



# Solari Portfolio Strategy

## The Power of Financial Intimacy



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**Solari Inc. May 2006**

<http://solari.com>

**“You’re either part of the solution,  
or you’re part of the problem.”**  
**-- *Eldridge Cleaver***

**“You’re either *financing* the solution,  
or you’re *financing* the problem.”**  
**-- *Solari***



# Introducing Solari

- **Mission**
  - Popsicle Index = 100% worldwide
- **Opportunity**
  - Decentralizing with financial intimacy
- **Strategy**
  - Turn the red button green
  - Popsicle Index UP = Capital Gains UP
- **Products**

Articles, radio shows, audio seminars, how-to tools, and financial advisory services offering:

  - “Real deal” maps of the financial system
  - What to do about it

# Overview

- **Seeing the Real Deal on how the money works**  
*We call it the Tapeworm Economy*
- **\$1mm Portfolio Example - Before and After**  
*Feeding the Tapeworm vs. your financially intimate networks*  
*But, but, but ... what if I don't have \$1mm?*
- **Solari Portfolio Strategy**  
*Integrating your portfolio with your network, your place, and your life*
- **Powershifting the Tapeworm Together**  
*Opportunities expand as our financially intimate networks grow*
- **Getting started**  
*Seeing diamonds in your own backyard*

# Introducing The Tapeworm

## Our Central Banking - Warfare Economy



*Are you financially intimate with the Tapeworm?*

# The Tapeworm: Central Banking - Warfare Economy

*Example: A \$1mm portfolio*

## US Govt Fixed Income

### ***Full Faith & Credit:***

\$100,000 US Treasury Bonds  
25,000 US Treasury Note  
75,000 Ginnie Maes

### ***Indirect Credit:***

\$25,000 Fannie Maes  
25,000 Freddie Mac  
25,000 Sallie Mae Debentures

## Global Govt Fixed Income

\$140,000 World Bond Fund – High Credit Quality  
Foreign Sovereign Governments

## Corporate Fixed Income

\$50,000 Bond Fund

## Bank CDs

\$100,000 CD in NY Fed Member Bank  
25,000 CD in NY Fed Member Bank  
25,000 CD in NY Fed Member Bank

## Short Term & Cash Equiv.

\$25,000 Fidelity Tax Exempt Fund  
10,000 Citibank Checking Acct

## Stocks

\$75,000 Individual stocks in large govt  
contractors and large NY Fed banks  
40,000 Energy Fund – oil, gas and coal  
100,000 in two SRI Social Index Equity Funds

## Home

**\$400,000 Split Level in Reston, Va.**  
***Favorite Charity: Harvard University DEBT***

# What are we financing?

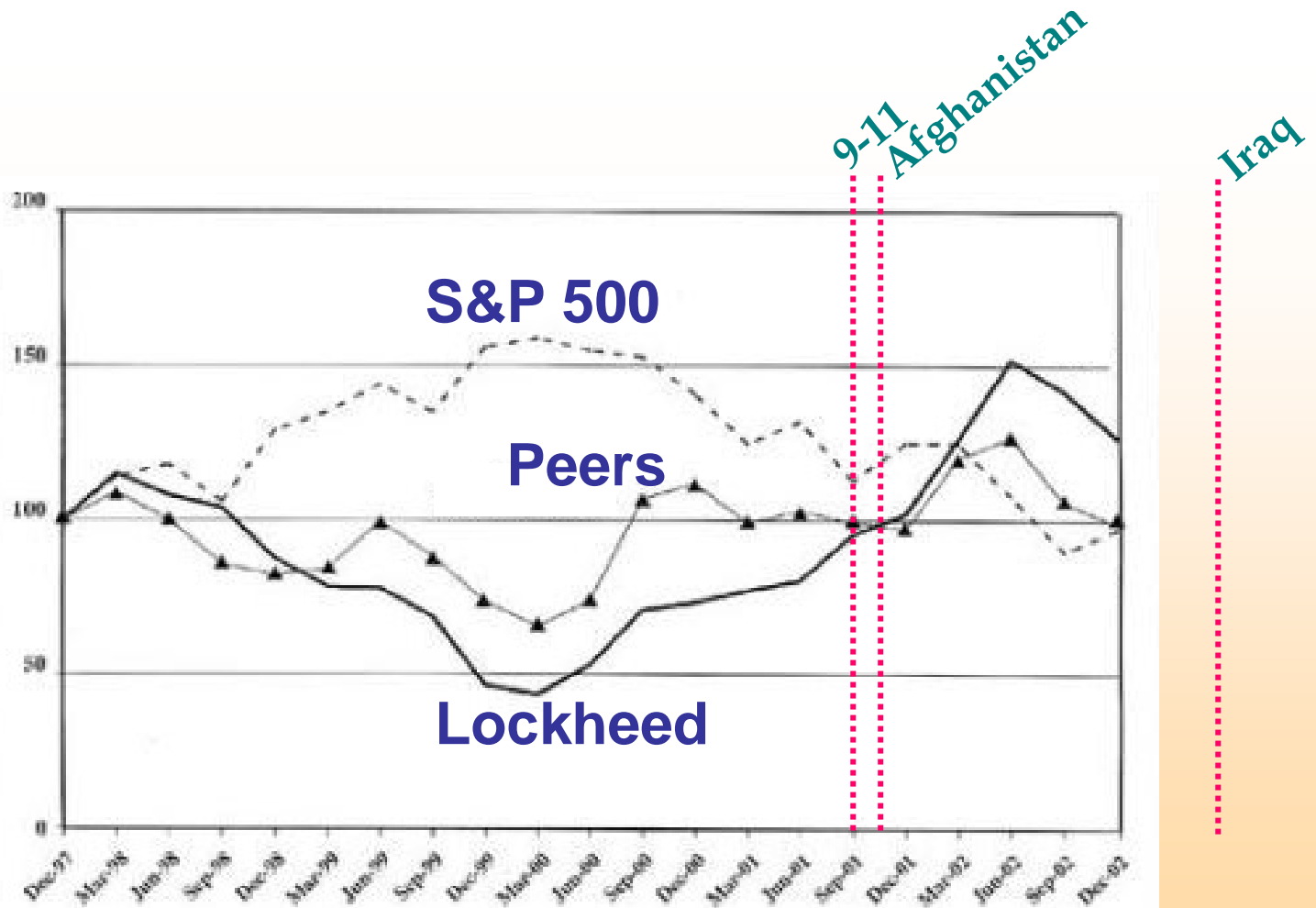
## Example: *Novartis & Ritalin*

Kids on Ritalin US (est.)	10,000,000
Novaritis P/E (est.)	32x
Profit Per Kid (est.)	\$54
Stock Market Value: (est.) Per Kid on Ritalin US All US Kids on Ritalin	\$1,720 \$17,200,000,000



# What are we financing?

Example: *Lockheed Martin*

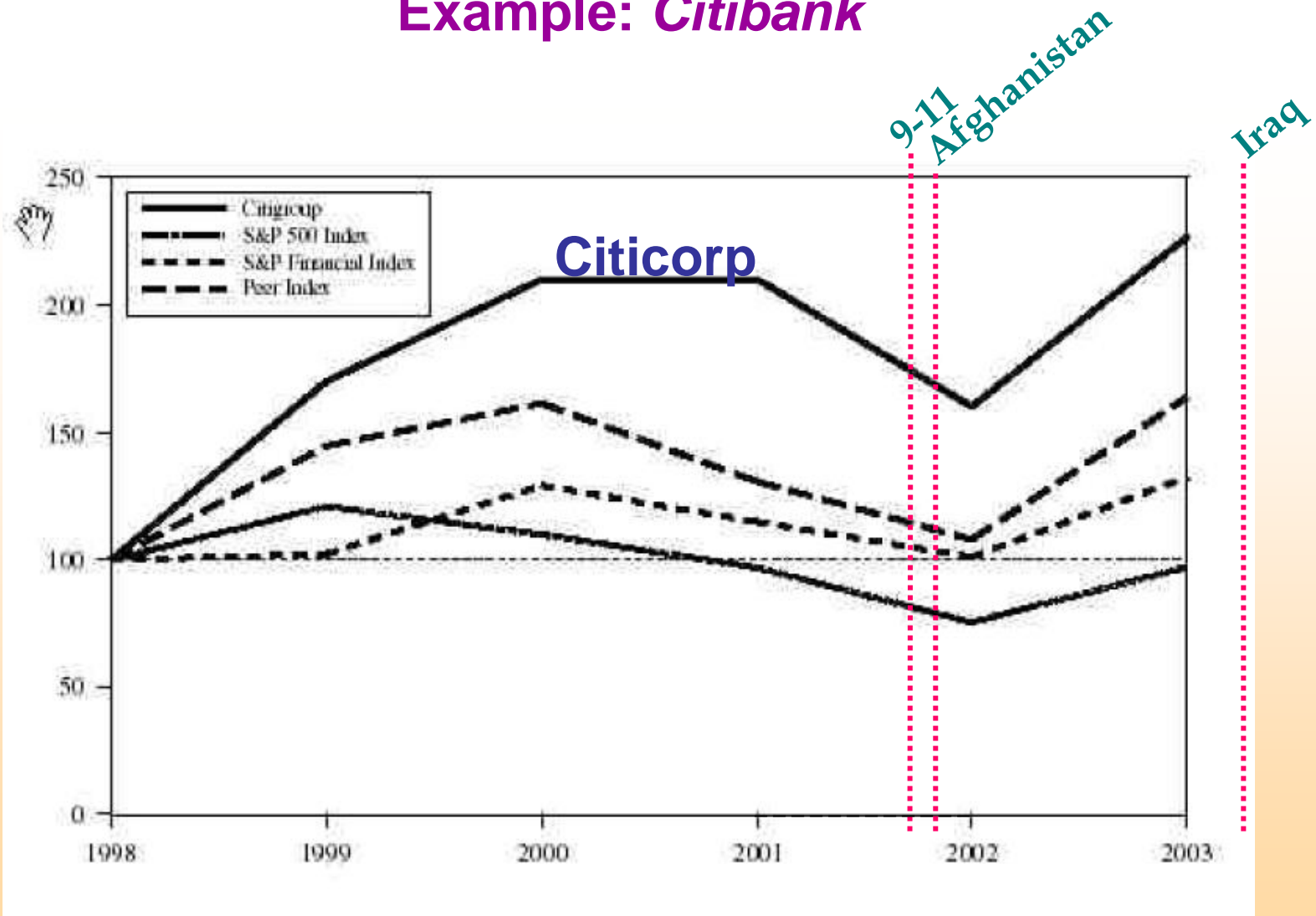


Source: Lockheed Martin Proxy - March 2003



# What are we financing?

Example: *Citibank*



From: [An Open Letter to John D. \("Jerry"\) Hawke, Jr.](#)  
[Comptroller of the Currency - United States Treasury](#)

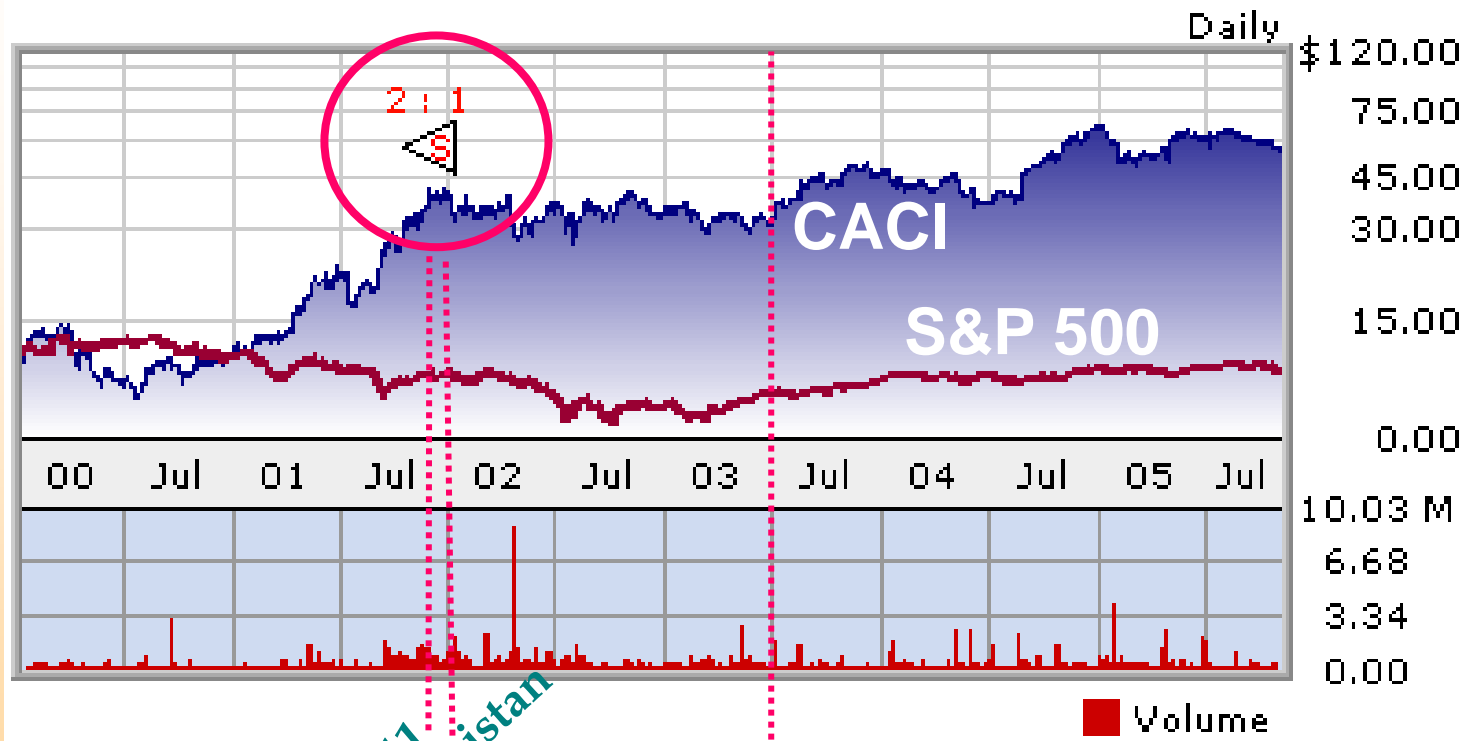
# What are we financing?

Example: *CACI*

## Historical Stock Data

■ CACI INTL INC  Split  
as of 10/24/2005

■ SPX



From: [CACI Website](#)

# The Tapeworm:

## Central Banking - Warfare Economy

### *Our sample \$1mm portfolio ...what are we financing?*

- AT&T
- NY Fed Member Banks
- Barrick
- Bank of NY
- CACI
- CCA
- Citibank
- Energy Companies
- Exxon
- Fannie/Freddie/Ginnie/Sallie
- Global governments
- IBM
- Halliburton
- Harvard
- Local school district and local govt
- Lockheed Martin
- McDonalds
- Monsanto
- Novartis
- RJR
- SRI Social Index Fund
- US Treasury

- ✓Centralization of political corruption
- ✓Financial Coup d'Etat: trillions missing from US government
- ✓Fiat currency and debasement of the currency
- ✓“Piratization” and market manipulation
- ✓Jobs moving abroad
- ✓Debt bubble and fraudulent inducement
- ✓Black budget ops & assassination
- ✓Food seed/water/energy monopoly
- ✓Environmental degradation
- ✓Arms and narcotics trafficking
- ✓Warfare and economic warfare
- ✓Dirty money, money laundering & financial fraud
- ✓Torture in Iraq and Guantanamo Bay
- ✓Space weaponry, surveillance and invasion of privacy
- ✓Drugging and poisoning of children
- ✓9-11 and global conquest
- ✓Suppression of technology
- ✓Suppression of financial disclosure
- ✓Corruption of government officials and process

# The Tapeworm: Central Banking - Warfare Economy

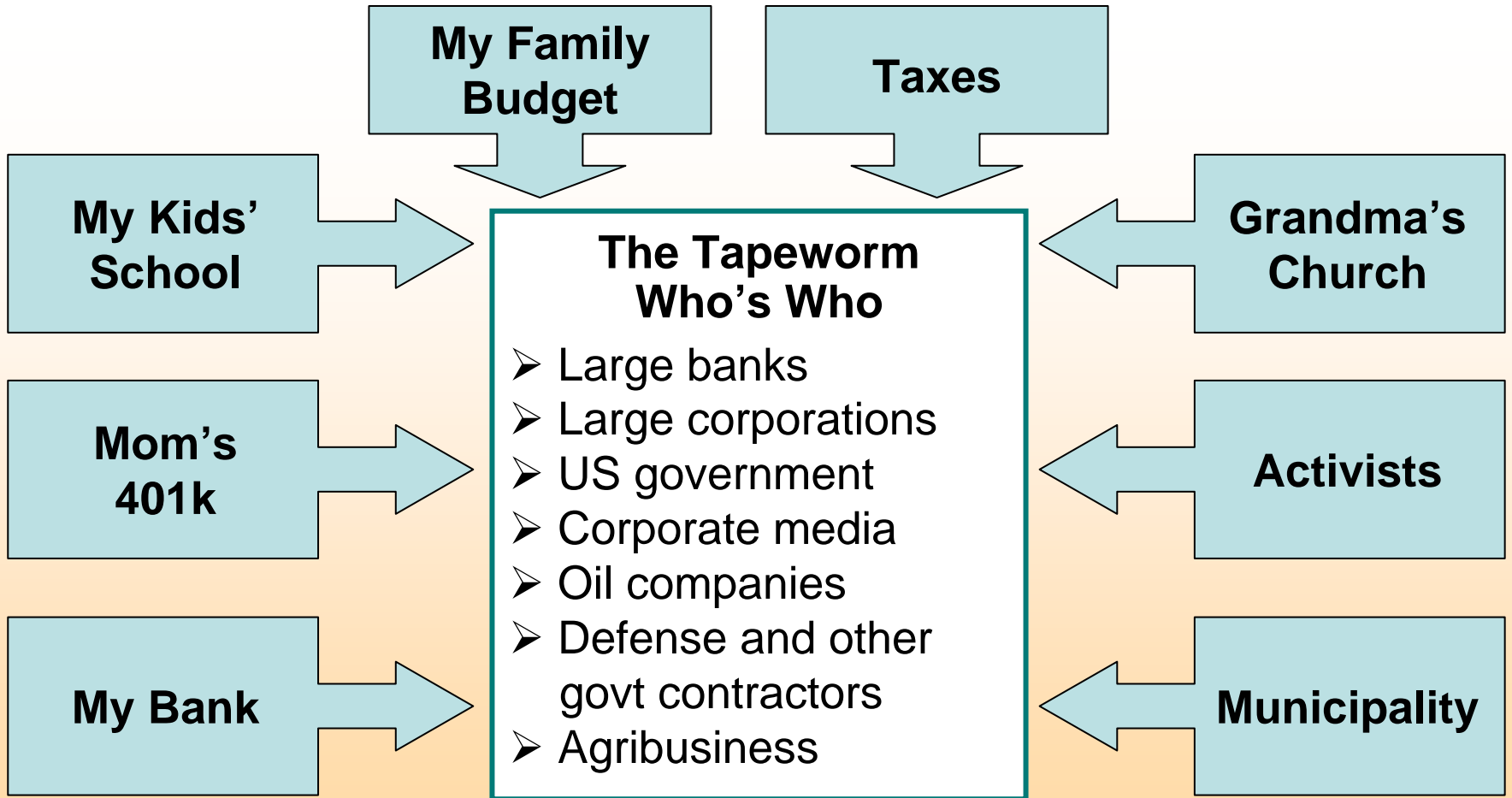
*Our \$1mm portfolio - is it sound?*

- **Zero Diversity**
  - Entirely dependent on US Federal Credit
- **Federal Credit is Unsound**
  - Heart of the Negative ROI System
- **What needs to grow to provide the investment yield?**
  - Warfare ... Dirty Money ... Facism ... Inflation ...
  - Depopulation ... IMF Workout ... Market Manipulation ...
  - Peak Oil ... Suppression of Technology ... IRS
- **What always happens in the end?**
  - Insiders are protected ... Outsiders thrown overboard

# *Let's look at all parts of our financial operations*

- **Time and Attention**
- **Purchases**
- **Deposits and Debt**
- **Investments and Pension Funds**
- **Donations**
- **Taxes**

# *Where is the money in your neighborhood going?*



*Would YOU push the red button?*

# What Went Wrong?

## Dow Jones vs. the Popsicle Index

	1950s	Now
Dow Jones Index	150	10,000 +
Popsicle Index	<i>Very High</i>	<i>Low</i>

# What Went Wrong?

## Centralizing the Financial Equity of a Place

	Before	After
<b>Profile</b>	<b>100 small businesses &amp; farms</b>	<b>2 big businesses</b>
<b>Retail Sales</b>	<b>\$100,000,000</b>	<b>\$100,000,000</b>
<b>Govt \$</b>	<b>\$50,000,000</b>	<b>\$50,000,000</b>
<b>Profits</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
<b>Multiplier</b>	<b>1-5x</b>	<b>10-15x</b>
<b>Local Equity</b>	<b>\$10-50,000,000</b>	<b>\$100-150,000,000</b>
<b>Ownership, Expertise, &amp; Control</b>	<b>90% locally owned</b>	<b>10% and declining</b>
	<b>100+ local owners</b> <ul style="list-style-type: none"><li>• Financially Intimate</li><li>• Reinvesting locally</li><li>• Local control, expertise</li></ul>	<b>10+ local owners</b> <ul style="list-style-type: none"><li>• Loyal to the Tapeworm</li><li>• Reinvest in Tapeworm</li><li>• Declining control, exp</li></ul>



# Purging The Tapeworm



*It's time to reverse the drain!*

**Coming Clean**

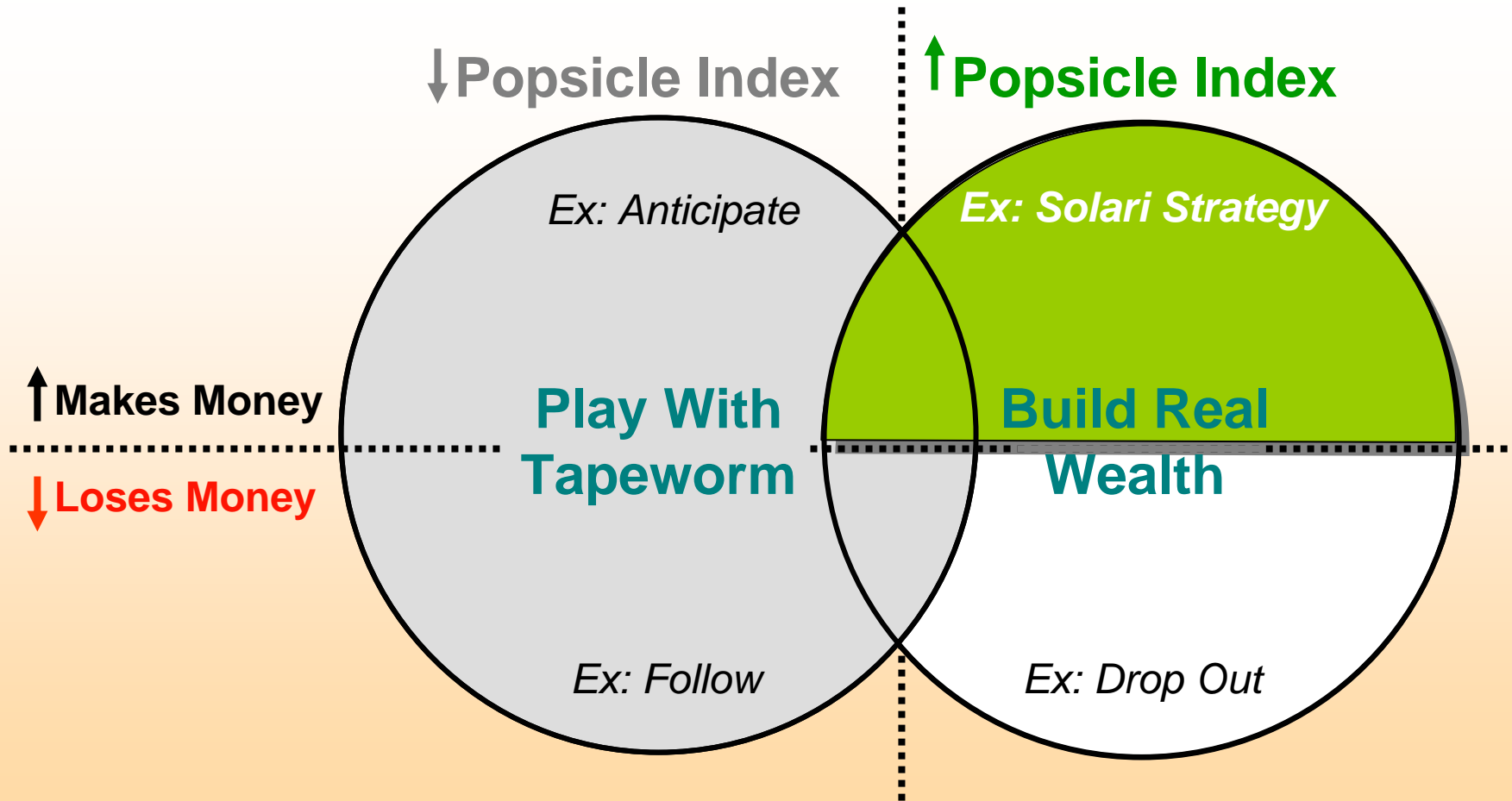
# Solari 2-Test Strategy

*Make money on a rising Popsicle Index!*

- **Goal**
  - Maximize Return on Investment
- **Invest in Understanding Total Economic Returns**
  - You: *time and money*
  - Your Ecosystem: *living & financial equity*
  - The Players in Your Ecosystem: *their needs and risks*
- **Risk Management**
  - Do No Harm
  - Avoid Bad Dogs
  - Teach Others to Play 2-Test Too
  - You are only as safe as your neighbors
- **Result**
  - Use knowledge about how to create value for the good guys and the whole system to create greater security and value for yourself



# Investment Strategies

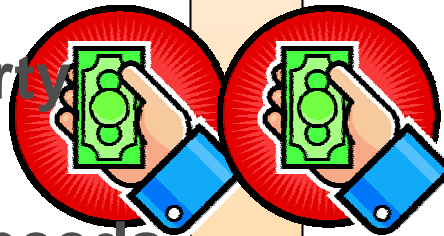


# To Play With the Tapeworm is a Losing Strategy



## Tapeworm Team

- Centralizes power
- Destroys wealth
- In cahoots with dirty players
- Slower learning speeds



## Wealth Team

- Decentralizes power
- Builds wealth
- In cahoots with trustworthy players
- Higher learning speeds

# Our Greatest Leverage Point

How do we make money  
turning the **Red** Button **Green** ?

# Financial Intimacy

**Who does your money touch?**

Who is your Banker?

Who is your Farmer?

Who are your Investees?

Who is your Charity?


Who is your Municipal Leader?

**Who do you trust with your *life*?**

***Your \$ is a power tool!***

# Financially Intimate Investing

	Global	Local
Liquid	<i>Example:</i> Stock in Alternative Energy Company	<i>Example:</i> CD in Local Bank
Non-Liquid	<i>Example:</i> Out of Town Real Estate	<i>Example:</i> Your Home



*Think “cui bono” – who are your financial intimates?*

*Note: Nothing in this presentation should be taken as individual investment advice.*



# One Family's Portfolio Before & After Comparison

Example: *\$1mm portfolio*

	Tapeworm Portfolio	Financially Intimate
Local Non-Liquid	\$150k \$700k debt	\$ 550k \$0 debt
Local Liquid	25k	75k
Global Non-Liquid	---	200k
Global Liquid	825k	175k

*Popsicle Index*



**Note:** Nothing in this presentation should be taken as individual investment advice.  
Anyone seeking investment advice should seek out and retain a qualified advisor.

# One Family – After Financial Intimacy

Example: *\$1mm portfolio -- diversified and profitable*

## Local Liquid

**\$75k**

\$5,000	Checking account/money market at well managed local community bank
20,000	CDs at well managed local community bank
10,000	Cash, silver and gold coins in deposit box
10,000	Cash, silver and gold coins at home
25,000	Publicly traded stocks for companies based in my area or region with leadership and products personally known to me or to people I trust
5,000	Local tax-exempt bonds of municipal agencies run by people we know and respect doing things that we believe raise our Popsicle Index

Think “cui bono” – who are your financial intimates?

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# One Family – After Financial Intimacy

Example: *\$1mm portfolio -- diversified and profitable*

## Global Non-Liquid

**\$200k**

\$100,000	Gold and silver bullion in depository in Europe
90,000	Investment in land and cottage next to cousin's in-law's farm in Central America (High Popsicle Index, Low Cost)
<i>Expected</i>	\$25,000 Reserve for improvements to land and cottage (Currently held and counted in interest bearing accounts under Global Liquid)
<i>Expected</i>	\$25,000 Micro equity – Reserve to invest in cousin's in law's business and local businesses (Currently held and counted in interest bearing deposits at local bank in Central America under Global Liquid)
10,000	Angel investment in college roommate's wind farm company

Think “*cui bono*” – who are your financial intimates?

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# One Family – After Financial Intimacy

Example: *\$1mm portfolio -- diversified and profitable*

## Global Liquid

**\$175k**

- \$25,000 Digital Gold and Silver
- 75,000 High Popsicle Index Places
- 25,000 Basket of Local Stocks and Local Bank CDs
- 50,000 Small and Mid-Cap Stocks – Focus On:
  - Decentralizing, sustainable solutions
  - Products & services that lower monthly expenses and/or increase self-sufficiency, promote good health, save time, make fresh food more available/affordable
  - Operations that are excellent on sustainable basis
  - Stocks of above available on an economic basis

Think “cui bono” – who are your financial intimates?

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# One Family – After Financial Intimacy

Example: *\$1mm portfolio -- diversified and profitable*

## Local Non-Liquid

**\$550k**

\$300,000	30 acre farm in TN with improvements (no debt)
95,000	Mortgages financing homes for my sister and a neighbor
5,000	Refinancing of cousin's credit card debt (warning/disclaimer)
150,000	Reserved for direct local investment and to pool with Solari Investor Circle:
	•Financial investments
	•Networking, lobbying, asset mapping/databank
	•Learning and intellectual mastery
	•Donations/tithes

*\*Technically it is currently in Local Liquid – however treating as non-liquid for purpose of aggregates*

Think “cui bono” – who are your financial intimates?

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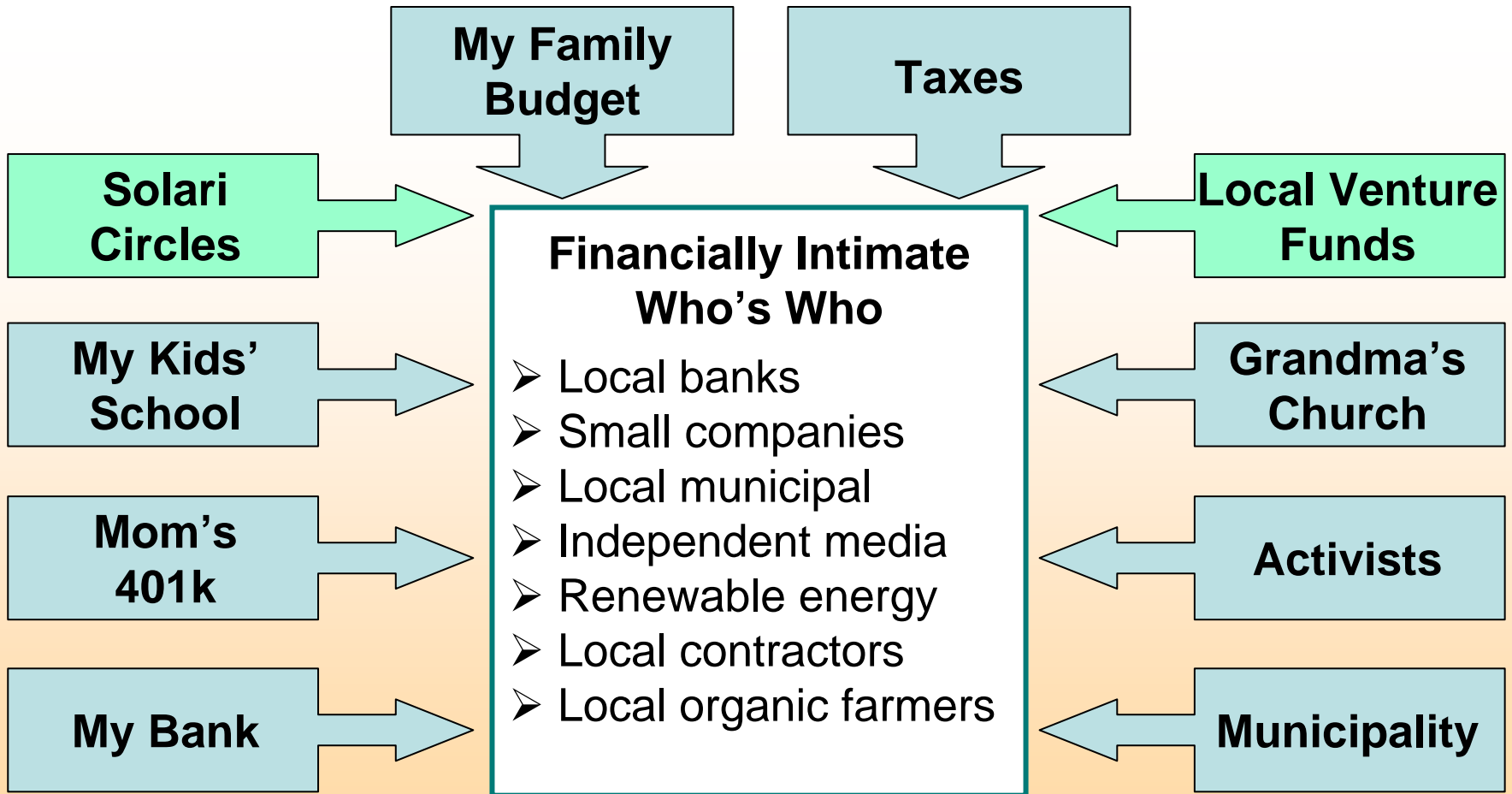
*Popsicle Index*



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**What does a financially intimate  
neighborhood look like?**

# *Where is the money in your neighborhood going now?*



*Expanding intimate knowledge, intimate networks & places*



# Summary: Rules of Thumb

- Get Started: bank local, eat local, turn off your tv
- Think “who”
- Play Solari 2-Test and profit from a rising Popsicle Index
- De-centralize
- Withdraw from the Tapeworm
- Lower overhead, increase self-sufficiency
- Build equity, rather than yield

# Watch Out for the Tapeworm Trap

- Multiple personality disorder

# Getting Started

*Do only what gives you energy*

- Free up 2-4 hours/week + \$\_\_\_/month
- Ask ‘Where do I live?’ and ‘Who is my affinity group?’
- Withdraw from the Tapeworm
- Bank local, eat local, turn off your tv
- Lower your overhead and debt, increase self-sufficiency
- Become an investor
  - cultivate intimate knowledge, intimate networks, sphere of influence
  - become investment worthy
- Play Solari Strategy
  - use the Popsicle Index to identify opportunities
  - build equity, rather than yield
  - cultivate transparency
- Start or join a Solari Investor Circle asap



## Next Steps

- **Solari Booth:** Audio Seminar CDs & DVD
- **Workshop:** Refer to Program
- **Website:** [solari.com](http://solari.com)
  - ✓ Sign up for free updates
  - ✓ *Links to free resources*
  - ✓ *Catherine's Blog*
  - ✓ *Solari Audio Seminars*



## Next Steps (cont)

### ➤ **Audio Seminars:**

- ✓ Navigate the Falling Dollar
- ✓ Navigate the Housing Bubble
- ✓ Where Would Jesus Bank (and other good folks too)?
- ✓ Precious Metals Miniseries
- ✓ Building Real Wealth
- ✓ Beyond SRI Part I: Is SRI Hazardous to Our Wealth?
- ✓ Beyond SRI Part II: Solari Portfolio Strategy

### **Collections**

- ✓ Investors Collection
- ✓ Complete Collection

# The Bottom Line

*Freedom cannot be bought with money;  
individual financial security is not sufficient  
to achieve personal freedom.*

*Freedom comes from profiting through  
collaborative efforts to create  
financially intimate networks and neighborhoods,  
and to enjoy the wealth created.*

**Freedom begins with seeing  
the diamonds in your own backyard!**