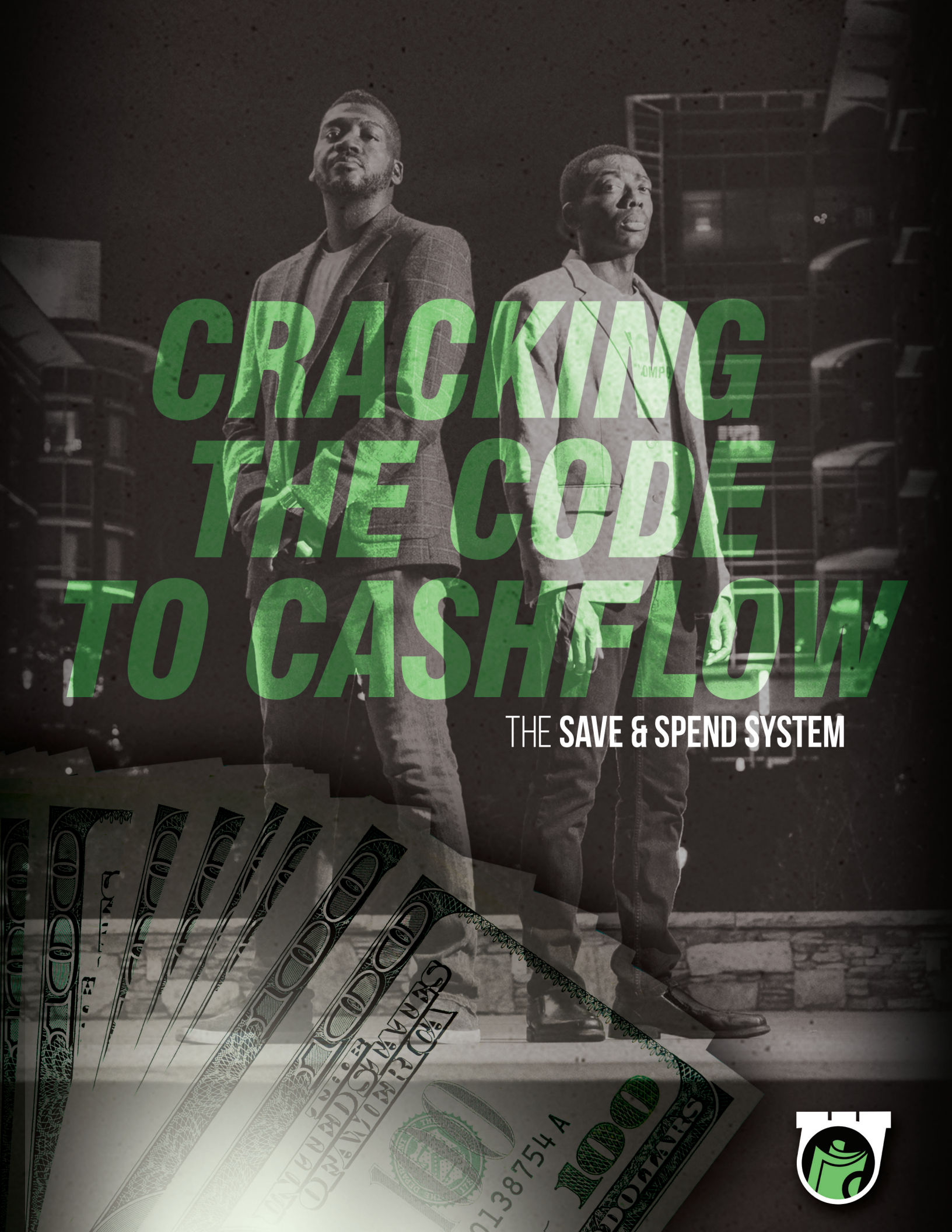
CRACKING THE CODE TO CASHFLOW

THE **SAVE & SPEND SYSTEM**



What if we could show you how to save and spend money at the same time? What if there was something that you didn't know about the financial world that was hidden in plain sight? What if there were tools available to everyone, but nobody ever took the time to teach you how to use them to your advantage? Welcome to our world! In this Cracking the Code to Cashflow eGuide, we're going to help you understand how you can save and spend at the same time?

Most folks will spend their entire adult lives paying their expenses, the bank, and creditors all while witnessing their retirement fund and legacy drastically fluctuate or evaporate in the market! By giving our money to others to control, we're giving up control of our money simply because it's what we've been taught, and it's what everyone else is doing. You may believe you've never lost control in the first place, but if your money is anywhere but in your OWN banking system, then, you my friend, have given up control.

When you give up control, you give up your future—the future you want—the future that you probably don't even realize is within your grasp. You can control the environment. You can change your financial trajectory. And all it takes is adding one simple concept to your financial life: you've got to become your own bank.

The wealthiest families in America have been using this system for over two hundred years to eliminate debt, grow their wealth, minimize taxes, and leave a legacy to their heirs.

Robert Kiyosaki, Tony Robbins, and R. Nelson Nash are among the top 5% of people who talk about (and use) this strategy. Walt Disney used it to build Disney World. Ray Kroc used it to build the McDonald's franchise. Sears and J.C. Penney have similar founding stories. This isn't a coincidence.

R. Nelson Nash, founder of the Infinite Banking Concept™, defines it as "an exercise in imagination, reason, logic, and prophecy… It is all about recovering the interest that one normally pays to banking institutions and then lending it to others so that the policy owner makes what a banking institution does. You become the owner, the banker, and the person with full control over how your money is used. In our full book *Cracking the Code to Cashflow* you will discover exactly how to do that. For now, here's a quick overview:

Using this concept you can generate more money for:
- Retirement
- Your Lifestyle
- Your Family
- Real Estate Deals
- Leaving a Legacy

It is NOT too good to be true. You CAN have full control over your financial future and how your money is used today. And we're here to help you do it!

SECTION 1: HOW WE GOT HERE

Why is this so important?

We didn't know the truth about money because our parents and teachers didn't know the truth. It wasn't until we were in debt, raising families of our own, and desperate for a plan that we finally dug in, did the hard research, and discovered the truth that had always been there. If you're in that same boat, then today things change. Today you learn how money really works.

As a society we've been taught to put our money into stocks, bonds, qualified plans, IRAs, and 401(k)s. But in putting your money in all those places, you give away control of your money to someone else and hope for the best.

You work so hard, pay your taxes, put your money in the bank, and still you're nowhere near where you want to be. In order to become financially free, **you need to change two things:** how you think about money and how you approach your spending (and savings). Debt in the United States is out of control. We are so focused on living for today and keeping up with society's ever changing trends that we lose sight of the big picture.

Did you know for the average American household:
• Twenty cents of every dollar goes to the cost of their car and maintenance
• Thirty cents of every dollar goes toward housing
• Forty cents of every dollar goes toward everything else in life (travel, food, charitable giving, etc)

That means you're giving away **ninety cents** of every dollar! On a good day, only about 10 cents of that dollar is being saved! The problem? Our focus is on working to earn our money instead of having our money work for us! We want to spend, spend, spend without implementing a system that allows us to build our wealth the way that banks do.

With what you've been taught so far about money, you may think that the only way to acquire wealth is with what you are saving up. But what we focus on is what you're already spending. Read that again. If you could take some of the money that you're already spending and duplicate it in your savings account, then you'll have increased your savings and will do so without assuming any risk, without losing any control of your money, and without changing your cash inflow. Keep reading.

We don't halt your spending to save your money in a retirement vehicle (where you won't have access to it for years). We don't encourage you to give your money to a "professional" in order to handle your investments. Instead, we are going to show you how to use this concept to maximize your wealth and spend the way you are already doing.

Money doesn't have to be complicated. It is by definition a "means of exchange for goods and services." And **it's disappearing on us in three primary ways:**
• Taxes
• Inflation
• Savings (Think "fractional reserve system")

Do you know that statistics show that only 5% of people will be financially secure at retirement? Why are we trusting in the status-quo financial system that exists to make everyone else rich from OUR dollars? It doesn't have to be that way! If Wall Street plummets, are you worried that your retirement account will dry up before you even get to use it? Do you really think that your financial guy can (and will) wave a magic wand and protect your money no matter what happens in the markets? Don't you need your money today, too? What about that roof repair? Or that surprise burst pipe? Or that catastrophic storm? What about that family vacation you want to take? Or that business you want to start or expand?

The truth is, no one will treat your money better than you will. And if you allow other people to control it, you are at their mercy, regardless of what you may need or want.

Here at The Cash Compound we focus on three foundational principles to control your money to work for you. You must pay yourself first. You must pay yourself with interest, and you must recapture your money in order to save and spend at the same time.

SECTION REVIEW:

- Your dollars are worth more today than they are in the future. Taxes are always on the rise, and you should never be paying taxes on your money AFTER it has grown. You need to stop giving away your good dollars today and start recapturing them in your own banking system.
- To build your system, we are going to focus on the money you are already spending, rather than the money you are saving.
- The three foundational principles of The Cash Compound:
    1. Pay Yourself First
    2. Pay Yourself with Interest
    3. Recapture Your Money

SECTION 2: THE BANK

Until you understand the truth about how banks work, you cannot begin to think like them and implement the strategies that lead you to live like the wealthy.

Why do the rich seem to get richer without having to work any harder? It all boils down to understanding the true meaning of the words "cashflow", "asset", and "liability." Most people have lots of cash flowing out, with very little flowing back in. This is a problem if your goal is financial freedom.

Robert Kiyosaki put it simply, "Assets put money in your pocket. Liabilities take money from your pocket." So, then how do banks really work? Every deposit you make to the bank becomes a liability to them because now they owe you interest on that money. So what does the bank do with that liability? **They turn it into an asset by loaning it out to others and charging interest on those loans. While a loan to you is a liability (because you are going to owe interest), it is actually an asset to a bank because it generates cashflow for them.** The bank is in full control of the entire transaction of a loan. Whatever you use your money to do, whether that's buying a car, a house, consolidating debt, etc., money is always going back to the banks. And they take on very little risk in doing this! Those same banks make anywhere from 400% and 1300% on the money you leave with them each year by doing this over and over again!

Believe it or not, you finance every purchase you make, even if you pay in cash. Think about it. You either pay interest to another party or you give up interest you could have earned (opportunity cost). What's the solution? **Create a process, a system, in which you own and control the environment.** In that system, you make money on your loans. This is the first step to cracking the code to cashflow! By using specially designed whole life insurance policies as a personal bank (more details to come) this system works better than paying cash, as it doesn't require you to give up the interest earning potential on your money as you do when you make a withdrawal from your checking account. If you remove your money from your bank account, you are no longer able to earn interest on that money, right?

Banks know this and thus, don't use interest as a way to make money for themselves. No real business in the world actually has money sitting untouched in order to build interest. It's not practical or realistic. Those who encourage you to use interest (i.e. banks, Wall Street, mutual funds) instead keep their money in motion, where it gets far better returns.

But the money you put inside of a whole life insurance policy is put to work by that insurance company, so they are ensuring the compounding benefits on the growth of your policy value. All the while, you get to act much like the banks and keep your money in motion by taking out loans from the general fund of the insurance company. Loans that you can keep in motion, earning you money—and remember, loans, from a banker's perspective, are a good thing!

SECTION REVIEW:

- To understand how money works, we need to understand cash flow, assets, and liabilities
- Banks turn liabilities into assets by loaning that money out to others and charging interest on those loans. And this process of maintaining control makes them loads of money
- The solution for you is to create a banking system that you own so that you become the bank

SECTION 3: BECOMING THE BANK

How you use your bank to build wealth and replicate the secrets that the wealthy already know is what determines your capacity to live like them.

If you want to have what the wealthy have—time-freedom, money-freedom, opportunity-freedom—you **must do what the wealthy do.** And what do they do? They act like the bank (one that gives loans and makes interest) and not like a consumer (one that gets loans and pays interest).

Many of the people who take advantage of the specially designed whole life insurance policies attribute their financial success to these **four criteria:**

1. You are in control of your money and where it goes (not the banker or financial advisor)
2. There is no risk involved with this system
3. Your money will grow above the cost of inflation
4. You can access your money immediately

And the best part? You can do it. By owning the bank, financing purchases, loaning money to yourself and others, and controlling the flow of money in your life, you will find the financial freedom you desire.

This is not a high-risk new market strategy. It is a process using a two-hundred-year-old vehicle known as dividend-paying whole life insurance. It is the same principle on which Nelson Nash founded the Infinite Banking Concept™ decades ago. Yes, there is a death benefit that allows you to leave a legacy to your loved ones (we'll cover this in our book as well), BUT the cashflow potential of these policies is what makes it so powerful. You can use it today, right now! Whole life insurance is the most fundamental vehicle that the wealthiest people and institutions have used for generations to keep their money in their families. At The Cash Compound we use specially designed, high-premium, dividend-paying whole life insurance as the machine that powers our personally owned banking system because it allows you to be 100% owner of each policy you take out. This means you have control over where 100% of the equity of the contract is loaned out and how big the policy (cash value and death benefit) grows over time.

We promise that you:
• will never have to lock up your money
• will have access to loans within the first 30 days of starting your contract
• will never have to take on any risk, and
• that your money is guaranteed to increase in value inside your policy

Whole life insurance is like buying and owning a house; you put some of the money down and move in even though you continue to pay toward the principal. You have equity, which means that you have money you can leverage. That equity in your whole life policy is known as **cash value**. The cash value is guaranteed to ultimately reach the face amount of the policy by the time the insured is between 100 and 121 years of age.

Whole life insurance policies include the following features:
• A Death Benefit (the legacy)
• Cash Value (equity of the death benefit you can access today)
• Dividends (bonuses the insurance company gives when they experience a surplus of paid premiums)

The main focus of these policies is what they can do for you while you are alive, versus its death benefit, because your need for finance during your lifetime is much greater than your need for funds after you die. But we must choose the right insurance company when trying to achieve this.

At The Cash Compound, our focus is on:
- Mutual Companies who pay dividends to the policyholders
- Non-Direct Recognition Companies who pay out dividends regardless of your outstanding loans
- Policy Engineering that allows for optimal efficiency as a banking system
- Company Ratings and Investment Portfolios that come after cash flow capacity of your policy, as cash flow is our top priority. Adjustments may need to be made to each policy to fit the insurance company's guidelines or to accommodate for your health and/or your age. This can be done many times with riders. Most of the riders that we focus on come at no additional cost and do not impact cash value.

So with all that in mind, here is how your whole life insurance policy works as a banking system:
- When you sign the contract and make your initial premium deposit with the mutual insurance company, they agree to a stated death benefit to be paid to your beneficiaries upon your "graduation" from this life

- From the very start, your whole life insurance policy has cash value—money that you can use as collateral for loans
- You can take your first loan—and we suggest you do—within the first 30 days of starting your policy
- Using your loan, pay off existing debt or use the money to fund your current expenses
- You then repay the loan to the insurance company with interest

Treat your money as if it is that of a bank, and pay yourself back with interest. This interest includes the interest charge that the insurance company is charging you on the loan (which is 5% with most of our mutual companies). This interest rate charge is simple interest, so if you owe 5% on a $10,000 loan, your interest payment is $500 for the year.

Every year, you put in your premium deposit and build cash value that you can use as collateral to take out ongoing loans. These loans are different from withdrawals. When you put in premium deposits, that money remains safely inside your policy, building cash value, just like when you put your money in a conventional bank. The loans you're taking from your policy come from the general fund of the insurance company, not from your money. Your deposited money remains inside the policy, compounding and growing, and it acts as collateral for your loans.

The insurance company will lend money to you as the owner, up to the amount of equity you have—the cash value of your policy at any point in time. Your cash value acts as collateral on the loan (from the general fund of the insurance company) and the insurance company holds a lien for that amount against any potential death benefit it has to pay out.

The one thing that the wealthiest individuals and corporations use to keep control of their money, minimize taxes, and grow their money without risk is to reclaim control of the banking function. And you can do that same.

This is about adding one simple step in your financial life: controlling your environment by becoming the bank.

There are three different roles within each policy:
- The **owner**—This person has complete control over the cash value within the policy. Keep in mind, the owner may be an individual or an entity like an LLC or a Trust
- The **insured**—The insurance company needs a human life to assign a value to, upon whose death will prompt the delivery of the death benefit
- The **beneficiary**—This is the person/charity/trust who receives the benefits after the insured dies

The insured can never change, but the owner and the beneficiary can change multiple times. The owner can also be the insured, or they can be different people. And each of these three people may assume the same or a different role in any number of additional insurance policies. Being your own bank allows you to recapture the money you spend, even on purchases of depreciating assets like cars and machinery. And when it comes to your whole life policy, you decide the premium you want to put into your policy and the frequency at which you deposit it: monthly, quarterly, or annually.

Then, when you decide you want to purchase something using your banking system, you borrow the money from yourself and pay yourself back for the loan, plus interest, just the same as you would borrow and pay back a conventional bank. It is ideal for you to take a loan within the first 30 days of

opening your banking system, and to not stop paying the premium. The earlier you utilize your policy for banking, the larger your cash value and death benefit values are going to be. Putting money into and using the whole life insurance policy as your banking system allows you to continue your normal spending habits (like buying cars) and to become wealthy while you're living the life you want to live.

SECTION REVIEW:

Three key principles at The Cash Compound are:
1. Pay yourself first
2. Pay yourself with interest
3. Recycle and recapture what you spend

- The wealthiest individuals and corporations reclaim control of the banking function in order to keep control of their money, minimize taxes, and grow their money without risk
- This is not a high-risk new market strategy. It is a process using a two-hundred-year-old vehicle known as dividend-paying whole life insurance to become your own bank
- That equity in your whole life policy is known as cash value—this is money that you can use as collateral for loans which go towards your debts and expenses
- The loans you're taking from your policy come from the general fund of the insurance company, not from your money. Your deposited money remains inside the policy, compounding and growing, uninterrupted

SECTION 4: BUILDING THE BANK

A Chinese Proverb says, "The best time to plant a tree was twenty years ago. The second best time is now."

Our society is too desirous of instant gratification; however, as much as other investment methods can realize "instant" gains, they can also land you with instant losses. Becoming your own bank may require some patience, strategy, and a focus on the long term. Dividend-paying whole life insurance has provided people the time they want, the freedom they desire, and the safety they deserve by creating wealth, not with investment strategies, but rather, with banking concepts that few have taken advantage of. It's not just the wealthy who use this concept. Anyone can use this strategy, as long as they understand one thing: this isn't some "get rich quick" scheme. It's a long-term commitment that requires guidance and patience.

For the first couple of years of the process, "getting rich" really isn't in the picture. It's what comes after those first couple of years that makes it all worthwhile because your money (your premium deposits, cash value, and death benefit) is compounding, uninterrupted, inside your policy.

Within your banking system, you have the power of uninterrupted compounding, and you are in control. To maximize the effects of your banking system, you'll want to continue to make your premium deposits in later years and take out new policies. Just like banks open new branches, the other policies will be your other branches with the objective of creating a whole system of "branch office policies." Keep in mind, when you wait to begin your policy, you keep wealth from your family.

Here are ten critical mistakes you will want to avoid:

1. Not thinking long term . Remember, this isn't a "get rich quick" scheme. It's a marathon, not a sprint
2. Not continuing your education. Dive in, learn, and read about the process
3. Not taking loans. Use your dollars as soon as you can!
4. Not using the free tools. We have a number of tools that we want to offer you to help you get out of debt and create cashflow in your business. Don't miss out on these!
5. Not recycling and recapturing—Reclaim all the money that once went out to conventional banks, mortgage companies, and creditors
6. Holding on to bad habits. Begin to think differently. Think like the banks.
7. Not putting enough in. Don't focus on how you can put the least amount of money into your banking system. These premiums are deposits toward your wealth
8. Waiting too long to start more policies. These deposits are compounding, uninterrupted, every day
9. Not sharing the information. The more we share about what we know, the better off we all will be
10. Not keeping your policies. Nothing is worse than throwing away an asset that is growing and putting money in your pocket. This is not the conventional way of thinking about money. These policies are engineered to get better every day, as long as the policy is in force. The earlier one starts, the longer one continues, the better the policy gets.

Nelson Nash says, "It will take the average person at least twenty to twenty-five years to build a banking system through life insurance to accommodate all [their] own needs for finance—[their] autos, house, etc. But, once such a system is established, it can be passed onto future generations."

It takes a few years for your banking policy to become efficient. Every year, more of every dollar you put in becomes available for you to use as cashflow, and in later years, you can take out more than you put in (available to you as cashflow). In addition, from year one, your death benefit will always be far more than the premium deposits you make. You can't instantly take out all of your money, and you won't instantly see significant gains in your cash value, though you also won't instantly lose your money. It takes time, but it's worth it.

Think about how much debt you currently have. Think of all the bills you have. Be honest and specific. The first step on your journey to wealth is paying off all of your debts using your banking system. The thing about becoming your own bank is that it is designed to allow you to live as you do—incurring expenses and experiencing life, or building your business to the fullest.

But your results are contingent upon how you use your policy. You may have debt, you may not. You may want to pay for monthly expenses, or you may want to pay for vacations. What ultimately matters is banking and remembering that with The Cash Compound's method of using the whole life insurance policy, you are in control. YOU are the bank. But you aren't in it alone. You have different financial needs than anyone else, so it's important that you find a personal money mentor, like the service we offer our clients at The Cash Compound. Our sole purpose is to help you determine the best (and fastest) way possible to reach your money goals with your banking system.

In addition, we have a mapping department and systems that will track each individual policy owner's loans, interest, repayments, and what you recapture. With this plan in place, you'll be able to track your financial progress, build wealth effectively, and make the most beneficial plans when it comes to how you are using the cash flow within your policy.

There are two parts of your policy that you must understand to really get the whole picture of the longevity benefits of your policy:

1. The Base Premium—the part of your premium that drives the cash value in your policy once the policy becomes more mature and efficient
2. The Paid-Up Additions Rider—the part of your premium that drives the cash value in the beginning. Think of it like a space shuttle launch. You need boosters to get off the ground (the paid-up additions rider). But once the shuttle doesn't need them anymore, the boosters drop off and the rocket can supply the necessary power itself (the base premium). Remember, YOU are the one who decides your premium. YOU decide what your future is worth to you.

Keep in mind, the faster you take out loans and the larger your premium deposits are, the greater and quicker the growth in your cash value and death benefit will be. With a dividend-paying whole life insurance policy, you are not using your own money when you borrow money; you are using your policy as collateral and taking a loan from the general fund of the insurance company. Your money stays inside your policy where it can continuously compound and grow, uninterrupted. There is no other vehicle we know of that can offer these benefits.

When we refer to these policy "loans" that does imply that there is an interest charge. But rest assured, you'll always come out ahead when you take into account the interest you're earning inside your policy. And because the insurance company is loaning you money they agreed to pay your beneficiary at the time of your "graduation," you are **not required** to repay these loans. However, any unpaid interest on these loans is added to the future loans you take, so we do recommend that you pay the interest charge at each year's end.

Another added benefit of having one of these policies is that the internal growth of your policy happens tax-free. That's right—life insurance is not taxable. The IRS cannot touch the money inside your whole life insurance policy because this type of policy is not a government plan sanctioned by the IRS.

Without adopting the principles in this eGuide, you are essentially stealing from yourself, your children, and all the generations to come, because you are not keeping your money inside your family. Regardless of your current circumstances, the Cash Compound can help you grow your wealth. It will take time, but if you're in it to win it, then this concept may be just what you've been searching for.

SECTION REVIEW:

- Becoming your own bank requires patience, guidance, strategy, and a focus on the long-term
- The earlier you start, the longer you continues, the better your policy gets
- Every year, more of every dollar you put in becomes available for you to use as cashflow, and in later years, you can take out more than you put in
- The key to growing your policy most efficiently is to treat your money the same way you treat the bank's money—by repaying your loans promptly—although repayment of loans is entirely optional
- The IRS cannot touch the money inside your whole life insurance policy because this type of policy is not a government plan sanctioned by the IRS

SECTION 5: THINKING BIGGER

You and the super wealthy all have access to the same financial tools and education. The only difference is that they know how to use the tools!

Warren Buffett once said, "If poor people would just do what rich people do, they wouldn't be poor anymore." The wealthy seem to understand that money is a game—and they've learned the rules! Since most of us didn't learn those rules growing up, we continually lose the game. It's not about how much you make, it's about how much you keep. We believe that having more than we need allows us the margin to focus on the truly important things in our lives. The banking system you create with The Banking Brows will help you create the cashflow to do more and to create more in your life and in your business.

Maybe it's real estate investing, crypto, or maybe you give loans to people buying your old cars. Your bank can become an ever-growing asset! You can use your banking system to fund your children's education or your own retirement.

Have a home equity line of credit (HELOC)? It may be possible for you to use your HELOC to fund your policy. People do it all the time. These strategies are not complicated. They are, however, a new way of thinking about existing products and processes. We can bridge them together to reclaim control of our finances and free ourselves from the financial slavery of taking out loans and paying back debts to third parties.

When you begin to think like the wealthy, you begin shaping the course of your financial future.

SECTION REVIEW:

- The wealthy know that money is a game, and they know the rules. But since most of us didn't learn those rules at home, we keep losing the game
- The banking system you create with The Banking Bros will help you create the cashflow to do more, and to create more, in your life and in your business
- The wealthy know that once you pay off your debt, there's a whole different world of opportunity on the other side. It all starts with the willingness to think and act differently

SECTION 6: THE MOVEMENT

The concept of becoming your own bank is simple; it is one that allows you to do so much more with the money you have.

Tony Robbins said, "You have to make the shift from being a consumer in the economy to becoming an owner—and you do it by becoming an investor." What matters most is that you start immediately. Understand that the years lost are not the ones you spend waiting to get started, but rather, the later years of your policy, when your money is compounding at its highest rates! Relieve the pressure of mounting debt and expenses in your business and personal life. Grow your family's wealth without giving away control of your financial future and unnecessarily assuming any risk that might come from other investments. Now that you understand how banks actually work, you can capitalize on the bank's strategies to ensure that the old ways of thinking are no longer costing you your financial future. **Stop doing what everyone else is doing. Start changing the future by becoming your own bank.**

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If you're ready to jump in or if you have additional questions then schedule a call with us.
We're looking forward to speaking with you and helping you Crack the Code to Cashflow!

SCHEDULE YOUR CALL