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## MAG CORNER VOL. 8

Dear Clients,

It's MAG Corner time again! In the last issue, I was warning that we should be facing some market volatility. I did not intend on being so accurate. Within two or three weeks of MAG Corner 7 being sent out, the market started dropping fairly significantly. As usual, our volatility was about a third of what the market was during that time. The markets have since recovered. To be clear, I don't think it's over. After a big run in the market like we have had in these previous years, we tend to get years of volatility with no real growth. That's the cycle I believe we just kicked off. We will see a period of time where the market gyrates but doesn't really achieve much growth. For those who want to understand more about these cycles and why I think where we are headed, I will cover more below.

There is one thing out there that could still push the markets higher, and that's the belief that AI is going to make companies more efficient and therefore more profitable, thus justifying a higher stock price. We shall see because efficiency means they will need less manpower or jobs, which will also have a competing impact. I read a report the other day that stated up to one-third of jobs for those coming out of college have already disappeared because of AI efficiency. Time will tell. Always remember as I said in MAG 7: We aim to win no matter what the market does because our goal is income growth. If you are reinvesting some of your income to buy more shares, then you should see more income growth each year no matter the market going up, down or sideways. For me and hopefully for you, that spells comfort and less worry.

Now it's time to get down to business. I'm sure you have seen the cost of everything has gone up these last few years. The cost in running MAG significantly increased, as well. It takes significantly more dollars to hire staff than just a few years ago. That is only one example, and I could give you many more. To that end, we are raising our management fee rate from .95 to 1%. This is generally the minimum most advisors charge. This change will start this October. I know some of you are probably surprised because you think it's already at one percent or you have rounded it up in your mind. This should not cause a burden for any of you, our clients. On a \$100,000 investment, it will raise your fee by \$50 from a total of \$950 to \$1,000 for the whole year. This is a small number but when spread over a large number, it really helps to cover the higher cost. For the last six months, we have already made this increase effective for new clients coming on board. If you are someone who thinks this is too big a burden, please call and we can discuss it in person. It's also important to note, that with this raise in mind, we are producing some of the highest net yields we have ever had in our history.

Speaking of hiring, we have two new people to introduce at our office. You will likely be hearing new voices answering the phone when you call. Sara Borza is at our reception desk, and Kiley Mize is behind the scenes helping in multiple capacities to ensure the office runs smoothly. Visit our Facebook page to learn more about each of them.



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I am so excited to tell you that we finally have everything ready to roll out for you to access your income numbers in an accurate way. This has been some kind of journey! Most advisors focus on growth and not on income, which means when you go to look for third-party support, you will mostly only find support for capital appreciation or growth. We finally found one that can support our position of income. You will have a new web site to log in to and in addition, if you want to, there is a new app that you can download to your phone. We have made the focus of the web page and app to be income. You will be able to find past income numbers and projections that look forward. For mobile applications, you will need to go to the Apple store or the Google Play store depending on your phone type. The links are listed below for your convenience.

Another feature I think you're going to find useful is the ability to store documents on your mobile app. This means all future MAG Corners will be posted in your app on your phone. No more worrying about it going to spam! Yay! You will also be able to upload documents to the app from your phone. This should be helpful in many future transactions. We will be adding features to the platform as time goes by. If you would like to sign up for the new service, all you need to do is first email [bryan@meliagroup.com](mailto:bryan@meliagroup.com) and request access. You will then receive an email from Advyzon detailing the steps to follow to obtain access. Advyzon is the company providing the third-party service for this application. You will also most likely receive an email back from Bryan at this time as well. If you have any troubles getting signed up, please call the office and ask for Bryan. He has been placed in charge of helping everyone get signed up. Again, you will have two choices: you can log in on your computer or you can download an app to your phone. You can do both if you wish.

As you know, we had considered leaving Charles Schwab because of how unhappy we were with them. I am happy to say that they worked hard to clear up the problems we were having and now by adding the new service mentioned above, which solves one of our biggest problems of getting accurate income numbers, we have no intentions of leaving Schwab at this time.

Many of you have started to receive class action lawsuit notices against Charles Schwab from the purchase of TD Ameritrade. I want you to know this has nothing to do with the security of Charles Schwab. It's a well known fact in the investment world that there are many groups looking to sue for many reasons. Generally, the attorneys walk out with big numbers and the actual participants end up with little. For me personally, I am going to ignore the lawsuit and not participate. These lawsuits drive me a little crazy. The amount of legal cost a public company has to pay attorneys to defend against these suits is staggering. If you feel you were harmed in the purchase in some manner, then maybe you will want to consider participating. Regardless, this will have no bearing on the operations of Melia Wealth/Advisory Group other than answering questions about the suit.



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Looking into the future, we hope to be introducing some new fun events and programs designed to celebrate you, our clients. We are nothing without you, and you are why we strive to give best-in-class service. We also live and die by referrals and word-of-mouth advertising. So many of you have referred your very best friends and family to us, and for me that's the highest compliment you could give me and our team. I promise we will never take that for granted, and we will never be pushy. As you know, we won't even sign someone on at a first meeting. We very much want to grow, but we want to do this with long-term relationships that bring value to them and to our team. We are one of Tulsa's fastest growing firms because of you and your referrals. I could never thank you enough.

Now for those who like to learn more about market histories and want a deeper dive on what I believe is going to happen, the following two paragraphs are for you. It's important to remember that from 1987-2000 is to this day the best bull market run that America has ever had. The market grew by approximately 600% during those years. Then what happened, from 2000-2002 the market dropped by 50%. The market then took 6 years until 2008 to get back the 50% it had lost. Then proceeded to drop by 60% in 2008-2009. Then it took until 2012 or 4 more years to get back to where it had been in 2000 and 2008. The net result was 2000-2012 with 12 years of no growth. It's so important to remember when you hear people say the market averages 7% to 10% historically, you need to understand how important that word average is to the story.

Going back 150 years of market history, you see this pattern repeat over and over again. A pattern where you have explosive growth followed by years of volatility that gives you an average of 7 to 10%. We don't get to coordinate our retirement years with the market. If you're in growth during retirement years, then it's all one big gamble of timing. You might ask where we are currently in this timing gamble. Well, the market from 2012 to 2025 is up 400%. By almost any measure you want to use, the market is expensive. In my opinion, it's easy to spot a bubble, but it's impossible to spot when and what it's going to take to pop it. We seem to be in good company as Warren Buffet seems to think we have some trouble coming. He now is sitting on more cash than he has ever held in the past. The last time I checked, it was \$345 billion. It's getting so big that it's causing speculation to become rampant as to what he believes is coming for our economy. My guess is that it's easy to spot a bubble meaning prices are expensive and he is waiting for an event that makes buying companies more attractive to purchase. But here again, this would result in us picking up assets on sale and driving our yields higher, which is exactly what just happened in April 2025 when the market dropped approximately 20%. Our assets comparatively only dropped by 7% in price, but this still gave us some buys earning us higher yields for those purchases.

I have been asked many times about when I will retire or why I haven't yet. The real simple answer is that I love what I do, and have no intentions of retiring any time soon. I truly believe and have experienced how income is the holy grail of a great retirement, and we are saving retirees' financial lives by getting them out of growth investing and into income investing.



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They are eating the egg and leaving the chicken alone. I am looking to take this message to as many people as possible. I am motivated to save as many financial lives as possible. To that end, I would like to ask you to do something that would be immensely helpful for us to reach more people. If you have never given us a Google review and believe we are worthy of a review, please click on the link and take a few minutes to do that: [hibu.us/bhm5b](https://hibu.us/bhm5b). After you submit your review, it will ask if you want to submit it to Google. Please do that. I cannot thank you enough for doing this for us. It's a proven fact that people look to read reviews before taking action steps.

On a more personal note, my number of grandchildren continues to grow. On June 4, I was in Kansas City welcoming my older daughter, Katy's third child, Noah, into the world. This makes four direct grandchildren from my two awesome daughters. We are still awaiting grandchildren from my son, and that's okay!

When I first started serving retirees 17 years ago, I often heard how wonderful grandkids are but I don't think it really hits until you experience it. It really is one of the best experiences in the world! Not having them in the beginning kept me from really appreciating what was coming. The running joke I also heard back then was that if clients could push the "skip the child" button and go straight to grandchildren, they would do it! The interesting thing is that this kind of happened to me. My brother passed away 25 years ago. He had two daughters, and one has moved here to be close to family and she lives next door to me! She has three small children who we have adopted as grandchildren. From the first time I met the oldest, who is now five, he has called me Grandpa. No one told him to say it, he didn't ask who I was, he just called me Grandpa. So, in addition to four amazing grandchildren from my own kids, I am truly blessed to have three bonus grandchildren and I didn't even have to push the "have a child" button. So, my total stands at seven. We are having so much fun with our growing pack of little ones! These precious grandchildren give me added motivation to keep working for a better future for my grandchildren and for yours.