

David Bach | **FinishRich™**

UPDATE ON LITTE JACK BACH



Okay, so I've decided to put another photo of Jack on the newsletter. He's now five weeks old and already showing clear signs of brilliance. As a result, his mom and I have realized we better start saving for his college education soon. I plan on sharing some great information on saving for college in an upcoming newsletter...so stay tuned.

All in all, Michelle and I love being parents and *"No, we are not getting a lot of sleep."*

THE MARKET RUN CONTINUES...

In theory, September should have been a tough month in the stock market but it wasn't. In fact, yesterday the stock markets roared ahead as the economic indicators continue to look upbeat.

Specifically, yesterday the September employment numbers came in showing the first increase since January. Also, the September report from manufacturing showed growth in August with strong orders. As I write this the DJIA is up over 9,600, and we've had four straight up days in October (up over 300 points).

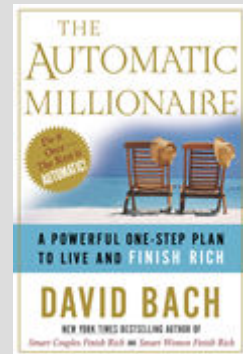
THE DOW IS NOW 400 POINTS FROM 10,000!

It's hard to truly understand if you don't watch the stock market regularly, just how stunning this rally has been. If you invested in the Nasdaq near its bottom last year, you are up over 70%! The rally in the DJIA and the S&P 500 is also impressive. All you have to do to see the impact financially, is read your statements. If your 401k plan or retirement account is not up at least 15% this year, something is wrong with how you are managing your money. But don't guess, read your statement and find out. Many investors who have been polled recently are not even aware the stock market is up this year (they obviously are not reading their statements).

WHAT ABOUT THE OCTOBER BOOGY MAN?

Ever since 1987's October Crash, many investors fear October. It's

The FinishRich Book Series



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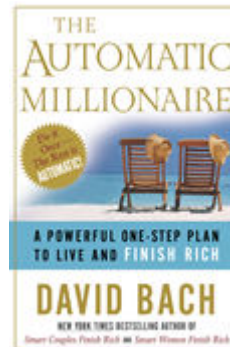
interesting to note that since 1998 October has been an up month every year in the stock market. My hunch tells me we'll see a slight sell off in the next few weeks but a strong end to this year.

THE AUTOMATIC MILLIONAIRE COACHING PROGRAM...SOLD OUT!

To everyone that signed up for The Automatic Millionaire Coaching Program, "well done!" This life changing program filled in 72 hours and we have a waiting list for the next class, which we may launch in the first quarter of 2004. If you would like be put on the waiting list for our next announcement of The Automatic Millionaire Coaching Program [click here](#).

ADVANCE PRAISE FOR...THE AUTOMATIC MILLIONAIRE BOOK

We are already receiving rave reviews on *The Automatic Millionaire* book which comes out January 1st 2004. Here's just some of the testimonials the book has already received.



The Automatic Millionaire is an automatic winner. David Bach really cares about you. On every page you can hear him cheering you on to financial fitness. No matter who you are or what your income is, you can benefit from this easy-to-apply program. Do it now. You and your loved ones deserve big bucks!

-Ken Blanchard, coauthor of *The One Minute Manager*® and *Big Bucks!*™

The Automatic Millionaire gives you, step-by-step, everything you need to secure your financial future. Doing it Bach's way, failure is not an option.

- Jean Chatzky, Financial Editor, NBC's Today Show

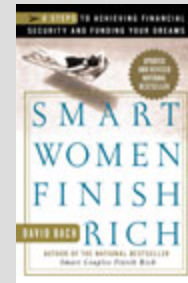
David Bach's no spin financial advice is beautiful because it's so simple. If becoming self-sufficient is important to you then this book is a must.

- Bill O'Reilly, Anchor Fox News

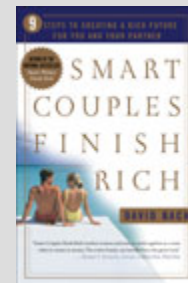
Finally, a book that helps you stop sweating it when it comes to your money! *The Automatic Millionaire* is a fast, easy read that gets you to take action. David Bach is the money coach to trust year in and year out to motivate you financially.

- Richard Carlson, author of *Don't Sweat the Small Stuff* and *Don't Sweat the Small Stuff About Money*

More people will become millionaires in the years ahead than in all the previous years of human history. It has never been more possible for you to get out of debt, achieve financial independence and build a financial fortress around yourself than it is today. This fast-moving book by David Bach gives you the practical strategies and techniques you need to take complete control of your financial life and become the millionaire you want to be.



Smart Women Finish Rich, paperback
buy it now from
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Smart Couples Finish Rich, paperback
buy it now from
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- Brian Tracy, Author, *Goals!*

The Automatic Millionaire Coaching Group is now reading the book so we'll have personal stories of new successes to share with you soon! Don't order the book yet because I'll have a very special offer for my community during the week of the book launch.

THE ENRON RULING CHANGES EVERYTHING

Last week a judge in Texas ruled that former Enron Corp. Chairman, Kenneth Lay and Northern Trust Corp (the trustee of the Enron 401(k) plan) can be sued for allegedly failing to protect Enron employees.

Don't look now Kenneth, but it looks like you've got a lot of employees that are going to sue you PERSONALLY! Poor Ken, you may remember, had his wife go on national television and share how they were experiencing a "liquidity crisis." Later that week it was reported they were selling their numerous homes in Aspen to raise some emergency money to the tune of say, "10 million dollars". Wouldn't you love to have these kinds of problems? Of course Kenneth hasn't actually been found guilty of anything yet, and oddly enough he hasn't even been prosecuted. Seems no one has found him guilty yet of any wrong doing. Am I missing something here? The guy ran a company that was based on fraudulent accounting and they can't find any wrong doing? Until recently Enron was the largest bankruptcy in the country's history and they can't find any wrong doing with this guy?

SO WHAT HAPPENS IF KENNETH LAY GETS SUED?

Great, so the "little guy" can sue Ken and get his money back now? Not quite. Kenneth is a smart guy. It is reported that 18 months before the company filed for bankruptcy protection, Ken and his wife moved much of their assets in to variable annuities. According to Texas law where they live, variable annuities are protected from creditors! The annuities they purchased will provide them with approximately \$900,000 a year for life, starting in 2007. Again, wouldn't you just love to have that kind of "liquidity crisis"?

What's sad about this is that Enron was reportedly telling its employees NOT TO invest in variable annuities and instead recommended purchasing more Enron stock at the time.

Just a quick recall of what happened at Enron:

Enron had 60% of their employee's assets in their 2.1 billion dollar 401(k) plan in Enron stock! At its high, the stock hit \$90 a share and today it's trading at 10 cents. The plan covered over 20,000 employees, so basically these poor people had their lifetime of savings wiped out.

WHAT YOU CAN LEARN FROM ENRON.

The moral of Enron is clear. First, don't put too much of your 401(k) retirement money in company stock. When I originally wrote *Smart Women Finish Rich*, I suggested that you shouldn't put more than 50% of your retirement money in company stock. That was pre "Dot Bomb" and pre

"Enron". Today, I would suggest that you DON'T put more than 20% of your retirement money in one company's stock...and that's being aggressive. If you want to be conservative, don't put your retirement money in one stock, period. If your employer matches your contributions, you'll end up with stock anyway. If you want to be conservative but invest in company stock, I'd look at somewhere between 5% to 10% of your contributions going into company stock.

The second moral is NEVER leave your money in an old 401(k) plan when you leave the company. Thousands of retirees left their money in Enron's 401(k) plan. What they should have done is an IRA rollover. Had they moved their 401(k) plan to an IRA account they could have called the bank or brokerage firm to sell their Enron stock, the moment they saw it stop to drop. Instead when these employees called Enron, many who wanted to sell their stock were actually "frozen out" of selling because the plan was in transition or the window to sell the stock was closed.

Bottom line, when you leave a company do a 401(k) rollover and get advice on the process. I cover this in detail in both *Smart Women Finish Rich* and *Smart Couples Finish Rich*.

THE DO NOT CALL LIST - YES, NO...MAYBE SO

There's been a lot of "hoopla" about the Do Not Call List. First it was happening, then it was not going to be approved. Then, the President signed legislation and now it's supposed to go into effect. Net, net you probably got slammed with calls in September as telemarketers rushed to "sell you something" before the window gets shut. The Federal communications regulators started enforcing this Do Not Call List yesterday. And the government appears to be serious about this. If you continue to get calls, you can log your complaint by calling 1-800-969-6566 or emailing callcomplaints@the-dma.org. You can also contact the government at donotcall@fcc.gov or phone 888-225-5322.

My experience is that the fastest way to avoid these pesty calls is to nicely say, "Please take me off your call list. We simply are not interested."

THE DAVID BACH RADIO SHOW STARTS OCTOBER 25TH

I'll be sending out an email later this month with the call in number to ask questions live on my new radio show. If you've got a money question, this will be your chance to ask me personally on air!

HAVE A GREAT MONTH

Enjoy your October and thanks again for the referrals to our newsletter community. Each month, we continue to grow the FinishRich community. If you want to add your friends to our newsletter list simply [click here](#) and insert their email addresses.

Until November, live and finish rich!

David Bach

Please feel free to share this newsletter with people you think may enjoy it! We'd appreciate it if you could forward it in its entirety, including our contact and copyright information. Thanks!

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