

“MY VIEW”

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BEWARE OF SNAKE OIL SALESPEOPLE!

Life is all about the journey, not the destination. In keeping with that thought, it never ceases to amaze me how gullible and predictable people are.

Let me start by saying how very proud I am in what I do and the manner in which I choose to conduct the affairs of my professional practice. Always taking the high road and coming from a place of integrity may not pay me the most, but I sure do sleep well at night! For the most part, a great majority of my colleagues also conduct themselves with integrity and act in the best interest of their clients. Unfortunately, after nearly four years of generally negative returns in the market, we, the investors, are getting tired of seeing red and we may be desperately looking for that next **quick fix** or that **magic solution** which will cure all ills.

It is a well known fact that 95% of an individual's financial success in the market is determined by what they do during periods of fear and greed. In other words, reacting to the cycles of despair and euphoria. If you invested into quality, value based securities, even if they have dropped in value due to market emotions, to cash them out when they are lower, triggering a real loss in the hopes of being able to recapture the paper loss that has now been crystallized and to charge down yet another path, in my humble opinion, is plain self destructive and very poor judgment. ***Those that choose that path are unfortunately the statistics that make up the 95% of investors who lose.***

Balance in life, nutrition, religion, and so on, is as we all know, the key to long-term success. So it is, also with the achievement of long term, permanent financial success.

If you invested into a real company with value, it is always real. Short-term fluctuations are an emotional perception and a reaction to what is going on in the world around us. Although what it does do is **create opportunity for a select few, at the expense of a great many.**

Now what do I mean by ***“Beware of the snake oil salespeople?”***

On paper, using hindsight and playing on emotions, a sharp person can take advantage of any opportunity and make it look like the deal of the century. Every industry sector will see its day in the sun, and if you could pick the correct one in this ever changing, mutating and evolving mosaic, you would clean up. The fact is that the “Warren Buffets” and “Peter Lynchs” of the world shake their heads in disbelief that with all the education that's been done out there, some people still don't get it! ***Playing on emotions and the desperation of individuals is not a new phenomenon and over the centuries has certainly proven its self to be very successful for those doing the manipulating.***

Managing money can be achieved in a two ways, either speculatively or systematically. Regardless, it's a business and each action has a cost associated with it. I pity the poor stockbrokers out there the most, because they, by far, have it the worst. They are put on the face of this earth to transact trades. Each time that they do, they, and the brokerage house they work for, get paid.

With the markets being what they have been over the last four years, many stockbrokers are still being of service to you, all you need to do is visit your favorite restaurant in order to see them, as possibly the host, waiter, or bartender... But seriously, they have a lot of pressure to perform and no matter how good

their intentions might be for their client, the production numbers need to be there or they're out. What is becoming industry standard is a minimum annual commission income of \$350,000.00. Just to set the record straight, those client accounts belong to the brokerage firm. So if that broker was to get a position elsewhere (which they won't) they have to start at ground zero and hit that same threshold within twelve months or once again they're out.

Believe me, you need a great many transactions to make that kind of income. How many hours a day are there? Lets see you need time for..... financial planning, client relations, research, portfolio management, portfolio construction, education, meetings, business development, and let's not forget the most important ones, dialing for dollars and ***“trading securities in investor accounts in order to generate commission.”***

It does not take a rocket scientist to figure out how things work in the real world!

I also have known some very honorable brokers who are 'wannabe planners' in disguise. Maybe as that brokerage door closes, this planning one will open. As always there are choices. One can follow a relationship based, systematic, wealth creation mandate and tune out all of the short term static and focus on what's truly important, or you can alternatively choose to listen to the great pitch being made. Turn 90° to 180° from your current direction and go after what is the next great promise? Lotteries and Vegas also hold out much hope and excitement. ***Maybe that's why 27% of Canadians include lottery winnings as an integral part of their financial plan and financial well being. Sad but true!***

Now is the prime striking time for you to be mesmerized by these silver tongued devils. It all sounds great on the surface, but we both know better. If you are approached by such an individual or go to a ***“no obligation seminar”*** or a ***“no obligation portfolio review”*** do not walk but instead ***run away as fast as you can!***

The reason we have spent countless hours together is so that you can utilize my knowledge and resources. Also so that I can have intimate and detailed knowledge on what is truly important to you and your family. This is done in order to safeguard you from making very costly, emotional mistakes.

I have an ethical and moral responsibility to you and when I see a trend like this developing, I am compelled to warn you and to remind you of the basic fundamentals of why we did what we did and what your core values are.

Once again, and as always, thank you for allowing me to be a part of your world and having the faith in not only our abilities, but also in our relationship and allowing us to be of valuable service to you and your dearest family and friends.

Warmest Regards,

Victor

P.S. Not to jump the gun but have you noticed what the Markets, Corporate Earnings Reports and Canadian Dollar have been doing the last month? Stay tuned for my next “MY VIEW” for an overview.

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