Even though the stock market has hit the magical 20,000 stratum and the economy is thriving, millions of people still question the market’s foundation and the ethics of stockbrokers, financial advisors and Wall Street in general as they brace for the next downturn.

Kim Butler and Sheldon Singleton are two people who question the system and the principles of financial advisors. Ironically, they are financial advisors themselves. But they bolted from the traditional manner of investing and opened it up to a wide array of other alternative opportunities, including Life Settlement and Commercial Mortgage Bridge Loan investments.

The traditional way of investing didn’t sit well with Kim Butler and Sheldon Singleton. So they did something about it. They expanded the meaning of true diversification in client portfolios with the use of Life Settlement and Bridge Loan investments.

To understand where Butler and Singleton are coming from, let’s rewind to the early 1990s, when Butler became a disenchanted financial advisor. “I was so excited when I came out of college to be a financial planner,” she says. “I came into it with such high expectations and pride. I had built a tremendous client base doing all of the things I learned from the financial planners in my office and I succeeded tremendously in just a short period of time.”
But soon she suffered “a crisis of conscience,” she says. She completely abandoned the financial advice she had been giving to clients. She actually began calling them, one by one, to let them know that the advice she had been giving them was misleading and erroneous. She walked out of her office, never to return, and tossed her CFP designation into the trash.

“I no longer felt that ‘typical’ financial planning advice allowed me to do what was best for my clients,” she says.

What bothered Butler so much is this: “When clients came to me, they had questions like ‘How much do I need to save?’ or ‘Where should I invest?’ and ‘Will I have enough money to last?’” Butler was taught to turn those questions upside down by asking, "When do you want to retire?"; "What kind of income and lifestyle do you want?"; "What's your risk tolerance?"

“There’s 20 more questions the clients often had no way of accurately answering,” she adds. “Then we, as advisors, make guesses and assumptions about how much their investments might earn and what future costs, taxes, and inflation might be.”

Those guesstimates are then plugged into a computer and utilizing a robust number-crunching, graph-generating software, impressive full-color illustrations are generated and delivered as a "financial plan" to the client in a big beautiful binder.

“When the client receives it, they feel reassured that they’re ‘on track’ for a great future,” Butler says. “They thank us, start writing checks and the boss congratulates us. But it was pure guesswork,” she adds.

“It’s an insane system that is all based on enormous assumptions. The questions and answers help us build a relationship and create trust with the client, but do we deserve their trust? No, we don’t. It's absurd to imagine we can actually predict their future income, along

Kim Butler has written five books: Busting the Retirement Lies, Busting the Financial Planning Lies, Live Your Life Insurance, Busting the Life Insurance Lies, and Busting the Interest Rate Lies. She also has a weekly podcast called The Prosperity Podcast.

Kim Butler
with taxes, inflation, their children's college plans, and the market.”

Deep inside of her gut, she knew she could no longer guarantee her clients’ financial success anymore than she could guarantee the weather. “We were giving people false hopes, and telling them things that we had no business telling them,” she says. “And I just couldn't do it anymore.”

What she did do was go on to launch her own private practice, Partners For Prosperity, and write five books: Busting the Retirement Lies, Busting the Financial Planning Lies, Live Your Life Insurance, Busting the Life Insurance Lies, and Busting the Interest Rate Lies. She also has a weekly podcast called The Prosperity Podcast.

Fast forward to Singleton and his firm, Robotic Financial Concepts, which mirrors Butler’s philosophy.

For 12 years, Singleton was a Life Insurance and Annuities Agent, Registered Representative, Branch Office Supervisor and an Investment Advisor Representative. He was helping clients with “conventional” financial advice and after going through two major market downturns, he was getting calls from angry clients. “I was really feeling their frustration,” he says. So he went into research mode and started looking for different solutions.

“Because of my engineering background of problem solving and researching skills, I had developed a mindset to look at all different financial philosophy’s from every angle,” says the versatile Singleton, who has a Bachelor’s Degree in Electrical Engineering Technology and was an engineer in the military and Aerospace industry before transitioning into finance.

He read nearly 100 books and took multiple finance courses through his research journey. His conclusion: financial and health advice had one thing in common -- conflicting Information.

“There is so much conflicting information from so many experts, that I didn’t know who and what to believe.”

Until he discovered Kim Butler.

“That changed everything for me,” he says.

He became aware of Butler in 2005, when he heard her being interviewed by Robert Kiyosaki, author of Rich Dad Poor Dad, on a financial CD series program he created called “Choose to Be Rich.” Singleton was so impressed, he launched a “Financial House” concept based on Butler’s philosophy and taught it to agents and clients.

“Little did I know that 11 years later, this would come full circle and we would be working together,” he says.

The core of Singleton’s and Butler’s philosophy is adding Life Settlement and Bridge Loan Investments into clients’ portfolios. True, they are unconventional alternative investment strategies - not to mention a bit controversial - yet in a diverse portfolio, “they can do wonders,” Butler says.

So what is a Life Settlement investment? It’s the sale of a person’s life insurance policy to a third-party investor. In a life settlement, the policy’s owner transfers the ownership of that policy in exchange for an immediate cash pay-
Candidates for life settlements are typically aged 65 or older, with a life insurance policy that has a “face value” (death benefit) of more than $100,000.

“Life Settlement investments have been used by institutional investors for many years, but only recently became available for purchase by individuals,” Butler says. “They provide a way for individual investors to benefit from the secondary market for life insurance policies. They also create a solution for seniors nearing life expectancy who no longer need or want their life insurance policies, turning a death benefit into a living benefit they can use.

“What I like about them is that they’re based in actuarial math, not financial markets,” Singleton says. “The benefit for investors is a solid investment and a rate of return not affected by market swings, interest rates, politics, and other outside factors.”

Adding Commercial Bridge Loans into a portfolio provides even more diversification, flexibility and protection. Just ask Dr. Walter Kafffenberger, a recently-retired scientist who worked for the U.S. government and NATO. He is gleaning the benefits of Butler’s bridge-loan philosophy, receiving $3,000 monthly on $350,000 in bridge-loan investments – a 10-12% return.

“My wife and I couldn’t be happier,” he says. “We did the bridge loan as a way to create cash flow and it’s working out perfectly. I love Kim’s financial philosophy. It’s innovative and creative.”

The use of Whole Life Insurance is also a big part of Butler’s and Singleton’s philosophy.

“All families need a good place to store cash for emergencies and opportunities,” Butler says. “Using Whole Life Insurance enables their cash to earn two to three percentage points above typical bank savings account rates while still being liquid. Additionally of course, the death benefit is there for the family and it keeps that liquid cash value from being taxed.”

When Whole Life is combined with a Bridge Loan investment, it results in cash flow, can pay the premium, and it forms a strong foundation for any family. If the Bridge Loan isn’t an option yet, the payment of a premium and the contribution to the special rider known as a “paid up addition” provide a “forced savings” for families and/or individuals, Butler says.

“It is important to remember that the owner of the policy does not necessarily have to be the insured, opening the way for senior citizens to take advantage of this product even if they feel they are too old or not healthy enough to have life insurance on themselves,” Butler says. “To me, all rolled in together, it’s a strong investment model and fits more into my line of thinking of how to investment the right way.”

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