dripping into your "pay yourself first" Retirement Bucket, you add that to one of your debt payments. The sum of that debt's payment, and your 10%, obliterates that debt in months. When that debt's paid off, you snowball the 10% plus that debt's payment onto your next debt's payment, and rinse and repeat.

This method, while simple, is profoundly transformative, and provides three incredibly important advantages.

Incredibly Important Advantage #1: Liberation of Cash Flow

As your mass of payments rolls downhill, it absorbs payment after payment, erasing debts and—viola!—no more debt. You can pay off everything, including your mortgage, in about 8 to 9 years, give or take. Suddenly, you have thousands of dollars free each month to save for your future.



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Just imagine what life would be like if your mortgage payment, car payment, credit card and student loan payments, didn't have to take that trip to Payment-Town. How much relief would you feel if the thousands of dollars you're paying every month were liberated from creditors and wound up in YOUR pocket?

This is how you pull off the magic trick of transforming that 10% for retirement into 40% or more. By redirecting those "pay yourself first" dollars to eliminate debt payments, you're not just saving 10% of your income for retirement; you're skyrocketing what you can dump into your retirement bucket 400% or more.

Add to that the reality that debt payments are no longer breathing down your back and you have a real winning strategy.

Incredibly Important Advantage #2: Guaranteed, Double-Digit, Tax-Free Rates of Return

Interested in double-digit rates of return? How about guaranteed double-digit rates of return? Oh... and by the way... these double-digit, guaranteed rates, are tax free!

Let's dive into two examples where these golden opportunities exist. These examples can be unearthed when we apply the wise words of Ben Franklin: "A penny saved is a penny earned." This timeless adage reminds us that saving money increases your wealth, just as earning it does. Now, let's apply this wisdom to our modern financial landscape.

First: Credit cards. If you have one, chances are you're being charged a double-digit interest rate. Even if you're enjoying an introductory rate of zero percent, rest assured, it's set to balloon soon enough.

Here's a fact: every dollar you pay towards the principal of a credit card



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balance with a double-digit interest rate is earning you that rate in savings. Because when you eliminate a dollar of principal from which you're being charged 18% interest, you save the 18% you would have paid... 18% saved... 18% earned. And yes, it's tax free and guaranteed.

And if you're in a 22% tax bracket, this is akin to a tax-equivalent yield of 23.08%.

Good luck finding that in the shock... I mean stock market!

Second: You save on average, over \$100,000 in interest. That's what shedding your debt in a mere handful of years does for you. Sure, the banks won't be happy about this. But when was the last time they sent you a birthday card?

Take this example from the sample family from my book, *The Debt-FREE Millionaire*. Instead of dipping the \$425 a month they have available into their Retirement Bucket, they redirect it towards debt elimination. Doing so gets them completely debt free in just 8 years and 9 months... and saves them \$149,267.44 in interest payments.

Ol' Ben would say that savings of \$149,267.44 is quite the penny earned. And it was earned by directing that \$425/month towards debt elimination for 8 years and 9 months.

To earn \$149,267.44 with that \$425/month in that same time frame, guess what rate of return you'd have to generate?

Over 24%!

And that's tax free and guaranteed!

Incredibly Important Advantage #3: Entering Retirement Without Debt

When you're aging and retirement is getting closer, will you have more,



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or less energy, to punch a clock to earn some scratch to pay the juice-man? If you pay off the juice-man, you won't have to earn as much.

For our sample family, eliminating the \$30,900 in annual debt payments is like getting a \$39,000 annual raise in gross pay. This is because, at a 22% federal tax bracket, they have to gross \$39,000 just to bring home enough to make those debt payments.

This also means they need \$39,000 less in gross income to maintain the same standard of living. This revolutionizes what your income needs will be during retirement.

These are clear and powerful advantages. Yet, despite these advantages, three drawbacks remain in the Snowball Method of debt elimination. Fortunately, you'll learn how to transform these drawbacks into benefits in the pages ahead. But first, the three drawbacks.

Drawback #1: Putting wealth building on hold and losing all those debt elimination dollars forever.

Since all extra money available in your "budget" is directed towards debt elimination, no meaningful savings can take place because all of those dollars are going directly to lenders. This means nothing is being saved for the future while you're eliminating debt. But losing 8 - 9 years of wealth building is a minor challenge because, when you're debt free, you'll have thousands of dollars a month to fill your retirement bucket.

Regardless, putting off filling your retirement bucket affects one of the more powerful elements of wealth building: the time value of money.

The concept of time value of money means that money available today for saving is worth more than the same dollars available in the future due to its potential earning capacity. Think "a bird in the hand is worth two



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in the bush,” emphasizing the value of holding onto resources now rather than risking them for future gains.

But what if there was a way to pay off all your debt, and build tax-free wealth, with the same dollars, at the same time? Fortunately, there is. And it’s the core of the payments to prosperity transformation. So... keep reading...

Drawback #2: The Blur of monthly commitments.

Every month is crammed with stuff to do. Weeks seem to pass by in a blink of an eye. As the years march on, it seems like we go from “Happy New Year” to “Happy Thanksgiving” in a blur of “Where did all that time go?”

While the debt elimination strategy we’ve taught to millions provides the aforementioned advantages, you can only achieve them if you manage it every month, cramming yet another task into your already chaotic schedule.

Do you really need another monthly bullet to dodge for the next 8 years, give or take?

This drawback has been overcome as well. You probably feel like you’re already dodging enough bullets like Neo in the Matrix, and adding another bullet may just put you over the edge. Instead of adding a “debt elimination” bullet to the bullets you’re already dodging every month, you can do it just once a year and achieve the advantages you know you’d love to achieve.

And you’ll discover how to do that in the pages ahead.

Drawback #3: Where to put all that money and the reality of “timing risk.”



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When you think about retirement planning, thoughts of 401(k) plans and IRAs come to mind. However, these are merely umbrellas used to provide the actual investment vehicle beneath them with tax advantages.

401(k) plans take money out of your paycheck before taxes and lower your tax burden while those funds are growing in a tax-sheltered environment. The same can be said of traditional IRAs.

Roth IRAs, in contrast, are funded with “after-tax” dollars (meaning you don’t deduct contributions from your taxes). Roth IRAs have become popular because you pay taxes on the money going in but can take money out tax-free. This, in my humble opinion, is the better option of the two.

All the above plans also grow tax deferred. This means as they grow and earn interest, you don’t have to pay taxes on the growth.

Additionally, these typical retirement plans have limits regarding how much you can contribute each year. These limits could easily be exceeded by the sheer amount of cash flow you’d have once you’re debt free. So, where would you put all that liberated cash flow since all that cash may not “fit” in a 401(K), IRA, or a combination of both?

Furthermore, when you look under the hood of either of these plans, you’ll find—the vast majority of the time—the actual dollars invested are purchasing shares of some form of mutual fund. And mutual funds are buying shares in the stock or bond markets depending on which type of mutual fund you buy.

As personal financial educators, our educational material used to point



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people towards things like Index Equity Mutual funds. A type of mutual fund that mirrors the performance of a specific stock market index, like the S&P 500 or the Dow Jones. However, in 2004, we began to notice things taking place in the economy that made these kinds of options less and less appealing.

Sure enough, we all remember what happened in 2008. I only wish I had the foresight like those dudes in the movie *The Big Short*.

Since then, we've become keenly focused on something called "timing risk."

"What is timing risk?" you ask...

For instance, many people who were on track to retire in 2008 woke up one morning to discover that their retirement portfolios (their 401(k) or IRA, or both) had been decimated. Their retirement dreams were crushed, forcing them to keep working.

Others who had already retired and had become accustomed to their retirement portfolios providing them regular income, faced an even greater challenge. With their portfolios decimated, they had to either live on less or dip deeper into their capital and increase the risk of outliving their money. Alternatively, they could try re-entering the job market. Not a preferred option for those in this age group.

More recently, we've seen how a global pandemic can create significant losses in the market almost overnight.

The bottom line was that the "shock" market has become more unpredictable than it's ever been, leaving us with one crucially important question.

"Where the heck do you put your retirement savings so you can be guaranteed it'll be there when you need it?"



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Yep... you probably guessed it. The answer to this question lies in the chapters ahead.

Now that we've got the advantages and drawbacks for the snowball method of debt elimination out of the way, let's take a moment to wrap our minds around what it means to "Save the best for last."

When you pay your creditors off first, you wind up with thousands you can pay yourself last with. You wave goodbye to your debts and hello to a financial reality so bright you'll need your Neo shades again. Paying yourself first under the traditional model is like trying to fill your Retirement Bucket with a gaping hole—futile and frustrating. But becoming debt free plugs that hole so you can watch your wealth overflow?

Let's face it: sticking to the old debt dance is like choosing the blue pill and remaining blissfully ignorant of the reality that the Payment Matrix is sucking your prosperity dry. It's time to break the cycle. By transforming your "pay yourself first" money into a shovel to mine your debt payments and simultaneously nurture a tax-free diamond mine, you're not just altering your financial course; you're revolutionizing it.

This transformation goes beyond being debt-free. It's about what being debt-free allows you to do. It's about the doors that open, the opportunities that arise, and the peace of mind that comes with knowing you're not just surviving financially—you're thriving.

As you stand on the brink of this financial revolution, remember, the journey to a debt-free, wealth-abundant life is not a sprint, it's a

marathon. It requires discipline, patience, persistence, and a plan. But most importantly, it requires action. The path I'm about to reveal to you is tested, proven, and ready for you to hop right on.



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So, as we turn the page to this next chapter, keep your eyes wide open, your mind ready to absorb, and your spirit willing to embrace a new financial philosophy. Welcome to the door of your financial renaissance, where every dollar works in your favor, and your financial future is not just secure—it's spectacular. Now all you have to do is walk through it.

Join the Mission: Help Me Help 1 Million Families Transform Payments into Prosperity

Hey there, Prosperity Pioneer!

First off, THANK YOU for picking up *Transforming Payments into Prosperity*. I hope you're finding it as life-changing to read as it was for me to write. My mission is simple yet powerful: to teach 1 million families how to transform their payments into prosperity, breaking free from the Payment Matrix and building generational wealth.

But here's the thing: I can't do it alone. I need your help to spread the word and reach those families who are still stuck in the debt trap the Payment Matrix has set, just hoping for a way out.

Here's How You Can Help

1. Leave a Positive Review on Amazon

Your review can make a massive difference. When potential readers see your glowing review, they'll be inspired to pick up the book and start their journey toward financial freedom. It only takes a few minutes, but the impact can last a lifetime.

2. Share Your Story

Your review can make a massive difference. When potential readers see your glowing review, they'll be inspired to pick up the book and start their journey toward financial freedom. It only takes a few minutes, but the impact can last a lifetime.

3. Spread the Word

Tell your friends, family, and social media followers about your experience with the book. The more people we reach, the closer we get to transforming the lives of 1 million families.

Why Your Review Matters

Amazon reviews are like the modern-day word of mouth. They help other readers discover the book and trust that it's worth their time and money. Plus, your positive feedback fuels my passion to keep pushing this mission forward, one family at a time.

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How to Leave a Review

1. Scan the above QR code:

Just use the camera on your mobile device and it will bring you to the review page for the book.

2. Rate the book:

Pick how many stars you think it's worth. *Hint: more stars = more prosperity vibes.*

3. Headline your review:

Think of it as your book review's "attention grabber." Bonus points for creativity.

4. Add a photo:

Snap a pic of the book if you can! It adds that extra *oomph!*

5. Share what you loved:

Let your words lead others to the prosperity they deserve!

Your support means the world to me. Together, we can reach the goal of helping 1 million families transform their financial futures. Let's make a difference, one review at a time!

Thank you for being a part of this journey.

To Prosperity and Beyond,

Tony Manganiello



CHAPTER 4 - THE DUAL-DUTY DOLLAR: THE KEY TO TRANSFORMING PAYMENTS INTO PROSPERITY

“The plans of the diligent lead to profit as surely as haste leads to poverty.”

~ PROVERBS 2:15

We're about to dive into something pivotal, a concept that's not just a part of our financial revolution but stands as its cornerstone. The big question we're tackling is profound yet simple: How do you get one dollar to do the heavy lifting of many?

Think about it. Throughout your financial history, every dollar you spent had a one-way ticket. Make a credit card payment, and poof, those dollars are gone. Make a car payment, and whoosh, a few hundred more evaporate into the ether. The idea of a dollar doing double duty—being used while still earning interest and dividends on deposit—might seem like a magic trick at first glance. But trust me, it's no illusion. It's smart finance, and it's about to revolutionize everything you thought you knew about money.

This concept can be a head-scratcher at first, mainly because your financial playbook has always featured a bank checking account. It's like a bus stop for your greenbacks—they pause there briefly before hopping on the bus to Billville or Payment-Town, leaving Wallet City forever. It's a one-way journey, with no round trips, and a seemingly endless cycle of outflow with no return.

But the account we're diving into? It's not your garden-variety account. Imagine if every dollar you put into it behaved like a well-crafted boomerang. You send it out into the world, and instead of saying a permanent goodbye, it circles back to you, often with a little extra



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momentum. This isn't just a fleeting interaction; it's a profound, ongoing relationship with your finances, where every dollar spent has the potential to return, enhanced and ready for its next mission.

And it's not like these accounts are some new-fangled fads that can be here today, gone tomorrow. Nope, they're older than you are, much older, and steeped in a rich history of financial success. They've been the silent partner to some of the most successful people in history and a testament to their enduring value and effectiveness. Let's roll out the red carpet for just a few of these financial celebrities:

1. Walt Disney: Back in the mid-1950s, Disneyland is just a sketch on a dreamer's desk. Banks turned their backs, but Disney didn't let that stop him. He turned to this very strategy, borrowing against one of these accounts to sprinkle financial fairy dust on Disneyland, turning fantasy into reality. This wasn't just about securing funding; it was about leveraging a financial tool that provided the freedom to dream big and achieve those dreams, serving as a lesson in persistence and creative financial thinking.

2. J. C. Penney: When the Great Depression hit, it hit hard. But James Cash Penney didn't just sit and watch his empire crumble. He tapped into one of these accounts, using it as a lifeboat to keep his company's head above water. It wasn't just saving a business; it was like keeping a dream alive during a financial nightmare. This story is a powerful reminder that the right financial strategies can be a beacon of hope and resilience in even the darkest times.

3. Ray Kroc: The founder of McDonald's was a man who knew how to cook up success. Struggling to finance McDonald's expansion, Kroc didn't just flip burgers; he flipped his special account into a cash cow, milking it to fuel his fast-food empire. Talk about a "special sauce,"



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versatile and ready to deploy. Kroc's story illustrates the transformative power of thinking outside the conventional banking box, turning financial challenges into opportunities.

4. Doris Christopher: The Pampered Chef founder started a kitchen tool empire from her basement in 1980. No banks in sight, just one of these accounts and a vision. Christopher stirred her dream into reality with this strategy, proving that sometimes the best ingredients for success are right under your nose. Her journey from basement to boardroom on the strength of one of these accounts underscores the potential for personal passion projects to become lucrative enterprises with the right financial backing.

5. Foster Farms: Even chickens get a piece of the action. The founders of this poultry powerhouse didn't just count their eggs; they used an account like this to hatch a business that would feather their nest for generations, like finding a golden egg in your financial coop. The Foster Farms story is a testament to the long-term vision and planning that this kind of account can facilitate, allowing businesses to grow and thrive.

And these kinds of accounts are still being used today. Did you know about 700 of the Fortune 1000 companies and the big banks—the very ones your interest dollars are padding—use these accounts? It's like discovering that the financial elite have been attending a party you didn't even know existed and have been funding with your hard-earned simoleons. This revelation isn't just surprising; it's a call to action, an invitation to join the ranks of the financially savvy who know how to make their money work harder and smarter.

So, what is this mysterious account? Drumroll, please...

A high cash value, dividend paying, whole life insurance contract.



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Yes, I can hear you from here: “Life insurance? Really? C’mon you little Italian!” It’s a financial mantra in some circles: “Invest in whole life insurance? Might as well set your cash on fire!”

Yeah, that’s exactly what I used to think too. But seriously, hear me out...

In 2011, my father-in-law, mentor, and business partner, John Cummata, first mentioned it to me. All I heard at that time were the two words “whole” and “life” in the same sentence. For me back then, that’s when the alarms sound and it’s time to “grab the torches and pitchforks!”

But I love and respect him... so I listened. I simply waited until he was done and said, “That sounds interesting...” and left it at that. He would occasionally mention it to me over about the next two years. But for me, it was in one ear, out the other.

But one day he said something that stopped me in my tracks: “We can teach people to pay off debt and build tax-free wealth, with the same dollars, at the same time.” It was my lightbulb moment, a real “Wait... what??” scenario.

We’d been teaching the snowball method of debt elimination for years at that point and this sounded too good to be true. But he finally had my full attention. I was all ears and the lightbulb that turned on that day illuminated a whole new financial world that I never knew existed.

But... life insurance... really?

There are few financial topics that bring on a chorus of yawns like life insurance. Want some privacy from a Chatty Cathy you’re stuck next to on a plane for a few hours? Just say, “I sell life insurance,” and enjoy the sounds of silence.



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The reason the topic of life insurance can clear a room faster than pulling a fire alarm is because people consider it “death” insurance. Everyone thinks, “I have to die to get anything out of it!”

And that’s true... when you buy it the wrong way.

When you consider buying life insurance, what thought pops into your head? I bet it’s the same thought most people consider. Something like, “What will my loved ones get when I die?”

If that sounds close, you’re asking the wrong question.

Yeah, I know... the accepted rule for life insurance is to protect your family against loss of income. I get it. But the flip side to that story is understanding that life insurance companies also want to protect themselves against loss of income, too. That’s why every life insurance company has “underwriting.”

Underwriting is the process where insurers decide if you’re a good bet. If they offer you a contract once you’ve completed the underwriting process, it means they’ve concluded you’ve got a lot of living to do. Which means the chances of them paying out a death benefit soon are as slim as spotting Elon Musk driving a 20-year-old minivan.

Ultimately, when you’re approved for a life insurance policy, it means you’ll be circling the sun dozens of times between your first premium payment and those loved ones cashing in on the death benefit.

That’s why asking, “What will my loved ones get when I die?” is the wrong question to ask when buying life insurance.

The right question when buying a life insurance policy considers the fact that the underwriting process has concluded you’ll be doing a lot of



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living between your first premium payment and your graduation from this life to the next.

And that question is, “What will this contract do for me while I’m alive?”

With term life insurance, the answer to that question is usually a big fat nothing. It’s like asking what your car can do for you after it’s out of gas.

But with high cash value, dividend paying whole life insurance, when you’re approved, it’s like getting access to a secret financial clubhouse. The key is knowing how to structure the contract so it will provide an answer to the “What the contract will do for you while you’re alive?” question.

That key is: “Buy as much cash value as you can, while remaining compliant with IRS rules so that cash value is tax free!” It’s like filling your financial tank with premium fuel (pun intended).

Cash value life insurance contracts offer a feature that allows each dollar on deposit to do more than one thing at a time. No other contract we’re aware of offers this opportunity. We like to joke by saying, “We tried a pest control contract, but that didn’t work.”

Getting each dollar in your cash value to do more than one thing at a time resolves what could be the biggest challenge to saving for your future. I call that challenge the “Sophie’s Choice for Your Dollar.”

Right now, when you look at each one of your dollars in that checking account of yours, you have one of two choices: use it for today’s needs and put it on the bus to Payment-Town at the expense of tomorrow’s reality. Or sacrifice today’s needs and use it to prepare for tomorrow’s reality? One reason 92% of hard-working folks can never retire comfortably is because, when they face this choice, today’s needs squash tomorrow’s reality. It’s the typical “kick the can” financial scenario.



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But a properly structured high cash value, dividend paying, whole life insurance contract allows you to satisfy today's needs while preparing for tomorrow's reality, simultaneously.

Let that sink in for just a moment...

We'll be diving deeper into how this works in the pages ahead. For now, let's see how this overcomes those 3 drawbacks of the snowball method of debt elimination from the previous chapter. This strategy doesn't just sidestep them; it dances over them.

- 1. Putting wealth building on hold and losing all those debt elimination dollars forever:** Not anymore. Because you're able to pay off debt and build tax-free wealth with the same dollars at the same time, debt payments are transformed into wealth building blocks. It's a paradigm shift that redefines the very nature of personal finance, turning traditional notions of debt and savings on their head.
- 2. The blur of monthly commitments:** Debt elimination is no longer a monthly grind, it's a once-a-year update. It's like setting your financial GPS and cruising. This streamlined approach to financial management minimizes the hassle and maximizes efficiency, allowing you to focus on what truly matters: growing your wealth and securing your future. It's about making your financial strategy work for you, not the other way around, ensuring that your journey to financial freedom is as smooth and straightforward as possible.
- 3. Where to put all that money and the reality of timing risk:** No need to figure out how to fit all that liberated cash flow into qualified plan limitations or ride the stock market rollercoaster. Life insurance policies have wide open doors to receive all your precious debt payments. And life insurance companies are like financial bomb shelters—safe, secure,



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and resilient. In an era of economic uncertainty and market volatility, these accounts offer a sanctuary for your savings, a place where your money is not just protected but also has the potential to grow. It's a strategy that prioritizes security and stability, providing peace of mind and a solid foundation for your financial future.

But What If I Don't Have Any Debt?

Now and then, I hear this question. Some folks are already debt free like those millions we've taught with the previous plan.

Nevertheless, a properly structured high cash value, dividend paying, whole life insurance contract can still be the cornerstone of your financial future, even for those who are already navigating life without the burden of debt. This strategy isn't just about debt elimination; it's about creating a sustainable, long-term financial ecosystem that benefits you and your loved ones. This approach can transform your financial planning, particularly for future big-ticket purchases like vacations, cars, and college educations.

Imagine having your own personal banking system, one where you're both the banker and the borrower, and where your money continues to grow even when you use it. That's precisely the opportunity a high cash value, dividend paying whole life insurance contract offers. By prioritizing building cash value in your policy, you're creating a financial reservoir of recyclable cash that you can tap into for significant expenses. Unlike traditional savings or investment accounts, borrowing against the cash value of your whole life insurance policy doesn't halt its growth. The money still earns interest and dividends, as if it were undisturbed, providing that unique double-duty dollar effect.



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For instance, when it's time to buy a new car, instead of financing it through a bank or depleting your savings account, you could borrow against your policy's cash value. This way, you're not just avoiding interest charges from a conventional loan, but the funds collateralizing your loan continue to earn dividends and interest, generating a net gain for purchasing that car. Similarly, funding a dream vacation or covering college tuition becomes a matter of strategic financial management rather than a source of financial stress or debt accumulation.

Every purchase funded wisely with a loan from your policy is transformed into a net gain on return for purchases you would have financed through a third-party bank. You're making the profit on loans you would take out anyway. Or... you can let those third-party banks make all that bank.

This approach redefines the concept of financial freedom, offering a way to enjoy life's luxuries and necessities without compromising your financial health or future growth. It's about making your money serve multiple purposes simultaneously, ensuring that every dollar you spend or save works as hard as possible for you.

In Chapters 6 and 8, we'll dive deeper into the mechanics of leveraging whole life insurance as your personal banking system. We'll explore the nuances of borrowing against your policy, managing repayments, and optimizing your policy's growth potential. These chapters will equip you with the knowledge and strategies to harness the full power of your dual-duty dollars, turning your financial dreams into achievable realities.

In the next chapter we'll unpack these strategies, turning every page into a step towards financial freedom. Remember, it's not just about generating wealth, it's about accumulating some of the wealth you're already generating.



TRANSFORMING PAYMENTS INTO PROSPERITY

So, are you ready to transform your payments into prosperity? Let's turn those dollars into double agents working for you. Welcome to the world of smart finance, where your money energizes your financial future instead of powering the Payment Matrix.



CHAPTER 5 - PROSPERITY IN ACTION: HOW YOUR TRANSFORMATION BLUEPRINT WORKS

The only thing standing between you and your goal is the story you keep telling yourself as to why you can't achieve it.
~ JORDAN BELFORT

We've covered a lot of ground up to this point, so let's take a moment and review what we've learned before diving into the cool waters of transformation.

1. Chapter 1 - You've Been Duped! Here, we laid the groundwork for a transformative approach to personal finance and the reality that, "Just because you can make your payments, doesn't mean you can afford them." We also identified that budgeting misleads us to thinking that the purpose of our income is to make payments. Fortunately, we corrected that error by identifying that the one and only purpose for your income is to replace your income.
2. Chapter 2 - Who Do You Think You Are? Trapped by the "pay yourself first" mantra, you've been unknowingly paying yourself last, masking your true potential as a millionaire in the making. This chapter unveiled a revolutionary shift from the conventional 10% savings to a strategy that quadruples your wealth-building power.
3. Chapter 3 - Save The Best For last: We explored the fable of untapped wealth, showing you how to mine the diamonds from your debt payments, and transform burdens into a potential fortune with a simple paradigm shift. Eradicating your debt first liberates some real cash flow you can finally pay yourself with.



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4. Chapter 4 - The Dual-Duty Dollar: Transforming Payments Into Prosperity: The revelation of the Dual-Duty Dollar was akin to discovering the philosopher's stone, turning the lead of your payments into the gold of prosperity through the magic of... GASP!... a high cash value, dividend paying whole life insurance policy.

As we turn the page from understanding to action, it's time for you to meet the powerhouse behind your financial revolution. Imagine a world where every dollar you save is satisfying your today needs while simultaneously building for your tomorrow reality. This isn't a fantasy. It's a strategy as revolutionary as it is simple, wrapped in the guise of a properly structured high cash value, dividend paying whole life insurance contract.

INTRODUCING PRIVATE FAMILY BANKING

The magic of Private Family Banking lies in its unique approach to how your premium dollars are spent. Traditional life insurance narratives have always centered on the death benefit—important, sure, but it's like buying a car and only talking about the airbags. Essential for safety, but you're not buying it just to crash it.

As previously mentioned, the real question you should ask when buying life insurance is, "What will this contract do for me while I'm alive?" The answer? A lot!

By focusing your premiums on building cash value, you're not just preparing for a distant future; you're creating a financial Swiss Army knife for the present. One that can be used for just about anything. And, because you're building this small fortune within a high cash value,



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dividend paying whole life insurance contract, the life insurance umbrella protects the growth and use of those funds from taxes.

LIFE INSURANCE & THE IRS: A BRIEF HISTORY LESSON

Let's rewind to the 1980s, a time when the wealthy used life insurance as the ultimate tax haven. They'd pour money into these policies, minimizing the death benefit and maximizing the cash value disproportionately. It was a golden era for the rich—until Uncle Sam stepped in. The IRS introduced regulations to prevent abuse, setting the stage for the modern, properly structured contracts we use today.

These regulations are often referred to as "The IRS 7-Pay Rule" or "The MEC Rule." MEC stands for "Modified Endowment Contract" and, when these rules are violated, the tax rules for the cash value within the contract change and aren't as advantageous as the tax rules that have been established for life insurance contracts.

For our purposes here, the phrase "high cash value, dividend paying whole life insurance contract" means a contract that maximizes the growth of the cash value while maintaining compliance with the IRS 7-Pay Rule or the MEC Rule. This simply means that the contract is growing as much cash value as the IRS will allow while remaining tax-free.

Let's illustrate with a tale of two savers: Joe and Jane.

Joe took the traditional route. He saved diligently in his 401(k), paid his mortgage, looking forward to retirement through the lens of the Payment Matrix. His retirement money remained locked away, untouchable without penalty, and subject to the whims of the market. Joe's financial strategy was like a one-trick pony—good for one path, but



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inflexible and loaded with uncertainty. When retirement came, Joe made withdrawals from his 401(k) and had to claim those withdrawals as income on his tax return each year while still bearing the burden of debt during retirement.

Jane, on the other hand, embraced the concept of Private Family Banking. She funneled her savings into her Private Family Banking policy, structured to maximize cash value and escape the Payment Matrix's death grip. Jane used her policy to become debt free, buy her cars, financed her home improvements, and even helped her kids with college—all while her cash value grew. She was her own banker, using her money repeatedly, each time growing her wealth. When retirement came, Jane had tax-free income, no debt payments, and the flexibility to enjoy her wealth on her terms.

Joe and Jane's stories are more than just tales; they're a reflection of two paths diverging in the financial woods. Private Family Banking isn't just a strategy; it's a mindset shift. It's about seeing beyond the conventional, recognizing the potential in every dollar, and understanding that with the right structure, your financial dreams aren't just possible—they're within reach.

As we dive deeper into the workings of Private Family Banking, remember Jane's journey. Like her, you're on the brink of transforming not just your finances, but your life. Private Family Banking isn't just about growing your wealth; it's about unlocking a level of financial freedom and security most people only dream of. It's about escaping the Payment Matrix and transforming your payments into prosperity.

So, let's roll up our sleeves and see what Private Family Banking looks like in action. It's time to explore your transformation and set sail on a journey to a new financial horizon.



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THE PRIVATE FAMILY BANKING CAR BUYING REVOLUTION

Picture this: You're standing in a car showroom, the air filled with the intoxicating scent of new leather. After you've spent countless hours drooling over it in YouTube car review videos, the very make and model of your dream machine gleams before you.

Decision time looms... How will you unlock the door to this ultimate ride?

Forget the nail-biting suspense of the financing interrogation courtesy of the dealership's finance manager. You know the drill—sitting there, your inner voice in a relentless loop, "Will I qualify? Will I qualify?" for that too-good-to-be-true interest rate. That all-too-familiar process where you'd accept nearly any offer just to clutch the keys to your new chariot, get the experience over, and move on with your life.

However, with your Private Family Banking policy, you now have the ultimate financial ally in your corner.

Just a few days ago, you logged into your account online, navigated a few simple clicks to request a loan against the cash value of your policy, and voila! \$30,000 landed in your account, no fuss, no muss. No credit checks, no lengthy applications—just a straightforward transaction with your Private Family Banking policy.

Striding into the dealership, you're not just another customer; you're a financial force to be reckoned with. You are in the driver's seat.

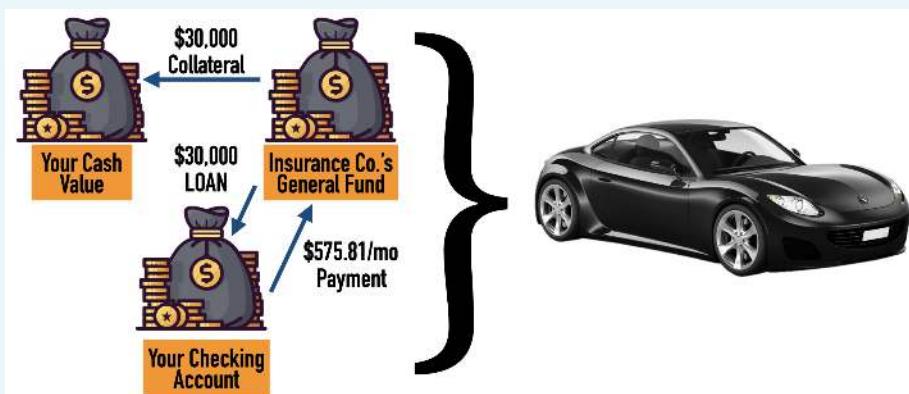
But wait, a loan? That nagging thought might cross your mind: "Aren't I just swapping one finance manager for another?" Here's where the plot thickens, and the magic unfolds.



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THE MAGIC OF PRIVATE FAMILY BANKING

You secured this loan without a credit check or application because the insurance company is using your cash value as collateral. And here's the kicker: those funds continue to work tirelessly for you, earning interest and dividends all the while they're being used to finance your new ride.



You're borrowing at 5%—the going rate for Private Family Banking loans at the time of writing—but your cash value isn't just sitting idle; it's growing, at rates historically north of 4%.

Now, you might think, “But if I’m being charged more interest than I’m earning, how does this help me?” The secret sauce isn’t in the rates themselves, but in the interplay of interest dollars earned versus interest dollars paid.

You decide to pay back your policy loan using a typical 5-year repayment plan at 5%. Your monthly payment clocks in at \$566.14. Each payment chips away at your loan balance, and you’re paying 5% interest on a decreasing principal balance. Meanwhile your cash value continues to swell, earning 4% interest on an ever-increasing principal balance.



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Fast forward five years, and you've paid \$3,968.22 in interest on the loan. Meanwhile, that initial \$30,000 has been quietly accruing interest, to the tune of \$6,629.90!

And there it is: a net gain of \$2,661.68, all while cruising around in your dream car.



You're going to be buying cars for the rest of your life. Private Family Banking transforms those payments into prosperity by generating a net gain on those loans in addition to owning the vehicle. Why would you buy a car any other way?

Why Not Pay Cash?

Paying cash seems like the financially savvy choice, doesn't it? But here's the kicker: by doing so, you'd miss out on the \$2,661.68 in interest gains. Plus, you'd still have payments to make even though you paid cash. Why? Because you'd still need to "pay yourself back" to replenish that 30 grand for your next car purchase.

So, you can choose to endure the nail-biting financing interrogation at the dealership, and wind up with a payment profiting the car finance

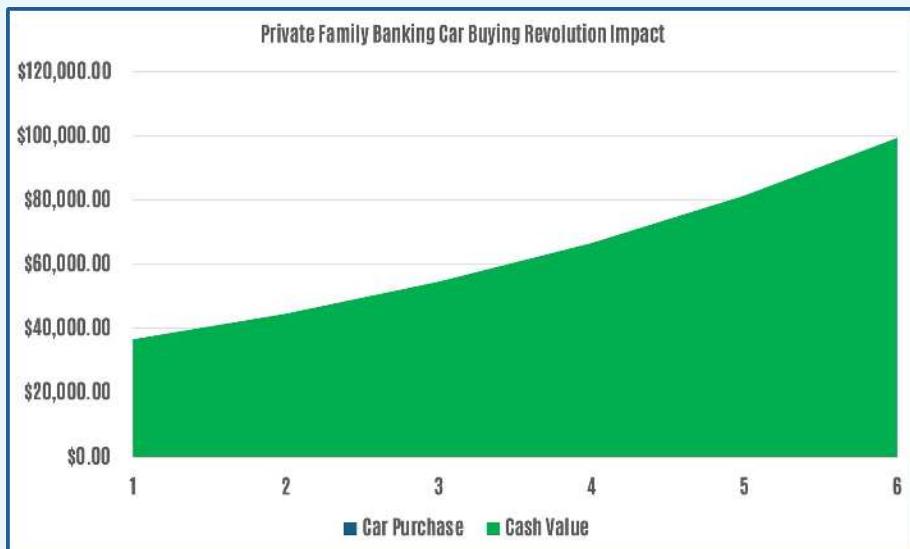


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company. Or you can save up the cash, deplete that account, and wind up with a “replenish the car fund” payment, and lose out on the opportunity to earn interest.

Or you can use Private Family Banking for a no-hassle, nail-biting-free, financing option where you profit \$2,661.68.

But it's not just about profiting from each car purchase. Remember, in this example, the first car purchase was made when there was \$30,000 in cash value to be used. And that total amount has been earning interest in dividends throughout those 5 years. If you buy a new car every 5 years, by the end of that 5-year term the total growth for the original \$30,000 has ballooned to \$36,629.90. If you made five more car purchases every 5 years, by the end of that 30-year period of buying new cars every 5 years, that **original \$30,000 has grown to almost \$100,000!**



These are your payments... these are your payment on Private Family Banking ... any questions?



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Yeah... but what about this transform payments into prosperity and the “skyrocketing my wealth potential 400%” stuff... you know... the subtitle of your book here?

I'm glad you asked...

TRANSITIONING FROM TRANSACTIONS TO TRANSFORMATION: MEET THE FORTUNADOS

Tom, and Lisa Fortunado are a sample family I've used over the years to illustrate how our strategy works. At 35, juggling careers and raising two kids, the Fortunados earn a combined annual gross income of \$110,000 —slightly above the national average according to the Bureau of Labor Statistics, because, like you, they're above average.

Yet, despite their hard work, they find themselves with a 34% debt-to-income ratio, nudging above the 30% mentioned earlier but still considered “healthy” and within what's become a common range for American families.

Here's a snapshot of their debt profile:

Type of Debt	Lender	Balance Owed	Interest Rate	Monthly Payment
Credit Card	Chase	\$3,956	20.53%	\$133
Credit Card	Bank of America	\$4,242	23.00%	\$134
Credit Card	Wells Fargo	\$5,104	21.50%	\$171
Credit Card	MBNA	\$6,988	18.00%	\$237
Auto Loan	FMC	\$15,105	8.00%	\$498
Auto Loan	GMC	\$15,563	8.00%	\$465
Mortgage	Mortgage First	\$200,108	6.75%	\$1,495
Total =>		\$251,066	Total =>	\$3,133



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When it comes to the Fortunado monthly cash flow, after Uncle Sam takes his share, they satisfy their living expenses to live their lives, and they fork out \$3,133 a month in debt payments, they have \$600 a month left over that they can comfortably pay towards their future. This is a little less than the magical 10% of their net income from the “pay yourself first” philosophy (because remember, they’re actually paying themselves last). And, again, what I run into most of the time.

Tom and Lisa realize it would be wise for them to start some kind of plan for their financial future. There are two paths they can take:

1. Path A: Follow the conventional wisdom, as Tom’s colleague Joe suggests. Investing in traditional retirement plans and hope the market fluctuations favor their future. And paying taxes on their retirement income when they do start to use it while carrying the burden of debt into retirement.
2. Path B: Explore the innovative approach of Private Family Banking, as Lisa’s friend Jane suggests. Implementing the Private Family Banking strategy, aiming to eliminate debt and build tax-free wealth simultaneously. And become their own bank while building a nice pile of cash they can use tax-free during a debt free retirement.

As we dive into the Fortunados’ journey, we’ll uncover how Path B not only liberates them from debt but also sets the stage for lasting, tax free, financial growth. Their story is a blueprint for rethinking your financial strategy and embracing a future of prosperity. We’ll dive deeper into their numbers in Chapter 8, but let’s take a mile-high look at them here.

With the Private Family Banking strategy in hand, here’s how their financial future transforms:



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- **Debt-Free Living:** In 9 years and 3 months, the Fortunados wave goodbye to every penny of debt, mortgage included. Allowing them to enjoy a life free from the chains of monthly debt payments, achieved decades faster than the traditional means.
- **Cash Value Growth:** By this debt free milestone, their policy boasts over \$67,000 in cash value. That's not just a number; it's a testament to their financial resilience, savvy saving, and innovative debt eliminating. They're not starting their wealth building journey from zero like they would be if they had used the well-known Snowball Method of debt elimination we used to teach.
- **Interest Savings:** They've avoided \$120,000 in interest payments. This isn't just saving; it's like earning a 11.84% tax-free return on their money. And when you add the \$67,000 in cash value, it's a total swing of over \$187,000. That's a ridiculous 19.77% rate of return on that \$600 a month for 9 years and 3 months! That's not just a penny saved like Ol' Ben told us, that's almost 19 million pennies!
- **A “Raise” Without Asking the Boss:** Erasing \$3,133 in monthly debt payments is akin to a \$48,200 annual raise at the 22% federal tax bracket (even more if they live in a state with state taxes). Imagine boosting your income like this without changing jobs or groveling to your boss, simply by eliminating debt. That's the power of Private Family Banking.

The Fortunados are liberated from the death grip of debt in a handful of years, took more than \$120,000 out of their creditors' pockets and put it back into theirs where it belongs. And gave their household a 43.8% raise in pay, simply by redirecting \$600 a month towards the Private Family Banking strategy.



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But this is just the beginning, now that they're debt free, they have over \$3,100 a month they were wasting on debt payments available.

SKYROCKETING WEALTH POTENTIAL

Post-debt freedom, the Fortunados aren't just standing still; they're accelerating, with over \$3,100 now freed up each month. Instead of making "payments" to creditors, which they would be doing in Path A, they can now turbocharge their financial fortress and continue building on their Private Family Banking foundation to skyrocket their financial future into orbit because...

TRANSFORMING \$600 A MONTH FOR RETIREMENT INTO \$3,700 A MONTH (THE \$600 PLUS THE \$3,100 THEY WERE LOSING TO DEBT PAYMENTS) SKYROCKETS THEIR WEALTH POTENTIAL MORE THAN 600%!

When retirement nears, here's what it looks like:

- Retirement Savings: By age 65 they've amassed \$1,466,027 in cash value, a nest egg that promises comfort and security in their golden years. This would provide them with about \$80,000 in annual, tax-free income, for 25 years (until age 90). That's a tax-equivalent amount of over \$102,000 a year... in retirement!
- Death Benefit: In addition to their cash value, they have a \$725,136 death benefit. It's not just about leaving a legacy; it's about peace of mind, knowing their family is protected.
- Total Estate Value: Combine the cash value and death benefit, and their total estate value hits a whopping \$2,191,163. That's a substantial legacy, built on smart decisions made today by choosing Private Family Banking for their initial \$600 a month. When you consider that \$600 a month generated an estate this size over 30 years, that's an 12.20%, after tax, rate of return!



Remember, we'll break these numbers down, step-by-step in Chapter 8. So, you'll see how this transformation and the numbers work. And, if you're thinking, "Hey, 35 was a while ago and I don't have as much time as they do." Don't worry, we'll cover some numbers for advanced ages in Appendix A. For now, just let your imagination run wild.

THE UNSEEN BENEFIT OF PRIVATE FAMILY BANKING: TRUE PEACE OF MIND

Beyond the numbers, the real value of Private Family Banking lies in the peace of mind it offers. Knowing that their family will be well cared for, even in their absence, is priceless. The Fortunados can live their lives fully, spending wisely without the demon of debt breathing down their necks.

Or... they could choose the traditional Payment Matrix path. The path where your retirement savings remain caged up with a 10% penalty for decades, exposed to bubbles, pandemics, and other whims of the market.

The path where the burden of debt payments to third parties continues into retirement. And for "peace of mind," they buy a cheap term life insurance policy that, when they outlive it and are approaching retirement, becomes unaffordable.

The path where, like the 92 percent we talked about earlier, they'll never realize their "millionaire in the making" potential. The path where, upon retirement, Uncle Sam will still be getting paid first with whatever income they can muster. A path where IF that \$600 a month over 30 years earned a 7.13% rate of return (according to Dalbar, Inc) would be only \$751,038.59 in cash instead of \$1,466,027. And from that possible \$741,038.59, they take the recommended 4% per year from that traditional next egg, they'd generate just over \$30,000 in taxable income, instead of \$80,000 in tax-free income Private Family Banking would



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provide.

These are your payments... these are your payments on Private Family Banking... any questions.

But the journey doesn't end here, far from it. Let's find out what makes Private Family Banking tick, along with how it can be leveraged to not just meet but exceed your financial goals. The question isn't if this strategy can provide an escape from the Payment Matrix, but how far you're willing to let it take you.



CHAPTER 6: BANKING ON YOUR FUTURE – ESCAPING THE PAYMENT MATRIX

“Everyone should be in two businesses. What they do for a living and the banking business.”

~ Nelson Nash

It's one of the most iconic scenes of all. Neo meets Morpheus for the first time, and after a brief conversation, presents Neo with a choice, the blue pill, or the red pill. The blue pill leads to the status quo. No change, just keep on keeping on within the matrix and let the machines suck every ounce of energy they can out of you. Or the red pill, which reveals the truth of the Matrix and the means to escape. Neo chooses the red pill.

THIS IS YOUR “RED PILL” MOMENT

In the preceding pages, I've presented you with numbers, facts, and strategies about the truth regarding what's happening to your income, your Lifetime Value. We've discussed how “just because you can make your payments doesn't mean you can afford them,” and revealed that you are, indeed, a millionaire in the making. We've debunked the myth that you're “paying yourself first,” showing instead that you're actually paying yourself last while the Payment Matrix feeds off your blood, sweat, and years of work.

Here's one more truth. It's a simple, yet powerful lesson we've taught to millions over the years. I've mentioned it a few times already, but want to emphasize it because it's a truth you must embrace.

It's not about generating wealth, because you're already doing that. It's about learning how to accumulate some of the wealth you're already generating.

Yes... you are, right now, generating wealth, and have been for years.



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This is a fact. Just because it's not the lavish wealth seen on shows like The Lifestyles of the Rich and Famous doesn't change the fact that you are—right now—generating wealth.

But your wealth generation has occurred while you've been a slave to the Payment Matrix, which, as we've seen, is costing you a fortune. Hundreds of thousands of dollars have already slipped through your fingers. Meanwhile, you've been working tirelessly, budgeting and paying bills like a good little consumer with far less to show for it than you deserve.

That's what the Payment Matrix does. It's a master of deception. It hijacks your mind with a false sense of security "budgeting" provides, along with the allure of chasing those double-digit rates of return with whatever's left over after all your payments have been made. Like chasing rainbows, it suggests that if you just keep at it, someday, somehow, everything will magically "work out." But as we've seen, relying on this strategy is like waiting for a pot of gold that never materializes.

The truth is that most of the time; it doesn't work out. Just ask the 92 percent who will have to work until they die.

Check any account you have with a balance. If all those payments you've made for years truly were affordable, wouldn't you be sitting on a big pile of cash somewhere right now? Chances are, that's not the case. And that's proof that those "payments" you've been making are undeniably unaffordable.

However, the reality is payments will be a part of your future. The key to transforming these payments into prosperity is straightforward—it all depends on where those payments are going. The recipient of those pay-



TRANSFORMING PAYMENTS INTO PROSPERITY

ments will be the one reaping the prosperity they create. Transforming payments into prosperity requires you transition from making payments to the Payment Matrix to making those payments... to you... through your properly structured Private Family Banking policy.

THE INEVITABLE BANKER OF YOUR INCOME

Here's a hard fact: From this day forward, someone will be banking on your future income. You likely have hundreds of thousands of dollars you've yet to earn, and the Payment Matrix is salivating over the chance to bank on the small fortune, what's left of your Lifetime Value you've yet to generate. Until now, the Payment Matrix has been making all the "bank" on your income generation, and it doesn't want that to change.

The banks that make up the Payment Matrix are masters of illusion and misdirection like magicians, waving the allure of 'affordable payments' to divert your attention. They skillfully drain away hundreds of thousands of your hard-earned dollars, all under the pretense of routine "payments." They'd rather you not see behind the curtain. Yet, the truth is starkly different. The interest rates, often much higher than you're led to believe, threaten the very fortune you're working so hard to build. This approach subtly nudges you towards a path, alarmingly aligned with the fate of the 92-percenters, who find their financial dreams out of reach.

THE PATH TO BECOMING AN 8-PERCENTER

By embracing Private Family Banking, your metaphorical red pill, you're not just choosing a different financial product; you're stepping onto a path divergent from financial uncertainty. Your journey is about more than avoiding pitfalls; it's about charting a course towards becoming an 8-percenter, joining the select few who can retire comfortably and on



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their terms. The path where YOU are the one banking on your future income.

Think for a moment about the past decade or two and all the cash you've had pass through your bank checking account via payments to others. You've lost hundreds of thousands of dollars to payments believing they were affordable. Perhaps you've changed jobs to make more money, gave a side hustle or two a shot. But the balances in your accounts still fall far short of what you'd hoped... what they should be.

Throughout that time, the sole constant that has always paid off has been you. You keep grinding away. And as the years go by, you'll continue working hard. You'll continue pouring your heart and soul into generating income to care for the ones you love. You are the one that'll continue the grind striving to achieve your goals. It only makes sense your money is grinding away for you too, and not being drained through the Payment Matrix generating profit for the banks.

Red pill anyone?

Making your money work hard for you isn't about generating those inflated rates of return. That's part of the smoke screen. No ... I'm talking about your dollars doing two things at once, taking care of your "today needs" while working for your "tomorrow reality."

That's the magic of Private Family Banking. While today's needs are demanding attention, tomorrow's reality looms over your shoulder like a sleeping giant. Silent now, but its awakening can't be ignored. Private Family Banking helps satisfy today's demands while also working and growing to help slay that giant when it awakens.



TRANSFORMING PAYMENTS INTO PROSPERITY

THE ULTIMATE: IT'S NOT WHAT YOU MAKE, IT'S WHAT YOU KEEP!

Consider the Fortunado family from the previous chapter, bringing home \$85,800 a year. Over the next 30 years, that's \$2,574,000 in net income. Through the lens of Private Family Banking, they're poised to build an estate of \$2,191,163 from that income—over 85% of their total future take-home pay.

Of that \$2,191,163... \$1,466,027 is literally cash in their Private Family Banking platform, or 60% of their future net income. This strategic maneuvering would enable them to pay themselves over \$80,000 a year for 25 years in tax-free income.

When you're able to use your cash for more than one purpose at a time, you don't have to sweat over rates of return in the market. Why? Because the choice between where you spend your dollars isn't an "either/or" decision. It's not, "Use this dollar for today's needs OR for stash it away for tomorrow's reality." Remember The Sophie' Choice for your dollar? That scenario leaves little left over for tomorrow's reality forcing you to chase those mythical double-digit rates of return because anything less wouldn't be enough.

But, redirecting the \$600 a month they had available into a Private Family Banking policy designed to serve more than one purpose at a time, like eliminate all their debt while simultaneously building tax-free wealth is what made these amazing results possible. This accomplishment liberated \$3,133 in monthly cash flow and accumulated over \$67,000 in their Private Family Banking cash value at the same time.

Did you catch that?



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The Fortunados managed to ‘accumulate’ over \$67,000 in their Private Family Banking cash value while simultaneously eradicating their debt. This contrasts starkly with the all-too-common path of merely ‘generating’ wealth in the conventional sense. Adhering to strict budgeting practices, relegating their savings to an afterthought, and ultimately, watching their hard-earned money trickle away. Instead of following the well-trodden path of paying themselves last and seeing little to no wealth accumulation as a result, they chose a transformative approach. By prioritizing Private Family Banking over external financial institutions, they didn’t just stop the outflow; they reversed it, channeling what would have been lost into a burgeoning pool of personal wealth. This pivotal shift from passive to active wealth management marked the beginning of their journey from financial survival to financial independence.

But their wealth accumulation began the moment they started Private Family Banking. And it began while they addressed one of their biggest “today demands,” their debt.

This is how you accumulate some of the wealth you’re already generating.

From that point on, they expanded their Private Family Banking platform using their liberated cash flow. Accumulating thousands more each month. And when they need cash for something, they’re their own bankers.

This is how YOU “bank” on your future.

Being Your Own Bank



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Remember, this is what's happening to your Lifetime Value:



The Payment Matrix is draining your Lifetime Value into these four buckets. At the end, you're hoping that the last bucket, your Retirement Bucket, will have gained enough interest on that 5-10% you've been dripping into it to replace as much of that big number in the graph as possible. The reality—for 92%—it falls frightfully short. Forcing them to either drastically reduce their standard of living during retirement or continue working until they die. Hoping you can follow the same path as that 92% and avoid the same consequences is a LOT of hope!

DON'T BANK ON HOPE BUT ON PRIVATE FAMILY BANKING

Let me share another truth with you. Hope is a horrible financial plan!

You need to transition “hope” into this!



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This is possible because Private Family Banking transcends the conventional, offering a specific strategy tailored to the unique contours of your life. Contrary to the standard whole life policies that many might

Relying on hope, you find yourself draining your Lifetime Value into those four financial 'buckets.' You wait, hoping against hope that the market will align with your future needs when it comes to your Retirement Bucket. But hope is not a strategy. Instead of this uncertain path, Private Family Banking offers a future where your finances are not just wished upon, but assuredly built on solid ground. offer, Private Family Banking is far from a one-size-fits-all solution. It's a precision instrument, meticulously crafted to serve your unique financial landscape, considering vital factors such as your age, available resources, and health status.

The goal? To tailor a policy that acts not just as a safety net, but as a robust financial fortress. This fortress is designed to protect and nurture your wealth, ensuring maximum cash value accumulation. Through this personalized strategy, your policy becomes a dynamic tool, actively



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safeguarding and enhancing your financial well-being and wealth accumulation. Wealth that accumulates, and is available for use, tax free. Consider that for a moment.

When it comes to growing your wealth, tax advantages are critical. Life insurance provides this critical wealth accumulation element. The only other way to grow your wealth in a tax-free environment is within the confines of a qualified plan like a 401(k) or IRA. Qualified plans like 401(k)s and IRAs have contribution caps that are easily exceeded one you're debt free.

Remember the Fortunados. They became debt free and that meant they had over \$3,100 a month, or \$37,200 a year to save for retirement. IRA contributions are capped at \$6,500 a year for folks under 50, and at \$7,500 a year for folks 50 and over. 401(k) plans allow for up to \$23,000 as of 2024 (\$30,500 if you're 50 or over). But there you're playing in the "shock market" and tying that cash up until age 59 and a half and placing your future at the mercy of the "shock market."

This is the advantage life insurance provides. When you comply with IRS rules for life insurance, as we'll explore in the pages ahead, your cash value can enjoy the tax benefits offered by life insurance contracts. We like to say that, with Private Family Banking, you go from "tax me now" ... to "tax me never."

As your wealth grows tax free, so does the cash value of YOUR Private Family Banking contract. The contract you can turn to for purchasing a car, helping junior with college, or taking a vacation. Cash that's NOT caged behind penalties until you're 59 and half years old.

These are purchases you'd use the bank down the street for, or one of those plastic parasites (a.k.a. credit cards). Either way, you'd wind up



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with a payment. Every loan payment you've made until now has lined the pockets of the banks you've been making payments to. All that interest, padding the profit portion of their profit and loss statement.

But when you borrow against the cash value of your Private Family Banking policy, your payments recycle the cash value in your policy. Each "loan" payment you make to your Private Family Banking policy rebuilds the equity in the contract's cash value. This is equity you can use again, over and over as much as you need. Meanwhile, the cash value collateralizing your loan is simultaneously generating interest and dividends for your future.

Remember when I said it's "who" you're making payments to that matters. THIS ... my friend ... is what I was talking about. And this is how you transform payments into prosperity. When the payments you're making are redirected back to you through the Private Family Banking platform, you're on your way!

And it all starts with making a decision, just like the Fortunados did.

Banking on your future is more than a chapter in your financial story; it's a declaration of independence, a commitment to taking control of your financial destiny. With the right strategy, your Private Family Banking policy becomes a powerful engine for wealth accumulation. An engine driving you towards a future where financial freedom isn't just a dream — it's your reality.

The time to act is now to ensure that the future you're banking on is one where you hold the reins. A future where you're steering towards prosperity and away from the precipice of financial uncertainty. So, let's look at where you can find tools so you can mine your acres of diamonds and build your Private Family Banking platform.



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FREE COURSE!

The best tools to discover how to bank on your future begins with getting a solid idea of what that would look like, numbers wise. That's exactly what *Your Prosperity Formula: Generating Your Transformation Plan* will show you!

This NEW course is free and available to you as my "Thank You" for picking up a copy of my book.

Visit transform.smallestwealth.com - or scan the QR code below to gain INSTANT ACCESS and start your transformation.





CHAPTER 7 - CHECKING ALL THE PRIVATE FAMILY BANKING BOXES

“Success is a science; if you have the right conditions, you get the result.”

~ OSCAR WILDE

By now, you’re nodding along, realizing that a high cash value, dividend paying, life insurance contract isn’t just a piece of paper—it’s the key to the payments to prosperity transformation. But here’s the kicker: not all insurance companies and policies are created equal. As the quote that kicks off this chapter says, “... if you have the right conditions, you get the result.” with those “right conditions” being the key to your transformation.

Those conditions mean everything for a whole life insurance policy to function as a Private Family Banking platform, as we’ve been exploring up to this point.

When John and I initially discovered this strategy, our exclusive focus was on teaching about how it worked. We even had a video our students could take to their life insurance agent so they could have their current agent put it together for them.

But our students kept coming back to us saying, “My agent had no idea what the video was talking about.”

While we understood the concept was not very common, the gravity of that lack of commonality escaped us. It wasn’t long before we realized that, in order to do this right, we’d have to do it ourselves. Something I was initially reluctant about.

You see, back in the mid-90s, I exited the life insurance industry and promised myself I’d never go back. My experience back then “selling” life insurance was up and down at best.



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So, when this opportunity surfaced again, decades later, I remember telling John, “You’re going to make me get a life insurance license again, aren’t you?”

I told him how I promised myself I’d never go back. But that’s a promise I’m really glad I broke. Because now we’re not “selling” life insurance. We’re staying true to our educational roots and simply teaching people, like you, how this strategy can transform their financial futures.

Flash forward to today. I’m licensed in dozens of states and help folks create highly efficient cash accumulation engines, a.k.a. Private Family Banking policies, all over the country.

So, let’s dive into the specifics we’ve taught thousands of others and make sure you’re starting off on the right foot, and that your Private Family Banking policy will accumulate cash value as efficiently as possible.

There are 3 categories your checklist must cover.

1. The type of life insurance company.
2. The type of contract.
3. How to spend your premium dollars.

1. The Type Of Life Insurance Company Needed Is A Mutual Life Insurance Company

There are two types of life insurance companies: those you can buy stock in, and those where you must purchase a policy to become a shareholder.

The latter are the “Mutual” Life Insurance companies—the ones you want in your corner for your banking policy.

Think of it this way: a company with both shareholders and policyholders is like juggling two spouses. One minute you’re pleasing



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the shareholders, the next you're tending to the policyholders. It's a balancing act that can leave both parties feeling neglected at times. But with a mutual company, it's like having a harmonious marriage—because guess what? The shareholders and policyholders are one and the same. Talk about marital bliss!

In a world where financial uncertainty can be a constant companion, mutual insurance companies stand out as safe harbors for savers. Their unique ownership structure, conservative investment strategies, robust regulatory oversight, and unwavering commitment to policyholders create an environment of unparalleled safety and reliability. By choosing to save with a mutual insurance company, individuals can enjoy the peace of mind that comes with knowing their money is in the hands of a stable, trustworthy institution.

According to [statista.com](https://www.statista.com), there are over 700 life insurance companies in the U.S., but only a select 109 of them are mutual. That narrows down your options, but we're not done yet. We've just checked the first Private Family Banking box for the type of company needed. But there's one more box to check for this category.

Next up: Financial Strength And History.

You want a company that's weathered storms and emerged stronger. After all, you're in this for the long haul, and you need a partner with a track record of making it through the good, the bad, and the ugly. There are companies that are over 100 years old and have made it through both World Wars and the Great Depression just for starters. I don't know about you... but that's the kind of security I'm looking for!

More recently, even in this century, we've had our share of chaos. The burst of the housing bubble in 2008 that had people freaking out because



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their mutual fund or stock portfolios were decimated. The pandemic and its associated economic chaos that sent the market into rollercoaster status. There are mutual companies that have performed during economic storms like these. That's the kind of track record you want.

Why? Because it's inevitable that similar economic uncertainty will occur in the future. You need assurance that your pile of cash will be as protected as possible for decades to come, particularly concerning dividend earnings, which is our next important consideration,

2. The Type Of Contract: Enter Dividends, The Participating Contract, And “Recognition”

Dividends paid by mutual life insurance companies are profit distributions paid to policyholders, reflecting the company's financial performance and conservative management. Participating contracts are policies that allow policyholders to share in the company's profits through dividends, which can be used to reduce premiums, increase cash value, or be taken as cash. This unique structure aligns the interests of the company with those of the policyholders, prioritizing their financial benefits and stability.

Every year, you get a slice of the company's profits delivered straight to your cash value via dividends. It's like having your cake and eating it too! With participating contracts, you're not just a policyholder; you're a profit-sharer.

Dividends are like turbochargers for your cash accumulation engine. While most contracts guarantee steady growth, it's the dividends that kick things into high gear, helping your wealth accumulate even faster. Each year, usually within about 30 days of the contract's anniversary date



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of a Private Family Banking contract, the dividend is added to the cash value and helps generate additional compound interest and future dividends. Dividends help snowball the growth of your cash value.

Participating contracts, complete with their turbocharged dividends, are the standard in the banking policy arena. Rare is the company that doesn't offer a contract without this powerful feature.

But wait, there's one more crucial aspect to consider—a last box to check for the type of contract that makes all the difference.

Direct Recognition vs. Non-Direct Recognition

In one corner, we have direct recognition policies—a buzzkill if there ever was one. Borrow money, and suddenly your dividends take a hit. If banking is the purpose of your policy, a direct recognition policy is flat out wrong.

With a direct recognition contract, when you execute the loan option (like when we used our banking policy to purchase a car or pay off debt), the cash value collateralizing the loan is “directly recognized” by the mutual life insurance company.

As a result, the dividends that would have otherwise been earned by those cash value dollars collateralizing the loan are either reduced or eliminated. This reduction in dividends is usually not illustrated during the decision-making process.

This means the numbers you based your decision on are no longer accurate, and your actual numbers will be less than you'd hoped... and essentially counting on.

I don't know about you, but to me, that seems like getting punished for using your own money. Using the cash while it's growing, then getting



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punished for doing so, makes as much sense as planting a garden and then being charged for picking the fruits.

Unless you want to be penalized for harvesting your garden, steer clear of direct recognition polices entirely.

In the other corner, we have non-direct recognition contracts—the unsung hero in the world of banking policies. When you use the cash value for the banking process within your policy, it doesn't affect your dividends at all. What does that mean? Simple. No crop failure! No unpleasant surprises! Just growth baby!

Borrowing money won't affect the dividend production at all because loans against your policies cash value aren't directly recognized. Hence the term, "non-direct recognition." The numbers you were counting on when you moved forward with the policy will still be on target, and your financial peace of mind remains untouched.

In Chapter 5 we walked through how the Fortunado family paid off their debt in nine years and three months. During that entire time, loans against the cash value of the contract are being used to pay off their debt. In a direct recognition contract, those outstanding loans would slow down the growth of the dividends that add to the policy's overall cash value and slow down the speed at which their debt elimination plan has the funds available for paying off their debt.

This is because the cash value being used to collateralize those loans wouldn't be generating as high, or any, dividend at all. And the dividends help fund the cash value growth being used to eliminate debt. While there's no proper way to estimate how much longer a direct recognition contract would take to eliminate debt, one thing's for sure: it would take longer. And with eliminating debt, the faster the better, obviously.



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A non-direct recognition contract means the cash value collateralizing loans has no impact whatsoever on the dividends earned and cash value growth. The result is the most expedient path to debt freedom.

Now that we got the type of company and contract you should be looking for out of the way, what about how to spend your premium dollars. How you spend your premium dollars is the most important aspect of a banking policy when you have the right company and contract to start.

3. Transforming How You Spend Your Premium Dollars: Your Key to a Prosperous Future

Unlocking the full potential of Private Family Banking hinges on one critical aspect: the strategic allocation of your premium dollars. It's not merely about paying a life insurance premium; it's about crafting an efficient cash accumulation engine.

Previously I mentioned that we used to send our students a video they could show their agent so their agent could build them a banking policy. It's here where our students' agents had no idea what we were talking about. And where we realized that to do this right, we'd have to do it ourselves.

We wanted to be sure that our students were achieving the goals we were teaching about, first and foremost.

There are 3 points to keep in mind as we talk about the wise use of your precious premium dollars.

Those 3 points are:



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- 1. IRS Compliance for Tax-Free Growth & Tax-Free Access:** The cornerstone of our strategy is aligning with IRS guidelines (commonly referred to as the MEC or 7-Pay Rule), to ensure your Private Family Banking policy enjoys the tax-free benefits it's entitled to. This is where we make the pivotal shift from "tax me now" to "tax me never." Life insurance has long been considered a tax-haven. And IRS compliance provides access to these tax advantages.
- 2. The Balanced Role of Death Benefits:** While our aim is designing a contract that maximizes cash value over death benefit, the death benefit still plays a crucial role in safeguarding your family's future and ensuring IRS compliance. And when it's needed, only once, and most likely decades into the future, your death benefit will be there even if you're not making premium payments. More on that in just a bit...
- 3. Beyond Rates of Return:** Instead of taking a paltry 5% to 10% and chasing those mythical double-digit rates of return, we're focusing on using each dollar for more than one thing at a time. We're building a reservoir of accessible, recyclable cash, prioritizing flexibility and stability, over chasing uncertain high returns in the. Remember, our "Acres of Diamonds" and the "Dual-Duty Dollar." The dollars inside the cash value of your Private Family Banking policy are hard at work, liberating the 30-plus percent of your income draining into the Debt Bucket (where your "Acres of Diamonds" can be mined), financing today's needs, while simultaneously working for your tomorrow reality via the Dual-Duty Dollar. Something those "double-digit" rates of return could never do.

Navigating IRS Compliance with Precision



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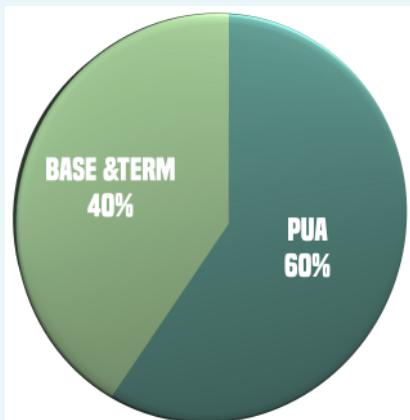
Remember, we're engineering a policy for maximum cash accumulation while complying with IRS rules, ensuring tax advantages like deferred growth and tax and penalty-free access. This is accomplished by allocating your premium dollars as follows:

- **Base Policy Contribution:** A portion of your premiums—roughly 30%—lays the foundation of your policy, like the crust of a pizza that supports the toppings. The base policy premium is the foundation from which we build your banking policy. You can't have a pizza without a crust, and you can't have a high cash value, dividend paying whole life policy without a base premium.
- **Term Life Insurance Death Benefit Rider Addition:** This is your policy pizza's first topping using up about 5-10% of your premium dollar. Building on the crust of the base policy death benefit, this is a cost-effective rider that boosts your policy's death benefit to meet IRS requirements inexpensively and paves the way for Paid-Up Additions (PUAs), the engine of cash value growth.
- **Paid-Up Additions (PUAs):** The ultimate topping to your policy pizza. PUAs are the secret sauce of your policy that supercharges cash accumulation, offering immediate and tangible cash value to your policy while gradually transforming the term or temporary death benefit into a lasting legacy. Paid-Up Additions fuel the answer to the question, "What will your policy do for you while you're alive?" This is because the vast majority of every PUA premium dollar goes directly into the cash value and a small percentage pays the fee for the "Paid Up Addition," a tiny chunk of permanent death benefit.

Here's how your policy pizza's premium dollars wind up being allocated.



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ALLOCATION OF PREMIUM DOLLARS

EMBRACING THE VALUE IN DEATH BENEFIT OF LIFE INSURANCE – THE PRIVATE FAMILY BANKING WAY

Death benefits, often misunderstood, are more than just a payout; they're a promise of protection and stability. In a well-structured Private Family Banking contract, your policy not only supports you in life but ensures a legacy via its whole life death benefit.

Unlike term life insurance, because a Private Family Banking policy is built on a whole life insurance contract, the death benefit is designed to be available throughout your "whole" life. If you stop making term insurance premium payments, the death benefit ceases to exist. And when your original term—10, 20, or 30 years—expires, premiums to renew for a new term of years, or one year at a time, will be staggeringly higher and continue to increase as you get older.

By structuring your Private Family Banking contract properly, your death benefit will eventually be available without premium payments at



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an age when term life insurance would likely be unaffordable. This is because we frontload the policy with so much cash value that, when you're older, the cash value grows fast enough to provide retirement income and cover the costs of the death benefit.

In fact, with term insurance (if you keep it beyond the initial term) premiums increase over time but the death benefit stays the same. With Private Family Banking, your premiums would stay the same for a period of years, then go down for a number of years, and then stop altogether. It's called "Paid Up." However, even after you stop paying premiums, your cash value and death benefit continue to grow. Let that sink in...

RETHINKING RATES OF RETURN

Chasing after elusive double-digit returns can be a wild goose chase (remember the Dalbar, Inc. data). Instead, we focus on creating a solid, dependable cash reserve that serves multiple purposes—paying off debt, funding life's milestones, and providing a stable retirement income. Private Family Banking isn't just about saving; it's about optimizing every dollar for a prosperous future because you can use the cash value for today while it's growing for tomorrow.

By adopting this nuanced approach to spending your premium dollars as outlined above, you're not merely saving in life insurance. You're saving in a versatile, powerful financial tool that promises both near-immediate utility and long-term growth. All while steering clear from the rate of return rat race and ensuring a stable platform for your finances.

Summarizing Your Private Family Banking Policy Checklist

While that may seem like a lot to absorb, it's crucial that you grasp these key ingredients in the recipe for structuring a highly efficient cash



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accumulation engine. Because this is how you build a Private Family Banking contract.

But, to keep it simple, here's your Private Family Banking policy bullet point list:

- Mutual Insurance Company: Where unity breeds strength.
- At least 100 Years Strong: Because longevity speaks volumes.
- Financially Solvent: No cracks in the armor allowed.
- Participating Policies: Where everyone shares in the profits.
- Non-Direct Recognition Only: Being punished for using your own money is just plain wrong.
- Ensure your premium dollars are being spent optimally: Build a contract that answers the question, “What will this policy do for me while I’m alive?”

Find a mutual life insurance company that offers a contract that checks all these boxes, and you’re not just buying a policy—you’re triggering a savings revolution and escaping the Payment Matrix by transforming payments that once lined the pockets of the banks, to payments that create prosperity for you and your loved ones. It’s time to unlock the door to financial freedom and, like Morpheus encouraged Neo, to walk through it.

CHAPTER 8 - GETTING MORE BANK FOR YOUR BUCK

“Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously.”

~ 2 CORINTHIANS 9:6

This is, perhaps, the chapter you've been waiting for. Until now, we've covered a lot of “theory” about the whys and hows regarding transforming payments into prosperity using the Private Family Banking platform. I tell my students and clients that there are two stages to the transformation process: the general education stage and the specific education stage.

The general education stage is what you're experiencing now. The stage where you're learning—generally speaking—the concepts and theories, how the strategy works, and why. This stage is like learning how a diet plan works, as well as how it's performed for others. While this stage can be enlightening, encouraging, and compelling, it's still merely concept and theory.

The specific education stage is, to me, the most important stage of all. It's where you discover specifically what Private Family Banking can do for you personally, and how it can help you with your unique payments to prosperity transformation. I mean, while what it's done for others is encouraging and helpful, what matters most to you is what your specific results can be.

This stage requires a more interactive and dynamic approach, one that this environment can't really satisfy. In the specific education stage, your unique numbers are analyzed to illustrate the results you should be able to expect—something not possible when you're reading words on a page.



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However, in this chapter, we'll walk through the Fortunado numbers experience so you can be introduced to what we call a "Numbers Consultation" and how it works. While your numbers will clearly be different and unique to you, follow along and you'll get the idea.

Transforming Headwinds into Tailwinds

Just as an aircraft must battle against headwinds to reach its destination, your financial journey is often impeded by the gusty headwinds of debt. Imagine you're piloting a plane across the country. When you face headwinds, they push against your forward motion, demanding more power from the engines and burning extra fuel just to maintain speed. This not only prolongs the flight time but also increases the effort and resources needed to arrive at your intended destination.

In the world of personal finance, debt embodies a relentless headwind. It forces you to spend additional resources—in this case, your hard-earned cash—on interest payments, which do nothing to propel you forward towards your financial goals. Instead, they drain your wealth, requiring you to work harder and longer to achieve financial stability and independence.

For the Fortunados, their headwind is strong, and sadly, all too common. This is illustrated by the first step in their debt payoff plan by looking at their debt profile from a different perspective.





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What you see in the above image is their financial headwind: an analysis of how much of their monthly payments are lost to interest. While the interest rates they're being charged range between 6.75% for their mortgage up to 23% for their Bank of America card, the graph on the right reveals the volume of interest dollars they're actually paying during the current month.

Out of their \$3,133 in total monthly payments, only \$1,458 goes towards reducing the principal amount of their debt. The remaining \$1,676 is spent on interest alone. This means over 53% of their payments are lost to interest each month. That is a massive financial headwind!

When I show folks how much interest, in dollars, they're actually paying each month, it's a rather shocking experience for them. This is why I say, "Just because you can make your payments doesn't mean you can afford them." Because who can afford to pay up to 50% or more in interest every month?

The difference between the interest rate you're being charged and the actual volume of interest dollars you're paying is what fuels that statement. Each month, your payments are calculated based on a number of factors. When you make the minimum payments, you pay the maximum amount of interest. This is also why budgeting can put you on a collision course with becoming a 92-percenter, because you "think" making the payments will satisfy your financial goals. But, in reality, the only goal it satisfies is that of the Payment Matrix, which is to siphon as much of your Lifetime Value into the banks' pockets as possible.

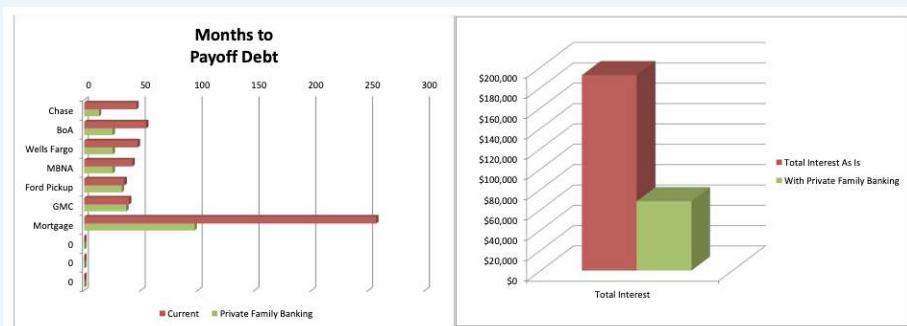
The way to circumvent this insidious plan is to redirect the \$600 the Fortunados have available towards liberating the \$3,133 being sucked into the Payment Matrix each month instead of chasing after rates of



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return in some traditional retirement plan—rates of return that will never exceed the volume of interest dollars being lost every month. If the Fortunados take their \$600 a month and put it towards some kind of traditional retirement plan, it would mean making minimum payments would continue, along with paying the maximum interest, and never escaping the debt cycle the Payment Matrix has trapped them in.

However, directing that \$600 a month towards the Private Family Banking platform has this impact on the Fortunado's debt:



Notice how much shorter the green bars are compared to the red bars. It's important to remember that they become completely debt-free in just 9 years and 3 months, instead of over 21 years. This accelerates their financial freedom by more than a decade and liberates the \$3,133 a month they were previously spending on debt payments.

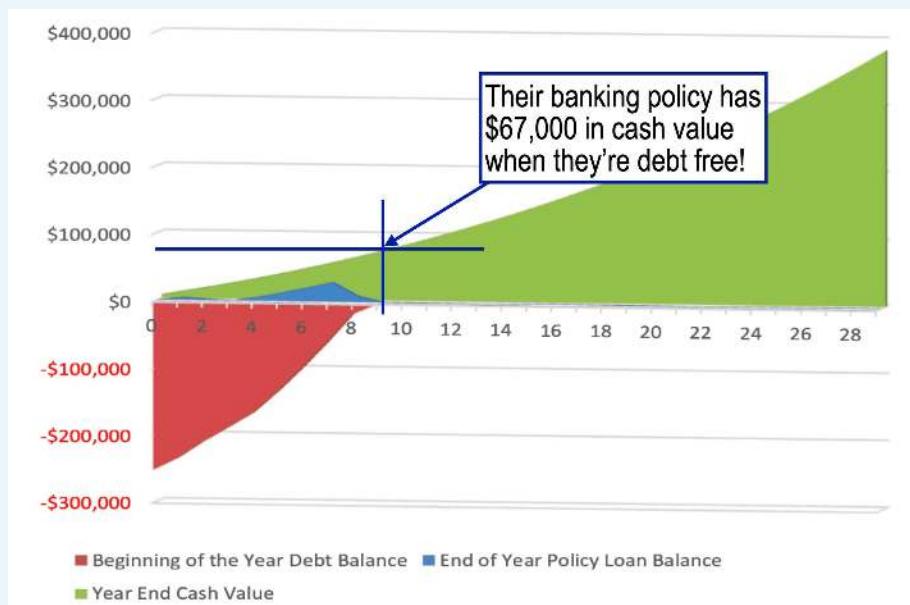
Take a moment and do some mental math and come up with how much of your hard-earned cash is lost to monthly debt payments right now, and the reality that up to 50% or more of those payments is interest. Then, picture your what your life would be like if you could rescue all that cash you're wasting on monthly debt payments—just like the Fortunados did with their \$3,133. Imagine the freedom, the possibilities, and the relief from financial stress.



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Short-circuiting their debt not only liberates over \$37,000 in NET income (the equivalent of over \$48,000 in gross income given a 22% federal tax bracket), but also takes over \$120,000 of interest payments out of their creditors pockets and puts it back into theirs where it belongs. And by choosing the Private Family Banking way over the Debt Snowball Method, they were able to pay off their debt while simultaneously building a pile of tax-free cash totaling over \$67,000 when they become debt free.

This is what their overall Private Family Banking debt elimination/tax-free wealth building plan looks like:





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There are three peaks to this graph: The red peak represents the Fortunado's debt, the blue peak represents the policy loans used to accelerate debt elimination, and the green peak represents the cash value in their Private Family Banking policy over time. We call the cash value peak the "Wealth Curve." The Wealth Curve, which is only available via Private Family Banking, is what makes all the difference.

THE WEALTH CURVE

The Wealth Curve is generated by your blood, sweat, and years of income generation. When you eliminate debt with the Snowball Method, your Wealth Curve doesn't start growing until you've become debt free, which is years later. That's because your income generation is directed towards your creditors first because that method can only use your precious dollars for one thing at a time. Private Family Banking, on the other hand, uses your precious dollars for more than one thing at time, debt elimination and wealth building, simultaneously.

Notice how the Wealth Curve grows immediately when they execute their Private Family Banking debt elimination plan, and continuously grows from left to right, regardless of how the Fortunados are using the cash in their cash value. The loans used to accelerate debt elimination (the blue peak) do nothing to slow or hinder the growth of their Wealth Curve. The red peak disappears by the end of year 8, and the blue peak disappears in the third month of year nine. It's at that point their cash value is over \$67,000. This is how you transform headwinds into tailwinds.

DECIMATING THE DRAWBACKS



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This is what I mean when I say you can pay off all your debt and build tax-free wealth, with the same dollars, at the same time. Private Family Banking immediately begins accumulating cash like the efficient cash accumulation engine it's designed to be. Then, the cash value collateralizes loans to gradually pay off the Fortunado's debt (more details coming up). Meanwhile, because their policy is structured as we outlined previously, the growth of the cash value isn't stunted while it's being used to facilitate complete debt elimination.

Remember the first drawback of the Snowball Method of debt elimination mentioned in Chapter 3, “Putting wealth building on hold and losing all those debt elimination dollars forever?” The dual-duty dollar made available by Private Family Banking decimates this drawback completely.

Then there's the second drawback of the Snowball Method of debt elimination, “The blur of monthly commitments.” Let's see how using their Private Family Banking policy helps the Fortunados overcome having another bullet to dodge every month.

Year	Savings Applied to Policy	Policy Loan Applied to Debt	Recaptured Cash Flow	Institution You Own	Chase 20.53%	BaO 23%	Wells Fargo 21.5%	MBNA 18%	Ford Pickup 8%	GMC 8%	Mortgage 6.75%				Totals
				Debt Balance	\$3,956	\$4,272	\$5,104	\$6,888	\$15,105	\$15,583	\$200,108				\$251,084
				Monthly Payment	\$133	\$134	\$171	\$237	\$498	\$465	\$1,495				\$3,133

Months													Totals		
1	\$3,891	\$4,219	\$5,024	\$6,854	\$14,708	\$15,202	\$199,739								\$249,636
2	\$3,825	\$4,116	\$4,943	\$6,720	\$14,308	\$14,638	\$199,367								\$248,166
3	\$3,758	\$4,111	\$4,860	\$6,584	\$13,905	\$14,472	\$198,994								\$248,683
4	\$3,689	\$4,056	\$4,776	\$6,446	\$13,508	\$14,103	\$198,618								\$245,187
5	\$3,619	\$3,959	\$4,690	\$5,305	\$13,092	\$13,733	\$198,240								\$243,678
6	\$3,549	\$3,841	\$4,603	\$5,151	\$12,681	\$13,359	\$197,860								\$242,260
7	\$3,477	\$3,683	\$4,514	\$5,079	\$12,265	\$13,001	\$197,476								\$240,821
8	\$3,403	\$3,523	\$4,423	\$5,072	\$11,851	\$12,665	\$197,094								\$239,071
9	\$3,329	\$3,761	\$4,331	\$5,723	\$11,432	\$12,224	\$196,708								\$237,500
10	\$3,253	\$3,699	\$4,237	\$5,572	\$11,011	\$11,840	\$196,319								\$235,923
11	\$3,178	\$3,636	\$4,142	\$5,419	\$10,586	\$11,454	\$195,928								\$234,341
12	\$3,098	\$3,571	\$4,045	\$5,263	\$10,155	\$11,068	\$195,536								\$232,736
					\$3,088	\$1,851									
1		\$4,949													
					1 -PAID OFF-	\$1,018	\$3,946	\$5,105	\$9,728	\$10,674	\$195,140				\$226,213
					2	\$1,015	\$3,845	\$4,945	\$9,295	\$10,280	\$194,742				\$224,624
					3	\$4,654	\$2,340	\$2,741	\$6,624	\$6,624	\$194,322				\$214,324



TRANSFORMING PAYMENTS INTO PROSPERITY

The above image is what their debt elimination plan looks like in the beginning. Note the columns at the top from left to right. On the left you see the year of the plan, “Savings Applied to Policy,” Policy Loan Applied to Debt,” and “Recaptured Cash Flow.” As you continue to the right you see the list of their accounts with their associated interest rates, balances, and required monthly payments.

The “Savings Applied to Policy” is the \$600 premium payment that was designed for efficient cash accumulation, as discussed in the previous chapter. The “Policy Loan Applied to Debt” represents when a loan is executed for debt elimination, and “Recaptured Cash Flow” represents the amount of monthly cash flow “recaptured” when their debts are paid off. The recaptured amount equals the monthly payment for the debt that has been eliminated.

One difference between the Snowball Method of debt elimination, and using Private Family Banking to become debt free, is where the recaptured cash flow is snowballing. There is no difference in the monthly cash flow commitment, as the Fortunados must make the monthly required payments to their creditors regardless of the strategy. That total is the \$3,133 a month listed in the “Totals” column on the far right.

Then, there’s the extra \$600 they’re committing to the plan, which brings the monthly total to \$3,733. Throughout the plan, the total of \$3,733 doesn’t change, it’s just redirected when debts are eliminated, and everything happens internally within the \$3,733 a month debt elimination ecosystem. What “snowballs” is the “Recaptured Cash Flow” column, repaying loans used to eliminate debts instead of snowballing directly to your creditors.



TRANSFORMING PAYMENTS INTO PROSPERITY

You'll notice in the image that the Fortunados started their plan, let the plan "cook" for 12 months, then they went online and triggered a loan against their cash value to pay off or reduce the principal of their outstanding debts. They didn't have to manage where the \$600 was going every single month, as the Snowball method would require.

At the end of the first 12 months, they trigger the loan process, and when the cash shows up in their account (usually within about 3 days give or take), they pay off, or pay down, the principal on the next debts in line. When debts have been completely paid off, you simply redirect the payment for any/all eliminated debts back to the loan you executed from your policy and forget about it for another 12 months.

In the above image, you see in the “Policy Loan Applied to Debt” column at the end of year 1 the Fortunados take a loan of \$4,949 from the policy, use \$3,098 to pay off their Chase account, and apply the remaining \$1,851 towards the balance of their Bank of America account. The \$133 that was going to Chase now goes towards repaying their policy loan, and then they get on with their lives.

After another 12 months, they review their plan and take the following actions:

	\$600	\$133	11	\$491	\$2,854	\$3,390	\$5,265	\$6,616	\$191,065	\$209,680
	\$600	\$133	12	\$366	\$2,734	\$3,204	\$4,802	\$5,195	\$190,645	\$207,944
2		\$7,198		\$366	\$2,734	\$3,204	\$895			
	\$600	\$675	1	-PAID OFF-	-PAID OFF-	-PAID OFF-	\$3,435	\$5,771	\$190,222	\$199,428
	\$600	\$675	2				\$2,960	\$5,344	\$189,797	\$198,101

At the end of the second year of their policy, they can borrow more because the cash value in their account hasn't stopped growing. They borrow \$7,198, pay off the next 3 debts, take a chunk out of their fourth debt, and can now redirect their "Recaptured Cash Flow" (now \$675) towards the loans against their policy.



TRANSFORMING PAYMENTS INTO PROSPERITY

At the end of year 3, they're able to borrow \$15,614 to pay off the last of their consumer debt and pay off a \$14,695 chunk of their mortgage. Doing this recaptures \$1,638 in monthly cash flow which is now redirected towards the loans from their policy. The remainder of their Private Family Banking debt elimination plan looks like this:

At the end of each year, notice how the available loan amount continues to grow because, even though they're using the cash value to collateralize loans to accelerate the elimination of all their debt, dividends and interest keep compounding. In year 8, everything, including their mortgage, is completely paid off. When that milestone is achieved, they've recaptured the entire \$3,133 a month in cash flow that was being lost to debt payments and redirect that total towards repaying loans from their policy, which is accomplished in month 3 of year 9.



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When you review the process we just outlined, did you notice how many times the Fortunados had to adjust their plan after it was started? Once per year, not per month: or a total of 8 times. Doesn't that seem much more convenient than having to manage the process 96 times (once a month for 8 years)? This is a case of less being much, much more.

Then, there's the third drawback to the Snowball Method of debt elimination, the question regarding, "Where do you put all that money and the reality of timing risk?"

When the Fortunados are debt free, they have \$3,133 a month in recaptured monthly cash flow. It's important to remember that if they chose traditional methods of retirement planning, such as funneling that \$600 into some combination of 401(k) and IRA, they'd still have those monthly debt payments. And perhaps even more, because they'd still be buying into what the Payment Matrix is selling, which is ongoing payments, payments, payments. But let's just consider they're continuing to use debt and credit prudently and that \$3,133 in monthly debt payments is what they move forward with.

Meaning, after 9 years and 3 months into their traditional retirement planning strategy, they're paying \$600 towards traditional retirement vehicles, and are still paying around the same \$3,133 a month for debt payments.

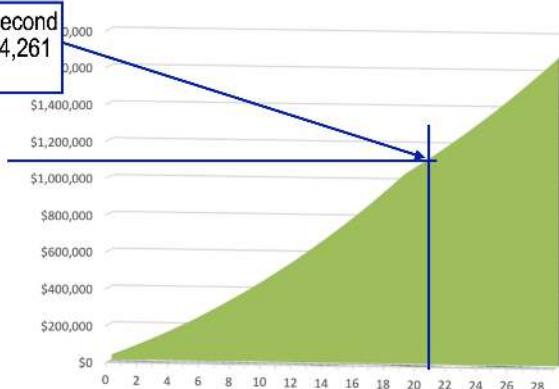
Contrast that to their Private Family Banking debt elimination strategy. In that same 9 years and 3 months, they've liberated \$3,133 in monthly cash flow and have over \$67,000 in tax-free wealth. Now they can double down on Private Family Banking with the \$3,100 a month going towards another policy designed the same way as the first one.

Which leads to THIS impressive wealth curve!



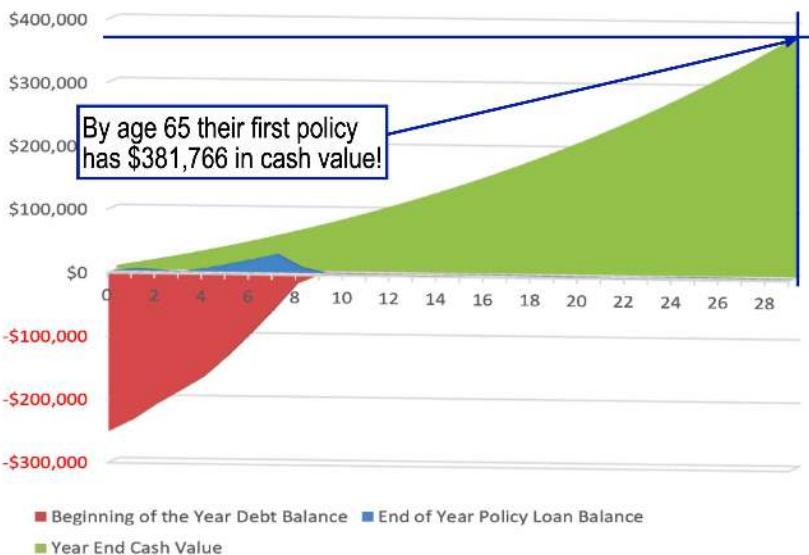
TRANSFORMING PAYMENTS INTO PROSPERITY

By age 65, their second policy has \$1,084,261 in cash value!



The \$3,100 a month that used to line the pockets of their creditors is redirected into another Private Family Banking Policy, and, they have \$1,084,261 in cash value in their second policy by age 65.

But their first contract has also continued working for them, and its Wealth Curve never stopped growing. By age 65, it has \$381,766 in cash value accumulated!





TRANSFORMING PAYMENTS INTO PROSPERITY

This is where that grand total of \$1,466,027 in tax-free retirement wealth comes from: a combination of the cash value from both policies by age 65.

This is quite a pot of gold at the end of their Lifetime Value Rainbow. It's from this combined cash value where they can generate \$80,000 a year in tax-free income for 25 years mentioned earlier. AND... don't forget, because Private Family Banking is built on the foundation of a life insurance contract, they have a total death benefit of \$725,136 at age 65 in addition to their pot of gold at the end of their Lifetime Value rainbow.

FUNDING TODAY'S NEEDS WHILE BUILDING FOR TOMORROW'S REALITY

During their journey towards retirement, they'll still have to address their "today's needs." When they need a new set of wheels, remember the Private Family Banking Car Buying Revolution from Chapter 5. Instead of financing at the dealership and paying them interest, or paying cash and losing out on the opportunity to generate interest on the funds used to collateralize their new car from their policy, those green peaks in the Fortunado wealth curve become their own Private Family Banking funding source.

When vacation time comes, same thing. Instead of whipping out one of those plastic parasites, it's Private Family Banking to the rescue as their funding source for their Caribbean adventure. An adventure that not only provides the much deserved and needed break, but also a little profit via their dual-duty dollars.

These otherwise Lifetime Value draining needs are transformed into opportunities where they can generate a profit on the loans used to finance life's needs in the present, while those same dollars are working hard for their tomorrow reality!



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Imagine if, instead of lining the banks' pockets, all that green—the symbol of your financial energy and labor—could be working for you, growing in your Private Family Banking platform. It's a shift in perspective that can transform how you view every dollar you earn and spend.

This isn't just about saving money; it's about redirecting the flow of your wealth from the banks' vaults into your pocket. By adopting Private Family Banking, you reclaim control over your financial destiny, ensuring that your hard-earned money is building your future, not feeding the Payment Matrix.

PRIVATE FAMILY BANKING AS YOUR GOLDEN KEY TO COLLEGE FUNDING

Imagine a world where saving for a college education also provides savings for your retirement. This world exists, and it's accessible through the Private Family Banking door, a financial chameleon that blends into the background when the Free Application for Federal Student Aid (FAFSA) scans the horizon for assets, ensuring junior's eligibility for maximum aid remains unhindered.

THE FAFSA FOG AND THE LURE OF THE 529 PLAN MIRAGE

The journey through the maze of college funding often starts with completing the aforementioned FAFSA. However, this journey isn't without its perils. Traditional treasure chests like 529 plans, while shining with promise, may cast a long shadow on the Student Aid Index (SAI), potentially reducing the gold coins of aid available for junior.

I've navigated these treacherous waters myself, discovering too late that the 529's glittering coins couldn't be used for every expense. When my son needed to fly home, the 529 plan stood firm: "Not with my gold!" A costly lesson that traditional paths often come with chains.



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But what if I told you there's a treasure map that leads to a chest unrestricted by the FAFSA's gaze? Private Family Banking, with its high cash value, dividend paying whole life insurance policy, is that map.

Here's why this path is lined with gold:

- 1. Invisible Wealth:** The cash value of your policy remains a ghost to the FAFSA, ensuring junior's SAI remains untouched, allowing for maximum aid.
- 2. Freedom to Spend:** Whether it's for books, a flight home, or even a cap and gown, the funds from your Private Family Banking policy ask no questions. They serve at your command, no strings attached.
- 3. A Safety Net in the Storm:** In the face of life's uncertainties, if tragedy strikes, the death benefit of the policy ensures that the college funding quest is not only continued but completed.

THE MAGIC OF RECYCLED WEALTH

But here's where the tale takes a turn towards the legendary: the ability to recycle wealth. Consider a scenario where junior borrows \$80,000 for college, not from a bank with iron-clad claws, but from your Private Family Banking policy. With the same dedication to repayment, not only does this act water the seeds of future prosperity, but it also turns a potential \$46,720 in interest into a blossoming garden of over \$200,000 in cash value. A legacy that isn't just left but lived, generation after generation.

With Private Family Banking as your college funding plan, you're not just saving for college; you're crafting a legacy of wisdom and wealth. This is about more than just education; it's about empowerment, ensur-



ing that when junior looks back, they see not a trail of debt but a legacy of prosperity.

BUILD THE BUSINESS OF YOUR DREAMS

Whether you want to build a real estate empire, hone your skills in options or bitcoin, or pursue the opportunity to transform your passion into a profit, Private Family Banking is the ideal platform from which to grow.

Maybe you want to flip a house so you can turn a juicy profit. But you need some cash to make it happen. You can go to the bank down the street and kiss the ring of the loan officer, hoping to get a bridge loan. And then you can pray that you can turn that profit before any payments need to be made.

Or you can access your Private Family Banking platform and, with a few clicks and get the cash you need to start the flipping. If it takes a little longer than expected for profits to emerge, no biggie. Your Private Family Banking policy won't hunt you down for payments.... ever. More details on the loan process will be provided in the coming pages. For now, all you'd need to do is what you would normally do... bust your butt to get the house ready to flip. When you do, pay back your policy loan, and pocket the profit. Done deal.

Or maybe you have a hot tip on a stock or a NFT that you know is going to pay off. Get clicking with your Private Family Banking platform, get the cash, and execute the trade. Once again, if the expected profits take longer than you'd hoped, you're covered. When the profits hit, pay back the loan from your Private Family Banking policy and once again, profits in the pocket.



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Transforming your passion into a profit has the same rules. Access the cash without the banker bootlicking, use the cash to fuel your passion ... and pay it back when the profits allow. This is how every transaction with Private Family Banking works.

For all of the aforementioned possibilities, the dollars collateralizing loans for college funding, or your entrepreneurship never stop earning interest and dividends for your future. This is why Private Family Banking is so powerful.

THE PATH FORWARD

As we've explored the tangible benefits and transformative potential of Private Family Banking, it's clear that this strategy isn't just about transforming your money; it's about transforming your life. The banks have long capitalized on your financial activities, but you're now equipped to reclaim control and direct those benefits where they belong ... to you and your loved ones.

PREPARING FOR MYTHS AND REALITIES

While the allure of high cash value, dividend paying whole life insurance banking policies is undeniable, the landscape is riddled with misconceptions and marketing spin. Some suggest loans can be ignored, others promise unrealistic returns. As we transition to the next chapter, we'll navigate these murky waters together, separating fact from fiction and empowering you with the truth.



TRANSFORMING PAYMENTS INTO PROSPERITY

CHAPTER 9: DEMYSTIFYING BANKING POLICIES - THE MYTHS AND REALITIES

Repetition does not transform a lie into a truth.

~ FRANKLIN D. ROOSEVELT

Over a decade ago, I began exploring the concept of using a high cash value, dividend paying whole life insurance policy as a personal banking system. At that time, numerous claims were circulating about their advantages and benefits—claims that my “numbers brain” initially found hard to swallow.

In this chapter, we’re diving into a critical exploration of the various claims surrounding banking policies—claims that often tread the fine line between myth and reality. Our goal is to peel back the layers of these assertions, presenting you with the unvarnished truths. This endeavor isn’t just about debunking myths; it’s a commitment to providing you with a comprehensive understanding of the concept.

Armed with this knowledge, you’ll be in a stronger position to navigate the complex landscape of personal finance. It’s about ensuring that you are not just familiar with these ideas, but truly knowledgeable, enabling you to make informed decisions that align with your financial goals and aspirations. Understanding the distinction between myth and reality can significantly impact your financial strategy and outcomes.

Myth #1: The Rothschilds vs. The Vanderbilts – A Tale of Banking Policies

One oft-told tale in the world of banking policies pits the financial strategies of the Rothschilds against the Vanderbilts. Suggesting that the former’s enduring wealth is attributed to their use of banking similar to



what we call banking policies today. These narrative paints a picture of secret financial instruments as the cornerstone of generational wealth, and somewhat infer the Rothschilds used high cash value, dividend paying whole life policies to amass their fortune.

Reality: Banking Policies Are Different From Actual Banks

The truth is, the Rothschilds built their empire through actual banking—owning and operating banks, lending, and investing across nations and industries. This form of wealth accumulation involves a scale and scope far beyond what personal banking policies can offer. However, for the average family, starting an actual bank is an implausible venture, fraught with complexities and financial demands that are simply unattainable.

This is where the concept of Private Family Banking shines. While it may not turn your family into the next Rothschilds, it offers a realistic, powerful tool for financial growth and security. It's about setting realistic expectations—understanding that while we cannot mimic the banking operations of a centuries-old dynasty, we can employ strategies within our grasp to build solid, lasting wealth.

Myth #2: Pay Off High-Interest Debt with Policy Loans at the Same Rate

One frequently heard pitch within the narrative of banking policies paints an intriguing picture. It suggests the possibility of borrowing against your policy to pay off high-interest debts, such as credit cards. The twist? You're advised to repay this policy loan at the same elevated interest rate you were initially trying to escape. This, they claim, leads to financial benefits such as earning rates of return equal to those same elevated interest rates. The concept is captivating, promising a savvy



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financial maneuver that turns the tables on conventional debt management.

Reality: You Can't Transform The Policies Built-In Rates Into Interest Rates Equal To Those Of The Debts You Pay Off

The reality is more nuanced. Borrowing from your policy to pay off high-interest debt is a smart move. But the advantage lies in the flexibility and control over repayment terms, not in replicating high-interest rates earned within your policy. Using a low-rate, simple interest loan to replace a high-rate, revolving interest loan has a significant impact on the loans outcome such as accelerated payoff and significant interest savings.

While replacing a high interest rate with a low interest rate provides obvious advantages, the simple interest versus revolving interest is equally beneficial.

Credit cards are revolving interest loans and have balances that can change from month to month, resulting in a dynamic minimum monthly payment. Revolving interest loans create a situation where making minimum payments only can lead to those payments lasting for decades.

Loans from your policy are simple interest instead of revolving interest, and at rates that are typically much lower. Consider this comparison of a \$2,000 balance on a credit card versus a \$2,000 balance against a banking policy, paying just the minimum payment.





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The minimum payment on a \$2,000 credit card balance at 18% is \$60. Making just minimum payments on that credit card, it would take 166 months to pay off. That's 13 years and 10 months. During that time, you would pay \$1,797.94 in interest.

Making a \$60 monthly payment on a simple interest loan of \$2,000 at 5%, like the loan from your banking policy, would take just 36 months or 3 years to pay off. During that time, you pay only \$157.29 in interest. You would pay off the loan 10 years and 10 months sooner and save 1,640.64 in interest.

Type of Debt	Balance	Interest Rate	Months To Payoff	Total Paid	Total Interest Paid
Credit Card	\$ 2,000.00	18%	139	\$ 3,797.94	\$ 1,698.27
Private Family Bank	\$ 2,000.00	5%	36	\$ 2,127.29	\$ 157.29

While you are generating those internal rates of return as we explored earlier using Ben Franklin's "a penny saved is a penny earned" philosophy, you're not magically transforming your policies built-in returns on cash value into those you're being charged on the debts you're paying off.

Think of it this way. If you started a policy and never took out a loan, it would project a certain amount of cash value by a certain date. Take the Fortunado example from a previous chapter.

They took out loans against their policy to eliminate debt. If you recall, there were a few high-interest rate credit cards in their debt portfolio. The cash value of the policy on their debt freedom date would have been the same if they never took out a policy loan, because theirs is a non-direct recognition contract. Remember, with a non-direct recognition contract, policy loans have no effect on dividend growth.



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The real advantage of paying off high-interest credit cards using a Private Family Banking policy is the significant interest savings and accelerated liberation of your monthly cash flow.

Myth #3: Loans From Your Policy Don't Need to Be Repaid

It's sometimes suggested that you can borrow against your policy without ever repaying those loans. While ignoring loans from a banking policy is an option and may sound appealing, doing so is not without consequence.

Reality: It's Important To Manage Policy Loans Aggressively

While policy loans offer flexibility, managing them wisely is crucial to maintaining the health and longevity of your Private Family Banking Platform. While you can skip or reduce loan payments without penalty or seeking permission, unmanaged borrowing can lead to a policy lapse, especially if the loan interest accumulates and eats into the cash value. Responsible borrowing and crafting a solid repayment plan are non-negotiable pillars of financial wisdom. As you edge closer to retirement, this becomes even more critical.

You'll likely lean on your policy to supplement your income during those golden years. It's crucial, then, to ensure your policy stays healthy and ready to fulfill its purpose. By making every effort to pay back policy loans, you safeguard not just your financial stability, but also the longevity of your wealth strategy.

Myth #4: Build for 7 Years and Stop, Then Bank On It

A prevalent myth proposes that after building your policy for just 7 years, you can stop funding it and simply use it as a banking system indefinitely, as opposed to building it over a longer period of time.



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Reality: You Never Regret Saving More

Ending contributions after a short period undermines the compounding growth potential of your policy, and significantly limits your ability to replace as much of your Lifetime Value as possible. A more effective approach, as outlined in this book, advocates for a long-term perspective. Making ongoing premium payments to your policy does more than just boost its cash value and death benefit. It's akin to laying down a sturdy financial bedrock beneath your feet. Over time, this solid foundation doesn't just grow in strength—it expands your horizons. It opens up a world where banking opportunities become not only more substantial but also more adaptable to your needs.

During the decades I've served folks, I've heard quite a few complaints about things like how credit card and mortgage companies hide the truth about interest, and about how come personal finance education like ours isn't taught in schools, and on and on.

Yet, the one complaint I've never heard, not once, is, "You know what I really regret, Tony? I regret saving all this money. If only I could go back in time and spend it all so I could be broke today, I'd feel so much better."

Nope... no one ever complains about saving too much. The contrary, however, is perhaps the biggest regret.

The question here is, would you rather bank on your entire financial future, or just the next seven years of it? Remember, there will come a time when working will become less and less optional. It's at that time you'll be happy you saved as much as you could, instead of saving the bare minimum.

Myth #5: Banking Policies Are A Get-Rich-Quick Scheme



TRANSFORMING PAYMENTS INTO PROSPERITY

Many people misconstrue the allure of banking policies as a shortcut to wealth, leading them to believe it is a financial panacea promising rapid riches.

Reality: While Private Family Banking Offers Near-Short-Term Advantages, It's A Long-Term Strategy

It's the race between the tortoise and the hare. And we all know who won that race.

A true banking policy is far from a get-rich-quick scheme. They demand discipline, patience, and a strategic, long-term commitment. Consistent premium payments and prudent financial management achieve success in this realm, embodying the adage that wealth is not an event, but a process.

Myth #6: Banking Policies Guarantee High Returns

This myth paints banking policies as a high-return investment, comparable to or surpassing traditional investment vehicles.

Reality: Banking Policies Offer Modest Stable And Secure Growth As Well As Building A Reservoir Of Recyclable Cash

While Private Family Banking policies offer many advantages, including tax benefits and financial control, it's designed for stability and security rather than high-risk, high-return investments. The growth of your cash value is steady and reliable, providing a safe harbor for your wealth, rather than speculative gains.

Additionally, a banking policy's greatest advantage is the ability to use the cash for more than one thing at a time. Remember the "Dual-Duty-



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Dollar.” Private Family Banking allows you to do more than one thing with each dollar simultaneously, like satisfying today’s needs while building for tomorrow’s reality.

The most common financial mistake we see is that folks are consuming most of tomorrow’s money today via debt, and their Lifetime Value is being drained away by the Payment Matrix. Because of those deceptively low rates and “affordable” payments being waved around by the banks. The result is that when tomorrow comes, people are broke, like the 92% mentioned throughout these pages.

To achieve a successful financial future, you need to transition to using today’s money for tomorrow. This is what Private Family Banking helps you do. The ability to tap into this reservoir of cash for your immediate needs today—perhaps to cover an unexpected expense, buy a car, or to invest in an opportunity. At the same time, this very pile of cash continues to work diligently, growing and securing your financial future for tomorrow.

But that’s not all. It also plays a crucial role in safeguarding your family’s well-being right now, because of the death benefit portion of the high cash value, dividend paying whole life insurance contract. This unique combination delivers the best of all financial worlds directly to your doorstep. And it does so with no need for you to pursue the elusive and often risky high rates of return. You’re achieving financial harmony, blending the ability to satisfy present needs with future security and family protection, all from a single, strategic financial instrument.

Myth #7: You Can Use Your Policy Like a Personal ATM

The notion that the funds in your banking policy are as liquid as funds from a checking account is inaccurate.



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Reality: Private Family Banking Funds Are Easily Accessible But Require Some Additional Planning For Use

Policy loans offer liquidity and financial flexibility but, unlike a bank checking account, you're not provided with a piece of plastic you can use to make purchases. Using the funds in your banking policy requires more forethought and consideration, and should only be used for significant events, not daily expenses.

As mentioned several times already, the funds in your policy are perfect for eliminating debt, funding car purchases, vacations, or a college education. It's not practical in the Private Family Banking environment to use the funds for things like trips to the grocery store.

What you do get is a pile of dual-duty dollars that, used wisely, can transform your financial future, and your payment lifestyle into a prosperous one.

To use the money in your Private Family Banking policy for transactions, you'll simply log into your policy online and request a loan for the necessary dollars to be direct deposited into your local bank

account, from which you'll make the transactions. These actions aren't completed instantaneously like those using a debit card and require several days to be completed.

Myth #8: Banking Policies Work Equally Well for Everyone

Banking policies are sometimes presented as a one-size-fits-all solution, irrespective of individual financial situations.

Reality: While Banking Policies Are A Transformational Financial Tool They Can't Work Miracles



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It's heartbreaking when I speak with an individual who is nearing retirement and looking to Private Family Banking to work miracles with minimal to modest cash flow.

The truth is the earlier you start, the more powerful the results can be. In Appendix A, you'll see what happens to the Fortunados if they start their Private Family Banking plan later in life. You'll notice that, while the outcomes are still a vast improvement over traditional approaches, math is math.

I've mentioned the concept of the time value of money. There's no escaping the financial realities of that concept. The simple truth is when starting a Private Family Banking plan, the earlier in life you can start, the more potential the plan has. If you start later in life, more cash flow is required to make up for the years of lost time.

Myth #9: The Concept is Too Complicated for the Average Person

The complexity of banking policies can deter individuals, leading them to believe it's beyond their grasp or that it requires expert-level financial knowledge to implement successfully.

Reality: Private Family Banking Just Requires A Shift In Your Financial Paradigm

While banking policies involve nuances, they're not exclusively for the financially savvy. Through education and guidance, as provided in this book, as well as your agent, the concept becomes accessible and manageable, empowering individuals to take control of their financial destiny with confidence.



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Every new “thing” has a learning curve. For Private Family Banking, that learning curve is certainly worth it. In reality, it’s not nearly as complicated as all the ramifications and gyrations of money invested in stocks, mutual funds, real estate, or precious metals.

Myth #10: Build Generational Wealth Like The Rothschilds

Once started, all future generations will build on what’s been started and they’ll continue to build an empire.

Reality: Building generational wealth with Private Family Banking is different.

In Myth #1 we discussed how the Rothschild’s empire was built on actual banking and not through the use of high cash value, dividend paying whole life insurance policies. Remember that banking policies are built on the foundation of a life insurance contract. What that means is that once the insured passes away, the death benefit is paid out to its beneficiaries, and the contract is concluded.

For generational wealth to be built, the beneficiaries must take action to rinse and repeat the process. The Rothschilds’ wealth narrative often paints a picture of effortless inheritance, where each generation simply watched as their fortune expanded without needing to lift a finger.

However, the path to building generational wealth through Private Family Banking requires a more proactive approach. It demands that future generations not only grasp the concept thoroughly but also take an active role in its continuation. This approach requires understanding, planning, and execution to ensure the legacy not only survives but thrives. It’s a journey that calls for education, engagement, and the willingness to carry the torch forward, ensuring the financial well-being of generations to come.



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After receiving the death benefit, beneficiaries must decide how to use it. If they've been prepared by you sharing some education and your personal experience about the concept's many advantages, generational wealth can continue being built. Passing along the education is imperative for generational wealth to be built in the banking policy environment.

Our exploration of these myths and realities serves a singular purpose: to enrich your grasp of the banking policies concept. To arm you with the knowledge essential for navigating the complex currents of personal finance. This journey is far more than a simple trek—it's an invitation to view your financial capabilities in their entirety.

With a clearer understanding, you're not just preparing to amass wealth; you're gearing up to craft a legacy. This legacy is rooted in informed, empowered decision-making, guiding you to make choices that resonate with confidence and clarity. It's about recognizing your potential and wielding the truths we've uncovered as tools for building a future that reflects your aspirations and values.

As we've unraveled the tapestry of myths surrounding the transformative power of Private Family Banking, a pivotal realization emerges: the strategy is just one piece of the financial puzzle. What truly determines the shape of our financial future is not just the mechanisms we employ, but the mindset with which we approach them. With myths dispelled and realities laid bare, we stand at the threshold of an even deeper exploration. In our final chapter, we embark on a journey into the very heart of our financial being—where the essence of our decisions, aspirations, and fears resides.



TRANSFORMING PAYMENTS INTO PROSPERITY

"I'm trying to free your mind," Morpheus tells Neo. This statement carries with it many applications as wells as powerful truths. The symbiosis of mindset and money have a deeper impact than you may be aware. It's crucial to uncover how our perceptions, beliefs, and attitudes towards wealth shape our path to prosperity. Prepare to uncover the final key to freeing your financial mind and unlocking your full wealth potential.



CHAPTER 10: YOUR MINDSET AND YOUR MONEY

“Be transformed by the renewing of your mind.”

~ ROMANS 12:2

In the shadows of our everyday lives, a silent war rages—a battle for our financial souls. Similar to Neo’s awakening in the Matrix, we are on the verge of realizing a daunting truth. The financial reality we’ve been taught, where debt and credit lead to prosperity, is just an elaborate illusion.

An illusion that gets your attention like the magician’s hand, waving and distracting you. Meanwhile, his other hand is draining over 30% or more of your Lifetime Value, leaving you to chase rates of return with a mere 10% of your income (if you can scrounge up that much).

The result, as many discover during retirement, is far from the promise of leisure and luxury; it’s a reality marked by hardship and regret.

But why do we accept this narrative? Why is it that when fortune smiles upon us, we respond with shock and disbelief, or with the thought that, “this must be too good to be true.” Yet when misfortune knocks, we sigh, “Story of my life”? This isn’t mere coincidence or fate. It’s the result of a deep-seated programming that has taught us to accept, and even expect, less than we deserve.

We form this expectation of the negative or unfavorable throughout the early years of our lives. You’ve heard it a million times. As toddlers, we’re told “No!” over and over again for our protection. As children, we’re told not to spoil our appetite before dinner.

Orders against our desires flood our early years. This battle over what we want, and what we’re allowed to have, continues throughout our teens and beyond.



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Stop playing and get your homework done!

Do your chores!

You need to work in order to pay your bills.

Money doesn't grow on trees!

Of course, these orders are for our greater good. To protect us from harm with a focus on developing good habits. Our children receive the same treatment. Not because parents are evil tyrants. But because parents love their children and want what's best for them.

However, the seeds are planted deep in our subconscious minds.

Our subconscious mind is conditioned, over time, to expect the unfavorable during our early developmental years. In his book, *The Biology of Belief* 10th Anniversary Edition, Dr. Bruce Lipton explains that until about age 6, our minds operate at low frequencies equivalent to those used by hypnotherapists for their patients. These frequencies open the gateway to our subconscious minds, and we become more susceptible to suggestion and programming.

And it's during these years those possibility-shrinking "orders" are given, and our desires are quelled. Forming in us the expectation of the unfavorable and finding the favorable unbelievable. Our subconscious minds are unknowingly conditioned to undermine our success, working under the surface. It whispers tales of inevitable financial struggle, convincing us that this is all we should expect.

Awakening from this Payment Matrix requires another "red pill" moment—an epiphany that we've been living in a world of financial and mental illusions. The journey to financial liberation begins with awareness, recognizing the chains that bind us, and making a conscious effort to break free.



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It's time to awaken to a new truth. The truth that we can now jettison the subconscious orders that once protected us, just like fuel tanks from the space shuttle, as they're no longer required. And we can begin our orbit towards a new and prosperous future.

Here are ten steps to help you start that journey:

- 1. Recognize Your Patterns:** Pay attention to how you respond to financial ups and downs. When favorable events take place, replace disbelief with gratitude and acceptance. Add an "I knew it" or "Now THIS is my life's story" to these moments and shape a sense of expectation around the positive for a change. When the unfavorable occurs, accept it with grace, knowing that this minor setback is something you'll easily overcome. In many cases, unfavorable outcomes are life experiences where we get to learn something that doesn't work. Learn and move on better prepared to successfully navigate your future.
- 2. Use Affirmations:** Reinforce positive financial beliefs with daily affirmations. Realize that "blessing and cursing are in the power of the tongue" (James 3:10) and resist the temptation to curse yourself and bless yourself instead. Rather than saying, "This is the story of my life," try saying, "I'm transforming my story and it's improving every day!"
- 3. Visualize Success:** Imagine achieving your financial goals in vivid detail. Some people use vision boards, others take 15 to 20 minutes a day to visualize the future they want. Many researchers have studied the positive effects of visualization and have concluded its positive benefits. Whatever form works best for you, practice it daily.



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4. Educate Yourself: Knowledge is power. Increase your financial literacy. These pages are doing just that. But don't stop here. Feed your mind with financial truths so you can reprogram your subconscious expectations for more favorable results. We offer online courses used by thousands of people just like you. And, as a thank you for purchasing this book, you have a free course waiting for you at transformation.smallestwealth.com.

5. Practice Mindfulness: Stay present and conscious of your financial habits. Realize that you can take command of your financial future by consciously choosing what direction you're heading. Like starting a Private Family Banking policy 😊.

6. Cultivate Gratitude: Focus on abundance, not lack. Consider all you take for granted and transform that into gratitude. When you truly consider your life, you will discover there has been good along with the bad. You can choose what you focus on.

Try this. Before getting out of bed each day, let your mind settle in on just two words: "Thank you." Do the same before falling asleep each night. And as many times in between as you can in between. The results of this may surprise you.

7. Positive Associations: Surround yourself with positivity, especially positivity of a financial nature. This one can be a challenge. Many of our relationships are with those who suffer from the disease of "misery loves company." Associations are like tides. A rising tide may lift all boats, but an ebbing tide will surely lower them.

8. Set Achievable Goals: Celebrate small victories on your way to larger goals. Realize that climbing the ladder of success can only be done one rung at a time. Scheduling a Q&A Call to get your Private Family Banking plan established is a great "first rung."



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9. **Challenge Negative Beliefs:** Confront and dispute pessimistic financial outlooks. Remember, even the most turbulent seas calm down eventually, and the sailor who navigates the storm with wit and courage finds new worlds. So, set sail towards optimism, and let the pessimistic tides ebb away!
10. **Celebrate Every Success:** Celebrating your financial successes doesn't need to empty your wallet. Instead of splurging on an expensive meal, consider more mindful and cost-effective ways to honor your achievements. For example, take a moment to reflect on your progress with a quiet evening at home or indulge in a favorite movie or book you already own. Consider sharing your success with close friends or family over a homemade meal. These acts of recognition reinforce a positive mindset towards financial management and success, embedding the expectation of success into your subconscious, without the financial hangover.

Transforming your mindset requires the same effort as transforming your financial future. Neither can be done overnight. But it can be comforting knowing that when “time flies,” that same principal will apply to your journey towards the future you deserve. The time between starting your plan, and achieving your goals, can fly as well. But you must start it in order for it to fly by.

Chinese philosopher Laozi’s famous proverb, “The journey of a thousand miles begins with one step,” provides the perfect frame for your expedition. While we’re not really traveling a thousand miles, we are setting course for the next few years of your financial life and beyond. To help you with your mindset transformation, here are 3 books you must have in your library:



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- *Think and Grow Rich* by Napoleon Hill, explores the psychological power of thought and the brain in the process of furthering your career for both monetary and personal satisfaction. The book emphasizes the importance of ambition, self-belief, and positive thinking as the foundation for financial success.
- *Psycho-Cybernetics* by Maxwell Maltz, introduces the concept of self-image as the cornerstone of all changes that take place in a person. It combines cognitive and behavioral techniques to change one's self-image, thus leading to a change in behavior and achieving success.
- *The Power of Your Subconscious Mind* by Joseph Murphy, delves into the relationship between the conscious and subconscious minds. It posits that understanding and directing one's subconscious mind can improve one's life, covering areas such as healing, overcoming obstacles, and achieving goals.

The Midas Touch

Many of us grew up marveling at stories of individuals who seemed to possess the "Midas Touch," a magical ability to turn everything they touched into gold. Often, we observe such people with a mix of envy and wonder, wishing we could share in their apparent good fortune.

However, what's commonly attributed to luck is, more accurately, the product of what I like to call the "Midas Mindset." Prosperity, much like Midas's golden touch, has far more to do with mindset than with any mystical power.

Our subconscious mind serves as a GPS, guiding us toward the destination it has been programmed to reach. Unfortunately, this programming is often not of our conscious choosing but is instilled



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during our formative years through repeated "orders" and expectations set by others. This creates an internal conflict as our adult aspirations clash with our ingrained subconscious patterns.

Those who appear to have the Midas Touch are not charmed or lucky; rather, they have achieved a rare harmony where their subconscious targets are perfectly aligned with their conscious goals. When there is a misalignment, however, the subconscious invariably dominates, often derailing our conscious efforts and leading to frustration.

Key Insight:

Yet, aligning your inner beliefs and desires is just the beginning. True achievement requires not only internal harmony but also a robust, proven strategy and effective planning. The strategies outlined in this book are designed to support this alignment, providing you with the tools to turn your newly harmonized mindset into tangible financial success.

In these pages we're focusing on a course correction where you can redirect what's left of your Lifetime Value and begin filling your retirement bucket to overflowing. Let's face it, you didn't wake up one day, years ago, and set a goal that you'll work the rest of your life until you die, under the weight of financial stress. Your goal was quite the opposite.

Your goal, to some extent, most likely had a "Midas-like" objective. One where you saw your future self in a different place than where you currently are.

Yet here you are. Like so many others. Realizing that the destination you've reached, or are on course to reaching, isn't the one you intended. You've invested your blood, sweat, and years of work and, until



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until opened this book, were wondering why you had so little to show for it.

Now you know why. The Payment Matrix has been draining your finances, and your subconscious mind has been hanging on to those empty fuel tanks. Now you have no excuse. You can begin your transformation and restore some of the hope you once had when you were younger.

As our journey together comes to a close, consider this passage from Mark 11:23:

"For verily I say unto you, that whosoever shall say unto this mountain, be thou removed, and be thou cast into the sea; and shall not doubt in his heart, but shall believe that those things which he saith shall come to pass; he shall have whatsoever he saith."

This may be difficult to believe, but the financial reality you're experiencing right now reflects what you truly believe in your heart, in your mind, at the subconscious level. But if you carefully consider your reaction to the "good and the bad" in your life, you may discover that these words to be pretty accurate.

Changing what you truly believe is the only way to change the reflection. If you want change, focus inward. Realize that bringing your subconscious goals into harmony with your conscious goals may be required. And use the information in these pages to foster new beliefs and confidence in your ability to achieve them.

If you're going to harbor any doubts, let them challenge your skepticism rather than your potential. Embrace the undeniable truth: you have been generating wealth all along. Now, armed with newfound knowledge and



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strategies, you have the power to harness and grow that wealth... to finally begin to accumulate some of it.

No longer must your efforts dissipate into the ether—instead, you are now equipped to direct them towards building a prosperous and secure future. Start today, for the fortune you seek is already within your grasp, waiting for you to claim it. Step forward with confidence, knowing that each action you take is an investment in your own abundant and prosperous future.



CONCLUSION – SO... NOW WHAT?

Your destination can't change overnight, but your direction can.

~ TONY MANGANELLO

After navigating the transformative paths laid out in these pages, it wouldn't surprise me if your head feels like a snow globe that's just been shaken. Inside, all those snowflakes swirling around make it hard to see straight, echoing Neo's disorientation when he first awakens from the Matrix. "Why do my eyes hurt?" he asks, bewildered. Morpheus responds, "You've never used them before."

Before your eyes danced over these pages, the grip the Payment Matrix had on you was as unnoticed as it was draining. Now, with newfound clarity, your financial eyes have been opened for the first time, revealing a reality starkly different from the illusion.

I often joke with my clients, "I'm not a tall, distinguished looking man like Morpheus. I'm just a short little Italian, eagerly tossing red pills at anyone within reach." My drive is simple and deeply personal. As shared in the Foreword, the devastation financial stress can wreak on a family is not a stranger to me. I've seen its corrosive effects up close, and if there's one conviction I hold, it's that personal financial strain does nothing but amplify every other challenge families face.

No family ever celebrated added financial stress during trying times. "Hey hon, with all the chaos at work and our jam-packed schedules, thank goodness we're also struggling to pay our bills," said no one ever.

This is why families—including yours—are important to me. Whether your family unit is present today or a hope for the future, the possibility of transforming your payments into prosperity is not just a dream; it's a pathway to silencing the cacophony of life's inevitable struggles.



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Financial strain only cranks up the volume on every challenge you face, making each seem insurmountable.

Isn't it time we turned down the volume on the distractions that, in the grand scheme of family life, matter less? Implementing your Transforming Payments Into Prosperity plan lays a stable foundation for your family's future, ensuring life's emergencies don't compound due to financial stress.

To support you on this journey, I'm thrilled to offer a special gift: the free online course I've mentioned already called Your Prosperity Formula: Generating Your Transformation Plan.

Just go to transform.smallestwealth.com or use the QR code provided below.



This course, referred to throughout our journey together, is designed to deepen your understanding and equip you further in your transformation process. Heck, you can even schedule a free Q&A Call with me or someone on my team if you like.

We're dedicated to helping you build a future where emergencies, like a sudden family loss or a leaking roof, don't spiral into financial crises. Claiming your free course not only enriches your financial education but also introduces you to a community of fellow journeymen, dispelling the isolation often felt in overcoming life's hurdles.



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Envision a future where your Lifetime Value nourishes your dreams, your needs, your peace—not the bottom line on a lender's profit statement. A future where, looking back, you know with certainty you laid the strongest foundation possible for you and your loved ones.

The path ahead won't be without its challenges. As Jim Rohn, the esteemed motivational speaker and author, once articulated, "We must all suffer one of two pains: the pain of discipline or the pain of regret. The difference is discipline weighs ounces while regret weighs tons."

In the coming days, you stand at a crossroads between these two pains. I implore you to choose wisely, to choose discipline, and to step boldly toward the future you've envisioned throughout our journey together.

FINAL WORDS OF ENCOURAGEMENT

As we part ways in this book, remember: the most significant transformations begin with a single step, fueled by belief in the possibility of change. Your journey has already begun, marked by the turning of each of these pages. I have every faith in your ability to reshape not only your financial landscape but your life's overall quality. You possess the power, the knowledge, and now the tools to forge a future rich in prosperity and devoid of financial regret.

Together, let's choose the path of discipline, for it leads to a life measured not in regrets, but in riches of every kind.

Stay curious, stay connected, and above all, stay committed to your financial transformation. Your family, your future, and indeed, you, are worth every ounce of effort.



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APPENDIX

A – THE FORTUNADO PLAN STARTING LATER IN LIFE

While you've been reading through these pages the thought about age may have popped into your head, especially regarding the example of the Fortunados who are starting their plan at age 35. Maybe you were thinking something like, "Sure... their results sound great! But I'm a bit beyond 35 years old. Have I missed the transformation train?"

Below you'll see a chart that shows the results for the Fortunados if they started later in life.

Type of Debt	Lender	Balance Owed	Interest Rate	Monthly Payment
Credit Card	Chase	\$3,956	20.53%	\$133
Credit Card	Bank of America	\$4,242	23.00%	\$134
Credit Card	Wells Fargo	\$5,104	21.50%	\$171
Credit Card	MBNA	\$6,988	18.00%	\$237
Auto Loan	FMC	\$15,105	8.00%	\$498
Auto Loan	GMC	\$15,563	8.00%	\$465
Mortgage	Mortgage First	\$200,108	6.75%	\$1,495
Total =>		\$251,066	Total =>	\$3,133

You'll notice that... sure... the earlier you start the better. However, that doesn't mean you missed the transformation train completely. If ever the old saying, "Better late than never" held any water, it certainly does when it comes to your personal finances.

Another saying we use quite frequently involves the two best time to plant a tree. The best time is 20 years ago. The next best time is today.



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There's nothing that can be done about time lost, and crying over spilt milk only wastes more time. If anything, realizing that you've missed some valuable time already should compel you to waste no more time at all... and get started as soon as you can. Waiting will only cost you more precious transformation time.

Consider the difference between the Fortunado's results when starting at age 40 instead of 35. Those 5 years cost them \$447,968. That's \$254.46 A DAY!

This chart shows how much waiting at the age intervals mentioned can cost you.

Starting Age	Total Cash Value Cost	Cost Per Day	Total Estate Value Cost	Cost Per Day
40 instead of 35	\$447,968	\$245	\$553,086	\$303
45 instead of 40	\$403,322	\$221	\$563,257	\$309
50 instead of 45	\$256,439	\$141	\$538,084	\$295
55 instead of 50	\$285,157	\$156	\$411,814	\$226

If the Fortunados start their plan at age 40 instead of 35, their ending cash value would be \$447,968 less. That's where \$254.46 a day comes from. And the Total cost of their future estate value is \$553,086, or \$303 a day.

Am I trying to compel you to realize that waiting around a few weeks or months can really cost you? I don't have to... the math does that all by itself.



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B – YOUR CASH-FLOW ANALYSIS: FINDING YOUR PREMIUM PAYMENT

STEP ONE: TOTAL HOUSEHOLD INCOME

List all household income for all earners in the household. For the purposes of this exercise, provide only net/take-home pay.

Income Source	Earner A	Earner B
Net Salary (take-home pay)	\$	\$
Part-time/Self-Employment	\$	\$
Home-Based Business Income	\$	\$
Investment Income	\$	\$
Social Security	\$	\$
Pension	\$	\$
Veteran's Benefits	\$	\$
Other	\$	\$
Individual Totals	\$	\$
Total Income: Earners A & B		

Alright, it's time to roll up those sleeves and dig into your finances. Once you've nailed down your household's total monthly net income, let's zoom in on those expenses with a magnifying glass. Start by logging into your online banking account and running a query for all debits or payments over the last three months. Take the average of those amounts to get a clearer picture.

Then list those expenses individually using the following form.



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Feeling adventurous? Here's a pro tip: run a query for all transactions equal to or less than \$30 for a month. But brace yourself—these "Stealth Payments" are like ninjas of your budget. They sneak in under the radar and can add up faster than you'd think, hitting your wallet with a thousand tiny cuts.

FINE-TUNING YOUR FINANCES

1. Current vs. Reduced: First things first, list all your current monthly expenses in the "Current" column below. Next, in the "Reduced" column, jot down the lowest amount you can reasonably spend on each expense item.
2. Calculate Your Savings: Add up all the amounts in the "Reduced" column at the bottom. Subtract this total from your total income above. Voilà! The resulting number is your maximum possible starting Private Family Bank™ Premium.
3. Adjust for Comfort: Remember, if you need a bit more breathing room each month, it's okay to start with a lower Premium amount. It might take you a bit longer to fully capitalize your Private Family Bank™, but the journey will be much smoother.



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Monthly Expense	Current	Reduced
Mortgage/Rent Payment	\$	\$
Car #1 payment	\$	\$
Car #2 payment	\$	\$
Credit card payment	\$	\$
Credit card payment	\$	\$
Credit card payment	\$	\$
Credit card payment	\$	\$
Credit card payment	\$	\$
Credit card payment	\$	\$
Other Loan Payment(s)	\$	\$
Insurance - Car	\$	\$
Insurance - Health	\$	\$
Insurance - Life	\$	\$
Insurance - Other	\$	\$
Home equity loan payment	\$	\$
Child care	\$	\$
Cable/Satellite TV	\$	\$
Streaming services (i.e Netflix etc)	\$	\$



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Other entertainment	\$	\$
Sports (golf, fishing, etc.)	\$	\$
Health Club	\$	\$
Lawn Maintenance	\$	\$
Laundry	\$	\$
Pet food & care	\$	\$
Subscriptions	\$	\$
Online computer services	\$	\$
Groceries	\$	\$
Telephone (including mobile)	\$	\$
Internet Service	\$	\$
Heating fuel	\$	\$
Water/Sewer	\$	\$
Electricity	\$	\$
Car costs (fuel & maintenance)	\$	\$
Going out for lunch at work	\$	\$
Dining out (evening)	\$	\$
Retirement Plan Contributions	\$	\$
Other Savings	\$	\$
Total Reduced Monthly Expenses	→	\$
Total Income - Total Monthly Expenses = Your Private Family Banking Monthly Premium	→	\$

Unleash Your Financial Potential



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You can also access the Private Family Banking Premium Finder Calculator spreadsheet as part of the free course, Your Prosperity Formula: Generating Your Transformation Plan, that you can get by visiting transform.smallestwealth.com or using the QR Code below.

Ready to take the next step? Access the Private Family Banking Premium Finder Calculator spreadsheet, a key part of our free course, Your Prosperity Formula: Generating Your Transformation Plan.

Visit transform.smallestwealth.com or simply scan the QR Code below to get started on your transformation journey today!





PRIVATE FAMILY BANKING FREQUENTLY ASKED QUESTIONS

1. What is Private Family Banking?

Private Family Banking transcends the traditional understanding of personal finance. It's not merely a strategy; it's a paradigm shift, offering individuals a way to utilize whole life insurance policies as a multifaceted financial tool.

This innovative approach empowers you to manage your cash flow. It promotes wealth accumulation and facilitates debt repayment. Moreover, it fosters tax-free generational wealth transfer, all achieved within the framework of a high cash value, dividend paying whole life insurance contract.

By reimagining the role of life insurance in your financial portfolio, Private Family Banking does more than just shift paradigms. It opens up new avenues for financial independence and legacy building. Indeed, it becomes a cornerstone for savvy financial planning.

2. How Does Private Family Banking Work?

The mechanics of Private Family Banking hinge on the strategic use of whole life insurance policies. Designed with a focus on accumulating cash value rather than the traditional purchase of death benefit, Private Family Banking policies become robust living financial instruments.

By over funding these policies beyond the basic premium, policyholders can accelerate the growth of the cash value component. This cash reservoir then becomes a versatile financial tool, accessible for loans to finance personal or business needs. Unlike traditional loans, borrowing from the insurance company, using your policy's cash value as collateral



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does not require external approval, and it keeps the policy's growth intact. This approach creates a self-sustaining cycle of borrowing and repayment, where your money is continuously working for you.

3. What If I Can't Make A Payment?

When it comes to your premium payment, your Private Family Banking policy has built-in flexibility. With the majority of your premium dollars being spent on purchasing cash value via the Paid-Up Additions rider, that amount is mostly optional. What this means is that your premium can be reduced by about 50 to 60 percent, in any month or series of months, should a financial need arise.

Regarding your loan payments, this is where most folks experience something completely new. What I mean is that when you execute the loan process within your Private Family Banking policy, there's one thing you never get... a payment schedule. That's because repayment is optional and completely up to you. We have a rule for our clients. That rule is during your income generating years, always repay the loans from your bank just like you would repay loans from the bank down the street. Then, when you're enjoying your retirement years, you can access that cash value without necessarily paying it back... just like you would any retirement fund.

4. What Are the Benefits of Private Family Banking?

The allure of Private Family Banking lies in its comprehensive suite of benefits. It offers a tax-advantaged environment where your money can grow free from the erosive effects of taxes, providing a significant edge over taxable investment accounts.

The liquidity feature of whole life policies under this strategy allows for on-demand access to funds through policy loans, offering financial



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flexibility unmatched by traditional savings methods. Additionally, the ability to pass on wealth to the next generation without the burden of taxes ensures that your financial legacy is preserved.

The integration of living benefits further elevates its value, allowing for financial resilience in the face of unforeseen life events.

5. What Are “Living Benefits?”

Aside from the benefits already mentioned, Private Family Banking policies also come with what's often referred to as “living benefits.”

The Accelerated Death Benefit Rider in a Private Family Banking policy allows policyholders to access a portion of their death benefit early if they are diagnosed with a terminal or chronic illness, or a specific medical condition. This feature is designed to alleviate financial burdens during an already difficult time, enabling individuals to use these funds for medical expenses, daily living costs, or any other needs that arise due to a qualifying health condition.

6. Who Can Benefit from Private Family Banking?

Virtually anyone with financial goals and a desire for greater control over their financial destiny.

Entrepreneurs can leverage it for business funding, families for college savings or emergency funds, and individuals for retirement planning or major purchases. Its versatility holds particular appeal for those disillusioned by conventional banking's low yields and the stock market's volatility.

Private Family Banking distinguishes itself by offering a stable, growth-oriented platform. This makes it an exceptional choice for managing and accumulating wealth. Whether you're embarking on your wealth-



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building journey or you're a seasoned investor seeking diversification, this strategy welcomes you.

7. How Do I Start with Private Family Banking?

Initiating your journey with Private Family Banking begins with a comprehensive assessment of your financial landscape and goals. This step takes place with a simple Q&A with an agent that has been trained specifically in the optimal use of the strategy.

The agent conducts a detailed analysis to tailor the policy to your unique financial goals and capacities. This personalized approach guarantees alignment with your current financial situation. It also ensures adaptability to future needs.

Through this, it lays a solid foundation for building your private banking system. It's a process that emphasizes informed decision-making and strategic planning, setting the stage for a prosperous financial future.

8. Can Private Family Banking Be Used for Retirement?

One of the most compelling uses of Private Family Banking is its role in retirement planning. Unlike traditional retirement accounts that can be subject to market fluctuations and legislative changes, a Private Family Banking contract offers a stable, predictable foundation for retirement income.

The tax-advantaged growth and access to funds offer significant benefits. They ensure both growth and liquidity. This allows retirees to enjoy a comfortable lifestyle, free from worries about market downturns or outliving their savings. Furthermore, this strategic approach to retirement planning secures financial independence in your golden years. It also provides peace of mind with the knowledge that your retirement funds are accessible and protected.



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9. How Safe Is Private Family Banking?

The safety of Private Family Banking is unparalleled. It's grounded in the inherent stability of whole life insurance policies, preferably with a mutual life insurance company. These policies are issued by some of the most reputable and financially robust companies in the industry.

These companies have weathered economic downturns and market volatility, consistently fulfilling their obligations to policyholders. The guaranteed growth of cash value, backed by the insurer's financial strength, offers a secure haven for your wealth, insulated from the unpredictability of the financial markets.

This level of security is a key attribute of Private Family Banking, making it an attractive option for those seeking to safeguard their financial future while still achieving growth.

10. What Are the Downsides of Private Family Banking?

While the advantages of Private Family Banking are significant, it's important to acknowledge the strategy's long-term nature and the need for disciplined financial management. The buildup of cash value in whole life insurance policies is a gradual process, requiring patience and a long-term perspective.

Additionally, the strategy's effectiveness is heavily dependent on the proper structuring of the policy, necessitating expert guidance. The initial phase of funding the policy can also present a financial commitment that may not be immediately accessible for other uses.

However, for those who can navigate these considerations, the benefits far outweigh these initial hurdles, offering a robust platform for financial growth and stability.

11. How Does the Loan Process Work in Private Family Banking?



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The loan process within Private Family Banking showcases the strategy's flexibility. Policyholders can borrow against their policy's cash value at their discretion, without the need for traditional loan qualifications or approvals, and without the need for credit checks that can decrement your credit score.

This process is streamlined, and with a non-direct recognition contract, allows for quick access to funds while the policy continues to earn interest, as if the loan were never taken. This unique feature ensures that your financial plans remain uninterrupted, and your policy's growth trajectory is maintained.

The ability to use your policy's cash value for loans is a standout feature. Whether for investment opportunities, debt repayment, or personal use, this capability highlights the practical and strategic value of Private Family Banking.

12. How is Private Family Banking Different from a Traditional Whole Life Policy?

The distinction between Private Family Banking and traditional whole life insurance policies lies in the strategic optimization for cash value growth and accessibility. While traditional policies focus on the death benefit with minimal cash value accumulation, Private Family Banking policies are engineered to maximize the policy's living benefits.

This involves structuring the policy to accelerate cash value growth, enabling policyholders to use their policies as a dynamic tool for wealth accumulation and liquidity. The enhanced flexibility and financial utility of these optimized policies distinguish Private Family Banking



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from conventional whole life insurance. These policies offer a more proactive approach to personal finance and wealth growth and management.

13. Why Not Just Buy a Term Life Insurance Policy?

While term life insurance may appear more cost-effective because of its lower early-year premiums, it lacks the comprehensive benefits offered by whole life policies used in Private Family Banking. Term insurance provides coverage for a predetermined period, with no equity or cash value accumulation. Functioning as a temporary safety net.

In contrast, a high cash value, dividend paying whole life insurance, the foundation of Private Family Banking, offers lifelong coverage, along with a turbo-charged cash value component that grows.

Your cash value is the gift that keeps on giving.

You can leverage this cash value for loans, investments, or as a tax-advantaged savings vehicle, providing a multifaceted financial tool not available through term insurance. The decision between term and whole life insurance ultimately depends on your financial objectives, with Private Family Banking offering a holistic solution for those seeking both protection and growth.

14. What Advantages Does Private Family Banking Have Over Term Life Insurance?

The advantages of Private Family Banking over term life insurance are multifaceted, highlighting the strategy's emphasis on long-term value and financial utility. Beyond the lifelong coverage that whole life insurance offers, the cash value component is a game-changer, serving as a personal wealth reservoir.



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This cash value grows tax-deferred and is accessible tax-free via loans. This provides a flexible and efficient way to finance major purchases, invest in opportunities, or manage unexpected expenses. Importantly, it ensures that your broader financial plan remains on track.

Private Family Banking allows you to structure your policy to optimize cash value growth. This enhances its role as a cornerstone in strategic wealth management. The benefits extend well beyond the basic life insurance aspect, offering profound financial advantages.

15. Why Is Term Life Insurance So Much Cheaper Than Whole Life Insurance?

This is simple. If you pay 100% of your premiums for a term life insurance policy, that means you've outlived the term, and get nothing in return. But the life insurance company collected 100% of your premium dollars. This is most often the case. Just do the math.

You've seen the commercials. Bill, who can get a \$500,000, 20-year term life policy for \$30 a month, will pay \$7,200 over that 20-year period. Do you think the life insurance company will risk a half million dollars when the most they'll be paid is \$7,200? Some statistics state that less than 1% of term policies ever result in the payment of a death benefit.

In contrast, when you pay 100% of your whole life premiums, the company pays the death benefit 100% of the time.

Plus, term life insurance is only cheaper during your younger years. By the time most people get to retirement age, term insurance premiums become unaffordable, and the policy is dropped without every producing a dollar of benefit to the premium payer or their family.

16. What Interest Rate Am I Charged On Policy Loans?



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The interest rate charged on policy loans from a Private Family Banking policy is competitive, often below market rates found in conventional loans. This advantage arises because mutual life insurance companies, where policyholders are also considered shareholders, strive to provide favorable terms to their members.

Mutual life insurance companies set these lower interest rates to benefit their policyholder-shareholders, reflecting their unique stake in the company's success. This structure not only makes financial sense for the policyholders but also aligns with the company's goal of fostering long-term relationships and financial stability among its members. As such, taking a policy loan can be a cost-effective strategy, allowing you to leverage your accumulated cash value without the high costs traditionally associated with personal loans.

As mentioned previously several times, the rate you're charged, and the volume of interest dollars you pay, is more favorable for policy loans than the usual simple interest loans, like those you would take out to purchase a car. Typical simple interest loans set your payment based on an amortization schedule. This usually results in early payments being more heavily weighted with interest.

Policy loans are different.

The current rate at the time of this writing is 5% for a policy loan. However, you're only charged one-twelfth of 5% (.0416% of .00416) on any outstanding balance in any month. If you have a loan balance of \$1,000, then you' would only be charged \$4.16 in interest for that month.

If you can't make a payment, then the interest carries over to the next month and the outstanding balance is then \$1,004.16. That new out-



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standing balance would then be charged the same one-twelfth of 5%, resulting in a new outstanding balance of only \$1,008.33.

If you don't make any payments, on the anniversary date of your policy you'll receive a notice stating what interest you've been charged. You can pay the interest, or any amount you can. There is never any collection activity of any damage to your credit report because these loans aren't reported to the credit bureaus.

17. How Does Private Family Banking Compare with Traditional Investing and Savings Strategies?

Private Family Banking offers a distinct alternative to traditional investing and savings avenues, marked by its stability, growth potential, and tax advantages. The cash value in a whole life policy grows at a guaranteed rate, unlike the stock market or real estate investments. These can be volatile and unpredictable.

This guaranteed growth provides a safe harbor for your wealth. The growth of your cash value is tax-deferred. You also have tax-free access to funds through policy loans. This offers significant tax advantages over conventional savings accounts or investment funds. In those cases, gains are often subject to taxation.

This strategy also circumvents the banking system, giving individuals direct control over their financial resources, with the flexibility to use their funds as they see fit without penalty or restriction. Private Family Banking not only secures a financial legacy but also empowers policyholders with immediate, tangible benefits, making it a comprehensive approach to wealth management.

18. How Can Private Family Banking Recapture Every Penny Spent on Major Purchases?



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The strategy behind Private Family Banking allows individuals to essentially “recapture” the interest and fees typically paid to banks or financial institutions for loans. When you borrow against the cash value of your whole life policy for major purchases, such as a car, home renovations, or college tuition, you enter a unique financial situation.

By repaying the policy, you’re effectively paying yourself back instead of an external lender. This cycle reinforces the principle of self-sufficiency in managing your financial assets. This internal financing method keeps the money within your personal economy, allowing the repaid funds to continue growing and compounding.

Over time, the cycle of borrowing and repaying enhances your policy’s value. This process ensures that money spent on major purchases isn’t lost. Instead, it’s reinvested in your own financial future. This cycle exemplifies the efficient and circular nature of Private Family Banking, turning expenditures into investments.

19. Addressing Misconceptions: Is Private Family Banking Just Another Whole Life Insurance Trap?

The misconception of Private Family Banking as another whole life insurance trap is based on a misunderstanding of its strategic application. Private Family Banking policies stand apart from traditional whole life policies. The latter often face criticism for their high costs and slow cash value growth. In contrast, Private Family Banking specifically designs and structures its policies for high cash value growth.

Their aim is to maximize the financial benefits of the policy, optimizing both growth and accessibility. This approach not only provides a death



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benefit but also emphasizes rapid cash value accumulation and easy accessibility. When properly implemented, Private Family Banking becomes a versatile financial tool. Enabling policyholders to grow wealth, access liquidity, and enhance financial flexibility in ways that traditional financial products and strategies cannot match.

It's a sophisticated method that requires expert guidance to fully realize its potential, far removed from the pitfalls associated with conventional whole life insurance perceptions.

20. Starting Costs: What Does It Take to Embark on Your Private Family Banking Journey?

The only expense you experience with Private Family Banking are the premium dollars being spent for the policy. All the preliminary work and associated costs for underwriting, are incurred by the company.

During that process, you discover specifically what advantages Private Family Banking can provide you. If those advantages don't match your expectations, you incur no fees.

The only time you'll experience any costs is after you've decided that Private Family Banking will be an advantageous decision for you and your loved ones. Only then do you begin making premium payments and start building your banking platform.

21. Ensuring Suitability and Taking the First Step

Determining the suitability of Private Family Banking for your financial situation involves a detailed evaluation by a financial professional specialized in this strategy. A simple Q&A Call to discuss your financial goals, current financial health, and long-term aspirations gets the ball rolling.



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Upon confirming that Private Family Banking aligns with your objectives, the next step is to design a policy that reflects your unique circumstances. This approach ensures that your Private Family Banking system is not only a fit for your current financial landscape but also flexible enough to adapt to future changes. Laying a solid foundation for wealth accumulation and financial security.

22. What Is the Minimum I Can Start With?

While there's no strict minimum to start a life insurance contact focused on purchasing death benefit, Private Family Banking is different. In most cases, a minimum of \$300 a month is required because we're focusing on accumulating cash value.

Remember, this isn't your typical life insurance policy with a premium that is perceived as a "bill." A Private Family Banking policy is an efficient cash accumulation engine that creates a reservoir of recyclable, tax-free cash for you to use for any reason. The answer to that question truly is "However much you want to begin saving for your future while having simultaneous access to those same funds for today's needs?"



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ABOUT THE AUTHOR

Tony Manganiello is a best-selling personal finance author who has spent nearly 30 years helping over 3 million people take command of their finances. Alongside his business partner, John Cummata, Tony has demystified the complexities of money management, empowering individuals to break free from debt and build lasting wealth.



In the early 2000s, Tony spearheaded a pioneering R&D project that analyzed the personal cash flow of 18,161 households. This research uncovered the most efficient strategies for escaping debt and securing a sound financial future, which continues to inform his work today.

Tony is the author of *The Debt-FREE Millionaire: Winning Strategies to Creating Great Credit and Retiring Rich*, author of the best-selling audio program *Great Credit for LIFE*, and co-author of the best-selling audio program *The Credit Solution*. His insights and strategies have become a lifeline for those seeking financial freedom.

Tony's passion for guiding others to financial clarity is deeply personal, often leaving people with a newfound perspective, saying, "I never looked at it like that before" or "Why don't they teach this stuff in school?"

After experiencing the impact of financial instability on his own family as a child, he committed himself to helping others avoid the same fate. This drive fuels his mission to provide families with the tools they need to thrive.

When he's not writing, speaking, or creating content, Tony is a devoted husband and father of seven. His dedication to his family's well-being inspires his ongoing work to help other families achieve similar success.