

FAMILY WEALTH GOAL ACHIEVER™ - INITIAL

PREPARED FOR:

JEFF AND JOANN GORDON

March 9, 2009

PLAN FOR DISCUSSION PURPOSES ONLY

PRESENTED BY

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YOUR GOALS AND OBJECTIVES

JEFF AND JOANN GORDON

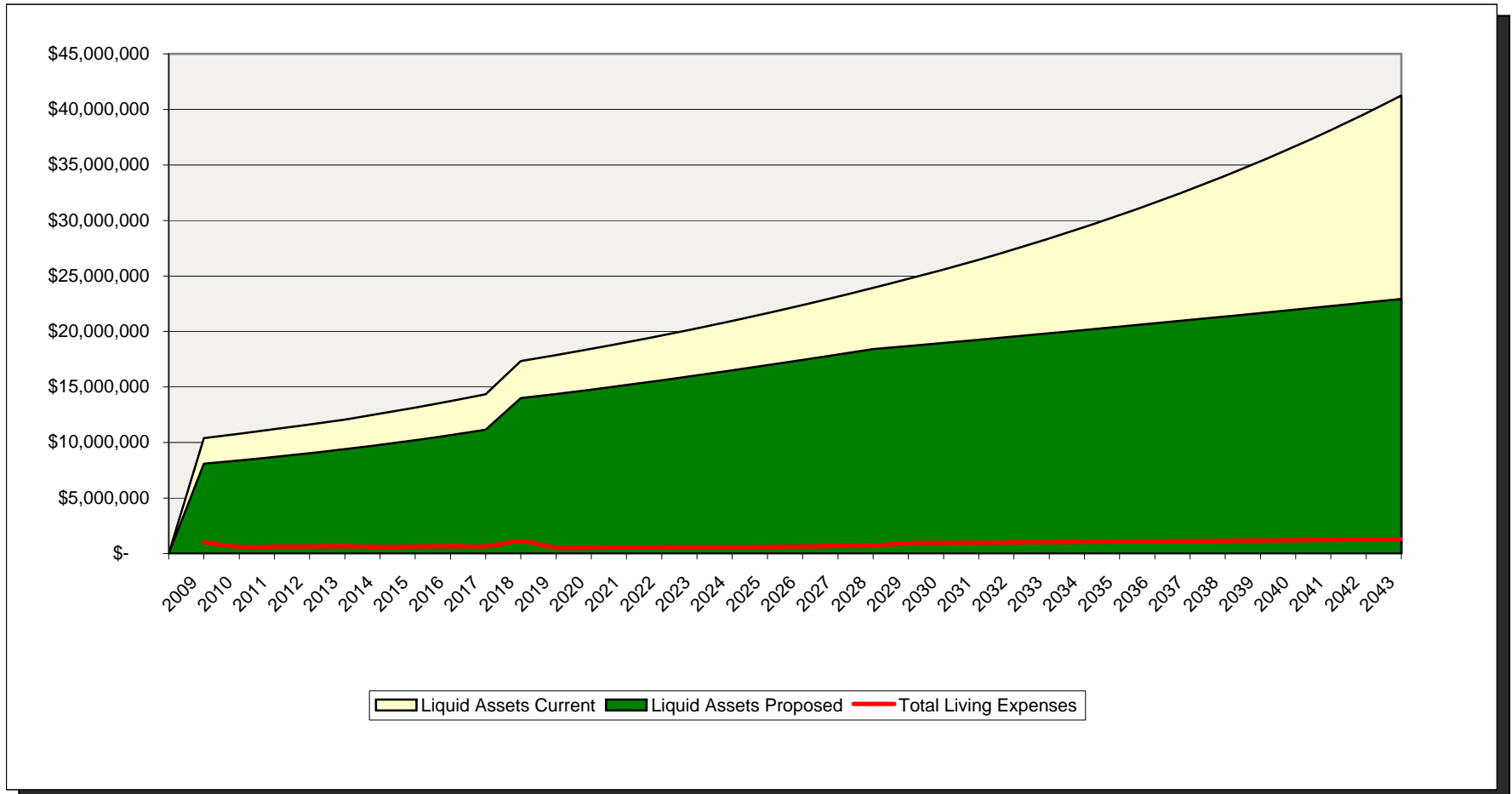
- ☞ Maintain our customary lifestyle. This should take about \$400,000 annually after taxes and gifts.
- ☞ Provide for the financial security of the surviving spouse.
- ☞ Maintain adequate liquidity for emergencies and investment opportunities. We prefer to keep at least \$1,500,000 in cash and readily marketable securities.
- ☞ Maximize the inheritance that we leave to our children and grandchildren.
- ☞ We would like to consider asset protection options in order to create a safety net to fall back on should the need arise.
- ☞ Eliminate or reduce estate taxes.

JEFF AND JOANN GORDON

LIFETIME SPENDING
AND LIQUIDITY

YOUR LIQUID ASSETS - CURRENT PLAN VS. PROPOSED PLAN

JEFF AND JOANN GORDON



Most of our clients want to know that they have sufficient income and liquid assets to pay for their living expenses for the rest of their lives. This chart assumes full implementation of the proposed plan and shows your liquid assets over your life expectancy compared with liquid assets if you left your current planning in place. Liquid assets include cash, stocks, bonds, annuities and qualified retirement accounts but do not include any other assets you might own such as promissory notes, businesses or real estate.

PERIODIC TABLE OF ESTATE PLANNING ELEMENTS - CONSIDERED

JEFF AND JOANN GORDON

In our planning process, we start with the universe of available planning tools. While this universe is constantly changing, the following chart outlines many of the available tools. We examine each of these strategies and discard those that are not suitable for meeting your goals and objectives.


Charitable Remainder Uni-Trust	412(i)	International Family Limited Partnership	Private Annuity	Grantor Retained Annuity Trust	GDOT Distributions to ILIT	SCIN
Family LLC	TCLAT	Qualified Personal Residence Trust	Flip CRT	ILIT as beneficiary of QPRT	Series Limited Liability Company	International Asset Protection Trust
Premium Finance	Preferred Limited partnership	Long Term Care Insurance	529 Plans	Giftting	New ILIT	Domestic Family Limited Partnership
Walton GRAT	Private Foundations	Charitable Life Estate	NIMCRUT	Annuity Withdrawal	ILIT Owned Life Insurance	SPIA/Life Arbitrage
SPIA/Life in a CLAT	Principal Protected Notes	Revocable Living Trusts, DPAs and POAs	ILIT	Dynasty Trust	International VUL	GDOT
Supporting Organizations	IRA to Charity	Gift Annuity	Remainder Sales	Life Estates	International Business Risk Management	LLC/CRTs
Bargain Sales	Succession Planning	Risk Management	Charitable Remainder Annuity Trust	ESOP Planning	Defined Benefit Plans	Qualified Plan Limited Partnership


PERIODIC TABLE OF ESTATE PLANNING ELEMENTS - RECOMMENDED


JEFF AND JOANN GORDON

The highlighted tools are those we have determined are most suited to achieving your goals and objectives.

Charitable Remainder Uni-Trust	412(i)	International Family Limited Partnership	Private Annuity	Grantor Retained Annuity Trust	GDOT Distributions to ILIT	SCIN
Family LLC	TCLAT	Qualified Personal Residence Trust	Flip CRT	ILIT as beneficiary of QPRT	Series Limited Liability Company	International Asset Protection Trust
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Supporting Organizations	IRA to Charity	Gift Annuity	Remainder Sales	Life Estates	International Business Risk Management	LLC/CRTs
Bargain Sales	Succession Planning	Risk Management	Charitable Remainder Annuity Trust	ESOP Planning	Defined Benefit Plans	Qualified Plan Limited Partnership

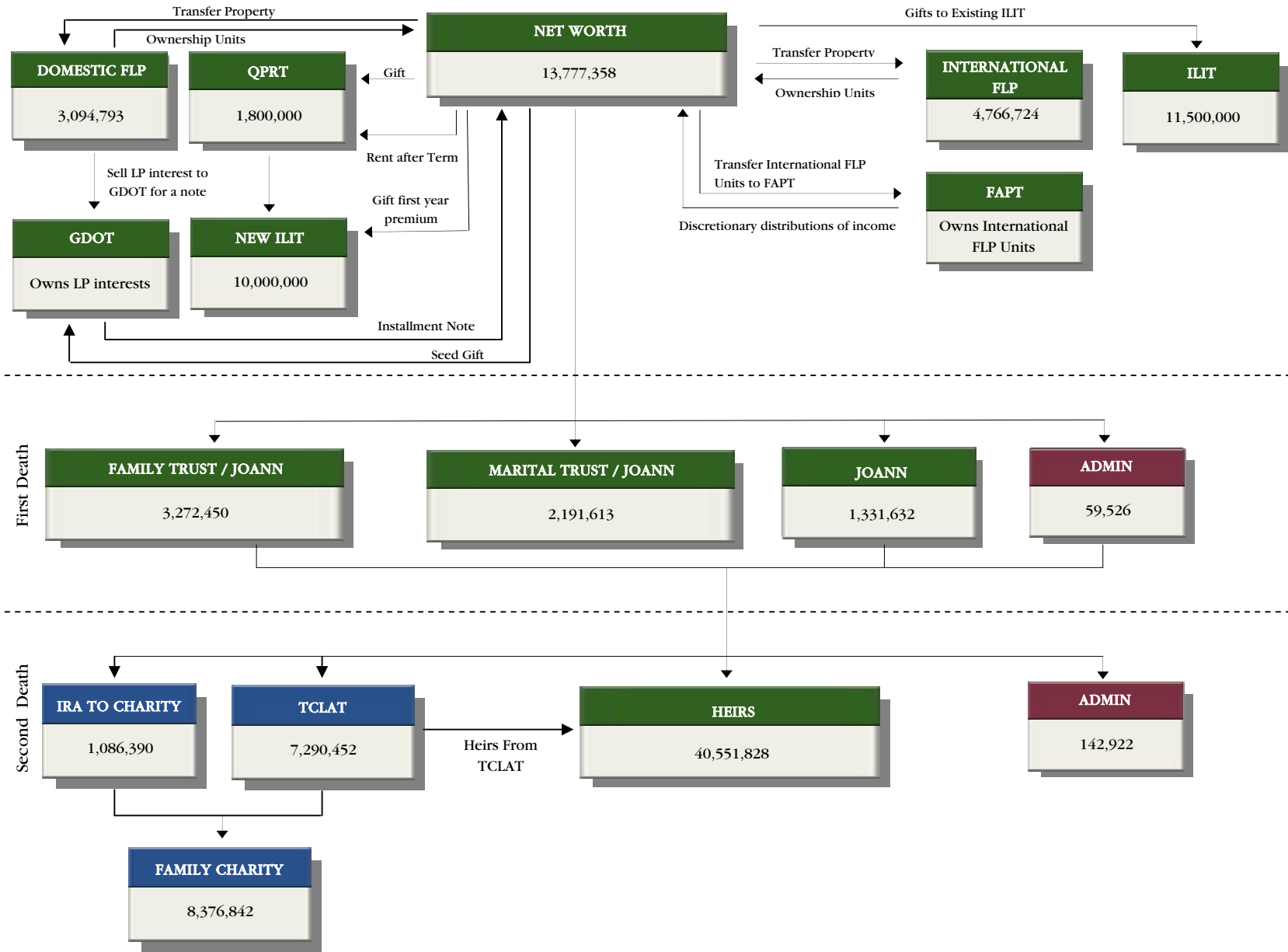
 Green equals a new planning tool for family

 Blue equals a social capital or charitable tool

 Yellow equals an existing planning tool

ESTATE PLAN OVERVIEW AND ESTATE DISTRIBUTION - 2009

JEFF AND JOANN GORDON



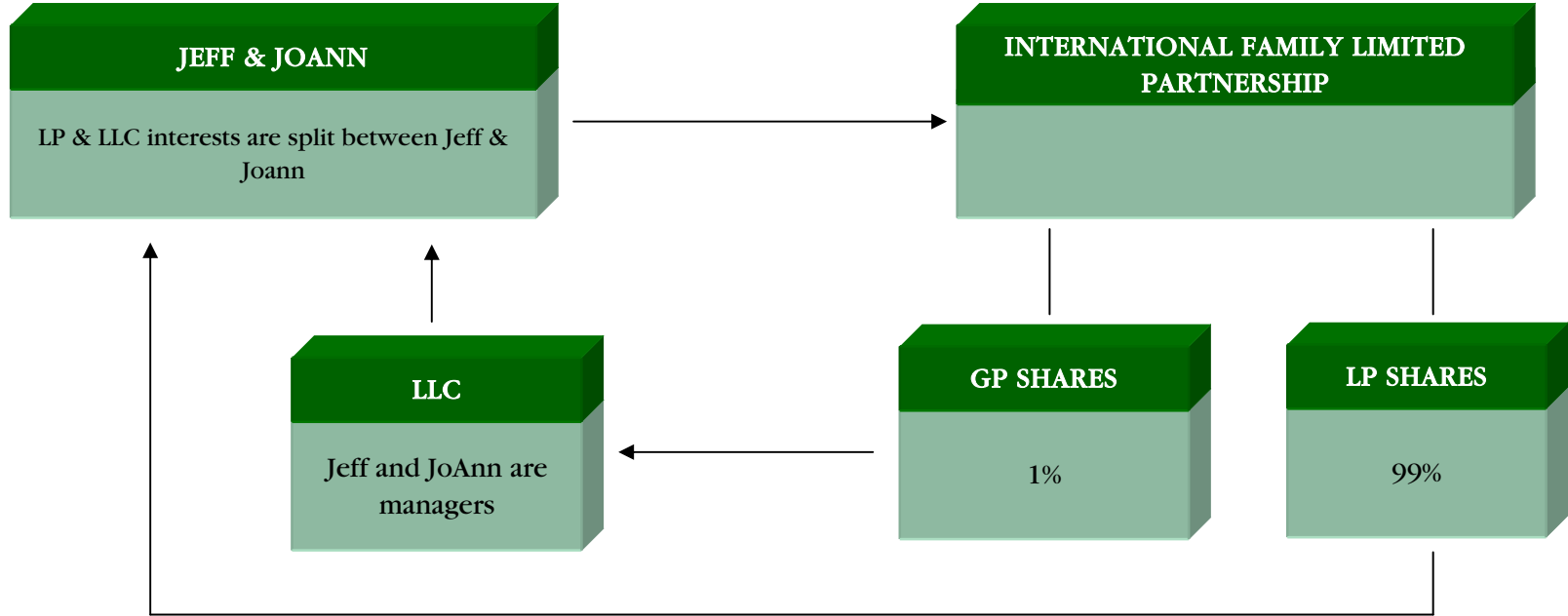
JEFF AND JOANN GORDON

ASSET PROTECTION

CREATE AND FUND AN INTERNATIONAL FAMILY LIMITED PARTNERSHIP

JEFF AND JOANN GORDON

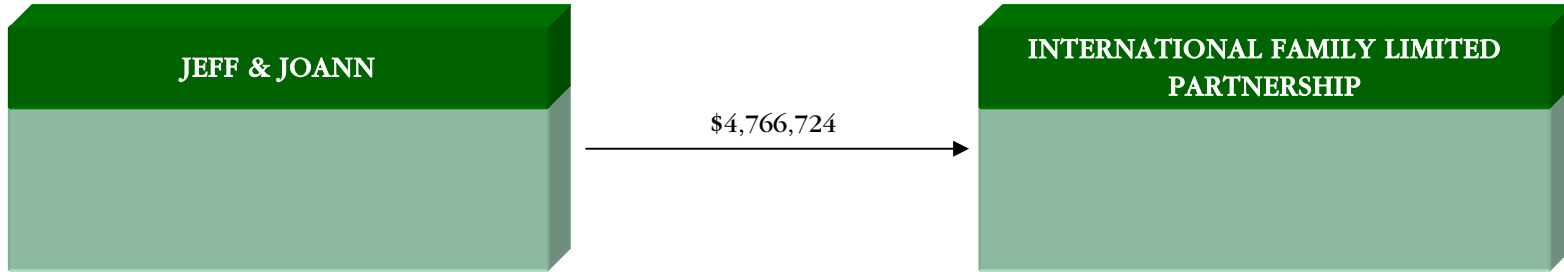
Jeff and JoAnn create a limited partnership and a management LLC in an international jurisdiction. They receive limited partnership shares and LLC receives GP shares. The new entity is organized to develop new investments, protect family members, create asset protection, streamline business succession planning, create a gifting mechanism and provide centralized management of investments.



CREATE AND FUND AN INTERNATIONAL FAMILY LIMITED PARTNERSHIP

JEFF AND JOANN GORDON

Jeff and JoAnn transfer \$4,766,724 of assets to the limited partnership.



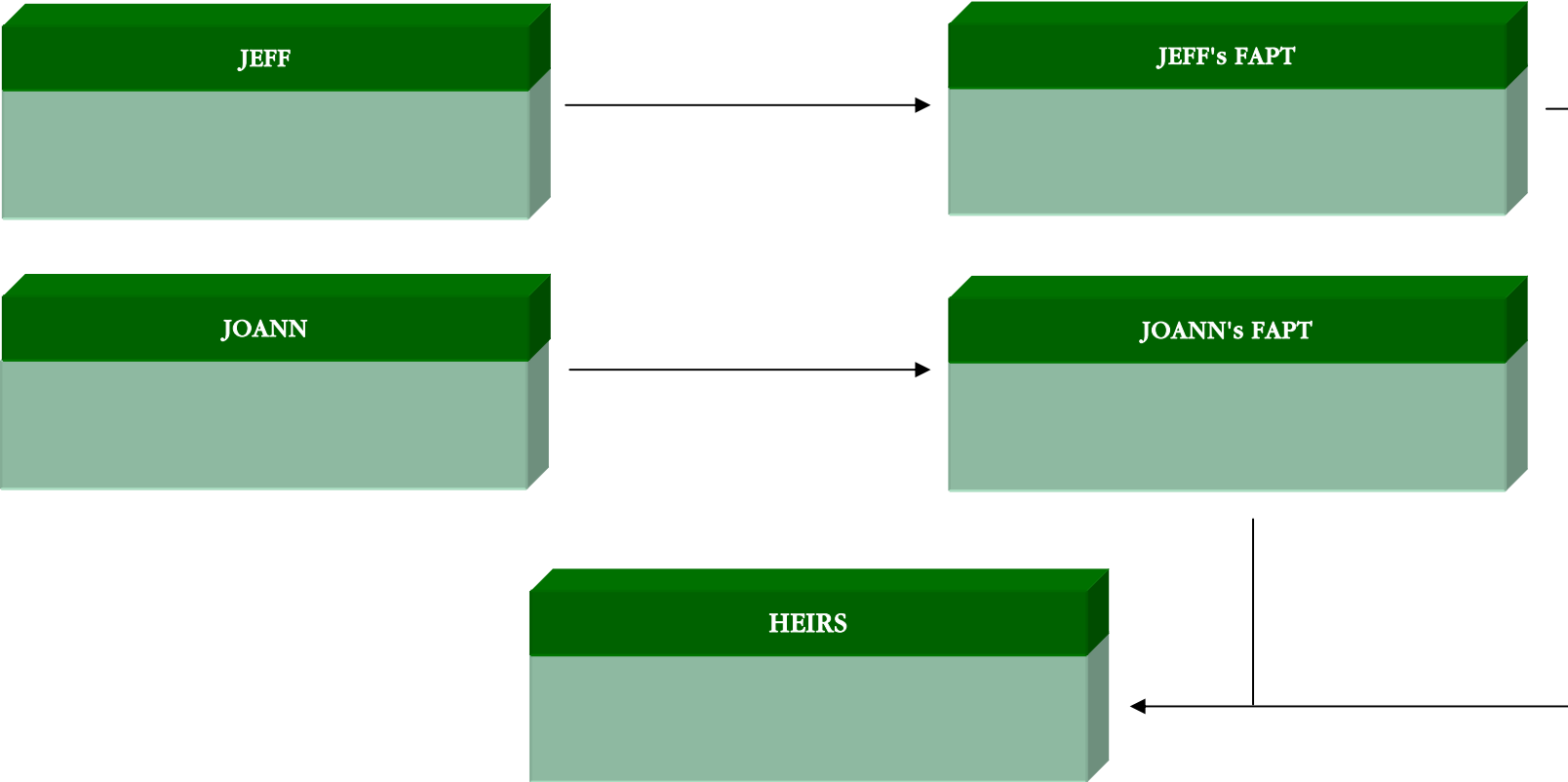
Detail of Assets Transferred

Fidelity	353,421
Fidelity Stocks	287,880
Account*	1,450,423
Fidelity Munis*	2,000,000
Private Equity (various)	500,000
Gordon LLC (95%)(5%)	175,000
Total Assets Contributed	4,766,724

CREATE FOREIGN ASSET PROTECTION TRUSTS

JEFF AND JOANN GORDON

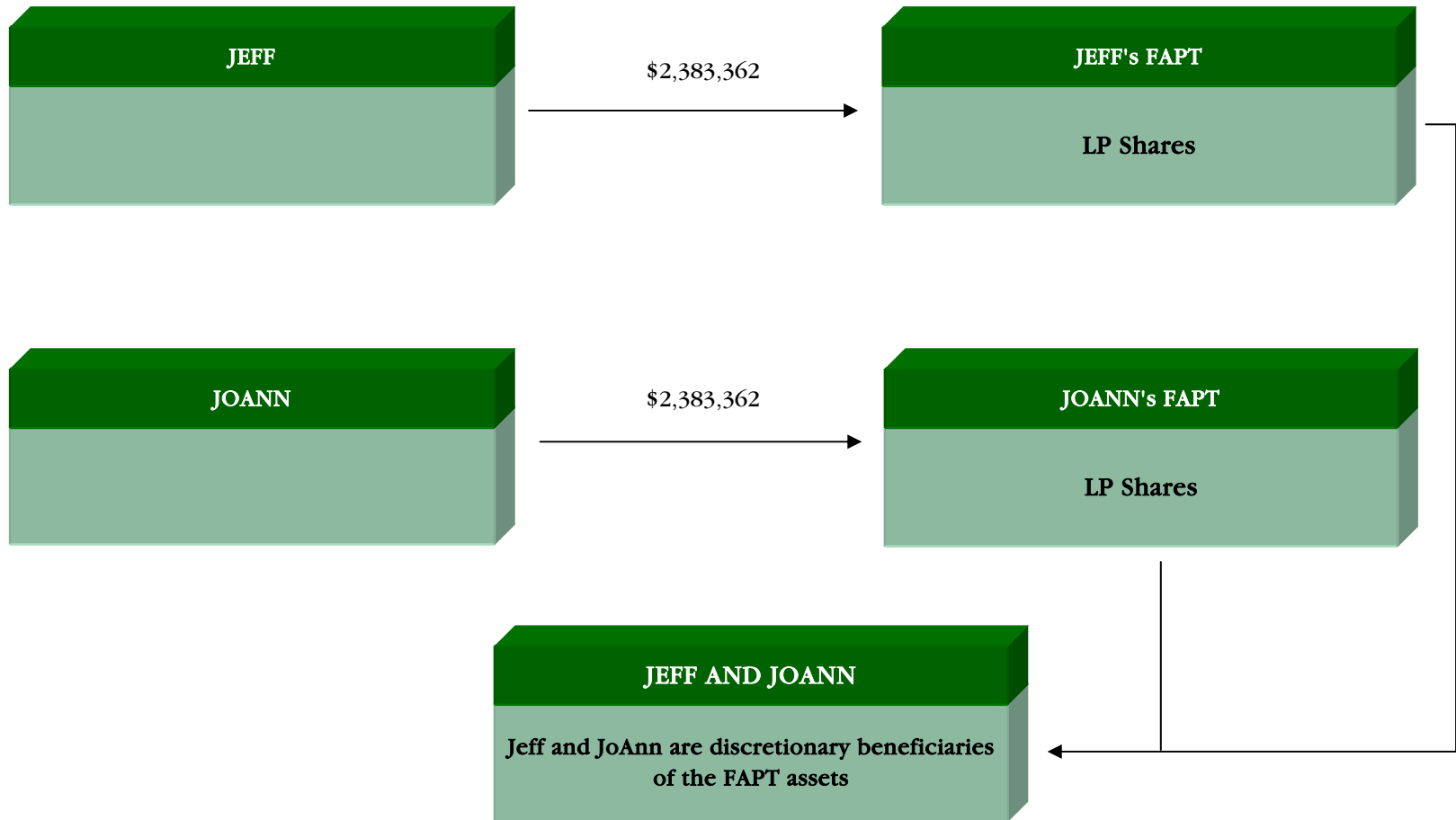
Jeff and JoAnn create individual foreign asset protection trusts (FAPT).



TRANSFER TO FOREIGN ASSET PROTECTION TRUST

JEFF AND JOANN GORDON

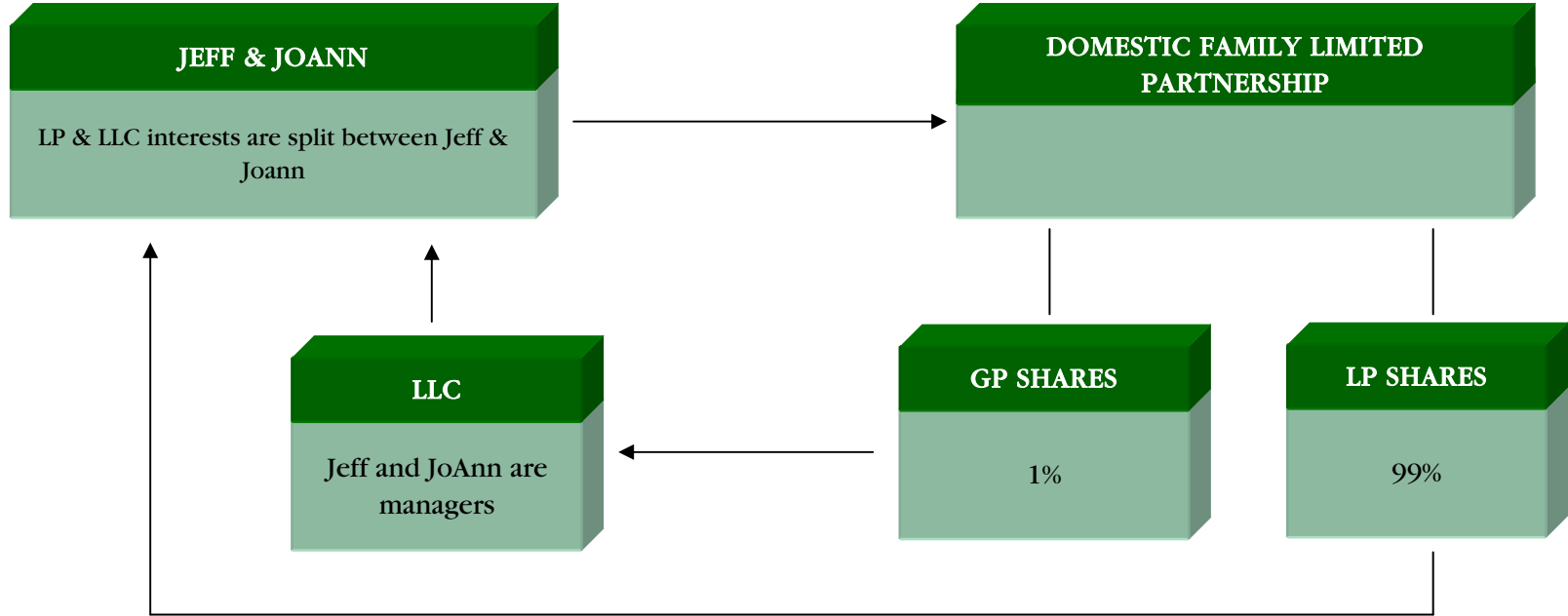
Jeff and JoAnn each transfer \$2,383,362 to their individual FAPT.



CREATE AND FUND A DOMESTIC FAMILY LIMITED PARTNERSHIP

JEFF AND JOANN GORDON

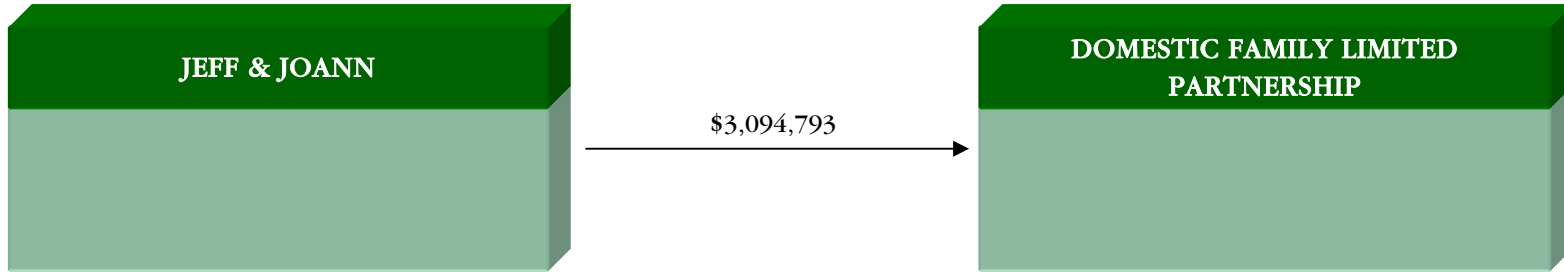
Jeff and JoAnn create a limited partnership and a management LLC in a domestic jurisdiction. They receive limited partnership shares and LLC receives GP shares. The new entity is organized to develop new investments, protect family members, create asset protection, streamline business succession planning, create a gifting mechanism and provide centralized management of investments.



CREATE AND FUND A DOMESTIC FAMILY LIMITED PARTNERSHIP

JEFF AND JOANN GORDON

Jeff and JoAnn transfer \$3,094,793 of assets to the limited partnership.



Detail of Assets Transferred

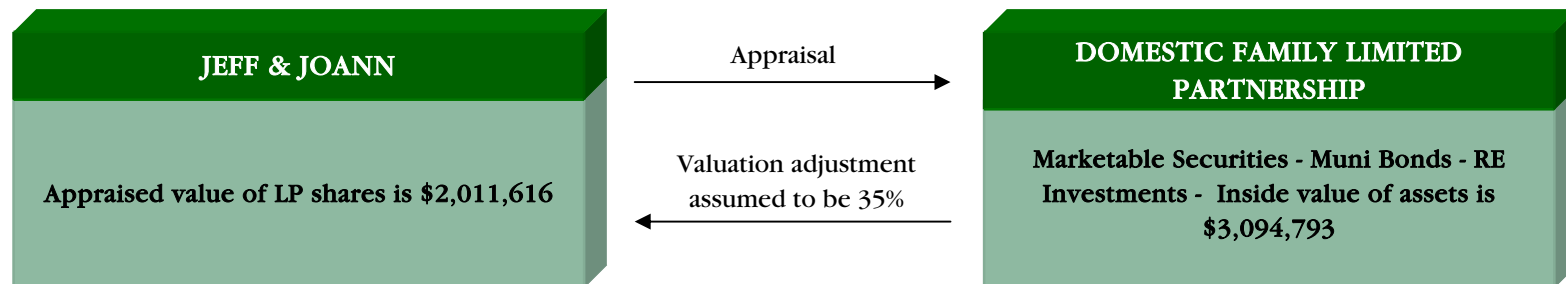
Fidelity	511,499
Fidelity Munis*	944,797
Fidelity Munis	1,038,497
Real Estate Partnerships (various)	300,000
Georgetown Condo	300,000
Total Assets Contributed	3,094,793

HAVE THE LIMITED PARTNERSHIP SHARES APPRAISED

JEFF AND JOANN GORDON

Jeff and JoAnn hire an appraiser to value the limited partnership shares that they own. The appraiser will value the shares taking all of the following into account:

- Liquidity of the shares
- Transferability of the shares
- Degree of control that accompanies ownership of the shares
- The assets owned by the partnership



The appraisal value of the LP units is assumed for illustration purposes only.

Note: Business appraisal is not an exact science. The IRS does not like valuation adjustments.

A well regarded appraiser should be retained to value the interests being sold.

BUSINESS PURPOSE

JEFF AND JOANN GORDON

The Family entity must have a legitimate business purpose for being organized and these purposes should be well documented. Legitimate business purposes examples are as follows:

- a. To Provide Asset Protection for Members - This Entity protects the family resource base from the claims of future creditors of Members.**
- b. To Increase Wealth - This Entity will provide an effective legal vehicle to increase the wealth of the Members and their families.
- c. To Provide Centralized Management of Investments - This Entity is designed to hold investment assets and allow for centralized management of those assets.
- d. To Manage and Develop Real Estate - This Entity will provide the legal vehicle to effectively manage and/or develop any real estate owned or acquired by the Company.
- e. To Avoid Two Layers of Taxation on Profits - This Entity provides flexibility in business planning not available to the Members through trusts, corporations, or other business entities.
- f. To Make Gifts Without Fractionalizing Assets - This Entity establishes a method by which annual gifts may be made without fractionalizing family assets.
- g. To Make Gifts Without Causing a Loss of Incentive - This Entity provides a method of ownership which allows gifts to be made to children and other beneficiaries without causing a loss of productivity or the incentive to strive to do well.
- h. To Control Cash Flow to Members - This Entity provides a structure by which the Manager can control the assets and the cash flow to Members to achieve the legitimate purposes of the Company.
- i. To Provide a Buy-Sell Arrangement - This Entity provides an orderly buy-sell arrangement between the members of the families that own membership interests to keep the ownership of Company assets in those families.
- j. To Resolve Disputes Privately - This Entity provides for mediation and binding arbitration in disputes by Members that is intended to prevent expensive and embarrassing public litigation of private family business matters.
- k. To Require the Losers of Disputes to Pay the Dispute Costs - This Entity requires the loser in any dispute to pay for the costs of the dispute.
- l. To Restrict the Right of Non-Members to Acquire Interests - This Entity restricts the right of non-Members to acquire interests in Company assets.
- m. To Prevent Transfers of Membership Interests Because of Failed Marriages - This Entity prevents the transfer of a family member's interest in the Company because of a failed marriage.
- n. To Prevent Commingling of the Assets of Gift Recipients - This Entity creates a method of ownership that will prevent gifts made to family members from being commingled with assets owned by others.
- o. To Make it Difficult to Withdraw - The restrictions in this Operating Agreement make it difficult for any of the parties to withdraw from the Company once they become a Member.
- p. To Protect Members from the Company's Creditor Claims - This Entity limits the liability of Members from the Company's creditors and further limits the liability of Members holding particular Series of the Company from liability associated with other Series of the Company.
- q. To Make a Profit - The primary reason for creating this Entity is to make a profit.

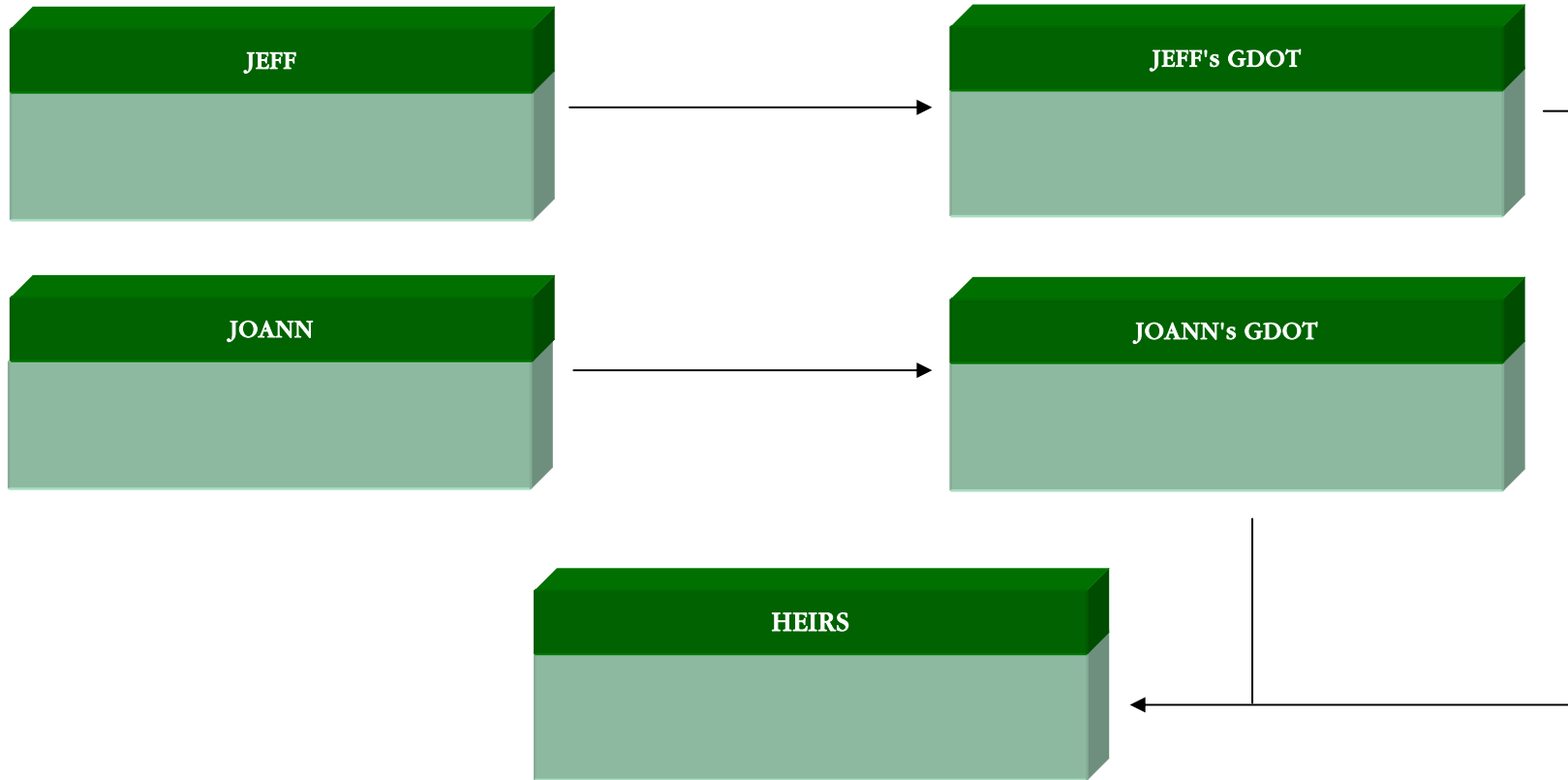
The entity may conduct any lawful business and investment activity permitted under the laws of the State and/or country of organization in which it may have a business or investment interest.

The entity may own, acquire, manage, develop, operate, sell, exchange, finance, refinance, lease and otherwise deal with real estate, personal property and any type of business as the Manager may from time to time deem to be in the best interest of the entity.

CREATE GRANTOR DEEMED OWNER TRUSTS

JEFF AND JOANN GORDON

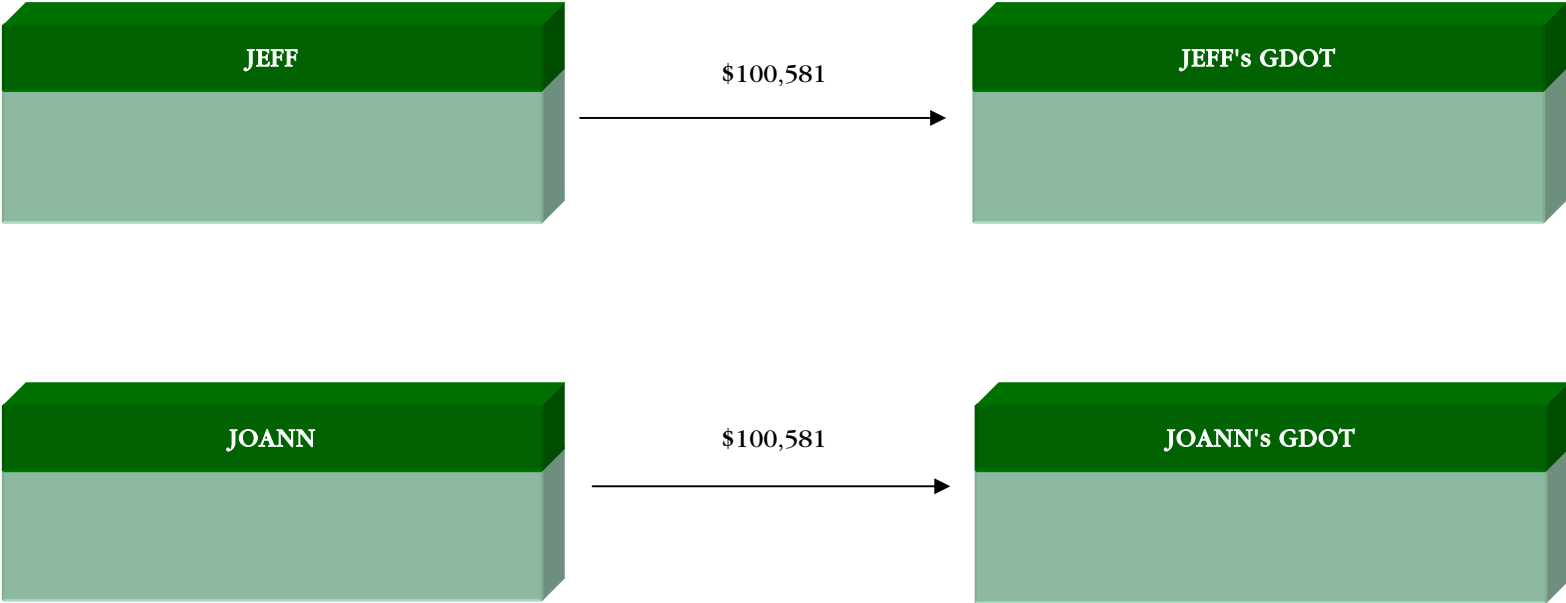
Jeff and JoAnn create individual grantor deemed owner trusts (GDOT).



GIFT TO GRANTOR DEEMED OWNER TRUST

JEFF AND JOANN GORDON

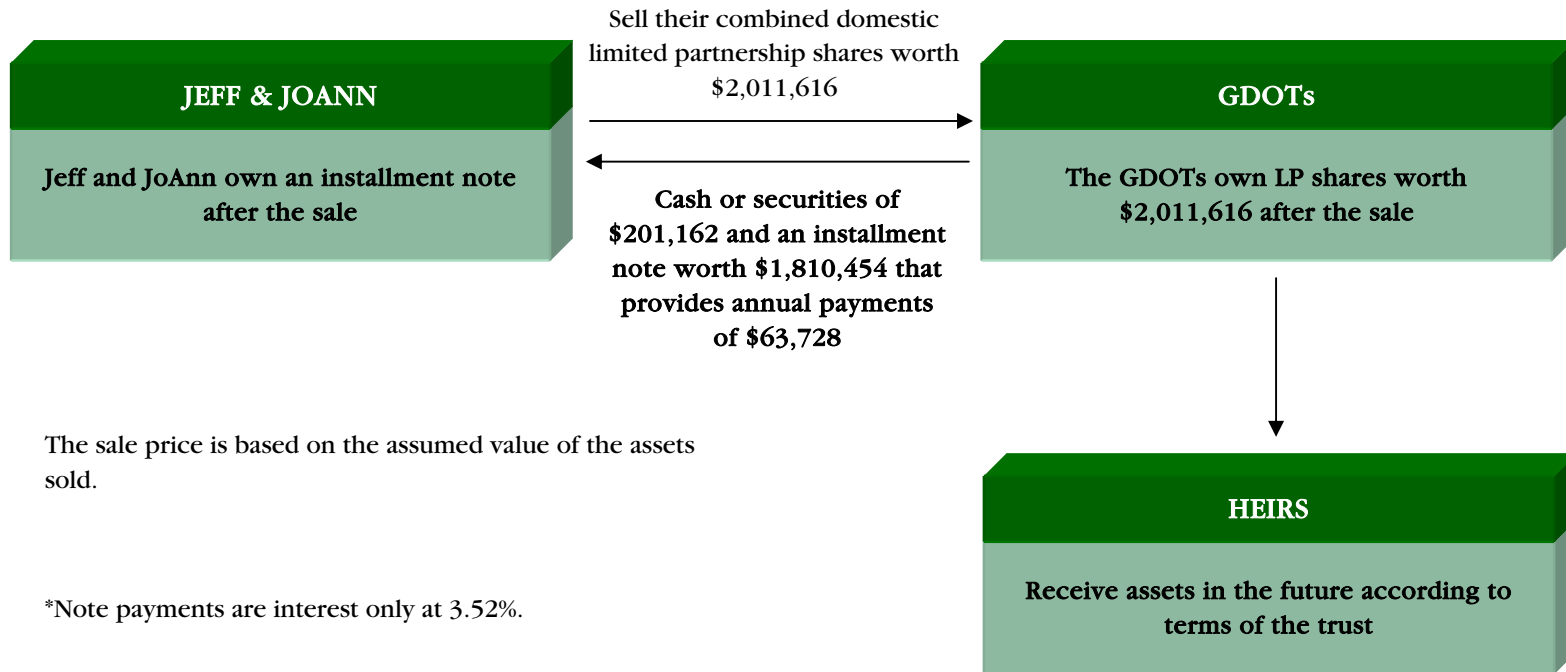
Jeff and JoAnn each make a gift of \$100,581 to their individual GDOT.



SELL DOMESTIC PARTNERSHIP UNITS TO EACH GDOT

JEFF AND JOANN GORDON

Jeff and JoAnn sell their domestic limited partnership shares to their individual GDOTs for an installment note.

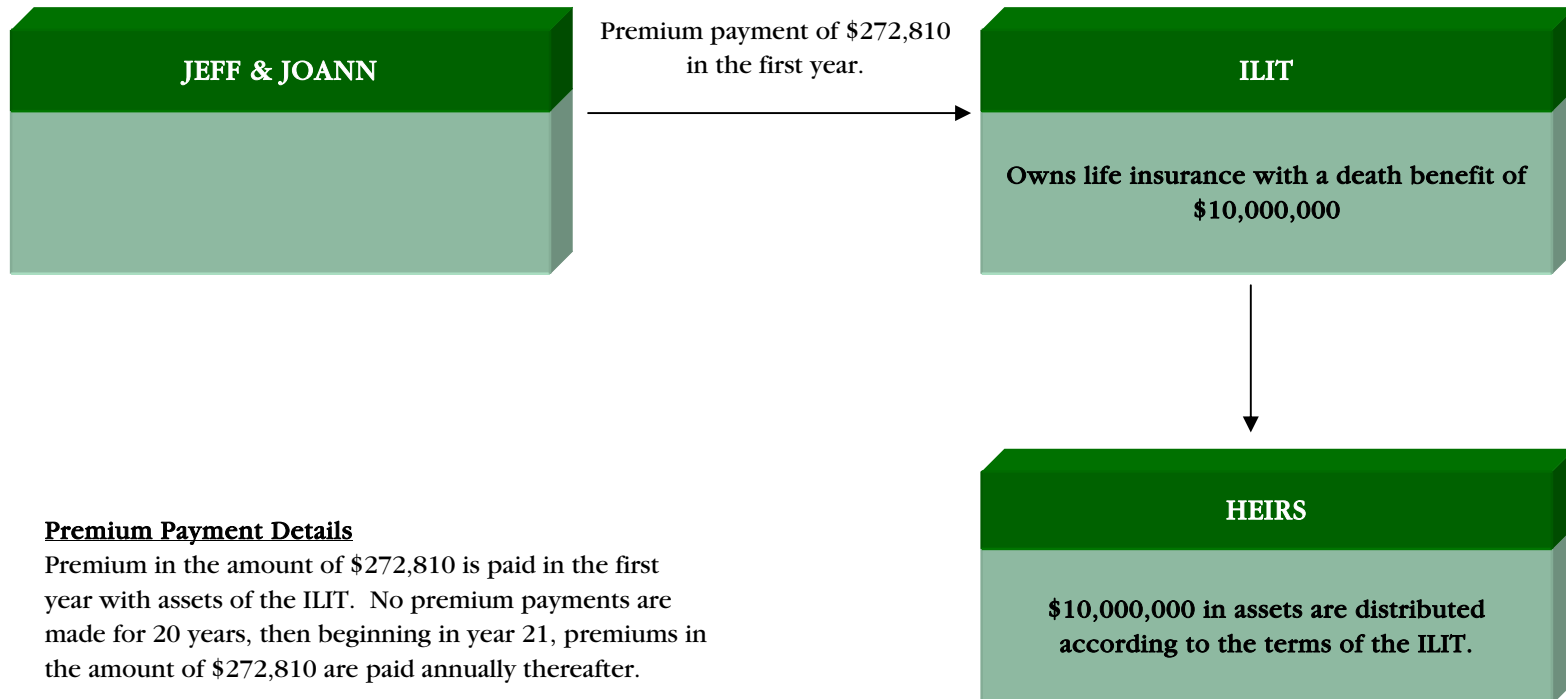


The sale price is based on the assumed value of the assets sold.

*Note payments are interest only at 3.52%.

IRREVOCABLE LIFE INSURANCE TRUST

JEFF AND JOANN GORDON



Premium Payment Details

Premium in the amount of \$272,810 is paid in the first year with assets of the ILIT. No premium payments are made for 20 years, then beginning in year 21, premiums in the amount of \$272,810 are paid annually thereafter.

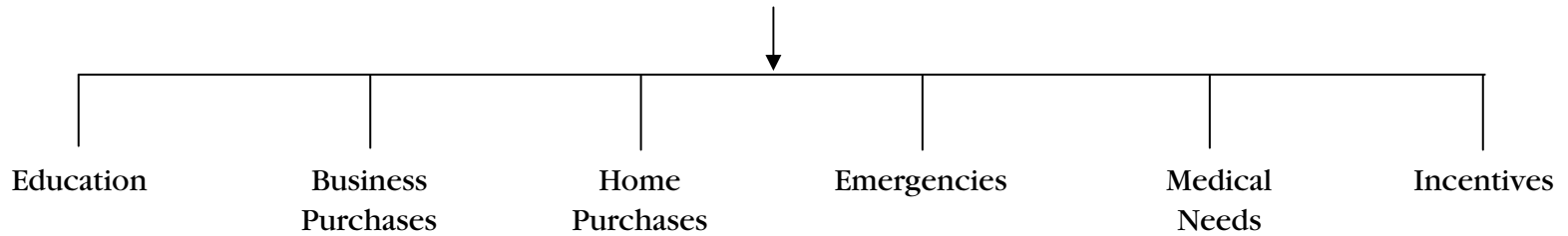
The premium is based on certain assumptions. This is for illustration purposes only. Actual insurance numbers can only be determined by applying for insurance.

FAMILY LEGACY TRUST

JEFF AND JOANN GORDON



Protects Beneficiaries



Beneficiaries: Children - Grandchildren - Greatgrandchildren

FAMILY LEGACY TRUST

JEFF AND JOANN GORDON

When looking to minimize estate taxes and maintaining control while instilling fiscal responsibility in your heirs, a Family Legacy Trust is an excellent solution. Many clients don't want to hand their heirs a bundle of cash and would prefer instead to give smaller portions of wealth over longer time periods or be able to lend the money on favorable terms.

The Family Legacy Trust is a trust that allows assets to survive multiple generations without becoming exposed to predators or subject to estate taxes while providing discretionary benefits to heirs in perpetuity. Also, this is a powerful tool for clients who wish to maintain control long after their deaths.

The Family Legacy Trust works as follows:

An irrevocable trust is created and funded with assets from the estate or with life insurance (or both). Most importantly for the grantor is that he or she decides exactly when and how heirs will enjoy assets from the trust.

A Family Legacy Trust can be designed to distribute the assets without large amounts of cash being distributed all at once.

Several states, such as Maryland, New Jersey, Illinois, Delaware, South Dakota, Nevada and Alaska have repealed rules against perpetuities on trusts, meaning that the Family Legacy Trust can continue for many generations; thereby, creating a true family legacy vehicle. These jurisdictions are available as trust jurisdictions regardless of where you claim residence.

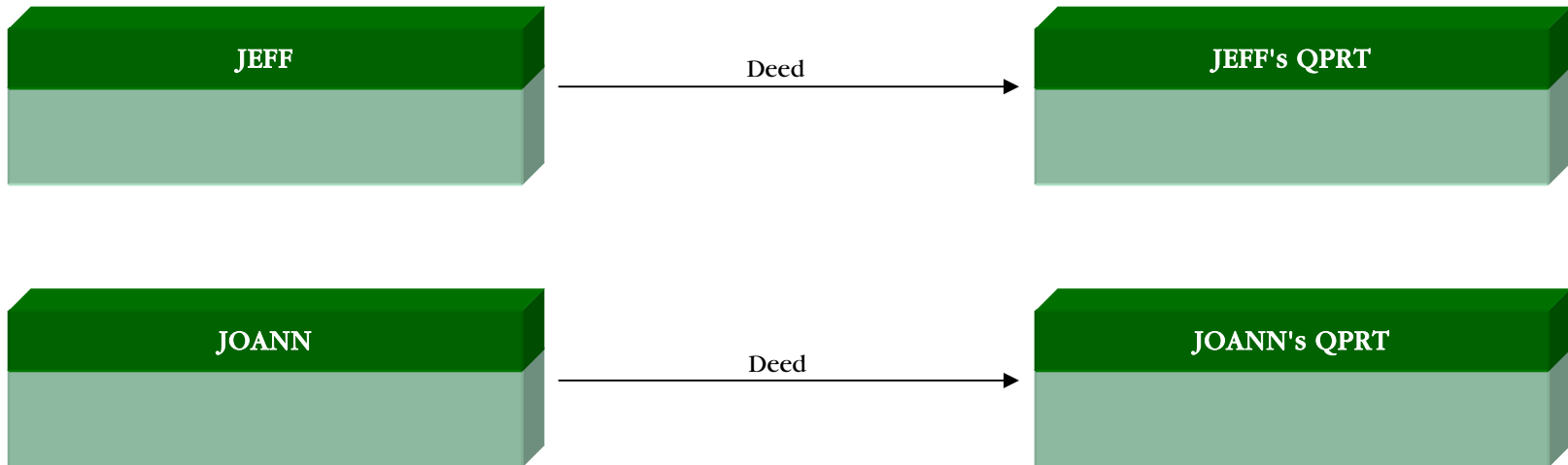
Grantors can customize the trust agreement to include various incentives depending upon the family wishes. Instead of heirs getting a lump sum from an estate, they get bonuses and access to inexpensive capital when they follow the requirements—perhaps by maintaining a high grade point average in school or choosing a low-paying career in ministry or public service or reaching a particular age or milestone in their life.

Money can be available to buy a house, start a business or go to graduate school. Loans can be given at favorable rates, but not so below market as to trigger tax problems.

CREATE AND FUND A QUALIFIED PERSONAL RESIDENCE TRUST

JEFF AND JOANN GORDON

Jeff and JoAnn each create a qualified personal residence trust (QPRT) with a term of 20 years. Then each transfer fractional interests in the homes listed below to the trusts.



<u>Jeff gifts a 1/2 undivided interest in property</u>	
123 Main St.	900,000
Sub Total	900,000

<u>JoAnn gifts a 1/2 undivided interest in property</u>	
123 Main St.	900,000
Sub Total	900,000

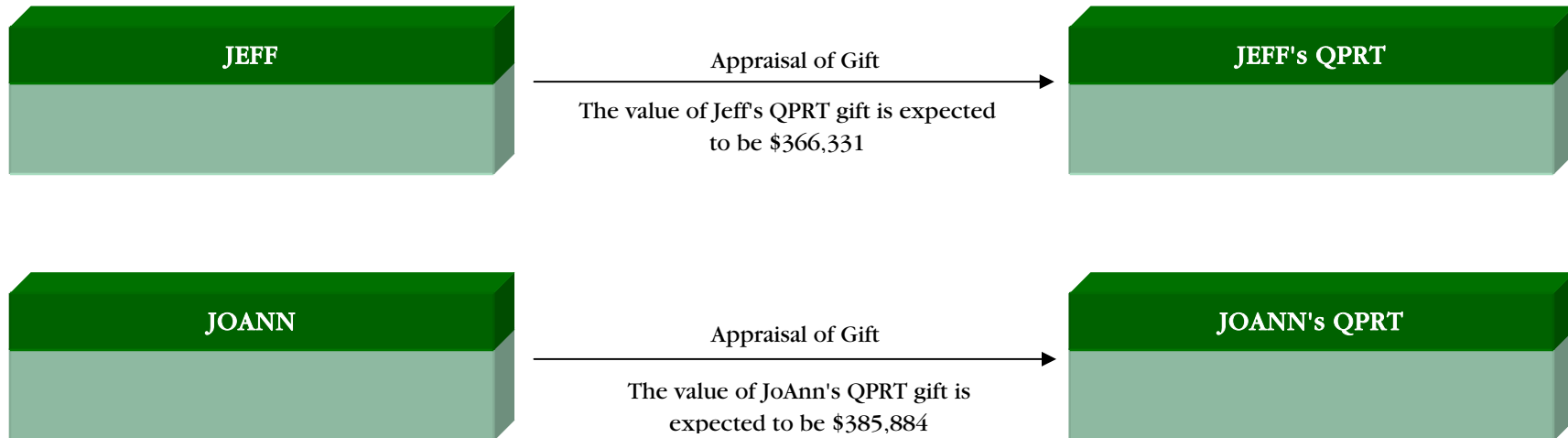
Note: If you die before the QPRT term ends, the property is back in your estate.

QPRT APPRAISAL - GIFT OF REAL ESTATE

JEFF AND JOANN GORDON

Jeff and JoAnn hire an appraiser to value the real estate and the appropriate adjustment for the fractional interest gift to the QPRT. This fractional interest adjustment will take into consideration:

- Lack of liquidity
- Limited transferability



QPRT ASSUMPTIONS

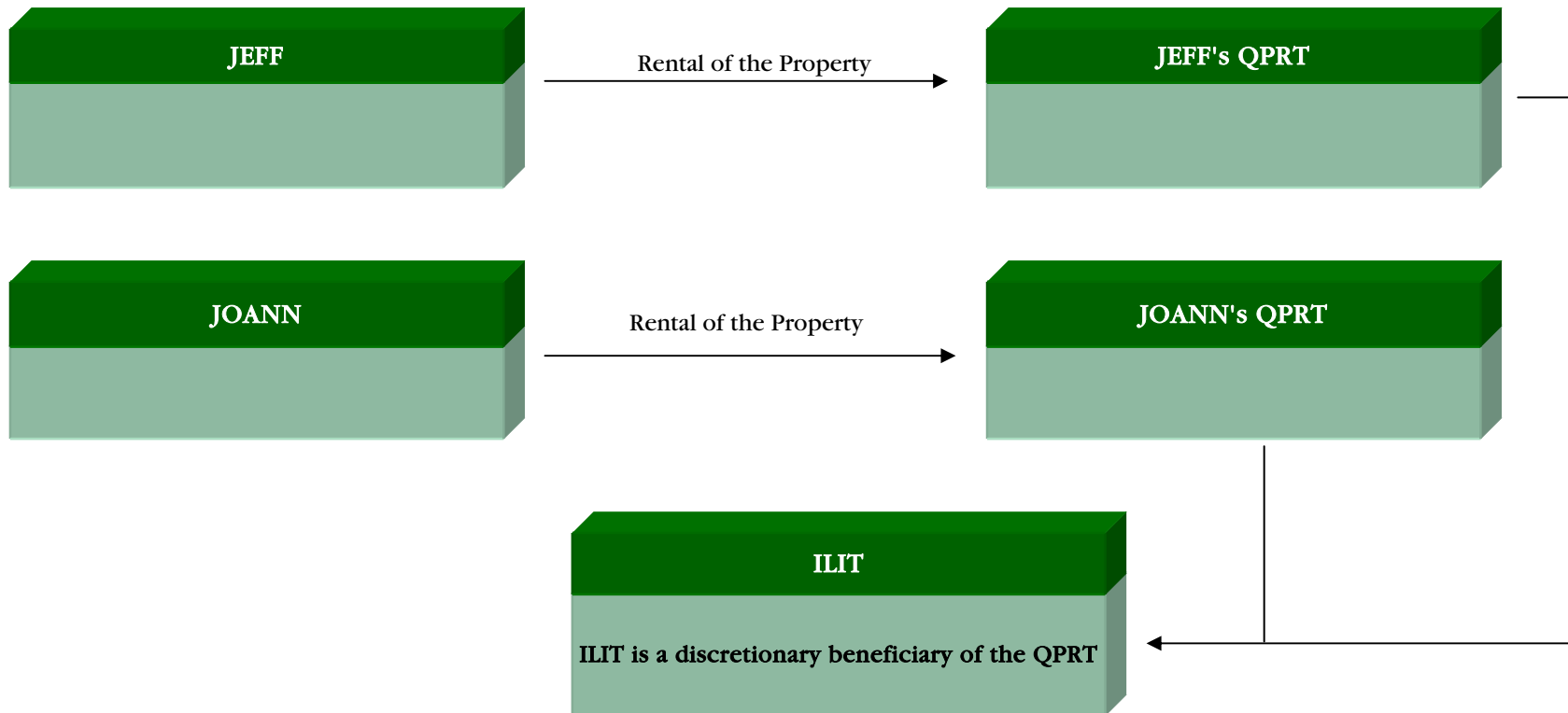
Term (years)	20
7520 Rate	2.33%
Jeff's age	53
JoAnn's age	51

AFTER THE QPRT TERM ENDS (I)

JEFF AND JOANN GORDON

Additional estate and gift tax advantages that can be obtained with QPRTs after the term of the QPRT expires include:

- Increases in the value of the real estate are out of your estate
- Fair market rent can be paid to the trust to pass additional assets to your heirs without gift, estate or income tax.
- The QPRTs should be structured as grantor trusts to neutralize income taxes and kept in place as grantor trusts after the QPRT term.

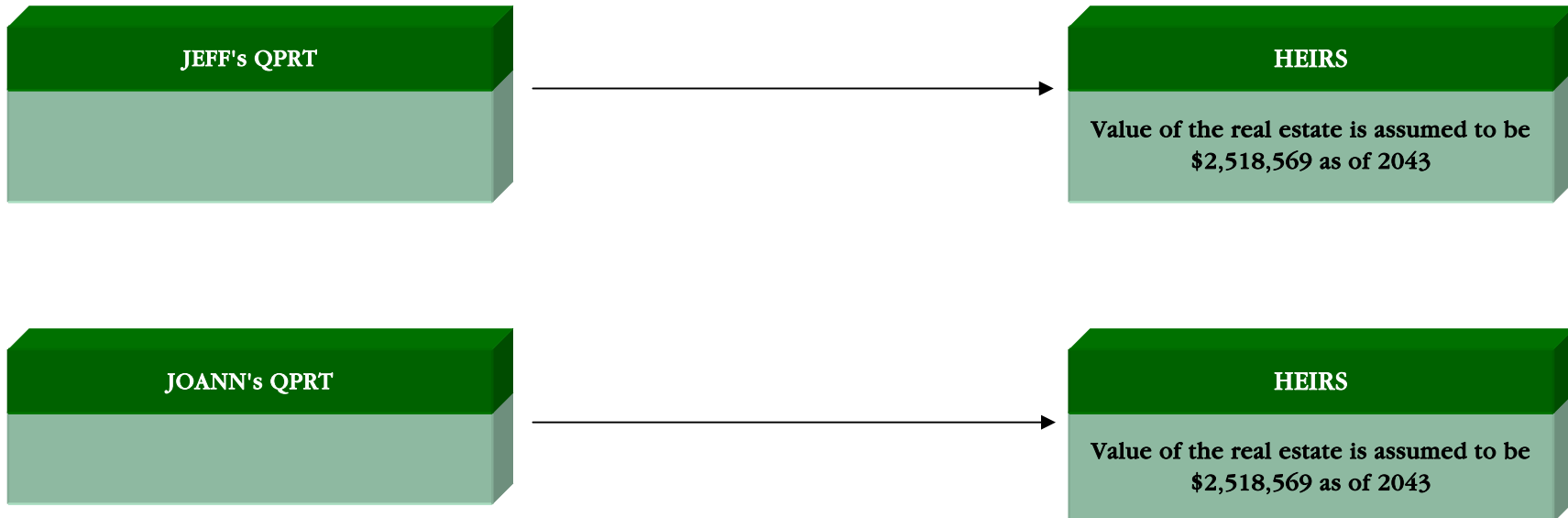


We have assumed a total fair market rent of \$180,000 after the QPRT term.

AFTER THE QPRT TERM ENDS (II)

JEFF AND JOANN GORDON

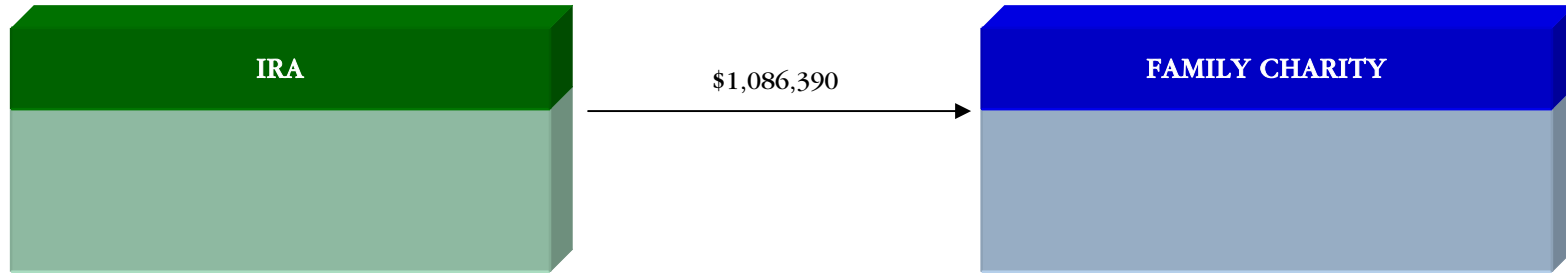
At death, the real estate passes to your heirs without estate tax. The trusts can be structured for distributions according to your particular goals and objectives.



LEAVE YOUR IRA TO CHARITY

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At the second death, leave your IRA and qualified plans to charity.



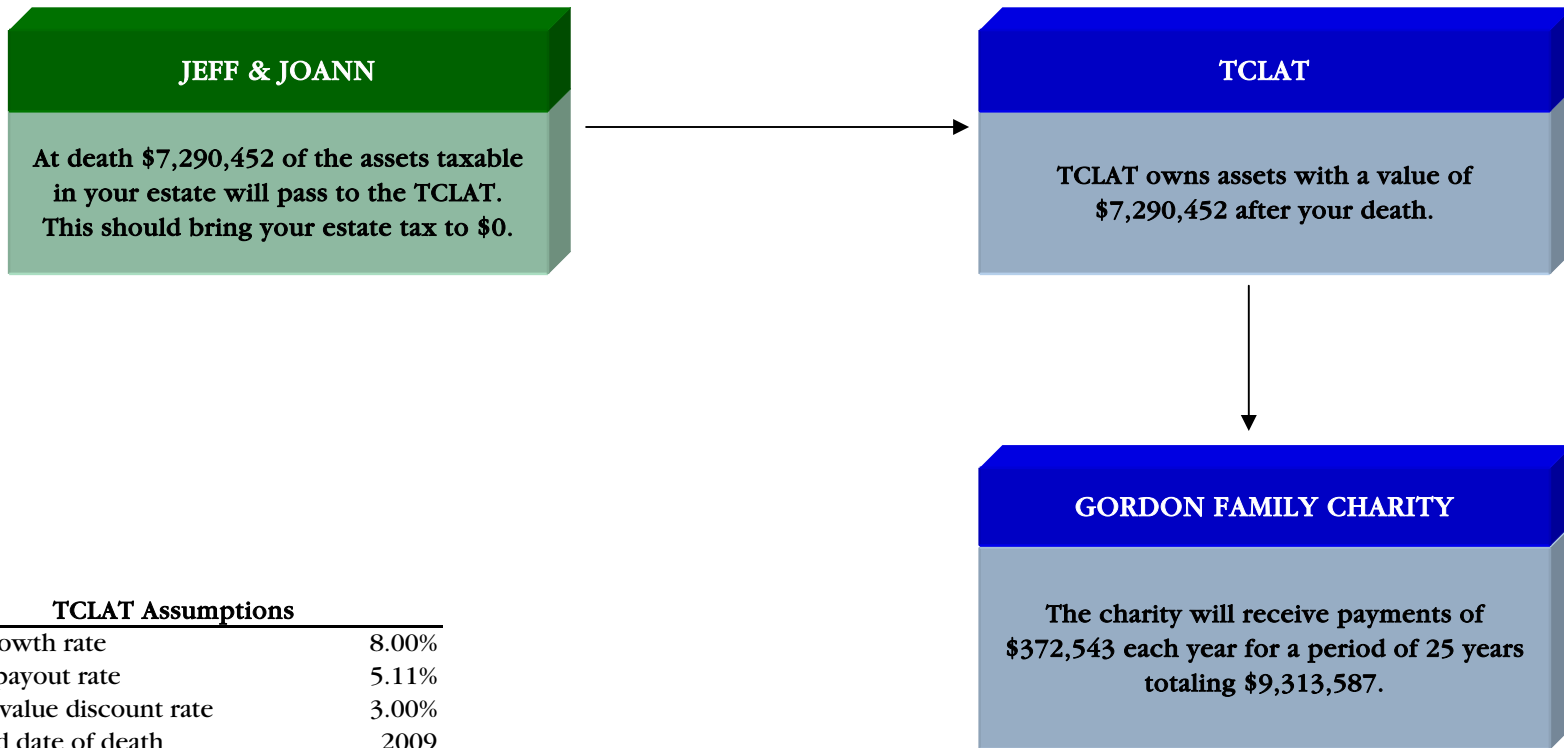
Advantages

- No estate tax
- No income in respect of a decedent tax
- Most efficient asset to satisfy charitable intent

TESTAMENTARY CHARITABLE LEAD ANNUITY TRUST (PART I)

JEFF AND JOANN GORDON

Include language in your trust or Will that creates a testamentary charitable lead trust (TCLAT) at the second death.



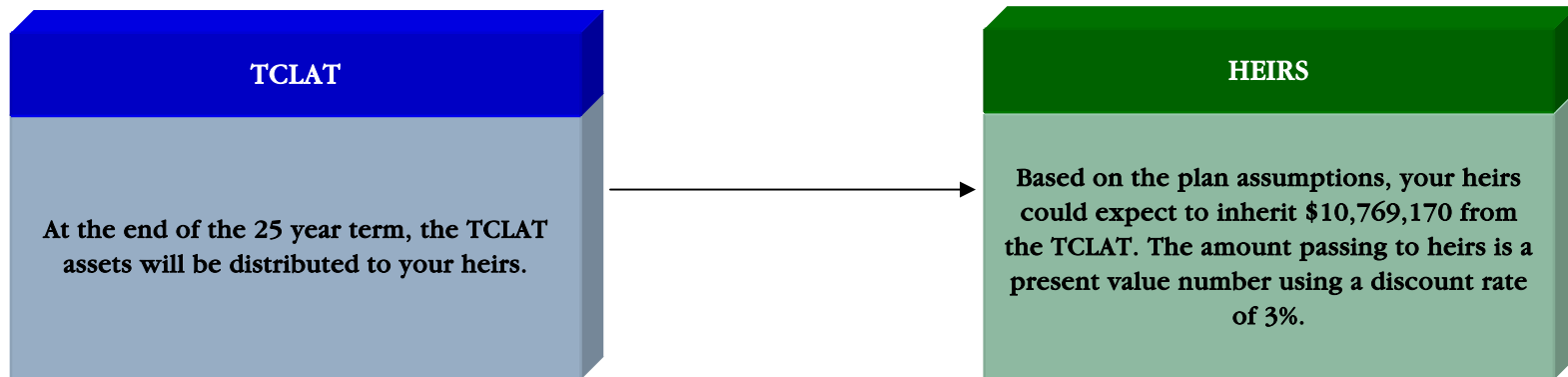
TCLAT Assumptions

Asset growth rate	8.00%
TCLAT payout rate	5.11%
Present value discount rate	3.00%
Assumed date of death	2009

TESTAMENTARY CHARITABLE LEAD ANNUITY TRUST (PART II)

JEFF AND JOANN GORDON

At the end of the TCLAT term, your heirs will receive all of the remaining trust assets.



INCREASE INHERITANCE
AND REDUCE ESTATE TAX

COMPARISON OF PLAN RESULTS - PLAN YEAR 2009

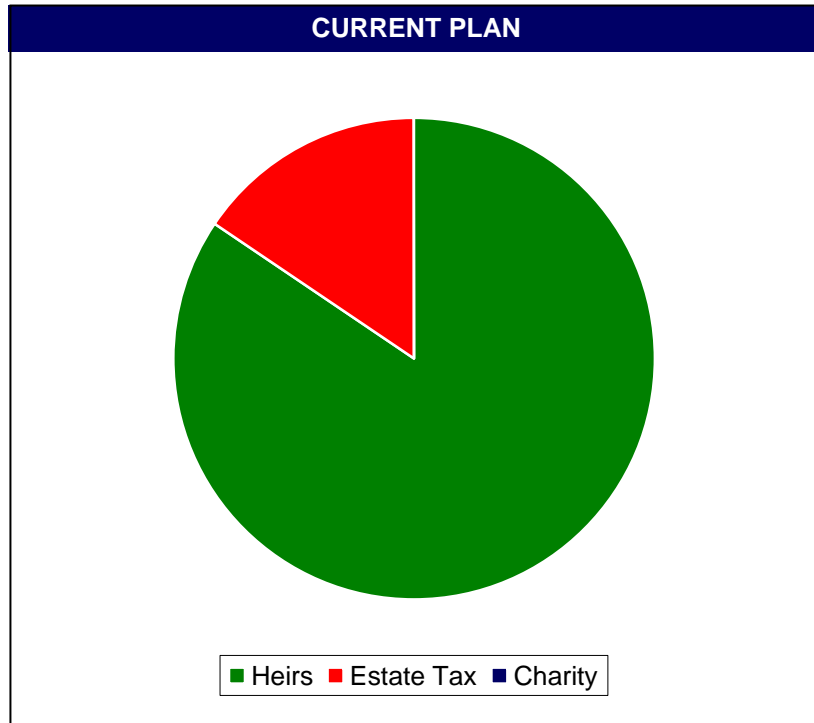
JEFF AND JOANN GORDON

	Existing Plan	Proposed Plan	Advantage
Estate Value	\$ 15,753,761	\$ 13,774,711	
Heirs Receive Immediately	\$ 24,130,539	\$ 29,816,159	\$ 5,685,621
Heirs Receive Benefits from TCLAT	\$ -	\$ 10,838,466	\$ 10,838,466
Total Benefits to Family	\$ 24,130,539	\$ 40,585,329	\$ 16,524,086
Family Charity	\$ -	\$ 8,374,228	\$ 8,374,228
Estate and Income Tax	\$ 4,439,794	\$ -	\$ 4,439,794

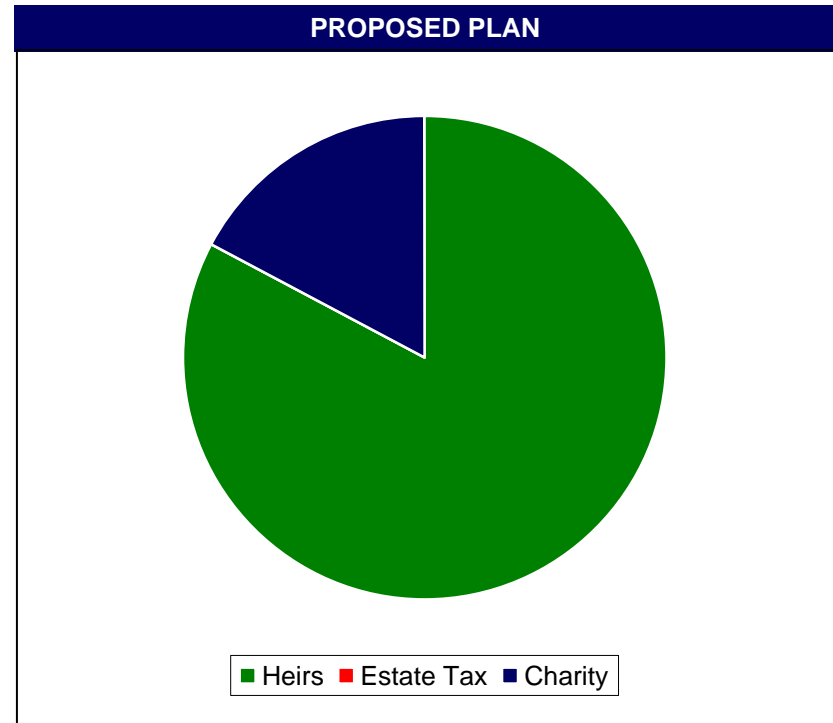
This chart assumes that you both die this year and compares the results of the current plan with the proposed plan.

COMPARISON OF PLAN RESULTS - PLAN YEAR 2009

JEFF AND JOANN GORDON



Heirs	\$24,130,539
Estate Tax	\$4,439,794
Charity	\$0



Heirs	\$40,585,329
Estate Tax	\$0
Charity	\$8,374,228

In the current plan, a portion of the benefit to heirs is qualified plan money. Withdrawals from these plans will be treated as ordinary income.

COMPARISON OF PLAN RESULTS - PLAN YEAR 2043

JEFF AND JOANN GORDON

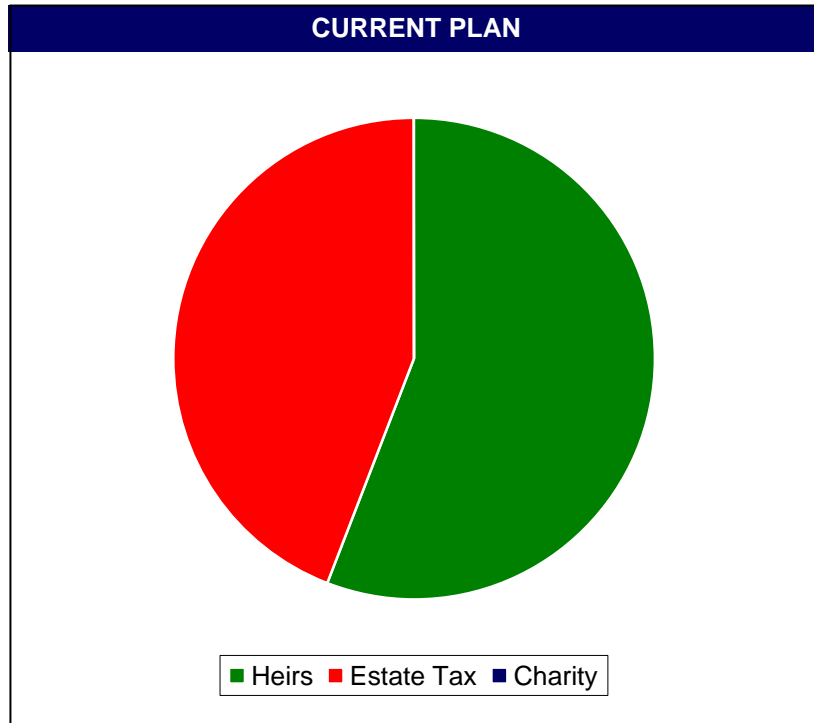
	Existing Plan	Proposed Plan	Advantage
Estate Value	\$ 51,996,763	\$ 27,488,443	
Heirs Receive Immediately	\$ 34,457,625	\$ 40,885,064	\$ 6,427,439
Heirs Receive Benefits from TCLAT	\$ -	\$ 35,630,692	\$ 35,630,692
Total Benefits to Family	\$ 34,457,625	\$ 76,515,756	\$ 42,058,132
Family Charity	\$ -	\$ 26,452,582	\$ 26,452,582
Estate and Income Tax	\$ 27,386,543	\$ -	\$ 27,386,543
Present Value of total to Heirs	\$12,613,038	\$28,008,202	
Discount rate for PV calculation	3.00%		

This chart assumes that you both die at life expectancy and compares the results of the current plan with the proposed plan.

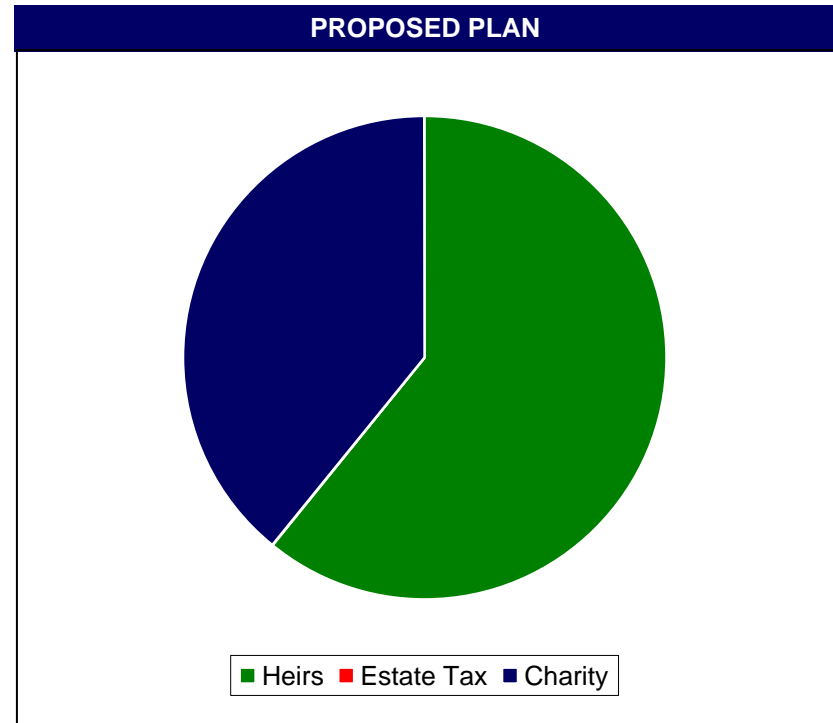
The present value of the total passing to heirs is our attempt to put inheritance into today's dollars to provide perspective. We are using an inflation rate of 3% to calculate the present value numbers.

COMPARISON OF PLAN RESULTS - PLAN YEAR 2043

JEFF AND JOANN GORDON



Heirs	\$34,457,625
Estate Tax	\$27,386,543
Charity	\$0

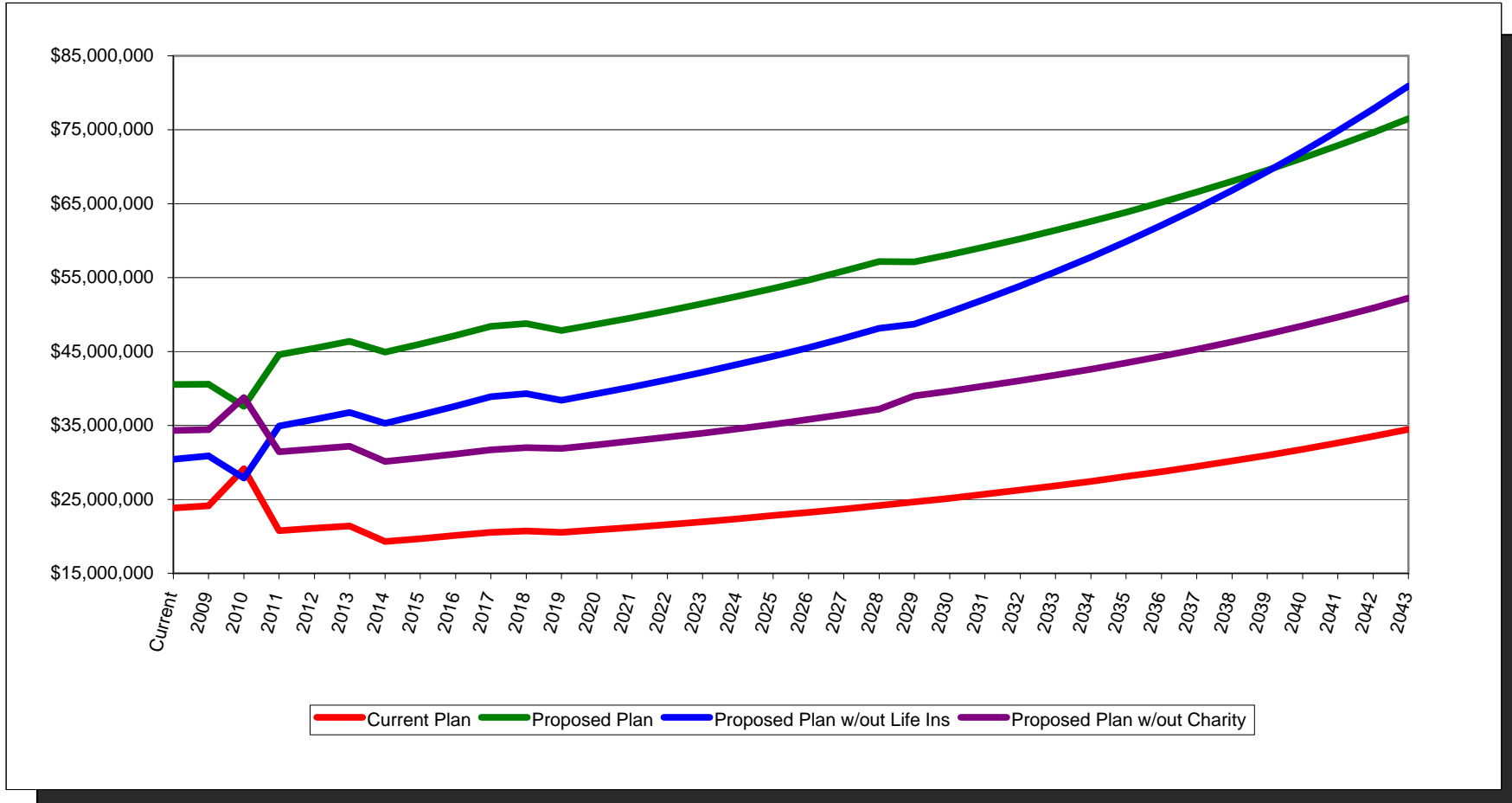


Heirs	\$40,885,064
Estate Tax	\$0
Charity	\$26,452,582

In the current plan, a portion of the benefit to heirs is qualified plan money. Withdrawals from these plans will be treated as ordinary income.

ASSETS PASSING TO YOUR FAMILY - CURRENT VS. PROPOSED

JEFF AND JOANN GORDON



This chart compares the amount of your assets that will pass to heirs after estate taxes and costs of implementation in the current plan as against the proposed plan.

COST BENEFIT ANALYSIS

JEFF AND JOANN GORDON

All strategies have an element of risk; a chance that the program adopted does not work as planned. Estate planning strategies carry an element of risk as well. Many advisors warn their clients of risk but do not make an effort to quantify those risks. We have taken the position in our planning that if a risk is quantifiable, it should be identified as such and the cost of the risk should be disclosed to our client. When the risk is not quantifiable, this should also be disclosed.

Any risk analysis begins with two questions:

What is the reward to be gained by taking the risk?

What is the cost of the potential loss if the plan fails totally?

If you are satisfied that the reward is worth the risk and that the risk of loss is acceptable, it would then make sense to pursue the strategy. If the risk is such that you could not comfortably accept the loss, then the risk should not be taken.

Is the reward worth the risk?

The reward of the proposed plan results in an advantage to your heirs today of \$16,524,086 over your existing plan.

The reward of the proposed plan results in an advantage to your heirs at life expectancy of \$42,058,132 over your existing plan.

What if the Plan fails totally?

There are 4 basic areas of potential risk involved in this comprehensive plan. We assume total failure of all planning techniques in order to provide a worst case analysis.

Transaction costs

Planning Fees	21,000
Attorneys Fees	135,000
<u>Valuation Fees</u>	<u>1,500</u>
Total	\$ 157,500

Annual Maintenance Fee \$ 6,000

Taxes

This represents the taxes that will have to be paid if the plan fails entirely. Note that this is the same amount that would be paid without the planning.

Total additional tax over current plan = \$0

COST BENEFIT ANALYSIS (CONTINUED)

Interest (cost of money)

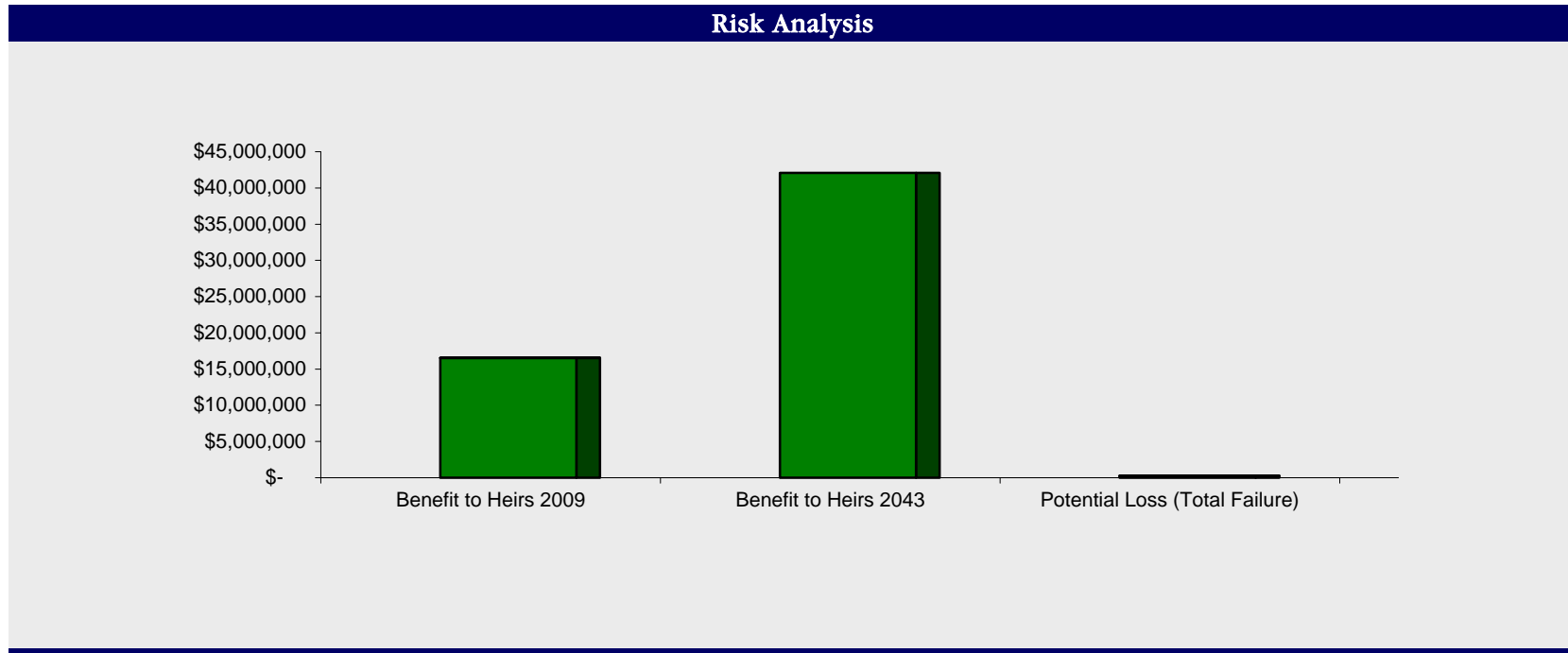
Interest is charged on late tax payments by the IRS at the rate of the applicable federal rate plus 3%. You must invest at a rate less than this rate to lose money. Assuming that assets earn in excess of that rate, there should be no risk of loss due to cost of money.

Nonetheless, we assume that assets actually earn 2% less than the IRS interest rates, and the risk of loss would be \$84,248.

Penalties

Assuming the plan is implemented with the help of knowledgeable advisors, the only potential penalty is for substantial undervaluation. The penalty comes into play in the case of a challenge to asset valuation. If the value reported for a transaction is less than 65% of the value as finally determined for tax purposes (by the IRS or the courts) then there is a 25% substantial undervaluation penalty.

The valuation adjustment assumed in this plan is 0.00%. Therefore, an adjustment should not result in a substantial valuation penalty.



DETAILED FINANCIAL ANALYSIS

JEFF AND JOANN GORDON

INTRODUCTION

The following section of the plan contains all of the financial analysis used to show you where you stand with your current plan and what is possible with the proposed plan.

All of the numbers are based on information provided by you or gleaned from statements and tax returns. If numbers do not look correct, please let us know so that we can make appropriate changes.

Assumed growth and yield numbers are all listed on the Net Worth pages contained in these sections.

DETAILED FINANCIAL ANALYSIS

JEFF AND JOANN GORDON

CURRENT PLAN FINANCIALS

In the Current Plan Section you will find a Net Worth Statement and a detailed cash flow and asset value projection analysis.

CURRENT NET WORTH STATEMENT

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
CASH AND EQUIVALENTS						
Citibank (ch)	-	-	5,000	5,000	2.0%	0.0%
Trust Bank (ch)	-	-	2,300	2,300	2.0%	0.0%
Company (cash)	15,000	-	-	15,000	2.0%	0.0%
Net cash from Pension	10,000	-	-	10,000	2.0%	0.0%
Cash Value of Life Insurance	3,168	-	-	3,168	0.0%	0.0%
Total of Cash and Equivalents	28,168	-	7,300	35,468	1.8%	0.0%
MARKETABLE SECURITIES - EQUITIES						
Schwab Mutual Funds	-	353,421	-	353,421	2.0%	6.0%
Fidelity Stocks	287,880	-	-	287,880	2.0%	6.0%
Fidelity	-	363,000	-	363,000	2.0%	5.0%
Fidelity	-	511,499	-	511,499	2.0%	5.0%
Fidelity	-	-	218,666	218,666	2.0%	5.0%
Account*	1,450,423	-	-	1,450,423	2.0%	5.0%
Total of Equities	1,738,303	1,227,920	218,666	3,184,889	2.0%	5.2%
NON-TAXABLE MARKETABLE SECURITIES *						
Fidelity Munis*	2,944,797	-	-	2,944,797	5.0%	0.0%
Fidelity Munis	-	737,000	-	737,000	5.0%	0.0%
Schwab Munis	-	595,698	-	595,698	5.0%	0.0%
Fidelity Munis	-	1,038,497	-	1,038,497	5.0%	0.0%
Fidelity Munis	-	-	443,958	443,958	5.0%	0.0%
Total of Non-Taxable Marketable Securities	2,944,797	2,371,195	443,958	5,759,950	5.0%	0.0%
* Note: We assume that 1/3 of the the munis are moved to marketable securities - equities.						

CURRENT NET WORTH STATEMENT (PAGE 2)

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
OTHER INVESTMENTS						
Private Equity (various)	500,000	-	-	500,000	3.0%	3.0%
Gordon LLC (95%)(5%)	166,250	8,750	-	175,000	6.4%	5.0%
Company Stock	1,400,000	-	-	1,400,000	0.0%	0.0%
Total of Other Investments	2,066,250	8,750	-	2,075,000	1.3%	1.1%
RETIREMENT PLANS/IRAs						
Schwab IRA	946,670	-	-	946,670	0.0%	5.0%
Schwab IRA	-	89,720	-	89,720	0.0%	5.0%
Company 401(k)	50,000	-	-	50,000	0.0%	5.0%
Total Retirement Plans	996,670	89,720	-	1,086,390	0.0%	5.0%

CURRENT NET WORTH STATEMENT (PAGE 3)

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
INVESTMENT REAL ESTATE						
Real Estate Partnerships (various)	300,000	-	-	300,000	5.0%	3.0%
Georgetown Condo	-	-	300,000	300,000	0.0%	4.0%
125 Main St.	-	700,000	-	700,000	0.0%	4.0%
Total of Real Estate Holdings	300,000	700,000	300,000	1,300,000	1.2%	3.8%
RESIDENTIAL REAL ESTATE						
123 Main St.	-	-	1,800,000	1,800,000	0.0%	3.0%
Total of Personal Residences	-	-	1,800,000	1,800,000	0.0%	3.0%
TOTAL ASSETS	8,074,188	4,397,585	2,769,924	15,241,697		
TOTAL LIABILITIES	-	-	-	-		
NET WORTH	8,074,188	4,397,585	2,769,924	15,241,697		

SCHEDULE OF LIFE INSURANCE BENEFITS - CURRENT PLAN

JEFF AND JOANN GORDON

COMPANY	INSURED	POLICY #	BENEFICIARY	PREMIUM	CASH VALUE	DEATH BENEFIT
Policies owned by Jeff						
Thrivent	Jeff	#	JoAnn	-	3,168	50,000
Totals				-	3,168	50,000
Policies owned by JoAnn						
Company - group term ¹	Jeff	#	JoAnn	-	-	1,200,000
Thrivent	JoAnn	#	JoAnn	103	-	100,000
Totals				103	-	1,300,000
¹ Policy expires at employment termination with Company.						
Policies owned by ILIT						
Transamerica (15yr. Term) ¹	Jeff	#	ILIT	2,450	-	2,000,000
Transamerica (15yr. Term) ²	JoAnn	#	ILIT	455	-	500,000
Reliastar	2nd to die	#	ILIT	26,224	60,000	3,000,000
Commonwealth VUL	2nd to die	#	ILIT	30,000	125,000	6,000,000
Totals				59,129	185,000	11,500,000
¹ Transamerica policies expire after 2013.						
² Reliastar premium payments end after 2010.						

ASSET VALUE PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Asset Values									
Cash and cash equivalents	35,468	35,468	35,468	35,468	35,468	35,468	35,468	35,468	35,468
Marketable securities - Equities	3,184,889	3,370,245	3,598,809	3,839,556	4,094,346	6,860,540	7,247,914	12,498,963	26,960,498
Municipal bonds	5,759,950	5,862,353	5,968,884	6,076,003	6,186,166	8,687,694	8,748,760	9,504,210	11,761,179
Other investments	675,000	681,280	689,078	696,965	704,942	754,760	763,399	855,417	1,003,169
Company Stock	1,400,000	1,490,476	1,609,714	1,738,491	1,877,570	-	-	-	-
Retirement plans/IRAs	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
Investment real estate	1,300,000	1,339,733	1,390,231	1,442,632	1,497,008	1,869,114	1,939,565	2,807,956	4,713,578
Personal residences	1,800,000	1,843,818	1,899,133	1,956,107	2,014,790	2,405,765	2,477,938	3,330,141	5,037,137
Total assets in estate	15,241,697	15,753,761	16,378,224	17,031,474	17,718,855	22,366,943	23,054,326	31,726,458	51,996,763
Combined net worth	\$ 15,241,697	\$ 15,753,761	\$ 16,378,224	\$ 17,031,474	\$ 17,718,855	\$ 22,366,943	\$ 23,054,326	\$ 31,726,458	\$ 51,996,763

In the event that there is a cash flow surplus, one-third of the surplus is added to marketable securities row and two-thirds of the surplus is added to the non-taxable marketable securities row by default. If there is a cash flow shortage (because of spending or gifting capital) then the shortage is treated as a 1/3 reduction in marketable securities and a 2/3 reduction in non-taxable marketable securities.

TAXABLE INCOME PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Sources of taxable income									
Cash and cash equivalents		646	646	646	646	646	646	646	646
Marketable securities - Equities		63,698	67,405	71,976	76,791	113,834	137,211	236,546	510,478
Other investments		8,511	8,590	8,689	8,788	9,409	9,517	10,664	12,506
Retirement plans/IRAs		-	-	-	-	-	-	107,378	188,376
Investment real estate		15,000	15,458	16,041	16,646	20,783	21,567	31,223	52,412
Sale of Company Stock		-	-	-	-	1,758,766	-	-	-
Client earned income		365,915	373,233	380,698	388,312	437,302	-	-	-
Gross income		\$ 453,770	\$ 465,333	\$ 478,050	\$ 491,183	\$ 2,340,742	\$ 168,940	\$ 386,457	\$ 764,418

INCOME TAX PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Income tax Estimation									
Adjusted gross income:									
Dividend income (marketable sec.)		63,698	67,405	71,976	76,791	113,834	137,211	236,546	510,478
Capital Gains income		-	-	-	-	1,758,766	-	-	-
Earned and other income		390,072	397,928	406,074	414,392	468,141	31,730	149,911	253,940
Adjusted gross income		453,770	465,333	478,050	491,183	2,340,742	168,940	386,457	764,418
Deductions									
Real estate tax		22,076	22,518	22,968	23,427	26,383	26,911	32,804	43,284
State income taxes		13,613	13,960	14,341	14,735	70,222	5,068	11,594	22,933
Charitable gifts	15,000	15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Charitable Deduction available		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Charitable Deduction allowed		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Total deductions		50,689	51,778	52,915	54,081	114,531	50,264	66,687	95,627
Reductions		(2,870)	-	(9,337)	(9,731)	(65,218)	(64)	(6,590)	(17,929)
Deductions allowed		47,819	51,778	43,578	44,349	49,313	50,199	60,097	77,698
Taxable income		405,951	413,556	434,472	446,834	2,291,428	118,741	326,360	686,720
Federal and State income tax		\$ 113,932	\$ 116,121	\$ 151,041	\$ 156,330	\$ 597,558	\$ 30,945	\$ 107,158	\$ 259,522

CASH FLOW PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Sources of income for Lifestyle									
Return of Basis on Company Stock		-	-	-	-	1,000,000	-	-	-
Consumable income (taxable)		453,770	465,333	478,050	491,183	2,340,742	168,940	386,457	764,418
Consumable income (tax exempt)		287,998	293,118	298,444	303,800	347,107	434,385	469,564	577,157
Total income available for lifestyle		741,767	758,451	776,494	794,983	3,687,848	603,325	856,022	1,341,575
Uses of Cash									
Living expenses ¹		400,000	408,000	416,160	424,483	423,915	432,394	527,086	695,478
Income tax		113,932	116,121	151,041	156,330	597,558	30,945	107,158	259,522
Personally held insurance premiums		103	103	103	103	103	103	103	103
Cash gifts to ILIT ²		59,129	59,129	32,905	32,905	30,000	30,000	30,000	30,000
Cash gifts to charity		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Total uses of cash		588,164	598,653	615,815	629,740	1,069,503	511,726	686,636	1,014,514
Surplus		\$ 153,603	\$ 159,797	\$ 160,679	\$ 165,243	\$ 2,618,345	\$ 91,599	\$ 169,385	\$ 327,061

¹ Assumes after 5 years, beginning in 2014, living expenses are decreased by \$50,000.

² Transamerica policies expire after 2013. Reliastar policy premiums end after 2010.

In the event that there is a cash flow surplus, one-third of the surplus is added to the marketable securities row and two-thirds of the surplus is added to the non-taxable marketable securities row on the "Asset Value Projections" 3 pages earlier.

If there is a cash flow shortage (spending or gifting capital) then the shortage is treated as a 1/3 reduction in marketable securities and a 2/3 reduction in non-taxable marketable securities row on the "Asset Value Projections" 3 pages earlier.

FIRST ESTATE TAX ESTIMATION AND DISTRIBUTION - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Tax calculation on Jeff's death									
Combined net worth	15,241,697	15,753,761	16,378,224	17,031,474	17,718,855	22,366,943	23,054,326	31,726,458	51,996,763
Jeff's estimated estate	9,459,150	9,776,942	10,164,490	10,569,904	10,996,499	13,881,149	14,307,746	19,689,758	32,269,713
Death benefit exceeding CV	46,832	46,832	46,832	46,832	46,832	46,832	46,832	46,832	46,832
Total gross estate	9,505,982	9,823,774	10,211,322	10,616,736	11,043,331	13,927,981	14,354,578	19,736,590	32,316,545
Settlement expenses	(72,530)	(74,119)	(76,057)	(78,084)	(80,217)	(94,640)	(96,773)	(123,683)	(186,583)
Joint, personal and IRA to JoAnn	(2,381,632)	(2,468,526)	(2,577,120)	(2,690,923)	(2,810,550)	(3,641,190)	(3,784,089)	(5,354,670)	(7,005,221)
Insurance passing to JoAnn	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Outright or in trust to JoAnn	(3,501,820)	(3,731,129)	(7,508,145)	(6,797,729)	(7,102,565)	(9,142,152)	(9,423,716)	(13,208,237)	(24,074,741)
Taxable estate	3,500,000	3,500,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax base	3,500,000	3,500,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Federal Estate Tax	-	-	-	-	-	-	-	-	-
Distribution of Jeff's estate									
Settlement expenses	72,530	74,119	76,057	78,084	80,217	94,640	96,773	123,683	186,583
To family trust	3,500,000	3,500,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Joint, personal and IRA to JoAnn	2,381,632	2,468,526	2,577,120	2,690,923	2,810,550	3,641,190	3,784,089	5,354,670	7,005,221
Insurance passing to JoAnn	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Outright or in trust to JoAnn	3,501,820	3,731,129	7,508,145	6,797,729	7,102,565	9,142,152	9,423,716	13,208,237	24,074,741
Total	\$ 9,505,982	\$ 9,823,774	\$ 10,211,322	\$ 10,616,736	\$ 11,043,331	\$ 13,927,981	\$ 14,354,578	\$ 19,736,590	\$ 32,316,545

Assumptions

We assume that Jeff dies first, followed immediately by JoAnn.

Taxes under "Distribution of First Estate" include estate and income taxes.

SECOND ESTATE TAX ESTIMATION AND DISTRIBUTION - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Tax Calculation on JoAnn's death									
JoAnn's assets	5,782,547	5,976,819	6,213,734	6,461,570	6,722,356	8,485,794	8,746,580	12,036,700	19,727,050
Death benefit exceeding CV ¹	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	100,000	100,000	100,000
Plus assets from Jeff's estate	5,933,452	6,249,655	10,135,265	9,538,652	9,963,114	12,833,341	13,257,805	18,612,907	31,129,962
JoAnn's estimated estate	13,015,999	13,526,474	17,648,999	17,300,222	17,985,470	22,619,135	22,104,386	30,749,607	50,957,012
Settlement expenses	(155,160)	(160,265)	(201,490)	(198,002)	(204,855)	(251,191)	(246,044)	(332,496)	(534,570)
JoAnn's taxable estate	12,860,839	13,366,209	-	17,102,220	17,780,616	22,367,944	21,858,342	30,417,111	50,422,442
Tax base	12,860,839	13,366,209	-	17,102,220	17,780,616	22,367,944	21,858,342	30,417,111	50,422,442
Federal Estate Tax	4,212,378	4,439,794	-	9,056,332	9,433,539	11,956,569	11,676,288	16,383,611	27,386,543
Total Estate Tax Due	4,212,378	4,439,794	-	9,056,332	9,433,539	11,956,569	11,676,288	16,383,611	27,386,543
Distribution of JoAnn's estate									
Settlement expenses	155,160	160,265	201,490	198,002	204,855	251,191	246,044	332,496	534,570
Taxes	4,212,378	4,439,794	-	9,056,332	9,433,539	11,956,569	11,676,288	16,383,611	27,386,543
Qualified plan to heirs	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
Insurance passing to heirs ¹	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	100,000	100,000	100,000
Residual estate to heirs	6,262,072	6,496,027	14,960,602	5,499,635	5,738,512	7,357,772	8,240,771	11,239,197	20,450,165
Total	\$ 13,015,999	\$ 13,526,474	\$ 17,648,999	\$ 17,300,222	\$ 17,985,470	\$ 22,619,135	\$ 22,104,386	\$ 30,749,607	\$ 50,957,012

Assumptions

¹ Jeff's Company group insurance terminates when he stops working.

We assume that Jeff dies first, followed immediately by JoAnn.

Taxes under "Distribution of Second Estate" include estate and income taxes.

SUMMARY OF BENEFITS TO FAMILY - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Benefits to Family									
Family trust	3,500,000	3,500,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Residual estate	7,562,072	7,796,027	16,260,602	6,799,635	7,038,512	8,657,772	8,340,771	11,339,197	20,550,165
Qualified plan assets	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
Fidelity UTMA ¹	55,129	55,129	58,988	63,117	67,535	101,352	108,447	213,332	550,083
Fidelity UTMA ¹	20,804	20,804	22,260	23,818	25,486	38,247	40,925	80,505	207,585
Fidelity UTMA ¹	28,730	28,730	30,741	32,893	35,195	52,819	56,516	111,176	286,671
Non-Taxable Fidelity UTMA ²	29,242	29,242	30,412	31,628	32,893	41,620	43,285	64,073	110,953
Non-Taxable Fidelity UTMA ²	35,012	35,012	36,412	37,869	39,384	49,833	51,826	76,716	132,847
Non-Taxable Fidelity UTMA ²	35,207	35,207	36,615	38,080	39,603	50,111	52,115	77,143	133,586
Proceeds from ILIT ³	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	9,000,000	9,000,000	9,000,000	9,000,000
Total assets to heirs	\$ 23,852,586	\$ 24,130,539	\$ 29,162,938	\$ 20,773,294	\$ 21,087,174	\$ 20,745,358	\$ 20,535,168	\$ 24,656,444	\$ 34,457,625

¹ Assumes 7% total return

² Assumes 4% total return

³ Transamerica policies expire after 2013.

Note: Alexandra's assets should either be distributed to her or distributed to a trust for her benefit because she is over 21 years of age.

DETAILS OF JEFF'S QUALIFIED PLAN - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Jeff's Qualified Plans									
Jeff's Age		53	54	55	56	62	63	73	87
JoAnn's Age		51	52	53	54	60	61	71	85
Minimum distribution factor		43.6	42.6	41.6	40.7	34.9	33.9	24.7	13.4
Plan contributions		-	-	-	-	-	-	-	-
Plan balance	996,670	1,037,034	1,088,886	1,143,330	1,200,497	1,608,780	1,689,219	2,455,510	2,251,720
Minimum distribution		-	-	-	-	-	-	98,476	172,282
Preferred distribution	-	-	-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	-	98,476	172,282

DETAILS OF JOANN'S QUALIFIED PLAN - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
JoAnn's Qualified Plans									
JoAnn's Age		51	52	53	54	60	61	71	85
Jeff's Age		53	54	55	56	62	63	73	87
Minimum distribution factor		45.5	44.6	43.6	42.6	36.8	35.8	26.5	14.8
Plan contributions		-	-	-	-	-	-	-	-
Plan balance	89,720	93,354	98,021	102,922	108,068	144,822	152,063	238,793	234,014
Minimum distribution		-	-	-	-	-	-	8,902	16,095
Preferred distribution	-	-	-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	-	8,902	16,095

DETAILED FINANCIAL ANALYSIS

JEFF AND JOANN GORDON

PROPOSED PLAN FINANCIALS

In the Proposed Plan Section you will find a balance sheet which reflects the repositioning of assets as set out in the step by step roadmap in the proceeding section. You will also find detailed cash flow and asset projection information on each of the proposed planning strategies.

NET WORTH STATEMENT AFTER PLAN IMPLEMENTATION

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
CASH AND EQUIVALENTS						
Citibank (ch)	-	-	5,000	5,000	2.0%	0.0%
Trust Bank (ch)	-	-	2,300	2,300	2.0%	0.0%
Company (cash)	15,000	-	-	15,000	2.0%	0.0%
Net cash from Pension	10,000	-	-	10,000	2.0%	0.0%
Cash Value of Life Insurance	3,168	-	-	3,168	0.0%	0.0%
Total of Cash and Equivalents	28,168	-	7,300	35,468	1.8%	0.0%
MARKETABLE SECURITIES - EQUITIES						
Fidelity	-	363,000	-	363,000	2.0%	5.0%
Fidelity	-	-	218,666	218,666	2.0%	5.0%
Total of Equities	-	363,000	218,666	581,666	2.0%	5.0%
NON-TAXABLE MARKETABLE SECURITIES *						
Fidelity Munis	-	737,000	-	737,000	5.0%	0.0%
Schwab Munis	-	595,698	-	595,698	5.0%	0.0%
Fidelity Munis	-	-	443,958	443,958	5.0%	0.0%
Total of Non-Taxable Marketable Securities	-	1,332,698	443,958	1,776,656	5.0%	0.0%
* Note: We assume that 1/3 of the the munis are moved to marketable securities - equities.						

REVISED NET WORTH STATEMENT (PAGE 2)

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
OTHER INVESTMENTS						
Company Stock	1,400,000	-	-	1,400,000	0.0%	0.0%
Total of Other Investments	1,400,000	-	-	1,400,000	0.0%	0.0%
RETIREMENT PLANS/IRAs						
Schwab IRA	946,670	-		946,670	0.0%	5.0%
Schwab IRA	-	89,720		89,720	0.0%	5.0%
Company 401(k)	50,000	-		50,000	0.0%	5.0%
Total Retirement Plans	996,670	89,720		1,086,390	0.0%	5.0%

REVISED NET WORTH STATEMENT (PAGE 3)

JEFF AND JOANN GORDON

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
INVESTMENT REAL ESTATE						
125 Main St.	-	700,000	-	700,000	0.0%	4.0%
Total of Real Estate Holdings	-	700,000	-	700,000	0.0%	4.0%
OTHER STRATEGY ASSETS						
International Trust Assets	2,383,362	2,383,362	-	4,766,724		
GDOT Note	905,227	905,227	-	1,810,454	3.52%	
QPRT Property	810,000	810,000	-	1,620,000		
Total of Other Strategy Assets	4,098,589	4,098,589	-	8,197,178		
TOTAL ASSETS	6,523,427	6,584,007	669,924	13,777,358		
TOTAL LIABILITIES	-	-	-	-		
NET WORTH	6,523,427	6,584,007	669,924	13,777,358		

ASSET VALUE PROJECTIONS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Asset Values									
Cash and cash equivalents	35,468	35,468	35,468	35,468	35,468	35,468	35,468	35,468	35,468
Marketable securities - Equities	581,666	438,570	429,675	415,401	396,675	1,054,287	1,096,831	1,485,646	480,156
Municipal bonds	1,776,656	1,443,351	1,381,702	1,310,187	1,231,195	2,336,071	2,315,730	1,804,628	(1,850,813)
Company Stock	1,400,000	1,490,476	1,609,714	1,738,491	1,877,570	-	-	-	-
Retirement plans/IRAs	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
Investment real estate	700,000	722,700	751,608	781,672	812,939	1,028,627	1,069,773	1,583,525	2,742,152
Residences in QPRTs	1,620,000	1,659,437	1,709,220	1,760,496	1,813,311	2,165,188	2,230,144	-	-
Value of International Trust	4,766,724	5,043,868	5,364,599	5,706,389	6,070,660	8,821,222	9,091,970	12,668,111	21,785,291
Children's GDOT Note	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454
Total assets in estate	13,777,358	13,774,711	14,279,347	14,804,811	15,356,837	19,004,920	19,491,652	22,082,135	27,488,443
Combined net worth	\$ 13,777,358	\$ 13,774,711	\$ 14,279,347	\$ 14,804,811	\$ 15,356,837	\$ 19,004,920	\$ 19,491,652	\$ 22,082,135	\$ 27,488,443

In the event that there is a cash flow surplus, one-third of the surplus is added to marketable securities row and two-thirds of the surplus is added to the non-taxable marketable securities row by default. If there is a cash flow shortage (because of spending or gifting capital) then the shortage is treated as a 1/3 reduction in marketable securities and a 2/3 reduction in non-taxable marketable securities.

TAXABLE INCOME PROJECTIONS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Sources of Taxable Income									
Cash and cash equivalents		646	646	646	646	646	646	646	646
Marketable securities - Equities		11,633	8,771	8,593	8,308	6,010	21,086	29,978	12,500
Marketable securities- International Trust		41,834	44,469	47,718	51,205	78,175	83,887	140,685	290,153
Marketable Securities-GDOT		10,230	11,858	13,707	15,700	31,310	34,648	85,516	232,277
Sale of Company Stock		-	-	-	-	1,758,766	-	-	-
Retirement plans/IRAs		-	-	-	-	-	-	107,378	188,376
Other taxable earnings-International Trust		26,164	27,925	29,990	32,207	49,414	53,068	74,992	121,694
Other taxable earnings-GDOT		15,000	15,426	15,966	16,525	20,313	21,024	29,656	48,004
Client earned income		365,915	373,233	380,698	388,312	437,302	-	-	-
Gross income		\$ 471,423	\$ 482,328	\$ 497,318	\$ 512,902	\$ 2,381,936	\$ 214,358	\$ 468,851	\$ 893,650

INCOME TAX PROJECTIONS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Income Tax Estimation									
Adjusted gross income:									
Dividend income (Marketable Sec.)		63,698	65,098	70,019	75,213	115,494	139,620	256,179	534,930
Capital Gains income		-	-	-	-	1,758,766	-	-	-
Earned and other income		407,725	417,230	427,299	437,690	507,675	74,738	212,673	358,720
Adjusted gross income		471,423	482,328	497,318	512,902	2,381,936	214,358	468,851	893,650
Deductions									
Real Estate Tax		22,076	22,518	22,968	23,427	26,383	26,911	32,804	43,284
State income taxes		14,143	14,470	14,920	15,387	71,458	6,431	14,066	26,810
Cash charitable gifts		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Charitable Deduction available		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Charitable Deduction allowed		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Total deductions		51,219	52,287	53,493	54,732	115,767	51,626	69,159	99,504
Reductions		(3,046)	-	(9,916)	(10,383)	(66,454)	(1,427)	(9,062)	(21,806)
Deductions allowed		48,172	52,287	43,578	44,349	49,313	50,199	60,097	77,698
Taxable income		423,250	430,040	453,740	468,553	2,332,623	164,159	408,754	815,952
Federal and State income tax		\$ 120,171	\$ 122,487	\$ 159,250	\$ 165,583	\$ 615,107	\$ 45,837	\$ 140,581	\$ 314,575

CASH FLOW PROJECTIONS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Sources of Income for Lifestyle									
Consumable income (taxable)		378,194	382,651	389,937	397,266	2,202,725	21,732	138,002	201,522
Consumable income (tax exempt)		88,833	72,168	69,085	65,509	42,926	116,804	99,049	(74,930)
Income Distribution from International Trust		-	-	-	-	-	299,844	378,567	574,736
Return of Basis on Company Stock		-	-	-	-	1,000,000	-	-	-
Distribution from Marketable Securities		499,958	92,472	107,273	118,489	-	30,511	264,523	528,321
Payment from GDOT		63,728	63,728	63,728	63,728	63,728	63,728	63,728	63,728
Total income available for lifestyle		1,030,713	611,019	630,024	644,992	3,309,379	532,619	943,869	1,293,377
Uses of Cash									
Living expenses ¹		400,000	408,000	416,160	424,483	423,915	432,394	527,086	695,478
Income tax		120,171	122,487	159,250	165,583	615,107	45,837	140,581	314,575
Rent paid to trust post-QPRT		-	-	-	-	-	-	180,000	180,000
Personally held insurance premiums		103	103	103	103	103	103	103	103
Cash gifts to ILIT ²		331,939	59,129	32,905	32,905	30,000	30,000	67,810	67,810
Planning and maintenance Fees		163,500	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Cash gifts to charity		15,000	15,300	15,606	15,918	17,926	18,285	22,289	29,410
Total uses of cash		1,030,713	611,019	630,024	644,992	1,093,052	532,619	943,869	1,293,377
Surplus		\$ -	\$ -	\$ -	\$ -	\$ 2,216,326	\$ -	\$ -	\$ -

¹ Assumes after 5 years, in 2014, living expenses are decreased by \$50,000.

² Transamerica policies expire after 2013. Reliastar policy premiums end after 2010.

In the event that there is a cash flow surplus, one-third of the surplus is added to the marketable securities row and two-thirds of the surplus is added to the non-taxable marketable securities row on the "Asset Value Projections" 3 pages earlier.

If there is a cash flow shortage (spending or gifting capital) then the shortage is treated as a 1/3 reduction in marketable securities and a 2/3 reduction in non-taxable marketable securities row on the "Asset Value Projections" 3 pages earlier.

FIRST ESTATE TAX ESTIMATION AND DISTRIBUTION - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Tax calculation on Jeff's death									
Combined Net Worth	13,777,358	13,774,711	14,279,347	14,804,811	15,356,837	19,004,920	19,491,652	22,082,135	27,488,443
Jeff's estimated estate	6,858,389	6,857,071	7,108,280	7,369,857	7,644,656	9,460,677	9,702,973	10,992,519	13,683,787
Death benefit exceeding CV	46,832	46,832	46,832	46,832	46,832	46,832	46,832	46,832	46,832
Total gross estate	6,905,221	6,903,903	7,155,112	7,416,689	7,691,488	9,507,509	9,749,805	11,039,351	13,730,619
Settlement expenses	(59,526)	(59,520)	(60,776)	(62,083)	(63,457)	(72,538)	(73,749)	(80,197)	(93,653)
Joint, personal and IRA to JoAnn	(1,331,632)	(1,371,932)	(1,436,053)	(1,503,272)	(1,573,860)	(2,070,838)	(2,163,110)	(3,008,665)	(2,948,762)
Insurance passing to JoAnn	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Outright or in trust to JoAnn	(2,191,613)	(2,150,002)	(5,608,284)	(5,028,883)	(5,231,721)	(6,541,684)	(6,690,496)	(7,494,371)	(10,232,086)
Taxable estate	3,272,450	3,272,450	-	772,450	772,450	772,450	772,450	406,119	406,119
Plus Jeff's lifetime taxable gifts	227,550	227,550	227,550	227,550	227,550	227,550	227,550	593,881	593,881
Tax base	3,500,000	3,500,000	227,550	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tentative estate tax	-	-	-	-	-	-	-	-	-
Distribution of First Estate									
Settlement expenses	59,526	59,520	60,776	62,083	63,457	72,538	73,749	80,197	93,653
To family trust	3,272,450	3,272,450	-	772,450	772,450	772,450	772,450	406,119	406,119
Joint, personal and IRA to JoAnn	1,331,632	1,371,932	1,436,053	1,503,272	1,573,860	2,070,838	2,163,110	3,008,665	2,948,762
Insurance passing to JoAnn	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Outright or in trust to JoAnn	2,191,613	2,150,002	5,608,284	5,028,883	5,231,721	6,541,684	6,690,496	7,494,371	10,232,086
Total	\$ 6,905,221	\$ 6,903,903	\$ 7,155,112	\$ 7,416,689	\$ 7,691,488	\$ 9,507,509	\$ 9,749,805	\$ 11,039,351	\$ 13,730,619

Assumptions

We assume that Jeff dies first, followed immediately by JoAnn.

Taxes under "Distribution of First Estate" include estate and income taxes, if any.

SECOND ESTATE TAX ESTIMATION AND DISTRIBUTION - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Tax Calculation on JoAnn's death									
JoAnn's assets	6,918,969	6,917,640	7,171,067	7,434,954	7,712,181	9,544,243	9,788,679	11,089,615	13,804,655
Death benefit exceeding CV ¹	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	100,000	100,000	100,000
Plus assets from Jeff's estate	3,573,245	3,571,934	7,094,336	6,582,156	6,855,581	8,662,522	8,903,606	10,553,035	13,230,847
JoAnn's estimated estate	11,792,214	11,789,574	15,565,403	15,317,110	15,867,762	19,506,765	18,792,285	21,742,651	27,135,503
Settlement expenses	(142,922)	(142,896)	(180,654)	(178,171)	(183,678)	(220,068)	(212,923)	(242,427)	(296,355)
Charitable gift of IRA	(1,086,390)	(1,130,388)	(1,186,907)	(1,246,253)	(1,308,565)	(1,753,602)	(1,841,283)	(2,694,303)	(2,485,734)
Charitable deduction from TCLAT	(7,290,452)	(7,243,841)	-	(13,120,237)	(13,603,069)	(16,760,645)	(15,965,630)	(18,419,356)	(23,966,848)
Taxable estate	3,272,450	3,272,450	14,197,842	772,450	772,450	772,450	772,450	386,566	386,566
Plus JoAnn's lifetime taxable gifts	227,550	227,550	227,550	227,550	227,550	227,550	227,550	613,434	613,434
Tax base	3,500,000	3,500,000	14,425,392	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Federal Estate Tax	-	-	-	-	-	-	-	-	-
Distribution of Second Estate									
Settlement expenses	142,922	142,896	180,654	178,171	183,678	220,068	212,923	242,427	296,355
Taxes	-	-	-	-	-	-	-	-	-
Insurance passing to heirs ¹	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	100,000	100,000	100,000
Other gifts to charity	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
Residual estate to heirs	1,972,450	1,972,450	12,897,842	(527,550)	(527,550)	(527,550)	672,450	286,566	286,566
Contribution to TCLAT	7,290,452	7,243,841	-	13,120,237	13,603,069	16,760,645	15,965,630	18,419,356	23,966,848
Total	\$ 11,792,214	\$ 11,789,574	\$ 15,565,403	\$ 15,317,110	\$ 15,867,762	\$ 19,506,765	\$ 18,792,285	\$ 21,742,651	\$ 27,135,503

Assumptions

¹ Jeff's Company group insurance terminates when he stops working.

We assume that Jeff dies first, followed immediately by JoAnn.

Taxes under "Distribution of Second Estate" include estate and income taxes, if any.

SUMMARY OF BENEFITS TO FAMILY - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Benefits to Family									
Residual estate	3,272,450	3,272,450	14,197,842	772,450	772,450	772,450	772,450	386,566	386,566
Family trust	3,272,450	3,272,450	-	772,450	772,450	772,450	772,450	406,119	406,119
Excess Domestic FLP value	1,083,178	1,096,389	1,113,262	1,130,864	1,149,230	1,277,460	1,302,210	1,618,114	2,368,302
Value of GDOT	201,162	286,365	383,575	487,957	600,036	1,468,716	1,652,952	4,373,582	12,265,215
Fidelity UTMA ¹	55,129	55,129	58,988	63,117	67,535	101,352	108,447	213,332	550,083
Fidelity UTMA ¹	20,804	20,804	22,260	23,818	25,486	38,247	40,925	80,505	207,585
Fidelity UTMA ¹	28,730	28,730	30,741	32,893	35,195	52,819	56,516	111,176	286,671
Non-Taxable Fidelity UTMA ²	29,242	29,242	30,412	31,628	32,893	41,620	43,285	64,073	110,953
Non-Taxable Fidelity UTMA ²	35,012	35,012	36,412	37,869	39,384	49,833	51,826	76,716	132,847
Non-Taxable Fidelity UTMA ²	35,207	35,207	36,615	38,080	39,603	50,111	52,115	77,143	133,586
Proceeds from ILIT ³	21,500,000	21,500,000	21,500,000	21,500,000	21,500,000	19,000,000	19,000,000	19,000,000	19,000,000
Value of QPRTs	180,000	184,382	189,913	195,611	201,479	240,576	247,794	3,330,141	5,037,137
NPV of TCLAT benefits to children	10,838,466	10,769,170	-	19,505,407	20,223,217	24,917,477	23,735,556	27,383,425	35,630,692
Total assets to heirs	\$ 40,551,828	\$ 40,585,329	\$ 37,600,021	\$ 44,592,144	\$ 45,458,959	\$ 48,783,111	\$ 47,836,525	\$ 57,120,891	\$ 76,515,756

¹ Assumes 7% total return

² Assumes 4% total return

³ Transamerica policies expire after 2013.

Note: Alexandra's assets should either be distributed to her or distributed to a trust for her benefit because she is over 21 years of age.

INTERNATIONAL FAMILY LIMITED PARTNERSHIP DETAILS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Balance Sheet									
LP Assets									
Marketable Securities - Equities	2,091,724	2,223,441	2,385,899	2,560,226	2,747,292	4,194,335	4,416,911	7,407,543	15,277,485
Municipal Bonds	2,000,000	2,100,000	2,205,000	2,315,250	2,431,013	3,257,789	3,257,789	3,257,789	3,257,789
Other Investments	675,000	720,427	773,700	830,913	892,356	1,369,097	1,417,269	2,002,778	3,250,016
Total	4,766,724	5,043,868	5,364,599	5,706,389	6,070,660	8,821,222	9,091,970	12,668,111	21,785,291
Assets in FLP	\$ 4,766,724	\$ 5,043,868	\$ 5,364,599	\$ 5,706,389	\$ 6,070,660	\$ 8,821,222	\$ 9,091,970	\$ 12,668,111	\$ 21,785,291
Discounted value of FLP interests	4,766,724	5,043,868	5,364,599	5,706,389	6,070,660	8,821,222	9,091,970	12,668,111	21,785,291
Difference between FLP asset value									

INTERNATIONAL FAMILY LIMITED PARTNERSHIP DETAILS - PROPOSED PLAN

(Continued)

Partnership Cash Flow	Current	2009	2010	2011	2012	2018	2019	2029	2043
Income									
Marketable Securities - Equities		41,834	44,469	47,718	51,205	78,175	83,887	140,685	290,153
Municipal Bonds		100,000	105,000	110,250	115,763	155,133	162,889	162,889	162,889
Other Investments		26,164	27,925	29,990	32,207	49,414	53,068	74,992	121,694
Total Income		167,998	177,394	187,958	199,174	282,722	299,844	378,567	574,736
Net Income to Distribute *		167,998	177,394	187,958	199,174	282,722	299,844	378,567	574,736
* Income is reinvested until Jeff's retirement in 2018. Beginning in 2019, all income is distributed to Jeff and JoAnn.									
Taxable Income	Current	2009	2010	2011	2012	2018	2019	2029	2043
Dividend income (Marketable Sec.)		41,834	44,469	47,718	51,205	78,175	83,887	140,685	290,153
Other Investments		26,164	27,925	29,990	32,207	49,414	53,068	74,992	121,694
Taxable Income		67,998	72,394	77,708	83,412	127,589	136,955	215,677	411,846

DOMESTIC FAMILY LIMITED PARTNERSHIP - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Balance sheet									
Marketable Securities - Equities	511,499	532,214	558,825	586,766	616,104	825,638	866,920	1,412,122	2,795,905
Municipal Bonds	1,983,295	1,983,295	1,983,295	1,983,295	1,983,295	1,983,295	1,983,295	1,983,295	1,983,295
Real Estate Investments	600,000	617,033	638,629	660,981	684,115	840,952	870,386	1,227,765	1,987,376
Total Value	\$ 3,094,793	\$ 3,132,541	\$ 3,180,748	\$ 3,231,041	\$ 3,283,514	\$ 3,649,885	\$ 3,720,601	\$ 4,623,181	\$ 6,766,576
Adjusted value of LP Interests	2,011,616	2,036,152	2,067,486	2,100,177	2,134,284	2,372,426	2,418,390	3,005,068	4,398,274
Difference	1,083,178	1,096,389	1,113,262	1,130,864	1,149,230	1,277,460	1,302,210	1,618,114	2,368,302
Taxable Income									
Marketable Securities - Equities		10,230	10,644	11,176	11,735	15,726	16,513	26,898	53,255
Real Estate Investments		15,000	15,426	15,966	16,525	20,313	21,024	29,656	48,004
Taxable income		25,230	26,070	27,142	28,260	36,039	37,537	56,554	101,260
Non-Taxable Income									
Non-Taxable Marketable Securities		99,165	99,165	99,165	99,165	99,165	99,165	99,165	99,165
Total Non-Taxable Income		99,165	99,165	99,165	99,165	99,165	99,165	99,165	99,165
Net Income to Distribute	\$	\$ 124,395	\$ 125,235	\$ 126,307	\$ 127,425	\$ 135,204	\$ 136,701	\$ 155,718	\$ 200,424

GRANTOR DEEMED OWNER TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
GDOT Balance Sheet									
Domestic LP Units	2,011,616	2,036,152	2,067,486	2,100,177	2,134,284	2,372,426	2,418,390	3,005,068	4,398,274
Reinvested excess cash flow	-	60,667	126,543	198,234	276,206	906,744	1,045,015	3,178,968	9,677,395
Note payable to Jeff and JoAnn	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)	(1,810,454)
Net equity	\$ 201,162	\$ 286,365	\$ 383,575	\$ 487,957	\$ 600,036	\$ 1,468,716	\$ 1,652,952	\$ 4,373,582	\$ 12,265,215
GDOT Income Tax Estimation									
Taxable dividends from Domestic FLP		10,230	10,644	11,176	11,735	15,726	16,513	26,898	53,255
Real Estate Investments		15,000	15,426	15,966	16,525	20,313	21,024	29,656	48,004
Earnings from reinvestment account		-	1,213	2,531	3,965	15,583	18,135	58,618	179,022
Total earnings		25,230	27,283	29,673	32,225	51,622	55,671	115,172	280,282
GDOT Cash Flow									
Distribution to ILIT		-	-	-	-	-	-	(55,000)	(55,000)
Cash flow from LP units		124,395	125,235	126,307	127,425	135,204	136,701	155,718	200,424
Cash flow from reinvestment acct.		-	1,213	2,531	3,965	15,583	18,135	58,618	179,022
Installment Note payments to Jeff and JoAnn		(63,728)	(63,728)	(63,728)	(63,728)	(63,728)	(63,728)	(63,728)	(63,728)
Cash flow to reinvest		60,667	62,720	65,110	67,661	87,059	91,108	95,609	260,718
Note: Capital distributions, if any, are subtracted from the marketable securities row on the FLP balance sheet.									
GDOT Note									
Outstanding note balance	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454	1,810,454
Interest payment		63,728	63,728	63,728	63,728	63,728	63,728	63,728	63,728

IRREVOCABLE LIFE INSURANCE TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Cash gift to current ILIT ¹	59,129	59,129	59,129	32,905	32,905	30,000	30,000	30,000	30,000
Distribution from QPRT	-	-	-	-	-	-	-	180,000	180,000
Distribution from GDOT ²	-	-	-	-	-	-	-	55,000	55,000
Cash gift to new ILIT	272,810	272,810	-	-	-	-	-	37,810	37,810
Total outlay to ILITs	331,939	331,939	59,129	32,905	32,905	30,000	30,000	302,810	302,810
Single Pay Premium w/ Catch Up		272,810	-	-	-	-	-	272,810	272,810
	272,810								
Death benefit from current ILIT ³	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	9,000,000	9,000,000	9,000,000	9,000,000
Net death benefit from new ILIT	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total potential death benefit	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 21,500,000	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000	\$ 19,000,000

¹ Transamerica policies expire after 2013. Reliastar policy premiums end after 2010.

² GDOT begins making distributions to the ILIT in 2029 to pay for new insurance premiums.

³ Transamerica policies expire after 2013.

QUALIFIED PERSONAL RESIDENCE TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
QPRT Values									
Gross value of residence	1,800,000	1,843,818	1,899,133	1,956,107	2,014,790	2,405,765	2,477,938	3,330,141	5,037,137
Discounted value of residence	1,620,000	1,659,437	1,709,220	1,760,496	1,813,311	2,165,188	2,230,144	2,997,127	4,533,423
Diff. between gross and discount	180,000	184,382	189,913	195,611	201,479	240,576	247,794	333,014	503,714
Reversionary value in estate	1,620,000	1,659,437	1,709,220	1,760,496	1,813,311	2,165,188	2,230,144	-	-
Rent paid to heirs post-QPRT	-	-	-	-	-	-	-	180,000	180,000
Value of home to heirs	-	-	-	-	-	-	-	3,330,141	5,037,137
Distribution to ILIT for insurance premium	-	-	-	-	-	-	-	180,000	180,000
Cumulative rent paid to QPRT with 4.0% ret	-	-	-	-	-	-	-	-	-
Total Value to Heirs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,330,141	\$ 5,037,137

TESTAMENTARY CHARITABLE LEAD TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Charitable Lead Annuity Trust									
Balance Sheet									
Tot. value of TCLAT assets	7,290,452	7,243,841	-	13,120,237	13,603,069	16,760,645	15,965,630	18,419,356	23,966,848
Annual payment to charity if death occurs in the column year	372,543	370,162	-	670,447	695,119	856,472	815,847	941,233	1,224,710
Benefits to Charity									
NPV of TCLAT income distributions*	7,290,452	7,243,841	-	13,120,237	13,603,069	16,760,645	15,965,630	18,419,356	23,966,848
Total of TCLAT distributions*	9,313,587	9,254,040	-	16,761,164	17,377,985	21,411,802	20,396,167	23,530,813	30,617,760
Benefits to Children									
Future Benefits to Heirs from TCLAT*	22,693,340	22,548,250	-	40,839,990	42,342,926	52,171,663	49,696,982	57,334,812	74,602,757
NPV of benefits to children*	10,838,466	10,769,170	-	19,505,407	20,223,217	24,917,477	23,735,556	27,383,425	35,630,692

BENEFITS TO GORDON FAMILY CHARITY - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Charitable gift of IRA	1,086,390	1,130,388	1,186,907	1,246,253	1,308,565	1,753,602	1,841,283	2,694,303	2,485,734
NPV of TCLAT income distributions	7,290,452	7,243,841	-	13,120,237	13,603,069	16,760,645	15,965,630	18,419,356	23,966,848
Total benefits to foundation	\$ 8,376,842	\$ 8,374,228	\$ 1,186,907	\$ 14,366,489	\$ 14,911,634	\$ 18,514,247	\$ 17,806,913	\$ 21,113,659	\$ 26,452,582

DETAILS OF JEFF'S QUALIFIED PLAN - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
Jeff's Qualified Plans									
Jeff's age		53	54	55	56	62	63	73	87
JoAnn's age		51	52	53	54	60	61	71	85
Minimum distribution factor		43.6	42.6	41.6	40.7	34.9	33.9	24.7	13.4
Securities in plans	996,670	1,037,034	1,088,886	1,143,330	1,200,497	1,608,780	1,689,219	2,455,510	2,251,720
Plan balance during life	996,670	1,037,034	1,088,886	1,143,330	1,200,497	1,608,780	1,689,219	2,455,510	2,251,720
Plan balance at death of survivor	996,670	1,037,034	1,088,886	1,143,330	1,200,497	1,608,780	1,689,219	2,455,510	2,251,720
Minimum distribution		-	-	-	-	-	-	98,476	172,282
Actual distribution		-	-	-	-	-	-	98,476	172,282

DETAILS OF JOANN'S QUALIFIED PLAN - PROPOSED PLAN

YEAR	Current	2009	2010	2011	2012	2018	2019	2029	2043
JoAnn's Qualified Plans									
JoAnn's age		51	52	53	54	60	61	71	85
Jeff's age		53	54	55	56	62	63	73	87
Minimum distribution factor		45.5	44.6	43.6	42.6	36.8	35.8	26.5	14.8
Securities in plans	89,720	93,354	98,021	102,922	108,068	144,822	152,063	238,793	234,014
Plan contributions		-	-	-	-	-	-	-	-
Plan balance during life	89,720	93,354	98,021	102,922	108,068	144,822	152,063	238,793	234,014
Plan balance at death of survivor	89,720	93,354	98,021	102,922	108,068	144,822	152,063	238,793	234,014
Minimum distribution		-	-	-	-	-	-	8,902	16,095
Preferred distribution	-	-	-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	-	8,902	16,095

FAMILY INFORMATION

JEFF AND JOANN GORDON

CLIENTS

Jeff Gordon	Date of Birth	June 25, 1956
JoAnn Gordon 123 Main St.	Date of Birth	June 20, 1958

CHILDREN

CHILD'S NAME	DATE OF BIRTH	SPOUSE'S NAME
Alexandra Gordon	September 25, 1987	
Peter Gordon	November 9, 1989	
Marissa Gordon	August 10, 1991	

PLAN ASSUMPTIONS

JEFF AND JOANN GORDON

The plan is based on numerous assumptions. Important among these are the yield and growth assumptions contained on the balance sheet in the Financial Analysis section. Other important assumptions are contained on this Plan Assumptions page.

Tax Rate Assumptions

State Income Tax Rate	3%
State Inheritance - Estate Tax	No state estate tax

Tax on IRD

Unless a qualified plan is given to charity, we assume the beneficiary designations are changed to provide for a stretch out distribution.

7520 Rates

Highest rate	2.3%	March, 2009
Current rate	2.3%	March, 2009
Lowest rate	2.0%	February, 2009

Long Term AFR Rate

Annual increase in Jeff's earned income	2%
Number of years Jeff's income is expected to continue	10

Lifestyle Need Assumptions

Net annual outlay for Jeff and JoAnn's lifestyle needs, not including gifts or income taxes	\$400,000
Annual cost of living increase used in the plan	2%

Settlement and Administrative Expenses

Fixed estate settlement costs	\$25,000
Variable estate settlement costs, 1st death	0.50% (of assets)
Variable estate settlement costs, 2nd death	1.00% (of assets)

DISCLAIMER AND DISCLOSURE

JEFF AND JOANN GORDON

InKnowVision, LLC does not give tax, accounting or legal advice to its clients. The effectiveness of any of the strategies described will depend on your individual situation and on a number of complex factors.

You should consult with your other advisors on the tax, accounting, and legal implications of these proposed strategies before any strategy is implemented.

Any discussion in this presentation relating to tax, accounting, investments, regulatory, or legal matters is based on our understanding as of the date of this presentation. Rules in these areas are constantly changing and are open to varying interpretations.

Assumption Issues The plan involves numerous assumptions. While we believe that these assumptions are reasonable, it is important to understand that it is a virtual certainty that the actual results will differ from those illustrated. Returns on investment and performance of financial products can cause the results to vary. Changes in tax, trust or property laws can cause plan results to vary. Plan implementation that differs from that described in the plan will cause the results to vary. Provision of state law may cause the plan results to vary.

Tax Opinions The IRS has recently issued new rules for tax practitioners regarding covered opinions, reliance opinions and marketed opinions. While this is an arcane area, suffice it to say that these opinions are often obtained by taxpayers for purposes of avoiding penalties. These opinions are obtained at substantial cost and after substantial legal analysis. If you believe that such an opinion would be helpful to you prior to entering into any of the transactions outlined in this plan, you should feel free to do so.

Be advised that nothing in this analysis should be construed by you, your advisors or any one else as a covered opinion, reliance opinion, marketed opinion or any other type of opinion regarding any of the transactions or outcomes outlined in this plan.

APPENDIX

JEFF AND JOANN GORDON

Many of our clients like to read about some of the strategies that we have recommended. Both as further education and as a reminder of the main points involved in the strategies.

The appendix material that follows includes information about the planning strategies recommended. Not all strategies are included. Only those that likely require additional explanation.

Naturally, we are always happy to answer your questions or review the details of a particular strategy with you at any time.

Charitable Remainder Unitrust (CRT) - This trust allows an individual or couple to make a gift, or a series of gifts, normally of appreciated assets, receive a charitable income tax deduction for the present value of the gift and to receive an income stream of a percentage that is based on the value of the trust assets. All types of CRTs have a minimum payout percentage of 5%. The trust is based on the life expectancy of the grantor or a term of years no greater than twenty. When the last income beneficiary dies or at the end of the term, the remainder passes to the charitable beneficiary.

TCLAT - A testamentary charitable lead annuity trust is established at the death of the grantor. It pays a fixed annuity percentage to charity for a period of time then the remaining assets are transferred to the grantor's beneficiaries. Most TCLATs are structured to create a "zero" transfer tax and are often used to eliminate any estate tax that would be due from the grantor's estate.

Charitable Life Estate - Client makes a gift to a charity of his residence and retains all rights and obligations of property ownership for his life. Client receives an immediate charitable income tax deduction for the present value of the gift to charity. At death, the house passes to the designated charity and is removed from the estate of the donor.

Private Foundations - A private foundation is a specific type of charity that is established and operated usually by one family. The entity can be a trust or a corporation and the family may have 100% control of the board, make all of the investment decisions and all charitable grants. Private foundations must distribute 5% of its assets annually. There are also strict guidelines as to what type of investments may be owned and there are special limitations as to the amount of charitable income tax deductions are available for contributions.

Family Charity Plan - Client establishes a family limited partnership that is designed to minimize the typical discounting that is normally associated with partnership planning. Client funds the partnership and then donates the limited partnership interests to designated charities. Client receives a significant income tax deduction and maintains investment control over partnership assets. Often client has a right to borrow from the partnership. Also, client generally makes an annual distribution to the charities from the partnership, normally 1% of assets.

Supporting Organizations (SOs) - SOs are similar to private foundations but are actually public charities that can be established by private families. Because they are technically public charities, the higher charitable income tax deduction rules for public charities apply. Unlike private foundations, however, SOs require that a private family may not have absolute control of the board. That is, if the board is to have 5 members, the family can only have a maximum of 2 of those members. SOs are not required to pay excise taxes, nor are they required to distribute 5% of their assets annually. Instead, they must distribute 85% of their income.

Bargain Sales - A bargain sale occurs when a donor transfers property to a charity for less than the full fair market value of the property or when the charity pays some portion of the value for property it receives. The donor only receives a tax deduction for the contributed portion of the property.

Charitable Remainder Annuity Trust (CRAT) - This trust allows an individual or couple to make a single gift, normally of appreciated assets, receive a charitable income tax deduction for the present value of the gift and to receive an income stream of a fixed percentage of the original value of the contribution of trust assets. The trust is based on the life expectancy of the grantor or a term of years no greater than twenty. When the last income beneficiary dies or at the end of the term, the remainder passes to the charitable beneficiary.

Gift Annuity - A gift annuity is a form of a bargain sale. A donor transfers property to a charity in exchange for a fixed income stream that will last for the life expectancy of the donor. A charitable income tax deduction for the present value of the gifted property is allowed. The charity is liable and responsible for the payment of the annuity income stream.

Net Income with Makeup Unitrust (NIMCRUT) - This is a special type of charitable remainder unitrust (see above) wherein the trust distributes the "net income" that the trust assets earn within the trust. If the trust does not earn enough income to pay the stated income percentage payout, the trust creates an "IOU" account that it can pay at a later date when the assets earn more income. These trusts are often used when a donor has other income currently but would like income later such as during their retirement. Trust assets can be managed to produce income or not.

Flip Charitable Remainder Unitrust (Flip CRT) - This type of CRT operates like a NIMCRUT when it is originally established, paying out only the income it earns at a set percentage. At some triggering event in the future, the FLIP CRT changes character and operates like a standard CRT (SCRUT) whereby it pays out a fixed percentage of its annual valuation. This type of CRT is often used when a gift that produces little current income (such as land) is transferred before it is sold. Upon sale, the proceeds are reinvested and the CRT begins paying its regular percentage.

Charitable Lead Unitrust (CLUT) - This trust operates very much like the CLAT. However, while the percentage payout remains fixed, the trust's distribution amount varies depending on the value of the trusts assets which are computed annually. Because of this, the CLUT cannot have a "zero" gift amount as there will always be some calculated remainder that passes to the heirs. CLUTs are often used for gifts to grandchildren or other "skip generations" because the generation skipping tax amount can be calculated when the trust is first established.

Charitable Lead Annuity Trust (CLAT) - This trust distributes income to charity over the life of the donor or for a period of years. At the end of the trust term, the trust assets are either distributed back to the grantor or to heirs. These trusts are used to either transfer assets to heirs with little or no gift tax or to create a different way to make gifts if the grantor has already used significant charitable income tax deductions. CLATs have no minimum payout percentage.

Donor Advised Funds (DAF) - A DAF is a special account established at a Community Foundation. It allows a donor to make a gift of property without specifying the final charitable purpose for the gift. Donors often are allowed to maintain money management responsibility for the DAF and can also direct the Community Foundation as to where the charitable funds are ultimately distributed. The Community Foundation is not technically bound to direct the funds to the donor's selection but as a practical matter most follow the donor's wishes. DAFs have no annual minimum requirement for distribution and are usually inexpensive to establish.

Limited Liability Company/Charitable Remainder Trust (LLC/CRT) - In this strategy a gift of appreciated property is made to an LLC. The LLC then gifts the property to a CRT in exchange for the income interest. The LLC is then sold to a Grantor Deemed Owned Trust (GDOT) in exchange for a note. Because of the fact that the LLC only owns the income stream due from the CRT, and the LLC has restrictions on marketability and liquidity, the "discount" available for the sale to the GDOT should be substantial.

Family Limited Partnership (FLP) - FLPs are a form of business entity that can be utilized to facilitate the transfer of assets. Ownership interests are divided into General Partner (GP) and Limited Partner (LP) shares. GPs maintain control of the entity even though they may own a small percentage of the total FLP. LP interests have ownership but no control. Because the LPs have no control over their interests FLPs often receive significant valuation adjustments when valued by appraisers. This allows the LP units to be transferred or sold at less than their full monetary value. FLPs also enjoy strong creditor protection and are therefore effective for family asset protection purposes.

Long Term Care Insurance (LTC) - This type of insurance is meant to protect families from the catastrophic costs of care due to a prolonged illness. Coverage is usually provided as a “per day” cost and many policies feature various riders that protect against inflation. Coverage applies not only for nursing home and rehabilitation facilities but for home health care costs as well. Policies can be structured so that they are paid for over a lifetime or for a period of years. Some policies refund the premiums that have been paid at the death of the insured. LTC is income tax deductible to C Corporations and owners of those corporations may “discriminate” as to which employees are covered.

Walton Grantor Retained Annuity Trust (Walton GRAT) - In a typical GRAT assets are transferred to a trust and the grantor of the trust receives an income stream for a period of years. What is left in the trust at the end of its term is transferred to beneficiaries, normally the grantor’s heirs. The normal structure of a GRAT is meant to use “leverage” to reduce or eliminate the taxable gift to the heirs from the GRAT. This type of normal GRAT causes all of the GRAT assets to be included in the grantor’s estate if the grantor dies during the GRAT period. The Walton GRAT provides an exception to this rule, thereby allowing GRAT payments to continue after death and the GRAT assets not reverting to the grantor.

Revocable Living Trust (RLT) - A foundational document of most estate plans, the RLT is a trust that is established by an individual for the purpose of holding and managing the assets of the individual. The trust is a non-entity for income tax purposes. That is, the grantor of the trust is still responsible to report and pay the income tax due on any trust assets. RLTs are also effective in the event of a disability or incompetence of the grantor, in that they name a successor trustee who can step in to the shoes of the grantor without a court proceeding. RLTs are often established in order for the grantor’s estate to avoid probate. Further, a properly drafted RLT can be utilized to take advantage of the estate exemption in order to minimize estate taxes.

Preferred Limited Partnership (LP) - This type of LP creates two different classes of limited partner. LP units are allocated between “common” and “preferred” classes. The common interests are generally entitled to receive any of the growth associated with the underlying assets of the LP. The preferred receive a stated percentage income return, e.g. 5%. Because of the possible disparity of return between the two types of units often have different values when appraised. This allows the General Partner of the LP to make different decisions as to the ultimate disposition of the two types of interests. This type of LP can provide substantial planning leverage for the appropriate estate.

Life Insurance - While life insurance has been available for a very long time it is often dismissed. However, properly structured life insurance can add an element of safety and certainty to most estate plans. Life insurance death benefits are generally income tax free and policies that are properly owned outside of the estate can also be estate tax free. Many policies have guarantees that will keep the policy in force as long as premiums are paid in a timely fashion, regardless of interest rate or company mortality fluctuations.

Rent to Own - This strategy couples a short term Qualified Personal Residence Trust (QPRT) with an Irrevocable Life Insurance Trust (ILIT). The ILIT is a beneficiary of the QPRT and at the termination of the QPRT term receives premium payments in the form of rental income. This allows the client to pay large insurance premiums without annual gifting, Crummey notices or income tax consequences.

Life Settlements - This strategy involves the sale of a life insurance policy to an independent third party. There are many reasons to consider this type of transaction. The client may no longer need the insurance; the policy may be in danger of lapsing while the client is unwilling or unable to make the necessary premium payments; or there may be newer, more appropriate and cost effective insurance needed for the clients' current circumstances.

529 Plans - 529 Plans represent a special section of the tax code which has been enacted to encourage the funding of post high school education. Each state has its own plan but individuals may choose the plan of any state they wish to use. 529 plans allow an individual to establish an investment account for themselves or for another person (normally children or grandchildren). Investment returns grow on a tax free basis and, if utilized for post high school educational purposes, remain tax free. While the funds are generally out of the estate of the grantor of the plan, the grantor may take them back at any time. While they will have to pay income tax as well as a 10% penalty on the earnings, it is often reassuring to have the knowledge that the funds are retrievable in the event of an economic emergency. The law further allows the grantor to make five years of gifts to the 529 plan in one year. That is, \$60,000 can be deposited currently in a plan for the benefit of another, and then the grantor must wait until the sixth year to make any additional deposits.

Family Limited Liability Company (FLLC) - Much like the FLP, a FLLC is a type of business entity that provides for the centralized pooling and management of family assets. Owners of FLLC units are considered "members" and there is usually a single "managing member". FLLCs are a relatively new form of entity and there is less case law regarding their uses and nuances when compared to FLPs. However, many jurisdictions have passed favorable FLLC statutes and therefore the FLLC should be carefully considered in the proper jurisdiction.

Crummey Powers - Most traditional life insurance trusts contain what are known as "Crummey Powers" which grant the beneficiaries of the trust the right to withdraw money that has been contributed to the trust (normally to pay insurance premiums), for a period of time. This allows the contribution to be a gift of a "present interest" and therefore qualify for the application of the annual exclusion. The name "Crummey" power derives from the court case that originally challenged and won on this principle.

Jurisdictional Trusts - These trusts are normally established because of the favorable laws of a specific jurisdiction. These could be any type of trust, revocable or irrevocable, grantor or non-grantor. What's important is that the specific legal foundation of the jurisdiction is favorable for the application sought. These could be state specific, i. e. Delaware for asset protection or Dynasty provision, or could even be international such as Cook Islands or Nevis for asset protection.

Succession Planning - This is the process by which the owner of a closely held business determines who will take over the business and how and when the transition will take place. While not necessarily a codified estate planning “technique” a business without an organized succession plan will be more likely to fail and have to be sold or liquidated. The economic result to the family may be different than planned for or anticipated.

Grantor Retained Annuity Trust (GRAT) - The GRAT transaction entails the transfer of assets to a trust whereby the grantor retains an income from the trust for a period of years and the remainder transfers to beneficiaries at the end of the trust term. The “remainder” is calculated using IRS tables and is considered a gift to the remainder beneficiaries. Therefore, many GRATs are structured to produce a “zero” gift and hope to take advantage of the possible arbitrage of the return of the assets in the GRAT compared to the IRS rates utilized to calculate the trust remainder. The disadvantage of the regular GRAT transaction is that if the grantor dies during the trust period, all of the assets in the GRAT are included back in the grantors estate.

Sale for Installment Note - This transaction is normally coupled with other techniques to improve the results. Often a family will use an FLP or FLLP and sell interests that have been appraised at a reduced value because of lack of liquidity and marketability. The buyer is often a trust for the beneficiaries, which purchases the discounted assets for the installment note. While the note is in the estate of the seller, it is usually of less value than the assets that have been sold. The note can be structured to be paid as “interest only” or it may be amortized.

Gifting - A simple way to transfer assets to beneficiaries. An individual may currently gift \$11,000 of property to any other individual, annually (\$12,000 beginning in 2006). Further, every individual can currently give away up to \$1 million of assets during their lifetime without incurring gift taxes. Making gifts of property that is discounted in some way can be advantageous in transferring more than the statutory amount.

Annuity Withdrawal - Often families ignore the funds that clients have in commercial annuities. Since funds are accumulating on a tax-deferred basis, this is often a logical approach. However, since annuities remain in the estate of the owner and are therefore subject to estate tax and income in respect of a decedent tax, it is often advisable to begin a systematic program of annuity withdrawal. Frequently the after-tax proceeds of the withdrawal can be utilized to subsidize lifestyle or to purchase life insurance to replace the dollars that would be lost to the double taxation of the annuity.

Dynasty Trust - This type of trust allows assets that are contributed to the trust to remain in the trust for multiple generations. Because of this provision, the trust assets will pass outside of the estate tax system and will also be protected from the claims of a trust beneficiary’s creditors. This type of irrevocable trust must be established in a jurisdiction that allows multi-generational trusts.

Premium Finance - When purchasing life insurance, many families face the possibility of making taxable gifts because the amount of the premium exceeds the amount of annual gifting available to the insured. Using the option of premium financing may alleviate this problem. Funds are provided by a third party lender who pays the premium. The insured usually pays only the interest on the borrowed funds while the principal of the loan accumulates and is often repaid from the insurance proceeds at the insured's death. While complicated, premium financing can be an interesting solution for funding large policies.

Buy-Sell Agreements - This type of contract is normally associated with the owners of a closely business to allow for the disability, abandonment of the business, or untimely death of any of the owners. The agreements describe the provisions by which an owner's share of the business will be redeemed. Buy-sells can be funded with disability and life insurance or they may be unfunded and, therefore, rely on the cash flow of the business to fund the buy out. Providing liquidity for the estate of the business owner is often the reason for the formation and execution of a buy-sell.

Irrevocable Life Insurance Trust (ILIT) - In many estate plans, it is best to own life insurance outside of the taxable estate. The ILIT is the most common and flexible form of trust to accomplish this function. The ILIT will be the owner and beneficiary of one or more life insurance policies and will obligated to pay the premiums, collect the proceeds at death and distribute the funds to beneficiaries per the provisions of the trust. This is a good way to engage professional management in the management and oversight of the trust funds. ILITs may be established as Dynasty Trusts, if so desired.

Asset Protection - This is a broad category of planning which may involve one or more different strategies. Each of the techniques seeks to provide insulate assets from the attack of creditors. Various trusts, FLPs, FLLCs and other entities may be considered for asset protection. Further, there are choices of jurisdiction both domestic and foreign that may provide favorable environments for asset protection. Those in high risk profession or those with high risk assets generally fit the profile for implementing asset protection strategies.

Intra Family Loans - A simple solution that allows family members to make loans at the current Applicable Federal Rate (AFR), this strategy allows for possible arbitrage gains when the AFR is low relative to long term investment results. Furthermore, it is often possible for discounts to apply to the value of the notes in the event of the death of the lender.

Corporate Recapitalization - Many closely held companies only have one class of stock, known as common voting stock. When considering options for estate planning, the closely held company stock often represents a major portion of the estate. In order to facilitate transfer while retaining control of the company, it is possible to "recapitalize" the company by redeeming the outstanding shares and issuing new shares which are divided between "voting" and "non-voting" shares. The non-voting shares are then transferred by sale or gift and because of their non-voting status appraisals often reflect a greatly reduced value for these shares. Recapitalizations are available to S corporations as well as C corporations.

Self Canceling Installment Note (SCIN) - Like other installment notes, the SCIN originates when assets are sold. As the name implies the SCIN obligation is cancelled when the obligation is fully paid or at the death of the seller. Because of the self-canceling feature of the SCIN, the seller receives a “premium” amount that is higher than a normal installment obligation. The premium is reflected in one of two ways; either more principal is added to the balance or a higher (than current federal tables) interest rate is applied to the obligation. SCINs may be effective in circumstances where the seller is not expected to live to their IRS computed life expectancy.

Grantor Deemed Owned Trust (GDOT) - This type of trust has several unique properties that make it a very powerful estate planning tool. First, when assets are transferred to the trust either by gift or by sale, they are removed from the estate of the grantor. Second, the assets in the GDOT remain income taxable to the grantor of the trust. While this may not seem like a positive attribute, the grantor’s recognition and payment of the income taxes essentially allows the assets in the GDOT to grow free of income taxes outside of the estate. This can greatly increase the ultimate value of the assets transferred to the trust.

Offshore Captive Planning - Business owners often have risks that are either under-insured or are too expensive to insure. Those who have excess taxable income may choose to establish their own insurance entity, known as a “Captive.” These are most done in international jurisdictions since the tax laws favor this type of arrangement. These structures are very complex and require specialized planning but can also provide very favorable income and estate tax benefits.

Qualified Personal Residence Trust (QPRT) - This technique involves transferring a residence by gift to a trust for a period of years. Normally, a gift tax return is filed for the year that the QPRT is funded. At the end of the trust period, the residence becomes the property of the beneficiaries of the trust. Because the gift is made currently and vests in the beneficiary at a later date, there is a discount on the value of the transfer which is calculated utilizing IRS tables. One risk of the QPRT is if the transferor dies during the QPRT term, the house reverts to the estate of the transferor. After the QPRT terminates, the transferor should pay rent to the transferees as in any other commercial transaction.

Leveraged Roth Conversions - Under certain circumstances it is possible to convert a traditional IRA account to a Roth IRA. This may be an effective strategy, though it requires the payment of income taxes on the converted amount. Use of borrowed funds to pay taxes can make this a very strong strategy.

Employee Stock Ownership Plans (ESOP) - Closely held businesses often have no clear exit strategy. An ESOP can provide a ready market since the ESOP effectively sells a portion of the company stock to a qualified plan which must include the employees of the company. The owner may receive property which will allow a diversification of his assets that have been concentrated in their own company. ESOPs take many forms and are often complex transactions.

412(i) - This type of defined benefit pension plan is structured to allow the investments in the plan to be either life insurance and/or commercial annuities. Normally these products are designed to produce a low guaranteed rate of return which causes the annual contribution and, therefore, the income tax deduction to the participants in the plan, to be relatively high. 412(i) may be appropriate for an older business owner who has few employees.

IRA Maximizer - This strategy is for those individuals who have significant balance in their IRA (or other qualified plan) and who do not need the funds to live on. Normally, the IRA invests all or some of its assets in a newly formed family limited partnership (flp) and the flp invests all or some of its assets in a restricted management account (rma). The result of the transaction is that there will be a reduction in appraised value of the account because of the illiquid nature of the rma and the flp. By structuring the transaction properly, the IRA owner may reduce income taxes on required minimum distributions and estate taxes because of the reduction in appraised value.

Limited Partnership Owned Life Insurance - An alternative to owning life insurance in an irrevocable life insurance trust (ILIT), families often use a Limited Partnership. This is normally done as one step in a transaction whereby the limited partnership units will be sold or otherwise transferred out of the estate of the insured. Further, there are usually other assets contributed to the partnership that will fund the insurance premiums. Done properly, the life insurance death benefit can remain outside of the estate of the insured while some degree of control through the control granted by retaining the General Partner interest.

Family Bank - a combination of strategies that may include an LLC and/or a multi-generational irrevocable trust. The purpose of the family bank is to create an entity that will allow several generations of family members to have access to wealth for various purposes but also with a great degree of monitoring and supervision. A family bank may lend money to an heir to purchase a home or to start a business but will first assess the appropriateness of the transaction against a set of guidelines that have been drafted into the formation documents.