

# CLIENT CASE STUDY #1

## CASE STUDY:

### Who:

Retired Business Advisor  
and Chartered Accountant

### Age:

70 – Married with 2 adult  
children, each with their  
own families

### About:

- Investment Savvy  
Entrepreneur
- 40 Years' experience in  
investing his own money
- 9 (5 RRSP's/4 Non  
Reg) Stock  
accounts at various  
investment firms  
(RBC Dominion  
Securities, RBC Bank  
and Can Accord)  
Total Portfolio =  
\$12,000,000
- Travel and living an  
active retirement is  
important
- Taxes will be owing  
on 2nd spouses  
passing
- Not spending more  
than he is making in  
interest/dividends –  
net-worth growing



## What the Client was Interested in Accomplishing

- Obtaining a relationship with someone to manage his money,  
in an investment style he was familiar with, so he could focus on  
enjoying his life
- Exploring an Annuity for tax efficient income
- Understanding the estate tax on death of the last spouse
- Having someone to research ideas and come up with financial  
summaries on strategies
  - Real estate, lending, investing and US Tax
- Consolidating his financial situation to only have 1 RRIF not 3
- A truly fee based investment platform
- To know how to effectively pass wealth to his children/  
grandchildren

## Problems in the Initial Situation

- There were a number of accounts/investments creating a lot of  
tracking issues
- The Will was very long and confusing
- The client was good at investing in solid companies but he was  
unsure when it came time to sell... When was the right time?
- Multiple RRIF's meant multiple RRIF payouts and a coordination  
nightmare
- The market in 2008 was going down and it was unsettling
- Since multiple institutions were involved, there were no  
economies of scale for fee reductions



## We Recommended the Following/Implemented the Following for the client

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- Consolidate the RRIF's into one account that owned quality dividend paying businesses
- After our analysis he saw more income was not needed so an Annuity was not the appropriate solution
- We had his Will artistically rendered so all the different clauses of the Will were digitally drawn, enabling a much easier conversation with his children around estate planning
- Cardinal Investment Account
  - Fee based
  - Net-cash flow projections showing the capital gains/ losses, dividends and fees
  - He is able to own a couple custom mortgage investments inside his account with Dustin. He sees it on his statement but is not charged a fee on those unmanaged assets

## Future Items to Explore

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- Estate planning strategy using Joint Last to Die Term to 100 Life Insurance
- Taxes will be owing on 2nd spouse's passing
- Spousal RRSP/TFSA planning
- Further brainstorming around how the client sees individual assets being managed when he and his spouse have passed on.