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## Successful Transitions

The death of a spouse. Retirement. A career change. An inheritance. Divorce.

Linda Lubitz Boone, a CFP and president of the Lubitz Financial Group in Miami, lives for these critical times when clients ricochet between gullibility and paralysis while their financial future totters on the edge of uncertainty. "I love helping someone make good choices during times of transition. Life transitions are my specialty," says Lubitz Boone, whose firm serves 100 client families representing a full spectrum of business backgrounds. She eschews marketing to niche professions.

"We serve amiable delegators who value financial planning and have a minimum of \$1 million in investable assets. She quickly adds, "We do not work with jerks; life is too short." She recalls a client, who is a litigator, who was continually rude to her support staff. After a few conversations about the matter, she dropped him.

### **AFFLUENT, BUT NOT RICH**

With \$150 million in assets under management, her typical client is affluent but not rich - this wealth range determines Lubitz Boone's emphasis on saving. As a guideline, she counsels clients without children to save 20% of their income. Clients with children are advised to save 10%.

"If we are going to be of service to our clients, they need to save 10% of their gross income," she says. Lubitz Boone contemplates making this a requirement for clients, most of whom do not have the cushion to make financial mistakes.

Most clients want investment management and pay according to a sliding scale, with a \$10,000 annual minimum. Assets are invested primarily in no-load mutual funds and ETFs, usually through discount brokers or fund companies. Lubitz Financial also offers limited planning billed at any hourly rate, with a \$5,000 minimum.

For the latter clients, Lubitz Boone created what she calls an Engagement Estimator, which predicts the time spent on myriad services. of course, certain services are required of all clients, such as goal setting, cash flow planning, retirement capital needs analysis and review of a client's most recent tax return.

### **MULTIPLE LIFE TRANSITIONS**

One of Lubitz Boone's favorite life transition stories involved a newly married couple that sought her advice on a variety of issues. The husband, in his mid-fifties, wanted to retire early from a corporate job because of a recent inheritance. His wife, 12 years younger, worked in the data processing department of a community college. Even with the inheritance, Lubitz Boone calculated the wife would need to continue working for several years if her husband took early retirement.

After the consultation, Lubitz Boone did not hear from the couple for a year. When they returned, the wife admitted that she disliked her job and could not imagine working for years with her husband retired. At the same time, she expressed a lifelong desire to be a librarian.

Boone's team went to work. They focused on figuring out how the wife could quit her job and spend three years in graduate school if she went on to work as a librarian for at least 10 years.

The couple put the plan into action: She finished grad school, found a position in a college library and has happily worked at her dream job. Her husband, who retired early, developed health problems.

Due to the unexpected life issue, the wife is planning to quit her librarian job earlier than planned in order to stay home with her husband. To make the transition possible, the couple agreed to spend less. Late marriage, two early

retirements, one inheritance, one career change and health issues for one spouse - six important life transitions for just one client couple.

Another memorable case for Lubitz Boone involved the referral of a recently divorced client in her mid-fifties, a university anatomy professor who had been married to a doctor. A complete financial novice whose husband handled everything, Lubitz Boone's new client was thrilled at the prospects of being in control of her financial life.

But there was a pressing problem: The client's largest asset was her share of her ex-husband's 401(k) plan. Her divorce lawyer told her that her ex had to continue managing her portion of the 401(k) assets. Making matters worse, the ex-husband's brother was the CPA and third-party administrator for the retirement plan document.

Encountering initial resistance, Boone demanded to see the 100-page plan documents. She found a provision allowing a spouse to rollover his or her portion of a 401(k) into an independent IRA, subject to a qualified domestic relations order. Boone hired a different attorney to draft the order and her client established her own IRA.

The woman is now retired comfortably with a sense of control and freedom she had not experienced for many years. "Successful life transitions are not just about the dollars alone," Lubitz Boone explains.

### Bicoastal Partnership

Lubitz Boone has been through her own life transitions and traveled far since her graduation with a B.A. in economics. She spent 18 years in the banking industry and a three-year stint working for famed financial planner Harold Evensky of Evensky & Katz in Coral Gables, Fla.

A few years after founding Lubitz Financial in 1997, she and another prominent planner, Norm Boone, began a relationship that's resulted in a bicoastal marriage (Norm's firm, Mosaic Financial Partners, is in San Francisco) that racks up plenty of frequent-flier miles.

Linda's goal is to work out of her Miami office two weeks a month and out of Norm's East Bay office the other two weeks. Norm spends one week a month in Miami, allowing them to be together about 75% of the time.

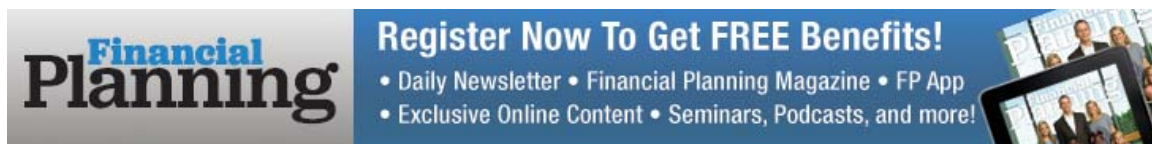
The firms collaborate. For example, Mosaic, the bigger firm, has an investment management committee that shares its work with Lubitz Financial. And both firms share a similar four-page quarterly review of the investment world, Market Watch, with their clients. Norm's firm used to write the review, now Linda's firm writes the first draft.

In addition, Linda and Norm are co-owners of IPS AdvisorPro. This online software application helps advisors quickly create and update customized investment policy statements for their clients.

Initially, an advisor customizes the system's templates to be specific to his or her practice, spelling out specific investment philosophies, strategies and procedures. To create a client's investment policy statement, an advisor enters client info, selects the appropriate asset allocation and a customized statement is generated. Launched five years ago, more than 33,000 statements have been created using the software.

Looking forward, Lubitz Boone notes that three of the four CFPs at Lubitz Financial come from outside the United States - one advisor is from Peru, another from Spain and another from Cuba. Envisioning the next generation for her firm, she anticipates another successful transition: Lubitz Financial specializing in cross-border financial planning.

*Jim Grote, a CFP in Louisville, Ky., writes regularly for Financial Planning.*



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