

Promotion

Business Mogul Soars In Down Economy

You've heard the phrase, "Whatever he touches turns to gold." Well, meet John Bravata, chairman of private equity fund, BBC Equities. Bravata spends his time acquiring commercial real estate, merging and turning businesses into gold.

Bravata estimates his net worth rose to over \$54 million in the last 24 months. With the expectation of going public, it is thought that his net worth may exceed \$250 million over the next 12 months.

Question: Why are you making money in this down real-estate market, and everyone else is losing?

Answer: If you turn on TV today, you would think that the real-estate market has totally collapsed. Let me share some facts with you. Under the Bush administration over 20 million people purchased homes for the first time. We now have around one million home foreclosures. But that only represents less than three percent of every mortgage on the market today. Do you realize that 97 percent of every mortgage is paying on time? There is no better time in history than now to buy real estate as perception and the markets drive down the economy, as commercial banking dries up and there is less money to lend to consumers.

We have only been around at BBC Equities for the last two years. So we are fortunate that we are not sitting on huge real-estate portfolios that are overvalued. We are acquiring real estate today at pennies on the dollar. From banks to developers, and individuals unloading their real estate, we are making a killing for our investors. Over the next five years—as the market turns back around—I can only imagine the wealth that we are creating.

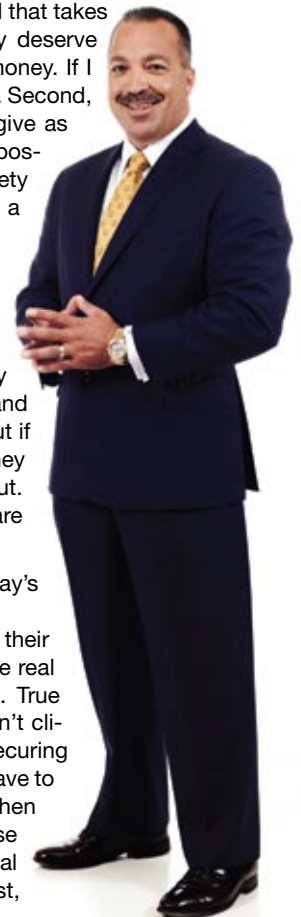
Q. What makes your fund different that the rest.

A. First, we don't charge fees to our investors to manage their

money. I don't know of another fund that takes that approach. I believe that I only deserve to be paid if I make my investors money. If I don't, I don't get paid. Pretty simple. Second, we secure the principal dollars to give as much protection to our investors as possible. My philosophy is that it's safety first, returns second. Third, we pay a preferred eight percent quarterly to our investors. Fourth, and probably the most important, we are a liquid fund where clients can pull their money from BBC Equities at any time without any penalties. My job is to get returns to our clients and make them want to stay with us. But if for any reason they aren't happy, they can just move their your money out. On the upside, our investors will share in dividends of our profits as well.

Q. Why is that important in today's economy?

A. I think it is crazy that people risk their retirement money in the market. The real rich do not invest in mutual funds. True wealth is in real estate. Why wouldn't clients get a preferred eight percent securing their principal dollars? If they truly have to invest in mutual funds and stocks, then take the interest and invest in those products. But never put your principal at total risk. If you lose your interest, you're still OK.



"I believe that I only deserve to be paid if I make my investors money." — John Bravata

"We want our wealth advisers to care about the clients so they understand we have no product to push. We work for them. So many in this business make sales to clients and then disappear when the deal is done. We are always looking for agents interested in long-term solutions to help our clients."

—John Bravata, president, Bravata Financial Group.

Bravata Financial Group: Wealth Advisers Growing With Their Clients

Q. Tell us about your other large holding—Bravata Financial Group (BFG)—and the tremendous growth it is experiencing in this down economy.

Bravata says, “Safety first, returns second.”

A. Bravata Financial Group is one of the largest privately-owned financial advising firms in the country. In the last 24 months, we have grown to over 1,200 wealth advisers across the country. We are opening a new office a month in a new state. We specialize in the traditional investment management, retirement and high-end estate planning with a primary focus on life insurance. We manage funds for pensions and private institutions.

Q. What kind of growth do you envision for BFG?

A. Through mergers and acquisitions of other financial firms, general agents, and individual agents around the country, our model has us on pace to be close to 10,000 wealth advisers in our firm within a year.

Q. Again, why such success when we see others fail?

A. My inspiration for BFG was taken from what I perceived to be the strengths and weaknesses I witnessed during my career at New York Life Insurance Company. It is a career shop, where agents are captive in a system only selling their company's products. On the other hand, the independent broker sells everything under the sun, but does not get the training, support or camaraderie of the career agency. We have a hybrid, balancing the best of both worlds. We are a career agency where people work for BFG, but we represent over 70 different carriers able to work with a client to offer products that make the best sense for each individual. The key to the success of the hybrid model is to pay our wealth advisers significant base salaries—a practice not found in the commission-driven insurance and brokerage world. It gives them the freedom to learn the business inside and out. It also provides stability in an industry known for its turnover. The message to clients: We don't have a product to push. If we help enough people get what they want, we will eventually get everything we want. And we don't charge fees to our clients to help them. I'm not a fan of fees.

Q. John, you were just named America's Premier Expert in financial services. Congratulation, what's in store for you now?

A. Well, I was honored to be a part of America's Premier experts. I have an article we did for *USA Today* that will be coming out.

“When I started the Bravata Financial Group, I wanted an honest approach to investment strategy. During my 14 year career in financial services, I discovered the pitfalls of the markets are not always made clear to investors by the big institutional financial planning firms.”

—John Bravata, president, Bravata Financial Group.

I will be going to Hollywood in February to do a television show for America's Premier experts. I will be doing an interview with *Newsweek*. I then travel to New York where we'll do a radio show and interview with the *Wall Street Journal*.

Q. You have a book coming out.

A. Yes, the book is entitled *Stealing of Wealth in America: What Financial Institutions and the Government Don't Want You to Know About Investing*. It should be out in early 2009.

Q. How do you know that this is the time to buy real estate and other investments?

A. As John D. Rockefeller once said, “The way to make money is to buy when blood is running in the streets.”



John Bravata's net worth may exceed \$250 million over the next 12 months.

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EQUITIES**

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