

# Why You Got Into Debt & How To Get Out of Debt For Sure

A special 3-part presentation of The Monthly Mentor™ Program  
including the copyrighted and proven technique:  
The Master Debt Crusher™

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## DATES AND TIME FOR TELESEMINAR:

Tuesday June 9, 2009: Part I at 9pm Eastern/6pm Pacific  
Tuesday June 16, 2009: Part II at 9pm Eastern/6pm Pacific  
Tuesday June 23, 2009: Part III at 9pm Eastern/6pm Pacific

## DIAL-IN INFORMATION FOR TELESEMINAR:

Dial in Number: **321-482-5000**,

Use Conference ID: **158854#**

Webcast: **[www.MonthlyMentor.com/webcast](http://www.MonthlyMentor.com/webcast)**

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## Student Action Guide

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## Part One

# Why You Got Into Debt

**Understanding Why and How You Got  
Into Debt is a Key Ingredient in your  
Journey to Get out of Debt.**



# Part One: Why You Got Into Debt

## The Reasons You Are In Debt

The three reasons you are in debt, which will be discussed in this Part One, are:

1. Smart 'Bombs'
2. The Five Debt Myths
3. Insufficient Level of Debt Awareness

It may be that you are in debt because of a bad investment. It may be that you lost a lot of money in the real estate price decline or the stock market decline. It may be that your business failed. It may be that a trusted partner, colleague or employee hurt you financially. It may be that you lost a litigation against you. All these are possible and do happen. However, these are more likely to happen to you if you are susceptible to smart bombs, believe at least one of the five debt myths and have an insufficient level of debt awareness.

## Think of Bombs

By way of comparison, let's think of bombs dropped by airplanes. Originally, bombs were "\_\_\_\_\_". The bomber in the airplane would drop the bomb when he sensed that the timing was right and that the target was beneficial. There was considerable \_\_\_\_\_ and there was considerable \_\_\_\_\_ of bombs. Most bombs did not hit the target, or indeed any target. But, if enough bombs were dropped, then there would be some degree of \_\_\_\_\_.

Then, with the advent of computer technology, micro-miniaturization, the Internet, GPS and satellite imaging, bombs became "\_\_\_\_\_". Bombs were released by \_\_\_\_\_; they were \_\_\_\_\_ instead of just falling; and they detonated by \_\_\_\_\_.

programming instead of just on impact. Bombs became far more \_\_\_\_\_, but far more effective and \_\_\_\_\_. And, far more \_\_\_\_\_ to the intended target.

## **Smart Bombs in Advertising**

With this history lesson of bombs in mind, turn your attention to advertising. Why? Because an airplane releasing a bomb on an intended target is truly identical to a \_\_\_\_\_ releasing a \_\_\_\_\_ on an intended target. The smarter the message, the more effective and the more dangerous is the message. And, the far more \_\_\_\_\_ to the intended target – YOU!

The Plague of Debt began when banks, credit card companies, department stores, travel companies and indeed merchants of all descriptions began using powerful advertising techniques targeted at smaller and smaller distinct groups of people, even groups of one!

With the advent of \_\_\_\_\_, companies now scour through giant mega-warehouses of data created by every digital action you take:

- Every individual item you purchase by credit or debt card is recorded, sold to giant computer data mining centers and intensely analyzed;
- everywhere you go is known because of the cell towers your cellphone connects with and your travels and patterns are thereby known, recorded and analyzed;
- every website you visit reveals more information about you;
- every video you watch on YouTube reveals information about you;
- every person on your Facebook account is cross-referenced to glean more information about you;

- every search you make on Google reveals more information about your interests;
- the types of restaurants you like is captured and analyzed;
- the TV shows you watch is recorded through cable or other digital technology and analyzed;
- key words in your emails are noticed, recorded, sold and analyzed;
- face recognition technology watches you in sensitive places like casinos, some government offices, etc.

Now that all this information is known about you, “smart” bombs can be dropped on you. For example, if you are a sports fan, watch a lot of sports on TV, like burgers and other fast food, and tend to shop in convenience stores not grocery stores, then be prepared to be bombed with advertisements for \_\_\_\_\_ delivered to your door in the days just before the Super Bowl. On the other hand, if you tend to shop at health food stores, visit health-oriented websites and have an ulcer, expect to get bombed by advertisements offering you nutritional supplements to heal ulcers. In both cases, you will be so eager for the message because it has been smart-bombed directly to you. Merchants will pay more for each bomb, but each bomb will be far more effective (or financially \_\_\_\_\_ to you!)

You may wonder why such ads would be financially fatal. You may think that it is a good idea that only ads that interest you are sent to you. You would be right if advertisers and merchants had your \_\_\_\_\_ at heart. But, they have their \_\_\_\_\_ at heart. So, you will notice that \_\_\_\_\_ profit items like processed foods, snack foods, pizzas, burgers, soft drinks, casinos, cars, watches, travel, etc. are advertised to you. Can you recall receiving an ad for a carrot, a walk in the park, a reminder to meditate? Likely not.

But, it’s worse. There’s more.

## Subliminal Bombs in Advertising

Not only were the techniques smart and targeted at smaller and smaller groups, but the techniques actually became morally suspicious or even morally \_\_\_\_\_.

Advertisers began putting faded pictures of seductive women hidden in print ads – just below your conscious awareness but impactful enough to ‘\_\_\_\_\_’ you buy without even realizing why you were buying.

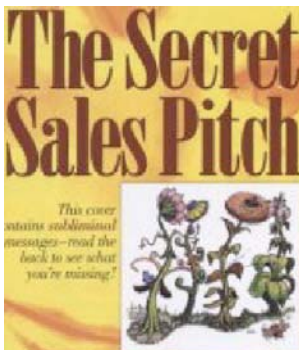
Another example is scenting the air of hotels, stores and casinos with fragrances that encourage taking out your wallet and spending. According to scientific testing, some fragrances encourage certain behavior like buying (which merchants want) or taking risks (which casinos want). As soon as a research lab can prove on human testing that a fragrance has a certain impact on human behavior, that fragrance is patented and is sold to merchants eager to ‘make’ you do what they desire. That fragrance is worth millions of dollars. That fragrance ‘makes’ you take actions you think you are choosing to take, but really you are being \_\_\_\_\_ to take.

Movie theaters began flashing pictures of \_\_\_\_\_ too fast for you to see consciously, but popcorn sales skyrocketed.

Let’s look at just one merchant: casinos. Did you know that:

- the ceilings are always jet black so you cannot look up and the carpets are always gaudy and unpleasant so you cannot look down – hence you can only look forward – directly at the slots or the tables;
- the doors are architecturally located so that they cannot be seen from inside the casino so you are always disoriented and cannot find your way out;
- the cashier where you cash in your chips to leave is always right at the back of the casino so that you need to walk all the way through the casino, past all the slots and tables, subjected to all that temptation (and of course you need to walk by them again as you depart with all that cash in your hand);

- the highly-advertised low-priced buffet restaurant is right at the back of the casino so that you need to walk by all the temptation to eat. The line-up is right beside the slots so that you can try your luck even while you are in line to eat;
- the sounds in the slots area are not other people winning (because they ring constantly even if no one is playing) and they are scientifically designed to make you feel uplifted and happy so you keep gambling (just like an auctioneer's voice is seductively designed to encourage you to feel good and keep bidding);
- different fragrances are used in different areas of the casino to encourage the exact behavior the casino wishes to promote;
- black jack tables are kept quiet and craps tables are kept loud, all to encourage the desired betting behavior.



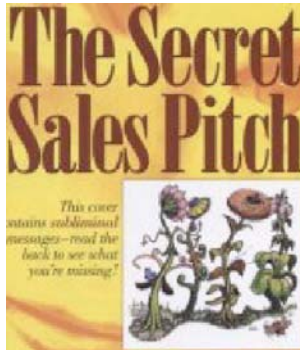
On the cover of the book is a \_\_\_\_\_ message. See if you can find it.

This subliminal message will startle you. As soon as you are told what the message is, it will be so clear to you. It stands out – but only if you can see it. And, this is just one way advertisers are subliminally moving you to over-spend.



Some subliminal messages are benign in that they simply promote the company's message without any moral difficulty. FedEx is one such example. Look at the FedEx wording above and see if you can spot the subliminal message.

Notice below the all-caps bold-lettered word right on the cover that you probably did not see. Notice in the FedEx logo, the bold white arrow pointing to the right (typically meaning 'forward') hidden in their company name.



## Using a New Weapon

History records not one single example of a new weapon that is never used. The Atomic Bomb is one example of a new weapon that was used.

In the advertising context, companies began listening more to shareholders' \_\_\_\_\_ rather than to integrity, morality and reason.

Tens of thousands of ads hit your subconscious every day – every message on a passing truck, every billboard, every banner and ad on a website, the manufacturer's logo on every product, piece of clothing, passing car, etc. Not a single one of them encourages reason, caution & savings. Every one of them brilliantly displays the benefits of \_\_\_\_\_-spending. And, so you spend, thinking that you have made that decision. And, you spend and you over-spend.

Every possible way is used to cajole you into doing what advertisers and merchants want. If an ad does not work, it is \_\_\_\_\_. If an ad works, it is \_\_\_\_\_ until it works even more powerfully -- *on you!*



For example, advertisers hire the most brilliant writers to create an ad that is intensely compelling. Then the ad is “split”. This means that 10% of the ads sent to you by mail, email, billboard etc. are different in a specific way – maybe a different headline, a different color, a different photograph, different grammar, etc. If the test split ‘out-pulls’ the original ad, then the test becomes the new ad. Then next time the ad is sent, the new ad is sent to 90% of the list and the other 10% of the list is sent a new ‘split’ with some other minor change. The process never ends. Ads just keep getting \_\_\_\_\_ and smarter – meaning more and more financially \_\_\_\_\_ to you – and more and more financially beneficial to the merchant and the advertisers.

In summary, you are being smart-bombed incessantly and subliminally and subconsciously – in ways you are unaware of and in ways that may be tough for you to deflect or protect yourself against. That’s what “they” are doing; but you are doing something too. You are part of the dance because you likely believe at least one of the many debt myths. Here are just the five worst ones.

## The Five Worst Debt Myths

It is important to rid yourself of the Five Worst Debt Myths. To do so, you must at least bring them up to the level of conscious \_\_\_\_\_. In the light of day, these Debt Myths sound \_\_\_\_\_. But, do not disregard them on the grounds that they sound silly. As silly as they sound, you likely \_\_\_\_\_ you actually do believe one or more of them to \_\_\_\_\_ extent. Here they are.

### MYTH #1 The Myth Of Higher Income

***Have you ever said: "I will be out of debt as soon as I can increase my income"***

Statistics show that the higher the income, the \_\_\_\_\_ is the debt. So, forget about getting out of debt by increasing your income. That does NOT work. Only \_\_\_\_\_ your expenses to \_\_\_\_\_ than your income will work. It's like a person who is always late saying that he just needs a faster car! We all know that a faster car will not make him early. Similarly, higher income will not get you out of debt.

### MYTH #2 The Myth Of Small Debt

***Have you ever said: "One small extra payment does not matter much"***

Statistics show that people who believe that small extra debt payments are OK have large debt. It's only those people who believe that any consumer debt is \_\_\_\_\_ who actually are out of debt.

### MYTH #3 The Myth Of Low Interest Rate

***Have you ever said: "Debt is OK as long as the interest rate is low or zero"***

Mathematics shows that even a reasonable interest rate will dramatically increase the cost of your purchase. A home purchased with a conventional mortgage at reasonable interest rates will cost the unfortunate homeowner about \_\_\_\_\_ the original purchase price of the home. Why would you willingly pay a half-million dollars for a \$250,000 home? Of course, I am not saying that you must pay all-cash

for your home. But, I am saying that, if you have no consumer debt, then you can downpay your mortgage very fast, likely in 10 years instead of 30 years.

**MYTH #4    The Myth Of Inflation**

***Have you ever said: "Debt is OK because inflation will bail me out"***

Reality shows that though the property may well go up substantially over the years, you may not be able to survive financially during those years and may need to force-sell your home in the meantime, without enjoying the benefits of that inflation.

**MYTH #5    The Myth Of Entitlement**

***Have you ever said: "it is OK to buy this because I deserve it"***

Only those who are in debt say such things. Those who are not in debt \_\_\_\_\_ till they have the cash before they buy anything, even if they really want it.

In summary, though these myths may seem silly, be brutally honest with yourself and determine the degree to which you actually act as if you do believe these myths.

***Action !!***

Identify which Myth you act as if you believe: \_\_\_\_\_

Identify how that has hurt you: \_\_\_\_\_

\_\_\_\_\_

Next, you need to review your Level of Debt Awareness. Though advertisers are bombarding you with smarter and smarter ads, you are complicit in your debt to the degree that you act as if you believe any of the Debt Myths and to the degree that you are weak in your Debt Awareness.

## Your Level of Debt Awareness

If you want to get to New York, you must first know where you are now. If you are in Florida, you could drive north. If you are in Hawaii, you must fly east. The method of getting to your destination depends, to a large extent, on where you are now. So, where are you, in Debt Awareness?

### Debt Awareness Level 1

#### *You are in debt and in denial*

At Level 1, you make statements like:

- *"I'm really not in debt"*
- *"I'm only in debt \_\_\_\_\_"*
- *"I'm in debt only because of xxx"*
- *"I can be out of debt any time I choose"*
- *"As soon as xxx happens, I'll be out of debt".*

These are all \_\_\_\_\_-delusions. As a wide generalization, people are either in debt their whole life or they have savings and no debt all their life.

### Debt Awareness Level 2

#### *You are in debt and you know you are, but you do not know many details*

At this Debt Awareness Level 2, you have admitted that you are in debt, but you are unsure of the details:

- You do not know *each month* exactly what you owe on your \_\_\_\_\_,
- You do not know *each month* exactly what you owe on your \_\_\_\_\_ loan,
- You do not know *each month* exactly what you owe on your department store \_\_\_\_\_, credit cards, etc.

- You do not know the \_\_\_\_\_ rates on your cards or loans.
- You do not know the repayment \_\_\_\_\_.

You have excuses like "Well, my balances change every day so there is really no way to know".

### **Debt Awareness Level 3**

#### ***You are in debt and you have all the details***

You have all details, in one place, neatly printed on paper, or more likely on a computerized spreadsheet so that it is easily and neatly \_\_\_\_\_ each month.

You have the name of every debt, the balance as of the first day of each new month, the interest rate, the repayment options, etc. By the way, if you are in this elite group, you represent less than 10% of all those who are in debt. Bravo.

### **Debt Awareness Level 4**

#### ***You are in debt; you have all details and your debt is dropping monthly***

You know your numbers. You track them monthly. You are wise with expenses. You spend less than you earn. Your debt is decreasing every month by design. You are in a super-elite group of about 2% of all those who are in debt. Unfortunately, every time I do a survey of those in debt, I find that many people *claim* to be in this Level, yet they also admit that they have been in debt for years, their debt really hasn't fallen much and they really don't know their numbers every month.

#### ***Action !!***

What Level of Debt Awareness are you at (really): \_\_\_\_\_

What are the two first steps you must do to get up to the next level:

1. \_\_\_\_\_
2. \_\_\_\_\_

## The Steps To Get *Ready* To Get Out Of Debt

The Steps to get ready to get out of debt are:

1. **Decide** if you really wish to be out of debt. This is the most important step. Only if the answer is YES are you permitted to proceed to Step 2. Step 2 is very tough.

***“I declare that I am ready to get out of debt and will do what it takes, no matter what, to achieve debt freedom.” \_\_\_\_\_ (signature)***

***... or ...***

***“I am NOT ready right now, but I am keen to learn for later.”***

***\_\_\_\_\_ (signature)***

2. **List below 5 purchases** you already realize are not necessary and which you could eliminate or at least reduce. List actual purchases, not ongoing monthly services. We will handle ongoing monthly services later.

Understand that this is a multi-step program. You may eventually commit to never or rarely making those purchases. Meantime, just make the list. These may include bringing lunch to work instead of going to the restaurant, or forgoing your daily latte, or passing on the weekly night out at the pub with the guys. You will begin by going part-way. Part-way means two things:

- Part-way means that you cut *down* instead of cutting *out*. So, part-way means that you have one latte a week rather than one a day. Or, you eat lunch at the restaurant once per week instead of every day.
- Part-way also means that you do this for one type of purchase at a time so that you put that habit into place before moving on to another type of purchase. So, for example, you cut down on Starbucks until that habit is firmly in place and then bring in a new habit until you are OK with that new habit.

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

3. **List 3 ongoing monthly charges** you may eventually cancel. In the meantime, just make the list. It seems that every service you have is important. But, you can find three that are not. You have an Internet service for your home; but do you need *all* the features you originally chose?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

4. **Be more careful with your cellphone.** One very high monthly fee is likely your cellphone. You may wish to make rules like not making outbound calls; rather, wait till you are at a payphone or a landline. I find it amusing that people will use their cellphone when they are sitting right beside a free landline. Or, they make tollfree calls from their cellphone when they are standing right beside a payphone. A tollfree call still costs you airtime on a cellphone, but it is totally free on a payphone or a landline. Think of two rules you may wish to impose on yourself concerning cellphone use:

1. \_\_\_\_\_
2. \_\_\_\_\_

5. **Study the Debt Myths** to determine which ones you unfortunately believe. Here, you will need to be brutally honest. Most heavily indebted people tell me that they do not believe even one of the Myths – but they act as if they do!

State one change of action you are considering based on the lessons of the Debt Myths: \_\_\_\_\_

6. Keep the Myths which you believe in mind so that you do not allow yourself to think those thoughts or say those words any more. When you notice that you are about to think or say a Myth, **create a correct statement** that is the antidote to the Myth. For example, instead of “one small extra debt does not matter”, you may wish to say “every extra small debt is a huge burden”.

Record that here: \_\_\_\_\_

7. **Admit your Level of Debt Awareness.** Be brutally honest because people in chronic debt always evaluate themselves way too high:

\_\_\_\_\_

8. Set a **deadline to get to the next higher Level of Debt Awareness.**

Determine what is necessary and do it. For example, to move up from Level 2 to Level 3, embark on a dedicated series of phone calls and meetings to collect all the details of all your debts. Then, put that information on one neat sheet of paper. Redo this, every single month on the very first day of each month. If you cannot do this homework, you cannot even attempt to get out of debt. On the other hand, when you do this, you are racing forward correctly to eliminate your debt. Deadline date is: \_\_\_\_\_

Everything so far is the prerequisite to **The Master Debt Crusher™**. Do not even attempt The Master Debt Crusher™ unless you have done all previous steps indicated here. The Master Debt Crusher™ is the proven path to eliminating your debt – quickly. By the way, you \_\_\_\_\_ be at Debt Awareness Level \_\_\_\_\_ to qualify. So, first get up to that Level.

## Completion of Part One

This is the end of the teaching aspect of Part One. Now the work begins. Getting out of debt is impossible if you do not change your thinking and actions. Getting out of debt is inevitable with the right thinking and the right actions.



## Part Two

# The Master Debt Crusher™



**Now that you Understand  
Why and How You Got Into  
Debt, and Now that you have  
Risen to Debt Awareness  
Level #3, you are Ready to  
begin the Fascinating and  
Proven Journey to Get out of  
Debt.**

# Review of Part One

## The Reasons You Are In Debt

You will recall that, in Part 1, you learned the three reasons you are in debt:

- Smart 'Bombs'
- The Five Debt Myths
- Insufficient Level of Debt Awareness

## The Five Worst Debt Myths

You learned the Five Worst Debt Myths which you may act as if you believe:

### **MYTH #1    The Myth Of Higher Income**

*Have you ever said: "I will be out of debt as soon as I can increase my income"*

Statistics show that the higher the income, the higher is the debt.

### **MYTH #2    The Myth Of Small Debt**

*Have you ever said: "One small extra payment does not matter much"*

Statistics show that people who believe that small extra debt payments are OK have large debt.

### **MYTH #3    The Myth Of Low Interest Rate**

*Have you ever said: "Debt is OK as long as the interest rate is low or zero"*

Mathematics shows that even a reasonable interest rate will dramatically increase the cost of your purchase.

#### **MYTH #4 The Myth Of Inflation**

*Have you ever said: "Debt is OK because inflation will bail me out"*

Reality shows that any excuse you use to incur unneeded debt runs the risk of swamping you with debt, whether or not there is inflation.

#### **MYTH #5 The Myth Of Entitlement**

*Have you ever said: "it is OK to buy this because I deserve it"*

Only those who are in debt say such things.

### **Your Level of Debt Awareness**

You will recall the levels of debt awareness and that you must be at Level #3:

**Debt Awareness Level 1** You are in debt and in denial

**Debt Awareness Level 2** You are in debt and you know you are, but you do not know many details

**Debt Awareness Level 3** You are in debt and you have all the details

**Debt Awareness Level 4** You are in debt; you have all details and your debt is dropping monthly

## The 8 Steps To Get Ready To Get Out Of Debt

To quickly review, the 8 Steps to get ready to get out of debt are:

- **Decide** if you are ready to do the hard work to be out of debt.
- **List 5 purchases** (not ongoing monthly services) you already realize are not necessary and which you could eliminate or reduce.
- **List 3 ongoing monthly charges** you may eventually cancel.
- **Be more careful with your cellphone.**
- **Study the Debt Myths** to determine which one you unfortunately act as if you believe.
- For the Myth you act as if you believe, you were asked to create an **antidote mantra**.
- **Admit your Level of Debt Awareness.** Be brutally honest because people in chronic debt always evaluate themselves way too high.
- Set a **deadline to get to the next higher Level of Debt Awareness.**

# The Master Debt Crusher™

Congratulations. You've completed the 8-Step program to prepare yourself for The Master Debt Crusher™. This is not intended for the faint of heart. This is definitely not for those who are simply playing with the idea of getting out of debt. This is only for individuals that are very \_\_\_\_\_ about eliminating debt once and for all. I was taught this process when I was \$1,100,000 in debt and I got out of debt faster than I ever thought possible!

## Psychology Behind The Master Debt Crusher™

Fat people have different thoughts in their head and different habits versus thin people. Smokers have different thoughts and habits than non-smokers. Reckless drivers have different thoughts and habits versus very safe drivers. The point here is that losing weight, quitting smoking, safe driving – all these cures need to be addressed in the \_\_\_\_\_ first because that is where the issue resides.

Once the new \_\_\_\_\_ are in place and once those new thoughts have been cultivated into \_\_\_\_\_, the ills simply go away on their own!

When I retained a master to help me lose weight, he told me that the problem was not on my fork or in my mouth, it was in my mind. I thought he was crazy, but of course he was correct. What happened? I lost weight not by counting calories but by addressing the issues in my mind. I now think like a thin person and my weight stays safe and healthy.

The point is that The Master Debt Crusher™ is not a credit counseling service. It is not a forced savings plan. It is not a debt consolidation program. Credit counseling, savings and debt consolidation are all \_\_\_\_\_ ideas, but that is not what The Master Debt Crusher™ is about.

The Master Debt Crusher™ actually has almost nothing to do with money or finances or budgets or spending or credit cards. Rather, it has to do with your mind. Change the mind and then you will be exactly like a healthy \_\_\_\_\_ with no debt. As soon as your mind is that way, your finances will quickly catch up.

If you would prefer a hard-core credit counseling service, then get out now. If you want an amortization schedule showing exactly how long it will take to get out of debt, you are going to be woefully disappointed. You will not get these kinds of 'hard' rules. You will get what you may perceive are 'soft' rules. You may think that such 'soft' rules are not tough enough to work. Let me assure you that it is only these 'soft' or mind-oriented processes that will ever work.

So, get out now or get fully in. Decide now because the 'soft' or mind-oriented changes are by far the toughest. You will wish that this was a credit-counseling program when you see how tough it is.

Here we go. This is a journey into a fascinating new life. To get to this new life, you will need to eradicate horrid \_\_\_\_\_ out of your system. It's \_\_\_\_\_ to change habits, so you will be asked to do \_\_\_\_\_ things to shift yourself into a matrix of new habits.

## The Master Debt Crusher™ Step 1: Ten Masters

Think of the ten people you know who are the very \_\_\_\_\_ people on Earth to whom you would ever reveal your level of debt. To jog your thinking, here are some examples of people who may make it onto your list:

- Your parents (because they may worry)
- Your brothers or sisters (because you are ashamed to tell them)
- Other family members (because they may use this against you)
- Your boss (he might fire you if he knew how irresponsible you are)
- Your co-workers (it's none of their business)
- Your employees (yikes, they'd hunt for a new job if they found out)
- Your bank manager (never!)
- Your clergyman (I thought that was only for spiritual matters)

Just for your information, my list of Ten Masters included:

- My parents
- Every one of my 7 employees
- My bank manager!!

Make your list now:

- |    |       |     |       |
|----|-------|-----|-------|
| 1. | _____ | 2.  | _____ |
| 3. | _____ | 4.  | _____ |
| 5. | _____ | 6.  | _____ |
| 7. | _____ | 8.  | _____ |
| 9. | _____ | 10. | _____ |

This is not just the first step, it is your first \_\_\_\_\_ .

Are you really serious about getting out of debt? Just because you find this exercise tough does not mean you should not do it. Or, let's look at it another way, if you cannot even make this list, then you are not prepared to get out of debt. You should just stop now and quit; it won't work for you. Not at all. Keep your debt – it will be easier on you, rather than efforting half-heartedly at The Master Debt Crusher™, failing and then still having your debt. You may as well stop now and keep your debt without any pain.

What \_\_\_\_\_ have already arisen in your mind?

- I don't know that many people?
- I am too shy to even list such people?
- My parents would kill me?
- I just moved to this town and it is inappropriate for me to call on strangers to help me?
- Raymond's plan is ridiculous?

What are the excuses that your mind has already created?

Remember you have already learned that this is a psychological game. And, your mind is going crazy now. It does not want you to change anything. And, all the excuses that you think are legitimate are really just your "little voice" screaming at you to not go on.

On the other hand, if you have completed your list, then these ten people are no longer just people you know, they are now your "Ten \_\_\_\_\_". That is why the program is called The *Master Debt-Crusher*™.



## **The Master Debt Crusher™ Step 2: Mailing Addresses**

This is a rather easy step. Simply gather and confirm the correct mailing address of each Master. Not \_\_\_\_\_ addresses. Mailing address. Real physical mailing addresses. You can use email to get or confirm their mailing address, but you must get their mailing addresses.

You are going to be writing to them each month. Why can't you simply use their email addresses? There are two reasons:

1. More effort is required to print, sign, stamp and mail a real letter versus just emailing. You are changing habits and this additional effort is part of the process.
2. Upon receipt, more respect will be given by the Master recipients to a real letter versus just another email.

## The Master Debt Crusher™ Step 3: Introductory Letter

This is a very difficult step. Now, you need to solicit the help of each of the Masters. You do this by simply writing a letter. Phoning or chatting is too \_\_\_\_\_ . It needs to be an official typed printed mailed letter. This letter is called The Introductory Master Debt Crusher™ Letter. I have prepared a sample for you. Copy the wording of the letter and put in your own words where needed.

### The Introductory Master Debt Crusher™ Letter

January 15

Dear Frank:

#### **Please Help Me Get Out of Debt**

I am in debt. Seriously in debt. And, I am totally committed to getting out of debt.

I have subscribed to a program called The Master Debt Crusher™ by Raymond Aaron and I am following its process to get out of debt. One of the first requirements is that I must contact 10 people to ask for help. And, you are one of them, if you accept.

No, I am not asking for money. I am requesting *only* your psychological help.

All you need to do is receive a letter every month. If you wish, you can also phone me each month when you receive my letter to congratulate me for my debt-reduction successes or reprimand me for any debt-reduction errors.

I commit to writing a letter on the first day of every month and then printing and mailing it to you by the second day of every month – no matter what. If you find I am failing, then phone me to say you will no longer help me. Failing means not living up to my debt-reduction commitments which I will make each month or not mailing the letter to you on the 2<sup>nd</sup> day of every month. Be firm with me. Do not allow excuses. I do not want your sympathy or kindness; I want your strictness. I need boundaries.

Please contact me by telephone at xxx-xxx-xxxx to confirm that you agree to be one of my Master Debt Crusher™ Masters. And, if so, then I will mail you The First Master Debt Crusher™ Letter on the 2<sup>nd</sup> day of next month, February 2.

This is tough for me and I really appreciate your help. I certainly hope you will agree.

*Mary*

## **The Master Debt Crusher™ Step 4: Confirm The Masters**

Just because you mailed the letter to them does not mean that they will \_\_\_\_\_.

Just because they reply does not mean that they will \_\_\_\_\_. Just because they agree does not mean that they will actually be \_\_\_\_\_.

So, this fourth step is to select your Masters wisely. If you allow even one Master who is sympathetic, allowing and lenient, then you can expect to have weak boundaries and slow progress.

Now you see why you needed to stretch to identify ten potential Masters – after sending the letter it may happen that you actually get only a few Masters to guide you in this process. That is OK. A few good Masters are far better than ten weak ones. As long as you have some Masters, you are OK.

Proceed only with the Masters who have agreed and whom you accept. Let's say you have now 5 Masters.

## The Master Debt Crusher™ Step 5: Prepare For Your First Letter

You now have the Masters to receive your letter. You must prepare that letter:

1. You must make one \_\_\_\_\_ commitment – just one. In the prerequisite work, you considered some purchases and some ongoing monthly expenses which you might one day wish to eliminate or reduce. That day has come. Select one. \_\_\_\_\_ one. If you race ahead selecting many, you will fail. You need to develop habits which form over time. Begin with one habit change. You may wish to select a change which is a “part-way” change meaning you will cut down instead of cutting out. Make the first commitment small enough so you will have success. This is a long road. It is far more important that you succeed. So, select a change that you can handle. Get started right.
2. You must have your Statement of \_\_\_\_\_ up to date and neatly organized. There should be no difficulty doing this as you must be at Debt Awareness Level Three even to begin The Master Debt Crusher™. This step is simply to ensure that it is totally up to date. You will need two lists.
  - a. A list of your mortgages
  - b. A list of all other debts

<b>Mortgages</b>	<b>Debt</b>	<b>Monthly</b>	<b>Interest</b>	<b>Comments</b>
Home 1 <sup>st</sup>	\$319,056	\$2011	5%	Double payments allowed
Home 2 <sup>nd</sup>	\$18,765	\$312	13%	Fully open

Other Debt	Debt	Monthly	Interest	Comments
Car	\$17,568	\$612.11	17%	No extra payments allowed
Visa	\$6,322	At least minimum	21%	Fully open
MasterCard	\$2,557	At least minimum	26%	Fully open
Parents	\$10,000	No payments	0%	Fully open
George	\$40	No payments	0%	Way overdue

In order to focus on the 'other debts', it is important to not total the mortgages in with them. There needs to be one total for Mortgages and another total for Other Debt. Mortgages are usually very large compared with other debts and will tend to \_\_\_\_\_ the emotional impact of significantly down-paying your other debt.

3. You must commit to a \_\_\_\_\_ amount that your other debt will be under at the end of the month.

## Part Three

# Continuation of The Master Debt Crusher™

**You have already begun the  
Fascinating and Proven  
Journey to Get out of Debt.**

**Now it is Time to learn the  
Rest of The Process.**



## Review of Part Two

In the first half of The Master Debt Crusher™, you have learned the first five steps:

- Step 1 Ten Masters
- Step 2 Mailing Addresses
- Step 3 Introductory Letter
- Step 4 Confirm the Masters
- Step 5 Prepare for your First Letter

**Part One** was really a prerequisite to qualifying to \_\_\_\_\_ The Master Debt Crusher™. You cannot even begin The Master Debt Crusher™ until you are at Debt Awareness Level #3 and until you have learned why you got yourself into debt.

**Part Two** of this program was the first half of The Master Debt Crusher™. It was a prerequisite to qualifying to \_\_\_\_\_ Part Three of this program.

**Part Three** of this program is the second half of The Master Debt Crusher™. You cannot begin this Part until you have enrolled significant people to be your Masters.

But now, all the prerequisites are \_\_\_\_\_. This Part Three is the real \_\_\_\_\_ of the program. There are 12 steps in all. So far you've learned the first 5 steps.

You have now \_\_\_\_\_ the right to have the entire The Master Debt Crusher™ program.

Let's get right into Step 6 now.

## Master Debt Crusher™ Step 6: The Master Debt Crusher™ 1st Letter

On the \_\_\_\_\_ day of the next month, write your Master Debt Crusher™ First Letter. Hopefully, you will have spent some time before the first day of this new month getting your letter ready so that there is very little work needed. It is different from all future Debt Crusher™ Monthly Letters. On the \_\_\_\_\_ day of the month, you must mail these letters. Here is a sample:

### The Master Debt Crusher™ First Letter

February 1

Dear Frank:

#### **Thank You For Agreeing To Help Me Get Out of Debt**

Today is the first day of the first month of my Master Debt Crusher™ program. I am frightened and excited all at the same time. Please remember that you do not have to do anything upon receipt of this letter as most of the work is done by my simply preparing and mailing it to you.

However, if you wish to phone me to reprimand me or congratulate me, I encourage it. And, if I have not mailed this on February 2, then please contact me to resign as my Debt Crusher Master. I need you to be firm please.

As this is my first letter, I am revealing to you, with full disclosure, even though it is tough for me, my list of debts. As of Feb 1, or as of my last statement for some of the items below, my 2 home mortgages total \$337,821 and my other debt is exactly \$36,487, as follows:

- Car loan 17,568
- VISA 6,322
- MasterCard 2,557
- Parents 10,000
- George 40

I hereby make 3 commitments which I will live by for this month of February:

- I will make my lunch 3 days a week all month
- I will repay George in full
- I will be under \$35,999 in debt on Mar 1

I will write my next letter to you on March 1 and I will mail it by Mar 2.

Thank you for caring and for holding me to my commitments.

*Mary*



The mandatory contents of the Master Debt Crusher™ First Letter are:

- List of debts, itemized, and separated as between mortgages versus other
- A list of commitments for the next month

Notice that there was only one commitment which required a change in habit – bringing lunch to work three days a week instead of going to a restaurant every day.

There must always be a list of at least two commitments:

- One commitment must be about a change of \_\_\_\_\_, and
- One commitment must be the exact \_\_\_\_\_ amount that you will get your debt under, by the next letter.

Please keep two thoughts in mind:

- It is far better to have smaller commitments and live up to them versus having huge commitments and failing. Go for success, even little ones.
- Some months your debt may have to rise! If you are buying a car or if there is a medical issue, then you may well need to state that your debt today is \$36,487 and your debt on the first day of the next month will be \$38,225. Yes, it happens. Debt reduction is, unfortunately, not a one-way slide downhill. \_\_\_\_\_ occur.

## **The Master Debt Crusher™ Step 7: Assuring Your First Success**

During the month, keep a copy of your Master Debt Crusher™ First Letter where you will see it. Honor it. Notice it. Obey it. Abide by it. Remember that key people are waiting to see how you do on your commitments. Impress them with your success.

\_\_\_\_\_ at your new habits. If you have committed to making your lunch, then keep in mind all the \_\_\_\_\_ needed to live up to this new task. Do you have stuff in your fridge to make the meals?

Notice that considerable work and habit-changing is required for the relatively smaller list of other debts and no work or concentration or habit-changing is required for the usually very large mortgage debt. That is why, in The Master Debt Crusher™, we focus on the smaller other debt and not on the larger mortgages, which basically take care of themselves through prescribed amortization.

Near the end of your first month, begin updating your statement of debt. If you are close but not exactly at your goal, then do \_\_\_\_\_ you can to achieve success. Be creative. Go for it.

On the first day of the next month, write your first Master Debt Crusher™ Monthly Letter.

## The Master Debt Crusher™ Step 8: Writing your Master Debt Crusher™ Monthly Letter

On the first day of the next month, write your first Master Debt Crusher™ Monthly Letter. On the second day, you mail them. This is the format you will use for all future Master Debt Crusher™ Monthly Letters.

The contents of a Master Debt Crusher™ Monthly Letter are:

- Exact list of \_\_\_\_\_, itemized
- A \_\_\_\_\_ of the commitments made last month
- A statement of how you \_\_\_\_\_ on each commitment, with comments
- A \_\_\_\_\_ list of all habit commitments up to date
- A list of \_\_\_\_\_ commitments for the next month:
  - One commitment must be about a new \_\_\_\_\_
  - One commitment must be about your \_\_\_\_\_ of debt next month

Notice that you add a new commitment each month, as soon as you are successful for a whole month in making the previous month's commitment a habit. For example, now that making lunches is a habit, you may add using your cellphone only evenings and weekends. This is an example, but you can see how you implant a habit and then add a new one. As the months go on, your list of habits grows and you can see them in each month's Master Debt Crusher™ Monthly Letter. Also, your Ten Masters can see you progress not just in downpaying your debt but also in increasing your number of good habits.

Remember:

- Do not add a new commitment until you are confident that the previous month's commitment is \_\_\_\_\_ in place. It is far better to repeat last month's commitment for another month until you are totally confident that it is in place versus racing forward on shaky grounds. If you do add a new habit before the previous one is firmly in place, select one that is quite easy for you.
- When you add a new commitment, you keep all previous commitments in the letter. So, each new Master Debt Crusher™ Monthly Letter will get \_\_\_\_\_ .

### **The Master Debt Crusher™ Monthly Letter**

March 1

Dear Frank:

**I am So Excited About My First Success!**

I am mailing you my Debt Crusher Monthly Letter on time. As of Mar 1, my mortgages total \$336,801 and my other debt is exactly \$35,747, as follows:

- Car loan 17,418
- VISA 6,072
- MasterCard 2,257
- Parents 10,000

One month ago, I made 3 commitments to live by in February:

- I will make my lunch 3 days a week all month
- I will repay George \$40 in full
- I will be under \$35,999 in debt on Mar 1

Here is exactly how I did in February:

- Instead of making 12 lunches, I made 11 - really close
- I repaid George in full
- Instead of \$35,999, I got down to \$35,747 - YEA!!

I consider this a huge success, with a tiny slippage of 1 lunch.

For the month of March, I will continue my habit already started:

- I will make my lunch 3 times a week

Here are my new commitments for March:

- I will leave my cellphone at home during the day.
- I will be under \$34,999 in debt on Apr 1

*Mary*

In this example, Mary has down-paid her mortgages by \$1,020 but that reduction of her total debt is not even mentioned. Why? Because no habit-changing was needed. It happened on its own. The Master Debt Crusher™ rewards you for changes which you brought on through \_\_\_\_\_-changing.

Now let's focus on the habit-changing successes.

Mary has not totally achieved lunches brought from home three days a week, but she was very close. It seems that the habit was in place but some issue may have occurred one day to ruin her total success. She seems quite confident in her lunch-toting abilities and so she has done two correct things regarding selecting her commitments for the next month:

- She kept her lunch-toting to three days a week instead of upping to four days a week. Maybe she'll do that next month once she has experienced her success at three days a week.
- She selected an easy additional commitment. Leaving her cellphone at home during the day, and hence not using it during the most expensive air time, is apparently easy for Mary. Once she has left the home each day, there is no way to relapse into failure.

Also note that it would have been totally legitimate for Mary to not add even an easy additional commitment until her first one is fully in place.

## The Master Debt Crusher™ Step 9: Peek Into Your Future

Here is what will be happening each month ...

- Your Masters will likely call with comments, criticisms, suggestions, congratulations, etc. Listen with an open heart to your Masters. They love you, want the best for you and will likely be brutally honest. Follow the advice they give you which resonates with you and also \_\_\_\_\_ this plan.
- After you have successfully implanted a few habits over a few months, you will have built up your own self-esteem and the applause of your Masters. This is possibly the most important achievement – feeling better about yourself in regards to \_\_\_\_\_ .

Let's leap a half-year into your Master Debt Crusher™ future. What will be different:

- Your level of debt will be \_\_\_\_\_ . Congratulations.
- Your number of debts will be \_\_\_\_\_ . Less to worry about.
- Your Masters will have \_\_\_\_\_ you several times and you will be basking in that glow and looking forward to it every month. The only way to get it, of course, is to lower your debt and abide by your commitments.
- The Master Debt Crusher™ Monthly Letters will get \_\_\_\_\_ and longer as your list of previous commitments gets longer and actually morphs into a list of your new Master Debt Crusher™ habits.

Here is an example of what Mary's sixth Master Debt Crusher™ Monthly Letter may look like:

## A Future Master Debt Crusher™ Monthly Letter

August 1

Dear Frank:

### **It's Working!**

I am mailing you my Debt Crusher™ Monthly Letter on time, once again. As of August 1, my mortgages total \$330,820 and my other debt is exactly \$16,001 as follows:

- VISA 6,001
- Parents 10,000

One month ago, I made 3 commitments to live by in July:

- I will drink only water with restaurant meals
- I will be under \$16,200 in debt on Aug 1
- I will have only two debt items on Aug 1

Here is exactly how I did in July:

- I ordered only water in restaurants
- I repaid MasterCard in full so I have now only two debts
- I got down to \$16,001 in debt – YEA!!

I consider this a huge success, with no slippage at all.

In August, I will continue the habits I have already put into place:

- I will make my lunch 4 days a week all month
- I will leave my cellphone at home weekdays
- I will call long distance only with Skype so it's free
- I will make gifts instead of buying them
- I will cut the grass myself instead of hiring Bill
- I will buy only what I came for, not anything else
- I will shop for clothes only three times a year

In August, I commit to 2 new commitments:

- I will write Jill a poem instead of buying a gift
- My debt will be under \$15,750

*Mary*

## The Master Debt Crusher™ Step 10: Professional Financial Help

So far you have been putting essential habits into place. Now that you have success, it is time to do what others incorrectly do first – get Professional Financial Help. The error with getting such help first is that your bad habits will still be in place, and you will be apt to slip back into those bad habits.

This is the time:

- to seek \_\_\_\_\_ counseling
- to see your Loans Officer to \_\_\_\_\_ your debt
- to \_\_\_\_\_ your interest rates where possible

This should reduce your payments or reduce your interest rate or give you some other worthwhile financial benefit, hence making it easier to continue with your debt-repayment plan.

The problem with seeking professional financial help too early is shown by an example. Let's say you increase your home mortgage, right at the beginning, by \$37,000 in order to pay off all your other debt. Keep in mind that your total debt did not change. Now the balance on your credit cards is zero. With no change of habits, you will most likely run up a debt on those cards again and your total debt will have thus \_\_\_\_\_, which is exactly what you are not wanting.



## The Master Debt Crusher™ Step 11: Rewards Program

You now have well-tested ingrained debt-repayment habits. You have reorganized your debt in some clever way. Now, it is time for the next step: The \_\_\_\_\_ Program. You could not invoke a Rewards Program earlier because there was no evidence before that you could be counted on to downpay your debts. The \_\_\_\_\_ thing you could do is offer a reward to someone for helping you downpay your own debt and then not give out any rewards!

There are \_\_\_\_\_ decisions you must make:

- Select a certain group of people – maybe your spouse, maybe your children, maybe your Masters, maybe your favorite charity – and commit to giving a certain reward to that group when you have crossed each debt threshold.
- Select the threshold amounts. For example, do you give rewards when you drop your debt to the next lower \$1000 level (like \$19,000, \$18,000 etc.)?
- Select the \_\_\_\_\_ or \_\_\_\_\_ of the reward:
  - An amount is usually in dollars.
  - Or, if it is your children, for example, the reward could be a day at an amusement park.

In our example, Mary began with a debt of about \$37,000. She began paying it down very quickly and very reliably. She may have decided to launch her Rewards Program after only three months. You should wait until you see \_\_\_\_\_ progress and until your debt-repayment self-esteem has risen. If Mary launched her Rewards Program when her debt were, for example, down to \$31,000, then she has many \_\_\_\_\_ as to what her Rewards Program might look like.

Here are some examples of the very different kinds of Rewards Program Mary could create:

- Mary will take her children on a 2-day weekend driving vacation anywhere they wish every time her debt falls under a new even \$5000 threshold, specifically \$30,000 then \$25,000 then \$20,000 etc.
- Mary will send a bouquet of roses to her five Debt Crusher Masters (all of whom are women) every time her debt falls under a new \$3,000 threshold, specifically \$28,000 then \$25,000 then \$22,000 etc.
- Mary will put \$400 into a personal vacation fund every time her debt falls under a new \$4,000 threshold, specifically \$30,000 then \$26,000 then \$22,000 so that she will be able to take a wonderful pre-paid vacation when her debt is gone.

What did I personally do when I repaid my debt? I selected my entire staff. I gave each one a new \$100 bill when I dropped under a new \$100,000 threshold. When my debt dropped under \$900,000, they each got a \$100 bill. When it then dropped under \$800,000 they got another \$100 bill, etc.

Be creative in your rewards so the recipients eagerly support you.

There are several keys to success in your Rewards Program:

- Be very \_\_\_\_\_ in designing and stating your Rewards Program.
- Be sure to be very celebratory when you hand out the rewards each time. Let everyone \_\_\_\_\_ your successes.
- Be sure to make a big point of the rewards in your Master Debt Crusher™ Monthly \_\_\_\_\_.

With all this new support and with the professional financial help handled and with so many wonderful new habits in place, you are accelerating in your progress.

## **The Master Debt Crusher™ Step 12: Big Bucks**

Now, you are ready for the final aspect of The Master Debt Crusher™ Program. Your Masters are proud. Your reward recipients are happy and supportive. Your own self-esteem has risen. You can see progress. You are now definitely in Debt Awareness Level 4. Your mind is now free to be creative.

It is now time to turn your attention to bringing in big amounts of money. Be totally creative. Ask friends, colleagues, and associates what you could possibly do for them for a hopefully large amount of money. Be persistent.

One of my clients had a long earthen driveway on her property. She advertised to allow the top of her driveway to be used for car storage. One man loved the idea. He had two cars. They agreed on a monthly fee. She required that he pay in advance for the whole year for both cars. He agreed. She put that \_\_\_\_\_ money into her debt.

After I asked and asked and asked, one wealthy friend offered me a \$250,000 fee if I sold a large piece of real estate for him. I am not a Realtor. I had never sold a property for anyone else before. But, I grabbed the offer. I was \_\_\_\_\_. I was relentless. And, after a short time, I sold it. With that money, plus other money I had paid down towards my debt that month, I had actually reduced my debt by a whopping \$300,000! I graciously gave each reward recipient three crisp new \$100 bills that month. Was I ever happy! Were my Masters every happy! Were the reward recipients ever happy!

Remember, you need to do this final step after all the other pieces are in place.

There are no rules for this step. The point is that this step needed to await your getting so many other issues handled. If you cannot find even one tiny way that you could bring in a large amount of new cash, then it simply means that your debt reduction will be slower, but it will happen for sure.

## **How Did It Work For Raymond?**

That is the proven Master Debt Crusher™. It works. It worked for me. It will work for you. It requires changing habits. It is a tough program. It will work for you if you are committed.

How did it work for me? I committed to paying off \$1.1 million of debt in one year! At the time, my income was \$250,000 so it did not seem possible. My debt was more than 4 times my income.

I went to work in earnest. I sold every asset I could find. I devoted myself to creating new habits.

I was extremely celebratory when I handed out the crisp new \$100 bills to each of my staff upon reaching each new debt threshold. My self-esteem was rising. My resentment over incurring the debt in the first place was vanishing. My debt was falling by large amounts every month.

My debt actually plummeted from \$1.1 million to a mere \$23,000 in 11 months.

I was so happy, at that point, that I stopped working the program.

I stopped sending The Master Debt Crusher™ Letters because I figured that my debt would vanish on its own because it was already falling so fast.

Unfortunately, by month 14, my debt was still \$23,000. So, I got back on the program, and within a few weeks my debt was ZERO.

Best of success to you in paying off that ugly thing called DEBT.

## **The Master Debt Crusher™: Now It Is Your Turn**

You have all the facts, details, processes and encouragement. You have Masters who are your Accountability Partners. You have a Reward Program. You've got it all. You just need to be persistent in working the program.