

THE FAMILY WEALTH DIAGNOSTIC

Prepared For
JEFF AND JOANN GORDON

January 20, 2009

Plan run for 20 years only
DRAFT FOR DISCUSSION PURPOSES ONLY

Prepared by

InKnowVision, LLC
1111 S. Washington
Naperville, IL 60540
Phone: (630)596-5090
randy@inknowvision.com

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YOUR GOALS AND OBJECTIVES

- Maintain our customary lifestyle, which 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 \$1,000,000 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.
- Provide for a charitable gift at death.
- Eliminate or reduce estate taxes.

AREAS OF GREATEST RISK

After a comprehensive review of your existing situation it is clear that you have built a solid financial foundation for accomplishing many of your objectives. The most important threats that we have uncovered include asset exposure and tax exposure.

- **Your current structure does not protect your wealth from attack through lawsuits or other threats as effectively as can be constructed.**
- **A substantial amount of the wealth that you are building will be directed away from your estate and family by the imposition of income and estate taxes.**
- **Your existing estate planning documents do not reflect current conditions. In addition, your current insurance policies are not adequate to achieve your intended purpose of guaranteeing a benefit at the time you die.**

Where you are today is a place we see many of our clients at the beginning of this process and is a result of ad hoc, non-coordinated planning. This is not to say that you have not done a superb job of building your wealth. But the approach that has worked for you in the past, will no longer work for you in the future.

Based on our understanding of your current plan and family situation as described in the Family Wealth Diagnostic, we believe that there are several areas where we could add value to your current situation which we describe on the next page, titled "Areas of Greatest Potential."

AREAS OF GREATEST POTENTIAL

1. Asset Protection

You stated that asset protection is the area that gives you the most concern. The strategy outlined in the paragraph on income tax protection also provides very good asset protection. In addition, there are advanced asset protection techniques that we believe can provide significant asset protection. Our goal here is to design a structure that creates a safety net to fall back on.

2. Wealth Transfer/Estate Tax Planning

The numbers speak for themselves, given the trajectory of your wealth accumulation, the transfer tax challenges that your Family will face will be substantial. Based on what we have seen to date, we also believe that we can reduce estate taxes between \$5,000,000 and \$10,000,000. With further planning, we can zero it out.

3. Retirement Planning

Accomplishing your goal in 10 years is possible with careful cash flow management and properly coordinating your needs with overall planning.

At this early stage, our estimates of tax savings are only that---ESTIMATES. Your substantial wealth carries some complexity and the careful analysis of potential advanced techniques comes with the next phase of our project---The Design Phase. This is the time that our understanding of your financial position and desires can be matched and structured to meet specific goals within the guidelines that you have already voiced and we will refine as the process proceeds.

YOUR LIFETIME GOALS

- Goal: Maintain our customary lifestyle, which should take about \$400,000 annually after taxes and gifts.

CASH FLOW / LIFESTYLE

Based on the assumptions contained in this analysis, it looks like you will be able to maintain your desired lifestyle, but may have to consume some of your capital in the process.

LIQUIDITY

Based on the same assumptions, you should have \$21,147,532 in liquid assets in the year 2029. The total value of all of your estate assets then should be \$31,416,625.

- Goal: Maintain adequate liquidity for emergencies and investment opportunities. We prefer to keep at least \$1,000,000 in cash and readily marketable securities.

Based on the assumptions contained in this analysis, you should be able to maintain cash and securities in excess of \$1,000,000 until the year 2029.

ALL GOALS ARE NOT REACHED

Estate Planning Results if Death Occurs Today

- GOAL - MAXIMIZE INHERITANCE

AMOUNT PASSING TO HEIRS \$23,521,063

- GOAL - REDUCE ESTATE TAXES

ESTATE OF JEFF AND JOANN GORDON	1st National Bank	Date: <u>January 20, 2009</u>
Pay to the order of	<u>Internal Revenue Service</u>	\$4,550,699
<u>Four Million Five Hundred Fifty Thousand Six Hundred Ninety Nine Dollars and No Cents</u>		Dollars
Memo	<u>Estate and Income Taxes</u>	

- GOAL - GIFT TO CHARITY

AMOUNT PASSING TO CHARITY \$0.00

Estate Planning Results if Death Occurs in 2029.

- GOAL - MAXIMIZE INHERITANCE

AMOUNT PASSING TO HEIRS \$23,407,438

- GOAL - REDUCE ESTATE TAXES

ESTATE OF JEFF AND JOANN GORDON	1st National Bank	Date: <u>January 1, 2029</u>
Pay to the order of	<u>Internal Revenue Service</u>	\$16,703,073
<u>Sixteen Million Seven Hundred Three Thousand Seventy Three Dollars and No Cents</u>		Dollars
Memo	<u>Estate and Income Taxes</u>	

- GOAL - GIFT TO CHARITY

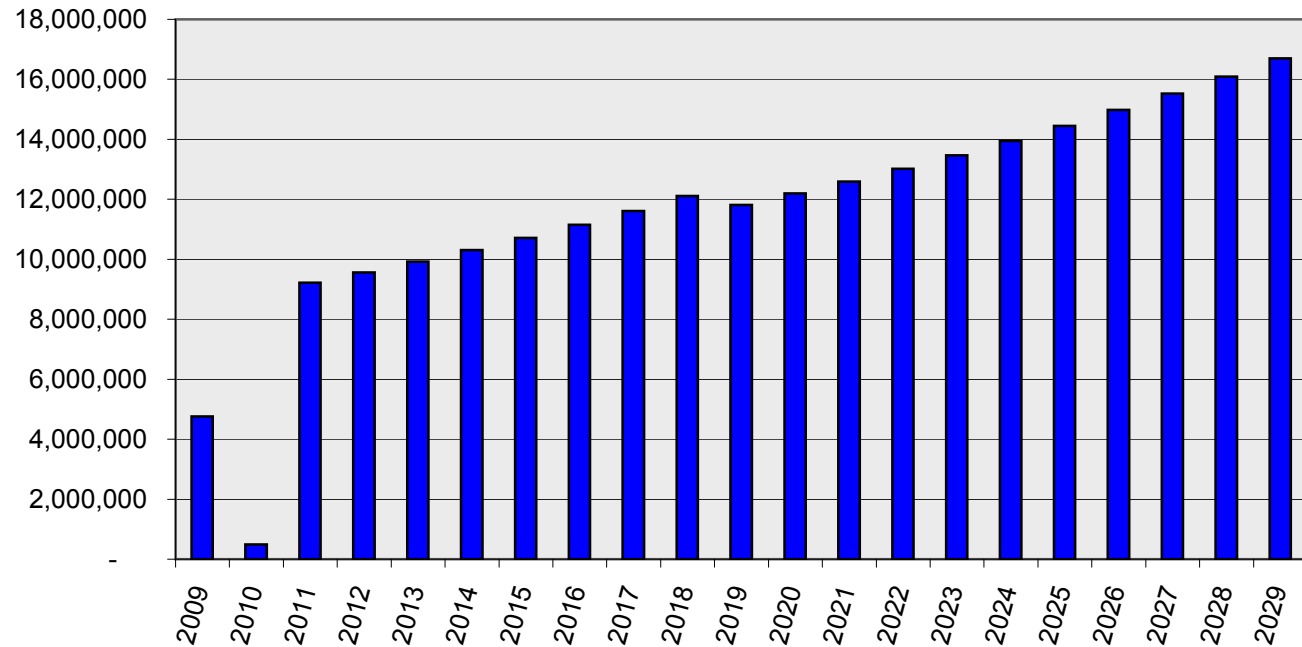
AMOUNT PASSING TO CHARITY \$0.00

YOUR LIFETIME GOALS

- Goal: Eliminate or Reduce Estate Taxes.

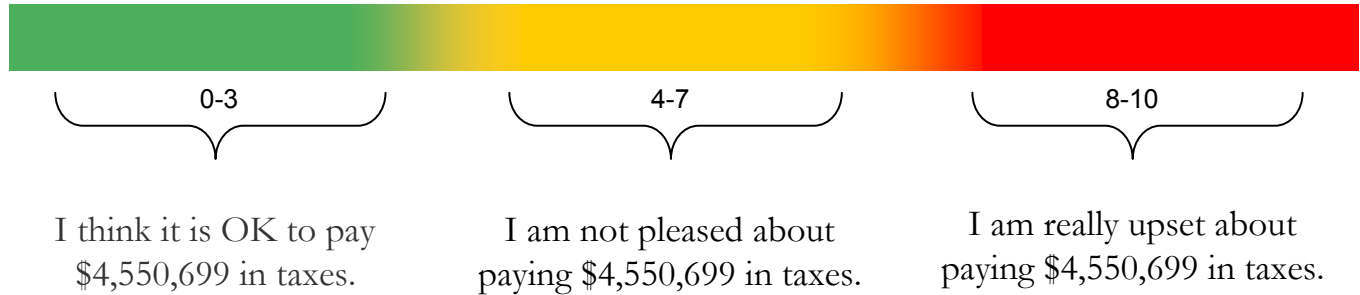
Our review shows your projected estate tax situation over the next 20 years.

Estate Tax Paid Projected 20 Years



We believe there are approaches that would allow you to greatly reduce or eliminate these taxes.

RATE THE IMPORTANCE



WHERE ARE YOU ON THE SCALE?

Question: If you could redirect some or all of this tax money to heirs and charity, would you be interested?

WE CAN HELP

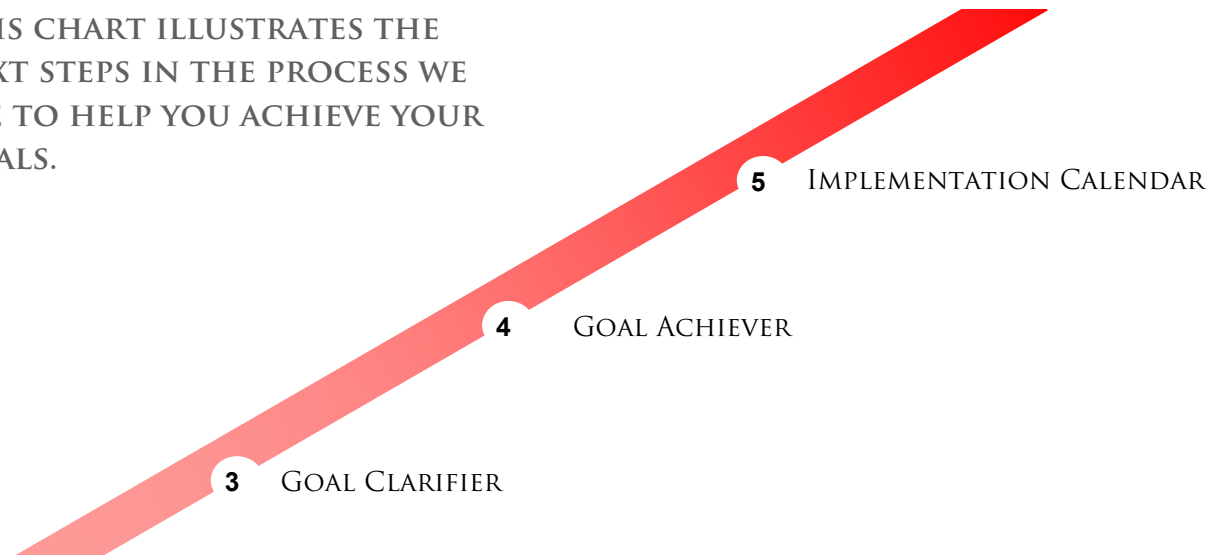
Our philosophy is simple, we do not take a case unless we know we can create *value for you.*



THE FAMILY WEALTH GOAL ACHIEVER PROCESS

NEXT STEPS

THIS CHART ILLUSTRATES THE
NEXT STEPS IN THE PROCESS WE
USE TO HELP YOU ACHIEVE YOUR
GOALS.



STEPS COMPLETED

- Discovery
- Diagnostic

THE PERIODIC TABLE OF ESTATE PLANNING ELEMENTS™

We use this table to help in discussions with you and the planning team as to which tools should be considered from among the wide universe of available strategies and programs.

Charitable Remainder Uni-Trust	Charitable Remainder Annuity Trust	LLC/CRTs	Rent To Own	Grantor Retained Annuity Trust	ILIT	Offshore Captive Planning
TCLAT	Gift Annuity	Frozen TCLAT	Life Settlements	Sale for Installment Note	Family Limited Partnership	QPRTs
Charitable Life Estate	NIMCRUT	Long Term Care Insurance	529 Plans	Gifting	Asset Protection	Leveraged Roth Conversion
Private Foundations	FLIPCRUT	Walton GRAT	Family LLC	Annuity Withdrawal	Intra Family Loans	ESOP Planning
Family Charity Plan	CLUT	Revocable Living Trusts, DPAs	Crummey Powers	Dynasty Trust	Corporate Recapitalization	412(i)
Supporting Organizations	CLAT	Preferred LPs	Jurisdictional Trusts	Premium Finance	SCIN	IRA Maximizer
Bargain Sales	Donor Advised Funds	Life Insurance	Succession Planning	Buy-Sell Agreements	GDOT	Qualified Plan Limited Partnership

■ Charitable Planning Tools

■ Personal Planning Tools

■ Qualified Planning Tools

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FAMILY INFORMATION

CLIENTS

Jeff Gordon
JoAnn Gordon

BIRTHDATE

June 25, 1956
June 20, 1958

CHILDREN

Alexandra Gordon
Peter Gordon
Marissa Gordon

BIRTHDATE

September 25, 1987
November 9, 1989
August 10, 1991

DETAILED FINANCIAL ANALYSIS

- The following pages contain all of the financial analysis used to show you where you stand with your current plan. This includes a detailed Net Worth Statement, year by year cash flows, trial income tax runs and estate tax calculations. The numbers are intended to give you a picture of your current plan over a period of time. All parties acknowledge that the figures shown are projections and estimates only and not predictions or guarantees.
- All of the calculations 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 contained in these sections.

PLAN ASSUMPTIONS

The plan is based on numerous assumptions. Important among these are the yield and growth assumptions contained on the Net Worth Statement beginning on the next page. Other assumptions are contained here.

Tax Rate Assumptions

State Income Tax Rate	3.00%
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Salary and Other Earned Income Assumptions

Annual increase in Jeff 's earned income	2.00%
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Number of years Jeff 's income is expected to continue	10
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Lifestyle Need Assumptions

Net annual outlay for Jeff and JoAnn's lifestyle needs, not including gifts or income taxes	\$400,000
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Annual cost of living increase used in the plan	2.00%
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Settlement and Administrative Expenses

Variable estate settlement costs, 1st death	0.50%
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Variable estate settlement costs, 2nd death	1.00%
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Fixed estate settlement costs, 1st death	\$25,000
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Fixed estate settlement costs, 2nd death	\$25,000
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State Estate Taxes

We do not compute any state estate taxes for states which have decoupled.

CURRENT NET WORTH STATEMENT

	JEFF	JOANN	JOINT	TOTAL	YIELD	GROWTH
CASH, SAVINGS AND CDS						
Citibank (ch)	-	-	5,000	5,000	2.0%	0.0%
Trust Bank (ch)	-	-	2,300	2,300	2.0%	0.0%
Trust Bank (cash)	15,000	-	-	15,000	2.0%	0.0%
Cash Value of Life Insurance	3,168	-	-	3,168	0.0%	0.0%
Total of Cash and Equivalents	18,168	-	7,300	25,468	1.8%	0.0%
MARKETABLE SECURITIES						
Company Stock	1,400,000	-	-	1,400,000	0.0%	10.0%
Fidelity UTMA	55,129	-	-	55,129	2.0%	5.0%
Fidelity UTMA	20,804	-	-	20,804	2.0%	5.0%
Fidelity UTMA	28,730	-	-	28,730	2.0%	5.0%
Schwab Mutual Funds	-	60,018	-	60,018	2.0%	5.0%
Fidelity Stocks	287,880	-	-	287,880	2.0%	5.0%
Total of Taxable Marketable Securities	1,792,543	60,018	-	1,852,561	0.5%	8.8%
NON-TAXABLE MARKETABLE SECURITIES						
Fidelity Munis	4,395,220	-	-	4,395,220	4.0%	0.0%
Fidelity Munis	-	1,100,000	-	1,100,000	4.0%	0.0%
Schwab Munis	-	889,101	-	889,101	4.0%	0.0%
Fidelity UTMA	29,242	-	-	29,242	4.0%	0.0%
Fidelity UTMA	35,012	-	-	35,012	4.0%	0.0%
Fidelity UTMA	35,207	-	-	35,207	4.0%	0.0%
Fidelity Munis	-	1,549,996	-	1,549,996	4.0%	0.0%
Fidelity Munis	-	-	662,624	662,624	4.0%	0.0%
Total of Non-Taxable Marketable Securities	4,494,681	3,539,097	662,624	8,696,402	4.0%	0.0%

CURRENT NET WORTH STATEMENT (PAGE 2)

	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%
Total of Other Investments	666,250	8,750	-	675,000	3.9%	3.5%
RETIREMENT PLANS						
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%
Pension	20,000	-		20,000	0.0%	0.0%
Total Qualified Retirement Plans	1,016,670	89,720		1,106,390	0.0%	4.9%

CURRENT NET WORTH STATEMENT (PAGE 3)

	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 Street	-	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	8,288,312	4,397,585	2,769,924	15,455,821		
TOTAL LIABILITIES	-	-	-	-		
NET WORTH	\$ 8,288,312	\$ 4,397,585	\$ 2,769,924	\$ 15,455,821		

SCHEDULE OF LIFE INSURANCE - CURRENT PLAN

0	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) ¹	JoAnn	#	ILIT	455	-	500,000
	Reliastar ²	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	2015	2020	2029
Asset Values								
Cash, Savings And Cds	25,468	25,468	25,468	25,468	25,468	25,468	25,468	25,468
Marketable Securities	1,852,561	2,129,837	2,438,794	2,797,438	3,185,535	4,556,863	7,068,362	12,425,662
Non-Taxable Marketable Securities	8,696,402	8,696,402	8,696,402	8,696,402	8,696,402	8,696,402	8,696,402	8,696,402
Other Investments	675,000	697,427	721,966	747,369	773,665	858,237	1,020,228	1,392,707
Retirement Plans	1,106,390	1,157,665	1,214,502	1,274,129	1,336,684	1,543,387	1,961,333	2,711,623
Investment Real Estate	1,300,000	1,346,268	1,397,012	1,449,668	1,504,310	1,680,905	2,022,488	2,821,652
Residential Real Estate	1,800,000	1,851,000	1,906,530	1,963,725	2,022,637	2,210,190	2,562,216	3,343,111
Total assets in estate	15,455,821	15,904,067	16,400,674	16,954,200	17,544,701	19,571,452	23,356,498	31,416,625
Combined net worth	\$ 15,455,821	\$ 15,904,067	\$ 16,400,674	\$ 16,954,200	\$ 17,544,701	\$ 19,571,452	\$ 23,356,498	\$ 31,416,625

In the event that there is a cash flow surplus, the surplus is added to the marketable securities row by default.

If there is a cash flow shortage (spending or gifting capital) then the shortage is treated as a reduction in marketable securities.

TAXABLE INCOME PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029						
Sources of taxable income														
Cash, Savings And Cds		446	446	446	446	446	446	446						
Marketable Securities		9,051	10,406	11,915	13,668	19,847	32,601	56,598						
Other Investments		26,164	27,033	27,984	28,969	32,136	38,201	52,149						
Retirement Plans		-	-	-	-	-	-	108,178						
Investment Real Estate		15,000	15,534	16,119	16,727	18,691	22,489	31,375						
Client earned income	365,915	365,915	373,233	380,698	388,312	412,080	-	-						
Gross income	\$	416,576	\$	426,652	\$	437,163	\$	448,122	\$	483,199	\$	93,737	\$	248,745

INCOME TAX PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
Income tax Estimation								
Adjusted gross income:								
Dividend income (marketable sec.)		9,051	10,406	11,915	13,668	19,847	32,601	56,598
Earned and other income		407,525	416,246	425,248	434,454	463,352	61,136	192,147
Adjusted gross income		416,576	426,652	437,163	448,122	483,199	93,737	248,745
Deductions								
Real estate tax	22,076	22,076	22,518	22,968	23,427	24,861	27,449	32,804
State income taxes		12,497	12,800	13,115	13,444	14,496	2,812	7,462
Charitable gifts	83,743	83,743	85,418	87,126	88,869	94,308	104,124	124,438
Total deductions		118,316	120,735	123,209	125,740	133,665	134,385	164,704
Reductions		(2,498)	-	(8,111)	(8,440)	(9,492)	-	(2,458)
Deductions allowed		115,819	120,735	115,098	117,300	124,173	134,385	162,245
Taxable income		300,758	305,917	322,065	330,822	359,026	(40,648)	86,500
Federal and State income tax	\$	97,539	\$ 99,870	\$ 104,172	\$ 107,095	\$ 118,095	\$ -	\$ 23,215

All dividend income is treated as qualified dividend income.

State tax is computed at one rate, although actual rates may be graduated.

Reductions equal the applicable reduction in schedule A deductions for high income earners.

CASH FLOW PROJECTIONS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
Sources of income for Lifestyle								
Consumable income (taxable)		416,576	426,652	437,163	448,122	483,199	93,737	248,745
Consumable income (tax exempt)		347,856	347,856	347,856	347,856	347,856	347,856	347,856
Total income available for lifestyle		764,432	774,508	785,019	795,978	831,055	441,593	596,601
Uses of Cash								
Living expenses		400,000	408,000	416,160	424,483	450,465	497,350	594,379
Income tax		97,539	99,870	104,172	107,095	118,095	-	23,215
Personally held insurance premiums		103	103	103	103	103	103	103
Cash gifts to ILIT ¹		59,129	59,129	32,905	32,905	30,000	30,000	30,000
Cash gifts to charity		83,743	85,418	87,126	88,869	94,308	104,124	124,438
Total uses of cash		640,514	652,520	640,467	653,455	692,971	631,577	772,135
Surplus/ (Shortage)	\$	123,918	\$ 121,988	\$ 144,553	\$ 142,522	\$ 138,084	\$ (189,983)	\$ (175,533)

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

In the event that there is a cash flow surplus, the surplus is added to the 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 reduction in 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	2015	2020	2029
Tax calculation on Jeff 's death								
Combined net worth	15,455,821	15,904,067	16,400,674	16,954,200	17,544,701	19,571,452	23,356,498	31,416,625
Jeff 's estimated estate	9,673,274	9,953,816	10,264,625	10,611,059	10,980,633	12,249,108	14,618,039	19,662,600
Death benefit exceeding CV	46,832	46,832	46,832	46,832	46,832	46,832	46,832	46,832
Total gross estate	9,720,106	10,000,648	10,311,457	10,657,891	11,027,465	12,295,940	14,664,871	19,709,432
Settlement expenses	(73,601)	(75,003)	(76,557)	(78,289)	(80,137)	(86,480)	(98,324)	(123,547)
Joint, personal and IRA to JoAnn	(2,401,632)	(2,488,915)	(2,585,643)	(2,690,036)	(2,800,431)	(3,171,984)	(3,895,207)	(5,306,905)
Insurance passing to JoAnn	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Family Trust	(3,500,000)	(3,500,000)	-	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Outright or in trust to JoAnn	(3,694,873)	(3,886,729)	(7,599,257)	(6,839,566)	(7,096,897)	(7,987,476)	(9,621,340)	(13,228,979)
Taxable estate	3,500,000	3,500,000	-	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
Estate Tax	-	-	-	-	-	-	-	-
Distribution of Jeff 's estate								
Settlement expenses	73,601	75,003	76,557	78,289	80,137	86,480	98,324	123,547
To family trust	3,500,000	3,500,000	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Joint, personal and IRA to JoAnn	2,401,632	2,488,915	2,585,643	2,690,036	2,800,431	3,171,984	3,895,207	5,306,905
Insurance passing to JoAnn	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Outright or in trust to JoAnn	3,694,873	3,886,729	7,599,257	6,839,566	7,096,897	7,987,476	9,621,340	13,228,979
Total	\$ 9,720,106	\$ 10,000,648	\$ 10,311,457	\$ 10,657,891	\$ 11,027,465	\$ 12,295,940	\$ 14,664,871	\$ 19,709,432

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	2015	2020	2029
Tax Calculation on JoAnn's death								
JoAnn's assets	5,782,547	5,950,251	6,136,049	6,343,141	6,564,068	7,322,344	8,738,458	11,754,025
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
Plus assets from Jeff 's estate	6,146,505	6,425,645	10,234,900	9,579,601	9,947,328	11,209,460	13,566,547	18,585,885
JoAnn's estimated estate	13,229,052	13,675,896	17,670,949	17,222,743	17,811,396	19,831,804	22,405,005	30,439,910
Settlement expenses	(157,291)	(161,759)	(201,709)	(197,227)	(203,114)	(223,318)	(249,050)	(329,399)
JoAnn's taxable estate	13,071,762	13,514,137	17,469,239	17,025,515	17,608,282	19,608,486	22,155,955	30,110,511
Tax base	13,071,762	13,514,137	17,469,239	17,025,515	17,608,282	19,608,486	22,155,955	30,110,511
Tentative estate tax	4,307,293	4,506,362	-	9,010,309	9,338,755	10,438,867	11,839,975	16,214,981
Tax on IRD	243,406	254,686	485,801	203,861	222,355	277,810	353,040	488,092
Total tax due	4,550,699	4,761,048	485,801	9,214,170	9,561,110	10,716,677	12,193,015	16,703,073
Distribution of JoAnn's estate								
Settlement expenses	157,291	161,759	201,709	197,227	203,114	223,318	249,050	329,399
Taxes	4,550,699	4,761,048	485,801	9,214,170	9,561,110	10,716,677	12,193,015	16,703,073
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
Residual estate to heirs	7,221,063	7,453,089	15,683,438	6,511,345	6,747,172	7,591,809	9,862,940	13,307,438
Total	\$ 13,229,052	\$ 13,675,896	\$ 17,670,949	\$ 17,222,743	\$ 17,811,396	\$ 19,831,804	\$ 22,405,005	\$ 30,439,910

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 AFTER TAX BENEFITS TO FAMILY - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
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
Residual estate	8,521,063	8,753,089	16,983,438	7,811,345	8,047,172	8,891,809	9,962,940	13,407,438
Proceeds from ILIT ¹	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000	9,000,000	9,000,000	9,000,000
Total assets to heirs	\$ 23,521,063	\$ 23,753,089	\$ 28,483,438	\$ 20,311,345	\$ 20,547,172	\$ 18,891,809	\$ 19,962,940	\$ 23,407,438

¹ Transamerica policies expire after 2013.

SUMMARY OF OVERALL BENEFITS - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
Total Estate Value	15,455,821	15,904,067	16,400,674	16,954,200	17,544,701	19,571,452	23,356,498	31,416,625
Total To Heirs with ILIT Proceeds	23,521,063	23,753,089	28,483,438	20,311,345	20,547,172	18,891,809	19,962,940	23,407,438
% of Estate To Heirs	152%	149%	174%	120%	117%	97%	85%	75%
% of Estate To Taxes	29%	30%	3%	54%	54%	55%	52%	53%
% of Estate To Charity	0%	0%	0%	0%	0%	0%	0%	0%

DETAILS OF JEFF 'S QUALIFIED PLAN - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
Jeff 's Qualified Plans								
Jeff 's Age		53	54	55	56	59	64	73
JoAnn's Age		51	52	53	54	57	62	71
Minimum distribution factor		43.6	42.6	41.6	40.7	37.8	33.0	24.7
Plan contributions		-	-	-	-	-	-	-
Plan balance	1,016,670	1,063,787	1,116,015	1,170,807	1,228,289	1,418,230	1,802,283	2,475,597
Minimum distribution		-	-	-	-	-	-	99,371
Preferred distribution		-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	-	99,371

DETAILS OF JOANN'S QUALIFIED PLAN - EXISTING PLAN

YEAR	Current	2009	2010	2011	2012	2015	2020	2029
JoAnn's Qualified Plans								
JoAnn's Age		51	52	53	54	57	62	71
Jeff 's Age		53	54	55	56	59	64	73
Minimum distribution factor		46	45	44	43	40	35	27
Plan contributions		-	-	-	-	-	-	-
Plan balance	89,720	93,878	98,487	103,322	108,395	125,157	159,049	236,026
Minimum distribution		-	-	-	-	-	-	8,807
Preferred distribution	-	-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	-	8,807

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ASSUMPTIONS 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.

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