

Active investment management's weekly magazine

# proactive advisor magazine

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Thomas Young 

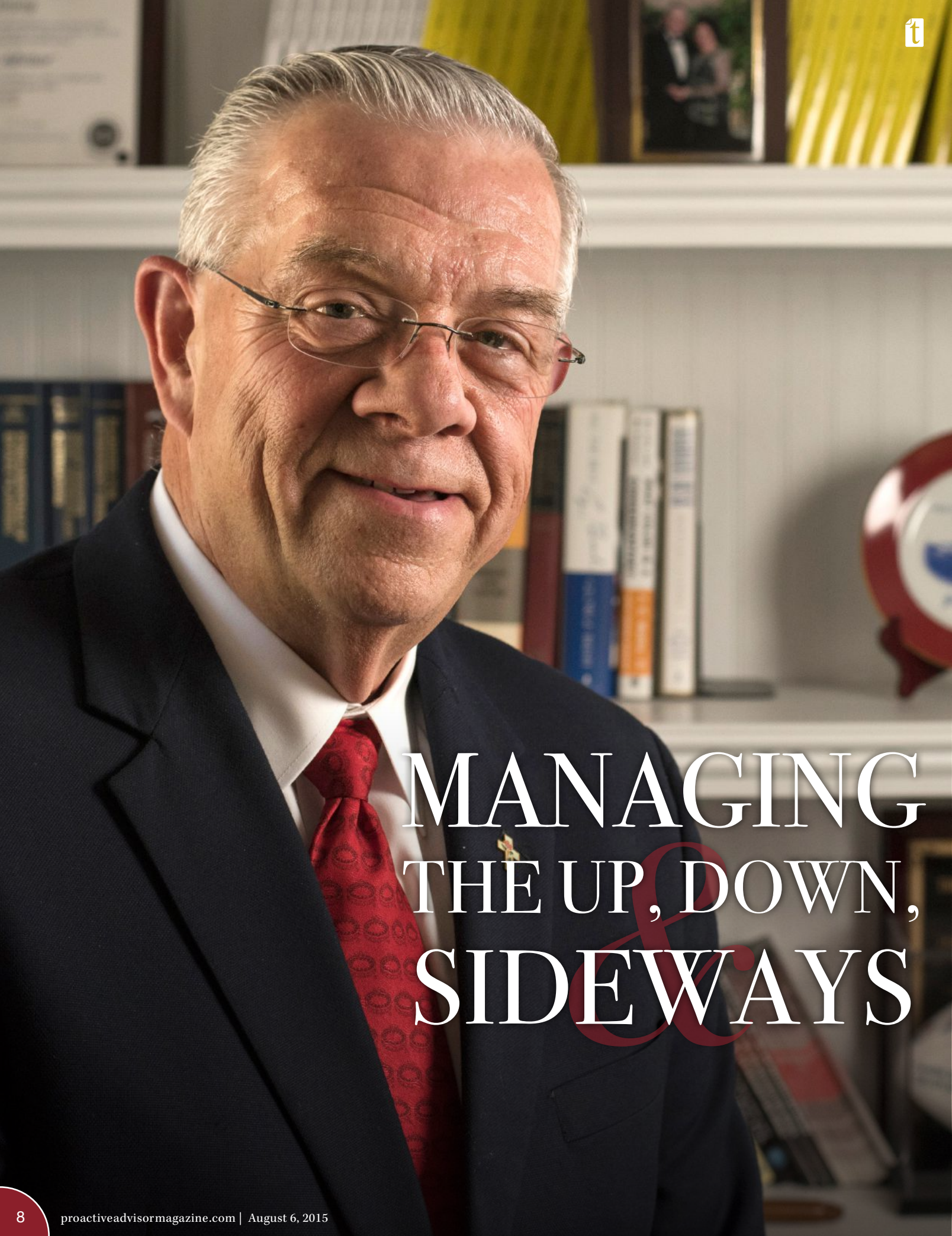
**Managing  
the up, down,  
and sideways**

**Style-box  
investing out  
of style?**

How healthy is the U.S. consumer?

Matching prospect personalities  
to advisor strengths

Getting bond answers in advance  
from crude oil



# MANAGING THE UP, DOWN, & SIDEWAYS



**Thomas Young**  
**CLU, ChFC, RFC, CSA**  
 Beaver, PA  
 1st Consultants Inc.  
 Madison Avenue Securities LLC

Thomas Young has close to 40 years of experience in the financial services industry, and is the founder and president of 1st Consultants Inc., based in Beaver, PA. Mr. Young is a registered representative of and offers securities and advisory services through Madison Avenue Securities LLC. He is also a professional speaker for Financial Curves Inc., a published author, and appears on local radio financial programs.

Mr. Young earned the 2010 Beaver County Times "Best of the Valley Readers' Choice Award" for best financial planner and has been recognized by Pittsburgh Magazine as a top-scoring wealth manager. He was named 2004 Business Man of the Year by the National Republican Congressional Committee's Business Advisory Council and is also the recipient of the 2004 Ronald Reagan Gold Medal Award.

Mr. Young is also a former National Field Trainer for LEAPT™ Systems, Inc. He has served on the Board of Directors for the American Red Cross – Beaver Chapter and the Beaver County Chamber of Commerce, and is a member of the Knights of Columbus. He received the Rochester Area Chamber of Commerce Service to the Community Award in 2014.

Mr. Young has won numerous awards and recognition for production and performance throughout his career, and is a lifetime member of the Million Dollar Round Table. He has earned Court of the Table and Top of the Table recognition—recognizing him within the industry for exceptional performance.

In addition to several financial professional designations, Mr. Young has certifications as a life coach, human behavior consultant, and college relief planner, striving to provide clients with integrated solutions. Mr. Young says he enjoys "working with clients on multiple levels" and "takes a deep interest in many facets of their lives beyond pure financial coaching."

Mr. Young is a lifelong resident of Western Pennsylvania. He and his wife Theresa have one daughter, Sarah.

**Proactive Advisor Magazine: Tom, you have had a remarkable career. Can you share some of your background—especially how your investment thinking has evolved?**

It has been a long and interesting journey. I grew up basically without anything in Western Pennsylvania, which has always been a real heartland-type area, pretty blue collar. I should not say without anything, since I had great hard-working parents who were always very supportive and there for me.

I joined the U.S. Air Force at a young age as a paramedic and when I came out, worked in different hands-on jobs in the auto industry. I wanted something more than that and sought out advice from as many people that I could. I was fortunate to find someone who took an interest in me and helped me get started on the insurance side of the business. I took to it immediately, passing every test about as fast as they had ever seen. I learned three things from that experience that have served me well: 1) always seek out mentors, since someone will always have something to teach you; 2) education, whether you are an advisor or the client, is one of the most important keys to success; and 3) if you give back to people, it will not only help them, but help you in the long run.

people you care about, both professionally and personally, take painful losses in their accounts. The only good news out of that situation in the early 2000s was that I had positioned most clients fairly conservatively in terms of risk and we had taken profits from the 1990s, so my clients fared better than most. But, frankly, for a few years I did not aggressively seek out new investment clients, as I looked for a better way to do things.

**What did you find?**

I thought that somewhere, there's got to be somebody that has managed money with a better system and a track record that has not lost money in a big way during the two downturns of the last decade. Then I received a recommendation for an active third-party manager from an associate. I was impressed from the start with their back-testing and the quantitative systems they have. I went for a due diligence visit, met with their senior management, and became very comfortable with the algorithm-based methodology and models they use.

So that is a great active management resource for a piece of my clients' risk assets. They have many different strategic alternatives, depending on a client's goals and risk profile, but all of them place an emphasis on risk management and

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**“The back-testing and quantitative systems of third-party managers are impressive. I am very comfortable with the algorithm-based methodology and models they use.”**

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For years, I focused mainly on insurance and annuities and had a lot of success there. I picked up my investment licenses and in the late 1980s and through the early 2000s focused mainly on some pretty plain-vanilla mutual funds for clients. I understood and applied all of the theory about constructing a balanced and risk-appropriate portfolio for clients, but that type of passive investment approach did not help much when the market crashed—and then crashed again.

I became disillusioned with what the common wisdom was on how an advisor should structure investment portfolios for clients, based on standard asset allocation and a fundamental buy-and-hold approach. It is not easy to see

avoiding large losses during down markets. That is exactly what I was looking for. I tell clients there have always been up markets, down markets, and sideways markets. There is no reason to think that will change in the future—don't we want investment management techniques that can handle any kind of market environment? That is precisely what active management is designed to do.

**What is the process you work through with clients?**

Over the years, I have developed my own set of ten questions that can tell me just about everything I need to know about the needs of

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**Thomas Young**  
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a potential new client or client couple. The key is to get them to really open up and share their past experiences with money, with advisors, and with investments. How are they most comfortable making decisions about their finances, and if a couple, what is that interaction like?

And, toward the end of our initial meeting: What are their dreams for the future, and have they achieved what they want to achieve in their lives? Finally, what keeps them up at night? That part of the conversation alone can take some time, anywhere from 10 to 20 minutes. By the end, they are leaning in with their elbows on the table, participating in what I do. I find this process to be very successful and I have a very high closing rate if I am able to get a first meeting with someone.

I then get deep into the planning process with a client, using the LEAP™ model as a cornerstone for both building a plan and visually

educating clients. The three core components of that are protection, savings, and growth; and each plays a very important role in what people need to do to get their financial situation on the right track.

I have made it my own personal mission to have studied many of the top process-oriented systems over the years. I think I am bringing some of the best financial planning and investment concepts to my clients. My attitude has always been that I am not in the business of selling products or specific investments—I am really selling the education and ideas that can help people maximize their financial resources for their entire lifetime. 

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Thomas Young is a registered representative of and offers securities and advisory services through Madison Avenue Securities LLC ("MAS"), member FINRA & SIPC, a registered investment advisor.



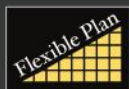
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# Bull, Bear, and Sideways markets

Download white paper

Learn about tri-state market classification and the basis for evaluating multiple active investment strategies within a single portfolio.



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Past performance is not a guarantee of future performance. Please read and understand the Flexible Plan Investments ADV Part 2 Brochure before investing. Managed Accounts invest in various mutual funds. Investors should carefully consider information contained in prospectuses, including investment objectives, risks, charges and expenses. You can request a prospectus by contacting your financial advisor. Please read the prospectus carefully before investing. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than the original cost.

