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Retirement Millionaire

The Retirement Millionaire Manifesto



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The Retirement Millionaire Manifesto

How to see through the lies of Social Security, the U.S. health care system, and Wall Street... and set yourself up for a rich retirement

By Dr. David Eifrig Jr., MD

Starting today, I want you to look at retirement in a completely different way.

Erase the dangerous information you've been spoon-fed since you were too young to know the difference about your money, your health, and how things work in America.

This dangerous information feeds dangerous beliefs... beliefs like *"Go to a good school and get a job with a big corporation, and it takes care of your retirement"*... *"Buy mutual funds and everything will be fine by the time you retire"*... or *"Wall Street will take care of your money"*... Can you really believe politicians and their promises that Social Security will take care of you?

Notice that phrase that keep coming up? It's among the scariest phrase in the English language... especially when Wall Street and Washington D.C. get involved. Here it is again:

"Take care of..."

Starting today, I want you to realize Wall Street and Washington are not here to "take care of you." Both are in the business of false promises. Both are in the business of selling fear so they can collect huge amounts of money from you and me. They are the world's best at what they do. Wall Street calls the money it collects from you "fees." Washington calls the money it takes "taxes." And most Americans just pay up... after all, they're being "taken care of." I want you to end this sort of thinking.

With your subscription to *Retirement Millionaire*, you join me on a search for truth that I started 35 years ago in Minnesota. You see, I went to America's top colleges with the people who run the institutions I just mentioned. I worked many years for the most respected firm on Wall Street. I traveled the world on our clients' dime. After "retiring" from Wall Street, I went to medical school at the University of North Carolina and became an eye surgeon. I have published research in the top medical journal in my field. I've seen and experienced the worst of the U.S. health care system.

I made a lot of money on Wall Street... enough to pay for a nice retirement. And while slogging through 10 years of medical school and training was no picnic, as an eye surgeon I can easily make \$500,000 a year.

And yet, in 2007, I retired for a second time... to write this newsletter.

I decided to write this monthly newsletter **because I realized too many of my friends and family – and worse, the general population – are being lied to over and over.** Every single day.

Whether it involves investing or medicine, we are inundated with lies from the government and the

vested interests that control it. Most of what they've told you is pure B.S. Most of it is deceitful marketing from some ad agency. They truly don't care about you and all they want is your money. "We the people," has become "us, the suckers."

What do I want? I'd like to have you as a *Retirement Millionaire* subscriber for years and years. This is because I want to share with you a better way to live, work, travel, save, and take care of your health.

In *Retirement Millionaire*, you'll find the best "how to" guide to set yourself up for the richest retirement possible. I'll show you how to invest without worrying about money again. I'll show you how to travel for less than you're used to – in some cases, 50%-100% less. I'll even help you avoid dangerous medical advice. And I'll show you ways to collect free cash that not one financial advisor will ever show you.

But first, let's explore what's happening in America...

Stop Thinking Like a Serf

Most Americans today think just like a medieval serf: Tend to your job, keep your mouth shut, fight whom the king wants you to fight, send him a big chunk of your earnings, and he'll take care of you.

This serf mindset has been carried on with our more modern idea of retirement.

When the world went from an agricultural to an industrial/military economy, governments created the concepts of pensions. Worse, the government told you what age you had to stop working and making money. Then, we created a looming nightmare – Social Security; the regulation that requires young workers to pay for the older ones to sit around.

I don't know about you, but I don't want anyone telling me when and where to sit down. I certainly don't want a lawyer telling me I have to give my hard-earned money over to 22 year olds playing video games all day in subsidized housing. Thing is, if we don't act now, that's what's coming for us. People will be telling us what to do with our money, health, and retirement dreams.

Unfortunately, America's "streets" are crumbling... Here are the facts:

Social Security is bankrupt. In 2004, the benefits paid out began exceeding the tax revenues paid in. Worse, no actual assets support Social Security. So the government must use current cash flow to fund a future liability. Sound familiar? Imagine telling your doctor you want health care today, but you'll pay him in 20 years.

If you go to its website, the Congressional Budget Office (essentially the government's accountants) will show you page after page of tables and graphs explaining how this will all work out OK. But the bottom line is, the Treasury owes nearly \$2 trillion to the Social Security "Trust Fund." Yep, you heard that right... \$2 trillion. I don't know about you, but I'm not counting on this for my retirement money. I mean, how much debt will the world allow us to create?

Wall Street is ripping you off. Ever heard the last names Mozilo, Fuld, or Thain? These guys were the chief executive officers of Countrywide Financial, Lehman Brothers, and Merrill Lynch. They all drove their companies into extinction (or near extinction), while taking out huge paychecks along the way.

Mozilo sold hundreds of million dollars of stock while driving Countrywide into oblivion. It lost 85% of its value while he sold stock privately and often ahead of company announcements. The SEC is investigating him, but Mozilo will get a \$110 million severance package regardless.

Lehman's Dick Fuld sat in front of a congressional committee and blamed "the press" for his company's fall to bankruptcy. Oh yeah, did we tell you about the \$500 million he's taken in compensation since 2000, while driving the bus off the cliff?

And don't forget the whiz kid, John Thain of Merrill Lynch. He earned \$200 million for working less than a year. And while his company was collapsing, he repeatedly reported everything was fine.

As if that weren't enough... guys like Mozilo and his family will get free health care for life too, as part of their severance deals. As if THEY can't afford health care.

And now that I mention the U.S. health care system...

America's health care system is rated among the lowest in the developed world. In spite of what the government wants you to think, infant mortality, a well-recognized measure of health, puts us as only number 26 on international lists. And yet, we also run one of the most expensive systems in the world. It's a shame.

In the U.S., we spend more than \$5,300 per person per year. Japan spends about \$2,000, and Switzerland only \$3,500. In the end, we spend 16% of our gross domestic product on mediocre (at best) health care.

Between social security and health care, I get scared thinking about my retirement. But I am genuinely terrified by what's happened to my dollar. Ten years ago, I could spend a lovely week in Europe for \$1,000. Today, that \$1,000 barely buys me a plane ticket let alone a couple nights in a modest hotel room in Paris. Our dollar has lost 50% of its value versus the euro in the past seven years. And it's lost 30% to our northern neighbor Canada. But don't worry, our government will "take care of" it.

As you can see, the American retiree is facing the most dangerous situation ever. You can't think like folks did in the 1950s... You can't depend on the "nanny" corporation or the "nanny" state to take care of you.

That's why I want you leave the serf mentality behind and adopt the mentality of a *Retirement Millionaire*.

What is the mindset of a *Retirement Millionaire*?

It's a mindset of personal independence, rational thought, and questioning the bankrupt policies of our government. It's a mindset where you refuse to follow the herd and let Wall Street and Washington pick your pockets every single day.

And it's a mindset where you take advantage of incredible wealth-building opportunities no broker or financial planner will ever tell you about. Once you see what I'm talking about, you'll understand most brokers and financial planners are blind as well... or just after another big "fee."

For instance, did you know you can buy stocks for 20% below their commonly quoted market price? I bet you didn't... because this little-known method doesn't make your broker any money. Did you know

you can collect 15% in annual “dividend” payments for owning gold? Did you know several large, safe “utility” stocks can provide you almost 25% income in just six months?

With your *Retirement Millionaire* subscription, you’re joining a group of friends that question the vested interests that steal from us and tell us lies. I’m talking about big mutual-fund companies like Fidelity and Legg Mason... the Food & Drug Administration... the IRS... Wall Street investment banks... the Federal Reserve... the American Association of Retired Persons.

Mentioning the names of these organizations isn’t going to win me any friends. (Many of you probably carry AARP cards in your wallets. But trust me, that group exists largely to sell you life insurance.) Heck, I could probably tell you about how great these organizations are and collect a lot of advertising revenue for doing so. But I won’t.

I can’t tell you these organizations are great. They are probably ripping you off right now. Sure, many fine people work at Goldman Sachs, the FDA, and Fidelity Investments, but right now, each of these organizations has a vested interest in not giving you the whole story. They want you to be a lemming. They want you to act like a serf.

Last year, I discovered my own sister was being ripped off. Fidelity had her in a mutual fund paying 0.02% instead of the 2.45% fund she’d asked to be placed in. Boy, she was angry when she realized this!

These companies don’t worry about your investments or health. They want you to feel stupid... so they can “take care of” you.

No matter what, respected firms like Goldman will issue bullish research reports on stocks they need to push onto the public to earn investment-banking fees. Fidelity won’t tell you most of its mutual funds don’t even beat savings-account returns. It needs to earn fat management fees from you. The FDA and the government will tell you it’s fine to load a child with Ritalin, but they outlaw marijuana. (I don’t smoke the stuff personally, but I can tell you it’s a 100 times less harmless than some drugs that have the FDA seal of approval).

I’ve dedicated my life – my search for truth – to digging beneath the mass media headlines... to learning the safest way to invest... the right way to travel... the right things to put into my body... and learning the four tenets of a *Retirement Millionaire* mentality. We’ll cover them in steps...

Step No. 1: Reject the misinformation of Wall Street and Washington. Think independently.

Let’s go back to the first sentence of this report:

I want you to look at retirement in a completely different way.

The first step to looking at retirement in a different way is to reject conventional wisdom at almost every turn. It is to think and act independently.

As we’ve seen with Fannie Mae, Freddie Mac, the I-35 bridge collapse in Minnesota (I drove over that bridge 45 minutes before it fell), ridiculous endless wars in the Middle East, and sky-high tax rates, the U.S. government is inept.

And how about our new president? I won’t even mention his party because it doesn’t matter. There’s

little difference between the Democrats and the Republicans anymore.

Both parties promise “change.” But they must have a different notion of change than I do... because I’ve heard “change” quite a bit in the past 30 years... and all I’ve seen are more taxes, more needless foreign wars, more handouts to the lazy, a declining school system, and a culture that rejects independent thinking.

But believe it or not, I am an optimist and always will be. And I can tell you that, despite the problems facing us, there’s plenty of good news – and a rich retirement ahead – if you’ll start thinking independently and stop following crowds...

For instance, I shook my head when many of my friends put most of their retirement savings into tech stocks in 1999. One doctor I knew from medical school would sneak into his office between patients and surgical cases to trade tech stocks.

He was thrilled to know my Wall Street background... and he immediately brought me into his office to show me how much money he’d made on Qualcomm at \$100 per share. He told me how easy it was. He even had a few “hot” tips from his broker. He was so proud that he’d borrowed in his stock margin account, leveraged his home equity, and even had his wife’s money involved.

I was shocked by his lack of common sense. What I told him next got a roaring laugh. I said: “Take all but 5% of your portfolio out of Qualcomm and don’t have more than 20% of your wealth in any one sector like technology. It’s too dangerous to have all your money in one spot... especially when you don’t even know the value of these businesses.” He told me I didn’t understand the markets and “technology was the future of America.”

When I saw him again in 2003, he had lost his house, his life savings, and his wife. He had gained weight. He looked awful. Why did he listen to his broker and not me? He didn’t know.

Do you think Wall Street was worried about him while tech stocks were crashing? No way... It was worried about its Porches and Manhattan condos. It was selling billions in stock to investors, while calling those same stocks “pieces of s**t” behind closed doors.

I was also sad to see a friend of mine lose everything in the collapse in Las Vegas real estate last year. She left an illustrious singing career in New York to semi-retire in the desert. She started speculating in real estate right at the top... right when the “crowd” was doing it. She was convinced those \$350,000 homes were going to \$500,000 just by her buying them. She planned to hold them for just a couple of years, but she got caught in the hype.

Her lender assured her she could handle the debt no matter what. She assumed they would never give her the money if there were any risk. She got fooled, and so did the banks. You can imagine how her story ended...

It’s easy to get caught up in a popular investment mania... like tech stocks in 1999 or real estate in 2006. It’s basic human nature to feel good when you’re part of the crowd. Primitive man was conditioned to go with the crowd. Hunting and raising children required the efforts of the tribe. He’d die if he were kicked out of the tribe.

These days, mindlessly following crowds into a crowded investment theater will get you trampled. What would happen if someone yells fire? Instead, do what I do and make sure you have an exit strategy.

And while you're thinking about your own economic safety, don't forget about your health. In fact, that's why I first started writing. People I knew wanted to hear evidence and science-based health stories. So I wrote them. What I learned is to question conventional thinking...

Don't ever let doctors and government groups tell you what to do about your health.

Don't end up like 68-year-old William Johnson. He was triaged late one night by his local hospital's ER, where I was serving my "acting internship" (this is when a hospital or clinic gives fourth-year medical students increased responsibility and privileges).

Mr. Johnson was complaining of weakness... and his family said he was slurring his words. The nurse assured him and the family that he was fine and perhaps had a bit of "dementia" coming on. I was only a medical student, but within seconds of my exam I knew he'd had a stroke. His history was textbook. He was clearly having a "brain attack".

When blood stops flowing to parts of the brain, within minutes the stroke can do permanent and costly damage. I immediately knew what he needed and tried to convince the staff he was high priority, needed an aspirin, and perhaps surgery. But I was just a lowly medical student, how could I know more than them? Sadly, he was throwing blood clots from his heart into his brain. By the time he received treatment (the next day), it was too late. Once oxygen is blocked to brain tissue, it is almost impossible to repair, especially if you're older.

Don't let this happen to you. Think independently about your health care and prevent this sort of thing from ever happening.

I promise you that in *Retirement Millionaire*, I'll always question conventional thinking.

I love to spend my time asking questions and finding the small details and loopholes in a subject. A few of my old bosses and teachers would say I love to be a "pain in the butt." But I promise you, the details I turn up will help us boost our wealth and our health.

Once you realize how important independent thinking is, you'll easily learn you don't need a ton of money to be wealthy or healthy...

Step No. 2:

Don't believe you need a million dollars to live a rich retirement.

At first, I thought Hank fell on hard times.

Hank was one of my internal medicine instructors at North Carolina... and a highly respected liver specialist. That's why I was surprised to see him standing at the first tee with a clipboard in hand. He was the starter that morning at UNC-Chapel Hill's Finley Golf Course. A starter, if you don't know, signs people in, gets them "started" on the hole, and keeps track of the number of golfers on the course. It's a task a 10-year-old could handle.

"Hank... what are you doing here?" I asked him.

"Getting free golf," he replied.

Hank is semi-retired. He loves to be outside... and he loves to play golf. Green fees at Finley can run up to \$100 during peak time. So Hank works a couple days a week as a starter during its busy times. In return, his golf games are free. The money isn't a big deal to Hank; he is a part-time doctor... He just loves to be around a golf course.

The point here is, it's easy to get the best things in life at a deep discount... or absolutely free. In the pages of *Retirement Millionaire*, I'll show you how to get free vacations, free golf, and even free cash.

Ever wanted to try the RV life? I recently investigated a way you can rent a \$120-a-day recreational vehicle for less than \$25 a day. A simple secret about the RV business lets you travel in style for 80% less than what everyone else is paying.

Do you enjoy dining out? For years, I've used a plan that lets me bring along a friend for dinner and pay nothing. Yep, that's right. I buy my meal and my guest's is free. My friends love it when I call them up for dinner. Better yet, it costs me nothing. Sure, I can't dine at three-star restaurants in Manhattan this way. But I've had some wonderful Indian food, some incredible Mexican dishes, and tossed back many a free beer using my simple plan.

Now that you're thinking out-of-the-box and your food is nearly free, it's time to think about traveling around the world.

Step No. 3: Start thinking internationally – Use your 'mental passport.'

People laugh at me when I tell them I'd go to India for heart surgery.

After all, aren't there hundreds of millions of illiterate poor people there? Isn't India a "dirty" country?

Sure... India has its problems. But it's also home to some of the finest... and cheapest... health care service in the world. Take Escorts Heart Institute in Delhi and Faridabad for instance... This hospital performs close to 18,000 heart operations a year with death rates one-half of the rate in the U.S.

Thinking about plastic surgery? South American countries like Brazil and Argentina are well known for their world-class outcomes. The U.S. accredits many of the hospitals, and most surgeons are U.S. board certified. Their records are superb.

Why is it so inexpensive? Simple. Without insurance companies and middlemen to siphon your hard-earned dollars, the cost of medical care is just that, the cost of care. The lower price doesn't harm quality, and everyone's happy.

As you think about your retirement choices for medical care, place of residence, and vacations, realize the rest of the world is becoming more and more important relative to the U.S. It's becoming richer and more advanced. You couldn't have gotten a first-class hip replacement surgery in Thailand 20 years ago. Today, you can.

Thinking internationally works for investments as well.

As I write this, markets in China, Brazil, India, the Middle East, and Eastern Europe are suffering

through the credit crisis as well. But these areas have enormous populations (China and India have more than 2.5 billion people between them)... and they're still in the early stages of becoming large, modern economies. That means huge opportunities for investors over the coming years.

But we want to be smart about investing in this growth. Most "emerging markets" are prone to wild booms and busts. Their accounting standards and business laws are often vague and confusing. That's why I like to have experts do the work for me and then send me a payment check in return.

You read that right... I said "check," not "bill." The experts do the work for us, and then they pay us.

The experts I'm talking about are blue-chip, dividend-paying American companies with decades of experience in foreign countries. For example, Intel gets 75% of its revenue from overseas. Coca-Cola gets 73% of its revenue in foreign lands. Who knows better? Some analyst sitting behind a desk in New York or the people on the ground in those countries working for those companies?

For my safe retirement money, this is the ultimate way to invest in emerging markets... by owning a slice of a world-class, wealth-compounding machine like ExxonMobil, Coca-Cola, or Intel. These companies offer both safety and exposure to emerging markets.

There are even more ideas overseas. International real estate is another opportunity. And things are getting interesting.

In 1989, only three countries in the world (U.S., Australia, and the Netherlands) offered investors real estate investment trusts (REITs). These REITs are baskets of real estate assets, like office buildings, apartments, and shopping malls that trade like stocks. At times, they pay huge dividends. Today, at least 22 countries have REITs. In fact, I am looking at an interesting investment in Europe right now.

Extraordinary opportunities are all around you in health care, permanent residence, vacations, and investments. You just have to use your "mental passport," locate them, and think like a *Retirement Millionaire*. And don't worry at all, I'll be your tour guide.

And now... the fourth essential part of the *Retirement Millionaire* mindset:

Step No. 4: Don't ever retire.

Yes, that sounds ridiculous – a retirement letter telling you not to retire...

But don't ever retire!

Too many people work and save all their lives only to retire and discover they are bored... literally to death. Many succumb to depression and disease (even terminal illnesses) because they are unprepared for the mental shift in retirement.

In fact, a shocking study in 2005 showed people who retire at age 55 die twice as fast as those who keep working. So don't stop working and don't retire.

Of course, when I say, "don't retire," I don't mean you need to be chained to your desk until they carry

you from your cubicle feet first. Let me show you what I mean...

Dick and Meredith started golfing and gardening in their early 50s. They told me they wanted to be active as they approached retirement. She plays golf with the ladies group on Thursday, he with the men's on Friday. Saturday or Sunday, they usually play with another couple and follow that with a casual lunch or dinner with friends in the clubhouse.

Another couple, Tom and Terri, do their own things but are increasing their activities the closer they get to retirement. He plays tennis, and she runs and does yoga. She organizes a book club. He follows the local college teams by volunteering as a basketball and baseball coach – coaching makes him feel like part of a community, which motivates him and makes him feel younger and more alive. This year, the school made him the junior varsity coach and is paying him a nominal amount. Talk about fun.

Or take my good friends Chris and Brenda of Mutt Lynch Winery... Although in the wine business for 30 years – Brenda had been a winemaker on the side for 10 – they wanted the business to be their main jobs. They figured it meant less money. But over five years, they slowly left their corporate jobs and turned their love of wine and winemaking into a viable business that they now do in “retirement.” They have twins, a dog, and their own life. And they love it. Finally, they have their own winery and spend half the amount of time “working” as they used to. And they're actually making the same amount of money as before.

The Final Step: Do things you love to do.

I believe it is critical to discover things you like to do and start doing them now. If you find something you love to do, occasionally you can make a little money from it, like Tom. The key is the joy you derive from the activity, but if you net a little income... all the better.

This will also help you plan for expenses and income needs for your hobbies. As you imagine life into your 70s and 80s, the cash will be there to support you. Most importantly, finding things to do in retirement now gives you time to discover what it is you want to do as you age.

In the newsletter, I promise to give you ideas and ways to explore and test yourself in retirement. If you've never taken an RV through a national park for a vacation, I've got a way to do it for less than the cost of a night in a hotel. If you've always wanted to learn to play chess or “Go,” I'll show you some simple cheap ways to learn from world-class experts. I'll help you figure out what to do with your time, money, and health in retirement so your transition is a healthy and happy one.

Perhaps you'll do what I do, grow tomatoes by the pounds and trade with neighbors for peppers, apples, and nuts. Or you might find your vegetables are worthy of the local farmer's market? No matter what, an opportunity is waiting for you... maybe even one that supplements your income.

Remember, your government isn't the safest investment to count on for retirement. And your doctor doesn't really care about your health like you and your family do.

If you're thinking about retirement or are retired, I believe *Retirement Millionaire* should be required reading. I'll share with you simple ideas for improving your health and wealth. I hope you'll enjoy reading it as much as I enjoy writing it.

Retirement Millionaire

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