

Financial Needs Analysis



Joe and Jane Sample-Affluent
Ridgefield, Connecticut

Peter A. Kypreos, Accountant & Associates Ltd.

Engaged in the Practice of Accountancy Since 1987.

Peter A. Kypreos, B.COMM, MBA, ICIA.
Accountant

Table of Contents

- Introduction 4
- Net Worth 7
- Cash Flow 15
- Income Tax..... 23
- Overview..... 29
- Asset Allocation 33
- Retirement 49
- Education..... 69
- Major Purchase..... 87
- Emergency Fund..... 99
- Business Planning 105
- Monte Carlo Analysis..... 117
- Disability Insurance 129
- Life Insurance 145
- Long-Term Care 177
- Stock Options 193
- Estate Planning 201
- Action Plan..... 225
- Conclusion 230
- Appendix - Plan Data Summary 231
- Tax Considerations 243
- Important Terminology 244
- Disclaimer 249

Introduction

What is Financial Planning?

Financial planning can be a life-long process that assists you and your family in taking control of your financial future. By setting financial goals, developing and implementing financial strategies, and monitoring progress on a regular basis, the likelihood of achieving your results is greatly increased.

There are usually five steps in the preparation of a professional financial plan:

1. An Opening Interview to assess your current financial situation and to identify your priorities and concerns.
2. Gathering information to develop a Profile of your current situation, including a review of your financial information and relevant documents. We will analyze this data to be certain we understand your unique situation and how to address it.
3. Presenting the planning analysis during a strategy session allowing you to understand where you are in relation to where you want to be in the future.
4. Using the plan as a blueprint, develop an Implementation schedule and identify specific products and services to help you reach your goals.
5. The last step in the process is the Periodic Review of your financial situation. At a minimum, we recommend you assess the need for any changes annually. Even the best financial plan must be monitored on a regular basis to make sure you are continuing in the right direction.

Why develop a financial plan?

Most people find that managing their finances is a challenge. We face many opportunities, obstacles, and hazards along the way. We struggle with anxiety relating to our personal financial circumstances. Further, many families are too busy dealing with the challenges of day-to-day life to think about next month; let alone retirement, which may be twenty years or more into the future.

By developing a financial plan, you and your family:

- Will have a better understanding of your current financial situation.
- Determine attainable retirement, education, insurance, and other financial goals.
- Review goals, funding strategies, and alternatives where goals have to be compromised.
- Have the necessary financial resources set aside to fund your goals as they occur.
- Reduce the effect of unexpected events, such as disability, premature death, etc.

Client Information

Family Information

Client	
Name	Joe Sample-Affluent
Date of Birth	Oct 1 1960
Gender	Male
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Citizenship	United States
Name	Jane Sample-Affluent
Date of Birth	Sep 15 1962
Gender	Female
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Citizenship	United States

Dependents	
Name	Julia Sample-Affluent
Date of Birth	Jan 4 1995
Gender	Female
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Dependent of	Joe and Jane
Name	Mark Sample-Affluent
Date of Birth	Apr 23 1996
Gender	Male
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Dependent of	Joe and Jane

Professional Advisors

Type	Name	Business Phone #	Cell Phone #
Advisor	Linda Hamilton	(555) 555-1234	(555) 555-4321

Net Worth



Net Worth Overview

Your current financial position is a key factor in your analysis. You need to know where you are today before you can begin your financial journey to where you would like to be.

Your net worth statement is a listing of all the assets you currently own: your house, cars, bank accounts, investments, cash value of your life insurance policies, other personal property, and your liabilities. Typical liabilities are your mortgage, credit cards, and other debts. Your net worth is represented by the difference between these two values. In theory, if you sold all your assets and paid off all your liabilities, your net worth is the amount you would have left over before taxes.

A net worth statement is important because it helps check progress towards financial goals, plan for changes in assets or liabilities, estimate how well dependent survivors would be able to live on their current inheritance, give an estimate of retirement income potential, and provide a way to chart financial progress over the years.

Your net worth statement is an essential financial tool. You should update it at least yearly and whenever there is a major change in your assets and/or liabilities. When you know your net worth, you can set realistic financial goals.

Net Worth Summary - Current

This net worth summary provides a snap shot showing a financial situation at a certain point in time. It includes what you own (assets), what you owe to creditors (liabilities), and the net value or difference between the two (net worth). In simple terms, the net worth statement shows how much money would be left if everything you owned was converted into cash and used to pay off your debts (before taxes).

The following information is a description of items likely to appear in the report below. Your report may contain some or all of the items listed:

- *Lifestyle* assets include your home, vacation homes and collectibles.
- *Non-Qualified* assets include stocks, bonds, mutual funds, investment real estate and annuities.
- *Qualified* assets include your retirement plans including IRAs and 401(k)s, and it may also contain certain education assets such as 529 Plans.
- *Liabilities* include your mortgages, loans, personal lines of credits and credit cards.
- *Cash Flow Surplus* is the amount of surplus funds from your cash flow statement. In other words, income you did not spend which may be representative of your checking account, for instance.

Net Worth Summary

As of January 1, 2010

	Joe	Jane	Joint	Total
Non-Qualified Assets				
Stock Options	34,500	30,000		64,500
Investment Portfolios		100,000	318,000	418,000
Other	340,000			340,000
Non-Qualified Annuities				
Qualified Assets				
401(k)	545,000	575,000		1,120,000
Other Qualified	92,000	102,000		194,000
Qualified Annuities				
Lifestyle Assets (residences, etc.)			1,750,000	1,750,000
Business Assets	850,000			850,000
Life Insurance Cash Value	125,000	75,000		200,000
Liabilities			(25,000)	(25,000)
Total Net Worth	1,986,500	882,000	2,043,000	4,911,500

Net Worth Summary - Proposed

This net worth summary provides a snap shot showing a financial situation at a certain point in time. It includes what you own (assets), what you owe to creditors (liabilities), and the net value or difference between the two (net worth). In simple terms, the net worth statement shows how much money would be left if everything you owned was converted into cash and used to pay off your debts (before taxes).

The following information is a description of items likely to appear in the report below. Your report may contain some or all of the items listed:

- *Lifestyle* assets include your home, vacation homes and collectibles.
- *Non-Qualified* assets include stocks, bonds, mutual funds, investment real estate and annuities.
- *Qualified* assets include your retirement plans including IRAs and 401(k)s, and it may also contain certain education assets such as 529 Plans.
- *Liabilities* include your mortgages, loans, personal lines of credits and credit cards.
- *Cash Flow Surplus* is the amount of surplus funds from your cash flow statement. In other words, income you did not spend which may be representative of your checking account, for instance.

Net Worth Summary

As of January 1, 2010

	Joe	Jane	Joint	Total
Non-Qualified Assets				
Stock Options	34,500	30,000		64,500
Investment Portfolios		100,000	318,000	418,000
Other	340,000			340,000
Non-Qualified Annuities				
Qualified Assets				
401(k)	545,000	575,000		1,120,000
Other Qualified	92,000	102,000		194,000
Qualified Annuities				
Lifestyle Assets (residences, etc.)			1,750,000	1,750,000
Business Assets	850,000			850,000
Life Insurance Cash Value	125,000	75,000		200,000
Liabilities			(25,000)	(25,000)
Total Net Worth	1,986,500	882,000	2,043,000	4,911,500

Net Worth Statement

This net worth statement provides a detailed breakdown of your financial situation as of January 1, 2010.

Net Worth Statement

As of January 1, 2010

	Joe	Jane	Joint	Total
Non-Qualified Assets				
Joe's ISOs	34,500			34,500
New Haven Bed and Breakfast	340,000			340,000
Jane's 2002 NSOs		30,000		30,000
Jane's Brokerage Account		100,000		100,000
Ridgefield Bank Savings			50,000	50,000
Ridgefield Bank Checking			25,000	25,000
Vacation Timeshare			28,000	28,000
Joint Savings			215,000	215,000
Total Non-Qualified Assets	374,500	130,000	318,000	822,500
Qualified Assets				
Joe's 401(k)	545,000			545,000
Mark's Education Plan	92,000			92,000
Jane's 401(k)		575,000		575,000
Julia's Education Plan		102,000		102,000
Total Qualified Assets	637,000	677,000		1,314,000
Lifestyle Assets				
Art collection			250,000	250,000
Personal Use Property			500,000	500,000
Residence			1,000,000	1,000,000
Total Lifestyle Assets			1,750,000	1,750,000
Life Insurance Cash Value				
Joe's policy	125,000			125,000
Jane's policy		75,000		75,000
Total Life Insurance Cash Value	125,000	75,000		200,000
Business Assets				
Hargrave Real Estate Consulting	850,000			850,000
Total Business Assets	850,000			850,000
Total Assets	1,986,500	882,000	2,068,000	4,936,500
Liabilities				
Personal Loans			(25,000)	(25,000)
Total Liabilities			(25,000)	(25,000)
Total Net Worth	1,986,500	882,000	2,043,000	4,911,500

Net Worth Accumulation - Current

The following report provides a summary of the accumulation and/or depletion of your assets over time. It displays the start of year asset balance, along with any contributions, redemptions, reinvestments or growth that are applicable throughout each year, as well as the end of year asset balance.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	54,600	0	101,616	119,228	5,215,844
2011	51/49	5,215,844	75,600	27,165	93,164	124,013	5,502,180
2012	52/50	5,502,180	172,086	138,307	122,791	121,820	5,784,469
2013	53/51	5,784,469	54,600	46,305	132,440	128,254	6,057,359
2014	54/52	6,057,359	54,600	97,241	139,732	135,211	6,293,561
2015	55/53	6,293,561	54,600	98,984	147,574	142,596	6,543,247
2016	56/54	6,543,247	52,200	44,358	159,353	150,628	6,864,971
2017	57/55	6,864,971	49,800	3,390	174,447	159,300	7,249,028
2018	58/56	7,249,028	45,000	82,758	188,243	170,179	7,685,068
2019	59/57	7,685,068	45,000	0	205,752	179,992	8,119,712
2020	60/58	8,119,712	45,000	0	224,677	190,435	8,583,724
2021	61/59	8,583,724	45,000	0	245,132	201,552	9,079,308
2022	*62/60*	9,079,308	31,750	0	267,092	213,360	9,595,411
2023	63/61	9,595,411	0	0	288,834	225,498	10,113,642
2024	64/62	10,113,642	0	186,810	312,870	238,280	10,481,882
2025	65/63	10,481,882	0	187,906	323,904	249,066	10,870,847
2026	66/64	10,870,847	0	190,742	336,964	260,488	11,281,457
2027	67/65	11,281,457	0	193,528	350,881	272,566	11,715,276
2028	68/66	11,715,276	0	196,250	365,730	285,343	12,173,999
2029	69/67	12,173,999	0	198,898	381,591	298,866	12,659,458
2030	70/68	12,659,458	0	201,463	398,552	313,185	13,173,632
2031	71/69	13,173,632	0	200,756	412,714	327,471	13,713,781
2032	72/70	13,713,781	0	174,318	431,588	343,415	14,314,986
2033	73/71	14,314,986	0	244,506	449,100	359,723	14,875,916
2034	74/72	14,875,916	0	264,001	467,207	376,834	15,451,988
2035	75/73	15,451,988	0	285,023	485,362	394,685	16,042,417
2036	76/74	16,042,417	0	307,685	503,459	413,293	16,646,213
2037	77/75	16,646,213	0	331,334	521,401	432,682	17,262,987
2038	78/76	17,262,987	0	357,595	539,047	452,868	17,890,550
2039	79/77	17,890,550	0	383,985	556,281	473,876	18,529,178
2040	80/78	18,529,178	0	413,213	572,960	496,327	19,176,237
2041	81/79	19,176,237	0	443,388	588,908	520,838	19,830,881
2042	82/80	19,830,881	0	475,577	603,959	544,933	20,491,022
2043	83/81	20,491,022	0	509,881	617,894	570,426	21,154,266
2044	84/82	21,154,266	0	546,397	630,470	595,830	21,817,886
2045	85/83	21,817,886	0	583,273	641,488	622,172	22,480,890
2046	86/84	22,480,890	0	622,205	650,729	649,479	23,140,351
2047	87/85	23,140,351	0	660,921	657,989	677,784	23,795,507
2048	88/86	23,795,507	0	701,341	663,046	707,124	24,443,435
2049	89/87	24,443,435	0	743,403	665,599	737,522	25,080,999
2051	--/89	24,653,981	0	785,206	664,110	746,258	25,255,744

* = Year of retirement

Net Worth Accumulation - Proposed

The following report provides a summary of the accumulation and/or depletion of your assets over time. It displays the start of year asset balance, along with any contributions, redemptions, reinvestments or growth that are applicable throughout each year, as well as the end of year asset balance.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	391,107	508,978	130,516	121,373	4,372,351
2011	51/49	4,247,351	82,512	27,165	125,054	72,735	4,521,631
2012	52/50	4,521,631	178,998	138,307	160,970	68,224	4,795,835
2013	53/51	4,795,835	61,512	46,305	176,264	71,602	5,063,228
2014	54/52	5,063,228	61,512	97,241	189,211	74,978	5,296,007
2015	55/53	5,296,007	1,061,512	102,103	243,351	88,963	6,592,051
2016	56/54	6,592,051	58,188	107,756	261,402	93,247	6,901,453
2017	57/55	6,901,453	55,788	57,298	284,883	98,349	7,287,494
2018	58/56	7,287,494	48,288	113,024	308,162	105,440	7,752,155
2019	59/57	7,752,155	48,288	0	338,115	111,885	8,254,764
2020	60/58	8,254,764	48,288	0	370,768	118,824	8,796,964
2021	61/59	8,796,964	48,288	0	406,370	126,300	9,382,242
2022	62/60	9,382,242	48,288	0	445,196	134,361	10,014,407
2023	*63/61*	10,014,407	171,862	1,454,001	455,388	129,105	9,918,827
2024	64/62	10,021,081	0	6,000	407,169	101,734	10,528,304
2025	65/63	10,528,304	0	37,380	437,645	106,219	11,039,107
2026	66/64	11,039,107	0	369,771	463,432	110,773	11,247,861
2027	67/65	11,247,861	0	377,212	475,586	113,249	11,463,804
2028	68/66	11,463,804	0	357,669	486,768	115,815	11,713,038
2029	69/67	11,713,038	0	363,819	498,641	118,683	11,970,863
2030	70/68	11,970,863	0	418,579	508,548	121,633	12,186,786
2031	71/69	12,186,786	0	537,916	504,048	123,885	12,278,005
2032	72/70	12,278,005	0	555,828	503,312	125,728	12,352,433
2033	73/71	12,352,433	0	535,792	497,441	127,047	12,439,234
2034	74/72	12,439,234	0	482,972	495,877	128,928	12,579,093
2035	75/73	12,579,093	0	498,537	497,195	131,217	12,706,861
2036	76/74	12,706,861	0	507,259	497,559	133,468	12,828,405
2037	77/75	12,828,405	0	523,385	497,323	135,727	12,935,755
2038	78/76	12,935,755	0	507,222	495,976	137,938	13,060,049
2039	79/77	13,060,049	0	457,808	495,391	140,321	13,235,489
2040	80/78	13,235,489	0	470,692	497,491	143,704	13,402,792
2041	81/79	13,402,792	0	481,698	498,843	148,292	13,563,125
2042	82/80	13,563,125	0	495,263	499,484	151,592	13,713,252
2043	83/81	13,713,252	0	511,918	499,217	155,386	13,849,198
2044	84/82	13,849,198	0	526,888	497,804	158,149	13,971,514
2045	85/83	13,971,514	0	542,168	495,299	160,893	14,078,849
2046	86/84	14,078,849	0	557,743	491,594	163,610	14,169,741
2047	87/85	14,169,741	0	580,788	486,632	166,298	14,235,533
2048	88/86	14,235,533	0	597,082	479,886	168,901	14,281,215
2049	89/87	14,281,215	0	613,754	471,647	171,458	14,304,986
2051	--/89	8,287,381	0	276,032	208,517	113,770	8,329,617

* = Year of retirement

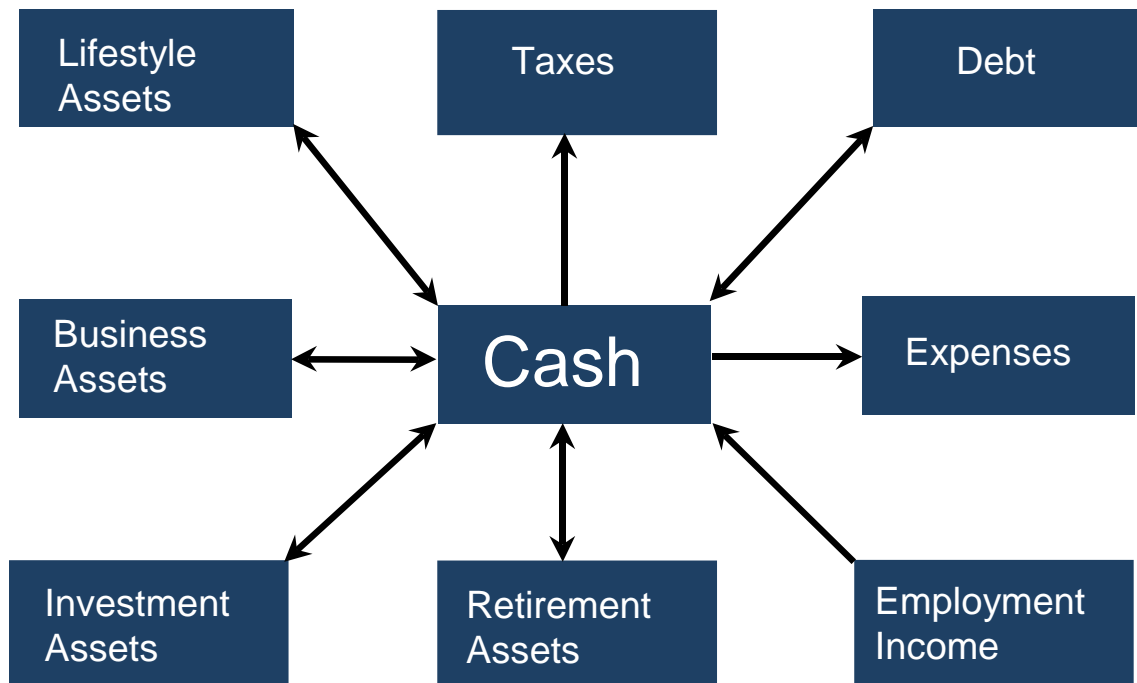
Cash Flow



Cash Flow Overview

Cash flow management takes into account all sources of income and expenses.

The following diagram represents the many items that can have an effect on a household's cash flow.



Assets are a use of cash when they are purchased and a source of cash when they are sold. Investment assets that produce income can provide a source of cash throughout their life. A liability is a source of cash when it is incurred and a use of cash as it is paid off. Employment income is a source of cash. Expenses and taxes are a use of cash.

In short, cash inflows come from income, debt, and the sale of assets. Cash outflows pay expenses, reduce debt, and purchase assets.

Cash Flow Summary - Current

The cash flow report below outlines your current sources of income and expenses. Your income includes employment income, investment income and any other sources. Your expenses include your daily living expenses, debt payments including your mortgage, current investment contributions and insurance premiums.

Current Surplus/(Deficit) displays any excess cash available or shortfall at the end of the current year once all expenses have been covered and investments made. *Ending Surplus/(Deficit)* displays the final surplus or deficit at the end of the current year after adjustments to or from other family members. The family's ending surplus or deficit is the sum of the individual family member's ending surpluses or deficits.

	Joe	Jane	Family
<i>Cash Inflows</i>			
Employment Inflows	\$200,000	\$189,000	\$389,000
Investment Inflows	\$57,154	\$11,492	\$68,646
Received Capital	\$85,000	\$0	\$85,000
Total Cash Inflows	\$342,154	\$200,492	\$542,646
<i>Cash Outflows</i>			
Lifestyle Expenses	\$64,200	\$64,200	\$128,400
Taxes	\$113,751	\$70,500	\$184,252
Refundable Tax Credits	\$0	(\$360)	(\$360)
Non-Qualified Contributions and Reinvestments	\$10,311	\$13,285	\$23,596
Investment Expenses	\$15,000	\$0	\$15,000
Qualified Contributions	\$14,400	\$14,400	\$28,800
Total Cash Outflows	\$225,383	\$168,545	\$393,928
Current Surplus/(Deficit)			148,719
Ending Surplus/(Deficit)			148,719

Consider the following:

- Continue to maintain a positive cash flow to generate the funds necessary to meet your goals.

Cash Flow Summary - Proposed

The cash flow report below outlines your current sources of income and expenses. Your income includes employment income, investment income and any other sources. Your expenses include your daily living expenses, debt payments including your mortgage, current investment contributions and insurance premiums.

Current Surplus/(Deficit) displays any excess cash available or shortfall at the end of the current year once all expenses have been covered and investments made. *Ending Surplus/(Deficit)* displays the final surplus or deficit at the end of the current year after adjustments to or from other family members. The family's ending surplus or deficit is the sum of the individual family member's ending surpluses or deficits.

	Joe	Jane	Family
<i>Cash Inflows</i>			
Employment Inflows	\$200,000	\$189,000	\$389,000
Investment Inflows	\$171,522	\$40,960	\$212,482
Received Capital	\$203,968	\$151,899	\$355,867
Total Cash Inflows	\$575,490	\$381,859	\$957,349
<i>Cash Outflows</i>			
Lifestyle Expenses	\$65,700	\$65,700	\$131,400
Taxes	\$174,865	\$107,498	\$282,363
Refundable Tax Credits	\$0	(\$360)	(\$360)
Non-Qualified Contributions and Reinvestments	\$155,867	\$204,976	\$360,843
Investment Expenses	\$15,000	\$0	\$15,000
Qualified Contributions	\$14,400	\$14,400	\$28,800
Total Cash Outflows	\$433,972	\$398,734	\$832,706
Current Surplus/(Deficit)			124,643
Ending Surplus/(Deficit)			124,643

Consider the following:

- Continue to maintain a positive cash flow to generate the funds necessary to meet your goals.

Cash Flow Outlook - Current

The following report shows your sources of income and expenses over the next 5 years.

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	206,000	212,180	218,545	225,102
Joe's ISOs	0	17,615	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	389,000	418,285	412,690	425,071	437,823
Investment Inflows					
Joe's ISOs	0	10,341	35,343	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	89,250	93,713	98,398	103,318
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	4,337	4,485	7,000	7,309	7,519
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Joint Savings (Non-Qualified)	9,368	9,940	10,478	11,032	11,602
Ridgefield Bank Checking (Joint/Non-Qualified)	1,084	1,121	1,154	1,187	1,221
Ridgefield Bank Savings (Joint/Non-Qualified)	2,169	2,243	2,307	2,373	2,442
Vacation Timeshare (Joint/Non-Qualified)	1,688	2,029	2,370	2,725	3,092
Total Investment Inflows	153,646	170,909	308,374	223,965	282,709
Total Cash Inflows	542,646	589,195	721,064	649,036	720,532
Cash Outflows					
Lifestyle Expenses					
Housing (e.g. utilities, repairs) (Joint)	81,600	84,048	86,569	89,167	91,842
Mortgage (Joint)	42,000	42,000	42,000	42,000	42,000
Personal Loans (Joint)	4,800	4,800	4,800	4,800	4,800
Support for Mark (Mark)	0	20,600	21,218	21,855	22,510
Total Lifestyle Expenses	128,400	151,448	154,587	157,821	161,152
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	0	21,000	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	2,974	2,520	61,419	4,107	4,225
Joint Savings (Non-Qualified)	12,415	11,586	11,888	12,199	12,519
Ridgefield Bank Checking (Joint/Non-Qualified)	743	630	648	667	686
Ridgefield Bank Savings (Joint/Non-Qualified)	1,487	1,260	1,296	1,334	1,372
Vacation Timeshare (Joint/Non-Qualified)	5,977	5,940	6,132	6,331	6,538
Total Non-Qualified Contributions and Reinvestments	23,596	42,936	141,384	24,638	25,340
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	12,000	12,000	12,000	12,000
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	2,400	2,400	2,400	2,400
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	2,400	2,400	2,400	2,400
Total Qualified Contributions	28,800	28,800	28,800	28,800	28,800
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Joe's Group LTD (Joe)	1,200	1,200	1,200	1,200	1,200

	2010	2011	2012	2013	2014
Joe's Group STD (Joe)	900	900	900	900	900
Joe's policy (Whole Life)	2,400	2,400	2,400	2,400	2,400
LTC Insurance (Joe)	720	720	720	720	720
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Total Miscellaneous Expenses	14,240	14,390	14,545	14,704	14,868
Taxes					
Regular Federal Tax	124,658	157,577	179,510	167,919	174,101
Alternative Minimum Tax	15,718	0	0	0	0
Social Security Tax - employment	13,243	13,243	14,248	14,806	15,401
Medicare Tax - employment	5,641	6,065	6,607	6,164	6,348
State Income Tax	24,992	26,847	30,351	30,198	33,537
Total Taxes	184,252	203,732	230,716	219,086	229,388
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	393,928	456,385	585,563	507,351	573,265
Current Surplus/(Deficit)	148,719	132,809	135,501	141,685	147,267
Previous Surplus/(Deficit)	0	148,719	281,528	417,029	558,714
Ending Surplus/(Deficit)	148,719	281,528	417,029	558,714	705,981

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Cash Flow Outlook - Proposed

The following report shows your sources of income and expenses over the next 5 years.

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	206,000	212,180	218,545	225,102
Joe's ISOs	0	17,615	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	389,000	418,285	412,690	425,071	437,823
Investment Inflows					
Joe's ISOs	0	10,341	35,343	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	0	0	0	0
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	52,368	7,529	11,856	12,636	13,276
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Joint Savings (Non-Qualified)	181,657	15,937	17,195	18,520	19,918
Julia - College Education Fund (Joint/Non-Qualified)	36	104	176	251	330
Retirement Fund (Joint/Non-Qualified)	1,490	2,889	3,335	3,807	4,308
Ridgefield Bank Checking (Joint/Non-Qualified)	26,793	1,902	1,999	2,100	2,207
Ridgefield Bank Savings (Joint/Non-Qualified)	53,587	3,805	3,998	4,201	4,414
Vacation Timeshare (Joint/Non-Qualified)	17,314	2,657	3,136	3,639	4,168
Vacation Timeshare Fund (Joint/Non-Qualified)	105	305	514	733	964
Total Investment Inflows	468,349	96,970	233,560	146,829	203,101
Trust Inflows:					
Affluent Family Partnership — Joe	100,000	94,545	88,711	81,930	74,527
Total Trust Inflows:	100,000	94,545	88,711	81,930	74,527
Total Cash Inflows	957,349	609,800	734,961	653,830	715,451
Cash Outflows					
Lifestyle Expenses					
Housekeeping (Joint)	1,800	1,854	1,910	1,967	2,026
Housing (e.g. utilities, repairs) (Joint)	81,600	84,048	86,569	89,167	91,842
Mortgage (Joint)	42,000	42,000	42,000	42,000	42,000
Personal Loans (Joint)	6,000	6,000	6,000	6,000	4,840
Support for Mark (Mark)	0	20,600	21,218	21,855	22,510
Total Lifestyle Expenses	131,400	154,502	157,697	160,988	163,218
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	0	21,000	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	49,109	4,231	64,148	7,100	7,460
Joint Savings (Non-Qualified)	175,008	14,955	15,662	16,407	17,192
Julia - College Education Fund (Joint/Non-Qualified)	949	983	1,023	1,065	1,109
Retirement Fund (Joint/Non-Qualified)	32,973	4,912	5,162	5,427	5,709
Ridgefield Bank Checking (Joint/Non-Qualified)	26,261	1,069	1,123	1,180	1,240
Ridgefield Bank Savings (Joint/Non-Qualified)	52,522	2,138	2,247	2,360	2,480
Vacation Timeshare (Joint/Non-Qualified)	21,247	6,293	6,562	6,845	7,142
Vacation Timeshare Fund (Joint/Non-Qualified)	2,774	2,871	2,989	3,112	3,242
Total Non-Qualified Contributions and Reinvestments	360,843	58,451	158,915	43,497	45,575
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	12,000	12,000	12,000	12,000
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	2,400	2,400	2,400	2,400
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	2,400	2,400	2,400	2,400
Total Qualified Contributions	28,800	28,800	28,800	28,800	28,800

	2010	2011	2012	2013	2014
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Joe's Group LTD (Joe)	1,200	1,200	1,200	1,200	1,200
Joe's Group STD (Joe)	900	900	900	900	900
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	720	720	720	720
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Additional Life Insurance (Joint/Whole Life)	420	420	420	420	420
ILIT	0	2,400	2,400	2,400	2,400
Total Miscellaneous Expenses	14,660	14,810	14,965	15,124	15,288
Taxes					
Regular Federal Tax	219,146	152,219	171,628	153,108	155,865
Alternative Minimum Tax	2,149	0	0	0	0
Social Security Tax - employment	13,243	13,243	14,248	14,806	15,401
Medicare Tax - employment	5,641	6,065	6,607	6,164	6,348
State Income Tax	42,184	27,103	30,251	29,629	32,474
Total Taxes	282,363	198,630	222,733	203,706	210,088
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	832,706	470,272	598,642	514,417	576,686
Current Surplus/(Deficit)	124,643	139,527	136,319	139,413	138,765
Previous Surplus/(Deficit)	0	124,643	264,170	400,489	539,902
Ending Surplus/(Deficit)	124,643	264,170	400,489	539,902	678,667

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Income Tax



Income Tax Overview

What is tax planning?

Tax planning usually involves strategies to minimize your income tax liability by, for instance, deferring income, maximizing deductions and deductible expenses for a particular year, and selecting tax-advantaged investments.

Selecting investments from a tax perspective

Investment tax planning focuses on the income tax implications of your investment selections. You should understand how the different returns of the investments you are considering are taxed before finalizing your asset allocation decisions. For example, corporate and most government bonds generate ordinary income taxed at your marginal (top) tax bracket. However, municipal bonds are generally tax exempt. The stocks of many large, established companies like banks and utilities pay regular dividends. Dividends are eligible for a reduced rate of tax until December 31, 2010. Otherwise, dividends are taxed as ordinary income. Many growth companies, such as technology firms, pay little or no dividends, as they reinvest all their earnings. Most stock is owned in the hope that it will increase in value over time. This increase in value is called a capital gain, and is most often taxed at a lower rate.

The timing of when you receive income is also an important consideration. Taxable bond income and dividends are taxed in the year you receive the income. The increase in the value of a stock (capital gain) is generally taxed when the stock is sold. Either way, timing should be taken into consideration if you decide to make a major shift in your investments that requires the sale of a lot of highly appreciated assets. It is also important to know that stocks you hold for one year or less will not receive favorable tax treatment, and their gains are taxed as ordinary income.

The investment strategies of mutual funds should also be considered from a tax perspective. Some funds adopt a buy-and-hold strategy that minimizes the tax generated. Other funds regularly buy and sell investments, triggering taxes even if you do not make any changes to your investments.

Additionally, when you are saving for retirement, you may choose to invest in tax-deductible and tax-deferred vehicles such as your 401(k) through your employer or an IRA or Roth IRA.

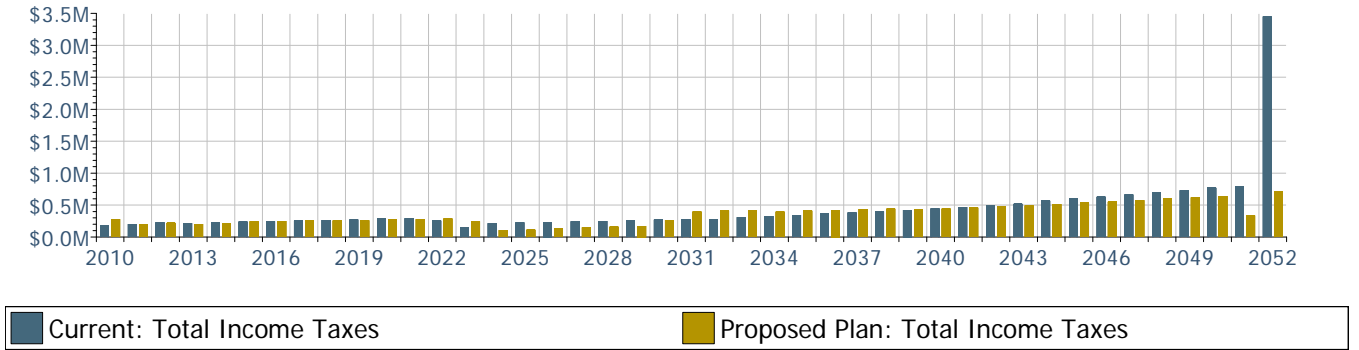
The process of selecting investments should not be based solely on tax implications, as each investment choice may have its drawbacks. Generally, if your tax objective is to select tax-favorable investments, it should be consistent with your return rate expectation and risk tolerance, overall goals, and time horizon.

Circular 230: Any income tax, estate tax or gift tax advice contained within this document was not intended or written to be used and cannot be used for the purpose of avoiding penalties that may be imposed.

Income Tax Summary

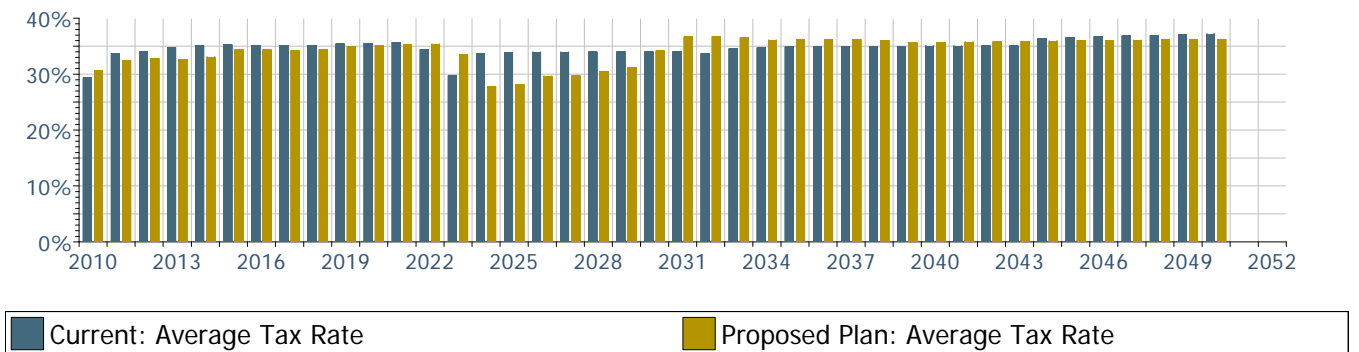
The following graphs compare the total tax in your current plan with any scenarios. Total tax represents all income tax payable on taxable income from all sources during the current year as well as gift tax and estate tax, if applicable.

Proposed Plan



The following graphs compare average tax rates between your plan with any scenarios. The average tax rate is the total annual taxes paid in a year divided by the taxable income, and it blends all forms of income, all forms of tax and tax preference, and all rates of taxation to provide a single tax rate value.

Proposed Plan



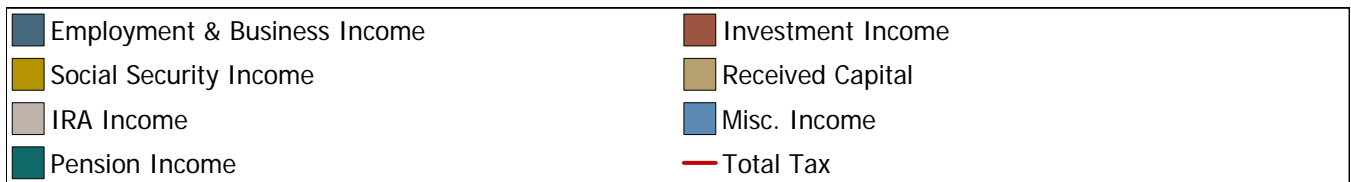
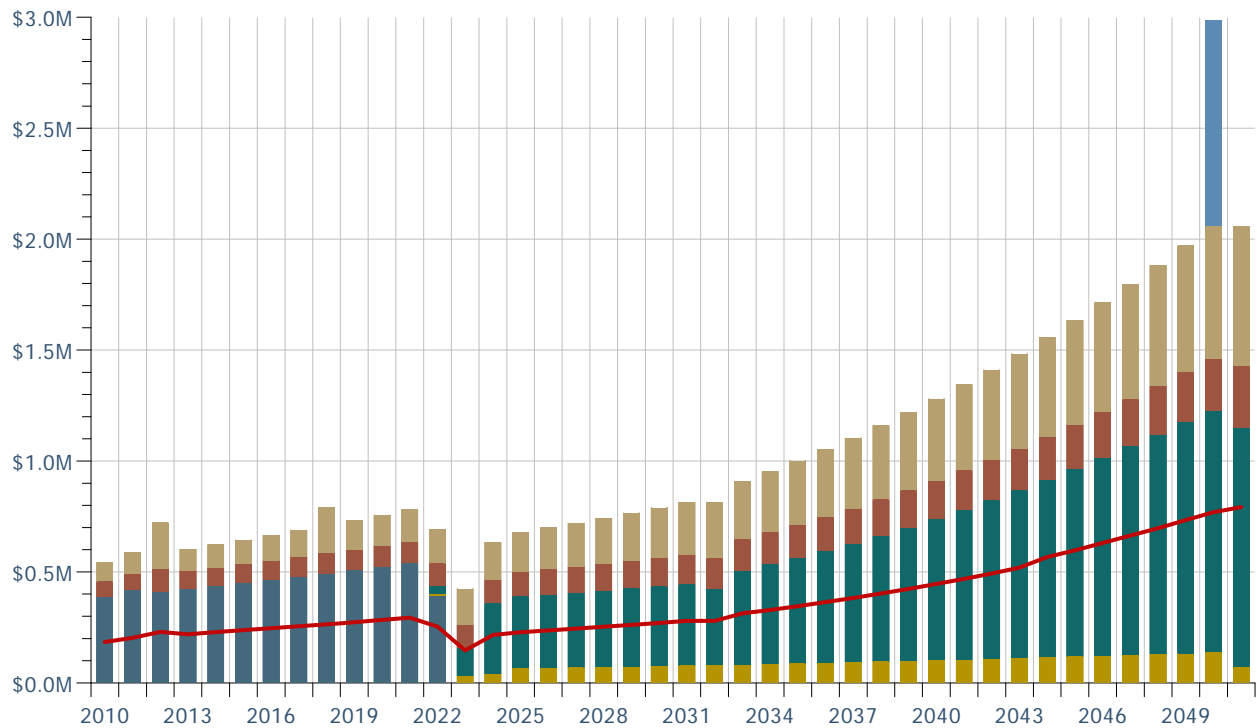
Consider the following:

- Use qualified plans such as IRAs, Roth IRAs and 401(k) plans to defer taxes
- Consider non-qualified plans, such as deferred compensation, when available
- Charitable contributions, debt structure and asset transfers (college fund to children, for example) can also affect your income taxes

We should discuss which, if any, of these strategies would be most appropriate for your situation.

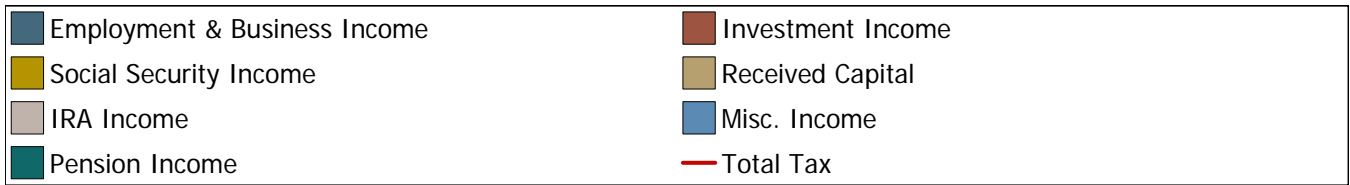
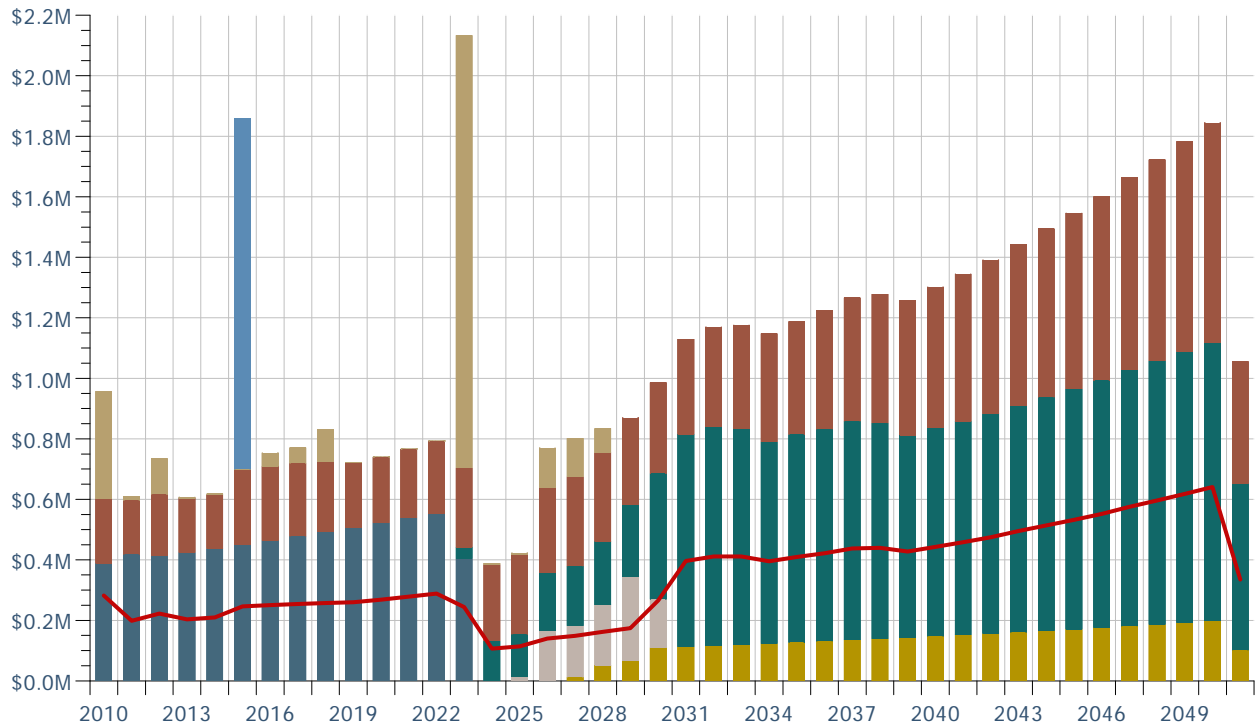
Income Sources & Total Tax - Current

This graph illustrates your total income from all sources and your total income tax.



Income Sources & Total Tax - Proposed

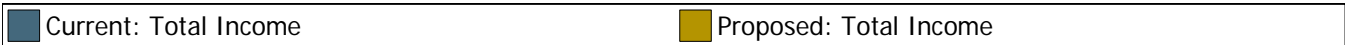
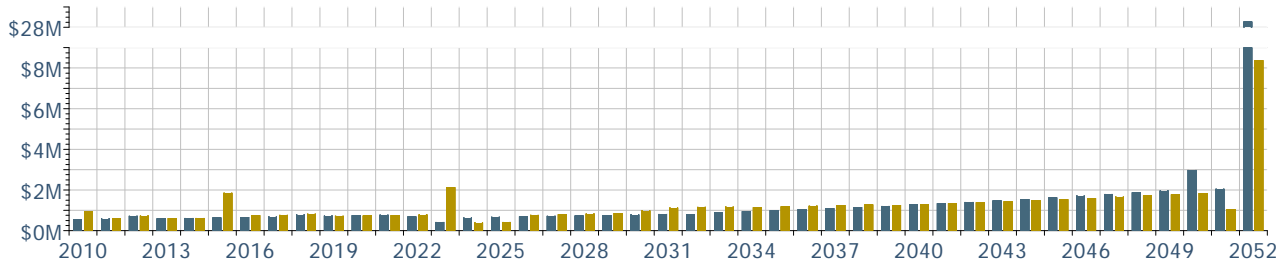
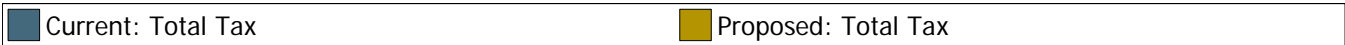
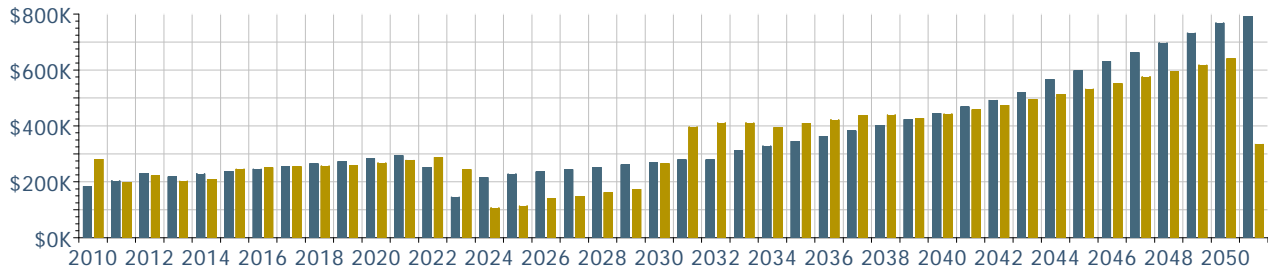
This graph illustrates your total income from all sources and your total income tax.



Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Total Income & Total Tax Comparison

This graph provides a comparison of your total income and total taxes between your current plan and your proposed plan.



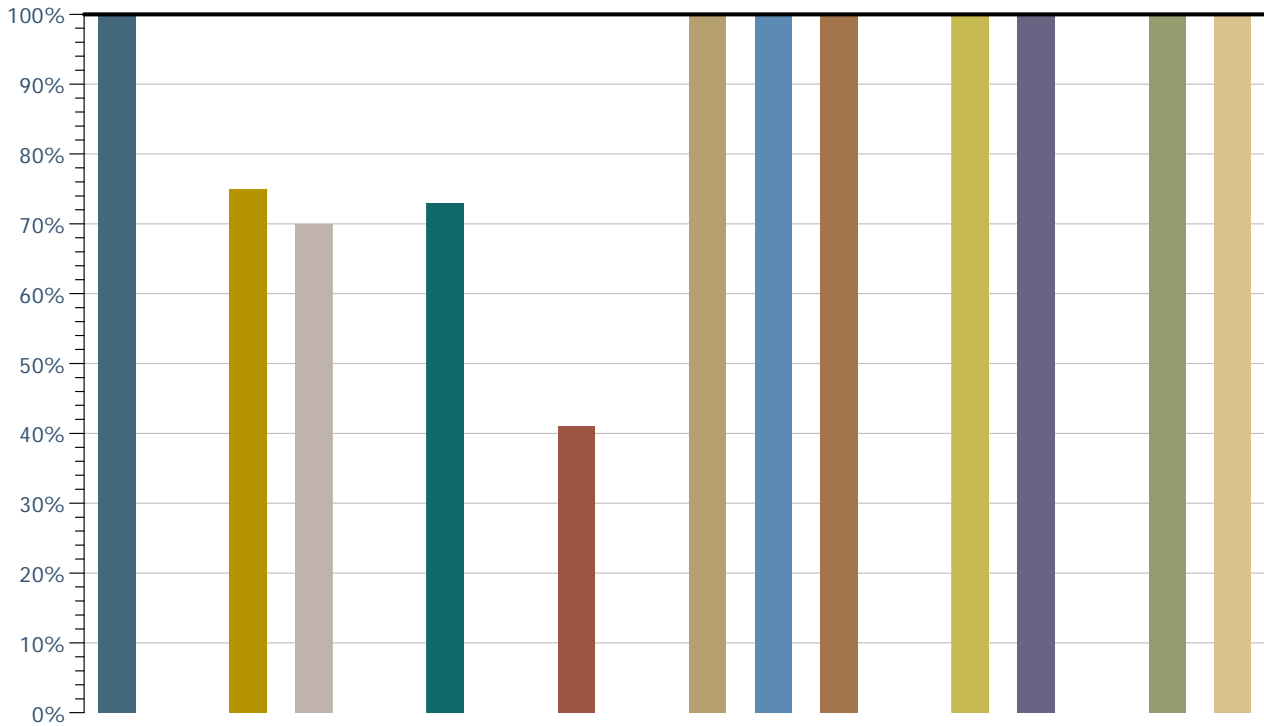
Overview



Overview

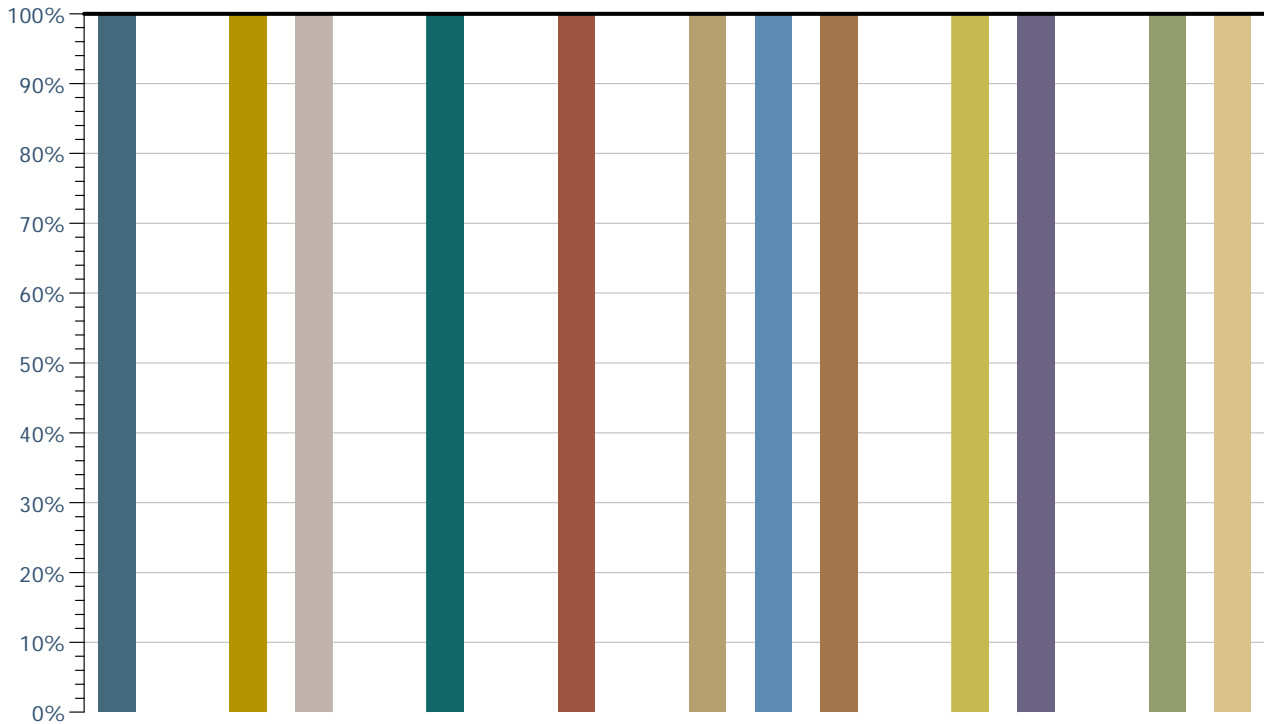
The Goal Coverage graph(s) illustrate the percentage of all cash outflows that occur during the goal period, except for income and estate taxes, which can be covered using all goal resources and the specified goal dates.

Current



Goal Description	Goal Coverage
Retirement	100.00%
Julia - College Education	75.00%
Mark - College Education	70.00%
Vacation Timeshare	73.00%
Emergency Fund	41.00%
Life Insurance - Joe	100.00%
Life Insurance - Jane	100.00%
Life Insurance - Joe and Jane	100.00%
Disability Insurance - Joe	100.00%
Disability Insurance - Jane	100.00%
Long-term care Insurance - Joe	100.00%
Long-term care Insurance - Jane	100.00%

Proposed



Goal Description	Goal Coverage
Retirement	100.00%
Julia - College Education	100.00%
Mark - College Education	100.00%
Vacation Timeshare	100.00%
Emergency Fund	100.00%
Life Insurance - Joe	100.00%
Life Insurance - Jane	100.00%
Life Insurance - Joe and Jane	100.00%
Disability Insurance - Joe	100.00%
Disability Insurance - Jane	100.00%
Long-term care Insurance - Joe	100.00%
Long-term care Insurance - Jane	100.00%

Asset Allocation



Asset Allocation Overview

What is Asset Allocation?

Asset allocation is the process of aligning your risk tolerances, financial objectives, and investment time horizon to your investment portfolio. Selecting different asset types (commonly known as asset classes) may reduce the risk of your overall investment portfolio.

The three most common asset types (classes) are as follows:

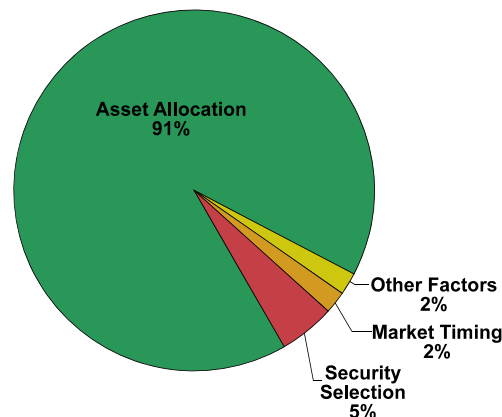
- Cash or short-term investments (savings accounts, money market accounts, etc.)
- Fixed Income investments (CDs, bonds, etc.)
- Equities (domestic and foreign stock, etc.)

Each of these three asset classes can be further subdivided. For example, equities may be broken down by size (small, medium or large capitalized companies), different sectors of the economy (technology, financial services, etc.) or be divided geographically (US, Europe, Asia, etc.).

The decision of how to allocate your investments depends on a number of factors including your investment objectives, time horizon, attitudes toward acceptable risk, desired return and tax bracket.

The basic premise of asset allocation is that by diversifying your investments over a number of different assets and asset classes, you can help reduce the risk of the entire portfolio while maintaining your desired long-term return rate expectations. Over the long term, an appropriate asset allocation (what to buy) is more important than when to buy. Generally, a decline in one asset class can be offset by an increase in another. Your choice of individual investments can also help reduce the risk of your portfolio. For example, if you diversify within each asset class and choose a number of stocks across different industries, your technology stock may be declining while your financial services stock may be rising. This strategy can also help reduce overall portfolio risk as opposed to investing all of your stocks in a single company or sector of the economy.

Studies have shown selection of a portfolio's asset allocation can be responsible for over 90% of a portfolio's performance with the remaining portion comprised of market timing, security selection, and other factors.



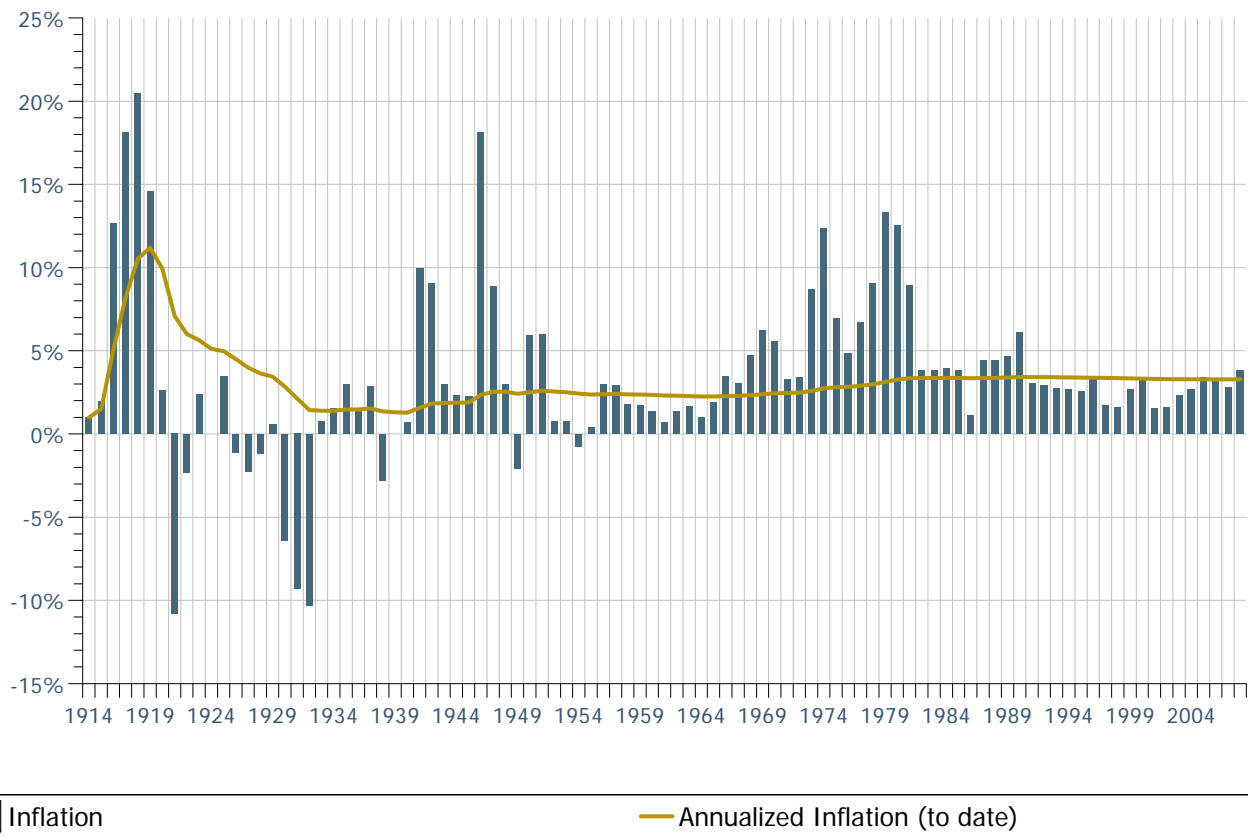
Source: Brinson, Hood and Beebower, "Determinants of Portfolio Performance," Financial Analyst Journal, May-June 1991.

Higher risk and higher potential return?

Your overall comfort level with risk should be a major factor in choosing appropriate investments. It is important to consider that generally, achieving a higher rate of return requires accepting a higher level of risk. Higher risk investments are generally appropriate for clients with more aggressive risk profiles and longer investment time horizons. If your financial objective is many years away (retirement, for example) your investments may withstand the ups and downs of the market. If your goal is only a few years away (such as the purchase of a new car), your investment may decline during the period you wish to redeem the investments. Generally, as your financial goal approaches, you should reduce the risk of your investments by reallocating to a less aggressive asset mix.

Why should you consider inflation?

When planning for an accumulation goal, (retirement, education, or a major purchase) consider the effect of inflation on the eventual cost of the item. If inflation is not considered, savings may fall short of your goal. For example, an item that costs \$1,000 today will cost \$1,344 in 10 years, assuming a 3% inflation rate. The graph below shows actual inflation rates for the past 95 years and the average annual rate of inflation from 1914 to 2008 is 3.28%.



Inflation History data obtained from the U.S. Department of Labor. Inflation rates are based on the Consumer Price Index.

Risk Tolerance Analysis

Risk Tolerance Analysis results:

Portfolio	Investment Profile	Time Horizon
Entire Portfolio	Moderate	Very Long

Different investors have different risk tolerances. Much of the difference stems from time horizon. That is, someone with a short investment time horizon is less able to withstand losses. The remainder of the difference is attributable to the individual's appetite for risk. Volatility can be nerve-wracking for many people and they are more comfortable when they can avoid it. However, there is a definite relationship between risk and return. Investors need to recognize this risk/return trade-off. The following risk tolerance questionnaire has been designed to measure an individual's ability (time horizon) and willingness (risk tolerance) to accept uncertainties in their investment's performance. The total score recommends which of the five risk profiles is most appropriate for the investor.

1. When do you expect to begin withdrawing money from your investment account?

Portfolio	Less than 1 year	1 to 2 years	3 to 4 years	5 to 7 years	8 to 10 years	11 years or more
Entire Portfolio						X

2. Once you begin withdrawing money from your investment account, how long do you expect the withdrawals to last?

Portfolio	I plan to take a lump sum distribution	1 to 4 years	5 to 7 years	8 to 10 years	11 years or more
Entire Portfolio					X

3. Inflation, the rise in prices over time, can erode your investment return. Long-term investors should be aware that, if portfolio returns are less than the inflation rate, their ability to purchase goods and services in the future might actually **decline**. However, portfolios with long-term returns that significantly exceed inflation are associated with a higher degree of risk.

Which of the following portfolios is most consistent with your investment philosophy?

- a) **Portfolio 1** will most likely exceed long-term inflation by a significant margin and has a high degree of risk.
- b) **Portfolio 2** will most likely exceed long-term inflation by a moderate margin and has a high to moderate degree of risk.
- c) **Portfolio 3** will most likely exceed long-term inflation by a small margin and has a moderate degree of risk.
- d) **Portfolio 4** will most likely match long-term inflation and has a low degree of risk.

Portfolio	Option a	Option b	Option c	Option d
Entire Portfolio			X	

4. Portfolios with the highest average returns also tend to have the highest chance of short-term losses. The table below provides the average dollar return of four hypothetical investments of \$100,000 and the possibility of losing money (ending value of less than \$100,000) over a **one-year holding period**. Please select the portfolio with which you are most comfortable.

Probabilities After 1 Year

	Possible Average Value at the End of One Year	Chance of Losing Money at the End of One Year
a. Portfolio A	\$105,000	24%
b. Portfolio B	\$107,000	27%
c. Portfolio C	\$108,000	29%
d. Portfolio D	\$110,000	31%

Portfolio	Option a	Option b	Option c	Option d
Entire Portfolio		X		

5. Investing involves a trade-off between risk and return. Historically, investors who have received high long-term average returns have experienced greater fluctuations in the value of their portfolio and more frequent short-term losses than investors in more conservative investments have. Considering the above, which statement best describes your investment goals?

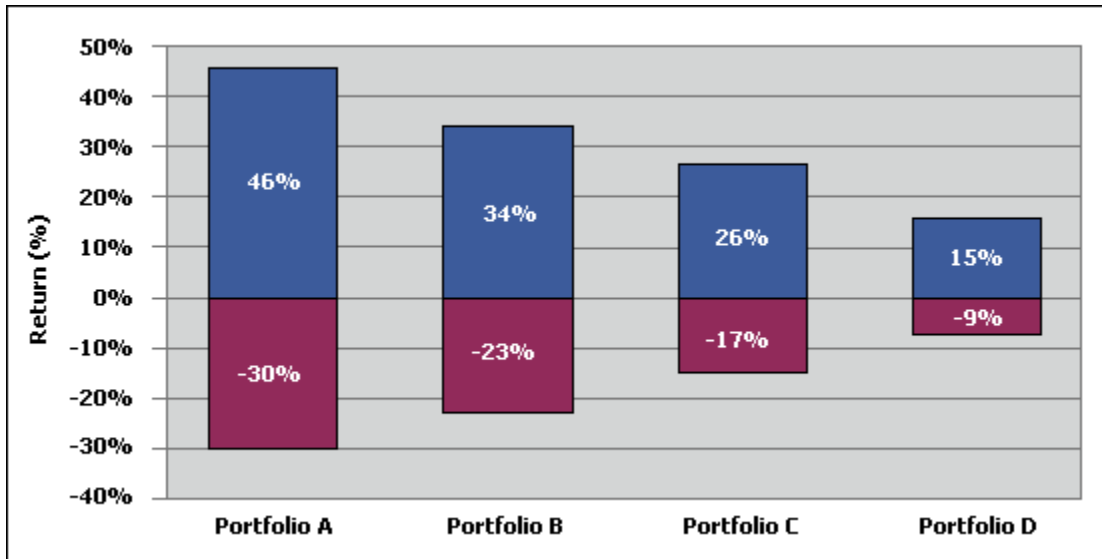
- a) **Protect the value of my account.** In order to minimize the chance for loss, I am willing to accept the lower long-term returns provided by conservative investments.
- b) **Keep risk to a minimum** while trying to achieve slightly higher returns than the returns provided by investments that are more conservative.
- c) **Balance** moderate levels of risk with moderate levels of returns.
- d) **Maximize long-term investment returns.** I am willing to accept large and sometimes dramatic fluctuations in the value of my investments.

Portfolio	Statement a	Statement b	Statement c	Statement d
Entire Portfolio			X	

6. Historically, markets have experienced downturns, both short-term and prolonged, followed by market recoveries. Suppose you owned a well-diversified portfolio that fell by 20% (i.e. \$1,000 initial investment would now be worth \$800) over a short period, consistent with the overall market. Assuming you still have 10 years until you begin withdrawals, how would you react?

Portfolio	I would not change my portfolio	I would wait at least one year before changing to options that are more conservative	I would wait at least three months before changing to options that are more conservative	I would immediately change to options that are more conservative
Entire Portfolio		X		

7. The following graph shows the hypothetical results of four sample portfolios over a one-year holding period. The best potential and worst potential gains and losses are presented. Note that the portfolio with the best potential gain also has the largest potential loss. Which of these portfolios would you prefer to hold?



Portfolio	Portfolio A	Portfolio B	Portfolio C	Portfolio D
Entire Portfolio			X	

8. I am comfortable with investments that may frequently experience large declines in value if there is a potential for higher returns.

Portfolio	Agree	Disagree	Strongly disagree
Entire Portfolio	X		

Asset Class Details

The Asset Class Details table provides a breakdown of the assumptions used to create the total rate of return for each asset class in your analysis. It also provides the standard deviation for each individual asset class as a measure of risk.

Asset Class Details

Asset Class	Interest	Dividends	Capital Gains	Tax Free	Deferred Growth	Total	Standard Deviation
Large Cap Growth Equity	0.00%	2.44%	6.47%	0.00%	0.49%	9.40%	23.70%
Large Cap Value Equity	0.00%	3.43%	4.37%	0.00%	2.92%	10.72%	18.54%
Mid Cap Equity	0.00%	2.79%	7.30%	0.00%	1.00%	11.09%	23.71%
Small Cap Equity	0.00%	1.96%	10.54%	0.00%	1.58%	14.08%	28.87%
International Equity	0.00%	3.77%	4.69%	0.00%	1.92%	10.38%	24.82%
Emerging Markets Equity	0.00%	3.44%	8.41%	0.00%	2.37%	14.22%	34.82%
Long Term Bonds	4.58%	0.00%	0.00%	0.00%	0.00%	4.58%	11.87%
Intermediate Term Bonds	4.03%	0.00%	0.00%	0.00%	0.00%	4.03%	6.67%
Short Term Bonds	3.30%	0.00%	0.00%	0.00%	0.00%	3.30%	3.68%
High Yield Bonds	8.17%	0.00%	0.00%	0.00%	0.00%	8.17%	15.23%
International Bonds	4.25%	0.00%	0.00%	0.00%	0.00%	4.25%	10.86%
Cash	2.81%	0.00%	0.00%	0.00%	0.00%	2.81%	3.09%

Account Details

The table below provides a list of the holdings for each account in the current portfolio.

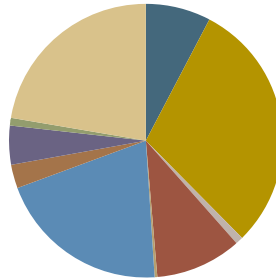
Description	Value	% of Account	% of Portfolio
Joe's 401(k)			
Columbus Silver	\$145,000	26.6%	8.4%
Vanguard Long-Term Treasury Investor	\$200,000	36.7%	11.5%
American Century Capital Val Inv	\$200,000	36.7%	11.5%
Account Total	\$545,000		31.5%
Jane's 401(k)			
Microsoft	\$75,000	13.0%	4.3%
Vanguard Windsor II Investor	\$250,000	43.5%	14.4%
Accessor Income & Growth Allocation C	\$250,000	43.5%	14.4%
Account Total	\$575,000		33.2%
Ridgefield Bank Savings			
New Holding	\$50,000	100.0%	2.9%
Account Total	\$50,000		2.9%
Ridgefield Bank Checking			
New Holding	\$25,000	100.0%	1.4%
Account Total	\$25,000		1.4%
Julia's Education Plan			
New Holding	\$102,000	100.0%	5.9%
Account Total	\$102,000		5.9%
Mark's Education Plan			
New Holding	\$92,000	100.0%	5.3%
Account Total	\$92,000		5.3%
Vacation Timeshare			
New Holding	\$28,000	100.0%	1.6%
Account Total	\$28,000		1.6%
Jane's Brokerage Account			
American Funds Bond Fund of Amer A	\$42,500	42.5%	2.5%
DFA US Large Cap Value III	\$9,500	9.5%	0.5%
Pfizer	\$48,000	48.0%	2.8%
Account Total	\$100,000		5.8%
Joint Savings			
New Holding	\$215,000	100.0%	12.4%
Account Total	\$215,000		12.4%
Portfolio Total	\$1,732,000		100.0%

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Current Asset Mix

This pie graph illustrates your current asset allocation mix. The table below provides a breakdown of the percentages and dollar values for each asset class in the current portfolio.

Current Asset Mix



Rate of Return	7.22%
Standard Deviation	10.55%

Asset Class	Current Asset Mix	
	(%)	(\$)
Large Cap Growth Equity	7.7	134,000
Large Cap Value Equity	29.9	518,720
Mid Cap Equity	0.9	14,780
International Equity	10.2	177,500
Emerging Markets Equity	0.3	5,000
Long Term Bonds	20.4	353,800
Intermediate Term Bonds	2.8	48,000
High Yield Bonds	4.6	79,500
International Bonds	0.9	14,975
Cash	22.3	385,725
Total	100.0	1,732,000

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Current Portfolio Breakdown

The table below provides a breakdown of the percentages and dollar values for each asset class in the current portfolio.

Asset Class	Holding	Type	% of Asset Class	% of Portfolio	Asset Value
Large Cap Growth Equity					
	New Holding	Non-Qualified	4.2%	0.3%	\$5,600
	Accessor Income & Growth Allocation C	401(k)	22.4%	1.7%	\$30,000
	American Century Capital Val Inv	401(k)	3.0%	0.2%	\$4,000
	Microsoft	401(k)	56.0%	4.3%	\$75,000
	New Holding	529 Plan	7.6%	0.6%	\$10,200
	New Holding	529 Plan	6.9%	0.5%	\$9,200
Total Large Cap Growth Equity				7.7%	\$134,000
Large Cap Value Equity					
	DFA US Large Cap Value III	Non-Qualified	1.4%	0.4%	\$7,220
	New Holding	Non-Qualified	1.1%	0.3%	\$5,600
	Pfizer	Non-Qualified	9.3%	2.8%	\$48,000
	Accessor Income & Growth Allocation C	401(k)	2.9%	0.9%	\$15,000
	American Century Capital Val Inv	401(k)	35.9%	10.7%	\$186,000
	New Holding	529 Plan	2.0%	0.6%	\$10,200
	New Holding	529 Plan	1.8%	0.5%	\$9,200
	Vanguard Windsor II Investor	401(k)	45.8%	13.7%	\$237,500
Total Large Cap Value Equity				29.9%	\$518,720
Mid Cap Equity					
	DFA US Large Cap Value III	Non-Qualified	15.4%	0.1%	\$2,280
	Accessor Income & Growth Allocation C	401(k)	84.6%	0.7%	\$12,500
Total Mid Cap Equity				0.9%	\$14,780
International Equity					
	Accessor Income & Growth Allocation C	401(k)	18.3%	1.9%	\$32,500
	Columbus Silver	401(k)	81.7%	8.4%	\$145,000
Total International Equity				10.2%	\$177,500
Emerging Markets Equity					
	Accessor Income & Growth Allocation C	401(k)	100.0%	0.3%	\$5,000
Long Term Bonds					
	American Funds Bond Fund of Amer A	Non-Qualified	1.4%	0.3%	\$5,100

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Asset Class	Holding	Type	% of Asset Class	% of Portfolio	Asset Value
Large Cap Growth Equity					
	New Holding	Non-Qualified	30.4%	6.2%	\$107,500
	Accessor Income & Growth Allocation C	401(k)	2.8%	0.6%	\$10,000
	American Century Capital Val Inv	401(k)	1.7%	0.3%	\$6,000
	New Holding	529 Plan	8.6%	1.8%	\$30,600
	New Holding	529 Plan	7.8%	1.6%	\$27,600
	Vanguard Long-Term Treasury Investor	401(k)	45.8%	9.4%	\$162,000
	Vanguard Windsor II Investor	401(k)	1.4%	0.3%	\$5,000
Total Long Term Bonds				20.4%	\$353,800
Intermediate Term Bonds					
	American Funds Bond Fund of Amer A	Non-Qualified	14.2%	0.4%	\$6,800
	New Holding	Non-Qualified	23.3%	0.6%	\$11,200
	Vanguard Long-Term Treasury Investor	401(k)	62.5%	1.7%	\$30,000
Total Intermediate Term Bonds				2.8%	\$48,000
High Yield Bonds					
	American Funds Bond Fund of Amer A	Non-Qualified	19.2%	0.9%	\$15,300
	New Holding	529 Plan	38.5%	1.8%	\$30,600
	New Holding	529 Plan	34.7%	1.6%	\$27,600
	Vanguard Long-Term Treasury Investor	401(k)	7.5%	0.3%	\$6,000
Total High Yield Bonds				4.6%	\$79,500
International Bonds					
	American Funds Bond Fund of Amer A	Non-Qualified	19.9%	0.2%	\$2,975
	Accessor Income & Growth Allocation C	401(k)	66.8%	0.6%	\$10,000
	Vanguard Long-Term Treasury Investor	401(k)	13.4%	0.1%	\$2,000
Total International Bonds				0.9%	\$14,975
Cash					
	American Funds Bond Fund of Amer A	Non-Qualified	3.2%	0.7%	\$12,325
	New Holding	Non-Qualified	13.0%	2.9%	\$50,000
	New Holding	Non-Qualified	6.5%	1.4%	\$25,000
	New Holding	Non-Qualified	1.5%	0.3%	\$5,600
	New Holding	Non-Qualified	27.9%	6.2%	\$107,500
	Accessor Income & Growth Allocation C	401(k)	35.0%	7.8%	\$135,000
	American Century Capital Val Inv	401(k)	1.0%	0.2%	\$4,000
	New Holding	529 Plan	5.3%	1.2%	\$20,400
	New Holding	529 Plan	4.8%	1.1%	\$18,400

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

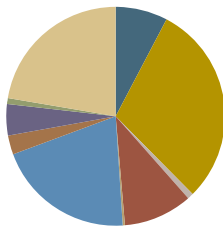
Asset Class	Holding	Type	% of Asset Class	% of Portfolio	Asset Value
Large Cap Growth Equity					
	Vanguard Windsor II Investor	401(k)	1.9%	0.4%	\$7,500
Total Cash				22.3%	\$385,725
Total Portfolio				100.0%	\$1,732,000

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Asset Allocation for Entire Portfolio - Proposed

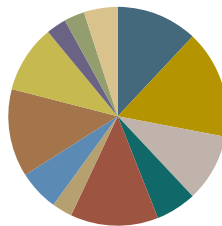
These pie graphs illustrate your current asset mix and suggested asset mix for your entire portfolio. However, the suggested asset mix will not be used in the proposed plan. Due to modifications the assumed asset mix (for pre-retirement and retirement) on the following page will be used instead.

Current Asset Mix



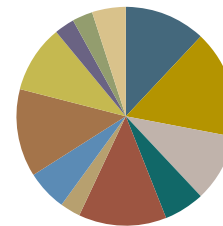
Rate of Return	7.22%
Standard Deviation	10.55%

**Suggested Asset Mix*
Pre-Retirement
Moderate**



Rate of Return	8.21%
Standard Deviation	13.30%

**Suggested Asset Mix*
Retirement
Moderate**



Rate of Return	8.21%
Standard Deviation	13.30%

*Modifications have been made to the suggested asset mix.

Asset Class	Current Asset Mix		Suggested Asset Mix	Suggested Asset Mix	
	(%)	(\$)	(\$)	(%)	(%)
Large Cap Growth Equity	7.7	134,000	207,840	7.7	12.0
Large Cap Value Equity	29.9	518,720	277,120	29.9	16.0
Mid Cap Equity	0.9	14,780	173,200	0.9	10.0
Small Cap Equity			103,920		6.0
International Equity	10.2	177,500	225,160	10.2	13.0
Emerging Markets Equity	0.3	5,000	51,960	0.3	3.0
Long Term Bonds	20.4	353,800	103,920	20.4	6.0
Intermediate Term Bonds	2.8	48,000	225,160	2.8	13.0
Short Term Bonds			173,200		10.0
High Yield Bonds	4.6	79,500	51,960	4.6	3.0
International Bonds	0.9	14,975	51,960	0.9	3.0
Cash	22.3	385,725	86,600	22.3	5.0
Total	100.0	1,732,000	1,732,000	100.0	100.0

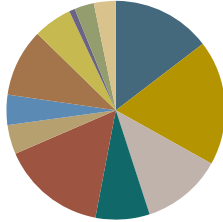
Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

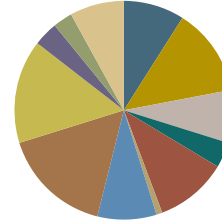
Assumed Asset Mix for Entire Portfolio

These pie graphs illustrate the Assumed asset mix for pre-retirement and the Assumed asset mix for retirement for your entire portfolio and will be used for the proposed plan.

**Assumed Asset Mix
Pre-Retirement
Blended Mix**



**Assumed Asset Mix
Retirement
Blended Mix**



Rate of Return	9.10%
Standard Deviation	15.78%

Rate of Return	7.08%
Standard Deviation	10.39%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and assumed asset mix. The *Change* column indicates the rebalancing required to reach the assumed asset mix.

Asset Class	Current Asset Mix		Change		Assumed Asset Mix		Assumed Asset Mix
	(%)	(\$)	(%)	(\$)	Pre-Retirement (%)	Pre-Retirement (\$)	Retirement (%)
Large Cap Growth Equity	7.7	134,000	+6.9	+118,040	14.6	252,040	9.0
Large Cap Value Equity	29.9	518,720	-11.4	-198,600	18.5	320,120	13.0
Mid Cap Equity	0.9	14,780	+11.0	+191,270	11.9	206,050	7.8
Small Cap Equity			+8.0	+137,970	8.0	137,970	3.8
International Equity	10.2	177,500	+5.3	+91,560	15.5	269,060	10.7
Emerging Markets Equity	0.3	5,000	+4.0	+69,960	4.3	74,960	0.9
Long Term Bonds	20.4	353,800	-15.9	-275,580	4.5	78,220	8.7
Intermediate Term Bonds	2.8	48,000	+7.2	+125,460	10.0	173,460	16.2
Short Term Bonds			+5.7	+98,500	5.7	98,500	15.3
High Yield Bonds	4.6	79,500	-3.7	-64,290	0.9	15,210	3.6
International Bonds	0.9	14,975	+2.0	+36,085	2.9	51,060	2.9
Cash	22.3	385,725	-19.1	-330,375	3.2	55,350	8.0
Total	100.0	1,732,000	+0.0	+0	100.0	1,732,000	100.0

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

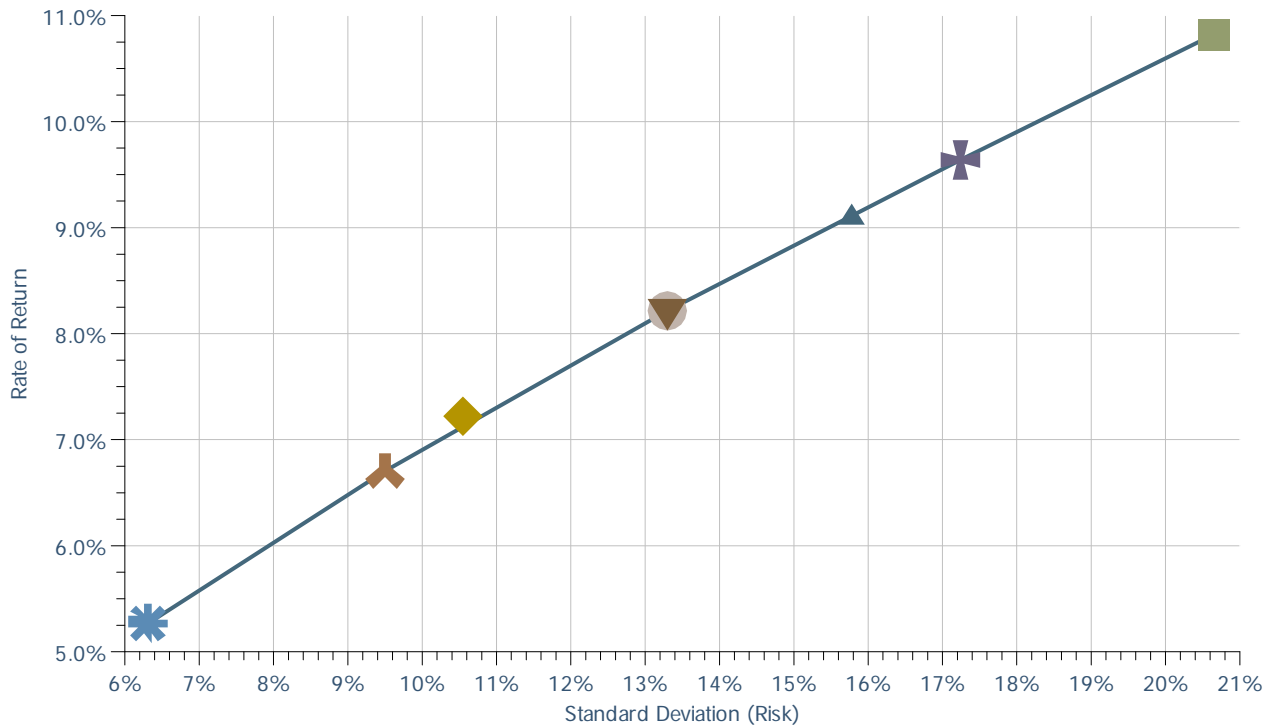
Consider the following:

- Discuss the potential tax consequences of re-allocating your current investment portfolio with your tax advisor.
- Consider a systematic savings program. Automatic investment from your checking, savings, or money market account is an easy way to maintain a disciplined financial plan, although this strategy does not ensure a profit nor protect against a loss in a declining market.
- Review your portfolio at least once a year or as your financial circumstances change.
- Make sure your portfolio is properly diversified to help reduce portfolio volatility.
- Determine if your investments within each asset class have been achieving acceptable performance relative to appropriate benchmarks.
- Income identified as tax-free may still be subject to the Alternative Minimum Tax (AMT).

Efficient Frontier Analysis

The efficient frontier refers to all of the investment portfolios that provide the highest return for a given amount of risk (measured by standard deviation) and is shown in the graph below by a green line. A light blue diamond denotes your current portfolio. If the efficient frontier line is above your portfolio, you may be able to obtain a better rate of return for the level of risk you are willing to accept. The yellow circle denotes our proposed portfolio. The red triangle denotes our proposed portfolio based on assumptions made in the plan.

Alternative model portfolios are also plotted on this graph. These additional points on the graph illustrate the risk and return associated with the other portfolios. Remember, only those portfolios along the efficient frontier line provide you with the greatest potential return for a given level of risk.



— Efficient Frontier	▲ Assumed Asset Mix	▼ Moderate
◆ Current - Rebalanced	★ Conservative	✦ Moderate Aggressive
● Suggested Asset Mix	✦ Moderate Conservative	■ Aggressive

The table below provides the actual values for the points on the graph above.

	Return	Risk
Current Asset Mix	7.22%	10.55%
Suggested Asset Mix	8.21%	13.30%
Assumed Asset Mix	9.10%	15.78%
Conservative	5.27%	6.31%
Moderate Conservative	6.70%	9.50%
Moderate	8.21%	13.30%
Moderate Aggressive	9.64%	17.24%
Aggressive	10.82%	20.65%

Retirement



Retirement Overview

Retirement planning is an integral part of your overall analysis. Strategies should be designed to suit your goals and comfort level as well as to take advantage of tax saving opportunities. For any plan to be effective, it is necessary to implement these strategies and to review your goals and progress periodically.

The amount you will need in retirement depends on the age you plan to retire, your desired retirement lifestyle, how long you expect to live and the rate of return you expect to earn on your investments. Social Security and employer-sponsored pension plans will probably provide a smaller percentage of what you will need than they did for your parents. The most important aspect of calculating your future needs is estimating how much you will have to save each year to produce the income you need to maintain your standard of living after you stop working.

Pre-Retirement Considerations

Consider using one or more of the following strategies to maximize your retirement income:

Invest to potentially earn a higher rate of return on investments

While there are no guarantees that a higher rate of return can be achieved by an investment style, if you have a lengthy time horizon until retirement, assets that have the potential for significant growth over the long term should be considered. It is important that your investment choices be consistent with the level of risk that you are willing to assume. In addition, a good analysis must always take inflation into account. If you disregard inflation, you may end up investing too conservatively. Together we can determine a suitable mix of investments that meets your objectives, time frame and risk tolerance.

Save more

It is hard to motivate yourself to save for retirement because it generally requires spending less money now. You will have a much better chance of achieving your retirement goal if you maintain (or even reduce) today's standard of living and save as much as you can. Retirement planners generally suggest committing 10% to 15% of your gross earnings, or earnings before tax, to savings for retirement.

Spend less during retirement

Many retirement experts estimate that you need between 70% and 80% of your pre-retirement income to maintain your standard of living during retirement. This may or may not be appropriate for you, as everyone's goals are different. Some of your expenses will increase and others will decrease. For instance, you may spend less on business clothing and lunches, but more on vacations. Also, consider the differences in your living expenses for early and later phases of retirement. For example, you'll likely spend more on travel when you're 65 than when you are 85.

Retire at a later age

The effect of retiring later is two-fold. Not only will you have contributed to your retirement plan for more years but also your salary is also typically higher at the end of your career. Retiring early means losing retirement plan contributions based on those later, higher income amounts. This normally results in a smaller pension. Another effect of retiring early is being retired longer, and being dependent on your investments for a greater number of years.

Maximize Contributions to Qualified Retirement Plans

Many retirement accounts have a dual advantage; contributions are deducted from current taxable income, and the account itself grows tax deferred.

Sources of Income in Retirement

The following assumptions are made when determining the source of your retirement income. Generally, your retirement income begins drawing from the first item on the list, and if that particular source is insufficient, it will draw from the next item on the list, and so on:

- Social Security and defined benefit pension income are paid out based on the assumptions made in your retirement plan. Your employer-defined benefit pension benefits are based on your pension formula and years of service.
- Investment earnings on non-qualified investments.
- Non-qualified assets that do not have a growth component, such as T-Bills and CDs. These assets are redeemed in the order of lowest return rate to highest.
- Non-qualified assets with a growth component, such as stocks and most mutual funds. These assets are redeemed starting with those with the least percentage growth to the greatest percentage growth.
- Non-qualified deferred annuities.
- Qualified assets, such as IRAs and 401(k)s from lowest return rate to the highest return rate. If your income need is low during retirement, this analysis will enforce the required minimum distributions from these assets.

Below is a partial list of retirement accounts that may be available to you:

	Traditional IRA	Spousal IRA	Nondeductible IRA	Roth IRA
Qualification to make Contributions	Individual must have earned income and under age 70½ at end of year.	Individual must be under age 70½ at end of year. Contributions based on other spouse's earned income.	Individual or spouse must have earned income and under age 70½ at end of year.	Individual or spouse must have earned income. May be any age, including over 70½.
Annual Contribution Limits	2010 - \$5,000 Indexed for inflation, in \$500 increments. Lesser of the above limits or owner's taxable compensation. Annual total contribution limit between Roth IRA and Traditional IRA is \$5,000 (2010). Additional catch-up contributions available for individuals age 50 and over.	2010 - \$5,000 Indexed for inflation, in \$500 increments. Lesser of the above limits, or total compensation, less your spouse's IRA contribution and less any contributions for the year to a Roth IRA. Additional catch-up contributions available for individuals age 50 and over.	2010 - \$5,000 Indexed for inflation, in \$500 increments. Lesser of the above limits, or owner's taxable compensation. Annual total contribution limit between Roth IRA and Traditional IRA is \$5,000 (2010). Additional catch-up contributions available for individuals age 50 and over.	2010 - \$5,000 Indexed for inflation, in \$500 increments. Lesser of the above limits, or owner's taxable compensation. Annual total contribution limit between Roth IRA and Traditional IRA is \$5,000 (2010). Additional catch-up contributions available for individuals age 50 and over.
Deductibility of Contributions	Above-the-line deduction. If active participant in employer retirement plan, phase-out rules apply; phase-out reduction of deduction begins and ends: Single, HOH: \$56,000 - \$66,000 MFJ: \$89,000 - \$109,000 MFS: \$0 - \$10,000 Not covered under employer plan but filing joint return with a spouse who is covered under employer plan. Phase-out begins and ends— MFJ: \$167,000 - \$177,000	Above-the-line deduction. Phase-outs apply if the couple's AGI is between \$167,000 and \$177,000.	Not deductible.	Not deductible. Phase-outs begin and end: Single, HOH: \$105,000 - \$120,000 MFJ: \$167,000 - \$177,000 MFS: \$0 - \$10,000
Taxation of Distributions	All distributions are taxable.	All distributions are taxable.	Basis distribution non-taxable. Earnings portion is taxable.	Qualified distributions are non-taxable, including earnings

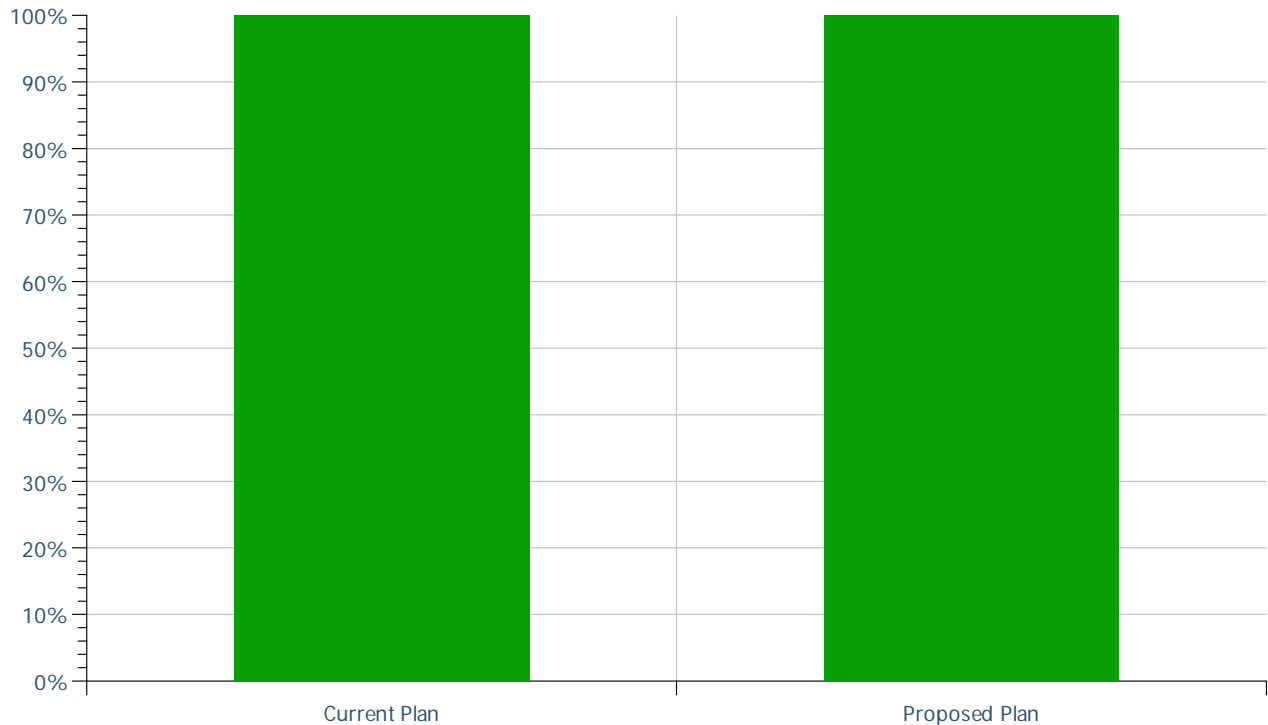
	401(k)	403(b) TSA	SEP - Employee	SEP-Self Employed
Qualification to make Contributions	Cannot exclude employees who: - Are 21 years old. - Have completed one year of eligibility service (1000 hours). - Service eligibility may be 2 years where plan provides for 100% vesting at start of participation.	Employee of a tax-exempt religious, charitable, or educational organization is eligible.	Cannot exclude employees who: - Are 21 years old. - Are employed in 3 of last 5 plan years. - Earn at least \$550 in current year.	Anyone with self-employment income.
Annual Contribution Limits	Employee Elections or designated Roth contributions: 2010 - \$16,500 Indexed for inflation in \$500 increments. Total contributions to the plan cannot exceed 100% of compensation (limited to \$245,000, adjusted to inflation) or \$49,000, adjusted for inflation. Additional catch-up contributions available for individuals age 50 and over for either elective or designated Roth contributions.	Employee Elections or designated Roth contributions: 2010 - \$16,500 Thereafter, indexed for inflation in \$500 increments. Total contributions to the plan cannot exceed 100% of compensation (limited to \$245,000, adjusted to inflation) or \$49,000, adjusted for inflation. Additional catch-up contributions available for individuals age 50 and over for either elective or designated Roth contributions.	Employee can contribute up to \$5,000 (2010) as an individual IRA contribution to the SEP account in addition to the employer's SEP contribution. Employer may contribute 25% of first compensation up to a maximum of \$49,000. Compensation limit of \$245,000 adjusted for inflation in \$5,000 increments Annual addition limit of \$49,000 indexed for inflation in \$1,000 increments.	20% of first \$245,000 of trade or business income.
Deductibility of Contributions	Contributions made pre-tax. Designated Roth employee contributions are made after-tax.	Contributions made pre-tax. Designated Roth employee contributions are made after-tax.	Employer's contributions are excluded from income. Contributions independent of employer deducted same as regular IRA; deduction may be reduced because covered by employer plan.	Limited to 20% of net self-employment earnings.
Taxation of Distributions	Distributions are taxable unless the distribution is from a designated Roth account.	Distributions are taxable unless the distribution is from a designated Roth account.	All distributions are taxable.	All distributions are taxable.

	SIMPLE	Defined Benefit	Profit Sharing	Money Purchase
Qualification to make Contributions	Employers with 100 or fewer employees and self-employed, who received \$5,000 in compensation in the preceding year. Once qualified, can exclude employees who earned less than \$5,000 in any two preceding years or expected to receive less than \$5,000 in current year.	Cannot exclude employees who: <ul style="list-style-type: none"> - Are 21 years old. - Have completed one year of eligibility service (1000 hours) - Service eligibility may be 2 years where plan provides for 100% vesting at start of participation. 	Cannot exclude employees who: <ul style="list-style-type: none"> - Are 21 years old. - Have completed one year of eligibility services (1000 hours). - Service eligibility may be 2 years where plan provides for 100% vesting at start of participation. 	Cannot exclude employees who: <ul style="list-style-type: none"> - Are 21 years old. - Have completed one year of eligibility services (1000 hours). - Service eligibility may be 2 years where plan provides for 100% vesting at start of participation.
Annual Contribution Limits	Employee: 2010 - \$11,500 Indexed for inflation in \$500 increments. Employer: Required to make either a matching contribution of up to 3% of employee wages or a nonelective contribution of 2% of annual compensation for each eligible employee with proper notification. Additional catch-up contributions available for individuals age 50 and over.	Lesser of \$195,000 (indexed for inflation) or 100% of average compensation during three highest consecutive earning years. Thereafter, indexed for inflation in \$5,000 increments.	Contribution Limit per employee: 100% of compensation up to \$49,000 (adjusted for inflation in \$1,000 increments) Compensation limit: \$245,000 (adjusted for inflation in \$5,000 increments)	Contribution Limit per employee: 100% of compensation up to \$49,000 (adjusted for inflation in \$1,000 increments) Compensation limit: \$245,000 (adjusted for inflation in \$5,000 increments)
Deductibility of Contributions	Contributions are pre-tax.	Employee may be permitted to make nondeductible contributions.	Employee may be permitted to make nondeductible contributions.	Employee may be permitted to make nondeductible contributions.
Taxation of Distributions	All distributions are taxable.	All distributions, except nondeductible contributions, are taxable.	All distributions, except nondeductible contributions, are taxable.	All distributions, except nondeductible contributions, are taxable.

Retirement Comparison Summary

The following information provides an overview of the selected retirement scenarios and their estimated effect on the Retirement goal. The following graph illustrates the ability of each scenario to achieve the Retirement goal.

Scenario Coverage



	Goal Coverage*	Net Worth at Retirement	Net Worth at Death	Year Capital Exhausted	% Fixed Needs Covered by Total Resources
Current	100%	\$9,079,308	\$31,920,749	Never	100%
Proposed	100%	\$10,014,407	\$8,329,611	Never	100%

* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Scenario Assumption Comparison

Key Differences	Current	Alternative 1
Objectives:		
Retirement Age/Year (Joe)	62/Oct 2022	63/Oct 2023
Retirement Age/Year (Jane)	60/Sep 2022	61/Sep 2023
Life Expectancy (Joe)	90/2050	90/2050
Life Expectancy (Jane)	90/2052	90/2052
Inflation Rate for Plan	3.00%	3.00%
Retirement Inflation Rate	3.00%	3.00%

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Key Differences	Current	Alternative 1
Annual Retirement Expenses (Fixed)	100%	100%
Annual Retirement Expenses (Discretionary)	100%	100%
Additional Lump Sum Savings	\$0	\$30,000
Current Monthly Savings	\$3,250	\$3,424
Additional Monthly Savings	\$0	\$274
Additional Monthly Savings Indexed at	0.00%	0.00%
Additional Monthly Savings Start Date	Jan 1, 2010	Jun 1, 2010
Investment Objective (Pre-Retirement)	Current - Rebalanced	Moderate Aggressive
Investment Objective (Retirement)	Current - Rebalanced	Moderate Conservative
Assumed Return Rate: Pre-Retirement	8.26%	9.64%
Assumed Return Rate: Retirement	8.26%	6.70%
Savings Strategies:	Current Plan	Current Plan
Transfer Strategies: †		Applied
Liquidation Strategies:		
Capital Liquidation Order	Non-qualified, Roth, Qualified	Non-qualified, Roth, Qualified
Qualified assets are available for redemption at age (Joe)	Retirement	Retirement
Qualified assets are available for redemption at age (Jane)	Retirement	Retirement
Redemption Strategies	Current Plan	Current Plan
Social Security:		
Start Age (Joe)	62	67
Start Age (Jane)	62	67
Additional Income and Expenses: †		N/A
	\$0	\$0
Annuitization: †		N/A
Goal Funding Strategy:	Current Plan	Recommended Plan
New Accounts: †		N/A

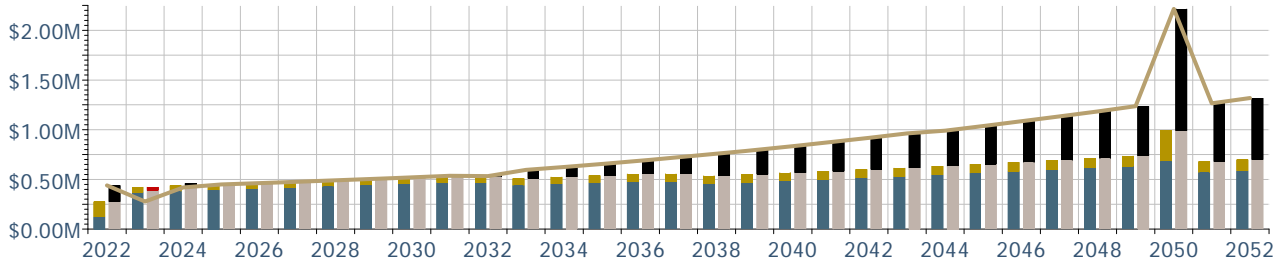
Note: Items in bold indicate a change from the Current Plan

† What-if strategies are not applicable to the Current Plan scenario.

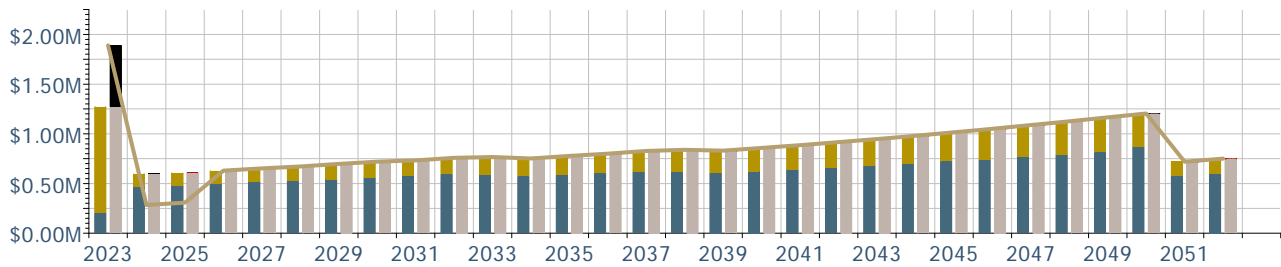
Retirement Summary

The following graphs illustrate your projected needs vs. abilities.

Current Plan



Proposed Plan



Retirement Needs	Ability to Cover Needs	Surplus
Other Needs	Shortfall	After-Tax Cash Inflow

Financial Objectives	Current	Proposed
Joe's Retirement Age/Year	62/2022	63/2023
Joe's Life Expectancy	90	90
Jane's Retirement Age/Year	60/2022	61/2023
Jane's Life Expectancy	90	90
Annual Needs at Retirement, in today's dollars	\$258,000	\$260,400
Inflation Rate	3.00%	3.00%
Return Rate: Pre-Retirement	8.26%	9.64%
Return Rate: Retirement	8.26%	6.70%
Available Assets	\$1,120,000	\$1,195,000
Assumed Monthly Savings	\$3,250	\$3,424
Required Additional Monthly Savings	\$0	\$0
Required Additional Lump Sum Savings	\$0	\$0

Note: Numbers in bold indicate a change from the Current Plan.

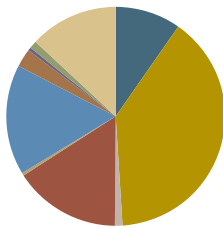
Consider the following:

- Consider the ongoing impact of your defined benefit plan on your purchasing power in retirement.
- Review your retirement plan and/or retirement account contributions and maximize to the extent possible.
- Re-evaluate your situation periodically since retirement calculations are subject to change.

Asset Allocation for Retirement - Proposed

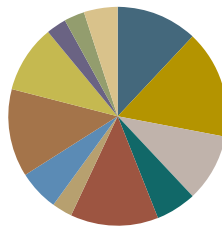
These pie graphs illustrate your current asset mix and suggested asset mix for your retirement goal. However, the suggested asset mix will not be used in the proposed plan. Due to modifications the assumed asset mix (for pre-retirement and retirement) on the following page will be used instead.

Current Asset Mix



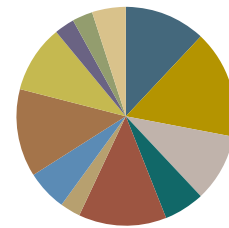
Rate of Return	8.26%
Standard Deviation	13.24%

**Suggested Asset Mix*
Pre-Retirement
Moderate**



Rate of Return	8.21%
Standard Deviation	13.30%

**Suggested Asset Mix*
Retirement
Moderate**



Rate of Return	8.21%
Standard Deviation	13.30%

*Modifications have been made to the suggested asset mix.

Asset Class	Current Asset Mix		Suggested Asset Mix	Suggested Asset Mix	
	(%)	(\$)	(\$)	(%)	(%)
Large Cap Growth Equity	9.7	109,000	134,400	9.7	12.0
Large Cap Value Equity	39.3	438,500	179,200	39.3	16.0
Mid Cap Equity	1.1	12,500	112,000	1.1	10.0
Small Cap Equity			67,200		6.0
International Equity	15.8	177,500	145,600	15.8	13.0
Emerging Markets Equity	0.4	5,000	33,600	0.4	3.0
Long Term Bonds	16.3	183,000	67,200	16.3	6.0
Intermediate Term Bonds	2.7	30,000	145,600	2.7	13.0
Short Term Bonds			112,000		10.0
High Yield Bonds	0.5	6,000	33,600	0.5	3.0
International Bonds	1.1	12,000	33,600	1.1	3.0
Cash	13.1	146,500	56,000	13.1	5.0
Total	100.0	1,120,000	1,120,000	100.0	100.0

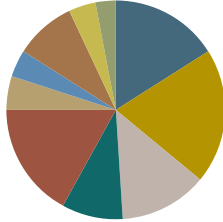
Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

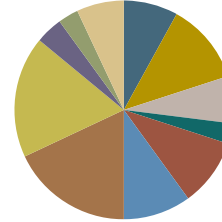
Assumed Asset Allocation for Retirement

These pie graphs illustrate the Assumed asset mix for pre-retirement and the Assumed asset mix for retirement for your retirement goal and will be used for the proposed plan.

**Assumed Asset Mix
Pre-Retirement
Moderate Aggressive**



**Assumed Asset Mix
Retirement
Moderate Conservative**



Rate of Return	9.64%
Standard Deviation	17.24%

Rate of Return	6.70%
Standard Deviation	9.50%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and assumed asset mix. The *Change* column indicates the rebalancing required to reach the assumed asset mix.

Asset Class	Current Asset Mix		Change		Assumed Asset Mix Pre-Retirement		Assumed Asset Mix Retirement
	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Large Cap Growth Equity	9.7	109,000	+6.3	+82,200	16.0	191,200	8.0
Large Cap Value Equity	39.3	438,500	-19.3	-199,500	20.0	239,000	12.0
Mid Cap Equity	1.1	12,500	+11.9	+142,850	13.0	155,350	7.0
Small Cap Equity			+9.0	+107,550	9.0	107,550	3.0
International Equity	15.8	177,500	+1.2	+25,650	17.0	203,150	10.0
Emerging Markets Equity	0.4	5,000	+4.6	+54,750	5.0	59,750	
Long Term Bonds	16.3	183,000	-12.3	-135,200	4.0	47,800	10.0
Intermediate Term Bonds	2.7	30,000	+6.3	+77,550	9.0	107,550	18.0
Short Term Bonds			+4.0	+47,800	4.0	47,800	18.0
High Yield Bonds	0.5	6,000	-0.5	-6,000			4.0
International Bonds	1.1	12,000	+1.9	+23,850	3.0	35,850	3.0
Cash	13.1	146,500	-13.1	-146,500			7.0
Total	100.0	1,120,000	+0.0	+75,000	100.0	1,195,000	100.0

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Retirement - Current

*100%

This scenario covers 100% of the desired Retirement goal objectives.



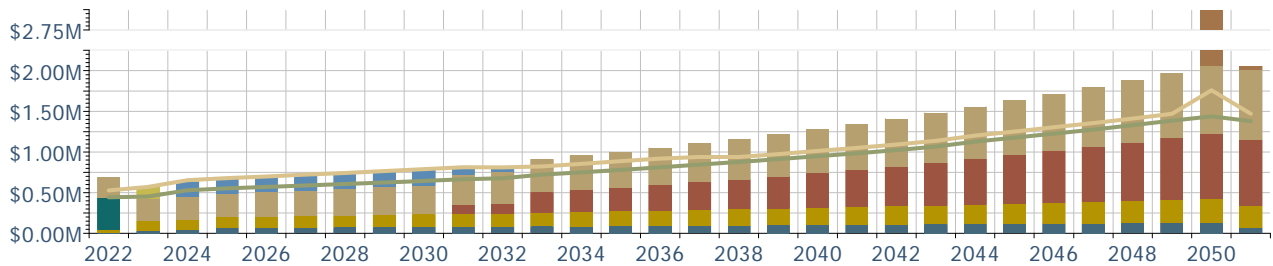
* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

	Joe	Jane
Retirement Age/Year	62/2022	60/2022
Life Expectancy	90/2050	90/2052
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Current Monthly Savings		\$3,250
Annual Inflation Rate		3.00%
Investment Objective (ROR) pre retirement		(8.21%)
Investment Objective (ROR) retirement		(8.21%)

Analysis



Social Security	Earned Income	Additional Qualified Distributions	Shortfall
Pensions	RMD	Other Inflows	Fixed Needs
Annuities	Non-Qualified Distributions	Previous Year Surplus Used	Total Needs

- Net Worth at Retirement: \$9,079,308
- Net Worth at Death: \$31,920,749
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 100%

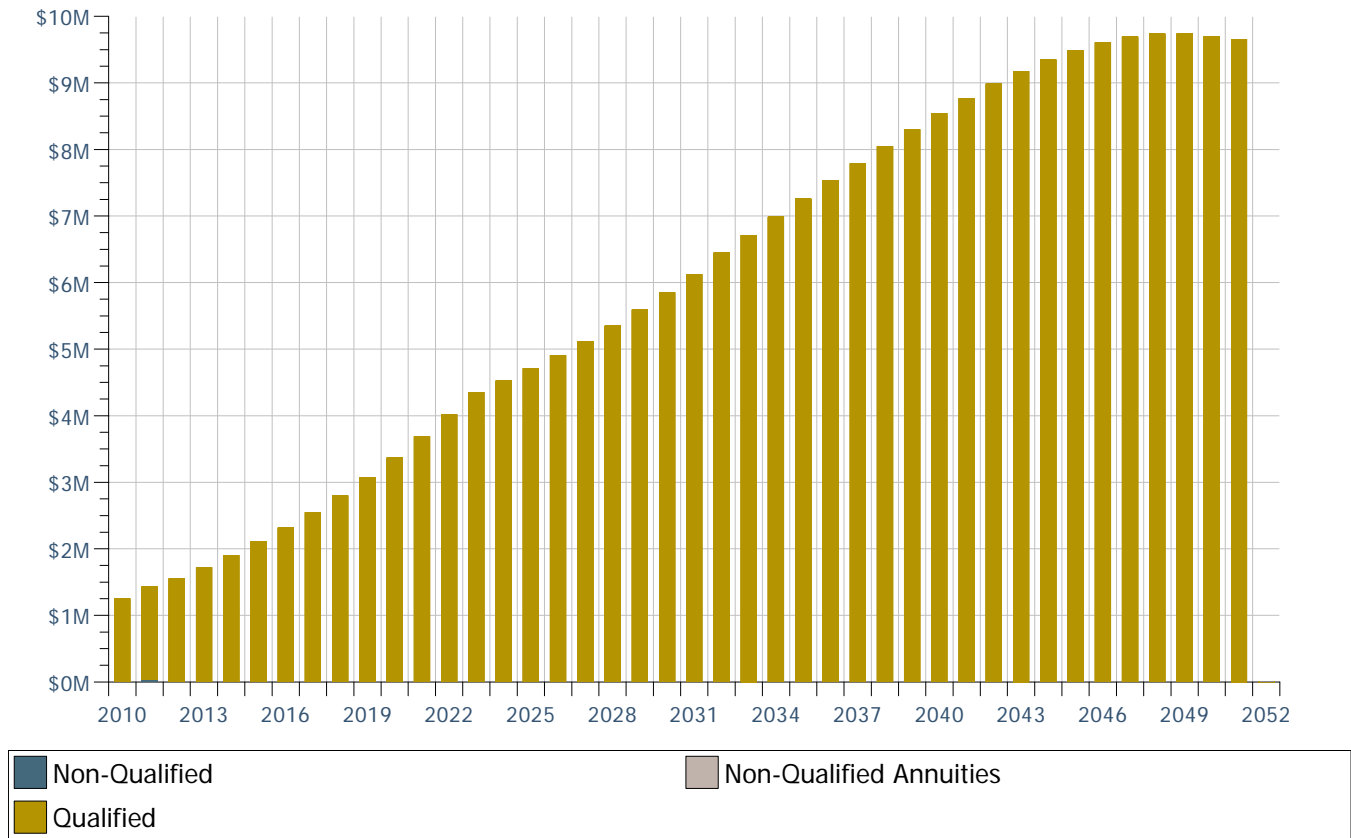
Additional Assumptions

The following table details the additional assumptions used in the generation of this scenario:

Scenario Settings	Joe	Jane
Capital Liquidation Order	Non-qualified, Roth, Qualified	
Social Security Start Age	62.0	62.0

Capital Accumulation and Depletion - Current

The following graph provides a summary of the accumulation and/or depletion of your assets linked to your retirement goal.



Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Retirement Cash Flow Summary - Current

The following report represents the major components of your cash flow during your retirement period in your current plan.

Year	Ages	Cash Inflows	Cash Outflows	Surplus/(Deficit)
2022	*62/60*	691,818	528,059	163,759
2023	63/61	424,439	570,032	(145,593)
2024	64/62	635,179	653,355	(18,176)
2025	65/63	677,932	677,928	4
2026	66/64	698,953	698,953	1
2027	67/65	720,645	720,644	1
2028	68/66	743,023	743,023	1
2029	69/67	766,111	766,111	1
2030	70/68	789,931	789,931	0
2031	71/69	814,511	814,509	2
2032	72/70	811,268	811,268	0
2033	73/71	909,282	822,246	87,035
2034	74/72	954,242	853,431	100,811
2035	75/73	1,001,779	885,991	115,789
2036	76/74	1,052,056	919,996	132,059
2037	77/75	1,104,442	937,489	166,954
2038	78/76	1,160,660	938,520	222,139
2039	79/77	1,218,201	975,046	243,155
2040	80/78	1,279,906	1,012,916	266,991
2041	81/79	1,343,884	1,050,924	292,960
2042	82/80	1,411,288	1,091,977	319,311
2043	83/81	1,482,281	1,135,923	346,358
2044	84/82	1,557,024	1,201,594	355,430
2045	85/83	1,633,676	1,251,631	382,045
2046	86/84	1,714,049	1,303,372	410,677
2047	87/85	1,795,875	1,356,272	439,603
2048	88/86	1,881,204	1,411,246	469,958
2049	89/87	1,970,049	1,468,308	501,741
2050	90/88	2,983,932	1,759,254	1,224,678
2051	--/89	2,057,683	1,470,371	587,312

* = Year of retirement

Retirement - Proposed

*100% This scenario covers 100% of the desired Retirement goal objectives.



* This value indicates the percentage of your total retirement needs that can be covered by your total retirement resources during your retirement time period.

Assumptions

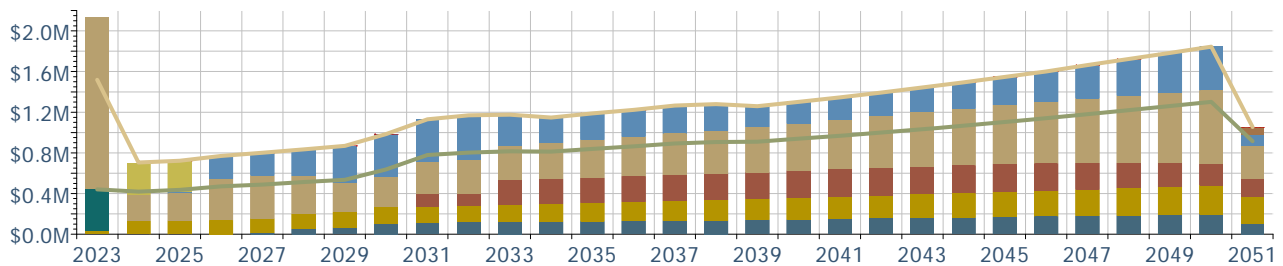
The following table details the key assumptions used in the generation of this scenario:

	Joe	Jane
Retirement Age/Year	63/2023	61/2023
Life Expectancy	90/2050	90/2052
Desired Fixed Expenses Covered		100%
Desired Discretionary Expenses Covered		100%
Additional Lump-Sum Savings		\$30,000
Current Monthly Savings		\$3,250
Change in Monthly Savings		\$174
Total Monthly Savings		\$3,424
Annual Inflation Rate		3.00%
Investment Objective (ROR) pre retirement		(9.64%)
Investment Objective (ROR) retirement		(6.70%)

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



Social Security	Earned Income	Additional Qualified Distributions	Shortfall
Pensions	RMD	Other Inflows	Fixed Needs
Annuities	Non-Qualified Distributions	Previous Year Surplus Used	Total Needs

- Net Worth at Retirement: \$10,014,407
- Net Worth at Death: \$8,329,611
- Year Capital Exhausted: Never
- % Fixed Needs Covered by Total Resources: 100%

Additional Assumptions

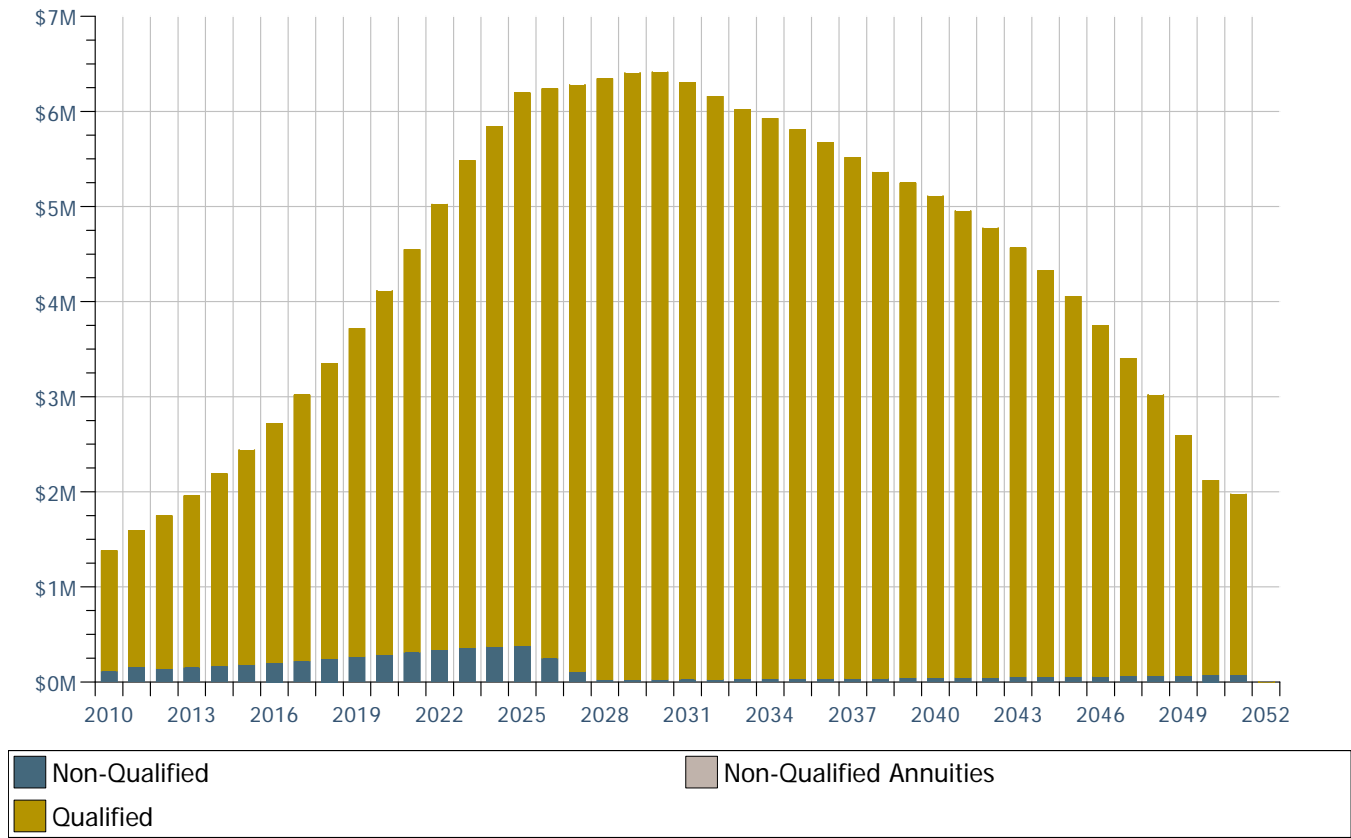
The following table details the additional assumptions used in the generation of this scenario:

Scenario Settings	Joe	Jane
Capital Liquidation Order	Non-qualified, Roth, Qualified	
Social Security Start Age	67.0	67.0
Additional Retirement Expense (Joint)	\$200	
Indexed at	3.00%	
Start Age/End Age	Ret - Death	
Frequency	Monthly	
Annual amount to Annuitize to during Retirement	\$0	

Note: Numbers in bold indicate a change from the Current Plan

Capital Accumulation and Depletion - Proposed

The following graph provides a summary of the accumulation and/or depletion of your assets linked to your retirement goal.



Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Retirement Cash Flow Summary - Proposed

The following report represents the major components of your cash flow during your retirement period in your proposed plan.

Year	Ages	Cash Inflows	Cash Outflows	Surplus/(Deficit)
2023	*63/61*	2,133,746	1,518,683	615,063
2024	64/62	389,609	705,366	(315,757)
2025	65/63	422,933	722,245	(299,312)
2026	66/64	769,910	769,907	3
2027	67/65	801,782	801,784	(2)
2028	68/66	834,136	834,132	4
2029	69/67	870,041	870,041	0
2030	70/68	985,705	985,711	(5)
2031	71/69	1,129,999	1,129,998	1
2032	72/70	1,170,092	1,170,092	0
2033	73/71	1,176,259	1,176,262	(3)
2034	74/72	1,147,544	1,147,542	2
2035	75/73	1,188,242	1,188,242	0
2036	76/74	1,223,099	1,223,099	0
2037	77/75	1,266,397	1,266,397	0
2038	78/76	1,278,504	1,278,503	1
2039	79/77	1,258,497	1,258,495	1
2040	80/78	1,302,068	1,302,068	0
2041	81/79	1,344,984	1,344,984	0
2042	82/80	1,391,753	1,391,753	0
2043	83/81	1,442,953	1,442,954	0
2044	84/82	1,493,859	1,493,860	0
2045	85/83	1,546,500	1,546,501	0
2046	86/84	1,600,936	1,600,937	(1)
2047	87/85	1,664,373	1,664,374	(1)
2048	88/86	1,722,654	1,722,655	(1)
2049	89/87	1,782,975	1,782,970	5
2050	90/88	1,845,422	1,845,418	5
2051	--/89	1,055,444	1,055,450	(7)

* = Year of retirement

Retirement Net Worth Accumulation - Proposed

The following report provides a summary of the accumulation and/or depletion of your assets during your retirement period. It displays the start of year asset balance, along with any contributions, redemptions, reinvestments or growth that are applicable throughout each year, as well as the end of year asset balance.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2023	*63/61*	10,014,407	171,862	1,454,001	455,388	129,105	9,918,827
2024	64/62	10,021,081	0	6,000	407,169	101,734	10,528,304
2025	65/63	10,528,304	0	37,380	437,645	106,219	11,039,107
2026	66/64	11,039,107	0	369,771	463,432	110,773	11,247,861
2027	67/65	11,247,861	0	377,212	475,586	113,249	11,463,804
2028	68/66	11,463,804	0	357,669	486,768	115,815	11,713,038
2029	69/67	11,713,038	0	363,819	498,641	118,683	11,970,863
2030	70/68	11,970,863	0	418,579	508,548	121,633	12,186,786
2031	71/69	12,186,786	0	537,916	504,048	123,885	12,278,005
2032	72/70	12,278,005	0	555,828	503,312	125,728	12,352,433
2033	73/71	12,352,433	0	535,792	497,441	127,047	12,439,234
2034	74/72	12,439,234	0	482,972	495,877	128,928	12,579,093
2035	75/73	12,579,093	0	498,537	497,195	131,217	12,706,861
2036	76/74	12,706,861	0	507,259	497,559	133,468	12,828,405
2037	77/75	12,828,405	0	523,385	497,323	135,727	12,935,755
2038	78/76	12,935,755	0	507,222	495,976	137,938	13,060,049
2039	79/77	13,060,049	0	457,808	495,391	140,321	13,235,489
2040	80/78	13,235,489	0	470,692	497,491	143,704	13,402,792
2041	81/79	13,402,792	0	481,698	498,843	148,292	13,563,125
2042	82/80	13,563,125	0	495,263	499,484	151,592	13,713,252
2043	83/81	13,713,252	0	511,918	499,217	155,386	13,849,198
2044	84/82	13,849,198	0	526,888	497,804	158,149	13,971,514
2045	85/83	13,971,514	0	542,168	495,299	160,893	14,078,849
2046	86/84	14,078,849	0	557,743	491,594	163,610	14,169,741
2047	87/85	14,169,741	0	580,788	486,632	166,298	14,235,533
2048	88/86	14,235,533	0	597,082	479,886	168,901	14,281,215
2049	89/87	14,281,215	0	613,754	471,647	171,458	14,304,986
2050	90/88	14,304,986	0	6,648,443	461,847	173,966	8,287,381
2051	--/89	8,287,381	0	276,032	208,517	113,770	8,329,617

* = Year of retirement

Education



Education Overview

Many of the education plans available today offer tax advantages that lessen the financial burden by reducing the amount you need to save. Educational costs have been increasing at a rate greater than the general level of inflation. We cannot control these increasing costs but we can effectively save for these goals using the right type of savings plan. Some education funding options are described below.

	*Tax Considerations	Contribution Limit	Allowable Use	Contributor Control over assets	Rollovers to family members
Investment Accounts					
Custodial Accounts -UGMA -UTMA	First \$950 of investment income is tax-free for children under 19 or full-time students age 19 - 23 next \$950 is taxed at the child's tax rate; excess taxed at parent's rate.	Up to \$13,000 per donor for each donee without incurring federal gift tax.	Unlimited (must be for benefit of child and not used for food, clothing etc.)	Custodian has full control only until beneficiary reaches legal age of majority.	N/A
529 Plans****	Distributions tax-free if used for education expenses.	Limits vary by state. Special gifting rules apply.	**Qualified Higher Education Expenses	Full control	Yes
Coverdell ESAs	Withdrawals and earnings not taxed as long as funds are used for education expenses.	*\$2,000 per year per child - child must be under 18.	***Qualified Education Expenses	Full control	Yes
Investments					
U.S. Savings Bonds (zero coupon bond)	*Interest is tax exempt provided proceeds are for tuition and/or fees.	N/A	Tuition and Fees	Full control	N/A
Tax Reductions and Credits			Notes		
Hope Credit (American Opportunity Credit)	Credit of up to \$2,500 for each eligible student.		First four years of post-secondary education. Enrolled in degree program at least half-time. Tuition and related expenses (excluding room and board). Phase-outs apply.		
Lifetime Learning Credit	Maximum of \$2,000 per taxpayer.		Qualified tuition and related expenses (excluding room and board). One or more courses. Graduate level work is eligible. Phase-outs apply.		
Student Loan Interest Deduction	Maximum of \$2,500 above-the-line deductions. Deduction is subject to income limitations.		Interest is deductible for all years during loan repayment period. Phase-outs apply.		

Investors should consider the investment objectives, risks, charges and expenses associated with a 529 Plan before investing. This and other information is available in a Plan's official statement. The official statement should be read carefully before investing.

*Restrictions apply at certain income levels and proceeds may have to be used for education expenses.

**Qualified Higher Education Expenses refer to amounts paid for tuition and fees, books, room and board, equipment, supplies, etc., as a result of attendance at a post-secondary institution.

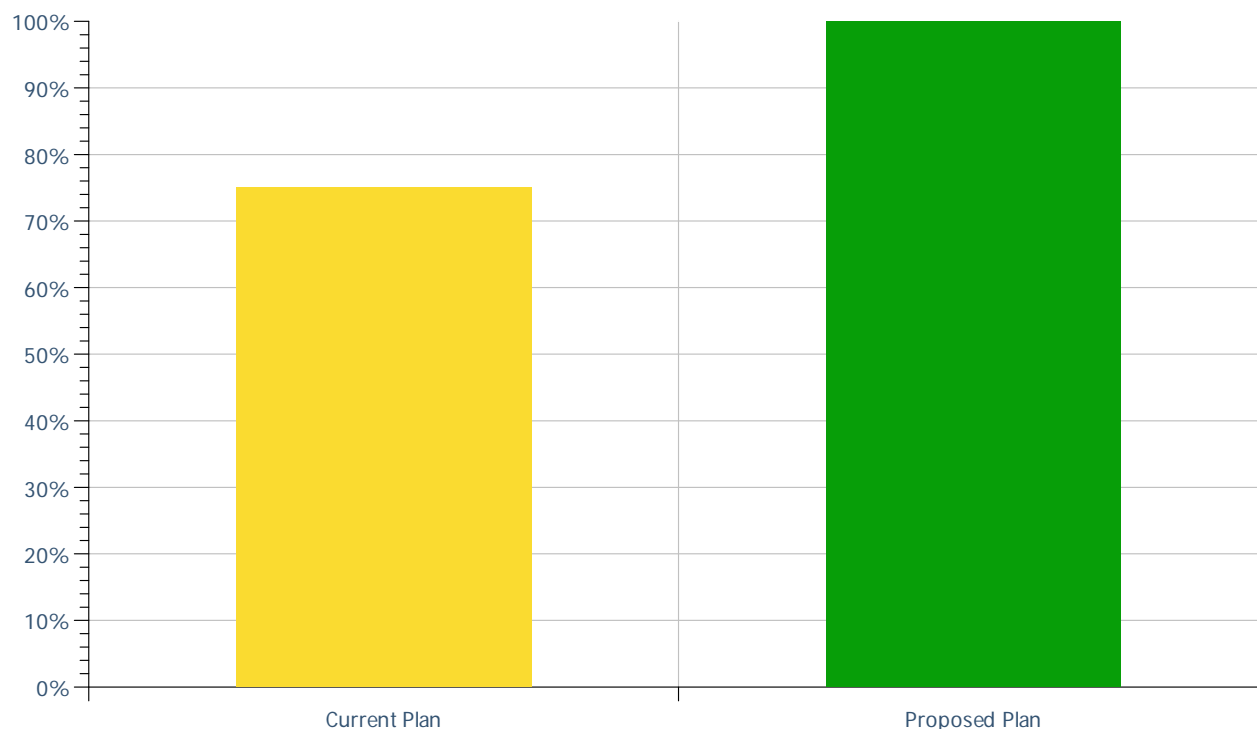
***Qualified Education Expenses include the following: Qualified Higher Education Expenses, amounts paid for tuition and fees, books, supplies and tutoring; a beneficiary's enrolment in a public, private or religious elementary, or secondary school. 529 assets may affect a beneficiary's ability to qualify for financial aid, grants, or loans.

****Favorable tax treatment for investing in a 529 College Savings Plan may be limited to investments made in a 529 plan offered by your home state. Please consult your tax advisor about any state tax consequences of an investment in a specific College Savings Plan.

Julia - College Education Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Julia - College Education goal. The following graph illustrates the ability of each scenario to achieve the Julia - College Education goal.

Scenario Coverage



	Goal Coverage	Capital at Start of Goal	Capital at End of Goal	Year Capital Exhausted
Current Plan	75.00%	\$130,797	\$0	2015
Proposed Plan	100.00%	\$169,902	\$962	Never

Scenario Assumption Comparison

Key Differences	Current	Alternative 1
Objectives:		
Desired Expenses Covered (Annual Goal Amount)	100%(\$40,000)	100%(\$40,000)
Start Year (Duration)	2013 (4 years)	2013 (4 years)
Index Rate	5.00%	5.00%
Additional Lump Sum Savings	\$0	\$0
Current Monthly Savings	\$200	\$258
Additional Monthly Savings	\$0	\$77
Additional Monthly Savings Indexed at	0.00%	0.00%
Additional Monthly Savings Start Date	Jan 1, 2010	Jan 1, 2010
Investment Objective	Current - Rebalanced	Moderate
Rate of Return	6.40%	8.21%
Savings Strategies:	Current Plan	Current Plan

Key Differences	Current	Alternative 1
Transfer Strategies: †		N/A
Goal Funding Strategy:	Current Plan	Recommended Plan
New Accounts: †		N/A

Note: Items in bold indicate a change from the Current Plan

† What-if strategies are not applicable to the Current Plan scenario.

Julia - College Education Summary

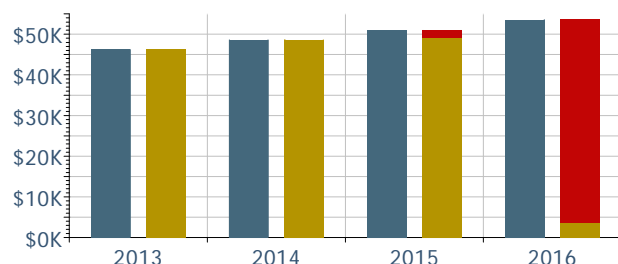
You have indicated you wish to establish an investment plan to fund the following education goal:

	Member	Current Age	Education Starts at	Estimated Costs/yr	Years of Education	Index Rate	Estimated Actual Cost
Current	Julia	15	18	\$40,000	4	5.00%	\$199,580
Proposed	Julia	15	18	\$40,000	4	5.00%	\$199,580

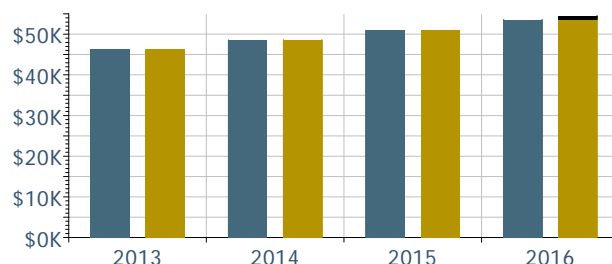
The graphs below illustrate needs vs. abilities for your education scenarios.

Education Needs Vs. Abilities

Current



Proposed



 Desired Needs	 Ability to Cover Needs	 Shortfall	 Surplus
---	--	--	--

	Current	Proposed
Available Assets	\$102,000	\$127,000
Return Rate	6.40%	8.21%
Assumed Monthly Savings	\$200	\$335
Required Additional Monthly Savings	\$635	\$0
Required Additional Lump Sum Savings	\$42,414	\$0

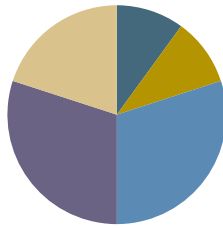
Consider the following:

- Alternatively, increase your monthly savings by \$635 to fund your education goal.
- Consider allocating additional assets to meet your education goals.
- Review opportunities and eligibility for scholarship programs and financial aid. Keep in mind that not all financial aid is based on need.

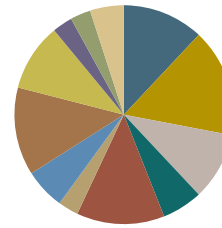
Asset Allocation for Julia - College Education - Proposed

These pie graphs illustrate your current asset mix and suggested asset mix for your education goal.

Current Asset Mix



**Suggested Asset Mix
Moderate**



Rate of Return	6.40%
Standard Deviation	9.07%

Rate of Return	8.21%
Standard Deviation	13.30%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and suggested asset mix. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	10.0	10,200	+2.0	+5,040	12.0	15,240
Large Cap Value Equity	10.0	10,200	+6.0	+10,120	16.0	20,320
Mid Cap Equity			+10.0	+12,700	10.0	12,700
Small Cap Equity			+6.0	+7,620	6.0	7,620
International Equity			+13.0	+16,510	13.0	16,510
Emerging Markets Equity			+3.0	+3,810	3.0	3,810
Long Term Bonds	30.0	30,600	-24.0	-22,980	6.0	7,620
Intermediate Term Bonds			+13.0	+16,510	13.0	16,510
Short Term Bonds			+10.0	+12,700	10.0	12,700
High Yield Bonds	30.0	30,600	-27.0	-26,790	3.0	3,810
International Bonds			+3.0	+3,810	3.0	3,810
Cash	20.0	20,400	-15.0	-14,050	5.0	6,350
Total	100.0	102,000	+0.0	+25,000	100.0	127,000

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Julia - College Education - Current

*75% This scenario covers 75% of the desired Julia - College Education goal objectives.



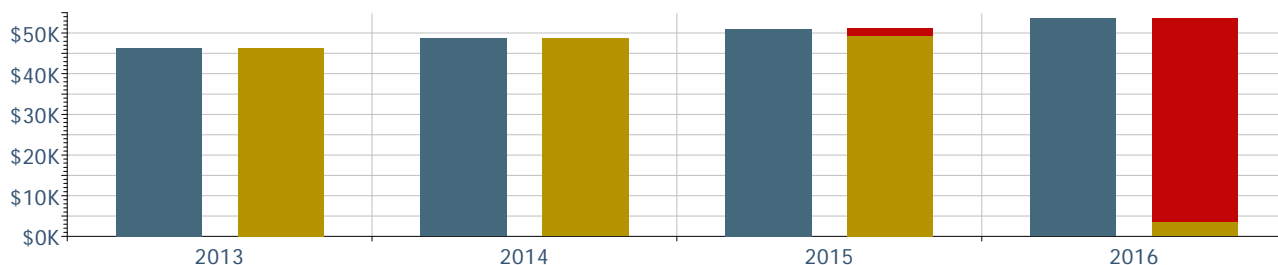
*This represents your total education needs covered by your total education resources during the education period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Desired Expenses Covered (Annual Goal Amount)	100% (\$40,000)
Start Year (Duration)	2013 (4 years)
Current Monthly Savings	\$200
Index Rate	5.00
Investment Objective (ROR)	Moderate (6.40%)

Analysis



Desired Needs	Ability to Cover Needs	Shortfall	Surplus
---------------	------------------------	-----------	---------

- Capital at Start of Goal: \$130,797
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2015

Julia - College Education - Proposed

*100% This scenario covers 100% of the desired Julia - College Education goal objectives.



*This represents your total education needs covered by your total education resources during the education period.

Assumptions

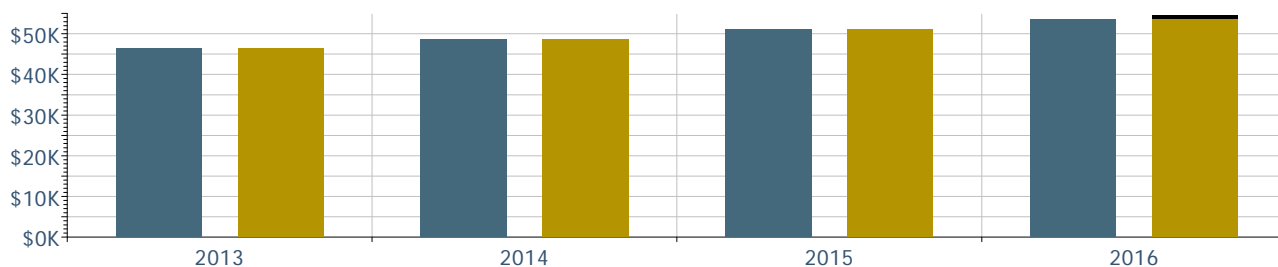
The following table details the key assumptions used in the generation of this scenario:

Desired Expenses Covered (Annual Goal Amount)	100% (\$40,000)
Start Year (Duration)	2013 (4 years)
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$200
Change in Monthly savings	\$135
Total Monthly Savings	\$335
Index Rate	500.000%
Investment Objective (ROR)	Moderate (8.21%)

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



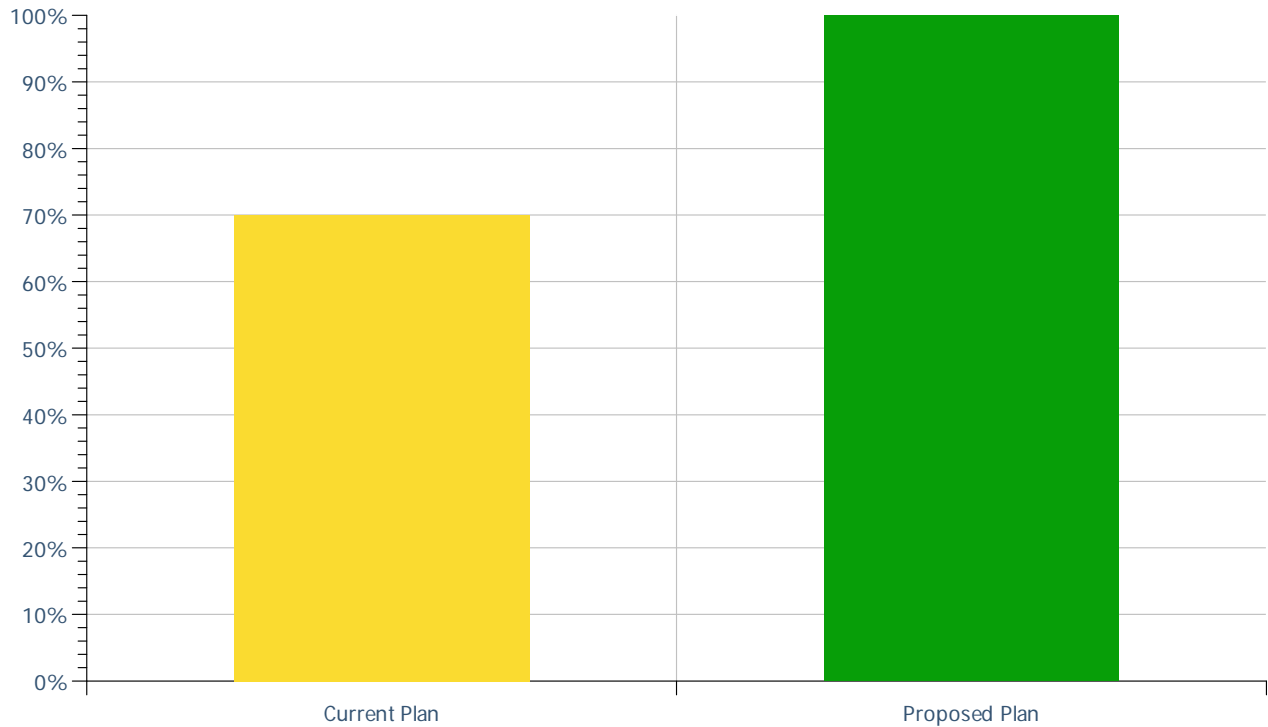
Desired Needs	Ability to Cover Needs	Shortfall	Surplus
---------------	------------------------	-----------	---------

- Capital at Start of Goal: \$169,902
- Capital at End of Goal: \$962
- Year Capital Exhausted: Never

Mark - College Education Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Mark - College Education goal. The following graph illustrates the ability of each scenario to achieve the Mark - College Education goal.

Scenario Coverage



	Goal Coverage	Capital at Start of Goal	Capital at End of Goal	Year Capital Exhausted
Current Plan	70.00%	\$128,833	\$0	2016
Proposed Plan	100.00%	\$182,445	\$2,063	Never

Scenario Assumption Comparison

Key Differences	Current	Alternative 1
Objectives:		
Desired Expenses Covered (Annual Goal Amount)	100%(\$40,000)	100%(\$40,000)
Start Year (Duration)	2014 (4 years)	2014 (4 years)
Index Rate	5.00%	5.00%
Additional Lump Sum Savings	\$0	\$0
Current Monthly Savings	\$200	\$281
Additional Monthly Savings	\$0	\$0
Additional Monthly Savings Indexed at	0.00%	0.00%
Additional Monthly Savings Start Date	Jan 1, 2010	Jan 1, 2010
Investment Objective	Current - Rebalanced	Moderate
Rate of Return	6.40%	8.21%
Savings Strategies:	Current Plan	Current Plan

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Key Differences	Current	Alternative 1
Transfer Strategies: †		N/A
Goal Funding Strategy:	Current Plan	Recommended Plan
New Accounts: †		N/A

Note: Items in bold indicate a change from the Current Plan

† What-if strategies are not applicable to the Current Plan scenario.

Mark - College Education Summary

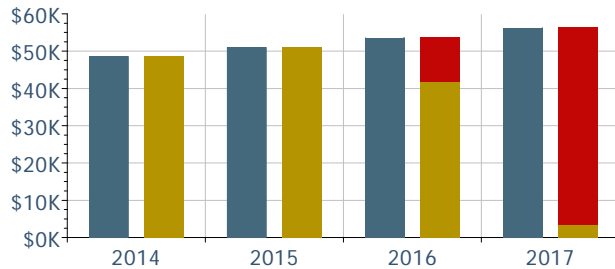
You have indicated you wish to establish an investment plan to fund the following education goal:

	Member	Current Age	Education Starts at	Estimated Costs/yr	Years of Education	Index Rate	Estimated Actual Cost
Current	Mark	14	18	\$40,000	4	5.00%	\$209,559
Proposed	Mark	14	18	\$40,000	4	5.00%	\$209,559

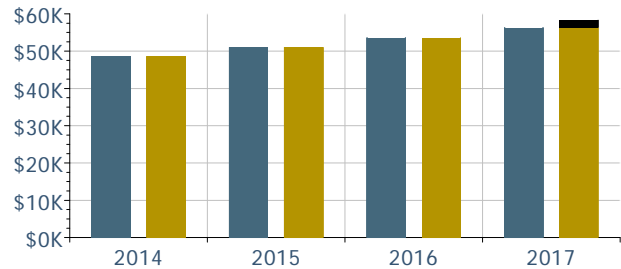
The graphs below illustrate needs vs. abilities for your education scenarios.

Education Needs Vs. Abilities

Current



Proposed



	Current	Proposed
Available Assets	\$92,000	\$127,000
Return Rate	6.40%	8.21%
Assumed Monthly Savings	\$200	\$281
Required Additional Monthly Savings	\$662	\$0
Required Additional Lump Sum Savings	\$51,031	\$0

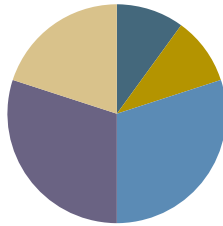
Consider the following:

- Alternatively, increase your monthly savings by \$662 to fund your education goal.
- Consider allocating additional assets to meet your education goals.
- Review opportunities and eligibility for scholarship programs and financial aid. Keep in mind that not all financial aid is based on need.

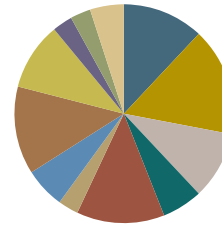
Asset Allocation for Mark - College Education - Proposed

These pie graphs illustrate your current asset mix and suggested asset mix for your education goal.

Current Asset Mix



**Suggested Asset Mix
Moderate**



Rate of Return	6.40%
Standard Deviation	9.07%

Rate of Return	8.21%
Standard Deviation	13.30%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and suggested asset mix. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

	Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
		(%)	(\$)	(%)	(\$)	(%)	(\$)
	Large Cap Growth Equity	10.0	9,200	+2.0	+6,040	12.0	15,240
	Large Cap Value Equity	10.0	9,200	+6.0	+11,120	16.0	20,320
	Mid Cap Equity			+10.0	+12,700	10.0	12,700
	Small Cap Equity			+6.0	+7,620	6.0	7,620
	International Equity			+13.0	+16,510	13.0	16,510
	Emerging Markets Equity			+3.0	+3,810	3.0	3,810
	Long Term Bonds	30.0	27,600	-24.0	-19,980	6.0	7,620
	Intermediate Term Bonds			+13.0	+16,510	13.0	16,510
	Short Term Bonds			+10.0	+12,700	10.0	12,700
	High Yield Bonds	30.0	27,600	-27.0	-23,790	3.0	3,810
	International Bonds			+3.0	+3,810	3.0	3,810
	Cash	20.0	18,400	-15.0	-12,050	5.0	6,350
	Total	100.0	92,000	+0.0	+35,000	100.0	127,000

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Mark - College Education - Current

*70% This scenario covers 70% of the desired Mark - College Education goal objectives.



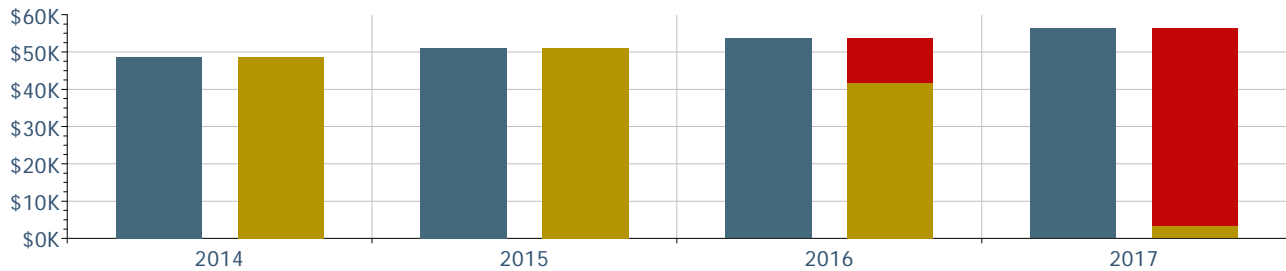
*This represents your total education needs covered by your total education resources during the education period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Desired Expenses Covered (Annual Goal Amount)	100% (\$40,000)
Start Year (Duration)	2014 (4 years)
Current Monthly Savings	\$200
Index Rate	5.00
Investment Objective (ROR)	Moderate (6.40%)

Analysis



Desired Needs	Ability to Cover Needs	Shortfall	Surplus
---------------	------------------------	-----------	---------

- Capital at Start of Goal: \$128,833
- Capital at End of Goal: \$0
- Year Capital Exhausted: 2016

Mark - College Education - Proposed

*100% This scenario covers 100% of the desired Mark - College Education goal objectives.



*This represents your total education needs covered by your total education resources during the education period.

Assumptions

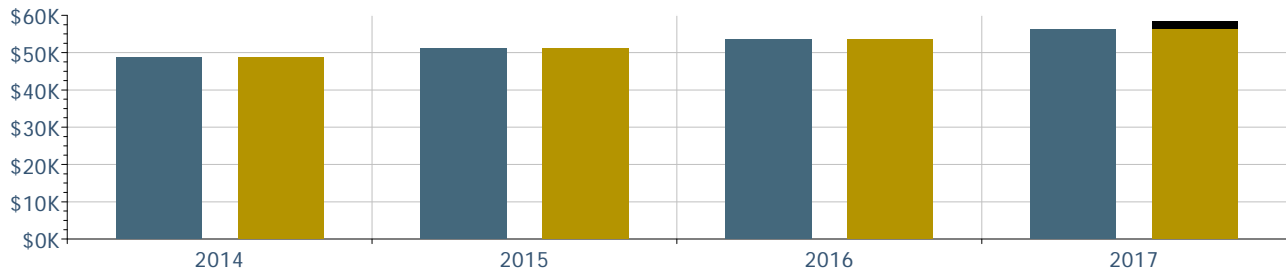
The following table details the key assumptions used in the generation of this scenario:

Desired Expenses Covered (Annual Goal Amount)	100% (\$40,000)
Start Year (Duration)	2014 (4 years)
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$200
Change in Monthly savings	\$81
Total Monthly Savings	\$281
Index Rate	500.000%
Investment Objective (ROR)	Moderate (8.21%)

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



■ Desired Needs	■ Ability to Cover Needs	■ Shortfall	■ Surplus
---	--	--	--

- Capital at Start of Goal: \$182,445
- Capital at End of Goal: \$2,063
- Year Capital Exhausted: Never

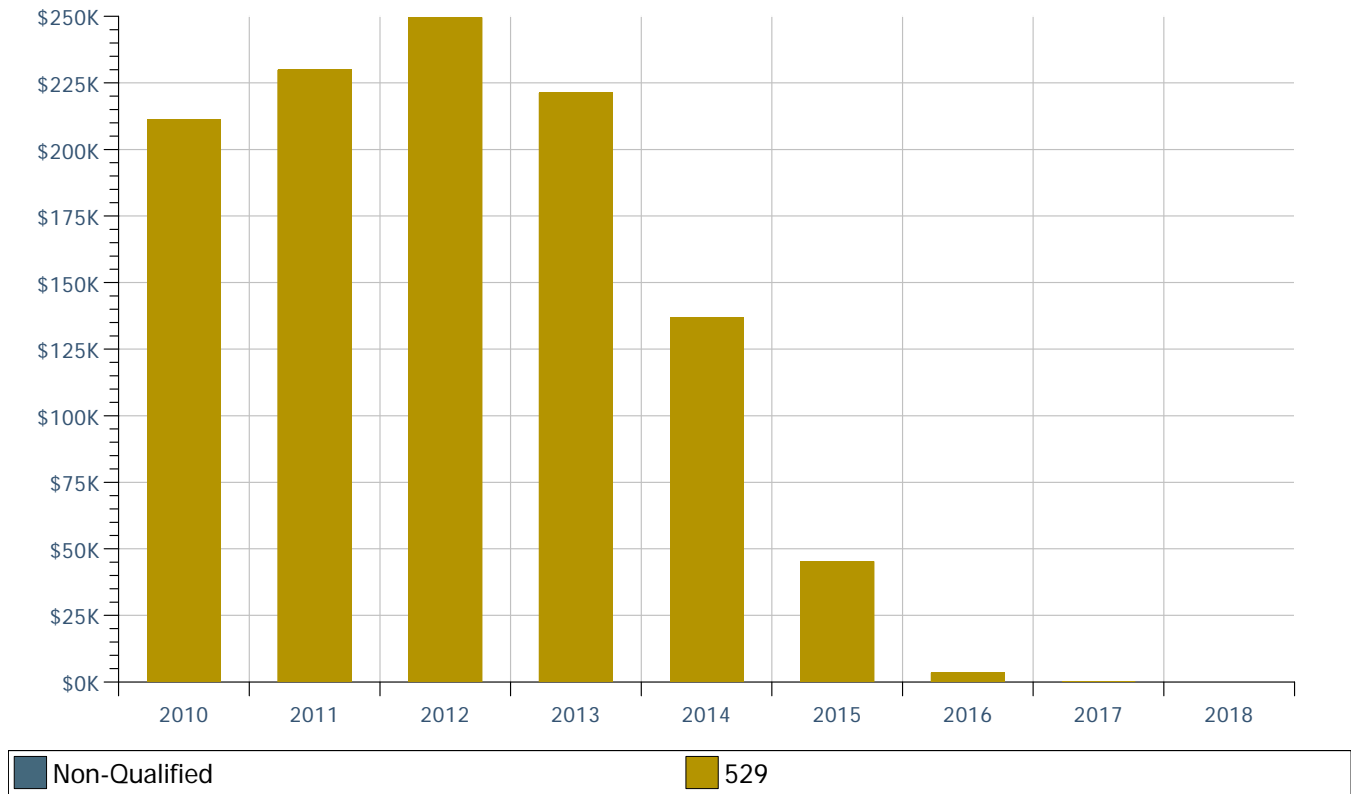
Education Cash Flow Summary - Current

The following report summarizes your cash flow for your education objective for your current plan. The report begins in the current year and continues until the year in which your last education goal occurs, based upon your current plan.

Year	Ages	Education Abilities	Education Needs	Surplus/(Deficit)
2010	50/48	0	0	0
2011	51/49	0	0	0
2012	52/50	0	0	0
2013	53/51	46,305	46,305	0
2014	54/52	97,241	97,241	0
2015	55/53	100,296	102,103	(1,807)
2016	56/54	45,480	107,208	(61,728)
2017	57/55	3,422	56,284	(52,862)

Capital Accumulation and Depletion - Current

The following graph provides a summary of the accumulation and/or depletion of your assets linked to your education goals.



Education Cash Flow Summary - Proposed

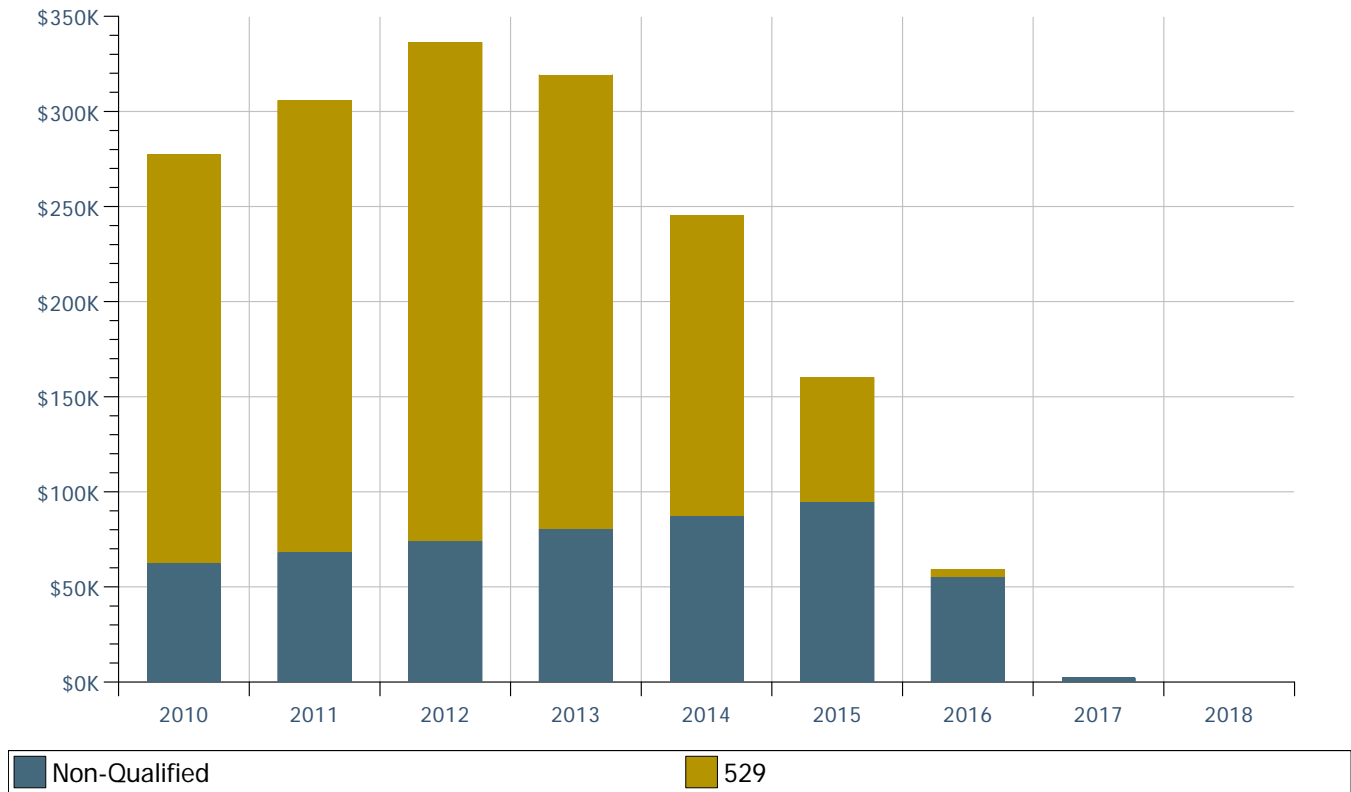
The following report summarizes your cash flow for your education objective for your proposed plan. The report begins in the current year and continues until the year in which your last education goal occurs, based upon your proposed plan.

Year	Ages	Education Abilities	Education Needs	Surplus/(Deficit)
2010	50/48	0	0	0
2011	51/49	0	0	0
2012	52/50	0	0	0
2013	53/51	46,305	46,305	0
2014	54/52	97,241	97,241	0
2015	55/53	102,103	102,103	0
2016	56/54	107,208	107,208	0
2017	57/55	56,284	56,284	0

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Capital Accumulation and Depletion - Proposed

The following graph provides a summary of the accumulation and/or depletion of your assets linked to your education goals.



Major Purchase



Major Purchase Overview

Throughout your lifetime there will be numerous occasions when you will want to make a major purchase, or incur a major expense: purchasing a cottage, a car or a boat, going on a vacation, or paying for a child's wedding, for example. Proper planning and a regular savings strategy can make these dreams a reality.

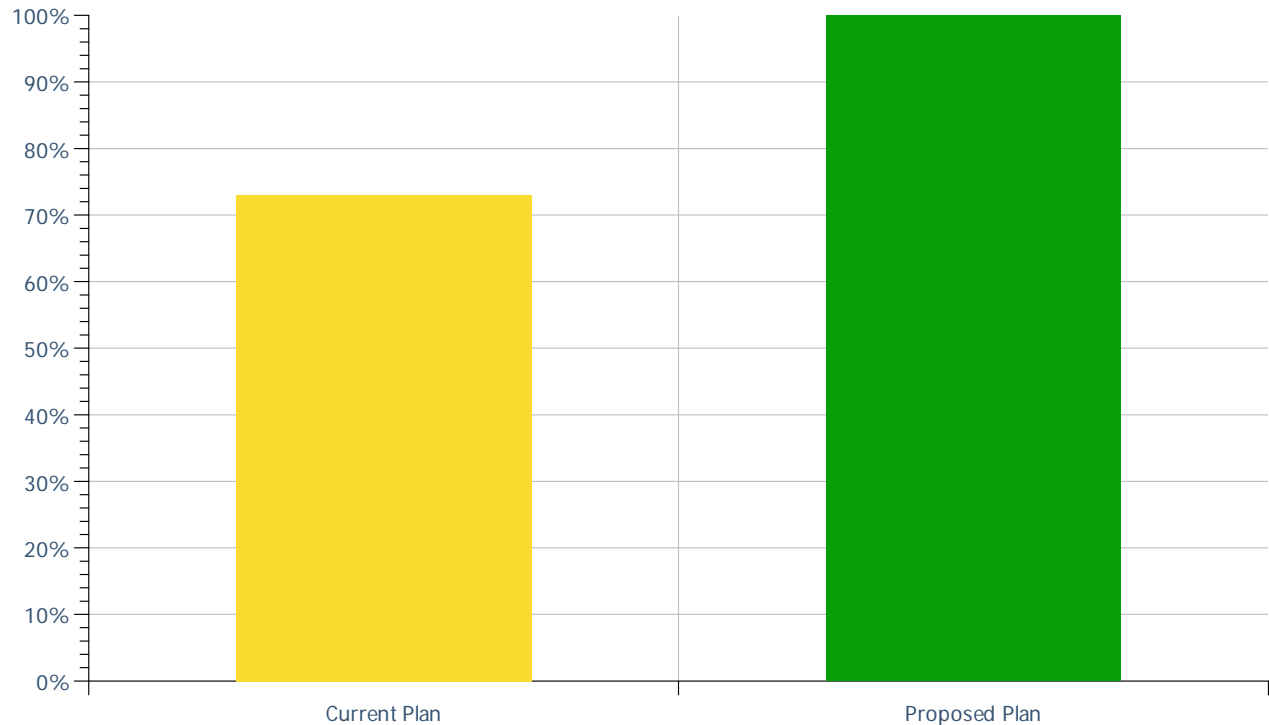
However, it is important to recognize you may have multiple goals competing for the same dollar: college for your children, retirement, day-to-day expenses, and major purchase goals. A critical piece of your analysis is to prioritize this goal with your other objectives to determine which is most important, which is second, etc. Which goal are you willing to put off for the sake of funding the others? To what extent are you willing to reduce the cost of one to fund others?

These questions are not always easy to answer, but identifying and prioritizing your goals is the first step toward success.

Vacation Timeshare Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Vacation Timeshare goal. The following graph illustrates the ability of each scenario to achieve the Vacation Timeshare goal.

Scenario Coverage



	Goal Coverage	Capital at Start of Goal	Capital at End of Goal
Current Plan	73%	\$82,758	\$0
Proposed Plan	100%	\$115,513	\$2,615

Scenario Assumption Comparison

Key Differences	Current	Alternative 1
Objectives:		
Purchase Amount (today's dollars)	\$88,000	\$88,000
Purchase Date	Jan 1, 2018	Jan 1, 2018
Additional Lump Sum Savings	\$0	\$0
Index Rate	3.00%	3.00%
Current Monthly Savings	\$400	\$400
Additional Monthly Savings	\$0	\$225
Additional Monthly Savings Indexed at	0.00%	0.00%
Additional Monthly Savings Start Date	Jan 1, 2010	Jan 1, 2010
Investment Objective	Current - Rebalanced	Moderate
Rate of Return	6.20%	8.21%
Savings Strategies:		
	Current Plan	Current Plan

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Key Differences	Current	Alternative 1
Goal Funding Strategy:	Current Plan	Recommended Plan
New Accounts: †		N/A

Note: Items in bold indicate a change from the Current Plan

† What-if strategies are not applicable to the Current Plan scenario.

Vacation Timeshare Summary

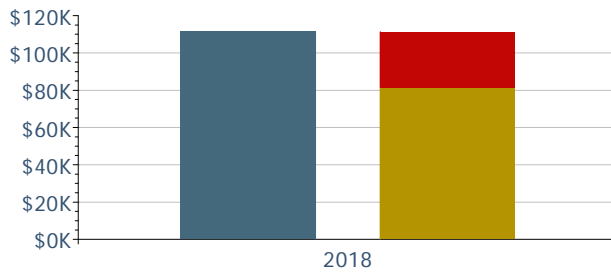
You have indicated you wish to establish an investment plan to fund the following Major Purchase goal:

	Member	Purchase Date	Purchase Amount	Index Rate	Estimated Actual Cost
Current	Joint	January 1, 2018	\$88,000	3.00%	\$111,476
Proposed	Joint	January 1, 2018	\$88,000	3.00%	\$111,476

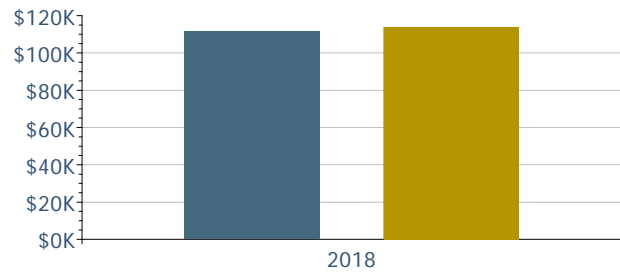
The graphs below illustrate needs vs. abilities for your major purchase scenarios.

Major Purchase Needs Vs. Abilities

Current



Proposed



■ Desired Needs	■ Ability to Cover Needs	■ Shortfall
--	---	--

	Current	Proposed
Available Assets	\$28,000	\$28,000
Return Rate	6.20%	8.21%
Assumed Monthly Savings	\$400	\$625
Required Additional Monthly Savings	\$269	\$0
Required Additional Lump Sum Savings	\$22,318	\$0

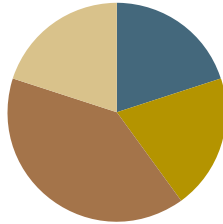
Consider the following:

- Assess the priority of funding your major purchase goal(s) relative to other financial needs. Review time frames for achieving goals.
- Consider increasing monthly savings or re-allocating additional funds toward your major purchase goal.

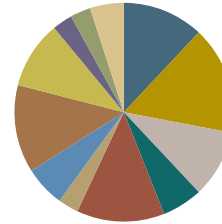
Asset Allocation for Vacation Timeshare - Proposed

These pie graphs illustrate your current asset mix and suggested asset mix for your major purchase goal.

Current Asset Mix



**Suggested Asset Mix
Moderate**



Rate of Return	6.20%
Standard Deviation	8.64%

Rate of Return	8.21%
Standard Deviation	13.30%

The table below provides a breakdown of the percentages and dollar values for each asset class in the current and suggested asset mix. The *Change* column indicates the rebalancing required to reach the suggested asset mix.

Asset Class	Current Asset Mix		Change		Suggested Asset Mix	
	(%)	(\$)	(%)	(\$)	(%)	(\$)
Large Cap Growth Equity	20.0	5,600	-8.0	-2,240	12.0	3,360
Large Cap Value Equity	20.0	5,600	-4.0	-1,120	16.0	4,480
Mid Cap Equity			+10.0	+2,800	10.0	2,800
Small Cap Equity			+6.0	+1,680	6.0	1,680
International Equity			+13.0	+3,640	13.0	3,640
Emerging Markets Equity			+3.0	+840	3.0	840
Long Term Bonds			+6.0	+1,680	6.0	1,680
Intermediate Term Bonds	40.0	11,200	-27.0	-7,560	13.0	3,640
Short Term Bonds			+10.0	+2,800	10.0	2,800
High Yield Bonds			+3.0	+840	3.0	840
International Bonds			+3.0	+840	3.0	840
Cash	20.0	5,600	-15.0	-4,200	5.0	1,400
Total	100.0	28,000	+0.0	+0	100.0	28,000

Note: The reallocation table above does not reflect the tax effects that may occur when reallocating your assets; these tax effects are accounted for at the end of the year.

© 2010 Ibbotson Associated, Inc., a wholly owned subsidiary of Morningstar, Inc. All rights reserved. EISI has engaged Ibbotson to develop proprietary asset allocation tools for educational purposes. Ibbotson has granted to EISI a license for use thereof. Some assets in this report may have been classified based on returns-based style analysis and others may have been manually classified.

Vacation Timeshare - Current

*73%

The scenario covers 73% of the desired Vacation Timeshare goal objectives.



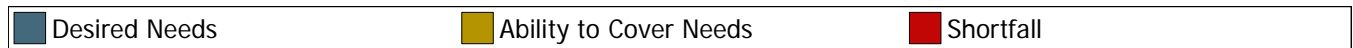
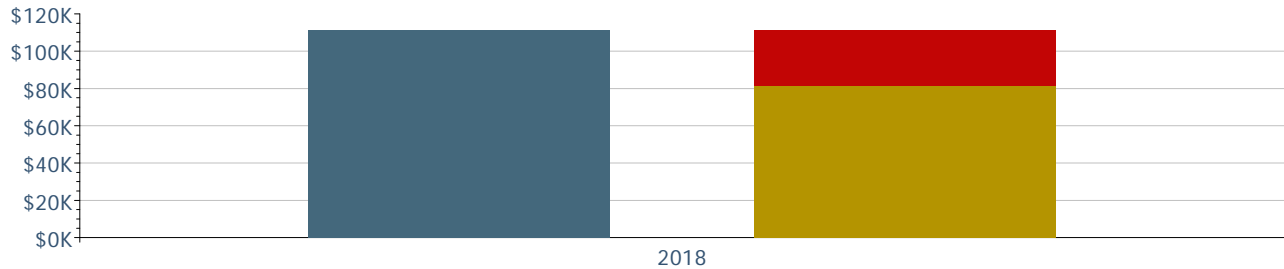
*This represents your total major purchase needs covered by your total major purchase resources.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Goal Amount (today's \$)	\$88,000
Purchase Date	January 1, 2018
Current Monthly Savings	\$400
Index Rate	3.00%
Investment Objective (ROR)	Current Asset Mix (6.20%)

Analysis



- Capital at Start of Goal: \$82,758
- Capital at End of Goal: \$0

Vacation Timeshare - Proposed

*100% The scenario covers 100% of the desired Vacation Timeshare goal objectives.



*This represents your total major purchase needs covered by your total major purchase resources.

Assumptions

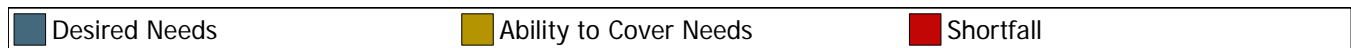
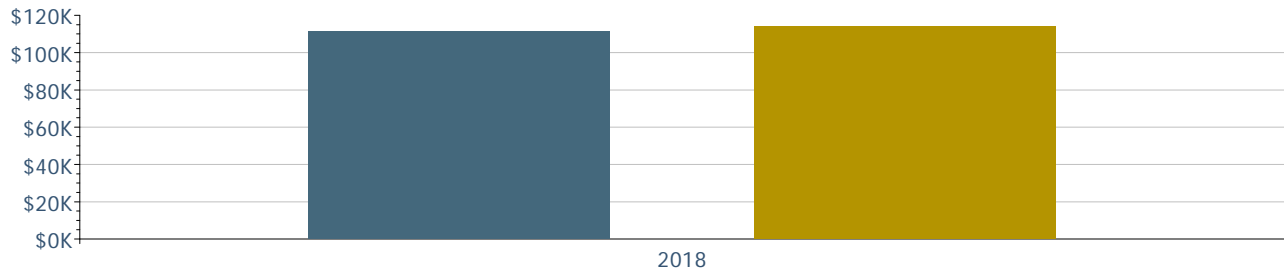
The following table details the key assumptions used in the generation of this scenario:

Goal Amount (today's \$s)	\$88,000
Purchase Date	January 1, 2018
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$400
Change in Monthly Savings	\$225
Total Monthly Savings	\$625
Index Rate	3.00%
Investment Objective (ROR)	Moderate (8.21%)

Note: Numbers in bold indicate a change from the Current Plan.

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



- Capital at Start of Goal: \$115,513
- Capital at End of Goal: \$2,615

Major Purchase Cash Flow Summary - Current

The following report summarizes your cash flow for your Major Purchase objective for your current plan. The report begins in the current year and continues until the year in which your last Major Purchase goal occurs, based upon your current plan.

Year	Ages	Major Purchase Abilities	Major Purchase Needs	Surplus/(Deficit)
2010	50/48	0	0	0
2011	51/49	0	0	0
2012	52/50	0	0	0
2013	53/51	0	0	0
2014	54/52	0	0	0
2015	55/53	0	0	0
2016	56/54	0	0	0
2017	57/55	0	0	0
2018	58/56	81,570	111,476	(29,906)

Major Purchase Net Worth Accumulation - Current

The following report provides a summary of the accumulation and/or depletion of your assets linked to your major purchase goal. It displays the start of year asset balance, along with any contributions, redemptions, reinvestments or growth that are applicable throughout each year, as well as the end of year asset balance.

Year	Ages	SOY Total Capital	Total Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	28,000	4,800	0	1,177	208	34,186
2011	51/49	34,186	4,800	0	1,140	251	40,376
2012	52/50	40,376	4,800	0	1,332	293	46,801
2013	53/51	46,801	4,800	0	1,531	337	53,469
2014	54/52	53,469	4,800	0	1,738	382	60,388
2015	55/53	60,388	4,800	0	1,952	429	67,570
2016	56/54	67,570	4,800	0	2,175	478	75,023
2017	57/55	75,023	4,800	0	2,406	529	82,758
2018	58/56	82,758	0	82,758	0	0	0
2019	59/57	0	0	0	0	0	0
2020	60/58	0	0	0	0	0	0
2021	61/59	0	0	0	0	0	0
2022	*62/60*	0	0	0	0	0	0
2023	63/61	0	0	0	0	0	0
2024	64/62	0	0	0	0	0	0
2025	65/63	0	0	0	0	0	0
2026	66/64	0	0	0	0	0	0
2027	67/65	0	0	0	0	0	0
2028	68/66	0	0	0	0	0	0
2029	69/67	0	0	0	0	0	0
2034	74/72	0	0	0	0	0	0
2039	79/77	0	0	0	0	0	0
2044	84/82	0	0	0	0	0	0
2049	89/87	0	0	0	0	0	0
2052	--/90	0	0	0	0	0	0

* = Year of retirement

Major Purchase Cash Flow Summary - Proposed

The following report summarizes your cash flow for your Major Purchase objective for your current plan. The report begins in the current year and continues until the year in which your last Major Purchase goal occurs, based upon your proposed plan.

Year	Ages	Major Purchase Abilities	Major Purchase Needs	Surplus/(Deficit)
2010	50/48	0	0	0
2011	51/49	0	0	0
2012	52/50	0	0	0
2013	53/51	0	0	0
2014	54/52	0	0	0
2015	55/53	0	0	0
2016	56/54	0	0	0
2017	57/55	0	0	0
2018	58/56	113,930	111,476	2,454

Major Purchase Net Worth Accumulation - Proposed

The following report provides a summary of the accumulation and/or depletion of your assets linked to your major purchase goal. It displays the start of year asset balance, along with any contributions, redemptions, reinvestments or growth that are applicable throughout each year, as well as the end of year asset balance.

Year	Ages	SOY Total Capital	Total Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	28,000	22,620	15,336	1,617	333	37,234
2011	51/49	37,234	7,500	0	1,664	429	46,827
2012	52/50	46,827	7,500	0	2,051	529	56,907
2013	53/51	56,907	7,500	0	2,457	634	67,498
2014	54/52	67,498	7,500	0	2,884	744	78,626
2015	55/53	78,626	7,500	0	3,333	860	90,319
2016	56/54	90,319	7,500	0	3,804	982	102,604
2017	57/55	102,604	7,500	0	4,299	1,110	115,513
2018	58/56	115,513	0	113,024	100	26	2,615
2019	59/57	0	0	0	0	0	0
2020	60/58	0	0	0	0	0	0
2021	61/59	0	0	0	0	0	0
2022	62/60	0	0	0	0	0	0
2023	*63/61*	0	0	0	0	0	0
2024	64/62	0	0	0	0	0	0
2025	65/63	0	0	0	0	0	0
2026	66/64	0	0	0	0	0	0
2027	67/65	0	0	0	0	0	0
2028	68/66	0	0	0	0	0	0
2029	69/67	0	0	0	0	0	0
2034	74/72	0	0	0	0	0	0
2039	79/77	0	0	0	0	0	0
2044	84/82	0	0	0	0	0	0
2049	89/87	0	0	0	0	0	0
2052	--/90	0	0	0	0	0	0

* = Year of retirement

Emergency Fund



Emergency Fund Overview

What is an Emergency Fund?

An emergency fund is usually a separate account that you maintain to meet unexpected and important short-term needs such as a car repair or a new appliance. Investments that are well suited for an emergency fund include savings accounts, money market accounts and short-term certificates of deposit (CDs).

Why is an Emergency Fund Necessary?

Emergency funds are established to minimize the effect of an unexpected event such as a temporary job loss or a reduction in income. It is not intended to meet anticipated expenses such as property taxes, college tuition, or a vacation.

In difficult times, you do not want to be put in a position to sell assets at a reduced value.

How large should an Emergency Fund be?

Your emergency fund should reflect your own personal situation. While there are general guidelines, you should adjust them to reflect your personal circumstances. You should consider your job security, and the health of you and your family when deciding on the amount of your cash reserve. The starting point in your evaluation can be to assess a reserve of three months of regular living expenses. You will need to review this requirement when major events in your life occur such as the birth of a child or a change in employment.

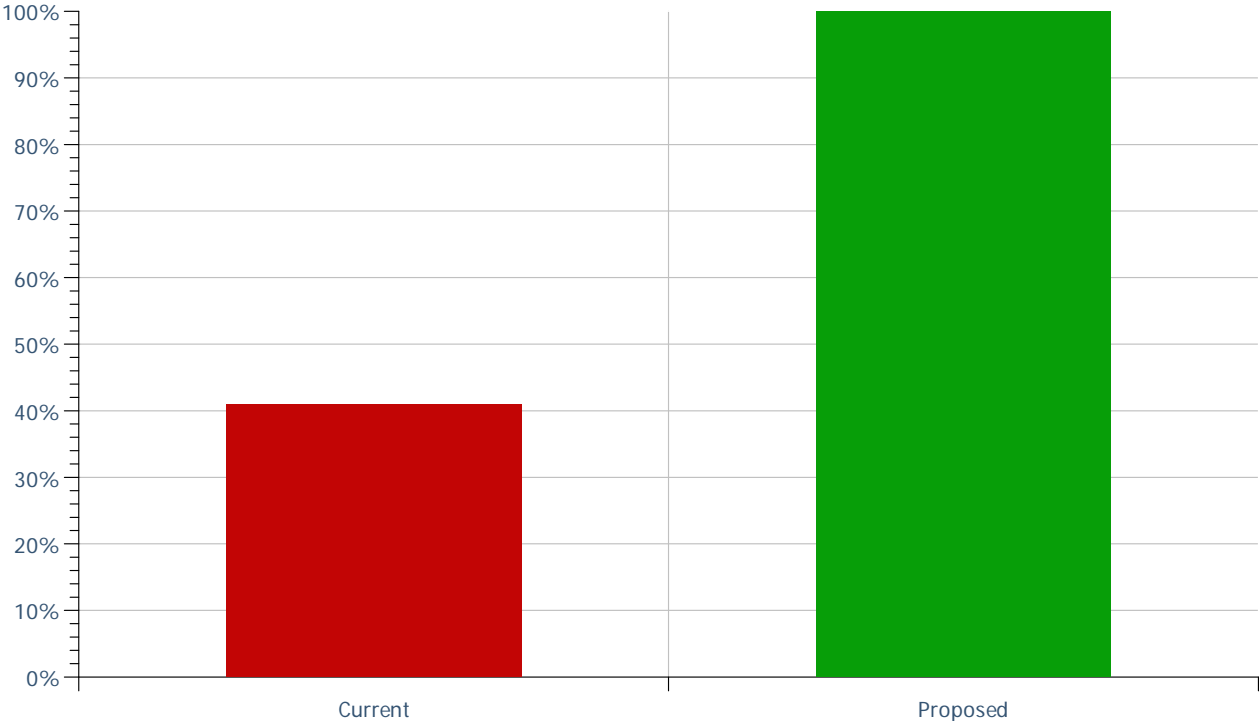
Having trouble saving?

If you have difficulties in establishing an adequate emergency fund, you may consider establishing a personal line of credit to meet unexpected needs. You should ensure that you can maintain the payment of this debt within your regular budget. You should try to repay this debt as quickly as possible when circumstances improve.

Emergency Fund Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Emergency Fund goal. The following graph illustrates the ability of each scenario to achieve the Emergency Fund goal.

Scenario Coverage



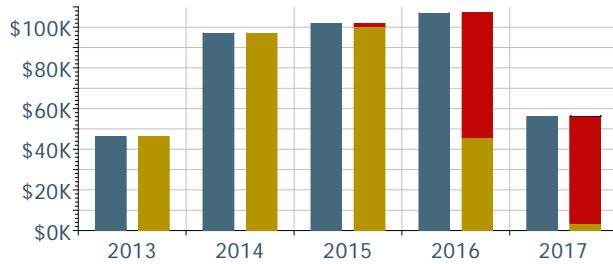
	Goal Coverage	Capital at Start of Goal
Current	41%	\$15,000
Proposed	100%	\$36,306

Emergency Fund Summary

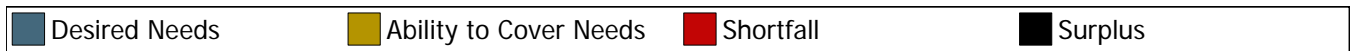
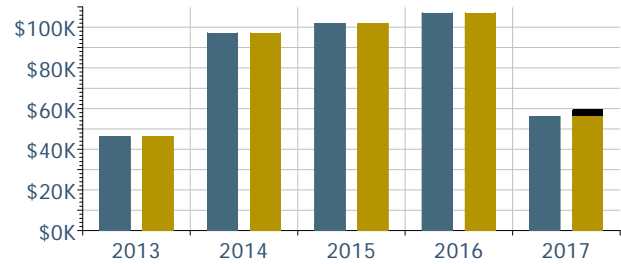
An emergency fund is a reserve of liquid assets, which can be easily converted into cash, to cover emergency expenses.

Emergency Fund Needs Vs. Abilities

Current



Proposed



	Current	Proposed
Available Assets	\$15,000	\$30,000
Return Rate	3.70	2.81
Assumed Monthly Savings	\$35	\$70
Required Additional Monthly Savings	\$20,785	\$0
Required Additional Lump Sum Savings	\$20,775	\$0
Savings Start Date	June 1, 2010	June 1, 2010
Savings Period (months)	1	60

Consider the following

- Review funding sources available to increase emergency cash reserves. Three to six months of expenses is considered an appropriate target amount.

Emergency Fund - Current Summary

*41%

The scenario covers 41% of the desired Emergency Fund goal objectives.



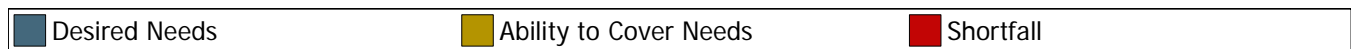
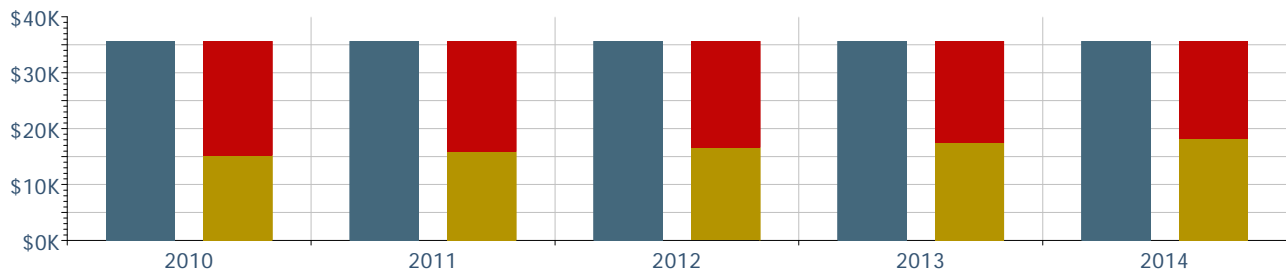
*This represents your total Emergency Fund needs covered by your total Emergency Fund resources.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Goal Amount (today's \$s)	\$35,660
Savings Period	1 month
Additional Lump-Sum Savings	\$0
Current Monthly Savings	\$35
Index Rate	0.00%
Asset Class (ROR)	Current - Rebalanced (3.70%)

Analysis



- Capital at Start of Goal: \$15,000

Emergency Fund - Proposed Summary

*100% The scenario covers 100% of the desired Emergency Fund goal objectives.



*This represents your total Emergency Fund needs covered by your total Emergency Fund resources.

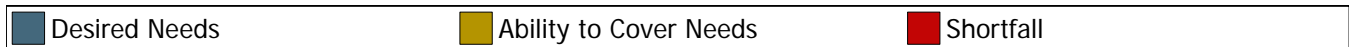
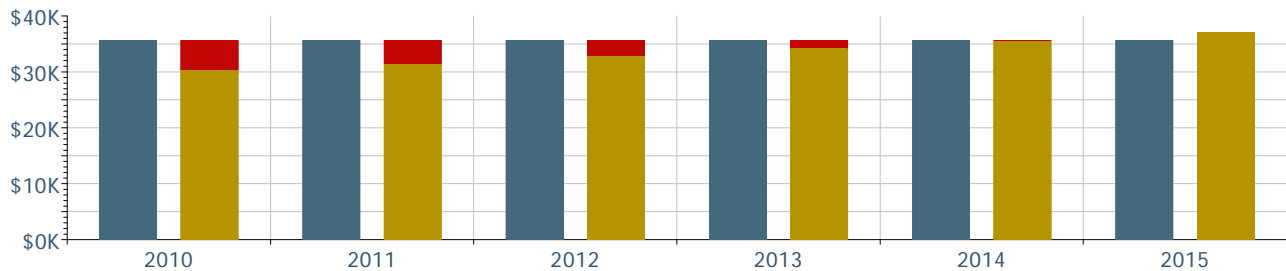
Assumptions

The following table details the key assumptions used in the generation of this scenario:

Goal Amount (today's \$)	\$35,660
Savings Period	60 months
Current Monthly Savings	\$35
Change in Monthly Savings	\$35
Total Monthly Savings	\$70
Index Rate	0.00%
Asset Class (ROR)	Cash (2.81%)

Note: Information in the table above is for the February 1, 2010 period. Any strategies occurring in the future are not displayed in this table.

Analysis



- Capital at Start of Goal: \$36,306

Business Planning



Business Planning Overview

Successful business owners frequently spend time thinking about running the day-to-day operations of their business and neglect to plan for the future or unanticipated events. The importance of developing a well thought-out business succession plan can never be emphasized enough. A vast majority of businesses will not survive without a plan in place and may fail during succession due to a poorly drafted plan. Unnecessary estate tax and income tax consequences can also occur without a plan.

It is also important to remember that it may be difficult to sell a privately held or closely held business. Proactive planning is therefore critical in order to “unlock” the value of your business so that you can meet your future financial needs from the sale proceeds of your business. The following sections will outline some important considerations when designing a succession plan and will include a brief discussion on some insurance alternatives important for business owners, the importance of proper business valuation and introduction to some of the more common executive compensation options that the business owner can offer to key employees.

Business Succession Planning Overview

Business succession options

There are a variety of options available when structuring a plan and the sooner a plan is in place the better. In crafting a business succession option, goals must be clearly defined. The business owner must take many factors into account when considering the options including, among others, business strength and savvy of the intended successors and the psychological and emotional impacts of any decision on employees and family members. Finally, all parties must be fully aware of the plan and embrace the plan.

There are various options available to the owners of privately held businesses. These include:

- Transfer of ownership to the next generation
- Employee stock ownership plan (ESOP)
- Public offering
- Recapitalization of the business
- Sale of the business to a third party
- Liquidation of the business

Transfer Ownership to Next Generation

Approximately one-third of business transfers to the next generation result in success. This creates the need to be proactive with any planning that anticipates involving the next generation and early buy-in by all parties will help lay the foundation for a smoother transition of ownership.

Children who are active in the business, present both unique opportunities and potential pitfalls. You have the opportunity to take advantage of gifting and valuation discounts that may be used when transferring the business to family members. A Family Limited Partnership often works well in these circumstances. However, there is always the risk of family disagreement and the challenge of balancing the estate for those who are not active in the business.

There are several creative ways to transfer the business to the next generation including, for example, an Employee Stock Ownership Plan. You should consult with your advisors to discuss the options that may be available to you.

ESOP

If you choose to transfer the business to your employees, an Employee Stock Ownership Plan (ESOP) may be the solution. An ESOP is a qualified plan designed to benefit all employees and must be non-discriminatory (in other words, provide a greater benefit to one class of employees over another). Unlike other qualified plans, an ESOP can borrow money to purchase investments in the stock of the sponsoring corporation. An ESOP is an excellent method for business owners to plan for the transfer of ownership. In addition, there are many tax advantages available to the selling shareholders that assist in maximizing the value of the business.

With an ESOP, the business owners sell their shares to an ESOP trust. The trust in turn makes annual contributions to the accounts of the employees. One key issue that must be addressed with an ESOP is the concept of repurchased liability. The sponsoring corporation must create a market for the employees to redeem their vested shares upon certain events (e.g. death, retirement). Careful planning attention must be given to this issue.

Public Offering

Another alternative is to “go public”. Using this method, corporate shares are offered to the general public and traded on the stock market. This is usually a very expensive option that requires sufficient revenue base and a strong business plan. In addition, it is not optimal as an exit strategy if you are near retirement.

Rather, this strategy is best employed early in the succession planning process while you are still very active in the business. This option is most useful to provide growth capital for the business, however it can provide liquidity to you in the long run.

Recapitalization

If you would like to begin to transfer the business value while retaining control of the company, recapitalization may be the answer. Using this method, two classes of stock are issued: voting preferred and non-voting common stock. The non-voting stock is transferred either through sale or gift to the successors. The voting preferred is retained until such point as the owners are ready to transfer control. This is more commonly appropriate when used with parents and the next generation and may be most useful as a means to provide growth for the business.

Sale

You may choose to sell your business to someone who is not currently involved in your business – a competitor, an existing customer or supplier for example. This can be done as a lump sum sale or in the form of an installment sale that spreads the payments and the tax implications over a number of years.

The sale of the business may be structured as an asset sale, a sale of stock or a combination of both. As a business owner, you are motivated to sell the stock in your business in order to take full advantage of the lower capital gains tax rates (a sale of assets usually subjects a portion of the gain to ordinary tax rates). However, the market and other factors may dictate the nature of the sale. You should discuss the options available to you with your advisors.

Liquidation

If there is no market for the business as an ongoing entity or other options are not available, you may choose to liquidate the assets that the business holds, and close the business.

Buy-sell agreements

What will happen if you or a business partner wishes to retire? Or dies prematurely? Or becomes permanently disabled? Or gets divorced? (You may end up with an unintended partner – the divorced spouse!)

Most closely held businesses need to have a buy-sell agreement in place when other partners, principals or shareholders are involved. Most commonly, this agreement states what occurs in the event a partner/shareholder should die, but it should also include provisions for retirement or other departure, disability, and for the divorce of a partner.

If you are an individual business owner, many of these items still apply; you simply have the added challenge of determining who will purchase your business in the occurrence of one of these events.

A properly structured buy-sell agreement stipulates in a binding contract what occurs in each of the events outlined below.

Death

There are two general structures to the buy-sell agreement in the event of death—a *cross purchase* or an *entity purchase*.

In a cross purchase plan, each of the partners owns life insurance on the lives of the other partners. In the event of the death of a partner, these life insurance proceeds are used to purchase the business equity from the estate of the deceased partner. This type of plan works well when there are a limited number of partners.

The entity purchase plan is similar, except the company owns the life insurance on each of the partners, and the company purchases the deceased partner's shares. This is frequently easier to administer when there are multiple partners.

Each type of plan has its own strengths and tax implications, so it is important to discuss the decision with a professional well versed in business succession.

Disability

If a partner becomes disabled, how long will the company continue to pay his/her salary? How long would he/she remain a partner? A disability buy-out provision specifies the method and timing for the buy-out of a disabled partner. This can be done with an installment sale (providing the company can afford the payments) or more likely with a disability buy-out insurance policy. This policy provides a lump-sum benefit to purchase the business shares from the disabled partner.

Divorce

A divorce decree or the operation of provincial law can stipulate that all assets are divided between the spouses, including business interests. Unless the buy-sell agreement states what happens in this event, the business may end up with a new, and potentially unwanted, partner.

Retirement

Perhaps the most complex of all situations is retirement. Who will buy your shares at your retirement? It may or may not be your partners.

Business Valuation Overview

Business valuation is an important exercise when you are contemplating a sale or a gift of a portion or all of the business and a necessary exercise when a business interest is included in your gross estate. Valuation takes on different meanings and can yield different results, depending on the purpose of the valuation and the type of business being valued. For example, a valuation for estate planning purposes is much different than a valuation for the sale of the business, or the valuation for a minority sale of the business to an ESOP.

Accredited Senior Appraisers (ASAs), Chartered Financial Analysts (CFAs), Accredited in Business Valuation (ABAs) or Certified Valuation Analysts (CVAs) can assist you in determining a proper valuation method in the most objective manner. Fees are typically charged on an hourly basis at rates that vary depending on the credentials of the valuator, the business type, the complexity and many other factors. You should obtain an estimate in advance in order to manage your expectations of the ultimate fee.

The fair market value of a business interest is usually defined as the amount a willing buyer would pay to a willing seller, neither under pressure to buy or sell, and each having reasonable knowledge of the relevant facts. The key to arriving at the value of a closely held business is the process of due diligence. Important criteria to consider include:

- The nature and history of the individual business
- The general economic outlook and outlook of the specific industry
- The book value of stocks and assets
- Outstanding liabilities
- The company's current and future earning capacity
- The dividend-paying capacity
- Sales of company stock
- Market price of stocks of comparable companies

Business Insurance Overview

Small business owners must consider the value certain insurance products can provide to their business operations.

Key employee insurance

The death of a key employee can be very disruptive to business operations, and it can adversely affect corporate earnings. In addition, the costs for identifying, hiring, and training a replacement can be high. An average hiring cycle runs from 2 to 4 months, and the replacement may demand a higher salary.

Key employee insurance can help you weather these financial storms.

To insure against the death of a key employee, the company purchases an insurance policy on the life of the key employee. The company is the premium payer, the owner of the policy, and also the beneficiary of the policy. The monetary worth of the employee is determined from such factors as the cost to replace the key employee, the employee's salary, and the employee's contribution to company profits.

The death benefit and cash surrender value are payable to the company. If the key employee lives to retirement, the company can use the cash surrender value to fund a non-qualified, deferred-compensation plan for the employee. The death benefit can be used even if the employee lives to retire. On the employee's death in retirement, the proceeds can fund a payment or income stream to the surviving spouse.

The premiums paid by the company are non-deductible, but the death-benefit proceeds are tax free (although the alternative minimum tax may apply).

Business overhead insurance

When a small business owner becomes severely injured or disabled, the company must continue to pay operating expenses such as rent, utilities, and employee salaries. Individual disability policies only supplement the small-business owner's personal expenses. Without a business overhead insurance policy, the owner could be forced to use personal assets to fund ongoing business expenses. Business overhead insurance provides the owner with peace of mind that operating costs are covered during disability.

A business overhead insurance policy outlines the costs covered and the dollar limits of coverage. The premiums for these policies are tax-deductible, but the benefits received are subject to tax.

Executive Compensation Overview

Attracting and retaining key employees can be a difficult task. Non-qualified executive plans, often referred to as “golden handcuffs”, provide incentive for the employees to stay.

Deferred Compensation

A deferred compensation plan can either be funded by the employer or employee. An employee may choose to defer receipt of salary or bonus until a future time - generally retirement. This type of plan is referred to as a salary deferral plan. A salary continuation plan is a deferred compensation plan that is funded by the employer and is designed to continue all or a portion of the salary beyond retirement. Deferred compensation plans can be used to defer income to period in which the employee is expected to be in a lower tax bracket. These plans can also be used to supplement qualified plans where contributions have been limited.

Split Dollar Life Insurance Policies

A split dollar life insurance policy is not a specific type of insurance, but rather is an arrangement that splits ownership between the company and the employee. Typically, the company “owns” the cash value of the policy, and the employee “owns” the death benefit. Split dollar policies are frequently used to fund deferred compensation plans - the accumulated cash value is used to provide income to the employee after retirement. If the employee dies prior to retirement, the employee’s heirs receive the death benefit.

A potential pitfall is the need for the employee to declare the cost of insurance as income to avoid future adverse tax consequences later. You should contact your tax advisor when considering these types of policies as the IRS has recently issued final Regulations and Notices on the taxation consequences of split dollar life insurance policies.

Employee Stock Options

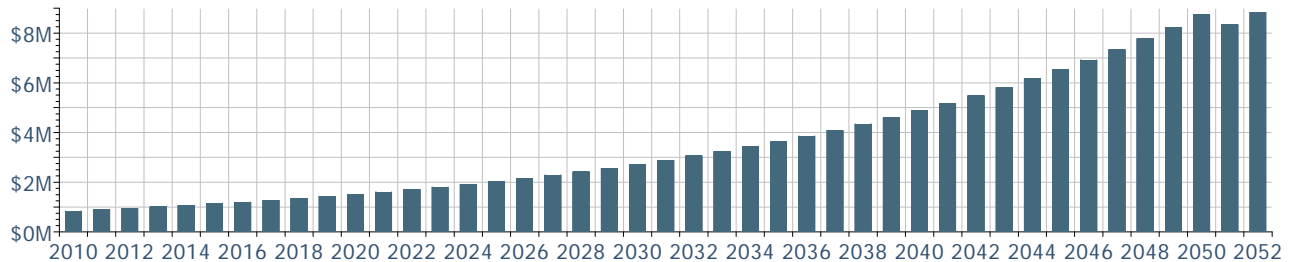
Employee stock options give the employee the right to purchase company stock in the company at a stated price. These options generally vest over a number of years and may be offered as incentive or bonus. If the employee leaves prior to vesting, the options are typically forfeited.

- Stock Option plans.

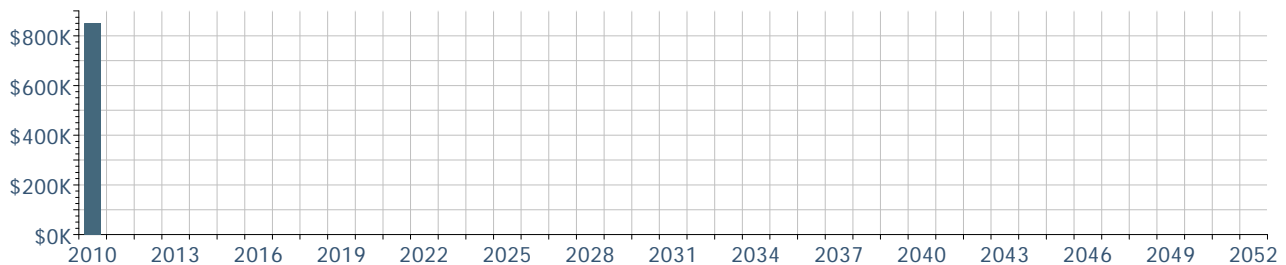
Business Planning Summary

The following graphs illustrate the fair market value growth of your business assets during your lifetime, for your current plan and your proposed plan.

Current Plan



Proposed Plan



Business Assets

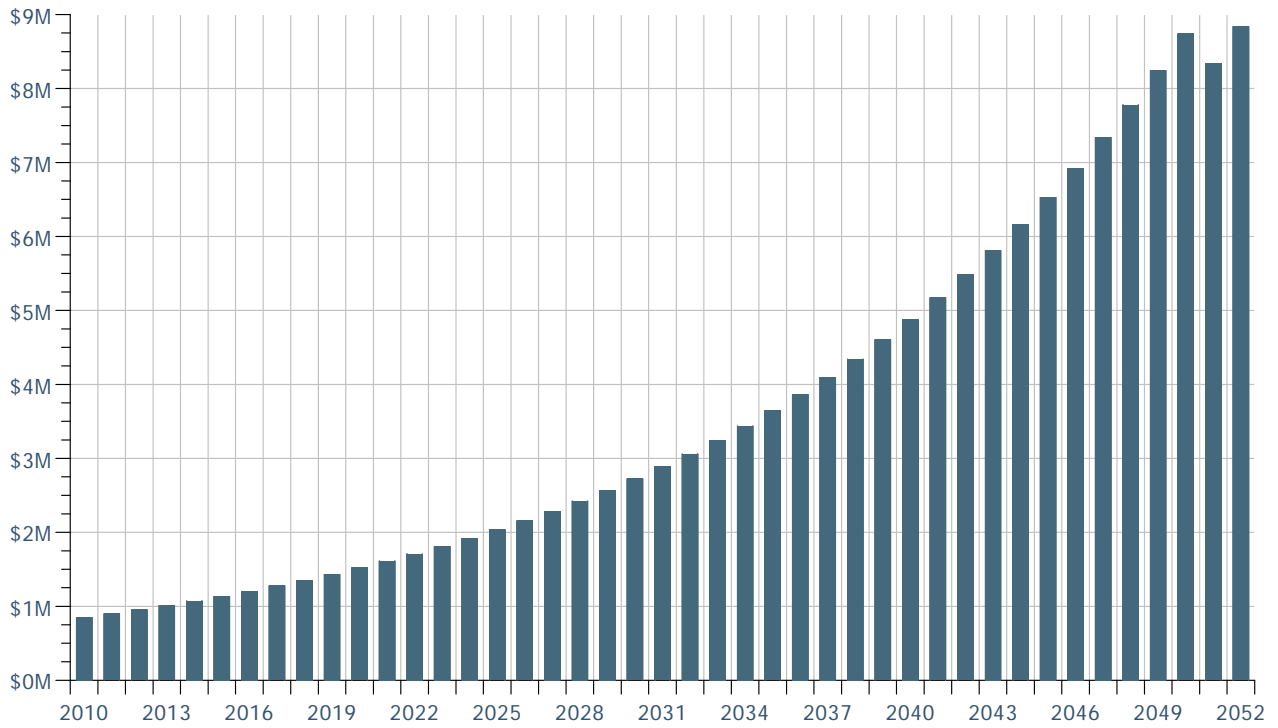
At your retirement, in the year 2022 your business assets comprise 35% of your total assets in your current plan and in the year 2023 your business assets comprise 0% of your total assets in your proposed plan. A high percentage may indicate the need to develop an appropriate succession plan to ensure you will have sufficient access to income during your retirement years.

Consider the following:

- Without proper estate planning, your estate may have liquidity issues and your heirs may have difficulties paying the estate tax when your business forms a large part of your estate.
- You should consider the following options when developing a succession plan: Employee Stock Ownership Plans (ESOPs), buy-sell agreements, or transferring ownership to the next generation.
- Once in place, succession plans should be reviewed and modified on an ongoing basis.
- Consider whether or not key person insurance or business overhead insurance policies are beneficial to your business.
- There are various options for compensating key employees of your business, such as deferred compensation plans, ESOPs and Stock Option plans.

Business Asset Growth Graph - Current Plan

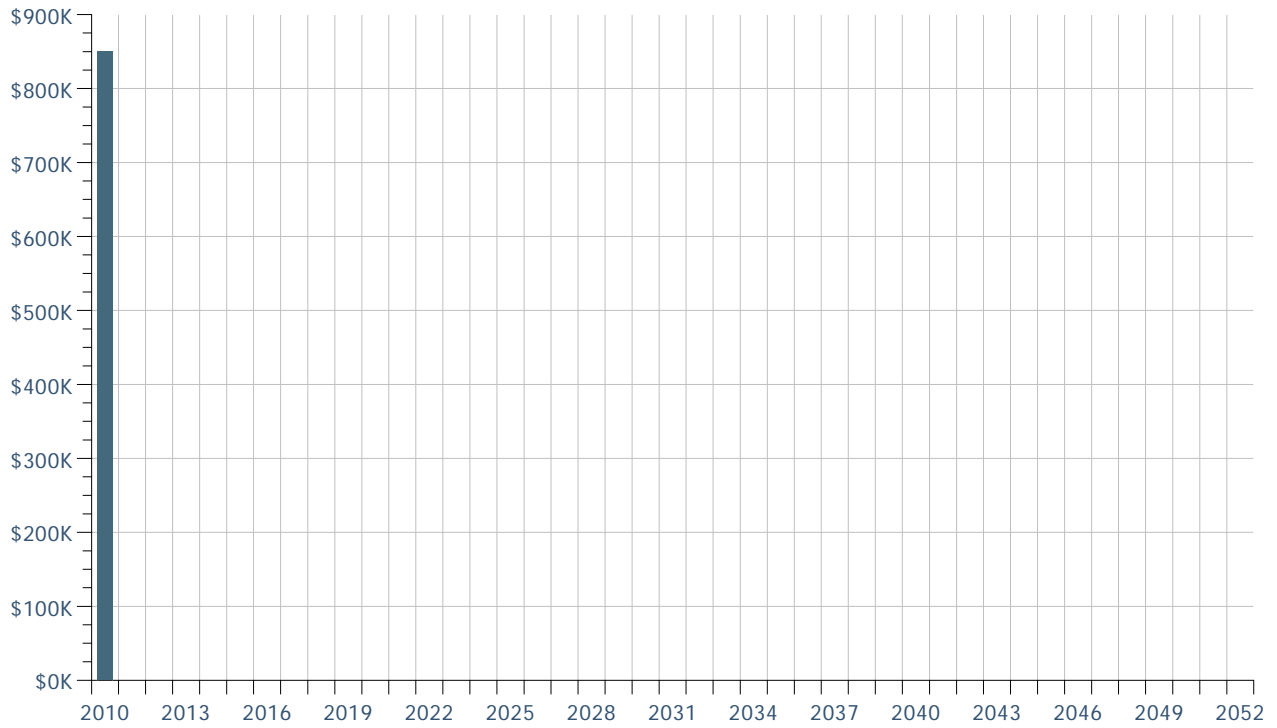
The following graph illustrates the fair market value growth of your business assets during your lifetime, for your current plan.



Business Assets

Business Asset Growth Graph - Proposed Plan

The following graph illustrates the fair market value growth of your business assets during your lifetime, for your proposed plan.



■ Business Assets

Monte Carlo Analysis



Monte Carlo Analysis Overview

Monte Carlo Analysis expands the traditional financial planning analysis by adding uncertainty into the plan. This analysis takes into consideration that it is difficult to accurately predict annual return rate expectations. Monte Carlo analyzes your financial plan by randomizing the return rates within the normal assumed distribution range each year. Monte Carlo performs this analysis multiple times to simulate a number of possible financial outcomes.

For example, the actual return in an account with an average rate of return of 8% may vary to some degree over time. Monte Carlo Analysis allows us to randomly project an account's returns forward assuming that in some years the account will produce a return lower than the average, say 4%, and in other years the account will produce a return higher than the average, say 12%, for an overall average of 8%. Allowing for this variability in returns does have an impact on the overall plan and the probability for success.

Another element that may be taken into consideration is the uncertainty of your life expectancy. What if you die tomorrow or live to be 110? Monte Carlo can also add this parameter to the analysis by simulating a different possible life expectancy for each projection.

Those outcomes that are able to satisfy all your financial objectives are considered successes and those that do not are considered failures. Overall, a probability of success is determined.

Analyzing the Results

The success of each goal is dependent upon whether there are sufficient assets designated to fund the particular objective. Your overall plan may be projected to be highly successful if you have significant investments; however, your goal may be projected to have a low success rate if there are insufficient assets associated with the goal. The success of *All Goals* is the overall likelihood that every goal will be reached. If the projected success rate of any of the goals is less than satisfactory you may want to consider designating additional assets to such a goal. A success is defined as a projection that is able to meet the desired needs in every year of the plan.

The overall *Success Rate* is the probability that you will successfully meet all your financial objectives over your lifetime.

The terminal net worth of the 90th, 50th and 10th *Percentiles* are also listed. The 90th percentile illustrates the projection where 90% of the results are below this value. The 50th percentile is the median projection where half the projections fall above and half fall below this value. The 10th percentile illustrates the projection where 10% of the results are below this value.

The significance of this in each graph is that the element of uncertainty will cause the results of each projection to vary. From a financial planning perspective, it is important for your plan to withstand the assumed changes in the value of your investments and be able to meet your income needs throughout your lifetime. The greater the risk in your investments, the greater the cushion of assets you will need to withstand the ups and the downs. When selecting an investment portfolio you should try to select a portfolio with a level of risk that is projected to allow you to meet all your financial objectives and avoids any unnecessary risk.

Monte Carlo Analysis Assumptions

The following information lists the key points and assumptions used during the evaluation of your analysis.

Assumptions	
Life Expectancy Randomized	No
Force Full Deficit Coverage	No
Retirement Goal Success Tolerance	(\$10,000)
Education Goals Success Tolerance	(\$500)
Major Purchase Goals Success Tolerance	(\$500)
Number of Projections	150

Life Expectancy is **not** randomized. All projections will end at Joe and Jane's planned deceased age.

Full Deficit Coverage is not active for the plan. This means that in the analysis, assets are not redeemed to cover periodic expenses and taxes during pre-retirement. This may understate your success if investment income is automatically reinvested, as taxes may be due on this income.

The **Goal Success Tolerance** is the amount that the educational or major purchase goal(s) can be under funded in any trial and still be considered successful.

The **Number of Projections** is the number of iterations (trials) of your analysis that the software projects using random rates of return and/or life expectancy.

Rate of Return Randomization

A random number was generated to determine a rate of return based on the standard deviation* shared by all of your accounts. This calculation is repeated for every account in the plan.

This process is repeated with a different random number for every projection.

* The assumption is that all returns are normally distributed. This means that approximately 67% of the results are within one standard deviation above or below the *Rate of Return* and approximately 95% of the results are within two standard deviations.

The table below lists the asset classes and standard deviations that are used in this analysis.

Asset Class	Interest	Dividends	Capital Gains	Tax Free	Deferred Growth	Total	Standard Deviation
Large Cap Growth Equity	0.00%	2.44%	6.47%	0.00%	0.49%	9.40%	23.70%
Large Cap Value Equity	0.00%	3.43%	4.37%	0.00%	2.92%	10.72%	18.54%
Mid Cap Equity	0.00%	2.79%	7.30%	0.00%	1.00%	11.09%	23.71%
Small Cap Equity	0.00%	1.96%	10.54%	0.00%	1.58%	14.08%	28.87%
International Equity	0.00%	3.77%	4.69%	0.00%	1.92%	10.38%	24.82%
Emerging Markets Equity	0.00%	3.44%	8.41%	0.00%	2.37%	14.22%	34.82%
Long Term Bonds	4.58%	0.00%	0.00%	0.00%	0.00%	4.58%	11.87%
Intermediate Term Bonds	4.03%	0.00%	0.00%	0.00%	0.00%	4.03%	6.67%
Short Term Bonds	3.30%	0.00%	0.00%	0.00%	0.00%	3.30%	3.68%
High Yield Bonds	8.17%	0.00%	0.00%	0.00%	0.00%	8.17%	15.23%
International Bonds	4.25%	0.00%	0.00%	0.00%	0.00%	4.25%	10.86%
Cash	2.81%	0.00%	0.00%	0.00%	0.00%	2.81%	3.09%

Please Note...

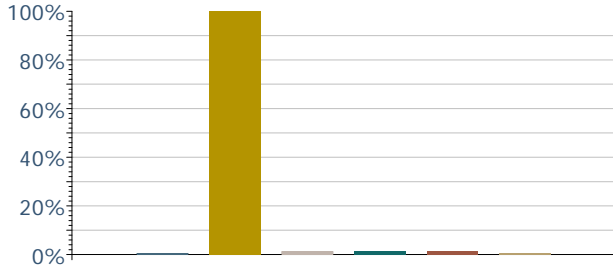
The results of each projection will vary with each use and over time.

IMPORTANT: The projections or other information generated by Monte Carlo Simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

Monte Carlo Summary

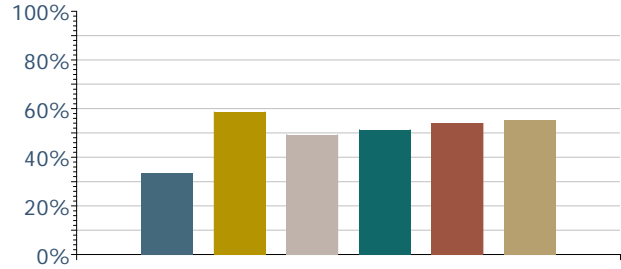
The following graphs and tables summarize the probability of the success of each of your goals:

Current



All Goals - 0.67%	Julia - College Education - 1.33%
Retirement Goal - 100.00%	Mark - College Education - 1.33%
All Education Goals - 1.33%	Vacation Timeshare - 0.67%

Proposed



All Goals - 33.33%	Julia - College Education - 51.33%
Retirement Goal - 58.67%	Mark - College Education - 54.00%
All Education Goals - 49.33%	Vacation Timeshare - 55.33%

Current

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	0.67%			
Retirement Goal	100.00%	\$16,424,507	\$36,998,405	\$82,968,320
All Education Goals	1.33%			
Julia - College Education	1.33%	\$113,747	\$138,626	\$178,890
Mark - College Education	1.33%	\$109,887	\$137,889	\$182,579
Vacation Timeshare	0.67%	\$70,800	\$82,438	\$96,970

Proposed

Goal	Success Rate	10th Percentile	50th Percentile	90th Percentile
All Goals	33.33%			
Retirement Goal	58.67%	\$2,561,786	\$11,243,187	\$39,212,906
All Education Goals	49.33%			
Julia - College Education	51.33%	\$136,022	\$200,674	\$253,657
Mark - College Education	54.00%	\$135,751	\$212,252	\$273,353
Vacation Timeshare	55.33%	\$87,408	\$115,053	\$141,539

Consider the following:

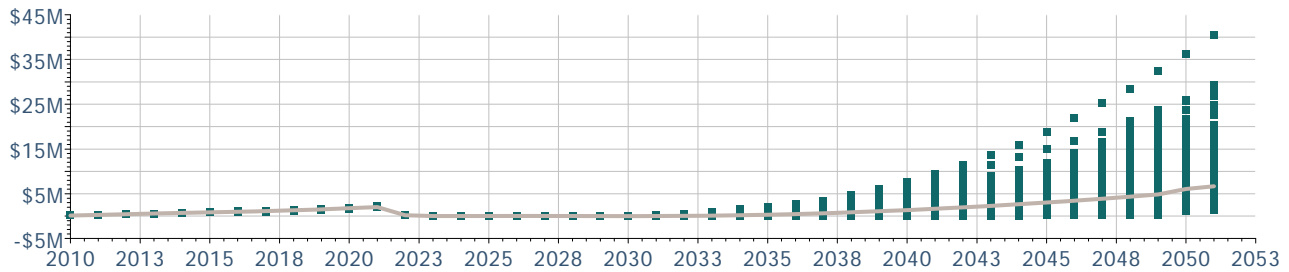
- Do your investments provide you with sufficient cash flow over the entire planning horizon?
- Do large holdings of non-income-producing real estate need to be liquidated at some point during your lifetime?
- Do you have adequate investments to cover shorter-term objectives such as children's education and major purchase and expense items?
- Is the level of risk for your investments appropriate? Could you satisfy your financial objectives with a lower level of risk?
- Comparing plans with two different risk profiles allows you and your advisor to analyze the relative success of the two plans.

Monte Carlo Sensitivity Analysis - Current

The two graphs in this analysis display a number of projections. The top graph illustrates cash flow and the bottom graph illustrates net worth. In each projection, the return rate expectations have been randomized each year within a range to simulate the assumed ups and downs that many investments, such as stocks, exhibit. The line in each graph represents the traditional projection, based on the rates of return that were specified in the plan, without any fluctuations from year to year.

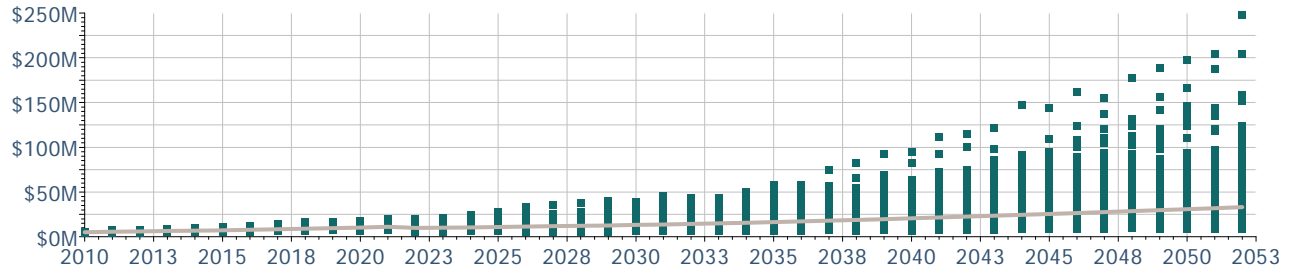
Each projection may either be a success or a failure. A success is represented by a series of square points. A failure is represented by a series of "X"s. A success is defined as a projection that is able to meet the cash flow needs in every year of the plan, without experiencing an accumulated deficit greater than \$10,000.

Cash Flow



✘ Accum. Surplus/Deficit (unsuccessful)
 ■ Accum. Surplus/Deficit (successful)
 — Accum. Surplus/Deficit (average)

Net Worth

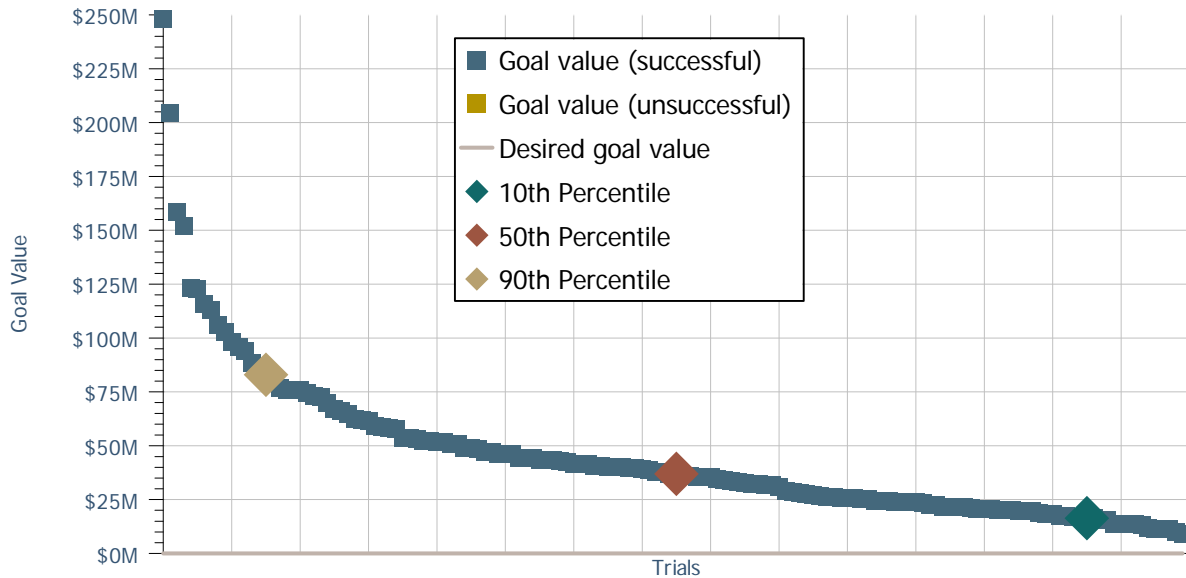


✘ Total Net Worth (unsuccessful)
 ■ Total Net Worth (successful)
 — Total Net Worth (average)

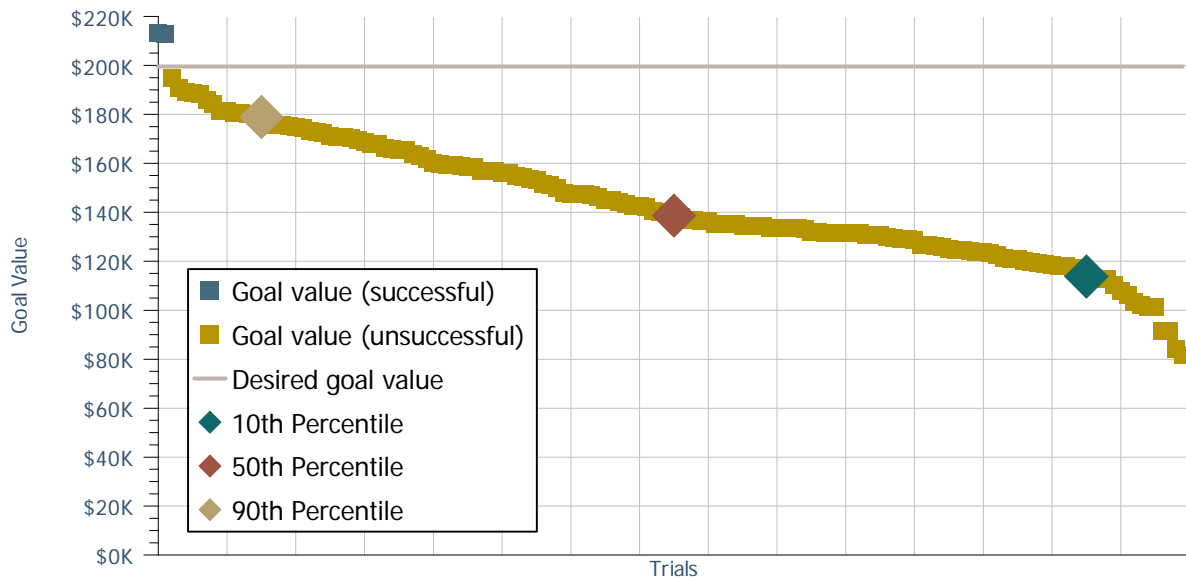
Goal Details

The graph below illustrates each of the trials in the Monte Carlo Simulation for each of the goals. Blue markers show the successful trials and red markers show the unsuccessful trials.

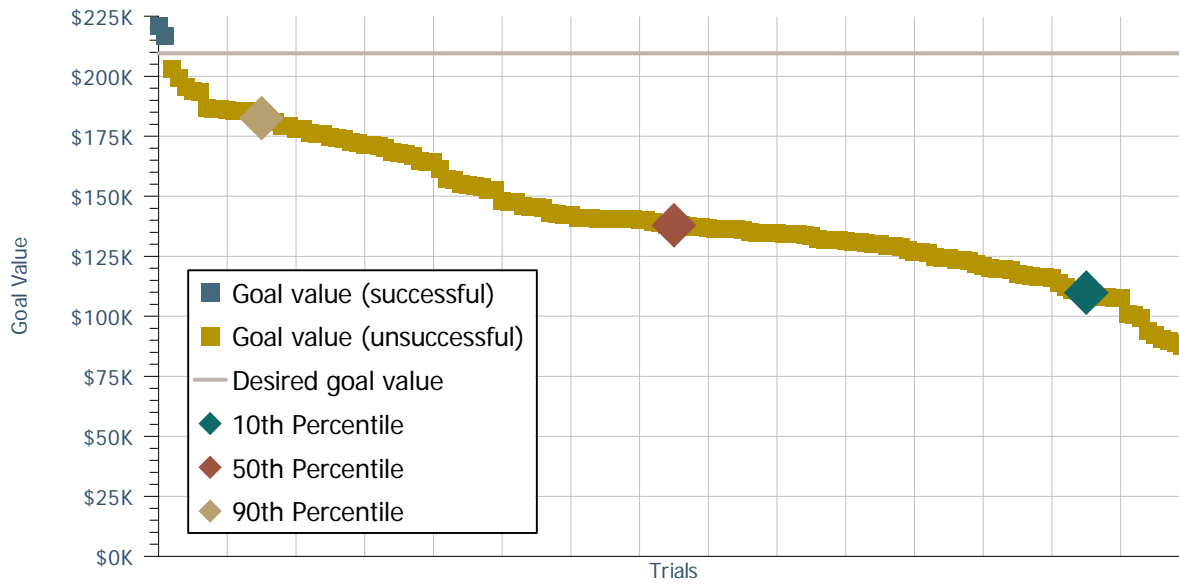
Retirement Goal



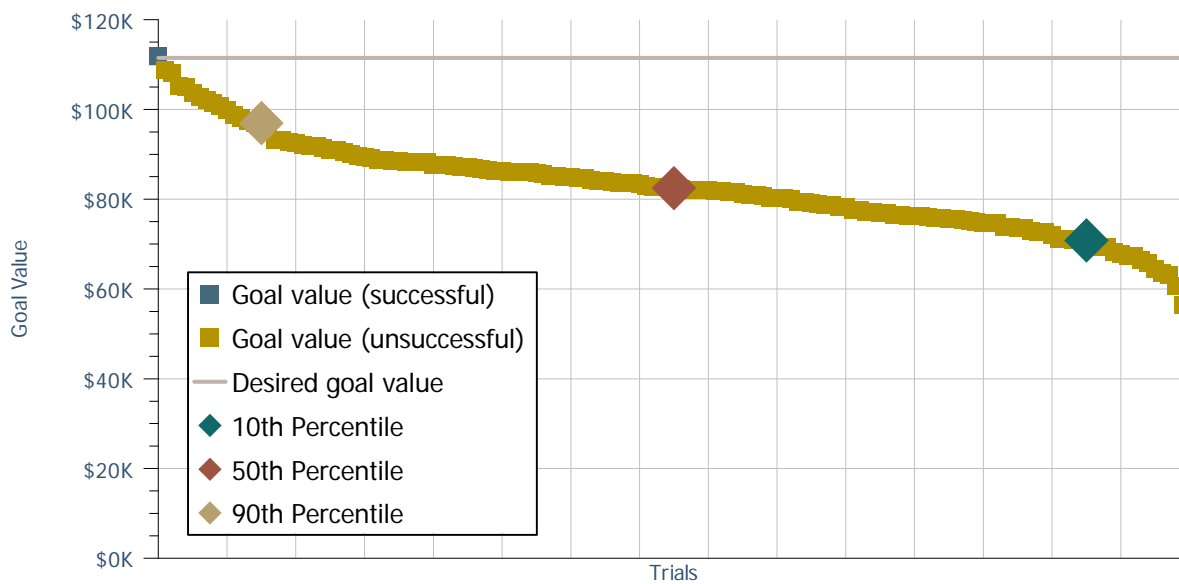
Julia - College Education



Mark - College Education



Vacation Timeshare

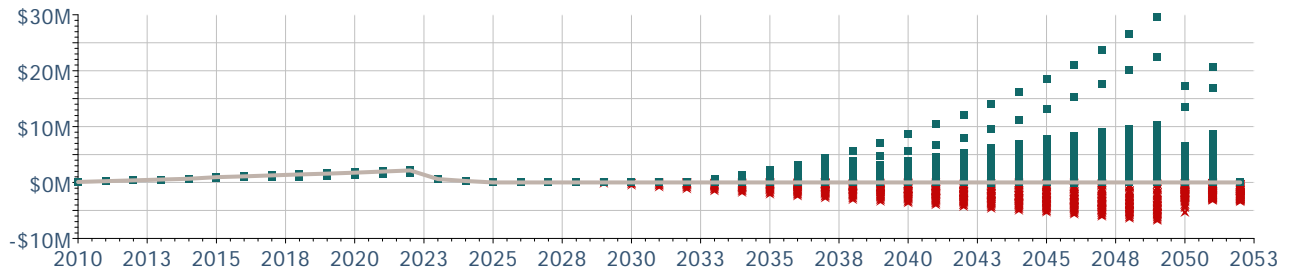


Monte Carlo Sensitivity Analysis - Proposed

The two graphs in this analysis display a number of projections. The top graph illustrates cash flow and the bottom graph illustrates net worth. In each projection, the return rate expectations have been randomized each year within a range to simulate the assumed ups and downs that many investments, such as stocks, exhibit. The line in each graph represents the traditional projection, based on the rates of return that were specified in the plan, without any fluctuations from year to year.

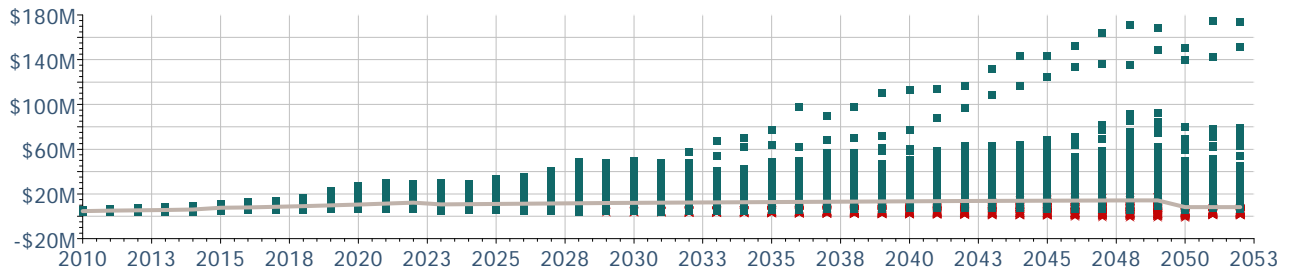
Each projection may either be a success or a failure. A success is represented by a series of square points. A failure is represented by a series of "X"s. A success is defined as a projection that is able to meet the cash flow needs in every year of the plan, without experiencing an accumulated deficit greater than \$10,000.

Cash Flow



✘ Accum. Surplus/Deficit (unsuccessful)
 ■ Accum. Surplus/Deficit (successful)
 — Accum. Surplus/Deficit (average)

Net Worth

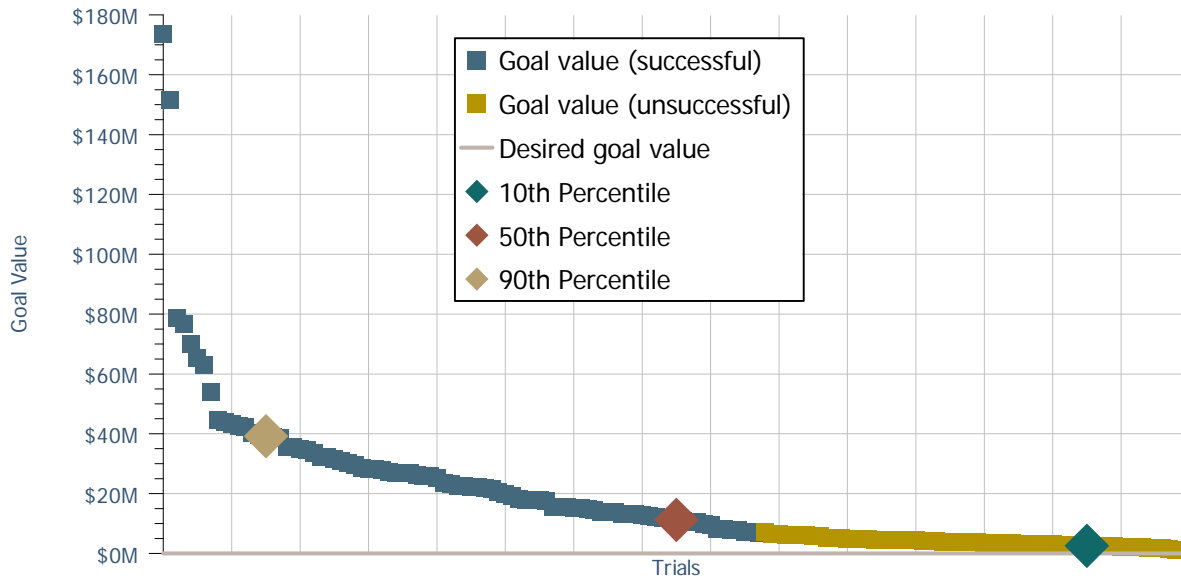


✘ Total Net Worth (unsuccessful)
 ■ Total Net Worth (successful)
 — Total Net Worth (average)

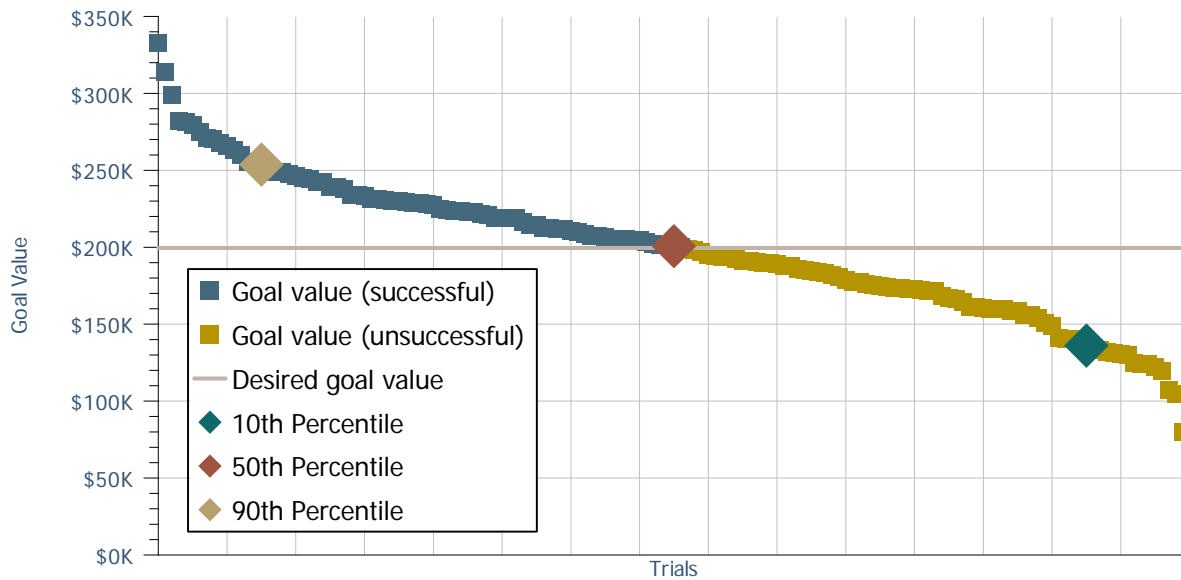
Goal Details

The graph below illustrates each of the trials in the Monte Carlo Simulation for each of the goals. Blue markers show the successful trials and red markers show the unsuccessful trials.

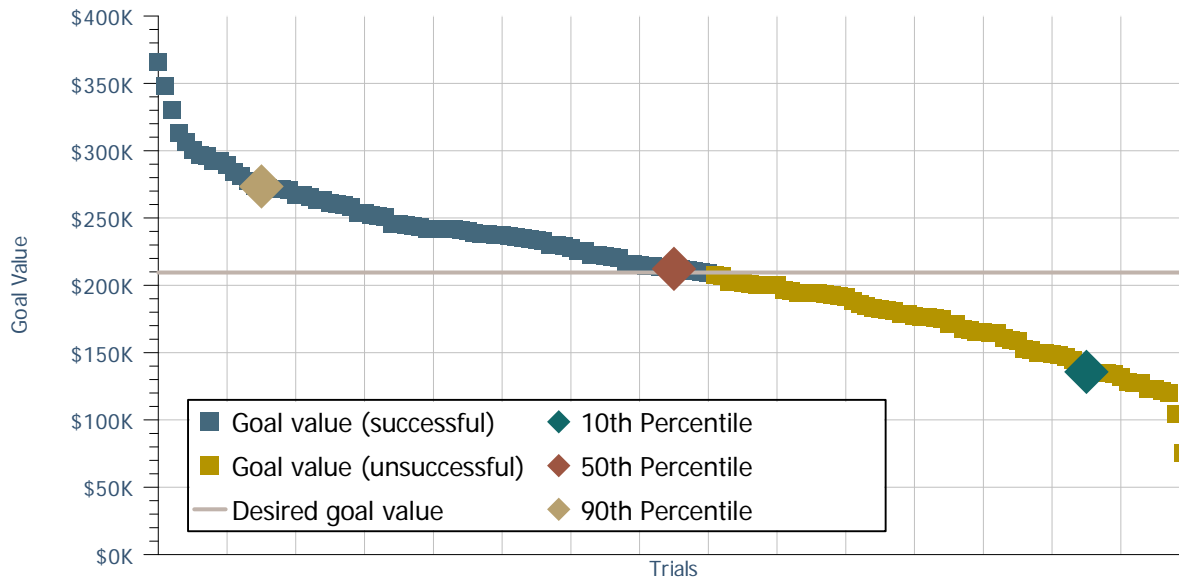
Retirement Goal



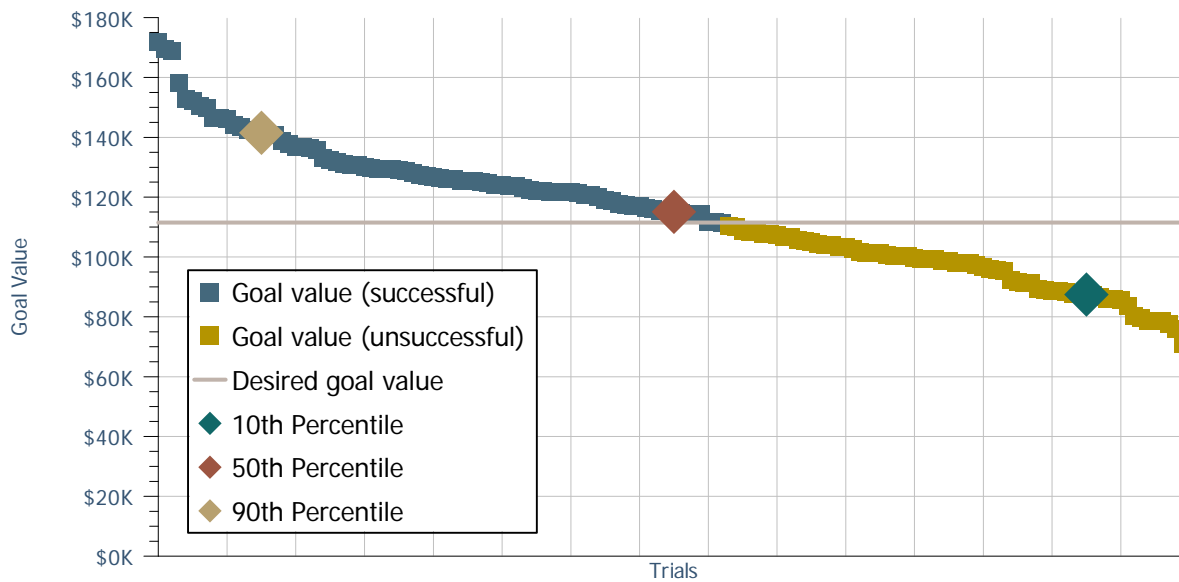
Julia - College Education



Mark - College Education



Vacation Timeshare



Disability Insurance



Disability Insurance Overview

What is disability insurance?

Disability insurance (also called disability income) pays benefits when you are unable to earn a living because of a disabling injury or illness. Like all insurance, disability insurance is designed to protect you and your family against financial disaster. Most disability policies pay a benefit that replaces a portion of your earned income (usually 50 percent to 70 percent) when you can't work. Generally, benefits are provided for the disabled person in the form of monthly payments. A disability insurance policy should ensure there is sufficient income replacement to maintain your standard of living when you cannot work.

Who needs disability insurance?

Almost everyone who earns a living needs disability insurance as disability strikes more often than you may think. The chances of being disabled for longer than three months are much greater than the chances of dying prematurely.

Types of disability insurance

There are two types of disability insurance plans: temporary disability (including sick leave plans and short-term disability) and long-term disability.

Sick Leave Plans

Sick leave is designed to provide you with protection against loss of wages due to a sickness or accident that lasts for a short period of time. Some employers allow you to accrue sick days on a monthly basis or they allocate a set number of sick days per year. Sick leave can be either paid or unpaid. You may go without pay for a while if your paid sick days run out.

Short-term Disability (STD) Plans

Short-term disability plans are the most common type of disability insurance that employers offer to their employees. Short-term disability insurance is designed to provide benefits for a temporary period of time, usually from 3 to 6 months and this type of policy usually has a waiting period of 8 to 10 days. This type of plan bridges the gap between sick leave plans and long-term disability plans.

Long-Term Disability (LTD) Plans

Long-term disability insurance is designed to provide benefits for a long duration, such as 2 years, 5 years, or in some cases up to age 65. The waiting period for this policy is usually 90 or more days. Many employers offer group long-term disability insurance. You should examine any employer's plan closely, since they vary widely. You may need to buy extra disability coverage yourself to supplement your group plan and to provide disability coverage in the event you cease to be eligible for the group disability insurance.

Common Sources of Disability Insurance

Private disability insurance

Private disability insurance is generally available through groups and to individuals, and is purchased through an insurance company. When you are covered by group insurance at work, the premium is usually paid through your employer. Employer-paid disability insurance benefits are subject to income tax. Employers are not required to offer long-term disability insurance and they may also take government disability insurance programs into account when calculating your long-term disability benefits. You may also consider buying additional private insurance if you cannot match your pre-disability, after-tax income. Individually owned policies may offer more coverage at additional cost. Private disability insurance usually provides more comprehensive benefits than government programs.

Government disability insurance

Social Security and Workers' Compensation are two common examples of government disability insurance programs. Social Security offers you some disability insurance but there are many restrictions placed on who qualifies. Further, the amount paid out probably won't be enough for you or your family to maintain your current standard of living. Workers' Compensation may be available if your disability is job-related. These benefits are typically short-term as well. It is not very practical to rely exclusively on either of these two programs.

Definitions of Disability

One of the most important aspects of any disability policy is its definition of disability. The two basic definitions of disability are *Any Occupation* or *Own Occupation*, though your policy may have a modified or combined definition.

- *Any Occupation*: The inability to perform the duties of any job for which your education and training qualify you.
- *Own Occupation*: The inability to perform the duties of your own specific occupation. This type of policy is often not available.

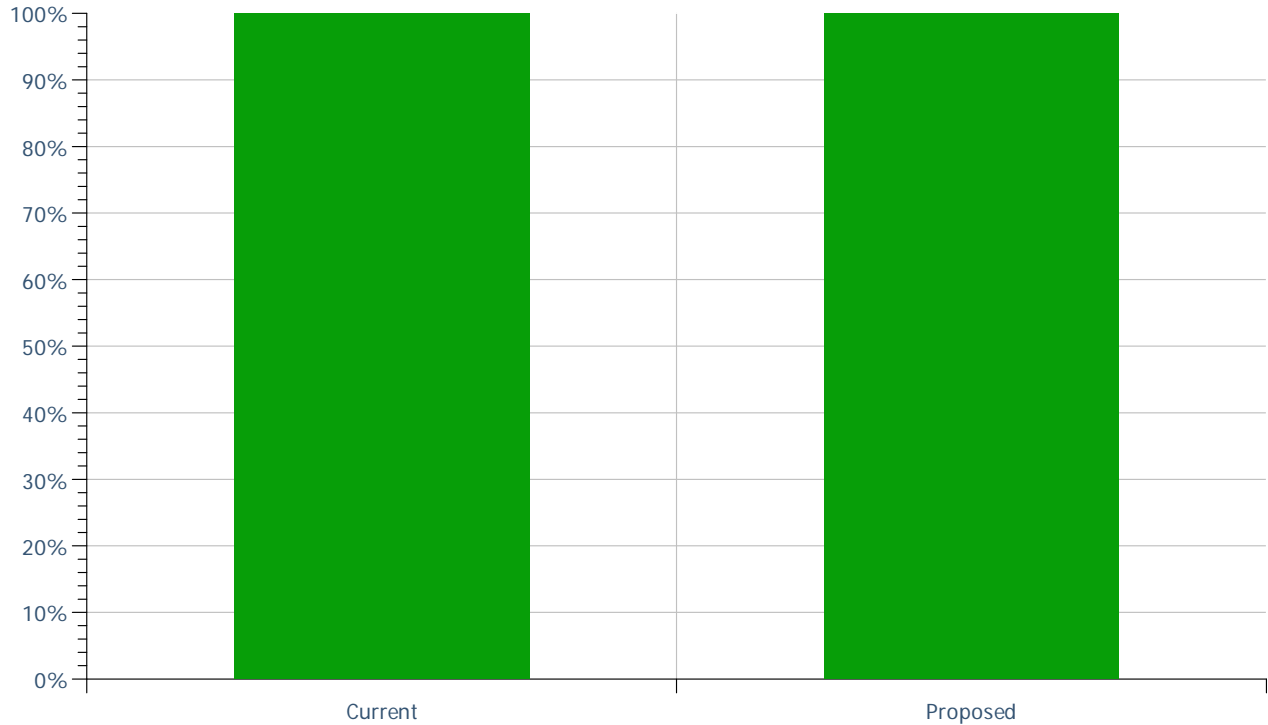
Taxation of Disability Insurance Benefits and Premiums

When you purchase private disability insurance the benefits paid are generally received on a tax-free basis. If an employer pays all or part of the premium for group disability insurance coverage, the benefit payments are considered to be taxable income for you.

Joe - Disability Insurance Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Disability insurance goal. The following graph illustrates the ability of each scenario to achieve the Disability insurance goal.

Scenario Coverage



	Goal Coverage*	Average Monthly Deficit	Largest Monthly Deficit	Net Worth at Start of Disability	Net Worth at End of Disability	Year Capital Exhausted
Current	100%	\$37	\$43	\$4,865,824	\$10,130,830	Never
Proposed	100%	\$37	\$43	\$4,435,174	\$10,863,407	Never

*This value indicates the percentage of your total disability needs that can be covered by your total disability resources during your disability time period.

Scenario Assumption Comparison

Objectives:	Current	Alternative 1
Goal Coverage	100%	100%

Objectives:	Current	Alternative 1
Retirement Age for Disability Analysis	62	62
Life Expectancy for Disability Analysis	90	90
Analyze Disability Through	62	62
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement	5.00%	5.00%
Retirement	5.00%	5.00%
Additional Disability Insurance¹		
Disability Benefit		N/A
Premium		N/A
Additional Annual Expenses		
Percentage of lifestyle and medical expenses to cover	Blended	Blended
Education Expenses % to Cover		
Julia - College Education	100%	100%
Mark - College Education	100%	100%
Additional Annual Expenses	\$0	\$0
Lump Sum Needs		
Pay Off Outstanding Liabilities	No	No
Major Purchase % to Cover		
Vacation Timeshare	100%	100%
Additional Lump Sum Needs	\$0	\$0

Note: Items in bold indicate a change from the Current Plan

¹ What-if strategies for Additional Disability Insurance are not applicable to the Current Plan Scenario

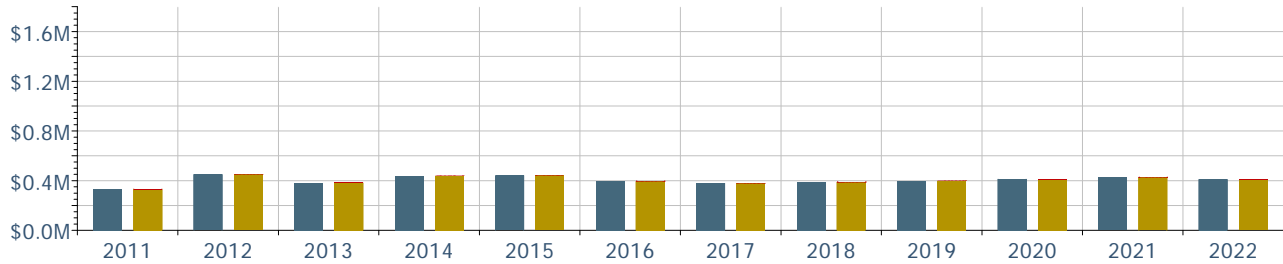
Disability Insurance Summary - Joe

Disability insurance pays benefits when you are unable to earn an income because of a disabling injury or sickness as defined in the policy. Most disability policies pay a benefit that replaces a portion of your earned income (usually 50 percent to 70 percent) when you are unable to work due to an injury or sickness as defined in the disability policy. Generally, long-term disability benefits are paid monthly. A disability insurance policy can help ensure there is sufficient income replacement to maintain your standard of living when you are unable to work.

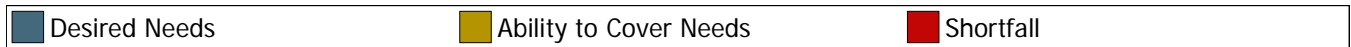
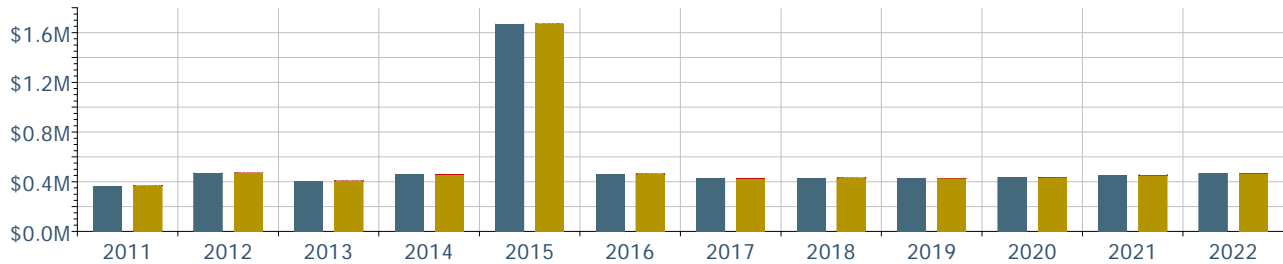
The following graph(s) provides an analysis of each of the years during which you might receive disability benefits.

Disability Needs Vs. Abilities

Current



Proposed



Disability Insurance Assumptions

Existing and proposed investment plans will be maintained unless these goals have been reduced or eliminated. This means that any assets that you have linked with other goals (e.g. retirement, education, major purchase) will continue to be used to help fund those goals.

Objectives	Current	Proposed
Joe's Retirement Age/Year for Disability Analysis	62 / 2022	63 / 2023
Joe's Life Expectancy for Disability Analysis	90 / 2050	90 / 2050
Jane's Retirement Age/Year for Disability Analysis	60 / 2022	61 / 2023
Jane's Life Expectancy for Disability Analysis	90 / 2052	90 / 2052
Analyze Disability Through	61	61
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement	5.00%	5.00%
Retirement	5.00%	5.00%
Existing Disability Insurance	\$10,000	\$10,000
Additional Disability Insurance		
Disability Benefit	\$0	\$0
Premium	\$0	\$175
Additional Monthly Disability Coverage Required*	\$439	\$439
Income prior to Disability (includes investment income)	\$257,154	\$376,227
Deficit in the first year of disability	\$371	\$371

Note: Numbers in bold indicate a change from the Current Plan.

* Depending on the circumstances, you may not be able to purchase this amount of disability insurance.

Consider the following

- Joe, you should review your existing disability income protection policy (e.g. cost of living adjustment, period coverage, elimination period).
- Joe, consider increasing the amount of your current disability benefits.
- Review disability benefits available through your employer.

Joe - Disability Insurance - Current

*100%

This scenario covers 100% of the desired Disability Insurance goal objectives.



*This value indicates the percentage of your total disability needs that can be covered by your total disability resources during your disability time period.

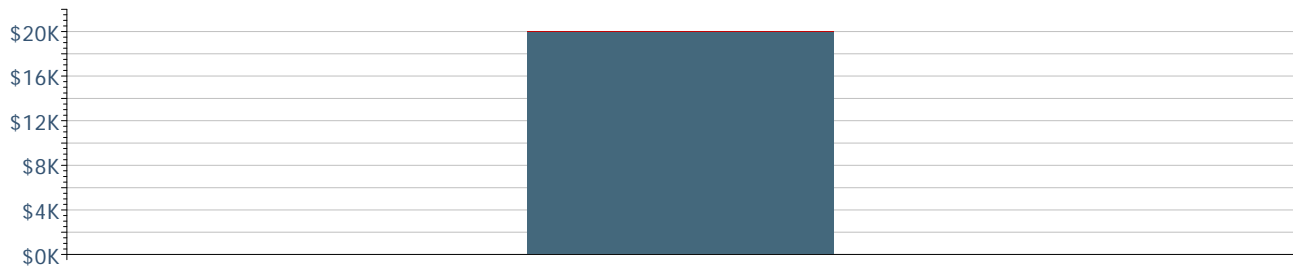
Assumptions

The following table details the key assumptions used in the generation of this scenario:

	Joe	Jane
Retirement Age/Year for Disability Analysis	62 / 2022	60 / 2022
Life Expectancy for Disability Analysis	90 / 2050	90 / 2052
Analyze Disability Through	61	
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement	5.00%	
Retirement	5.00%	
Existing Disability Insurance	\$10,000	
Additional Disability Insurance		
Disability Benefit	\$0	
Premium	\$0	
Additional Disability Coverage Required*	\$37	
Income prior to Disability (includes investment income)	\$257,154	
Deficit in the first year of disability	\$371	

* Depending on the circumstances, you may not be able to purchase this amount of disability insurance.

Analysis



■ Monthly Insurance	■ Average Monthly Deficit	— Approximate Insurance Required
--	--	---

- Net Worth at Start of Disability: \$4,865,824
- Net Worth at End of Disability: \$10,130,830
- Average Monthly Deficit: \$37
- Largest Monthly Deficit: \$43

Cash Flow Outlook if Joe becomes disabled - Current

The following report shows your sources of income and expenses over the next 5 years if Joe becomes disabled.

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Joe's ISOs	0	17,615	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	389,000	212,285	200,510	206,525	212,721
Investment Inflows					
Joe's ISOs	0	10,341	35,343	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	89,250	93,713	98,398	103,318
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	4,337	4,485	7,000	7,309	7,519
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Invested Available Capital (Joint/Non-Qualified)	0	0	1,895	4,122	6,373
Joint Savings (Non-Qualified)	9,368	9,940	10,478	11,032	11,602
Ridgefield Bank Checking (Joint/Non-Qualified)	1,084	1,121	1,154	1,187	1,221
Ridgefield Bank Savings (Joint/Non-Qualified)	2,169	2,243	2,307	2,373	2,442
Vacation Timeshare (Joint/Non-Qualified)	1,688	2,029	2,370	2,725	3,092
Total Investment Inflows	153,646	170,909	310,269	228,087	289,082
Miscellaneous Inflows					
Joe's Group LTD (Joe)	0	90,000	120,000	120,000	120,000
Joe's Group STD (Joe)	0	30,000	0	0	0
Total Miscellaneous Inflows	0	120,000	120,000	120,000	120,000
Total Cash Inflows	542,646	503,195	630,779	554,612	621,803
Cash Outflows					
Lifestyle Expenses					
Housing (e.g. utilities, repairs) (Joint)	81,600	84,048	86,569	89,167	91,842
Surplus Lifestyle Expenses (Joe)	0	37,878	56,016	40,874	41,089
Surplus Lifestyle Expenses (Jane)	0	12,644	1,550	15,212	15,594
Mortgage (Joint)	42,000	42,000	42,000	42,000	42,000
Personal Loans (Joint)	4,800	4,800	4,800	4,800	4,800
Support for Mark (Mark)	0	20,600	21,218	21,855	22,510
Total Lifestyle Expenses	128,400	201,971	212,153	213,906	217,835
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	0	21,000	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	2,974	2,520	61,419	4,107	4,225
Invested Available Capital (Joint/Non-Qualified)	0	50,523	58,754	58,671	60,681
Joint Savings (Non-Qualified)	12,415	11,586	11,888	12,199	12,519
Ridgefield Bank Checking (Joint/Non-Qualified)	743	630	648	667	686
Ridgefield Bank Savings (Joint/Non-Qualified)	1,487	1,260	1,296	1,334	1,372
Vacation Timeshare (Joint/Non-Qualified)	5,977	5,940	6,132	6,331	6,538
Total Non-Qualified Contributions and Reinvestments	23,596	93,459	200,138	83,308	86,021
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

	2010	2011	2012	2013	2014
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	0	0	0	0
Total Qualified Contributions	28,800	12,000	12,000	12,000	12,000
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	720	720	720	720
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Total Miscellaneous Expenses	14,240	9,890	10,045	10,204	10,368
Taxes					
Regular Federal Tax	124,658	132,899	143,821	135,629	139,916
Alternative Minimum Tax	15,718	3,958	0	702	1,679
Social Security Tax - employment	13,243	7,714	7,124	7,403	7,700
Medicare Tax - employment	5,641	3,078	3,530	2,995	3,084
State Income Tax	24,992	23,147	26,437	26,163	29,482
Total Taxes	184,252	170,796	180,912	172,891	181,862
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	393,928	503,195	630,779	554,612	621,803
Current Surplus/(Deficit)	148,719	0	0	0	0
Ending Surplus/(Deficit)	148,719	0	0	0	0

Cash Flow Summary if Joe becomes disabled - Current

The following report represents the major components of your cash flow from 2011 until 2022 in your current plan.

Year	Ages	Disability Income	Other Cash Inflows	Taxes	Expenses and Savings	Surplus (Deficit)
2011	51/49	120,000	383,195	170,425	332,770	0
2012	52/50	120,000	510,779	180,530	450,249	0
2013	53/51	120,000	434,612	172,498	382,114	0
2014	54/52	120,000	501,803	181,457	440,346	0
2015	55/53	120,000	508,737	187,713	441,024	0
2016	56/54	120,000	466,800	191,769	395,031	0
2017	57/55	120,000	457,057	197,409	379,649	0
2018	58/56	120,000	473,697	204,659	389,038	0
2019	59/57	120,000	491,841	211,787	400,053	0
2020	60/58	120,000	512,856	219,880	412,976	0
2021	61/59	120,000	534,767	228,292	426,475	0

Joe - Disability Insurance - Proposed

*100%

This scenario covers 100% of the desired Disability Insurance goal objectives.



*This value indicates the percentage of your total disability needs that can be covered by your total disability resources during your disability time period.

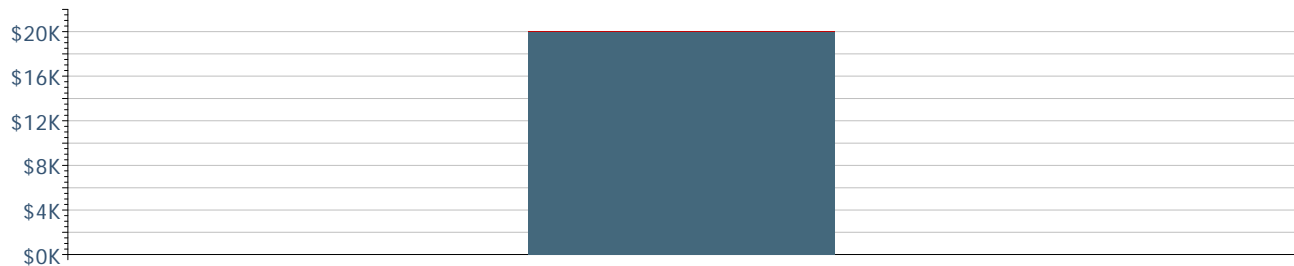
Assumptions

The following table details the key assumptions used in the generation of this scenario:

	Joe	Jane
Retirement Age/Year for Disability Analysis	63 / 2023	61 / 2023
Life Expectancy for Disability Analysis	90 / 2050	90 / 2052
Analyze Disability Through		61
Total Rate of Return on Surpluses and Liquidations		
Pre-Retirement		5.00%
Retirement		5.00%
Existing Disability Insurance		\$10,000
Additional Disability Insurance		
Disability Benefit		\$0
Premium		\$175
Additional Disability Coverage Required*		\$37
Income prior to Disability (includes investment income)		\$376,227
Deficit in the first year of disability		\$371

* Depending on the circumstances, you may not be able to purchase this amount of disability insurance.

Analysis



■ Monthly Insurance	■ Average Monthly Deficit	— Approximate Insurance Required
--	--	---

- Net Worth at Start of Disability: \$4,435,174
- Net Worth at End of Disability: \$10,863,407
- Average Monthly Deficit: \$37
- Largest Monthly Deficit: \$43

Cash Flow Outlook if Joe becomes disabled - Proposed

The following report shows your sources of income and expenses over the next 5 years if Joe becomes disabled.

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Joe's ISOs	0	17,615	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	389,000	212,285	200,510	206,525	212,721
Investment Inflows					
Joe's ISOs	0	10,341	35,343	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	0	0	0	0
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	40,983	8,788	13,858	14,898	15,795
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Invested Available Capital (Joint/Non-Qualified)	0	0	2,152	4,338	6,562
Joint Savings (Non-Qualified)	216,303	19,212	20,864	22,615	24,472
Julia - College Education Fund (Joint/Non-Qualified)	41	120	204	293	386
Retirement Fund (Joint/Non-Qualified)	1,490	2,889	3,335	3,807	4,308
Ridgefield Bank Checking (Joint/Non-Qualified)	27,065	2,214	2,347	2,488	2,638
Ridgefield Bank Savings (Joint/Non-Qualified)	54,129	4,428	4,694	4,977	5,276
Vacation Timeshare (Joint/Non-Qualified)	8,126	3,099	3,681	4,299	4,955
Vacation Timeshare Fund (Joint/Non-Qualified)	120	352	596	855	1,129
Total Investment Inflows	483,257	102,943	243,084	159,512	219,038
Trust Inflows:					
Affluent Family Partnership — Joe	100,000	94,545	88,711	81,930	74,527
Total Trust Inflows:	100,000	94,545	88,711	81,930	74,527
Miscellaneous Inflows					
Joe's Group LTD (Joe)	0	90,000	120,000	120,000	120,000
Joe's Group STD (Joe)	0	30,000	0	0	0
Total Miscellaneous Inflows	0	120,000	120,000	120,000	120,000
Total Cash Inflows	972,257	529,773	652,305	567,968	626,286
Cash Outflows					
Lifestyle Expenses					
Housekeeping (Joint)	1,800	1,854	1,910	1,967	2,026
Housing (e.g. utilities, repairs) (Joint)	81,600	84,048	86,569	89,167	91,842
Surplus Lifestyle Expenses (Joe)	0	43,851	55,553	38,938	35,773
Surplus Lifestyle Expenses (Jane)	0	13,546	667	16,206	17,257
Mortgage (Joint)	42,000	42,000	42,000	42,000	42,000
Personal Loans (Joint)	6,000	6,000	6,000	6,000	4,840
Support for Mark (Mark)	0	20,600	21,218	21,855	22,510
Total Lifestyle Expenses	131,400	211,899	213,918	216,132	216,248
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	0	21,000	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	37,756	4,938	65,273	8,372	8,876
Invested Available Capital (Joint/Non-Qualified)	0	57,397	57,571	57,865	57,147
Joint Savings (Non-Qualified)	209,666	16,795	17,724	18,708	19,751
Julia - College Education Fund (Joint/Non-Qualified)	953	992	1,039	1,088	1,141
Retirement Fund (Joint/Non-Qualified)	32,973	4,912	5,162	5,427	5,709
Ridgefield Bank Checking (Joint/Non-Qualified)	26,462	1,244	1,319	1,398	1,482
Ridgefield Bank Savings (Joint/Non-Qualified)	52,924	2,488	2,638	2,797	2,965
Vacation Timeshare (Joint/Non-Qualified)	12,109	6,541	6,869	7,216	7,584
Vacation Timeshare Fund (Joint/Non-Qualified)	2,785	2,898	3,035	3,180	3,335
Total Non-Qualified Contributions and Reinvestments	375,629	119,204	220,628	106,051	107,989

	2010	2011	2012	2013	2014
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	0	0	0	0
Total Qualified Contributions	28,800	12,000	12,000	12,000	12,000
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	720	720	720	720
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Additional Life Insurance (Joint/Whole Life)	420	0	0	0	0
Total Miscellaneous Expenses	14,660	9,890	10,045	10,204	10,368
Taxes					
Regular Federal Tax	221,589	126,123	142,811	124,863	126,300
Alternative Minimum Tax	1,865	1,084	0	0	0
Social Security Tax - employment	13,243	7,714	7,124	7,403	7,700
Medicare Tax - employment	5,641	3,078	3,530	2,995	3,084
State Income Tax	42,630	23,701	26,718	26,018	28,878
Total Taxes	284,968	161,700	180,183	161,279	165,963
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	850,097	529,773	652,305	567,968	626,286
Current Surplus/(Deficit)	122,160	0	0	0	0
Ending Surplus/(Deficit)	122,160	0	0	0	0

Cash Flow Summary if Joe becomes disabled - Proposed

The following report represents the major components of your cash flow from 2011 until 2022 in your proposed plan.

Year	Ages	Disability Income	Other Cash Inflows	Taxes	Expenses and Savings	Surplus (Deficit)
2011	51/49	120,000	409,773	161,330	368,443	0
2012	52/50	120,000	532,305	179,802	472,504	0
2013	53/51	120,000	447,968	160,885	407,082	0
2014	54/52	120,000	506,286	165,558	460,728	0
2015	55/53	120,000	1,755,014	203,723	1,671,291	0
2016	56/54	120,000	551,620	208,190	463,431	0
2017	57/55	120,000	521,551	211,583	429,969	0
2018	58/56	120,000	526,901	215,852	431,049	0
2019	59/57	120,000	528,375	218,783	429,593	0
2020	60/58	120,000	544,709	226,106	438,603	0
2021	61/59	120,000	569,997	235,835	454,163	0

Life Insurance



Life Insurance Overview

The purpose of life insurance is to lessen the financial impact associated with the death of a family member, especially the heads of the household. By planning for such situations, you have the ability to preserve your existing family assets, and to replace income that would have been earned. Life insurance can also bring peace of mind, safety in knowing these risks are covered.

A life insurance analysis should ensure that when a death occurs in your family, there is sufficient income and capital to cover the cash flow needs for the surviving family members over the entire planning period. When you are young, a major reason for having life insurance is to provide financial protection for your dependent family. Without the continued benefit of your income, your family may not be able to afford ongoing expenses for housing, transportation, food, clothing, etc. and there may also be additional expenses for childcare. College education and retirement needs also continue to exist in the event of a death in the family.

When you are older, the major goal of life insurance may be to protect the value of your estate from declining due to estate tax, income tax and other costs. In this instance, life insurance can provide the cash flow to meet these needs, which would otherwise have to be covered by redeeming existing assets.

The amount of life insurance coverage required depends on your specific financial circumstances and your financial needs. For example, when your children move away and become financially independent the need to support them will disappear. Furthermore, as investments accumulate, these assets could provide income if the need arose which reduces the need for life insurance.

In the insurance needs calculations contained herein, we have analyzed the needs of the survivor if one head of the household is to die. On the death of the survivor, all assets held within the estate are passed on to heirs. This event may lead to a large tax bill as a result of the estate tax liability, and income tax liability, when deferred annuities and qualified assets (IRAs, 401(k)s, etc.) are involved. This can dramatically reduce the net estate left to your heirs and may force them to sell assets such as a family vacation home in order to pay taxes due on your estate. All of these issues become even more complex and costly if you do not have a valid, up-to-date will that stipulates what you want to happen to your property in the event of your death.

When allocating your current financial resources, you must consider the cost of insurance and balance that cost with your ability to fund other goals, such as retirement, education, and any other financial objectives. In addition, all guarantees associated with life insurance are subject to the claims-paying ability of the issuer.

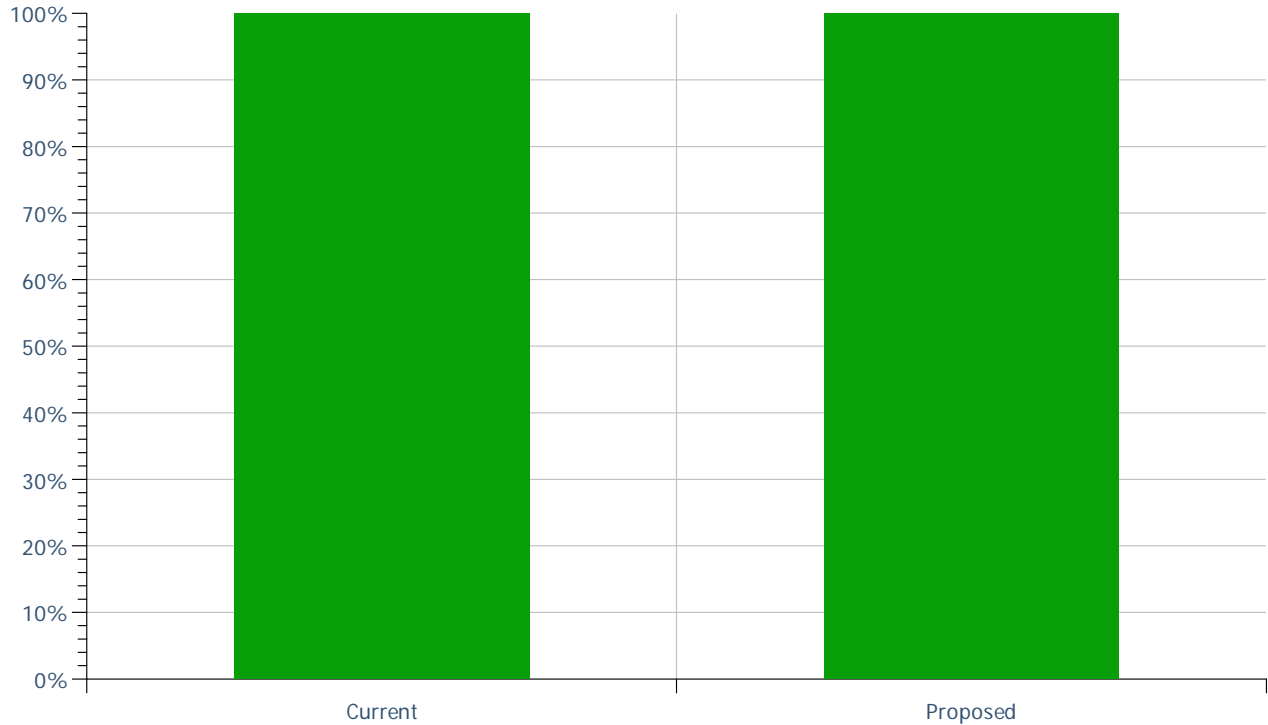
Comparison of Life Insurance Products

Type	Advantages	Disadvantages
Term	Generally lower premiums when compared to other types of insurance, especially at a younger age. Potential dollars saved on premiums as compared with other insurance types may be invested.	Premiums increase with age after the level term period. No cash value. No forced savings. Coverage may end prior to death.
Whole Life	Lifetime insurance protection. Fixed premiums. Cash value accumulation. Low-rate loans. May receive dividends (not guaranteed) if a participating policy.	Generally higher premiums than other insurance types. Investment return may be low.
Universal Life	Life insurance protection. Flexibility in premiums, face amount and amount into cash value. Premium generally lower than whole life policy.	Fewer guarantees than with whole life. Premiums may increase if interest rates fall below projections.
Universal Life, with Secondary Guarantees	Newer universal life product offering lifetime guaranteed death benefit protection. Premiums generally lower than whole life, and remain level throughout entire premium period.	Little, if any, cash accumulation. Premiums are higher than term insurance. Less flexibility in premiums than traditional universal life.
Variable Life	Lifetime insurance protection. Potential for better investment returns on accumulating cash value.	Poor investment return may decrease cash value and death benefit. Cash value is subject to market risk, and therefore is not generally guaranteed. Typically higher fees/expenses than other insurance types.
Variable Universal Life	All advantages of Universal and Variable Life.	All disadvantages of Universal and Variable Life.

Joe - Life Insurance Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Survivor Income goal. The following graph illustrates the ability of each scenario to achieve the Survivor Income goal.

Scenario Coverage



	Goal Coverage*	Life Insurance Shortfall	Net Worth at Start of Survivorship	Net Worth at End of Survivorship	Year Capital Exhausted
Current	100%	\$0	\$5,641,231	\$34,315,370	Never
Proposed	100%	\$0	\$5,326,921	\$10,512,388	Never

*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Scenario Assumption Comparison

Objectives:	Current	Alternative 1
Goal Coverage	100%	100%

Objectives:	Current	Alternative 1
Survivor Retirement Age	60	60
Survivor Life Expectancy Age	90	90
Total ROR on Life Insurance Proceeds, Surpluses, and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Additional Life Insurance¹		
Death Benefit		N/A
Premium		N/A
Annual Expenses		
Percentage of lifestyle and medical expenses to cover	Blended	Blended
Education Expenses % to Cover		
Julia - College Education	100%	100%
Mark - College Education	100%	100%
Additional Annual Expenses	\$0	\$0
Additional Annual Income		
Additional Annual Income	\$0	\$0
Lump Sum Needs		
Pay Off Outstanding Liabilities	Yes	Yes
Major Purchase % to Cover		
Vacation Timeshare	0%	0%
Additional Lump Sum Needs		
Burial/Inflation	\$10,000/3.00%	\$10,000/3.00%

Note: Items in bold indicate a change from the Current Plan

¹ What-if strategies for Additional Life Insurance are not applicable to the Current Plan Scenario

Life Insurance Summary - Joe

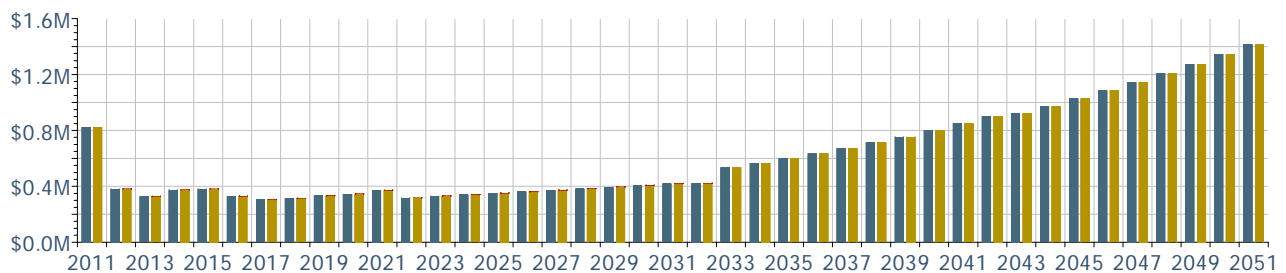
A life insurance analysis should ensure that when a death occurs in your family, there is sufficient income and capital to cover the cash flow needs for the surviving family members over the entire planning period. When you are young, a major reason for survivorship planning is to provide financial protection for your dependent family. Without the continued benefit of your income, your family may not be able to afford ongoing expenses for housing, transportation, food, clothing, etc. There may also be additional expenses for childcare. Post-secondary education and retirement needs will also continue to exist.

When you are older, the major goal of survivorship planning may be to protect the value of your estate from declining due to estate tax, income tax and other costs. This type of income replacement provides cash flow to meet these needs, which would otherwise have to be covered by redeeming your existing assets.

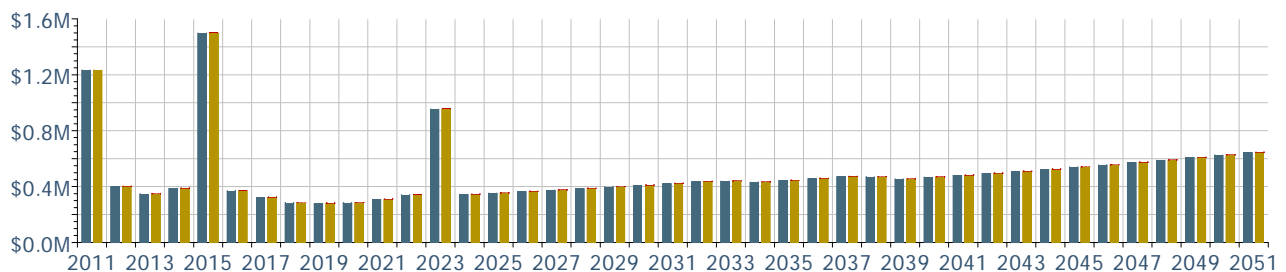
In the event of Joe's death, you want to ensure Jane has enough income and capital to cover both the family's expenses and any investment plans needed to fund your goals.

Life Insurance Needs Vs. Abilities

Current



Proposed



■ Desired Needs	■ Ability to Cover Needs	■ Shortfall
--	---	--

Objectives	Current	Proposed
Retirement Age/Year for the Survivor	60	61
Survivor Life Expectancy	90	90
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Existing Life Insurance	\$925,000	\$925,000

Objectives	Current	Proposed
Additional Life Insurance		
Death Benefit	\$0	\$0
Premium	\$0	\$200
Additional Life Insurance Required	\$0	\$0

Note: Numbers in bold indicate a change from the Current Plan.

The following report provides an overview of your life insurance if Joe were to die at the end of this year (2010), using assumptions from the Proposed Plan.

Life Insurance Summary

At Death	Current	Proposed
Immediate Capital Needs		
Lump Sum Needs	10,000	10,000
Probate, Admin and Estate Taxes	26,151	10,286
Liabilities	0	0
Pre-Death Cash Flow Deficit	0	0
Other	313,810	89,996
Total Immediate Capital Needs	349,961	110,282
Available Resources for Immediate Capital Needs		
Pre-Death Cash Flow Surplus	6	0
Life Insurance Coverage Held	925,000	925,000
Lifestyle/Real Estate Assets Available	0	0
Non-Qualified Assets Available	493,793	291,377
Qualified Assets Available	0	0
Additional Assets Redeemed for Estate Settlement	0	146,546
Total Available Resources for Immediate Capital Needs	1,418,799	1,362,923
Available Resources Redeemed (Gross)	349,961	110,282
Available Resources Remaining	1,068,838	1,252,641
Additional Recommended Coverage for Immediate Needs	0	0
Survivorship Period		
Present Value of Future Outflows		
Lifestyle and Medical Expenses	9,169,312	8,536,076
Taxes	12,486,899	5,371,854
Qualified Contributions	127,634	135,887
Non-Qualified Contributions and Reinvestments	3,017,777	2,756,776
Other Outflows	968,181	713,842
Total Future Outflows	25,769,803	17,514,434
Present Value of Future Inflows		
Regular Income	2,205,000	2,394,000
Social Security	765,301	960,951
Pension	1,274,000	1,232,000
Qualified Proceeds	8,265,127	4,837,127
Non-Qualified Proceeds	17,037,896	7,684,988
Other Inflows	406,383	933,653
Total Future Inflows	29,953,708	18,042,718
Present Value of Future Deficits	0	97
Additional Recommended Coverage for Survivorship	0	0
Summary		
Life Insurance Coverage Required	0	925,000

Summary	Current	Proposed
Life Insurance Coverage Held	925,000	925,000
Additional Recommended Coverage	0	0

Consider the following:

- Joe, maintain your existing life insurance coverage and review your needs periodically.

Joe - Life Insurance - Current

*100%

This scenario covers 100% of the desired Life Insurance goal objectives.



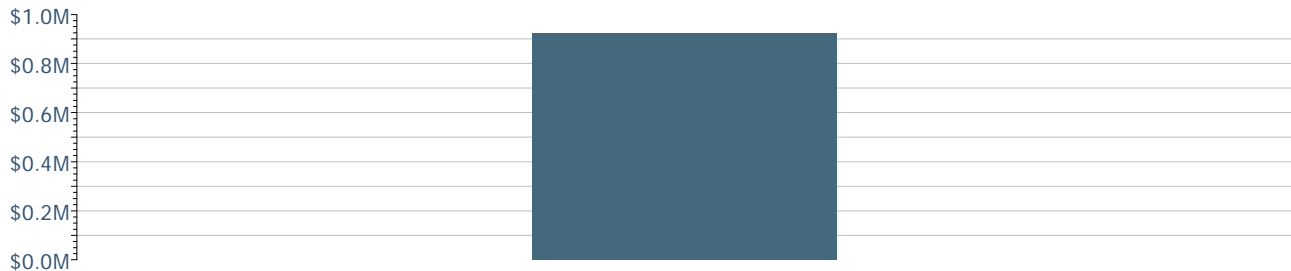
*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Retirement Age/Year for the Survivor	60 / 2022
Survivor Life Expectancy	90 / 2052
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations	
Pre-Retirement	6.00%
Retirement	6.00%
Existing Life Insurance	\$925,000
Additional Life Insurance	
Death Benefit	\$0
Premium	\$200
Additional Life Insurance Required	\$0

Analysis



■ Life Insurance	■ Additional Life Insurance Recommended	— Total Life Insurance Required
---	--	--

- Net Worth at Start of Survivorship: \$5,641,231
- Net Worth at End of Survivorship: \$34,315,370
- Year Capital Exhausted: Never

Cash Flow Outlook if Joe dies - Current

The following report shows your sources of income and expenses over the next 5 years if Joe were to die at the end of the current year (2010).

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	389,000	194,670	200,510	206,525	212,721
Investment Inflows					
Invested Available Capital (Joe/Non-Qualified)	0	24,245	25,865	27,583	28,904
Joe's ISOs	0	1,451	1,451	1,451	1,451
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,638
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	89,250	93,713	98,398	103,318
Invested Available Capital (Jane/Non-Qualified)	0	538,781	0	0	0
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	4,337	4,356	5,693	5,866	6,036
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Joint Savings (Non-Qualified)	9,368	9,940	10,480	11,051	11,622
Ridgefield Bank Checking (Joint/Non-Qualified)	1,084	1,121	1,154	1,189	1,223
Ridgefield Bank Savings (Joint/Non-Qualified)	8,589	1,964	2,021	2,082	2,142
Vacation Timeshare (Joint/Non-Qualified)	1,688	2,029	2,371	2,730	3,098
Total Investment Inflows	160,067	724,638	298,756	251,292	311,329
Pension Inflows					
Social Security (Julia)	0	23,124	23,818	0	0
Social Security (Mark)	0	23,124	23,818	24,532	6,317
Total Pension Inflows	0	46,248	47,636	24,532	6,317
Miscellaneous Inflows					
Joe's policy (Whole Life)	925,000	0	0	0	0
Total Miscellaneous Inflows	925,000	0	0	0	0
Total Cash Inflows	1,474,067	965,556	546,902	482,350	530,367
Cash Outflows					
Lifestyle Expenses					
Housing (e.g. utilities, repairs) (Joint)	81,600	71,441	73,584	75,792	78,065
Assumed Expenses (Joe)	126,411	0	0	0	0
Burial (Joe)	10,000	0	0	0	0
Assumed Expenses (Jane)	0	112,888	0	0	0
Assumed Expenses (Jane)	0	0	115,176	0	0
Assumed Expenses (Jane)	0	0	0	120,432	0
Assumed Expenses (Jane)	0	0	0	0	125,177
Surplus Lifestyle Expenses (Jane)	0	12,631	12,652	2,776	0
Mortgage (Joint)	370,467	0	0	0	0
Personal Loans (Joint)	26,411	0	0	0	0
Total Lifestyle Expenses	614,889	196,960	201,412	199,000	203,242
Non-Qualified Contributions and Reinvestments					
Invested Available Capital (Joe/Non-Qualified)	0	566,693	29,561	20,161	13,362
Joe's ISOs	21,000	0	0	0	0
Invested Available Capital (Jane/Non-Qualified)	538,781	0	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	0	2,461	31,345	3,314	3,624
Joint Savings (Non-Qualified)	12,415	11,616	12,292	12,243	12,978
Ridgefield Bank Checking (Joint/Non-Qualified)	743	633	693	672	0
Ridgefield Bank Savings (Joint/Non-Qualified)	1,487	1,110	1,213	1,176	0
Vacation Timeshare (Joint/Non-Qualified)	5,977	5,946	6,223	6,342	4,685
Total Non-Qualified Contributions and Reinvestments	580,403	588,459	141,327	43,909	34,649

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

	2010	2011	2012	2013	2014
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	2,400	2,400	2,400	2,400
Total Qualified Contributions	28,800	14,400	14,400	14,400	14,400
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Probate Fees (Joe)	13,075	0	0	0	0
Administration Fees (Joe)	13,075	0	0	0	0
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	0	0	0	0
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Total Miscellaneous Expenses	40,391	9,170	9,325	9,484	9,648
Taxes					
Regular Federal Tax	124,644	115,842	135,394	123,407	121,686
Alternative Minimum Tax	26,418	0	0	0	0
Social Security Tax - employment	13,243	6,622	7,124	7,403	7,700
Medicare Tax - employment	5,641	2,823	3,530	2,995	3,084
State Income Tax	24,993	16,202	18,858	19,451	22,240
Total Taxes	194,938	141,488	164,907	153,255	154,711
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	1,474,061	965,556	546,902	482,350	530,367
Current Surplus/(Deficit)	6	0	0	0	0
Ending Surplus/(Deficit)	6	0	0	0	0

Cash Flow Summary if Joe dies - Current

The following report represents the major components of your cash flow and the resulting life protection needs if Joe dies at the end of 2010. The report shows each year of the analysis until the end of Jane's life expectancy given your current plan. The total Additional Life Insurance Needed represents the additional coverage required to meet your ongoing shortfalls, but does not include any additional coverage for immediate needs. *Cash Outflows excludes surpluses reinvested as capital.

Year	Ages	Cash Inflows	Cash Outflows*	Surplus (Deficit)	Gross Capital Available	Future Value Life Insurance	Additional Life Insurance Needed
2010	50/48	1,474,067	1,474,061	6	1,032,574	0	0
2011	--/49	965,556	952,925	12,631	1,096,830	0	0
2012	--/50	546,902	534,250	12,652	1,193,860	0	0
2013	--/51	482,350	479,574	2,776	1,254,544	0	0
2014	--/52	530,367	530,367	0	1,306,938	0	0
2015	--/53	541,190	541,190	0	1,355,788	0	0
2016	--/54	493,501	493,501	0	1,380,445	0	0
2017	--/55	473,739	473,739	0	1,415,167	0	0
2018	--/56	488,865	488,865	0	1,460,684	0	0
2019	--/57	513,519	513,519	0	1,480,943	0	0
2020	--/58	531,556	531,556	0	1,500,452	0	0
2021	--/59	565,367	565,367	0	1,504,031	0	0
2022	*--/60*	494,157	458,891	35,266	5,209,864	0	0
2023	--/61	466,718	466,718	0	5,460,851	0	0
2024	--/62	481,450	481,450	0	5,732,949	0	0
2025	--/63	496,231	496,231	0	6,027,634	0	0
2026	--/64	511,447	511,447	0	6,347,976	0	0
2027	--/65	527,175	527,175	0	6,696,323	0	0
2028	--/66	543,599	543,599	0	7,075,060	0	0
2029	--/67	560,811	560,811	0	7,486,717	0	0
2030	--/68	579,589	579,590	0	7,933,293	0	0
2031	--/69	598,903	598,904	0	8,417,294	0	0
2032	--/70	607,659	607,659	0	8,952,743	0	0
2033	--/71	817,792	768,078	49,714	9,399,724	0	0
2034	--/72	865,168	807,090	58,078	9,862,903	0	0
2035	--/73	915,782	848,984	66,798	10,342,280	0	0
2036	--/74	969,886	893,594	76,291	10,837,342	0	0
2037	--/75	1,027,731	933,561	94,170	11,354,932	0	0
2038	--/76	1,089,929	969,193	120,736	11,902,237	0	0
2039	--/77	1,154,887	1,021,999	132,888	12,465,720	0	0
2040	--/78	1,226,572	1,079,773	146,799	13,042,699	0	0
2041	--/79	1,300,431	1,139,544	160,887	13,633,519	0	0
2042	--/80	1,379,052	1,202,801	176,251	14,237,005	0	0
2043	--/81	1,462,726	1,285,646	177,080	14,835,846	0	0
2044	--/82	1,551,039	1,361,750	189,289	15,437,601	0	0
2045	--/83	1,644,716	1,439,520	205,196	16,042,163	0	0
2046	--/84	1,744,156	1,522,011	222,145	16,646,446	0	0
2047	--/85	1,844,021	1,605,424	238,597	17,251,229	0	0
2048	--/86	1,949,169	1,693,263	255,905	17,853,705	0	0
2049	--/87	2,059,730	1,785,660	274,070	18,450,794	0	0
2051	--/89	2,297,440	1,984,531	312,909	19,615,110	0	0

* = Year of retirement

Net Worth Accumulation if Joe dies - Current

The following report illustrates the assumed change in your assets in the event that Joe were to die at the end of the current year.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	614,381	9,394	101,616	119,228	5,641,231
2011	--/49	5,641,231	582,612	538,781	125,708	136,354	5,947,173
2012	--/50	5,947,173	131,779	102,964	138,622	136,785	6,251,442
2013	--/51	6,251,442	33,976	46,305	146,155	144,074	6,529,391
2014	--/52	6,529,391	31,200	106,788	153,887	151,469	6,759,208
2015	--/53	6,759,208	31,200	114,336	160,271	159,178	6,995,569
2016	--/54	6,995,569	28,800	71,823	171,142	167,508	7,291,245
2017	--/55	7,291,245	28,800	33,530	183,892	176,247	7,646,702
2018	--/56	7,646,702	24,000	18,602	197,864	185,561	8,035,574
2019	--/57	8,035,574	24,000	45,950	213,301	195,665	8,422,639
2020	--/58	8,422,639	24,000	47,846	229,203	206,128	8,834,172
2021	--/59	8,834,172	24,000	64,932	246,354	217,253	9,256,895
2022	*--/60*	9,256,895	51,266	0	264,369	229,002	9,801,581
2023	--/61	9,801,581	0	114,251	285,695	242,352	10,215,426
2024	--/62	10,215,426	0	117,010	304,269	255,257	10,657,990
2025	--/63	10,657,990	0	119,621	323,967	268,779	11,131,163
2026	--/64	11,131,163	0	121,882	345,776	283,347	11,638,453
2027	--/65	11,638,453	0	124,125	369,419	298,872	12,182,668
2028	--/66	12,182,668	0	126,509	395,055	315,423	12,766,685
2029	--/67	12,766,685	0	129,104	422,849	333,072	13,393,550
2030	--/68	13,393,550	0	132,665	452,980	351,898	14,065,812
2031	--/69	14,065,812	0	136,039	485,414	371,320	14,786,556
2032	--/70	14,786,556	0	128,140	520,392	391,560	15,570,417
2033	--/71	15,570,417	49,714	291,932	547,672	410,911	16,278,130
2034	--/72	16,278,130	58,078	315,239	571,528	431,897	17,015,048
2035	--/73	17,015,048	66,798	340,375	596,578	453,946	17,781,900
2036	--/74	17,781,900	76,291	367,479	622,025	477,108	18,578,943
2037	--/75	18,578,943	94,170	396,699	647,766	501,428	19,413,834
2038	--/76	19,413,834	120,736	428,193	673,896	527,064	20,294,625
2039	--/77	20,294,625	132,888	459,949	700,584	554,201	21,208,690
2040	--/78	21,208,690	146,799	496,341	727,251	582,663	22,154,319
2041	--/79	22,154,319	160,887	532,787	753,771	612,518	23,132,879
2042	--/80	23,132,879	176,251	571,701	780,019	644,322	24,144,280
2043	--/81	24,144,280	177,080	613,213	805,806	678,134	25,172,361
2044	--/82	25,172,361	189,289	657,454	830,469	712,275	26,225,895
2045	--/83	26,225,895	205,196	704,550	854,029	747,944	27,306,065
2046	--/84	27,306,065	222,145	754,622	876,271	785,231	28,411,150
2047	--/85	28,411,150	238,597	802,323	897,076	824,231	29,543,371
2048	--/86	29,543,371	255,905	852,267	916,270	865,024	30,701,453
2049	--/87	30,701,453	274,070	904,415	933,553	907,679	31,883,936
2051	--/89	33,089,175	312,909	1,014,957	961,077	998,864	34,315,370

* = Year of retirement

Joe - Life Insurance - Proposed

*100% This scenario covers 100% of the desired Life Insurance goal objectives.



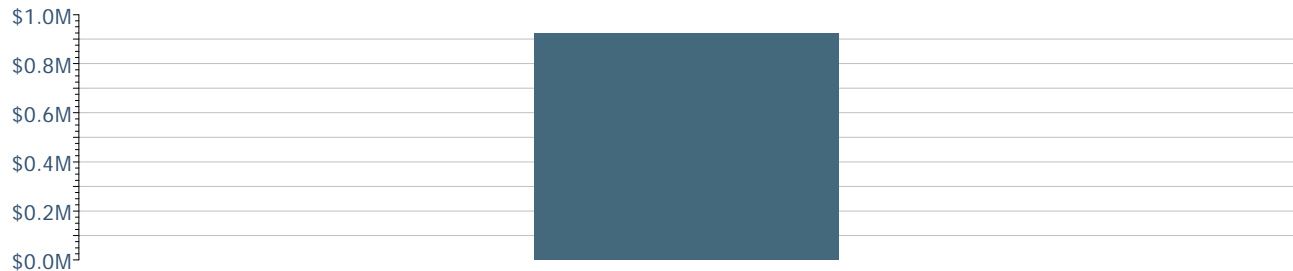
*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Retirement Age/Year for the Survivor	61 / 2023
Survivor Life Expectancy	90 / 2052
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations	
Pre-Retirement	6.00%
Retirement	6.00%
Existing Life Insurance	\$925,000
Additional Life Insurance	
Death Benefit	\$0
Premium	\$200
Additional Life Insurance Required	\$0

Analysis



■ Life Insurance	■ Additional Life Insurance Recommended	— Total Life Insurance Required
---	--	--

- Net Worth at Start of Survivorship: \$5,326,921
- Year Capital Exhausted: Never
- Net Worth at End of Survivorship: \$10,512,388

Cash Flow Outlook if Joe dies - Proposed

The following report shows your sources of income and expenses over the next 5 years if Joe were to die at the end of the current year (2010).

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Joe's ISOs	38,735	0	0	0	0
Jane's salary (Jane)	189,000	194,670	200,510	206,525	212,721
Total Employment Inflows	427,735	194,670	200,510	206,525	212,721
Investment Inflows					
Invested Available Capital (Joe/Non-Qualified)	0	41,625	43,954	46,367	48,453
Joe's ISOs	21,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,639
New Haven Bed and Breakfast (Joe/Real Estate)	50,000	51,500	53,045	54,636	56,275
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	0	0	0	0
Invested Available Capital (Jane/Non-Qualified)	0	925,000	0	0	0
Jane's 2002 NSOs	0	0	102,964	0	0
Jane's Brokerage Account (Non-Qualified)	30,508	7,291	9,666	10,183	10,702
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Joint Savings (Non-Qualified)	282,412	8,199	9,051	9,973	10,921
Julia - College Education Fund (Joint/Non-Qualified)	513	70	140	214	291
Retirement Fund (Joint/Non-Qualified)	18,096	1,518	1,881	2,272	2,681
Ridgefield Bank Checking (Joint/Non-Qualified)	40,054	951	1,000	1,053	1,107
Ridgefield Bank Savings (Joint/Non-Qualified)	80,108	1,902	1,999	2,106	2,214
Vacation Timeshare (Joint/Non-Qualified)	25,165	1,426	1,843	2,286	2,747
Vacation Timeshare Fund (Joint/Non-Qualified)	1,499	205	409	624	850
Total Investment Inflows	634,356	1,039,688	225,952	176,020	233,498
Trust Inflows:					
Affluent Family Partnership — Joe	100,000	0	0	0	0
Affluent Family Partnership — Joe — Jane	0	94,545	88,711	81,930	74,527
Total Trust Inflows:	100,000	94,545	88,711	81,930	74,527
Pension Inflows					
Joe's 401(k)	37,730	0	0	0	0
Joe's Roth IRA	108,817	0	0	0	0
Social Security (Julia)	0	23,124	23,818	0	0
Social Security (Mark)	0	23,124	23,818	24,532	6,317
Total Pension Inflows	146,546	46,248	47,636	24,532	6,317
Miscellaneous Inflows					
Joe's policy (Whole Life)	925,000	0	0	0	0
Total Miscellaneous Inflows	925,000	0	0	0	0
Total Cash Inflows	2,233,637	1,375,151	562,809	489,008	527,063
Cash Outflows					
Lifestyle Expenses					
Housekeeping (Joint)	1,800	1,576	1,623	1,672	1,722
Housing (e.g. utilities, repairs) (Joint)	81,600	71,441	73,584	75,792	78,065
Assumed Expenses (Joe)	105,946	0	0	0	0
Burial (Joe)	10,000	0	0	0	0
Assumed Expenses (Jane)	0	118,598	0	0	0
Assumed Expenses (Jane)	0	0	115,871	0	0
Assumed Expenses (Jane)	0	0	0	118,501	0
Assumed Expenses (Jane)	0	0	0	0	117,950
Surplus Lifestyle Expenses (Jane)	0	11,648	10,244	1,660	0
Mortgage (Joint)	370,467	0	0	0	0
Personal Loans (Joint)	26,378	0	0	0	0
Total Lifestyle Expenses	596,191	203,262	201,323	197,625	197,737
Non-Qualified Contributions and Reinvestments					
Invested Available Capital (Joe/Non-Qualified)	0	962,883	38,979	30,885	25,350

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

	2010	2011	2012	2013	2014
Joe's ISOs	21,000	0	0	0	0
Invested Available Capital (Jane/Non-Qualified)	925,000	0	0	0	0
Jane's 2002 NSOs	0	0	60,000	0	0
Jane's Brokerage Account (Non-Qualified)	23,939	4,119	33,730	5,753	6,425
Joint Savings (Non-Qualified)	164,228	10,632	11,434	11,634	10,320
Julia - College Education Fund (Joint/Non-Qualified)	949	964	1,008	1,045	896
Retirement Fund (Joint/Non-Qualified)	32,973	4,146	4,417	4,571	3,173
Ridgefield Bank Checking (Joint/Non-Qualified)	26,261	537	600	595	0
Ridgefield Bank Savings (Joint/Non-Qualified)	52,522	1,075	1,200	1,190	0
Vacation Timeshare (Joint/Non-Qualified)	11,943	5,606	5,907	6,091	4,653
Vacation Timeshare Fund (Joint/Non-Qualified)	2,774	2,816	2,945	3,053	2,617
Total Non-Qualified Contributions and Reinvestments	1,261,589	992,777	160,221	64,817	53,434
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	15,000	15,450	15,914	16,391	16,883
Total Investment Expenses	15,000	15,450	15,914	16,391	16,883
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	12,000	12,000	12,000	12,000
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	2,400	2,400	2,400	2,400
Total Qualified Contributions	28,800	14,400	14,400	14,400	14,400
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Probate Fees (Joe)	5,143	0	0	0	0
Administration Fees (Joe)	5,143	0	0	0	0
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	0	0	0	0
Jane's Group LTD (Jane)	1,080	1,080	1,080	1,080	1,080
Jane's Group STD (Jane)	900	900	900	900	900
Jane's policy (Whole Life)	1,500	1,500	1,500	1,500	1,500
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	5,150	5,305	5,464	5,628
Additional Life Insurance (Joint/Whole Life)	420	420	420	420	420
Total Miscellaneous Expenses	24,946	9,590	9,745	9,904	10,068
Taxes					
Regular Federal Tax	242,350	114,042	132,076	110,540	105,566
Social Security Tax - employment	13,243	6,622	7,124	7,403	7,700
Medicare Tax - employment	6,202	2,823	3,530	2,995	3,084
State Income Tax	45,676	16,557	18,858	19,023	21,355
Total Taxes	307,471	140,043	161,589	139,960	137,706
Refundable Tax Credits	(360)	(371)	(382)	(393)	(405)
Total Cash Outflows	2,233,637	1,375,151	562,809	489,008	527,063
Current Surplus/(Deficit)	0	0	0	0	0
Ending Surplus/(Deficit)	0	0	0	0	0

Cash Flow Summary if Joe dies - Proposed

The following report represents the major components of your cash flow and the resulting life protection needs if Joe dies at the end of 2010. The report shows each year of the analysis until the end of Jane's life expectancy given your proposed plan. The total Additional Life Insurance Needed represents the additional coverage required to meet your ongoing shortfalls, but does not include any additional coverage for immediate needs. *Cash Outflows excludes surpluses reinvested as capital.

Year	Ages	Cash Inflows	Cash Outflows*	Surplus (Deficit)	Gross Capital Available	Future Value Life Insurance	Additional Life Insurance Needed
2010	50/48	2,233,637	2,233,637	0	1,216,377	0	0
2011	--/49	1,375,151	1,363,503	11,648	1,301,202	0	0
2012	--/50	562,809	552,565	10,244	1,419,904	0	0
2013	--/51	489,008	487,347	1,660	1,504,413	0	0
2014	--/52	527,063	527,063	0	1,578,655	0	0
2015	--/53	1,668,238	1,668,238	0	1,560,674	0	0
2016	--/54	506,799	506,804	(6)	1,565,955	6	0
2017	--/55	457,314	457,322	(8)	1,569,013	8	0
2018	--/56	418,466	418,467	(1)	1,596,195	1	0
2019	--/57	413,127	413,129	(2)	1,619,825	2	0
2020	--/58	418,634	418,638	(4)	1,640,962	4	0
2021	--/59	446,830	446,831	0	1,644,855	0	0
2022	--/60	480,787	480,788	(1)	1,623,610	1	0
2023	*--/61*	1,123,138	1,123,139	(1)	4,986,453	1	0
2024	--/62	431,531	431,533	(2)	5,136,826	2	0
2025	--/63	445,124	445,132	(8)	5,209,847	8	0
2026	--/64	455,915	455,923	(9)	5,280,152	9	0
2027	--/65	468,103	468,112	(9)	5,348,604	9	0
2028	--/66	480,688	480,697	(10)	5,415,773	10	0
2029	--/67	493,713	493,715	(1)	5,484,194	1	0
2030	--/68	508,437	508,438	(1)	5,560,448	1	0
2031	--/69	522,226	522,228	(2)	5,635,923	2	0
2032	--/70	546,110	546,114	(4)	5,700,778	4	0
2033	--/71	639,023	639,027	(4)	5,677,632	4	0
2034	--/72	625,299	625,308	(9)	5,673,663	9	0
2035	--/73	644,044	644,053	(9)	5,657,859	9	0
2036	--/74	663,341	663,351	(10)	5,629,094	10	0
2037	--/75	683,226	683,235	(10)	5,586,142	10	0
2038	--/76	677,796	677,805	(8)	5,553,601	8	0
2039	--/77	646,288	646,293	(6)	5,558,495	6	0
2040	--/78	665,657	665,662	(5)	5,552,571	5	0
2041	--/79	685,604	685,609	(5)	5,534,817	5	0
2042	--/80	705,329	705,334	(5)	5,504,921	5	0
2043	--/81	728,023	728,029	(6)	5,459,361	6	0
2044	--/82	749,827	749,833	(6)	5,398,256	6	0
2045	--/83	772,278	772,284	(6)	5,320,202	6	0
2046	--/84	795,412	795,417	(6)	5,223,675	6	0
2047	--/85	819,235	819,241	(6)	5,107,144	6	0
2048	--/86	843,769	843,775	(6)	4,968,890	6	0
2049	--/87	869,039	869,045	(6)	4,807,076	6	0
2051	--/89	921,886	921,893	(7)	4,404,755	7	0

* = Year of retirement

Net Worth Accumulation if Joe dies - Proposed

The following report illustrates the assumed change in your assets in the event that Joe were to die at the end of the current year.

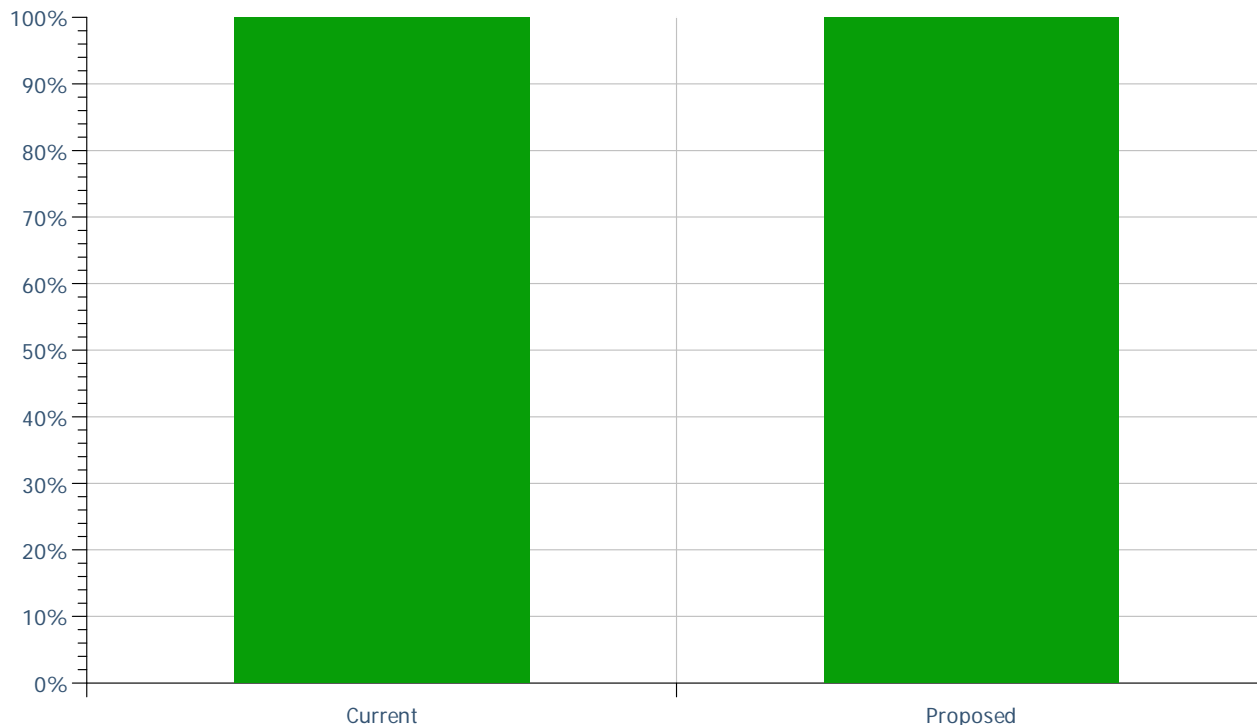
Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	1,287,647	856,276	91,782	121,373	4,796,809
2011	--/49	4,796,809	974,760	925,000	147,425	82,332	5,078,245
2012	--/50	5,078,245	136,283	102,964	165,290	79,879	5,358,652
2013	--/51	5,358,652	39,772	46,305	176,148	83,629	5,613,816
2014	--/52	5,613,816	38,112	112,131	188,361	86,932	5,817,010
2015	--/53	5,817,010	1,038,112	1,266,338	241,574	100,626	5,932,904
2016	--/54	5,932,904	34,788	133,185	207,663	93,313	6,137,404
2017	--/55	6,137,404	34,788	89,784	226,599	97,177	6,408,103
2018	--/56	6,408,103	27,288	56,847	244,598	101,275	6,726,337
2019	--/57	6,726,337	27,288	61,761	265,566	105,981	7,065,330
2020	--/58	7,065,330	27,288	65,373	288,268	110,974	7,428,407
2021	--/59	7,428,407	27,288	83,569	312,954	116,305	7,803,305
2022	--/60	7,803,305	27,288	108,563	339,094	121,807	8,184,851
2023	*--/61*	8,184,851	56,000	804,678	337,702	123,275	8,523,737
2024	--/62	8,599,069	0	233,539	264,088	112,403	8,743,942
2025	--/63	8,743,942	0	243,506	271,803	113,481	8,887,639
2026	--/64	8,887,639	0	252,604	278,020	115,061	9,030,037
2027	--/65	9,030,037	0	263,511	287,490	116,091	9,172,027
2028	--/66	9,172,027	0	272,480	295,879	116,861	9,314,208
2029	--/67	9,314,208	0	279,098	303,838	118,278	9,459,145
2030	--/68	9,459,145	0	279,489	312,966	118,908	9,613,450
2031	--/69	9,613,450	0	289,191	322,802	119,559	9,768,539
2032	--/70	9,768,539	0	309,006	333,042	120,111	9,914,607
2033	--/71	9,914,607	0	391,931	335,396	119,896	9,974,302
2034	--/72	9,974,302	0	370,790	333,796	121,366	10,054,836
2035	--/73	10,054,836	0	381,866	333,307	122,998	10,125,232
2036	--/74	10,125,232	0	393,269	332,105	124,581	10,184,397
2037	--/75	10,184,397	0	405,026	330,123	126,107	10,231,139
2038	--/76	10,231,139	0	391,232	327,289	127,570	10,290,093
2039	--/77	10,290,093	0	351,115	325,083	129,141	10,388,322
2040	--/78	10,388,322	0	361,526	325,002	130,996	10,477,606
2041	--/79	10,477,606	0	372,278	324,302	132,817	10,556,975
2042	--/80	10,556,975	0	382,534	322,883	135,092	10,626,153
2043	--/81	10,626,153	0	395,475	320,726	137,820	10,681,661
2044	--/82	10,681,661	0	407,238	317,623	139,478	10,723,656
2045	--/83	10,723,656	0	419,350	313,582	141,066	10,750,776
2046	--/84	10,750,776	0	431,840	308,519	142,577	10,761,542
2047	--/85	10,761,542	0	444,772	302,425	144,010	10,754,463
2048	--/86	10,754,463	0	458,106	295,146	145,348	10,727,867
2049	--/87	10,727,867	0	471,865	286,586	146,580	10,679,962
2051	--/89	10,608,823	0	500,743	265,206	148,683	10,512,395

* = Year of retirement

Joe and Jane - Life Insurance Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Survivor Income goal. The following graph illustrates the ability of each scenario to achieve the Survivor Income goal.

Scenario Coverage



	Goal Coverage*	Life Insurance Shortfall	Current Net Estate	Required Net Estate	Year Capital Exhausted
Current	100%	\$0	\$4,561,500	\$5,684,673	Never
Proposed	100%	\$0	\$4,561,500	\$3,940,447	Never

*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Scenario Assumption Comparison

Objectives:	Current	Alternative 1
Goal Coverage	100%	100%

A bar chart comparing 'Current' and 'Alternative 1' scenarios. Both scenarios have a green bar representing 100% goal coverage.

Objectives:	Current	Alternative 1
Support For Dependents		
Support for Julia/Inflation	\$20,000/3.00%	\$20,000/3.00%
Start Date/End Date	Jan 1, 2011/Dec 31, 2020	Jan 1, 2011/Dec 31, 2020
Support for Mark/Inflation	\$20,000/3.00%	\$20,000/3.00%
Start Date/End Date	Jan 1, 2011/Apr 23, 2021	Jan 1, 2011/Apr 23, 2021
Total ROR on Life Insurance Proceeds, Surpluses, and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Additional Life Insurance¹		
Death Benefit		N/A
Premium		N/A
Education Expenses % to Cover		
Julia - College Education	100%	100%
Mark - College Education	100%	100%
Additional Lump Sum Needs		
Burial/Inflation	\$10,000/3.00%	\$10,000/3.00%
Burial/Inflation	\$10,000/3.00%	\$10,000/3.00%
Lump Sum Need/Inflation	\$200,000/3.00%	\$200,000/3.00%

Note: Items in bold indicate a change from the Current Plan

¹ What-if strategies for Additional Life Insurance are not applicable to the Current Plan Scenario

Life Insurance Summary - Joe and Jane

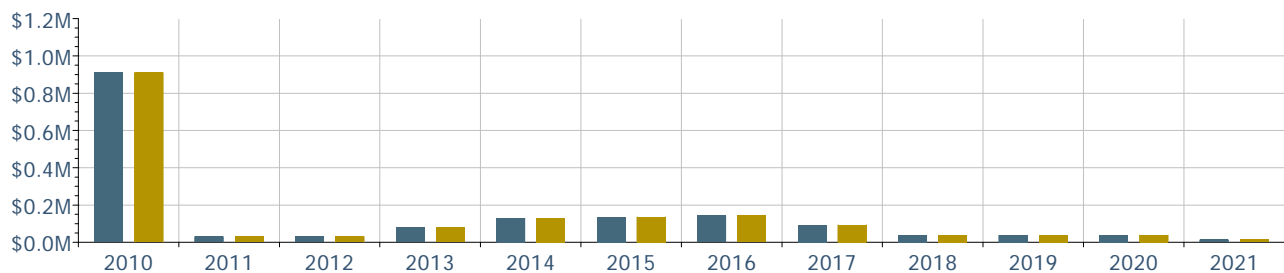
A life insurance analysis should ensure that when a death occurs in your family, there is sufficient income and capital to cover the cash flow needs for the surviving family members over the entire planning period. When you are young, a major reason for survivorship planning is to provide financial protection for your dependent family. Without the continued benefit of your income, your family may not be able to afford ongoing expenses for housing, transportation, food, clothing, etc. There may also be additional expenses for childcare. Post-secondary education and retirement needs will also continue to exist.

When you are older, the major goal of survivorship planning may be to protect the value of your estate from declining due to estate tax, income tax and other costs. This type of income replacement provides cash flow to meet these needs, which would otherwise have to be covered by redeeming your existing assets.

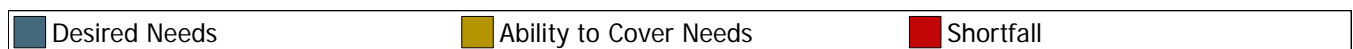
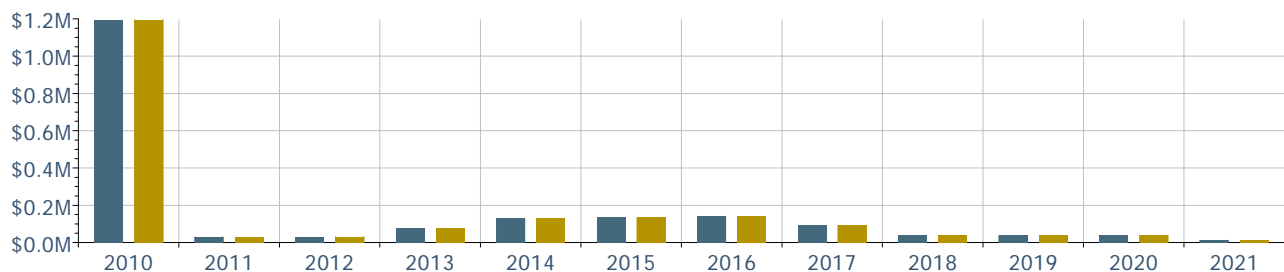
In the event of both Joe and Jane's deaths, you want to ensure there is enough capital to cover estate expenses and taxes, as well as any future child care expenses and education goals.

Life Insurance Needs Vs. Abilities

Current



Proposed



Objectives	Current	Proposed
Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations		
Pre-Retirement	6.00%	6.00%
Retirement	6.00%	6.00%
Existing Life Insurance	\$1,500,000	\$1,575,000
Additional Life Insurance		
Death Benefit	\$0	\$75,000

Objectives	Current	Proposed
Premium		\$360
Additional Life Insurance Required	\$0	\$0

Note: Numbers in bold indicate a change from the Current Plan.

The following report provides an overview of your life insurance if Joe and Jane were to die at the end of this year (2010), using assumptions from the Proposed Plan. These calculations assume that Joe and Jane's assets pass directly to the heirs.

Life Insurance Summary

At Death	Current	Proposed
Immediate Capital Needs		
Lump Sum Needs	220,000	220,000
Probate, Admin and Estate Taxes	398,989	331,537
Liabilities	0	0
Pre-Death Cash Flow Deficit	0	0
Other	881,011	1,023,463
Total Immediate Capital Needs	1,500,000	1,575,000
Available Resources for Immediate Capital Needs		
Pre-Death Cash Flow Surplus	5,473,293	3,195,386
Life Insurance Coverage Held	1,500,000	1,575,000
Lifestyle/Real Estate Assets Available	0	0
Non-Qualified Assets Available	0	0
Qualified Assets Available	0	0
Additional Assets Redeemed for Estate Settlement	0	0
Total Available Resources for Immediate Capital Needs	6,973,293	4,770,386
Available Resources Redeemed (Gross)	1,500,000	1,575,000
Available Resources Remaining	5,473,293	3,195,386
Additional Recommended Coverage for Immediate Needs	0	0
Survivorship Period		
Present Value of Future Outflows		
Lifestyle and Medical Expenses	0	0
Taxes	8,972	49,513
Qualified Contributions	0	0
Non-Qualified Contributions and Reinvestments	0	0
Other Outflows	662,396	662,396
Total Future Outflows	671,368	711,909
Present Value of Future Inflows		
Regular Income	0	0
Social Security	118,022	118,022
Pension	0	0
Qualified Proceeds	0	0
Non-Qualified Proceeds	0	0
Other Inflows	577,170	612,686
Total Future Inflows	695,192	730,708
Present Value of Future Deficits	0	0
Additional Recommended Coverage for Survivorship	0	0
Summary		
Life Insurance Coverage Required	1,500,000	1,575,000

Summary	Current	Proposed
Life Insurance Coverage Held	1,500,000	1,575,000
Additional Recommended Coverage	0	0

Consider the following:

- Joe and Jane, maintain your existing life insurance coverage and review your needs periodically for the both to die analysis.

Joe and Jane - Life Insurance - Current

*100%

This scenario covers 100% of the desired Life Insurance goal objectives.



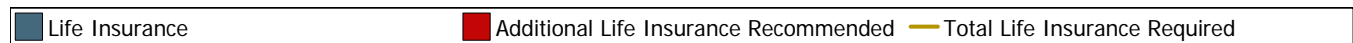
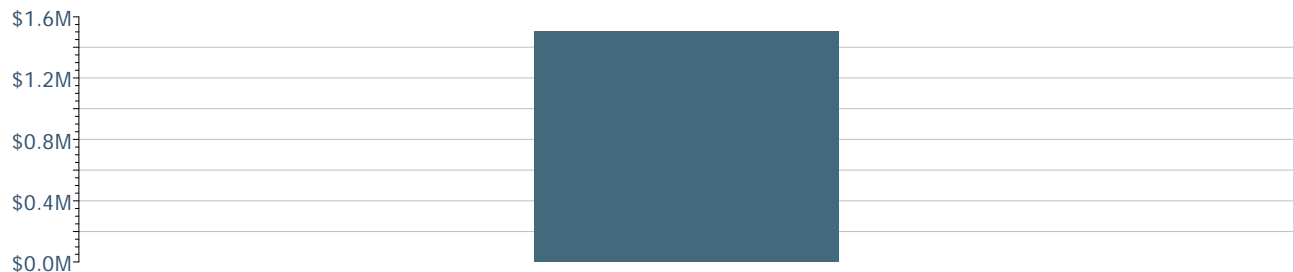
*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations	
Pre-Retirement	6.00%
Retirement	6.00%
Existing Life Insurance	\$1,500,000
Additional Life Insurance	
Death Benefit	\$0
Premium	\$325
Additional Life Insurance Required	\$0

Analysis



- Current Net Estate: \$4,561,500
- Required Net Estate: \$1,500,000
- Year Capital Exhausted: Never

Cash Flow Outlook if Joe and Jane die - Current

The following report shows your sources of income and expenses over the next 5 years if Joe and Jane were to die at the end of the current year (2010).

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Joe's ISOs	38,735	0	0	0	0
Jane's salary (Jane)	189,000	0	0	0	0
Total Employment Inflows	427,735	0	0	0	0
Investment Inflows					
Joe's ISOs	21,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
New Haven Bed and Breakfast (Joe/Real Estate)	346,800	0	0	0	0
Hargrave Real Estate Consulting (Joe/S Corporation)	986,000	0	0	0	0
Jane's 2002 NSOs	96,264	0	0	0	0
Jane's Brokerage Account (Non-Qualified)	104,773	0	0	0	0
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Art collection (Joint/Lifestyle)	255,000	0	0	0	0
Personal Use Property (Joint/Lifestyle)	510,000	0	0	0	0
Residence (Joint/Lifestyle)	1,020,000	0	0	0	0
Joint Savings (Non-Qualified)	239,322	0	0	0	0
Ridgefield Bank Checking (Joint/Non-Qualified)	27,128	0	0	0	0
Ridgefield Bank Savings (Joint/Non-Qualified)	54,256	0	0	0	0
Vacation Timeshare (Joint/Non-Qualified)	36,166	0	0	0	0
Total Investment Inflows	3,696,711	0	0	46,305	97,241
Pension Inflows					
Joe's 401(k)	611,934	0	0	0	0
Jane's 401(k)	641,278	0	0	0	0
Social Security (Julia)	0	23,155	23,849	0	0
Social Security (Mark)	0	23,155	23,849	24,565	6,325
Total Pension Inflows	1,253,213	46,310	47,699	24,565	6,325
Miscellaneous Inflows					
Redemption of Invested Net Estate	0	0	0	9,965	27,505
Joe's policy (Whole Life)	925,000	0	0	0	0
Jane's policy (Whole Life)	575,000	0	0	0	0
Total Miscellaneous Inflows	1,500,000	0	0	9,965	27,505
Total Cash Inflows	6,877,658	46,310	47,699	80,834	131,071
Cash Outflows					
Lifestyle Expenses					
Housing (e.g. utilities, repairs) (Joint)	81,600	0	0	0	0
Burial (Joe)	10,000	0	0	0	0
Lump Sum Need (Joint)	200,000	0	0	0	0
Burial (Jane)	10,000	0	0	0	0
Support for Julia (Julia)	0	20,600	21,218	21,855	22,510
Mortgage (Joint)	370,467	0	0	0	0
Personal Loans (Joint)	26,411	0	0	0	0
Support for Mark (Mark)	0	10,300	10,609	10,927	11,255
Total Lifestyle Expenses	698,478	30,900	31,827	32,782	33,765
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	21,000	0	0	0	0
Jane's 2002 NSOs	60,000	0	0	0	0
Joint Savings (Non-Qualified)	14,069	0	0	0	0

	2010	2011	2012	2013	2014
Ridgefield Bank Checking (Joint/Non-Qualified)	935	0	0	0	0
Ridgefield Bank Savings (Joint/Non-Qualified)	1,869	0	0	0	0
Vacation Timeshare (Joint/Non-Qualified)	6,270	0	0	0	0
Total Non-Qualified Contributions and Reinvestments	104,144	0	0	0	0
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	24,276	0	0	0	0
Total Investment Expenses	24,276	0	0	0	0
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	0	0	0	0
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	0	0	0	0
Total Qualified Contributions	28,800	0	0	0	0
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Probate Fees (Joe)	2,310	0	0	0	0
Administration Fees (Joe)	8,430	0	0	0	0
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	0	0	0	0
Probate Fees (Jane)	14,917	0	0	0	0
Administration Fees (Jane)	14,917	0	0	0	0
Jane's Group LTD (Jane)	1,080	0	0	0	0
Jane's Group STD (Jane)	900	0	0	0	0
Jane's policy (Whole Life)	1,500	0	0	0	0
LTC Insurance (Jane)	540	0	0	0	0
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	0	0	0	0
Total Miscellaneous Expenses	54,814	0	0	0	0
Taxes					
State Taxes	71,166	167	200	0	0
Federal Taxes	44,302	2,932	3,077	1,748	65
Medicare Tax - employment	6,728	0	0	0	0
Other Taxes Paid	358,415	0	0	0	0
Social Security Tax - employment	13,243	0	0	0	0
Total Taxes	493,853	3,099	3,277	1,748	65
Total Cash Outflows	1,404,365	33,999	35,104	80,834	131,071
Current Surplus/(Deficit)	5,473,293	12,310	12,595	0	0
Ending Surplus/(Deficit)	5,473,293	12,310	12,595	0	0

Net Worth Accumulation if Joe and Jane die - Current

The following report illustrates the assumed change in your assets.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	135,600	3,987,750	66,168	119,228	211,380
2011	--/--	211,380	0	0	12,805	721	224,906
2012	--/--	224,906	0	0	13,625	767	239,298
2013	--/--	239,298	0	46,305	11,692	658	205,343
2014	--/--	205,343	0	97,241	6,549	369	115,020
2015	--/--	115,020	0	89,169	1,566	88	27,505
2016	--/--	27,505	0	27,505	0	0	0
2017	--/--	0	0	0	0	0	0
2018	--/--	0	0	0	0	0	0
2019	--/--	0	0	0	0	0	0
2020	--/--	0	0	0	0	0	0

Joe and Jane - Life Insurance - Proposed

*100% This scenario covers 100% of the desired Life Insurance goal objectives.



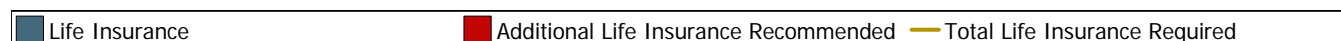
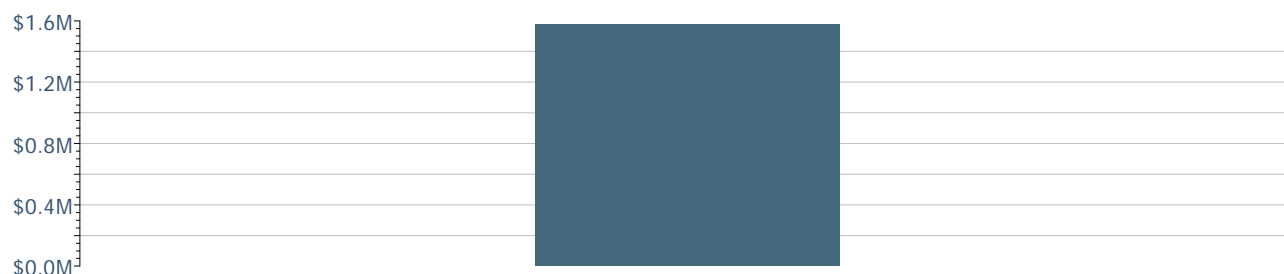
*This value indicates the percentage of your total survivor needs that can be covered by your total survivor resources during your survivor time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

Total Rate of Return on Life Insurance Proceeds, Surpluses and Liquidations	
Pre-Retirement	6.00%
Retirement	6.00%
Existing Life Insurance	\$1,575,000
Additional Life Insurance	
Death Benefit	\$75,000
Premium	\$360
Additional Life Insurance Required	\$0

Analysis



- Current Net Estate: \$4,561,500
- Required Net Estate: \$1,575,000
- Year Capital Exhausted: Never

Cash Flow Outlook if Joe and Jane die - Proposed

The following report shows your sources of income and expenses over the next 5 years if Joe and Jane were to die at the end of the current year (2010).

	2010	2011	2012	2013	2014
Cash Inflows					
Employment Inflows					
Joe's salary (Joe)	200,000	0	0	0	0
Joe's ISOs	38,735	0	0	0	0
Jane's salary (Jane)	189,000	0	0	0	0
Total Employment Inflows	427,735	0	0	0	0
Investment Inflows					
Joe's ISOs	21,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	0	0	0	0	48,620
Hargrave Real Estate Consulting (Joe/S Corporation)	85,000	0	0	0	0
Jane's 2002 NSOs	96,264	0	0	0	0
Jane's Brokerage Account (Non-Qualified)	131,550	0	0	0	0
Julia's Education Plan (Jane/529 Plan for Julia)	0	0	0	46,305	48,620
Personal Use Property (Joint/Lifestyle)	510,000	0	0	0	0
Residence (Joint/Lifestyle)	1,020,000	0	0	0	0
Joint Savings (Non-Qualified)	399,204	0	0	0	0
Julia - College Education Fund (Joint/Non-Qualified)	996	0	0	0	0
Retirement Fund (Joint/Non-Qualified)	34,958	0	0	0	0
Ridgefield Bank Checking (Joint/Non-Qualified)	53,624	0	0	0	0
Ridgefield Bank Savings (Joint/Non-Qualified)	107,248	0	0	0	0
Vacation Timeshare (Joint/Non-Qualified)	42,834	0	0	0	0
Vacation Timeshare Fund (Joint/Non-Qualified)	2,911	0	0	0	0
Total Investment Inflows	2,505,588	0	0	46,305	97,241
Trust Inflows:					
Affluent Family Partnership — Joe	100,000	0	0	0	0
Total Trust Inflows:	100,000	0	0	0	0
Pension Inflows					
Joe's Roth IRA	108,817	0	0	0	0
Jane's Roth IRA	108,817	0	0	0	0
Social Security (Julia)	0	23,155	23,849	0	0
Social Security (Mark)	0	23,155	23,849	24,565	6,325
Total Pension Inflows	217,633	46,310	47,699	24,565	6,325
Miscellaneous Inflows					
Redemption of Invested Net Estate	0	0	0	12,957	30,761
Joe's policy (Whole Life)	925,000	0	0	0	0
Jane's policy (Whole Life)	575,000	0	0	0	0
Additional Life Insurance (Joint/Whole Life)	75,000	0	0	0	0
Total Miscellaneous Inflows	1,575,000	0	0	12,957	30,761
Total Cash Inflows	4,825,956	46,310	47,699	83,827	134,327
Cash Outflows					
Lifestyle Expenses					
Housekeeping (Joint)	1,800	0	0	0	0
Housing (e.g. utilities, repairs) (Joint)	81,600	0	0	0	0
Burial (Joe)	10,000	0	0	0	0
Lump Sum Need (Joint)	200,000	0	0	0	0
Burial (Jane)	10,000	0	0	0	0
Support for Julia (Julia)	0	20,600	21,218	21,855	22,510
Mortgage (Joint)	370,467	0	0	0	0
Personal Loans (Joint)	26,378	0	0	0	0
Support for Mark (Mark)	0	10,300	10,609	10,927	11,255
Total Lifestyle Expenses	700,244	30,900	31,827	32,782	33,765

	2010	2011	2012	2013	2014
Non-Qualified Contributions and Reinvestments					
Joe's ISOs	21,000	0	0	0	0
Jane's 2002 NSOs	60,000	0	0	0	0
Jane's Brokerage Account (Non-Qualified)	23,335	0	0	0	0
Joint Savings (Non-Qualified)	166,839	0	0	0	0
Julia - College Education Fund (Joint/Non-Qualified)	955	0	0	0	0
Retirement Fund (Joint/Non-Qualified)	33,228	0	0	0	0
Ridgefield Bank Checking (Joint/Non-Qualified)	26,570	0	0	0	0
Ridgefield Bank Savings (Joint/Non-Qualified)	53,140	0	0	0	0
Vacation Timeshare (Joint/Non-Qualified)	12,321	0	0	0	0
Vacation Timeshare Fund (Joint/Non-Qualified)	2,792	0	0	0	0
Total Non-Qualified Contributions and Reinvestments	400,180	0	0	0	0
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	24,276	0	0	0	0
Total Investment Expenses	24,276	0	0	0	0
Qualified Contributions					
Joe's 401(k)	12,000	0	0	0	0
Mark's Education Plan (Joe/529 Plan for Mark)	2,400	0	0	0	0
Jane's 401(k)	12,000	0	0	0	0
Julia's Education Plan (Jane/529 Plan for Julia)	2,400	0	0	0	0
Total Qualified Contributions	28,800	0	0	0	0
Education Expenses					
Julia - College Education (Julia)	0	0	0	46,305	48,620
Mark - College Education (Mark)	0	0	0	0	48,620
Total Education Expenses	0	0	0	46,305	97,241
Miscellaneous Expenses					
Probate Fees (Joe)	3,625	0	0	0	0
Administration Fees (Joe)	3,625	0	0	0	0
Joe's Group LTD (Joe)	1,200	0	0	0	0
Joe's Group STD (Joe)	900	0	0	0	0
Joe's policy (Whole Life)	2,400	0	0	0	0
LTC Insurance (Joe)	720	0	0	0	0
Probate Fees (Jane)	10,600	0	0	0	0
Administration Fees (Jane)	10,600	0	0	0	0
Jane's Group LTD (Jane)	1,080	0	0	0	0
Jane's Group STD (Jane)	900	0	0	0	0
Jane's policy (Whole Life)	1,500	0	0	0	0
LTC Insurance (Jane)	540	0	0	0	0
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	5,000	0	0	0	0
Additional Life Insurance (Joint/Whole Life)	420	0	0	0	0
Total Miscellaneous Expenses	43,111	0	0	0	0
Taxes					
State Taxes	43,083	1,871	2,006	1,572	1,083
Federal Taxes	67,818	3,742	4,012	3,168	2,239
Medicare Tax - employment	6,728	0	0	0	0
Other Taxes Paid	303,086	0	0	0	0
Social Security Tax - employment	13,243	0	0	0	0
Total Taxes	433,958	5,613	6,019	4,740	3,322
Total Cash Outflows	1,630,570	36,513	37,846	83,827	134,327
Current Surplus/(Deficit)	3,195,386	9,797	9,853	0	0
Ending Surplus/(Deficit)	3,195,386	9,797	9,853	0	0

Net Worth Accumulation if Joe and Jane die - Proposed

The following report illustrates the assumed change in your assets.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2010	50/48	4,936,500	422,647	4,503,567	97,213	121,373	214,949
2011	--/--	214,949	0	0	15,419	2,239	232,607
2012	--/--	232,607	0	0	16,686	2,423	251,715
2013	--/--	251,715	0	46,305	14,735	2,139	222,284
2014	--/--	222,284	0	97,241	8,970	1,302	135,315
2015	--/--	135,315	0	99,016	2,604	378	39,281
2016	--/--	39,281	0	39,281	0	0	0
2017	--/--	0	0	0	0	0	0
2018	--/--	0	0	0	0	0	0
2019	--/--	0	0	0	0	0	0
2020	--/--	0	0	0	0	0	0

Long-Term Care



Long-Term Care Overview

The purpose of long-term care insurance is to help minimize the financial impact associated with the costs of care for those who are no longer able to care for themselves. Family members traditionally have provided long-term care; however, not all families are able to provide this type of care. Long-term care requires a major personal sacrifice of time, money and emotional support. Many families have all adult family members active in the workforce, while other families have members living in different parts of the world. These situations make the option of caring for a family member very difficult.

The percentage of the population over age 65 is expected to increase in the next half century. An aging population will increase the overall need for long-term care. People are also living longer but at the same time are afflicted with chronic conditions such as Alzheimer's disease, heart disease and lung disease, and often require day-to-day assistance.

A misconception exists that only the elderly should be concerned with long-term care. However, young people may also have the need for long-term care due to a variety of health problems faced at an early age. Others may be involved in accidents. Since the chance of needing long-term care increases with age, it may be wise to consider your options for long-term care sooner, when the costs may be lower, rather than later.

The overall cost of long-term care may vary widely. Those who require minimal care will have much lower costs than those who are confined to a nursing home and require constant care. The cost of long-term care can easily exceed a family member's salary.

Sources of funds to pay for long-term care may include personal savings. If income and assets are low enough, Medicaid programs in most states provide some benefits. Also, paying in advance for a life-care facility is becoming more popular; however, the costs of such a facility can be quite high and may be too costly for some people. Another option is long-term care insurance, as private medical insurance and Medicare likely do not cover the costs of long-term care. The purpose of long-term care insurance is to help minimize the financial impact associated with the costs of care for those who are no longer able to care for themselves.

The following are important when considering your long-term care policy options:

- Amount and length of coverage
- Types of care covered (skilled nursing care, custodial care, home care, assisted-living care, adult day-care, respite care)
- Coverage limitations and exclusions, including pre-existing conditions and length of any "waiting periods" (the number of days you must wait before receiving benefits after becoming eligible)
- Inflation protection and coverage allowing for an increase in benefits

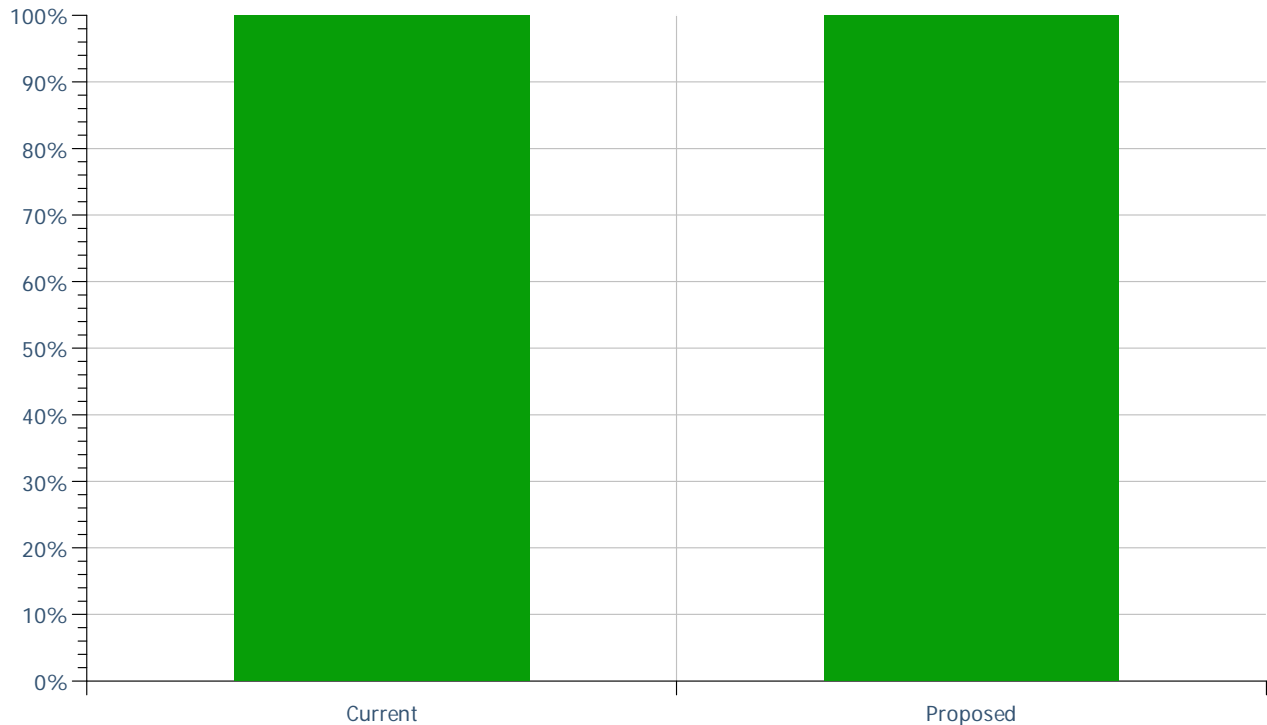
If the long-term care policy is a *tax-qualified* policy (the policy must meet certain conditions), the premiums you pay may be eligible for a medical expense deduction on your income tax return in the year paid, subject to certain limits.

In general, benefits received from qualified long-term care policies are not subject to income tax. However, *per-diem* policy benefits are subject to limits and any benefits in excess of the *per-diem* limitation under the Internal Revenue Code are taxable if the amount received is in excess of the costs incurred for qualified long-term care expenses. Per-diem policies pay out benefits regardless of the level of service required (compared with policies that provide benefits on a reimbursement of costs basis, up to certain limits).

Joe - Long-Term Care Insurance Scenario Summary

The following information provides an overview of the selected scenarios and their estimated effect on the Long-Term Care Income goal. The following graph illustrates the ability of each scenario to achieve the Long-Term Care Income goal.



Scenario Coverage



	Goal Coverage*	Long-Term Care Benefit Surplus / (Deficit)	Net Worth at Start of Long-Term Care	Net Worth at End of Long-Term Care	Year Capital Exhausted
Current	100%	-\$50	\$18,529,178	\$22,436,882	Never
Proposed	100%	-\$50	\$13,235,489	\$10,418,348	Never

*This value indicates the percentage of your total long-term care needs that can be covered by your total long-term care resources during your long-term care time period.

Scenario Assumption Comparison

Objectives:	Current	Alternative 1
Goal Coverage	100%	100%
		

Objectives:	Current	Alternative 1
Age at Start of LTC	80	80
LTC period years	4	4
Total Rate of Return on Proceeds from Lifestyle Assets Immediately Available	5.00%	5.00%
Additional Long-term Care Insurance¹		
Daily Benefit Amount		\$0
Premium		\$0
LTC Expenses		
Percentage of lifestyle and medical expenses to cover		
Long-term Care	100%	100%
Survivorship	85%	85%
Additional Long-term Care Expenses		
LTC Expense/Inflation	\$200/3.00%	\$200/3.00%
Start Date/End Date	Jan 1, 2040/Jan 1, 2044	Jan 1, 2040/Jan 1, 2044
Income Adjustments During LTC		
Existing Incomes	Current Plan	Current Plan

Note: Items in bold indicate a change from the Current Plan

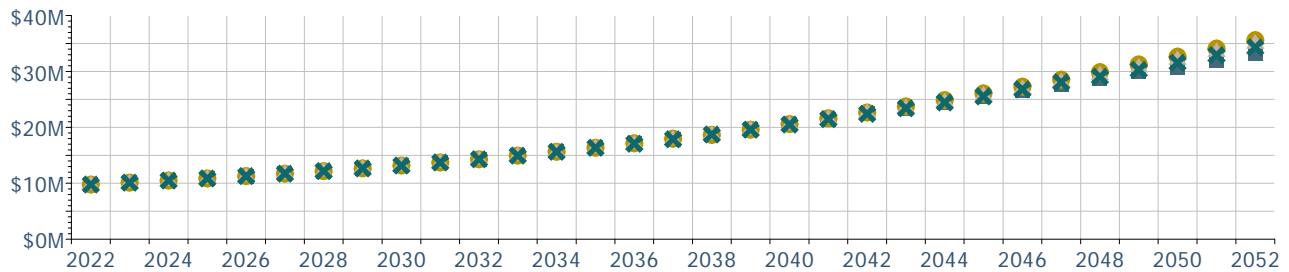
¹ What-if strategies for Additional Long-term Care Insurance are not applicable to the Current Plan Scenario

Long-Term Care Summary - Joe

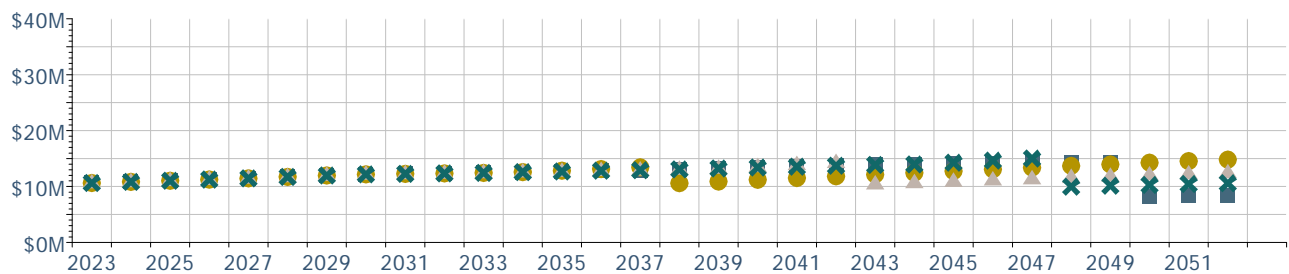
The purpose of long-term care insurance is to minimize the financial impact associated with the costs of care for those who are no longer able to care for themselves. Family members traditionally have provided long-term care; however, not all families are able to provide this type of care. Long-term care requires a major personal sacrifice of time, money and emotional support. Many families have all adult family members active in the workforce, while other families have members living in different parts of the world. These situations make the option of caring for a family member very difficult.

The following graphs compare your net worth assuming no long-term care (LTC) is required, with your net worth assuming Joe requires long-term care.

Current



Proposed



■ Never Require LTC	● Require LTC age 75-78	▲ Require LTC age 80-83	✕ Require LTC age 85-88
---------------------	-------------------------	-------------------------	-------------------------

	Current	Proposed
LTC Ages	80	80
LTC Duration	4 years	4 years
Existing LTC Benefits	\$150	\$150
LTC Expenses	\$200	\$200
LTC Benefit Shortfall*	\$50	\$50

*The shortfalls for both plans in the table above only take into account your existing long-term care benefits.

Objectives	Current	Proposed
LTC Age	80	80
LTC Duration	4 years	4 years
Total Rate of Return on Lifestyle Assets immediately Available	5.00%	5.00%
Existing Long-Term Care Insurance	\$178,928	\$178,928
Additional Long-Term Care Insurance		
Daily Benefit Amount	\$150	\$150
Premium	\$60	\$60
Additional Long-Term Care Insurance Required (Daily Benefit)	\$0	\$0

Note: Numbers in bold indicate a change from the Current Plan.

Consider the following

- Joe, you should review your existing long-term care policy (e.g. cost of living adjustment, period coverage, elimination period, exclusion for pre-existing conditions, and Home Care Benefit as a Percent of Daily Benefit).
- Long term care insurance can be an effective strategy to help maintain control and preserve your assets.
- Periodically review the impact that a long term care need could have on your financial and personal circumstances.

Joe - Long-Term Care Insurance - Current

*100% This scenario covers 100% of the desired Long-Term Care goal objectives.



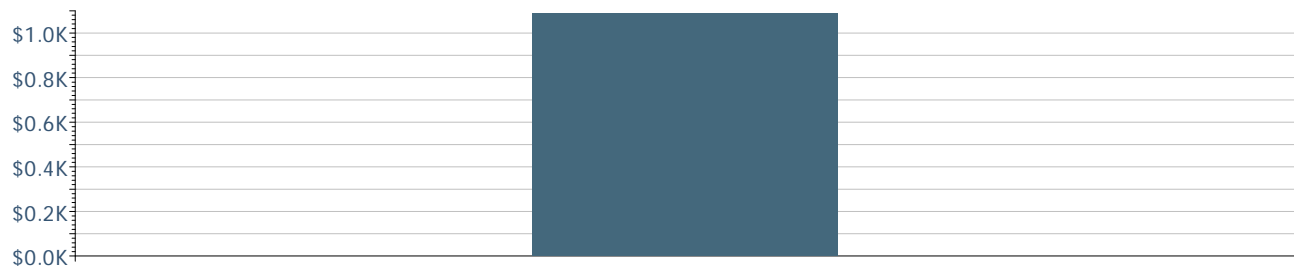
*This value indicates the percentage of your total long-term care needs that can be covered by your total long-term care resources during your long-term care time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

LTC Age	80
LTC Duration	4 years
Total Rate of Return on Lifestyle Assets immediately Available	5.00%
Existing Long-Term Care Insurance	\$178,928
Additional Long-Term Care Insurance	
Daily Benefit Amount	\$150
Premium	\$60
Additional Long-Term Care Insurance Required (Daily Benefit)	\$0

Analysis



■ LTC Insurance	■ LTC Benefit Deficit	— Long-term Care Expenses
--	--	--

- Net Worth at Start of Long-Term Care: \$18,529,178
- Net Worth at End of Long-Term Care: \$22,436,882
- Year Capital Exhausted: Never
- Long-Term Care Benefit Surplus / (Deficit): (\$50)

Cash Flow Outlook if Joe requires long-term care - Current

The following report shows your sources of income and expenses over the next 5 years if Joe requires long-term care starting in 2040.

	2040	2041	2042	2043	2044
Cash Inflows					
Investment Inflows					
New Haven Bed and Breakfast (Joe/Real Estate)	121,363	125,004	128,754	132,617	136,595
Hargrave Real Estate Consulting (Joe/S Corporation)	367,365	385,733	405,020	425,271	446,535
Jane's Brokerage Account (Non-Qualified)	15,727	16,179	16,644	17,122	17,614
Invested Available Capital (Joint/Non-Qualified)	0	10,617	24,908	40,965	58,891
Joint Savings (Non-Qualified)	27,826	28,615	29,426	30,260	31,118
Ridgefield Bank Checking (Joint/Non-Qualified)	2,554	2,627	2,702	2,780	2,860
Ridgefield Bank Savings (Joint/Non-Qualified)	5,107	5,254	5,405	5,560	5,720
Total Investment Inflows	539,943	574,030	612,860	654,576	699,333
Trust Inflows:					
Credit Shelter Trust — Joe — Jane	0	0	0	0	41,828
Total Trust Inflows:	0	0	0	0	41,828
Pension Inflows					
Social Security (Joe)	51,665	53,215	54,811	56,455	0
Pension (Joe)	109,227	112,504	115,879	119,355	104,495
Joe's 401(k)	209,737	224,966	241,196	258,474	250,940
Social Security (Jane)	51,600	53,148	54,743	56,385	58,149
Pension (Jane)	101,945	105,003	108,153	111,398	114,740
Jane's 401(k)	215,791	231,636	248,554	266,602	285,836
Total Pension Inflows	739,964	780,472	823,336	868,670	814,161
Miscellaneous Inflows					
Joe's policy (Whole Life)	0	0	0	925,000	0
LTC Insurance (Joe)	178,928	245,573	257,851	270,744	0
Total Miscellaneous Inflows	178,928	245,573	257,851	1,195,744	0
Total Cash Inflows	1,458,835	1,600,074	1,694,048	2,718,990	1,555,322
Cash Outflows					
Lifestyle Expenses					
Retirement goal expense (Joint)	485,547	500,113	515,117	530,570	464,514
Burial (Joe)	0	0	0	26,523	0
Total Lifestyle Expenses	485,547	500,113	515,117	557,093	464,514
Medical Expenses					
LTC Expense (Joe)	177,676	182,506	187,981	193,620	0
Total Medical Expenses	177,676	182,506	187,981	193,620	0
Non-Qualified Contributions and Reinvestments					
Jane's Brokerage Account (Non-Qualified)	8,837	9,091	9,353	9,621	9,951
Invested Available Capital (Joint/Non-Qualified)	283,132	377,553	419,884	464,350	1,218,223
Joint Savings (Non-Qualified)	15,636	16,079	16,535	17,004	17,580
Ridgefield Bank Checking (Joint/Non-Qualified)	1,435	1,476	1,519	1,562	1,616
Ridgefield Bank Savings (Joint/Non-Qualified)	2,870	2,952	3,037	3,124	3,231
Total Non-Qualified Contributions and Reinvestments	311,910	407,152	450,327	495,662	1,250,601
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	36,409	37,501	38,626	39,785	40,979
Total Investment Expenses	36,409	37,501	38,626	39,785	40,979
Miscellaneous Expenses					
Probate Fees (Joe)	0	0	0	68,300	0
Administration Fees (Joe)	0	0	0	68,300	0
Joe's policy (Whole Life)	1,800	0	0	0	0

	2040	2041	2042	2043	2044
Jane's policy (Whole Life)	1,500	1,500	1,000	0	0
LTC Insurance (Jane)	540	540	540	540	540
Tax Deductible Property Taxes - Residence (Joint/Lifestyle)	12,136	12,500	12,875	13,262	13,660
Total Miscellaneous Expenses	15,976	14,540	14,415	150,402	14,200
Taxes					
Regular Federal Tax	363,098	389,070	417,460	444,239	483,522
Alternative Minimum Tax	8,925	6,240	3,155	0	0
State Income Tax	59,294	62,952	66,966	71,488	68,206
Total Taxes	431,317	458,262	487,581	515,727	551,728
Total Cash Outflows	1,458,835	1,600,074	1,694,048	1,952,290	2,322,021
Current Surplus/(Deficit)	0	0	0	766,700	(766,700)
Previous Surplus/(Deficit)	0	0	0	0	766,700
Ending Surplus/(Deficit)	0	0	0	766,700	0

Cash Inflows Report if Joe requires long-term care - Current

The following report represents the major components of your cash inflows from the start of long-term care in 2040 until the end of your life expectancy in your current plan if Joe requires long-term care.

Year	Ages	Regular Income	Social Security	Pension	Qualified Proceeds	Non-Qualified Proceeds	Other Inflows	Total Cash Inflow
2040	#80/78	0	103,265	211,172	425,527	539,943	178,928	1,458,835
2041	81/79	0	106,363	217,507	456,602	574,030	245,573	1,600,074
2042	82/80	0	109,554	224,032	489,751	612,860	257,851	1,694,048
2043	83/81	0	112,840	230,753	525,076	654,576	1,195,744	2,718,990
2044	--/82	0	58,149	219,235	536,777	699,333	41,828	1,555,322
2045	--/83	0	59,893	225,812	575,228	773,820	42,455	1,677,209
2046	--/84	0	61,690	232,587	616,109	822,325	43,092	1,775,803
2047	--/85	0	63,541	239,564	655,054	873,995	43,738	1,875,893
2048	--/86	0	65,447	246,751	695,831	928,937	44,394	1,981,361
2049	--/87	0	67,411	254,154	738,407	987,341	45,060	2,092,372
2050	--/88	0	69,433	261,779	782,718	1,049,404	45,736	2,209,070
2051	--/89	0	71,516	269,632	828,658	1,115,333	46,422	2,331,561

Long-term Care Age

Net Worth Accumulation if Joe requires long-term care - Current

The following report illustrates the assumed change in your assets if Joe requires long-term care.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2040	#80/78	18,529,178	283,132	413,213	572,960	496,327	19,459,369
2041	81/79	19,459,369	370,893	443,388	595,568	524,377	20,495,105
2042	82/80	20,495,105	404,260	475,577	619,583	553,236	21,583,433
2043	83/81	21,583,433	438,655	509,881	643,590	584,081	21,670,182
2044	--/82	21,670,182	1,181,106	521,243	668,701	559,898	23,543,111
2045	--/83	23,543,111	409,224	558,582	710,792	598,774	24,686,672
2046	--/84	24,686,672	439,266	598,280	734,025	629,349	25,873,203
2047	--/85	25,873,203	468,658	636,098	756,591	661,353	27,104,751
2048	--/86	27,104,751	499,553	675,694	778,357	694,838	28,381,668
2049	--/87	28,381,668	531,960	717,039	799,114	729,858	29,704,192
2050	--/88	29,704,192	565,864	760,068	818,636	766,467	31,072,441
2051	--/89	31,072,441	601,236	804,678	836,681	804,723	32,486,422

Long-term Care Age

Joe - Long-Term Care Insurance - Proposed

*100% This scenario covers 100% of the desired Long-Term Care goal objectives.



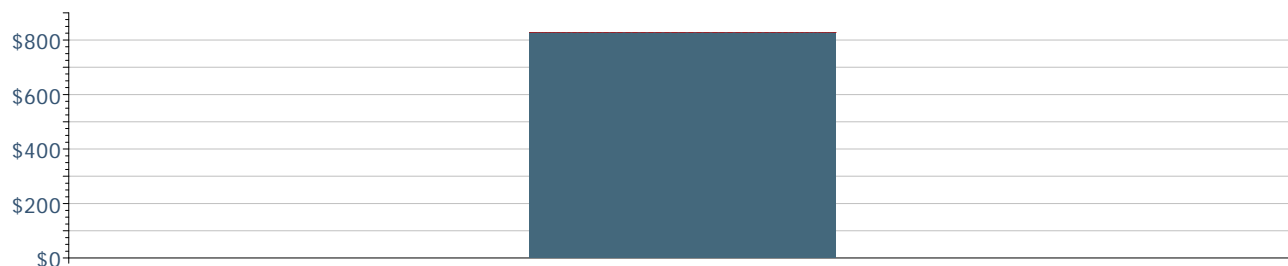
*This value indicates the percentage of your total long-term care needs that can be covered by your total long-term care resources during your long-term care time period.

Assumptions

The following table details the key assumptions used in the generation of this scenario:

LTC Age	80
LTC Duration	4 years
Total Rate of Return on Lifestyle Assets immediately Available	5.00%
Existing Long-Term Care Insurance	\$178,928
Additional Long-Term Care Insurance	
Daily Benefit Amount	\$150
Premium	\$60
Additional Long-Term Care Insurance Required (Daily Benefit)	\$0

Analysis



■ LTC Insurance	■ LTC Benefit Deficit	— Long-term Care Expenses
--	--	--

- Net Worth at Start of Long-Term Care: \$13,235,489
- Net Worth at End of Long-Term Care: \$10,418,348
- Year Capital Exhausted: Never
- Long-Term Care Benefit Surplus / (Deficit): (\$50)

Cash Flow Outlook if Joe requires long-term care - Proposed

The following report shows your sources of income and expenses over the next 5 years if Joe requires long-term care starting in 2040.

	2040	2041	2042	2043	2044
Cash Inflows					
Investment Inflows					
Joe's brokerage account (Non-Qualified)	250,478	261,035	274,351	288,623	0
New Haven Bed and Breakfast (Joe/Real Estate)	121,363	125,004	128,754	132,617	136,595
Jane's Brokerage Account (Non-Qualified)	48,710	50,012	52,676	55,481	58,207
Joint Savings (Non-Qualified)	20,478	21,321	22,248	23,224	24,395
Ridgefield Bank Checking (Joint/Non-Qualified)	8,097	8,181	8,266	8,707	9,170
Ridgefield Bank Savings (Joint/Non-Qualified)	16,194	16,363	16,999	17,566	18,502
Vacation Timeshare (Joint/Non-Qualified)	433	438	442	447	471
Total Investment Inflows	465,753	482,353	503,737	526,664	247,339
Trust Inflows:					
Credit Shelter Trust — Joe — Jane	0	0	0	0	32,666
ILIT — Joe — Jane	0	0	0	0	41,625
Total Trust Inflows:	0	0	0	0	74,291
Pension Inflows					
Social Security (Joe)	73,815	76,030	78,310	80,660	0
Pension (Joe)	109,227	112,504	115,879	119,355	104,495
Joe's 401(k)	139,501	138,421	144,606	151,350	143,617
Social Security (Jane)	73,715	75,926	78,204	80,550	83,080
Pension (Jane)	101,945	105,003	108,153	111,398	114,740
Jane's 401(k)	149,449	149,101	156,037	163,587	171,540
Total Pension Inflows	647,652	656,985	681,189	706,900	617,471
Miscellaneous Inflows					
LTC Insurance (Joe)	178,928	245,573	257,851	270,744	0
Total Miscellaneous Inflows	178,928	245,573	257,851	270,744	0
Total Cash Inflows	1,292,334	1,384,911	1,442,778	1,504,307	939,101
Cash Outflows					
Lifestyle Expenses					
Retirement goal expense (Joint)	485,547	500,113	515,117	530,570	464,514
Burial (Joe)	0	0	0	26,523	0
Regular Cash Gift (Joe)	64,000	66,000	68,000	70,000	0
Regular Cash Gift (Jane)	64,000	66,000	68,000	70,000	0
Total Lifestyle Expenses	613,547	632,113	651,117	697,093	464,514
Medical Expenses					
Medical Expense (Joint)	5,712	5,884	6,060	6,242	5,465
LTC Expense (Joe)	177,676	182,506	187,981	193,620	0
Total Medical Expenses	183,388	188,390	194,041	199,862	5,465
Non-Qualified Contributions and Reinvestments					
Joe's brokerage account (Non-Qualified)	110,803	147,736	159,124	44,635	0
Jane's Brokerage Account (Non-Qualified)	11,075	29,867	31,458	29,952	32,884
Invested Available Capital (Joint/Non-Qualified)	0	0	0	0	59,756
Joint Savings (Non-Qualified)	9,038	10,093	10,630	13,869	13,781
Ridgefield Bank Checking (Joint/Non-Qualified)	0	0	4,937	5,200	5,181
Ridgefield Bank Savings (Joint/Non-Qualified)	0	6,504	5,433	10,491	10,452
Vacation Timeshare (Joint/Non-Qualified)	0	0	0	267	266
Total Non-Qualified Contributions and Reinvestments	130,916	194,200	211,581	104,414	122,320
Investment Expenses					
New Haven Bed and Breakfast (Joe/Real Estate)	36,409	37,501	38,626	39,785	40,979
Total Investment Expenses	36,409	37,501	38,626	39,785	40,979
Miscellaneous Expenses					
Regular Cash Gift (Joe)	5,000	5,000	5,000	5,000	0

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

	2040	2041	2042	2043	2044
Probate Fees (Joe)	0	0	0	49,013	0
Administration Fees (Joe)	0	0	0	49,013	0
Jane's policy (Whole Life)	1,500	1,500	1,000	0	0
LTC Insurance (Jane)	540	540	540	540	540
Additional Life Insurance (Joint/Whole Life)	420	420	420	420	420
ILIT	1,800	0	0	0	0
Total Miscellaneous Expenses	9,260	7,460	6,960	103,986	960
Taxes					
Regular Federal Tax	272,061	277,445	290,625	306,929	267,868
State Income Tax	46,755	47,803	49,828	52,236	36,994
Total Taxes	318,816	325,249	340,452	359,165	304,862
Total Cash Outflows	1,292,336	1,384,913	1,442,777	1,504,306	939,100
Current Surplus/(Deficit)	(2)	(2)	0	2	2
Previous Surplus/(Deficit)	0	(2)	(4)	(3)	(2)
Ending Surplus/(Deficit)	(2)	(4)	(3)	(2)	0

Net Worth Accumulation if Joe requires long-term care - Proposed

The following report illustrates the assumed change in your assets if Joe requires long-term care.

Year	Ages	SOY Total Capital	Regular Savings	Redemptions from Assets	Reinvestments	Growth	EOY Total Capital
2040	#80/78	13,235,489	0	344,633	497,491	143,704	13,528,851
2041	81/79	13,528,851	0	299,445	519,951	148,932	13,892,923
2042	82/80	13,892,923	0	305,311	533,263	153,587	14,268,191
2043	83/81	14,268,191	0	4,547,847	546,799	158,903	10,418,349
2044	--/82	10,418,349	59,756	306,975	375,928	119,307	10,658,604
2045	--/83	10,658,604	61,754	324,115	386,181	122,385	10,896,591
2046	--/84	10,896,591	67,997	342,025	391,975	125,512	11,131,354
2047	--/85	11,131,354	73,060	358,268	397,165	128,703	11,362,886
2048	--/86	11,362,886	78,229	374,935	401,705	131,948	11,590,259
2049	--/87	11,590,259	83,464	391,976	405,520	135,243	11,812,483
2050	--/88	11,812,483	88,719	409,325	408,535	138,584	12,028,506
2051	--/89	12,028,506	93,934	426,898	410,669	141,969	12,237,223

Long-term Care Age

Stock Options



Stock Option Overview

In today's competitive market for skilled employees in the technology, financial and other industries, various compensation programs have been designed to attract and retain these individuals. One of these forms of compensation is the employee stock option. These options should not be confused with the derivative stock options traded in the equity markets. Rather, compensatory stock options allow employees to share in the success of the company.

Stock options give you the right to purchase a specified number of shares of your company stock at a specified price (called the exercise or strike price). These options generally vest over a period of years and have an expiration date (generally 10 years from the grant date). There are generally no income tax implications of stock options until you exercise them. However, to the extent that the market price is greater than the strike price, you will experience a gain when you exercise. The tax treatment of this gain depends on the type of options that you have been granted.

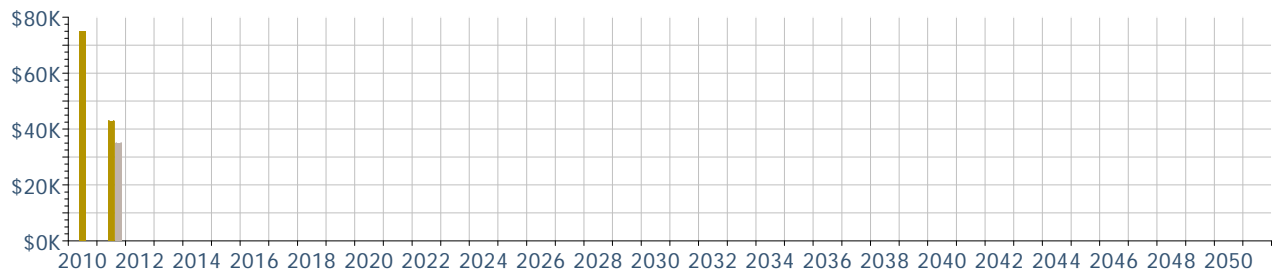
There are two basic types of employee stock options:

- Nonqualified Stock Options (NSOs) may be granted to employees, directors and consultants. The difference between the fair market value of the underlying stock at the time of exercise and the amount you paid (strike price) is taxed as ordinary earned income and is subject to normal payroll taxes.
- Incentive Stock Options (ISOs) are only granted to employees. In order for the options to qualify as ISOs, a number of requirements set forth by the Internal Revenue Service must be met. You do not report any income for regular tax purposes at the time you receive ISOs or when you exercise the options and receive the stock. You report the income when you sell the stock and if you hold the stock long enough, the gain on the sale will benefit from the lower long-term capital gains tax rate. Otherwise, the gain is taxed as ordinary earned income. However, the difference between the strike price and fair market value on the date of exercise must be added to income for purposes of calculating the AMT and as a result may trigger AMT. You may recover most or all of this tax paid in the year you sell the stock.

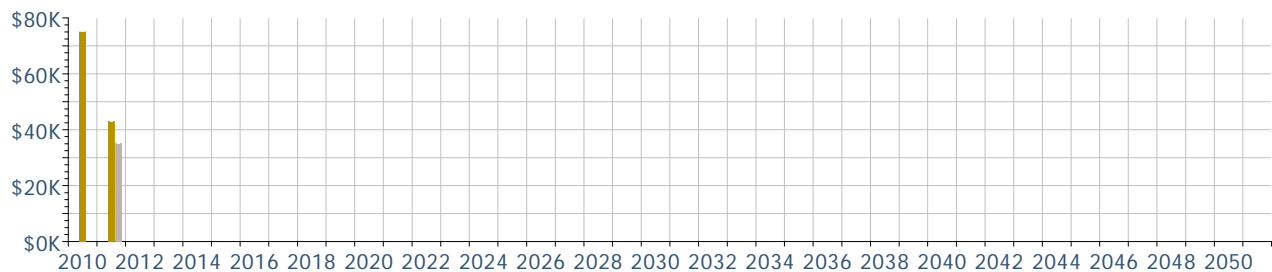
Stock Option Planning - Summary

The following graphs illustrate the progression of your stock options from granting, to vesting, to exercise, for your current plan and your proposed plan.

Current Plan



Proposed Plan



Stock Options Granted not Vested
 Stock Options Vested not Exercised
 Stock Options Exercised

Asset Name	Grant Date	Options Granted	Strike Price	Current Unit Value	Dividend	Growth Rate
Jane's 2002 NSOs	Jan 15 2002	2,500	\$24.00	\$36.00	\$0.88	7.0%
Joe's ISOs	Jan 1 2001	1,500	\$14.00	\$37.00	\$0.97	7.6%

Consider the following:

- You should discuss the most appropriate time to exercise your stock options with your tax professional.
- Review your overall asset allocation at the time you exercise options. If you have a significant portion of your investments in these assets, you may want to consider diversifying at that point or over time.

Stock Option Progression - Current

This report illustrates the progression of your stock options from granting, to vesting, to exercise, based on your current plan.

Year	Age(s)	Stock Options Granted not Vested	Stock Options Vested not Exercised	Stock Options Exercised
2010	50/48	0	74,999	0
2011	51/49	0	42,964	35,054
2012	52/50	0	0	0
2013	53/51	0	0	0
2014	54/52	0	0	0
2015	55/53	0	0	0
2016	56/54	0	0	0
2017	57/55	0	0	0
2018	58/56	0	0	0
2019	59/57	0	0	0
2020	60/58	0	0	0
2021	61/59	0	0	0
2022	*62/60*	0	0	0
2023	63/61	0	0	0
2024	64/62	0	0	0
2025	65/63	0	0	0
2026	66/64	0	0	0
2027	67/65	0	0	0
2028	68/66	0	0	0
2029	69/67	0	0	0
2030	70/68	0	0	0
2031	71/69	0	0	0
2032	72/70	0	0	0
2033	73/71	0	0	0
2034	74/72	0	0	0
2035	75/73	0	0	0
2036	76/74	0	0	0
2037	77/75	0	0	0
2038	78/76	0	0	0
2039	79/77	0	0	0
2040	80/78	0	0	0
2041	81/79	0	0	0
2042	82/80	0	0	0
2043	83/81	0	0	0
2044	84/82	0	0	0
2045	85/83	0	0	0
2046	86/84	0	0	0
2047	87/85	0	0	0
2048	88/86	0	0	0
2049	89/87	0	0	0
2050	90/88	0	0	0
2051	--/89	0	0	0

* = Year of retirement

Note: Please refer to the Alternative Minimum Tax (AMT) Comparison report in the Income Tax Section of this document for possible AMT implications at the time that ISOs are exercised. NSOs are taxed as earned income in the year of exercise.

Gross Stock Option Activity - Current

The following report details your stock options. This report reflects the gross value of the options, that is, the total value of the options. The values shown in this report are not cumulative, they reflect the activity for each individual year. The *Gross Granted* column reports the value of the stock option grant, which reflects the number of options times the market price. The *Gross Vested* column reflects the value of the options that you legally own. Until compensatory stock options vest you will not fully benefit from the options that were granted to you. The *Amount Paid to Exercise* column is what you have paid or will eventually pay for the purchase of the underlying stock. The *Gross Exercised* column reflects the total value of all the shares exercised.

Year	Age(s)	Gross Granted	Gross Vested	Amount Paid to Exercise	Gross Exercised	Gross Expired	Taxable Compensation Income	AMT Income	Gross Sold	Net Value
2010	50/48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,999
2011	51/49	\$0	\$0	\$21,000	\$64,292	\$0	\$17,615	\$38,735	\$27,165	\$78,018
2012	52/50	\$0	\$0	\$60,000	\$110,130	\$0	\$42,964	\$45,738	\$138,307	\$0
2013	53/51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	54/52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	55/53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	56/54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	57/55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	58/56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	59/57	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	60/58	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	61/59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	62/60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	63/61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	64/62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	65/63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	66/64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	67/65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	68/66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	69/67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	70/68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Stock Option Progression - Proposed

This report illustrates the progression of your stock options from granting, to vesting, to exercise, based on your proposed plan.

Year	Age(s)	Stock Options Granted not Vested	Stock Options Vested not Exercised	Stock Options Exercised
2010	50/48	0	74,999	0
2011	51/49	0	42,964	35,054
2012	52/50	0	0	0
2013	53/51	0	0	0
2014	54/52	0	0	0
2015	55/53	0	0	0
2016	56/54	0	0	0
2017	57/55	0	0	0
2018	58/56	0	0	0
2019	59/57	0	0	0
2020	60/58	0	0	0
2021	61/59	0	0	0
2022	62/60	0	0	0
2023	*63/61*	0	0	0
2024	64/62	0	0	0
2025	65/63	0	0	0
2026	66/64	0	0	0
2027	67/65	0	0	0
2028	68/66	0	0	0
2029	69/67	0	0	0
2030	70/68	0	0	0
2031	71/69	0	0	0
2032	72/70	0	0	0
2033	73/71	0	0	0
2034	74/72	0	0	0
2035	75/73	0	0	0
2036	76/74	0	0	0
2037	77/75	0	0	0
2038	78/76	0	0	0
2039	79/77	0	0	0
2040	80/78	0	0	0
2041	81/79	0	0	0
2042	82/80	0	0	0
2043	83/81	0	0	0
2044	84/82	0	0	0
2045	85/83	0	0	0
2046	86/84	0	0	0
2047	87/85	0	0	0
2048	88/86	0	0	0
2049	89/87	0	0	0
2050	90/88	0	0	0
2051	--/89	0	0	0

* = Year of retirement

Note: Please refer to the Alternative Minimum Tax (AMT) Comparison report in the Income Tax Section of this document for possible AMT implications at the time that ISOs are exercised. NSOs are taxed as earned income in the year of exercise.

Gross Stock Option Activity - Proposed

The following report details your stock options. This report reflects the gross value of the options, that is, the total value of the options. The values shown in this report are not cumulative, they reflect the activity for each individual year. The *Gross Granted* column reports the value of the stock option grant, which reflects the number of options times the market price. The *Gross Vested* column reflects the value of the options that you legally own. Until compensatory stock options vest you will not fully benefit from the options that were granted to you. The *Amount Paid to Exercise* column is what you have paid or will eventually pay for the purchase of the underlying stock. The *Gross Exercised* column reflects the total value of all the shares exercised.

Year	Age(s)	Gross Granted	Gross Vested	Amount Paid to Exercise	Gross Exercised	Gross Expired	Taxable Compensation Income	AMT Income	Gross Sold	Net Value
2010	50/48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,999
2011	51/49	\$0	\$0	\$21,000	\$64,292	\$0	\$17,615	\$38,735	\$27,165	\$78,018
2012	52/50	\$0	\$0	\$60,000	\$110,130	\$0	\$42,964	\$45,738	\$138,307	\$0
2013	53/51	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	54/52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	55/53	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	56/54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	57/55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	58/56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	59/57	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	60/58	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	61/59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	62/60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	63/61	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	64/62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	65/63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	66/64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	67/65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	68/66	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2029	69/67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	70/68	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Estate Planning



Estate Planning Overview

Estate planning is an essential part of any analysis. Many people believe estate planning is only for the wealthy, a belief that is simply not true. You should have an estate plan to dictate your final wishes. An estate plan allows you to decide how your assets are distributed, both during your lifetime and at your death. Your estate plan should be structured to achieve your personal objectives and maximize wealth passed on to heirs and charities, while minimizing taxes and other expenses.

Estate planning begins with consideration of the following questions:

- Do you have an attorney that specializes in estate planning?
- Who should receive your assets: children, grandchildren, friends, or charity?
- Are you willing to transfer your assets during your lifetime as well as at death?
- Who do you want to take care of minor children if you die prematurely?
- What are the needs of your survivors?
- Do you have the needed estate planning documents established, do they meet your current personal objectives, and are they structured properly to minimize taxes and expenses?
- Do you have appropriate beneficiary designations on your life insurance policies and retirement plans?
- How are your major assets titled? Are they solely or jointly owned? Do your assets automatically transfer to the survivor upon your death or do they pass through your will? Is your estate balanced between you and your spouse (if married) to effectively minimize estate taxes?

When preparing an estate plan, it is helpful to understand some of the legal documents, concepts, and strategies. The following information is intended to help you understand this important part of managing your finances. You should seek the advice of an attorney who specializes in this area when drafting these documents and implementing these strategies.

Last will and testament

A will, an important part of your estate plan even if your estate is a small one, is a legal document that lets you direct how your assets will be transferred when you die and becomes effective only after your death. In addition to saying who gets what, it allows you to name an executor for your estate and to designate a guardian for your minor children. A will also provides an opportunity to minimize estate taxes. If you die without a will, you are considered to be *intestate*, and state law dictates who receives your assets upon your death and who will look after your minor children. These decisions may be against your wishes and leave loved ones in financial hardship.

Your will should be reviewed regularly, particularly upon any major changes that occur during your lifetime such as the birth of a child or changes in tax laws.

Simple will

The most common form of will is the simple will, also known as an "I Love You Will". Here, all assets owned by the first to die pass to the survivor. A simple will does not provide any estate tax planning. On the second to die, a much smaller family estate may pass on to heirs due to estate taxes. Depending on the size of an estate, the federal estate tax can amount to as much as 45%.

Living will

A living will allows you to state your wishes about certain types of medical care and life prolonging procedures. The document only takes effect if you cannot communicate your own health care decisions. The benefit of a living will is that you do not put your family in the position of having to make difficult decisions and you also ensure your health care wishes are carried out.

Durable power of attorney for health care/health care proxy

A durable power of attorney for health care is a document that lets you appoint another person to make medical decisions on your behalf if you become unable to make those decisions yourself. This document may resolve any potential conflicts over your medical treatment, and helps ensure your wishes are respected. Unlike a living will, this document covers a broad range of health care decisions.

Durable power of attorney for finances

A durable power of attorney is a document that allows you to appoint another person or persons to manage your affairs and make financial decisions on your behalf. Unless the power of attorney has "springing" provisions, it is generally effective once it is signed. It is important to include a *durability* provision to have these powers continue if you become incapacitated or mentally incompetent; otherwise, its powers will cease. A general power of attorney may give your chosen *attorney* extensive powers over your affairs, or you may consider a special power of attorney limited to specifically defined tasks.

Taxes and other estate expenses

If your estate is significant, the taxes paid on transfers both during your lifetime and at death may be significant. In addition to the various taxes due, additional fees and expenses should be considered. The following is a list of some, but not all, of the taxes and expenses that you should be aware of:

- Federal estate (death) tax
- Gift Tax
- Generation Skipping Transfer Taxes (GSTT)
- Income Tax
- State death tax
- Attorney's fees
- Personal Representative (executor) fees
- Probate fees
- Final expenses (burial, for example)

These items are likely the largest expenses your estate will have to pay. Proper planning can minimize the amount of taxes and expenses that need to be paid, and allow you to transfer more of your assets according to your wishes.

Minimizing estate shrinkage

All of the taxes and expenses noted above must be paid before your estate can be distributed to your beneficiaries, meaning that the value of your estate may shrink considerably before it reaches your beneficiaries. Proper estate planning can reduce the amount of this shrinkage through use of a number of techniques, including a properly drafted will, trusts, and various gifting strategies.

Qualified plans

The value of any qualified retirement plans (including 401(k)s, 403(b)s, and IRAs) at the death of the plan owner are included in the owner's gross estate for estate tax purposes. In addition, the beneficiaries of the plans are also subject to income tax on any distributions they receive after your death. The income in the hands of the beneficiaries is referred to as Income in Respect of Decedent (IRD). All distributions from qualified plans in a particular year are aggregated to determine the amount subject to tax.

However, if the federal estate tax was in effect at the time of death, for income tax purposes the beneficiary is entitled to deduct a proportionate amount of any federal estate taxes attributable to the inclusion of the qualified plan assets in the plan owner's gross estate. Calculating and comparing the federal estate tax payable with and without the qualified plan assets in the gross estate determines this deduction.

Generation skipping transfers

Each person has a generation skipping transfer tax exemption, which may be used during life or at death. Any time a gift to a "skip person" is made in excess of the annual gift tax exclusion, the generation skipping transfer tax (GSTT) applies in addition to federal estate and gift taxes. A *skip person* is defined as a recipient two or more generations below the transferor (a grandchild for example). The GSTT exemption was equal to the federal estate tax applicable exclusion amount during the years 2003 through 2009. The GSTT is repealed in 2010, and reinstated in 2011 and thereafter, as currently legislated today.

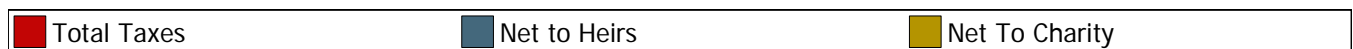
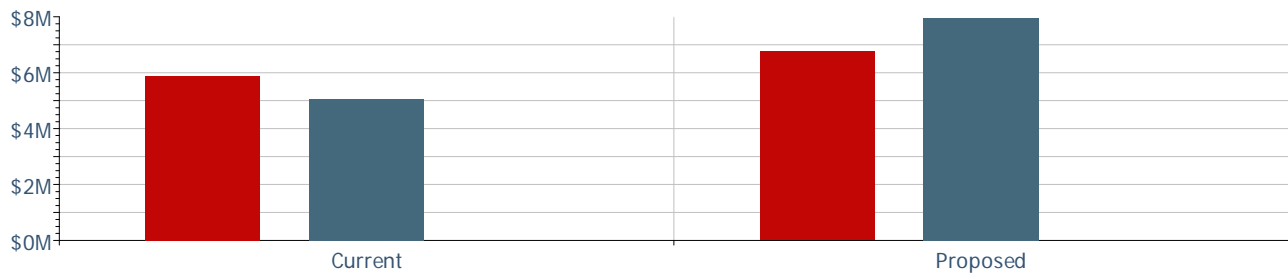
Estate Planning - Summary

If Joe were to die in 2020, and Jane were to die in 2025.

Estate planning is the process of developing and implementing documents and strategies to ensure the distribution of your property during your life and after your death according to your goals and objectives. Without such a plan, you may lose control of the distribution and taxation of your assets and leave those decisions to chance and outside forces.

The following table and graph show a quick comparison of the estate planning strategies demonstrated in your analysis.

Estate Planning Comparison Summary



	Total Taxes	Net to Heirs	Net to Charity	Total to Heirs and Charity
Current	\$5,891,557	\$5,048,443	\$0	\$5,048,443
Proposed	\$6,759,695	\$7,969,181	\$0	\$7,969,181

Consider the following

- Make sure you have up-to-date wills to help ensure that assets will be distributed according to your wishes.
- Review the importance of having Durable Powers of Attorney, Health Care Proxies/Declarations and/or Living Wills.
- You should review your current estate planning documents with your attorney in light of the Economic Growth and Tax Relief Reconciliation Act of 2001.
- Review the beneficiary designations on life insurance policies and retirement plans.
- Carefully examine the estate implications of your retirement plan assets. Remember that these assets may be subject to both federal estate and income tax upon death.
- Review your choice of personal representative who will handle the administration of your estate.

Flowchart Description

The flowcharts on the following pages represent a graphical depiction of your estate plan starting with the current year and ending in the year of the last to die.

The flowchart is broken down into three main sections as follows:

- Assets transferred by the estate
- Assets transferred to heirs
- Assets transferred to charities

Assets transferred by the estate

The box in the top center of the flowchart illustrates the value of your net worth at the start of the current year.

Joe's death in 2020 projects the value of the gross estate upon the death of *Joe*. A breakdown of the assets included in the gross estate can be found in the Gross Estate and Liability Report.

Liabilities, Fees, Expenses, and Taxes represent the total of probate and administrative fees, liabilities and transfer taxes due upon the death of *Joe*. More detailed information on these values can be found in the following reports:

- Gross Estate and Liability Report
- Estate Planning Scenario Detailed Comparison Report

Jane's Net Worth in 2020 represents the value of *Jane's* net worth as of *2020* and includes the value of the estate transferred to *Jane* after the death of *Joe*.

Jane's death in 2025 projects the value of the gross estate upon the death of *Jane*. A breakdown of the assets included in the gross estate can be found in the Gross Estate and Liability Report.

Liabilities, Fees, Expenses, and Taxes represent the total of probate and administrative fees, liabilities and transfer taxes due upon the death of *Jane*. More detailed information on these values can be found in the following reports:

- Gross Estate and Liability Report
- Estate Planning Scenario Detailed Comparison Report

Assets transferred to heirs

These items appear on the right-hand side of the flowchart. The arrows from the estate section illustrate the time frame of the transfer of assets outside of the estate. Gifts and bequests and transfers from Trusts, other than certain Credit Shelter Trusts (CST), Marital Trusts (including Qualified Terminable Interest Trusts (QTIP)) or Generic Testamentary Trusts can occur at various times and therefore are not preceded by an arrow.

This section may contain the following items:

CST

This box reports the dollar value of the assets that were transferred on the date of funding of the CST, as well as the remainder value, including growth, of the trust assets that pass to the heirs at the end of the plan. The box will also report whether or not, at the date of funding, the CST was fully funded, underfunded, or overfunded.

More detailed information can be found in the **Trust Report** for the CST.

Marital Trusts

This box reports the dollar value of the assets that were transferred on the date of funding of Marital Trusts (including QTIPs), as well as the remainder value, including growth, of the trust assets that pass to the heirs at the end of the plan.

More detailed information can be found in the **Trust Report** for QTIPs and Marital Trusts.

Generic Testamentary Trusts

This box reports the dollar value of the assets that were transferred on the date of funding of the Generic Testamentary Trusts, as well as the remainder value, including growth, of the trust assets that pass to the heirs at the end of the plan. This box may contain combined information for transfers on the first and second death.

More detailed information can be found in the **Trust Report** for Generic Testamentary Trusts.

Gifts and bequests to heirs

These boxes report the total dollar value of cash or asset gifts made during your lifetime or at death. The first amount represents the dollar value of the gifts and bequests on the date on which they were made. The second amount represents the value of all gifts and bequests, including growth, at the end of the plan.

More detailed information on gifts can be found in the **Gift Summary Report**.

Trusts

The value reported in this box represents the total amount of income distributions and remainder distributions to heirs from all trusts, other than the CST, Marital Trusts and Generic Testamentary Trusts as of the end of the plan. This value includes growth.

The **Trust Funding and Distribution Comparison Report** provides more detailed information on the value reported in this box.

Assets transferred to charities

These items appear on the left-hand side of the flowchart. The arrows from the estate section illustrate the time frame of the transfer of assets outside of the estate. Gifts and bequests and transfers from Trusts can occur at various times and therefore are not preceded by an arrow. This section may not appear if you do not have any charitable items. It may contain the following items:

Gifts and bequests to charities

These boxes report the total dollar value of cash or asset charitable gifts made during your lifetime or at death. The first amount represents the dollar value of the gifts and bequests on the date on which they were made. The second amount represents the value of all gifts and bequests, including growth, at the end of the plan.

More detailed information on charitable gifts can be found in the **Gift Summary Report**.

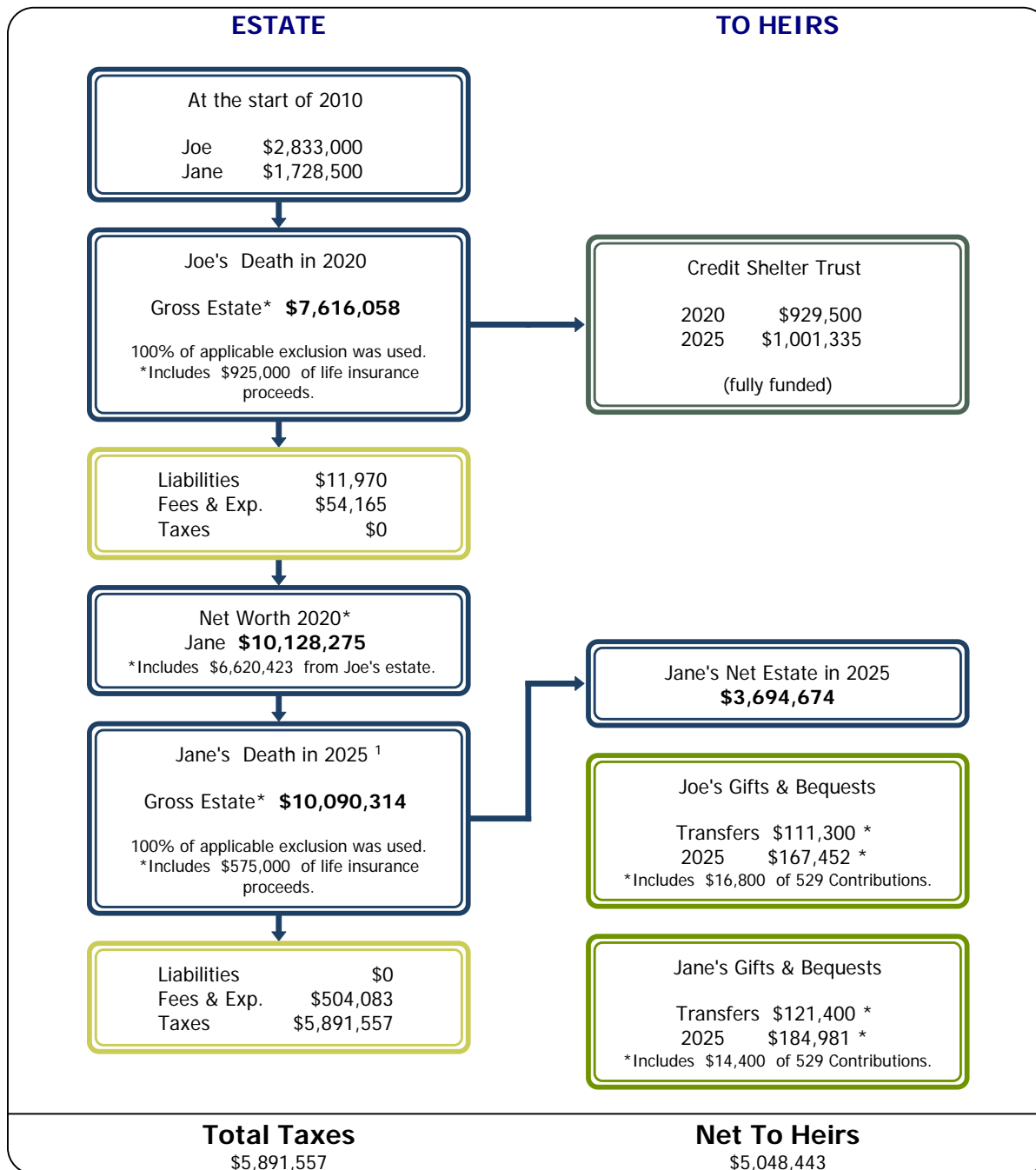
Totals

The bottom of the report also provides a total of the amounts transferred to heirs, charities and total taxes paid. Total Taxes includes all federal, state, gift, generation skipping transfer taxes (GSTT) and Income in Respect of a Decedent (IRD) taxes. The Estate Planning Scenario Detailed Comparison Report provides a further breakdown of these amounts.

Flowchart - Current

If Joe were to die in 2020, and Jane were to die in 2025.

This flowchart presents a graphical depiction of your estate planning scenario.



¹Available assets are insufficient to cover all estate liquidity needs resulting in an estate deficit of \$220,478. This deficit is eliminated at Jane's death.

Gross Estate and Liabilities at Joe's Death - Current

If Joe were to die in 2020, and Jane were to die in 2025.

This report details the gross estate and liabilities at Joe's death. The gross estate refers to all property owned by you (or deemed to be owned by you such as assets held within a living trust) at the time of your death. When you die, your estate must be settled, your property must be passed on to your beneficiaries and your financial affairs must be finalized.

Non-Qualified Assets	
New Haven Bed and Breakfast (Joe)	422,747
Ridgefield Bank Savings (Joint)	34,319
Ridgefield Bank Checking (Joint)	17,159
Joint Savings	185,372
Total Non-Qualified Assets	659,597
Qualified Assets	
Joe's 401(k)	1,674,564
Total Qualified Assets	1,674,564
Lifestyle Assets	
Art collection (Joint)	155,422
Personal Use Property (Joint)	310,844
Residence (Joint)	621,687
Vacation Timeshare (Joint)	59,149
Total Lifestyle Assets	1,147,102
Life Insurance	
Joe's policy	925,000
Total Life Insurance	925,000
Business Assets	
Hargrave Real Estate Consulting (Joe)	1,613,554
Total Business Assets	1,613,554
Total Assets	6,019,817
Current Surplus	1,596,241
Total Gross Estate	7,616,058
Liabilities	
Mortgage	11,970
Total Liabilities	11,970
Net Value	7,604,089

Gross Estate and Liabilities at Jane's Death - Current

If Joe were to die in 2020, and Jane were to die in 2025.

This report details the gross estate and liabilities at Jane's death. The gross estate refers to all property owned by you (or deemed to be owned by you such as assets held within a living trust) at the time of your death. When you die, your estate must be settled, your property must be passed on to your beneficiaries and your financial affairs must be finalized.

Non-Qualified Assets	
New Haven Bed and Breakfast (Jane)	466,747
Ridgefield Bank Savings (Jane)	79,606
Ridgefield Bank Checking (Jane)	39,803
Jane's Brokerage Account	245,141
Joint Savings (Jane)	440,215
Total Non-Qualified Assets	1,271,512
Qualified Assets	
Joe's 401(k) (Jane)	2,489,938
Jane's 401(k)	2,305,459
Total Qualified Assets	4,795,397
Lifestyle Assets	
Art collection (Jane)	343,196
Personal Use Property (Jane)	686,393
Residence (Jane)	1,372,786
Vacation Timeshare (Jane)	130,612
Total Lifestyle Assets	2,532,987
Life Insurance	
Jane's policy	575,000
Total Life Insurance	575,000
Business Assets	
Hargrave Real Estate Consulting (Jane)	915,418
Total Business Assets	915,418
Total Assets	10,090,314
Total Gross Estate	10,090,314
Net Value	10,090,314

Joe's Estate Distribution Summary - Current

If Joe were to die in 2020, and Jane were to die in 2025.

This report summarizes the distribution of Joe's assets and cash surplus at death from the estate. *Liquidity Needs-settled with...* represents assets liquidated to cover estate taxes, fees, expenses and liabilities. *Transfers to Testamentary Trusts* include transfers to Credit Shelter Trusts, Marital Trusts (including QTIPs) and Generic Testamentary Trusts.

	\$ Amount	% of Asset
Liquidity Needs - settled with...		
Cash Surplus	\$54,165	3.39%
Total	\$54,165	
Transfer to Jane		
Cash Surplus	\$1,542,076	96.61%
Residence (Joint/Lifestyle) ¹	\$621,687	100.00%
Personal Use Property (Joint/Lifestyle) ¹	\$310,844	100.00%
Art collection (Joint/Lifestyle) ¹	\$155,422	100.00%
Joe's policy (Whole Life)	\$925,000	100.00%
Vacation Timeshare (Joint/Major Purchase Objective) ¹	\$59,149	100.00%
New Haven Bed and Breakfast (Joe/Real Estate) ¹	\$422,747	100.00%
Hargrave Real Estate Consulting (Joe/S Corporation) ¹	\$684,054	42.39%
Ridgefield Bank Savings (Joint/Non-Qualified)	\$34,319	100.00%
Ridgefield Bank Checking (Joint/Non-Qualified)	\$17,159	100.00%
\$15K of Joint Savings (Non-Qualified)	\$12,025	100.00%
Joint Savings (Non-Qualified)	\$173,347	100.00%
Joe's 401(k)	\$1,674,564	100.00%
Total	\$6,632,393	
Transfer to Testamentary Trusts		
Hargrave Real Estate Consulting (Joe/S Corporation) ¹	\$929,500	57.61%
Total	\$929,500	
Total Distributions at Joe's Death	\$7,616,058	

¹Asset not available to cover estate needs upon Joe's death.

Jane's Estate Distribution Summary - Current

If Joe were to die in 2020, and Jane were to die in 2025.

This report summarizes the distribution of Jane's assets and cash surplus at death from the estate. *Liquidity Needs-settled with...* represents assets liquidated to cover estate taxes, fees, expenses and liabilities. *Transfers to Testamentary Trusts* include transfers to Credit Shelter Trusts, Marital Trusts (including QTIPs) and Generic Testamentary Trusts.

	\$ Amount	% of Asset
Liquidity Needs - settled with...		
Cash Surplus	\$575,000	100.00%
Ridgefield Bank Savings (Jane/Non-Qualified)	\$79,606	100.00%
Ridgefield Bank Checking (Jane/Non-Qualified)	\$39,803	100.00%
Jane's Brokerage Account (Non-Qualified)	\$245,141	100.00%
\$15K of Joint Savings (Jane/Non-Qualified)	\$27,570	100.00%
Joint Savings (Jane/Non-Qualified)	\$412,645	100.00%
Joe's 401(k) (Jane)	\$2,489,938	100.00%
Jane's 401(k)	\$2,305,459	100.00%
Total	\$6,175,162¹	
Transfer to Heirs		
Residence (Jane/Lifestyle) ²	\$1,372,786	100.00%
Personal Use Property (Jane/Lifestyle) ²	\$686,393	100.00%
Art collection (Jane/Lifestyle) ²	\$343,196	100.00%
Vacation Timeshare (Jane/Major Purchase Objective) ²	\$130,612	100.00%
New Haven Bed and Breakfast (Jane/Real Estate) ²	\$466,747	100.00%
Hargrave Real Estate Consulting (Jane/S Corporation) ²	\$915,418	100.00%
Total	\$3,915,152	
Total Distributions at Jane's Death	\$10,090,314	

¹Includes asset taxes.

²Asset not available to cover estate needs upon Jane's death.

NOTE: Cash surpluses include \$575,000 in payouts from life insurance policies.

Available assets are insufficient to cover all estate liquidity needs resulting in an estate deficit of \$220,478. This deficit is eliminated at Jane's death.

Tax Option Comparison - Current

If Joe were to die in 2020, and Jane were to die in 2025.

The *Tax Option Comparison* report compares a detailed cash flow comparison for our proposed scenario between three different tax assumptions. These assumptions are as follows:

As legislated

Due to the sunset clause, the provisions in the Act are effective only to the end of 2010. In 2011 the tax laws revert back to those in place in 2001 unless further legislation is passed. We assume the estate tax repeal and carryover basis system will occur only in the year 2010. In 2011, the tax law will revert back to the law, as it existed prior to passage of the act.

No sunset

The assumption made in the middle column is that in the year 2011 all tax laws used in 2010 will continue into the future. This includes the continuation of estate tax repeal and the carryover basis system beyond 2010.

No sunset, no estate tax repeal

The assumption made in the final column is that the tax laws used in 2009 will continue in the years 2010 and beyond. The sunset provision will not be used and estate taxes will not be repealed.

At Death of Joe in 2020	As legislated*	No sunset	No sunset no estate tax repeal
Gross Estate	\$7,616,058	\$7,678,142	\$7,678,142
less Liabilities	\$11,970	\$11,970	\$11,970
less Probate Fees	\$20,363	\$20,363	\$20,363
less Administration Fees	\$20,363	\$20,363	\$20,363
less Final Expenses	\$13,439	\$13,439	\$13,439
Adjusted Gross Estate	\$7,549,923	\$7,612,007	\$7,612,007
less Transfer to Spouse (UMD)	\$6,620,423	\$7,612,007	\$5,922,540
less Charitable Bequests from Joe	\$0	\$0	\$0
Taxable Estate	\$929,500	\$0	\$1,689,467
plus Total Lifetime Taxable Gifts	\$70,500		\$70,500
less State Death Tax			\$77,242
Adjusted Taxable Estate	\$1,000,000	\$0	\$1,682,725
Taxes Due			
Total Tentative Tax	\$345,800		\$638,026
less Gift Tax Paid	\$0		\$0
less Applicable Credit	\$345,800		\$638,026
less State Death Tax Credit	\$0		
Federal Estate Taxes	\$0	\$0	\$0
plus State Death Tax	\$0	\$0	\$77,242
plus Tax resulting from IRD	\$0	\$0	\$0
plus GSTT on bequests	\$0		\$0
plus Income taxes paid from estate	\$0	\$0	\$0
Estate Taxes Paid	\$0	\$0	\$77,242

At Death of Jane in 2025	As legislated*	No sunset	No sunset no estate tax repeal
Gross Estate	\$10,090,314	\$11,143,630	\$8,736,362
less Liabilities	\$0	\$1	\$1
less Probate Fees	\$76,005	\$86,540	\$62,468
less Administration Fees	\$100,904	\$111,440	\$87,367
less Final Expenses	\$327,173	\$327,173	\$327,173
Adjusted Gross Estate	\$9,586,231	\$10,618,475	\$8,259,352
less Charitable Bequests from Jane	\$0	\$0	\$0
Taxable Estate	\$9,586,231	\$10,618,475	\$8,259,352
plus Total Lifetime Taxable Gifts	\$83,000		\$83,000
less State Death Tax			\$809,747
Adjusted Taxable Estate	\$9,669,231	\$10,618,475	\$7,532,605
Taxes Due			
Total Tentative Tax	\$4,958,877		\$3,270,472
less Gift Tax Paid	\$0		\$0
less Applicable Credit	\$345,800		\$1,455,800
less State Death Tax Credit	\$1,004,707		
Federal Estate Taxes	\$3,608,370	\$0	\$1,814,672
plus State Death Tax	\$1,004,707	\$1,165,756	\$809,747
plus Tax resulting from IRD	\$0	\$537,532	\$0
plus GSTT on bequests	\$0		\$0
plus Income taxes paid from estate	\$1,278,480	\$149,809	\$473,542
Total Taxes Due	\$5,891,557	\$1,853,097	\$3,097,961
less Tax resulting from IRD	\$0	\$537,532	\$0
less Income taxes paid from estate	\$1,278,480	\$149,809	\$473,542
Estate Taxes Paid	\$4,613,077	\$1,165,756	\$2,624,419

Federal estate calculations are provided for purposes of the state death tax calculations.

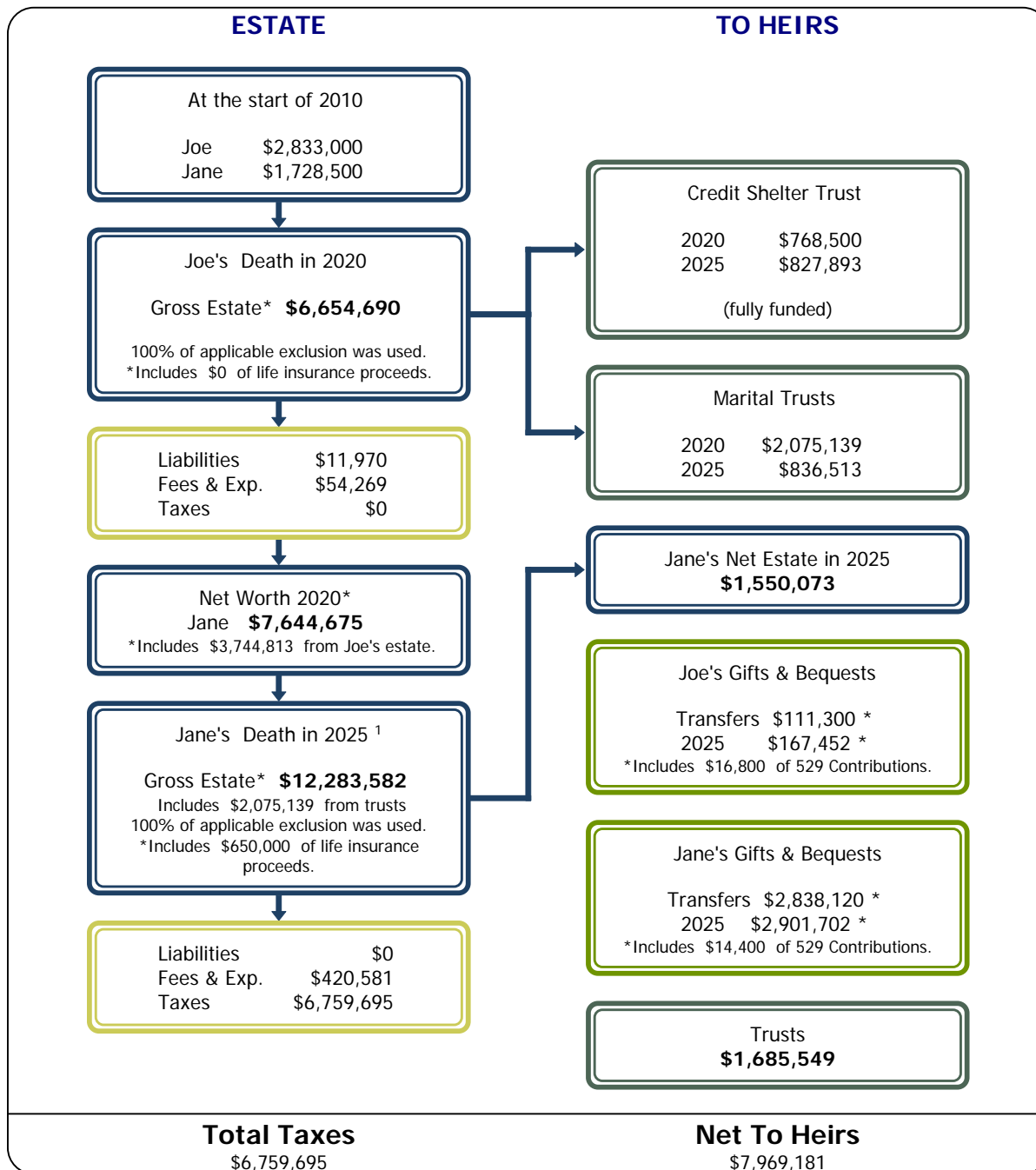
Total Taxes	As legislated*	No sunset	No sunset no estate tax repeal
Total Taxes Due at Joe's death	\$0	\$0	\$77,242
Total Taxes Due at Jane's death	\$5,891,557	\$1,853,097	\$3,097,961
Gift Taxes-Joe	\$0		\$0
Gift Taxes-Jane	\$0		\$0
Taxes paid by Trust	\$0		\$0
Total Taxes	\$5,891,557	\$1,853,097	\$3,175,202

Net to Heirs (incl. growth)	As legislated*	No sunset	No sunset no estate tax repeal
Joe's Bequests to Heirs	\$0	\$0	\$0
Joe's Lifetime Gifts to Heirs	\$167,452	\$167,452	\$167,452
Joe's Net Estate to Heirs	\$0	\$0	\$0
Jane's Bequests to Heirs	\$0	\$0	\$0
Jane's Lifetime Gifts to Heirs	\$184,981	\$184,981	\$184,981
Jane's Net Estate to Heirs	\$3,694,674	\$8,765,378	\$5,161,391
Credit Shelter Trust	\$1,001,335	\$0	\$1,738,256
Marital Trusts	\$0	\$0	\$0
Testamentary Trusts	\$0	\$0	\$0
Payments from Trusts to Heirs	\$0	\$0	\$0
Total Net to Heirs	\$5,048,443	\$9,117,812	\$7,252,081

Flowchart - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

This flowchart presents a graphical depiction of your estate planning scenario.



¹Available assets are insufficient to cover all estate liquidity needs resulting in an estate deficit of \$3. This deficit is eliminated at Jane's death.

Gross Estate and Liabilities at Joe's Death - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

This report details the gross estate and liabilities at Joe's death. The gross estate refers to all property owned by you (or deemed to be owned by you such as assets held within a living trust) at the time of your death. When you die, your estate must be settled, your property must be passed on to your beneficiaries and your financial affairs must be finalized.

Non-Qualified Assets	
Retirement Fund (Joint)	52,187
Vacation Timeshare Fund (Joint)	264
New Haven Bed and Breakfast (Joe)	422,747
Ridgefield Bank Savings (Joint)	43,499
Ridgefield Bank Checking (Joint)	21,750
Vacation Timeshare (Joint)	1,180
Joint Savings	166,392
Joe's brokerage account	1,345,643
Total Non-Qualified Assets	2,053,662
Qualified Assets	
Joe's 401(k)	1,627,882
Joe's Roth IRA	273,088
Total Qualified Assets	1,900,970
Lifestyle Assets	
Art collection (Joint)	155,422
Personal Use Property (Joint)	310,844
Residence (Joint)	621,687
Vacation Timeshare (Joint)	59,149
Total Lifestyle Assets	1,147,102
Total Assets	5,101,733
Trusts	
Affluent Family Partnership	693
Total Trusts	693
Current Surplus	1,552,265
Total Gross Estate	6,654,690
Liabilities	
Mortgage	11,970
Total Liabilities	11,970
Net Value	6,642,721

Gross Estate and Liabilities at Jane's Death - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

This report details the gross estate and liabilities at Jane's death. The gross estate refers to all property owned by you (or deemed to be owned by you such as assets held within a living trust) at the time of your death. When you die, your estate must be settled, your property must be passed on to your beneficiaries and your financial affairs must be finalized.

Non-Qualified Assets	
Retirement Fund (Jane)	144,113
Vacation Timeshare Fund (Jane)	679
New Haven Bed and Breakfast (Jane)	466,747
Ridgefield Bank Savings (Jane)	112,616
Ridgefield Bank Checking (Jane)	56,308
Vacation Timeshare (Jane)	3,028
Jane's Brokerage Account	338,743
Joint Savings (Jane)	425,455
Total Non-Qualified Assets	1,547,688
Qualified Assets	
Joe's 401(k) (Jane)	2,420,864
Jane's 401(k)	2,521,940
Joe's Roth IRA (Jane)	406,116
Jane's Roth IRA	406,116
Total Qualified Assets	5,755,036
Lifestyle Assets	
Art collection (Jane)	343,196
Personal Use Property (Jane)	686,393
Residence condo (Jane)	733,071
Vacation Timeshare (Jane)	130,612
Total Lifestyle Assets	1,893,272
Life Insurance	
Additional Life Insurance (Jane)	75,000
Jane's policy	575,000
Total Life Insurance	650,000
Total Assets	9,845,996
Trusts	
Marital Trust	2,075,139
Total Trusts	2,075,139
Current Surplus	362,447
Total Gross Estate	12,283,582
Net Value	12,283,582

Joe's Estate Distribution Summary - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

This report summarizes the distribution of Joe's assets and cash surplus at death from the estate. *Liquidity Needs-settled with...* represents assets liquidated to cover estate taxes, fees, expenses and liabilities. *Transfers to Testamentary Trusts* include transfers to Credit Shelter Trusts, Marital Trusts (including QTIPs) and Generic Testamentary Trusts.

	\$ Amount	% of Asset
Liquidity Needs - settled with...		
Cash Surplus	\$54,269	3.50%
Total	\$54,269	
Transfer to Jane		
Residence (Joint/Lifestyle) ¹	\$621,687	100.00%
Personal Use Property (Joint/Lifestyle) ¹	\$310,844	100.00%
Art collection (Joint/Lifestyle) ¹	\$155,422	100.00%
Vacation Timeshare (Joint/Major Purchase Objective) ¹	\$59,149	100.00%
New Haven Bed and Breakfast (Joe/Real Estate) ¹	\$422,747	100.00%
Joe's Roth IRA	\$273,088	100.00%
Retirement Fund (Joint/Non-Qualified)	\$52,187	100.00%
Joe's 401(k)	\$1,627,882	100.00%
Ridgefield Bank Savings (Joint/Non-Qualified)	\$43,499	100.00%
Ridgefield Bank Checking (Joint/Non-Qualified)	\$21,750	100.00%
Vacation Timeshare (Joint/Non-Qualified)	\$1,180	100.00%
\$75K of Joint Savings (Non-Qualified)	\$85,947	100.00%
\$30K of Joint Savings (Non-Qualified)	\$27,489	100.00%
Joint Savings (Non-Qualified)	\$52,955	100.00%
Vacation Timeshare Fund (Joint/Non-Qualified)	\$264	100.00%
Total	\$3,756,090	
Transfer to Testamentary Trusts		
Cash Surplus	\$1,497,996	96.50%
Joe's brokerage account (Non-Qualified)	\$1,345,643	100.00%
Total	\$2,843,639	
Total Distributions at Joe's Death	\$6,653,998	

¹Asset not available to cover estate needs upon Joe's death.

Jane's Estate Distribution Summary - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

This report summarizes the distribution of Jane's assets and cash surplus at death from the estate. *Liquidity Needs-settled with...* represents assets liquidated to cover estate taxes, fees, expenses and liabilities. *Transfers to Testamentary Trusts* include transfers to Credit Shelter Trusts, Marital Trusts (including QTIPs) and Generic Testamentary Trusts.

	\$ Amount	% of Asset
Liquidity Needs - settled with...		
Cash Surplus	\$1,012,447	100.00%
Joe's Roth IRA (Jane)	\$406,116	100.00%
Jane's Roth IRA	\$406,116	100.00%
Retirement Fund (Jane/Non-Qualified)	\$144,113	100.00%
Joe's 401(k) (Jane)	\$514,087	21.24%
Jane's 401(k)	\$2,521,940	100.00%
Ridgefield Bank Savings (Jane/Non-Qualified)	\$112,616	100.00%
Ridgefield Bank Checking (Jane/Non-Qualified)	\$56,308	100.00%
Vacation Timeshare (Jane/Non-Qualified)	\$3,028	100.00%
Jane's Brokerage Account (Non-Qualified)	\$338,743	100.00%
\$75K of Joint Savings (Jane/Non-Qualified)	\$229,099	100.00%
\$30K of Joint Savings (Jane/Non-Qualified)	\$69,472	100.00%
Joint Savings (Jane/Non-Qualified)	\$126,884	100.00%
Vacation Timeshare Fund (Jane/Non-Qualified)	\$679	100.00%
Total	\$5,941,646¹	
Transfer to Heirs		
Personal Use Property (Jane/Lifestyle) ²	\$686,393	100.00%
Art collection (Jane/Lifestyle) ²	\$343,196	100.00%
Vacation Timeshare (Jane/Major Purchase Objective) ²	\$130,612	100.00%
New Haven Bed and Breakfast (Jane/Real Estate) ²	\$466,747	100.00%
Residence condo (Jane/Lifestyle) ²	\$733,071	100.00%
Joe's 401(k) (Jane)	\$1,906,777	78.76%
Total	\$4,266,796	
Total Distributions at Jane's Death	\$10,208,442	

¹Includes asset taxes.

²Asset not available to cover estate needs upon Jane's death.

NOTE: Cash surpluses include \$650,000 in payouts from life insurance policies.

Available assets are insufficient to cover all estate liquidity needs resulting in an estate deficit of \$3. This deficit is eliminated at Jane's death.

Tax Option Comparison - Proposed

If Joe were to die in 2020, and Jane were to die in 2025.

The *Tax Option Comparison* report compares a detailed cash flow comparison for our proposed scenario between three different tax assumptions. These assumptions are as follows:

As legislated

Due to the sunset clause, the provisions in the Act are effective only to the end of 2010. In 2011 the tax laws revert back to those in place in 2001 unless further legislation is passed. We assume the estate tax repeal and carryover basis system will occur only in the year 2010. In 2011, the tax law will revert back to the law, as it existed prior to passage of the act.

No sunset

The assumption made in the middle column is that in the year 2011 all tax laws used in 2010 will continue into the future. This includes the continuation of estate tax repeal and the carryover basis system beyond 2010.

No sunset, no estate tax repeal

The assumption made in the final column is that the tax laws used in 2009 will continue in the years 2010 and beyond. The sunset provision will not be used and estate taxes will not be repealed.

At Death of Joe in 2020	As legislated*	No sunset	No sunset no estate tax repeal
Gross Estate	\$6,654,690	\$6,759,405	\$6,759,405
less Liabilities	\$11,970	\$11,970	\$11,970
less Probate Fees	\$20,415	\$20,415	\$20,415
less Administration Fees	\$20,415	\$20,415	\$20,415
less Final Expenses	\$13,439	\$13,439	\$13,439
Adjusted Gross Estate	\$6,588,452	\$6,693,167	\$6,693,167
less Transfer to Spouse (UMD)	\$5,819,952	\$6,693,167	\$5,289,275
less Charitable Bequests from Joe	\$0	\$0	\$0
Taxable Estate	\$768,500	\$0	\$1,403,892
plus Total Lifetime Taxable Gifts	\$231,500		\$231,500
less State Death Tax			\$58,249
Adjusted Taxable Estate	\$1,000,000	\$0	\$1,577,143
Taxes Due			
Total Tentative Tax	\$345,800		\$590,514
less Gift Tax Paid	\$0		\$0
less Applicable Credit	\$345,800		\$590,514
less State Death Tax Credit	\$0		
Federal Estate Taxes	\$0	\$0	\$0
plus State Death Tax	\$0	\$0	\$58,249
plus Tax resulting from IRD	\$0	\$0	\$0
plus GSTT on bequests	\$0		\$0
plus Income taxes paid from estate	\$0	\$0	\$0
Estate Taxes Paid	\$0	\$0	\$58,249

At Death of Jane in 2025	As legislated*	No sunset	No sunset no estate tax repeal
Gross Estate	\$12,283,582	\$13,093,878	\$11,811,867
less Liabilities	\$0	\$0	\$0
less Probate Fees	\$46,704	\$54,415	\$40,919
less Administration Fees	\$46,704	\$54,415	\$40,919
less Final Expenses	\$327,173	\$327,173	\$327,173
Adjusted Gross Estate	\$11,863,001	\$12,657,875	\$11,402,857
less Charitable Bequests from Jane	\$0	\$0	\$0
Taxable Estate	\$11,863,001	\$12,657,875	\$11,402,857
plus Total Lifetime Taxable Gifts	\$83,000		\$83,000
less State Death Tax			\$1,291,257
Adjusted Taxable Estate	\$11,946,001	\$12,657,875	\$10,194,600
Taxes Due			
Total Tentative Tax	\$6,308,400		\$4,468,370
less Gift Tax Paid	\$0		\$0
less Applicable Credit	\$345,800		\$1,455,800
less State Death Tax Credit	\$1,364,880		
Federal Estate Taxes	\$4,597,720	\$0	\$3,012,570
plus State Death Tax	\$1,364,880	\$1,492,060	\$1,291,257
plus Tax resulting from IRD	\$0	\$0	\$0
plus GSTT on bequests	\$0		\$0
plus Income taxes paid from estate	\$797,095	\$0	\$277,136
Total Taxes Due	\$6,759,695	\$1,492,060	\$4,580,963
less estate taxes paid by trusts	\$1,238,627		\$830,144
less Income taxes paid from estate	\$797,095	\$0	\$277,136
Estate Taxes Paid	\$4,723,974	\$1,492,060	\$3,473,683

Federal estate calculations are provided for purposes of the state death tax calculations.

Total Taxes	As legislated*	No sunset	No sunset no estate tax repeal
Total Taxes Due at Joe's death	\$0	\$0	\$58,249
Total Taxes Due at Jane's death	\$5,521,069	\$1,492,060	\$3,750,819
Gift Taxes-Joe	\$0		\$0
Gift Taxes-Jane	\$0		\$0
Taxes paid by Trust	\$1,238,627		\$830,144
Total Taxes	\$6,759,695	\$1,492,060	\$4,639,212

Net to Heirs (incl. growth)	As legislated*	No sunset	No sunset no estate tax repeal
Joe's Bequests to Heirs	\$0	\$0	\$0
Joe's Lifetime Gifts to Heirs	\$167,452	\$167,452	\$167,452
Joe's Net Estate to Heirs	\$0	\$0	\$0
Jane's Bequests to Heirs	\$2,716,720	\$5,752,748	\$4,556,968
Jane's Lifetime Gifts to Heirs	\$184,981	\$184,981	\$184,981
Jane's Net Estate to Heirs	\$1,550,073	\$2,464,177	\$1,550,071
Credit Shelter Trust	\$827,893	\$0	\$1,449,640
Marital Trusts	\$836,513	\$0	\$714,855
Testamentary Trusts	\$0	\$0	\$0
Payments from Trusts to Heirs	\$1,685,549	\$1,671,251	\$1,685,549
Total Net to Heirs	\$7,969,181	\$10,240,609	\$10,309,516

Action Plan



Activity Report

The following report shows the actions proposed by the needs analysis in italics, based on the strategies proposed in the previous sections of this report. Please remember your financial situation and assumptions are likely to change over time. You should review your analysis at least once a year or more frequently if you experience any material changes in your personal situations, to help ensure your plan remains on track and to refine your overall strategy and its implementation details, if necessary.

Activity for 2010

Investments

Asset	Contributor	Amount	Comment
\$25K of Joint Savings (Non-Qualified)	Joint	\$698	Regular Investment Plan (\$58/month)
\$30K of Joint Savings (Non-Qualified)	Joint	\$837	Regular Investment Plan (\$70/month)
\$35K of Joint Savings (Non-Qualified)	Joint	\$977	Regular Investment Plan (\$81/month)
\$75K of Joint Savings (Non-Qualified)	Joint	\$2,093	Regular Investment Plan (\$174/month)
Joint Savings (Non-Qualified)	Joint	\$1,395	Regular Investment Plan (\$116/month)
<i>Julia - College Education Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$924</i>	<i>Regular Investment Plan (\$77/month)</i>
<i>Retirement Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$1,918</i>	<i>Regular Investment Plan (\$274/month)</i>
<i>Retirement Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$30,000</i>	<i>Lump Sum Savings on Jun 1 2010</i>
Vacation Timeshare (Joint/Non-Qualified)	Joint	\$4,800	Regular Investment Plan (\$400/month)
<i>Vacation Timeshare Fund (Joint/Non-Qualified)</i>	<i>Joint</i>	<i>\$2,700</i>	<i>Regular Investment Plan (\$225/month)</i>
Jane's 401(k)	Jane	\$12,000	Regular Investment Plan (\$1,000/month)
Jane's 401(k) (0.00% of Salary)	Employer	\$6,000	Regular Investment Plan (\$500/month)
Joe's 401(k)	Joe	\$12,000	Regular Investment Plan (\$1,000/month)
Joe's 401(k) (0.00% of Salary)	Employer	\$9,000	Regular Investment Plan (\$750/month)
Julia's Education Plan (Jane/529 Plan for Julia)	Jane	\$2,400	Regular Investment Plan (\$200/month)
Mark's Education Plan (Joe/529 Plan for Mark)	Joe	\$2,400	Regular Investment Plan (\$200/month)
Total		\$90,142	

Insurance

Policy	Payer	Premium	Coverage
Additional Life Insurance (Joint/Whole Life)	Joe	\$420	Life Insurance \$75,000
Jane's policy (Whole Life)	Jane	\$1,500	Life Insurance \$500,000
Joe's policy (Whole Life)	Joe	\$2,400	Life Insurance \$800,000
Joe's Group STD (Joe)	Joe	\$900	Disability Insurance \$10,000
Jane's Group STD (Jane)	Jane	\$900	Disability Insurance \$10,000
Joe's Group LTD (Joe)	Joe	\$1,200	Disability Insurance \$10,000
Jane's Group LTD (Jane)	Jane	\$1,080	Disability Insurance \$10,000
LTC Insurance (Joe)	Joe	\$720	Long-term Care Insurance \$150
LTC Insurance (Jane)	Jane	\$540	Long-term Care Insurance \$150
Total		\$9,660	

Redemptions

Asset	Owner	Amount	Comment
\$25K of Joint Savings (Non-Qualified)	Joint	\$1,862	Lump Sum Redemption on Dec 31 2010
\$30K of Joint Savings (Non-Qualified)	Joint	\$558	Lump Sum Redemption on Dec 31 2010
\$35K of Joint Savings (Non-Qualified)	Joint	\$2,116	Lump Sum Redemption on Dec 31 2010
\$75K of Joint Savings (Non-Qualified)	Joint	\$2,679	Lump Sum Redemption on Dec 31 2010
Jane's Brokerage Account (Non-Qualified)	Jane	\$1,130	Lump Sum Redemption on Dec 31 2010
Joint Savings (Non-Qualified)	Joint	\$940	Lump Sum Redemption on Dec 31 2010
Vacation Timeshare (Joint/Non-Qualified)	Joint	\$216	Lump Sum Redemption on Dec 31 2010

Transfers

- 1) Transfer \$100,000 of **Joe's 401(k)** to **Joe's Roth IRA** on Feb 1 2010
- 2) Transfer \$100,000 of **Jane's 401(k)** to **Jane's Roth IRA** on Feb 1 2010
- 3) Transfer \$50,000 of **Ridgefield Bank Savings** to **Ridgefield Bank Savings** on Jan 1 2010
- 4) Transfer \$25,000 of **Ridgefield Bank Checking** to **Ridgefield Bank Checking** on Jan 1 2010
- 5) Transfer \$15,120 of **Vacation Timeshare** to **Vacation Timeshare** on Jan 1 2010
- 6) Transfer \$45,195 of **Jane's Brokerage Account** to **Jane's Brokerage Account** on Jan 1 2010
- 7) Transfer \$72,000 of **\$75K of Joint Savings** to **\$75K of Joint Savings** on Jan 1 2010
- 8) Transfer \$25,000 of **\$25K of Joint Savings** to **\$25K of Joint Savings** on Jan 1 2010
- 9) Transfer \$28,400 of **\$35K of Joint Savings** to **\$35K of Joint Savings** on Jan 1 2010
- 10) Transfer \$15,000 of **\$30K of Joint Savings** to **\$30K of Joint Savings** on Jan 1 2010
- 11) Transfer \$25,250 of **Joint Savings** to **Joint Savings** on Jan 1 2010

Debt Reductions

Liability	Contributor	Amount	Comment
Mortgage	Joint	\$42,000	Regular Payments, Principal & Interest (\$3,500/month)
Personal Loans	Joint	\$4,800	Regular Payments, Principal & Interest (\$400/month)
Personal Loans	Joint	\$1,200	Regular Debt Reduction Plan (\$100/month)

Activity for 2011

Investments

Asset	Contributor	Amount	Comment
\$25K of Joint Savings (Non-Qualified)	Joint	\$698	Regular Investment Plan (\$58/month)
\$30K of Joint Savings (Non-Qualified)	Joint	\$837	Regular Investment Plan (\$70/month)
\$35K of Joint Savings (Non-Qualified)	Joint	\$977	Regular Investment Plan (\$81/month)
\$75K of Joint Savings (Non-Qualified)	Joint	\$2,093	Regular Investment Plan (\$174/month)
Joint Savings (Non-Qualified)	Joint	\$1,395	Regular Investment Plan (\$116/month)
Julia - College Education Fund (Joint/Non-Qualified)	Joint	\$924	Regular Investment Plan (\$77/month)
Retirement Fund (Joint/Non-Qualified)	Joint	\$3,288	Regular Investment Plan (\$274/month)
Vacation Timeshare (Joint/Non-Qualified)	Joint	\$4,800	Regular Investment Plan (\$400/month)
Vacation Timeshare Fund (Joint/Non-Qualified)	Joint	\$2,700	Regular Investment Plan (\$225/month)
Joe's ISOs	Joe	\$21,000	Exercise 1500 options on Jan 1 2011 for an estimated value of \$59,735
Jane's 401(k)	Jane	\$12,000	Regular Investment Plan (\$1,000/month)
Jane's 401(k) (0.00% of Salary)	Employer	\$6,000	Regular Investment Plan (\$500/month)
Joe's 401(k)	Joe	\$12,000	Regular Investment Plan (\$1,000/month)
Joe's 401(k) (0.00% of Salary)	Employer	\$9,000	Regular Investment Plan (\$750/month)
Julia's Education Plan (Jane/529 Plan for Julia)	Jane	\$2,400	Regular Investment Plan (\$200/month)
Mark's Education Plan (Joe/529 Plan for Mark)	Joe	\$2,400	Regular Investment Plan (\$200/month)
Total		\$82,512	

Insurance

Policy	Payer	Premium	Coverage
Additional Life Insurance (Joint/Whole Life)	Joe	\$420	Life Insurance \$75,000
Jane's policy (Whole Life)	Jane	\$1,500	Life Insurance \$500,000
Joe's Group STD (Joe)	Joe	\$900	Disability Insurance \$10,000
Jane's Group STD (Jane)	Jane	\$900	Disability Insurance \$10,000
Joe's Group LTD (Joe)	Joe	\$1,200	Disability Insurance \$10,000
Jane's Group LTD (Jane)	Jane	\$1,080	Disability Insurance \$10,000
LTC Insurance (Joe)	Joe	\$720	Long-term Care Insurance \$150
LTC Insurance (Jane)	Jane	\$540	Long-term Care Insurance \$150
Total		\$7,260	

Redemptions

Asset	Owner	Amount	Comment
Joe's ISOs	Joe	\$27,165	Redemption to fund cashless exercise

Debt Reductions

Liability	Contributor	Amount	Comment
Mortgage	Joint	\$42,000	Regular Payments, Principal & Interest (\$3,500/month)
Personal Loans	Joint	\$4,800	Regular Payments, Principal & Interest (\$400/month)
Personal Loans	Joint	\$1,200	Regular Debt Reduction Plan (\$100/month)

Activity for 2012

Investments

Asset	Contributor	Amount	Comment
\$25K of Joint Savings (Non-Qualified)	Joint	\$698	Regular Investment Plan (\$58/month)
\$30K of Joint Savings (Non-Qualified)	Joint	\$837	Regular Investment Plan (\$70/month)
\$35K of Joint Savings (Non-Qualified)	Joint	\$977	Regular Investment Plan (\$81/month)
\$75K of Joint Savings (Non-Qualified)	Joint	\$2,093	Regular Investment Plan (\$174/month)
Joint Savings (Non-Qualified)	Joint	\$1,395	Regular Investment Plan (\$116/month)
Julia - College Education Fund (Joint/Non-Qualified)	Joint	\$924	Regular Investment Plan (\$77/month)
Retirement Fund (Joint/Non-Qualified)	Joint	\$3,288	Regular Investment Plan (\$274/month)
Vacation Timeshare (Joint/Non-Qualified)	Joint	\$4,800	Regular Investment Plan (\$400/month)
Vacation Timeshare Fund (Joint/Non-Qualified)	Joint	\$2,700	Regular Investment Plan (\$225/month)
Jane's 2002 NSOs	Jane	\$60,000	Exercise 2500 options on Jan 1 2012 for an estimated value of \$102,964
Jane's 401(k)	Jane	\$12,000	Regular Investment Plan (\$1,000/month)
Jane's 401(k) (0.00% of Salary)	Employer	\$6,000	Regular Investment Plan (\$500/month)
Joe's 401(k)	Joe	\$12,000	Regular Investment Plan (\$1,000/month)
Joe's 401(k) (0.00% of Salary)	Employer	\$9,000	Regular Investment Plan (\$750/month)
Julia's Education Plan (Jane/529 Plan for Julia)	Jane	\$2,400	Regular Investment Plan (\$200/month)
Mark's Education Plan (Joe/529 Plan for Mark)	Joe	\$2,400	Regular Investment Plan (\$200/month)
Total		\$121,512	

Insurance

Policy	Payer	Premium	Coverage
Additional Life Insurance (Joint/Whole Life)	Joe	\$420	Life Insurance \$75,000
Jane's policy (Whole Life)	Jane	\$1,500	Life Insurance \$500,000
Joe's Group STD (Joe)	Joe	\$900	Disability Insurance \$10,000
Jane's Group STD (Jane)	Jane	\$900	Disability Insurance \$10,000
Joe's Group LTD (Joe)	Joe	\$1,200	Disability Insurance \$10,000
Jane's Group LTD (Jane)	Jane	\$1,080	Disability Insurance \$10,000
LTC Insurance (Joe)	Joe	\$720	Long-term Care Insurance \$150
LTC Insurance (Jane)	Jane	\$540	Long-term Care Insurance \$150
Total		\$7,260	

Redemptions

Asset	Owner	Amount	Comment
Jane's 2002 NSOs	Jane	\$75,037	Redemption to fund cashless exercise

Transfers

- 1) Transfer \$27,927 of **Jane's 2002 NSOs** to **Jane's Brokerage Account** on Jan 1 2012
- 2) Transfer \$35,343 of **Joe's ISOs** to **Jane's Brokerage Account** on Feb 1 2012

Debt Reductions

Liability	Contributor	Amount	Comment
Mortgage	Joint	\$42,000	Regular Payments, Principal & Interest (\$3,500/month)
Personal Loans	Joint	\$4,800	Regular Payments, Principal & Interest (\$400/month)
Personal Loans	Joint	\$1,200	Regular Debt Reduction Plan (\$100/month)

Conclusion

Now that you have reviewed the *Financial Needs Analysis* report for both your current and proposed analyses, where do you go from here? Our recommendations are as follows:

1. **Review this document** – Ensure you understand the information contained in the report. In particular, review the Action Plan section. Be sure to ask questions on areas that need clarification.
2. **Implement the Plan** – We will discuss a schedule to implement the action plan items we have agreed on. We need to establish a reliable follow-up method for strategies that start at a future date. Make sure it is clear who is responsible for implementing the task. Which items are you responsible for initiating? Which actions are the responsibilities of your other professional advisors: attorney, accountant, etc.? A checklist for these tasks is useful.
3. **Review your plan** – Review it on a regular basis, generally once a year. In addition, review it whenever a major change occurs in your family, such as changes in employment, birth of a child, new income or expenses, etc. You may need to adjust your plan in light of any new circumstances.

A final thought!

Remember to maintain a long-term focus with your plan. Do not expect to anticipate every curve in the road, but be prepared to adjust your plan when necessary. Your analysis is not a single event but a journey that may cover ten, twenty and thirty years or longer.

Appendix - Plan Data Summary



Plan Data Summary

This report summarizes the data, entered in your **Base Plan**.

General Information

Detail	Joe	Jane
Birth Date	Oct 1 1960	Sep 15 1962
Proposed Retirement Date	Oct 2022	Sep 2022
Life Expectancy	Dec 2050	Dec 2052
Taxable Lifetime Gifts (to 2009)	\$70,500	\$83,000
Applicable Credit Used (to 2009)	\$15,730	\$19,100

Tax Options

The option "**As legislated**" was selected. In 2011, the calculations outlined will revert to the tax laws used in 2001, except where extended by the Pension Protection Act of 2006.

Assumptions

Detail	
Income Tax Method	Detailed Tax
Return on Excess Cash Flow:	0.00%
Inflation Rate	3.00%
Tax Filing Status - Joe	Married Filing Jointly
Tax Filing Status - Jane	Married Filing Jointly
Investment Profile:	Moderate

Estate Assumptions

Detail	Joe	Jane
Is there a will?	Yes - Revised: Apr 1 2004	Yes - Revised: Apr 1 2004
Life Expectancy	2020	2025
Simultaneous Death	2010 ¹	2010
State Death Tax	2001 Credit Amount	2001 Credit Amount
Probate Fee	1.00%	1.00%
Administration Fee	1.00%	1.00%

¹ Joe dies first

Dependents

Name	Birth Date	Age as of Plan Date	Dependent of (for tax)	Dependent of (for Social Security)
Julia	Jan 4 1995	14	Joe and Jane	Joe and Jane
Mark	Apr 23 1996	13	Joe and Jane	Joe and Jane

Family Information

Client	
Name	Joe Sample-Affluent
Date of Birth	Oct 1 1960
Gender	Male
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Citizenship	United States
Name	Jane Sample-Affluent
Date of Birth	Sep 15 1962
Gender	Female
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Citizenship	United States

Dependents	
Name	Julia Sample-Affluent
Date of Birth	Jan 4 1995
Gender	Female
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Dependent of	Joe and Jane
Name	Mark Sample-Affluent
Date of Birth	Apr 23 1996
Gender	Male
Address	123 Orchid Drive Ridgefield, Connecticut 12345
	United States
Dependent of	Joe and Jane

Professional Advisors

Type	Name	Business Phone #	Cell Phone #
Advisor	Linda Hamilton	(555) 555-1234	(555) 555-4321

Regular Income

Income Source	Member	Applicable	Amount	Indexed
Joe's salary	Joe	Jan 1 2010 to Sep 30 2022	\$16,667/mo	Inflation
Jane's salary	Jane	Jan 1 2010 to Aug 31 2022	\$15,750/mo	Inflation

Defined Benefit Pension Plans - Estimate Benefit

Description:	Pension	Annual Benefit:	\$45,000
Plan Owner:	Joe	Indexed by:	3.00%
Pct. payable to survivor:	85.00%		

Description:	Pension	Annual Benefit:	\$42,000
Plan Owner:	Jane	Indexed by:	3.00%
Pct. payable to survivor:	85.00%		

Social Security Retirement Benefits

Member	Start Age/Date	Calculated Monthly Benefit (% / \$) OR Est. Monthly Benefit (today's \$)	Indexed	Eligible for Spousal Benefits
Joe	Retirement	100% / \$1,774	Inflation	Yes
Jane	Retirement	100% / \$1,772	Inflation	Yes

Social Security Survivor Benefits

Member	Monthly Benefit to Survivor and Eligible Dependents (% / \$)	Monthly Benefit to Survivor at Retirement (%/\$)	Spouse's Revised Start Date During Retirement	Indexed
Joe	100% / \$3,742	100% / \$1,784	Retirement	Inflation
Jane	100% / \$3,747	100% / \$1,989	Retirement	Inflation

Regular Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Housing (e.g. utilities, repairs)	Joint	Jan 1 2010 to Aug 31 2022	\$6,800/mo	Inflation	Yes
Support for Julia	Julia	Not applicable	\$20,000/yr	Inflation	No
LTC Expense	Joe	Not applicable	\$200/day	Inflation	No
LTC Expense	Jane	Not applicable	\$200/day	Inflation	No
Retirement goal expense	Joint	Sep 1 2022 to Dec 31 2052	\$17,000/mo	Inflation	Yes
Travel expense	Joint	Sep 1 2022 to Aug 31 2032	\$2,500/mo	Inflation	No
Golf club membership	Joint	Sep 1 2022 to Aug 31 2037	\$2,000/mo	Inflation	No
Support for Mark	Mark	Jan 1 2011 to Apr 23 2021	\$20,000/yr	Inflation	No
Property Taxes for Residence	Joint	Dec 31 2000 to Never	\$5,000/year	Inflation	Yes

Lump Sum Expenses

Expense	Member	Applicable	Amount	Indexed	Fixed Expense
Lump Sum Need	Joint	Dec 31 2052 (the latter of Joe and Jane's Deceased Date)	\$200,000	Inflation	No
Burial	Joe	Dec 31 2050 (Joe's Deceased Date)	\$10,000	Inflation	No
Burial	Jane	Dec 31 2052 (Jane's Deceased Date)	\$10,000	Inflation	No

Surplus Expenses

Surplus Of	Percentage	Applicable
Joe and Jane	0%	Jan 1 2010 to Dec 31 2051 (the latter of Joe and Jane's Deceased Date minus 1 years)

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Lifestyle Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate ¹	Standard Deviation
Art collection (Joint/Lifestyle)	Dec 31 1990	\$75,000	Jan 1 2010	\$250,000	2.00%	0.00%
Personal Use Property (Joint/Lifestyle)	Dec 31 2007	\$325,000	Jan 1 2010	\$500,000	2.00%	0.00%
Residence (Joint/Lifestyle)	Dec 31 2000	\$500,000	Jan 1 2010	\$1,000,000	2.00%	0.00%
Vacation Timeshare (Joint/Major Purchase Objective)	Jan 1 2018	\$88,000	N/A	N/A	3.00%	0.00%

¹The growth rate is a pre-tax amount

Real Estate Assets

Asset Name	Purchase Date	Purchase Amount	Market Value Date	Market Value	Growth Rate	Net Rental Income
New Haven Bed and Breakfast (Joe/Real Estate)	Jan 1 2004	\$250,000	Jan 1 2010	\$340,000	2.00%	\$50,000

Business Entity Assets

Asset Name:	Hargrave Real Estate Consulting (Joe/S Corporation)		
Purchase Date:	Feb 1 2001	Income:	\$128,000
Purchase Amount:	\$665,000	Expenses:	\$32,000
Market Value Date:	Jan 1 2010	Distributions:	\$85,000
Market Value:	\$850,000	AMT Adjustments:	\$28,000
Growth Rate:	6.0000%	Standard Deviation:	12.0000%

Individual Stock Options

Asset Name	Grant Date	Options Granted	Strike Price	Current Unit Value	Dividend	Growth Rate
Jane's 2002 NSOs	Jan 15 2002	2,500	\$24.00	\$36.00	\$0.88	7.0%
Joe's ISOs	Jan 1 2001	1,500	\$14.00	\$37.00	\$0.97	7.6%

Portfolio Assets

Asset Name	Goal	Market Value Date	Market Value	Basis	Int. (%)	Div. (%)	Cap. Gain (%)	Tax Free (%)	Def. Growth (%)	Std. Dev. (%)	Total (%)
\$15K of Joint Savings (Non-Qualified)	Emergency Fund	Jan 1 2010	\$15,000	\$12,209	3.70	0.00	0.00	0.00	0.00	6.21	3.70
Jane's Brokerage Account (Non-Qualified)		Jan 1 2010	\$100,000	\$87,500	3.13	0.52	0.69	0.00	0.44	5.42	4.77
Joint Savings (Non-Qualified)		Jan 1 2010	\$200,000	\$162,791	3.13	0.52	0.69	0.00	0.44	5.42	4.77
Ridgefield Bank Checking (Joint/Non-Qualified)		Jan 1 2010	\$25,000	\$25,000	3.13	0.52	0.69	0.00	0.44	5.42	4.77
Ridgefield Bank Savings (Joint/Non-Qualified)		Jan 1 2010	\$50,000	\$50,000	3.13	0.52	0.69	0.00	0.44	5.42	4.77
Vacation Timeshare (Joint/Non-Qualified)	Vacation Timeshare	Jan 1 2010	\$28,000	\$26,000	2.17	1.17	2.17	0.00	0.68	8.64	6.20
Jane's 401(k)	Retirement	Jan 1 2010	\$575,000	\$0	1.31	2.22	3.20	0.00	1.52	13.24	8.26
Joe's 401(k)	Retirement	Jan 1 2010	\$545,000	\$0	1.31	2.22	3.20	0.00	1.52	13.24	8.26
Mark's Education Plan (Joe/529 Plan for Mark)	Mark - College Education	Jan 1 2010	\$92,000	N/A	4.39	0.59	1.08	0.00	0.34	9.07	6.40
Julia's Education Plan (Jane/529 Plan for Julia)	Julia - College Education	Jan 1 2010	\$102,000	N/A	4.39	0.59	1.08	0.00	0.34	9.07	6.40

The *Portfolio Assets* section includes your major investment assets. It supplies the market value and cost basis of these assets. Cost basis for non-qualified assets is equal to the amount you paid to acquire the assets, plus income reinvestments, less any amounts you received income tax-free. Your total pretax growth rate is broken down into specific return rate types, as some of these items currently receive special tax treatment. At present interest is taxed as ordinary income at the marginal tax rates. Dividends are taxed at the long-term capital gains tax rates in 2003-2010 and are otherwise taxed as ordinary income at the marginal tax rates. Capital gains are either long-term or short-term. For non-qualified assets, income from the deferred growth component is not subject to tax until the asset is sold and is usually subject to the capital gains tax rules. For qualified assets, income from the deferred growth component is usually subject to tax as ordinary income at the average tax rates. Tax-free returns are not subject to regular income tax, but may be subject to the Alternative Minimum Tax. The actual total return rates that you will receive will depend on many factors, including inflation, type of investment, market conditions and investment performance.

Life Insurance Policies

Description:	Jane's policy		
Policy Type:	Whole Life	Owner:	Jane
Effective Date:	Dec 31 2009	Insured:	Jane
Death Benefit:	\$500,000	Beneficiary:	Joe
Cash Surrender Value (CSV):	\$75,000	Premium Payer:	Jane
Premiums cease on:	Sep 15 2042	Annual Premium Payments:	\$1,500
CSV payable with Death Benefit:	Yes	Coverage ceases on:	Never
		Disability Waiver:	Yes

Description:	Joe's policy		
Policy Type:	Whole Life	Owner:	Joe
Effective Date:	Dec 31 2009	Insured:	Joe
Death Benefit:	\$800,000	Beneficiary:	Jane
Cash Surrender Value (CSV):	\$125,000	Premium Payer:	Joe
Premiums cease on:	Oct 1 2040	Annual Premium Payments:	\$2,400
CSV payable with Death Benefit:	Yes	Coverage ceases on:	Never
		Disability Waiver:	Yes

Disability Insurance Policies

Description:	Joe's Group STD		
Policy Type:	Group STD	Insured:	Joe
		Effective Date:	Dec 31 2009
Company:		Owner:	Joe
Policy #:		Premium payer:	Joe
Benefits are \$10,000/month (taxable) . Benefits begin after 2 weeks and are paid until 3 months . Premiums are \$75/month and end on Sep 30 2022 .			

Description:	Jane's Group STD		
Policy Type:	Group STD	Insured:	Jane
		Effective Date:	Dec 31 2009
Company:		Owner:	Jane
Policy #:		Premium payer:	Jane
Benefits are \$10,000/month (taxable) . Benefits begin after 2 weeks and are paid until 3 months . Premiums are \$75/month and end on Aug 31 2022 .			

Description:	Joe's Group LTD		
Policy Type:	Group LTD	Insured:	Joe
		Effective Date:	Dec 31 2009
Company:		Owner:	Joe
Policy #:		Premium payer:	Joe
Benefits are \$10,000/month (taxable) . Benefits begin after 3 months and are paid until age 65 . Premiums are \$100/month and end on Sep 30 2022 .			

Description:	Jane's Group LTD		
Policy Type:	Group LTD	Insured:	Jane
		Effective Date:	Dec 31 2009
Company:		Owner:	Jane
Policy #:		Premium payer:	Jane
Benefits are \$10,000/month (taxable) . Benefits begin after 3 months and are paid until age 65 . Premiums are \$90/month and end on Aug 31 2022 .			

Long-term Care Insurance Policies

Description:	LTC Insurance		
Insured:	Joe		
Company:	Effective Date:	Jan 1 2010	
Policy #:	Premium payer:	Joe	

Benefits are **\$150/day (tax-free)** indexed before LTC by inflation + 2.00%, and indexed during LTC by inflation + 2.00%. Benefits begin **after 90 days** and are paid **until 4 years**. Premiums are **\$60/month** and end on claim of LTC.

Description:	LTC Insurance		
Insured:	Jane		
Company:	Effective Date:	Jan 1 2010	
Policy #:	Premium payer:	Jane	

Benefits are **\$150/day (tax-free)** indexed before LTC by inflation + 2.00%, and indexed during LTC by inflation + 2.00%. Benefits begin **after 90 days** and are paid **until 4 years**. Premiums are **\$45/month** and end on claim of LTC.

Liabilities

Liability Name	Liability Date	End Date	Original Principal	Current Principal	Int. Rate	Payment Type	Linked to Asset
Mortgage	Dec 31 2009	Jul 30 2021	\$350,000	\$350,000	6.00%	Principal & Interest	Residence
Personal Loans	Dec 31 2009	Apr 30 2016	\$25,000	\$25,000	6.00%	Principal & Interest	N/A

Regular Investment Strategies

Asset Name	Applicable	Amount	Indexed
Vacation Timeshare (Joint/Non-Qualified)	Jan 1 2010 to Dec 31 2017	\$400/Month	0.0%
\$15K of Joint Savings (Non-Qualified)	Jan 1 2010 to Aug 31 2022	\$35/Month	0.0%
Joint Savings (Non-Qualified)	Jan 1 2010 to Aug 31 2022	\$465/Month	0.0%
Joe's 401(k)	Jan 1 2010 to Sep 30 2022		
Employee Pre-Tax Contribution		\$1,000/Month	0.0%
Employee Post-Tax Contribution (0.00% of Salary)		\$0/Month	N/A ¹
Employer Contribution		\$750/Month	0.0%
Jane's 401(k)	Jan 1 2010 to Aug 31 2022		
Employee Pre-Tax Contribution		\$1,000/Month	0.0%
Employee Post-Tax Contribution (0.00% of Salary)		\$0/Month	N/A ¹
Employer Contribution		\$500/Month	0.0%
Julia's Education Plan (Jane/529 Plan for Julia)	Jan 1 2010 to Dec 31 2015	\$200/Month	0.0%
Mark's Education Plan (Joe/529 Plan for Mark)	Jan 1 2010 to Dec 31 2016	\$200/Month	0.0%

¹ Indexing occurs if the salaries used in the calculations have been indexed.

The table above includes all your periodic (annual or monthly) investment contributions.

Transfer Strategies

Source Asset	Destination Asset	Amount	When
Jane's 2002 NSOs	Jane's Brokerage Account	\$27,927	Jan 1 2012
Joe's ISOs	Jane's Brokerage Account	\$35,343	Feb 1 2012

Transfers specify a plan for moving your investments from one type of asset to another on specific dates or events such as retirement. Also, transfers will be desirable in some cases to move from one type of investment to another type at a certain point in time. Refer to your **Action Plan** to view the amounts to be transferred for the next three years.

Deficit Coverage Strategies

Asset Name	Applicable
Jane's 2002 NSOs	Jan 1 2010 to Aug 1 2022
Jane's 2002 NSOs	While Retired
Joe's ISOs	Jan 1 2010 to Sep 1 2022
Joe's ISOs	While Retired
Ridgefield Bank Savings (Joint/Non-Qualified)	Jan 1 2010 to Aug 1 2022
Ridgefield Bank Checking (Joint/Non-Qualified)	Jan 1 2010 to Aug 1 2022
Jane's Brokerage Account (Non-Qualified)	Jan 1 2010 to Aug 1 2022
Vacation Timeshare (Joint/Non-Qualified)	Jan 1 2010 to Aug 1 2022
\$15K of Joint Savings (Non-Qualified)	Jan 1 2010 to Aug 1 2022
Joint Savings (Non-Qualified)	Jan 1 2010 to Aug 1 2022
Joe's 401(k)	Oct 1 2022 to Dec 31 2052
Jane's 401(k)	Sep 1 2022 to Dec 31 2052

The assets listed are available for redemption to meet cash flow needs. The *Applicable* column indicates the period of time these assets are available. Typically, qualified assets are not available during your working years.

Deficit Coverage Order for Pre-Retirement

Description	Plan Type	Owner
Ridgefield Bank Checking	Non Qualified	Joint
Ridgefield Bank Savings	Non Qualified	Joint
Vacation Timeshare	Non Qualified	Joint
Jane's Brokerage Account	Non Qualified	Jane
Joint Savings	Non Qualified	Joint
Jane's 401(k)	401(k)	Jane
Joe's 401(k)	401(k)	Joe
Jane's 2002 NSOs	Non Qualified	Jane
Joe's ISOs	Non Qualified	Joe

The assets listed are available and will be redeemed in the order they appear to meet cash flow needs during the pre-retirement period. Order: Non-qualified accounts.

Liquidation Order for Retirement

Description	Plan Type	Owner
Vacation Timeshare	Non Qualified	Joint
Jane's 401(k)	401(k)	Jane
Joe's 401(k)	401(k)	Joe
Jane's 2002 NSOs	Non Qualified	Jane
Joe's ISOs	Non Qualified	Joe

At retirement the liquidation of accounts will be based on the following order: Non-qualified, Roth, Qualified accounts.

Education Expenses

Julia - College Education

Expenses

Member	Start Date	End Date	Annual Amount
Julia	Jan 1 2013	Dec 31 2016	\$40,000

Expenses Indexed by Inflation: Yes + 2.00%

Assets Allocated to Education Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
Julia's Education Plan (Jane/529 Plan for Julia)	Jan 1 2010	\$102,000.00	6.40%

Mark - College Education

Expenses

Member	Start Date	End Date	Annual Amount
Mark	Jan 1 2014	Dec 31 2017	\$40,000

Expenses Indexed by Inflation: Yes + 2.00%

Assets Allocated to Education Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
Mark's Education Plan (Joe/529 Plan for Mark)	Jan 1 2010	\$92,000.00	6.40%

Emergency Expenses

Expense	Amount	Index Rate
Emergency Fund	\$35,660	N/A

Assets Allocated to Emergency Expenses

Asset Name	Market Value Date	Market Value	Growth Rate
\$15K of Joint Savings (Non-Qualified)	Jan 1 2010	\$15,000.00	3.70%

Important: The calculations or other information generated by NaviPlan® version 12.0 regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. These calculations are shown for illustrative purposes only because they utilize return data that may not include fees or operating expenses, and are not available for investment. If included, fees and other operating expenses would materially reduce these calculations. See the Disclaimers section for more information.

Trusts

Credit Shelter Trust			
Funding Date	Dec 31 2050	At Death of	Joe
Allocation for GSTT Exemption	Equals trust funding amount	Trust Tax Rate	40.0%
Rates of Return			
Interest	1.5%	Dividends	1.5%
Capital Gains	1.5%	Tax Free	0.0%
Deferred Growth	1.5%	Reinvestment Frequency	Annual
Income Beneficiaries		Remainder Beneficiaries	
Jane	100%	Julia (Heir)	50%
		Mark (Heir)	50%

Estate Distribution

The Detailed option has been selected. Details are as follows:

Will Details/Either Dies First

Asset Bequests

Source Asset	Owner	Beneficiary	Value (\$ or %)	At Death of
New Haven Bed and Breakfast	Joe	Mark	50%	2nd to die
Art collection	Joint	Julia	50%	2nd to die
Art collection	Joint	Mark	50%	2nd to die
New Haven Bed and Breakfast	Joe	Julia	50%	2nd to die

Testamentary Trusts

Description	Trust Type	Funding Option	Value (\$)	At Death of
Credit Shelter Trust	Credit Shelter Trust	Max. Exclusion	N/A	1st to die
Marital Trust	Marital Trust	Remainder	N/A	1st to die

Giftng Growth

Beneficiary	GSTT applicable for Joe's gifts	GSTT applicable for Jane's gifts	50% Charity	Growth Rate	Average Income Tax Rate	Net After-Tax Growth
Other (Other)	No	No		3.00%	0.0%	3.00%
Julia Sample-Affluent (Heir)	No	No		3.00%	15.0%	2.55%
Mark Sample-Affluent (Heir)	No	No		3.00%	15.0%	2.55%
Cancer Society (Charity)			Yes	3.00%	0.0%	3.00%

Giftng History (Joe)

Beneficiary	Prior Cash Gifts	Prior Cash Gifts with Growth	Prior Asset Gifts	Prior Asset Gifts with Growth	Prior Bequests	Prior Bequests with Growth	Prior Gifts to Trusts	Prior Payments from Trusts with Growth
Other (Other)	0	0	0	0	0	0	0	0
Julia Sample-Affluent (Heir)	94,500	103,262	0	0	0	0	0	0
Mark Sample-Affluent (Heir)	0	0	0	0	0	0	0	0
Cancer Society (Charity)	0	0	0	0	0	0	0	0

Giftng History (Jane)

Beneficiary	Prior Cash Gifts	Prior Cash Gifts with Growth	Prior Asset Gifts	Prior Asset Gifts with Growth	Prior Bequests	Prior Bequests with Growth	Prior Gifts to Trusts	Prior Payments from Trusts with Growth
Other (Other)	0	0	0	0	0	0	0	0
Julia Sample-Affluent (Heir)	0	0	0	0	0	0	0	0
Mark Sample-Affluent (Heir)	107,000	116,922	0	0	0	0	0	0
Cancer Society (Charity)	0	0	0	0	0	0	0	0

Tax Considerations

As Legislated

On May 26, 2001, the U.S. Congress adopted the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001 (the Act). This Act includes the largest tax cut in more than 20 years. It also provides for major changes to estate tax, gift tax, and generation-skipping transfer tax (GSTT) starting in the year 2002 and continuing through 2010.

The changes to personal and estate taxes (including credits, exemptions, etc.) are being phased in starting in 2002 and continue through 2009. In the year 2010, the estate tax and GSTT are repealed for one year. The gift tax, however, continues with a \$1 million exemption.

Gifts granted during the years 2002-2009, inclusive, are taxed under the same rate table as estates. Under the Act, the applicable exclusion amount for gift tax purposes is \$1 million and will remain at that amount. The maximum gift tax rate is reduced to 35% in 2010. The applicable exclusion amount for estate tax purposes does not apply in the year 2010 as the estate tax is scheduled for repeal.

The biggest change is a new carryover basis system that replaces the estate tax. Up to and including 2009, assets receive a step-up in basis equal to the fair market value of the asset at the time of death. In 2010 during estate tax repeal, assets do not automatically receive a step-up in basis at death. The effect of this is an increase in capital gains tax. However, there are provisions for a limited amount of assets to receive a step-up. Up to \$3 million of assets transferred to a spouse and \$1.3 million of assets transferred to *Other* are eligible for the increased basis at your death. Under this option, the new carryover basis system is applicable for only the one year that the estate tax is repealed.

On May 28, 2003, the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) was enacted. The JGTRRA provides an acceleration of various income tax provisions of the 2001 Act. In addition, the JGTRRA provides a reduction in the maximum long-term capital gains tax rate and preferential tax treatment for dividend income until 2008. The Tax Increase Prevention and Reconciliation Act of 2005 further extends the provision until the end of 2010, after which the provisions will revert to prior law.

Because of the sunset clause, the provisions in the Act are effective only to the end of 2010. In 2011, the tax laws revert to those in place in 2001, except where extended by the Pension Protection Act of 2006. For the purposes of your plan, we have illustrated the law as legislated, with one year of estate tax repeal, and the tax law reverting back to 2001 law in the year 2011.

On August 17, 2006, the Pension Protection Act (PPA) of 2006 was signed into law. The PPA permanently extends certain provisions of the EGTRRA. Specifically, the PPA makes permanent contribution limit increases to IRAs and certain employer-sponsored plans, permanently extends the availability of Roth 401(k) and Roth 403(b) plans, and permanently extends the non-taxability of qualified 529 plan distributions.

Important Terminology

Current plan

The current plan consists of information provided and reviewed by you and serves as the basis for some of the assumptions used in the proposed plan.

Proposed plan

The proposed plan is a system-generated plan that is calculated based on achieving your stated goals by applying the additional assumptions contained within the proposed scenarios.

Scenarios

A scenario is a modification of assumptions based on the current plan. A proposed scenario is incorporated into the proposed plan.

Rate of return (Current - Not Rebalanced)

Current - Not Rebalanced does not rebalance the accounts linked to a goal. Each account linked to a goal maintains a separate rate of return.

Rate of return (Current - Rebalanced)

Current - Rebalanced rebalances the accounts linked to a goal and uses the weighted average rate of return of the linked assets.

Rate of return (suggested asset mix)

The rate of return that is calculated based on the investment profile as determined by answers to a risk tolerance questionnaire.

Rate of return (assumed asset mix)

The dollar-weighted average rate of return of the assets in the proposed plan based on the assumptions defined in the proposed scenarios. A goal-based rate of return (assumed asset mix) represents the dollar-weighted average rate of return of the assets linked to that particular goal, based on the assumptions defined in the proposed scenario.

Rate of return (proposed plan)

The dollar-weighted average rate of return of the assets that are used in the assumed/suggested asset mix. This rate of return is the same as the *Rate of return (assumed/suggested asset mix)*.

Standard deviation

Standard deviation is a statistical measure of the volatility of an asset or account. It measures the degree to which the rate of return in any one year varies from the historical average rate of return for that investment; the greater the standard deviation, the riskier the investment.

Unlinked accounts

Unlinked accounts represent all non-qualified accounts that are not linked to a goal. (Qualified accounts are automatically linked to the retirement goal.) Unlinked accounts are assumed to be allocated to the estate.

Investment profile

The investment profile is the result of an analysis of an individual's investment objectives, time horizon, and risk tolerance in reference to investing.

Portfolio

The combination of assets a client owns and that are considered in this plan to fund the client's goal.

Time horizon

The length of time desired to achieve a financial goal. A longer time horizon usually allows an individual to withstand more volatility, whereas a shorter time horizon typically requires less volatility and more liquidity.

Asset mix

The combination of asset classes within an investment portfolio. It can also be a further division within an asset class of assets such as a mix of small, medium, and large company stock assets.

Current asset mix

The combination of asset classes assigned to the assets included in the current plan.

Suggested asset mix

The asset mix that is derived based on the investment profile as determined by answers to a risk tolerance questionnaire.

Assumed asset mix

The asset mix that results when the suggested asset mix is subject to certain modifications.

Entire portfolio

The entire portfolio for the current plan represents the asset mix of all accounts in the plan. The entire portfolio for the proposed plan is the combined suggested and assumed asset mixes associated with all of the goals included in the plan.

Blended mix

For the entire portfolio, a blended mix of investment profiles indicates that the investment profile has been defined differently for each goal. For the retirement goal, a blended mix of investment profiles indicates that the investment profile has been defined differently for each type of account (qualified retirement accounts, non-qualified accounts, or non-qualified annuity retirement accounts).

Community property

In states with community property laws, any property acquired by a married couple residing in a community property state is considered to be equally owned by both parties.

Annuitize

The transition of an annuity contract from the accumulation phase into the income distribution phase. In the income distribution phase the accumulated value of the annuity is distributed via a computed stream of income payments over a duration of time or through varying withdrawals from the annuity.

Inflation rate/Index rate

The rate that dollar values are discounted over time. The rate is measured by an index that indicates the change in the cost of various goods and services as a percentage.

Effective marginal tax rate

This combined federal and state marginal tax rate is the actual percent of total additional tax triggered by an additional dollar of ordinary income. It takes into account the impact of an extra dollar on taxes that results from such items as taxable social security, capital gains and credits.

Required minimum distribution (RMD)

The amount required by the IRS to be withdrawn each year from traditional IRAs and employer-sponsored retirement plans, starting on the required beginning date, which generally (but not always) occurs in the year following the year in which the owner turns 70½.

Uniform Transfer to Minors Act (UTMA) and Uniform Gift to Minors Act (UGMA)

UTMA and UGMA are custodial accounts, owned by a minor with an adult designated as the custodian. The accounts are normally used to save for the child's education. Once the transfer to the account occurs, the account is the legal property of the child and can only be used for the child's benefit. When the child reaches the age of majority, control of the account transfers to the child and the child can use the proceeds as he or she wishes. The UTMA considers the age of majority to be 21 although it is 18 in some states.

Unlimited marital deduction (UMD)

A provision in the Internal Revenue Code which allows assets owned by the decedent to be transferred to the surviving spouse without incurring estate taxes.

Fixed expenses

Fixed expenses include ongoing expenses that you have determined cannot be easily changed or eliminated, such as basic living expenses or retirement expenses.

Fixed needs

Fixed needs include all your fixed expenses, plus other expenses that have been calculated based on your financial information. These expenses include liability payments, insurance premiums, property taxes, and income taxes.

Lifestyle expenses

The definition of lifestyle expenses includes all expenses entered in the *Cash Flow* category where the type of expense is classified as lifestyle.

Total needs

The definition of total needs includes all fixed needs, all other expenses that are not considered in the fixed needs definition, and total taxes. The total needs in the plan will account, in part, for expenses that are more discretionary in nature.

Fixed incomes

The definition of fixed incomes includes the pre-tax income from the following income sources; Benefit Formula and Estimate Benefit pensions, income entered with the type *Pension*, Social Security income of the client and co-client (retirement, survivor, and disability benefits), income entered with the type *Salary*, and annuity income (excluding income from annuities with the income option of *Withdrawals as Needed*).

Asset class

A category of investments grouped according to common characteristics such as relative liquidity, income characteristics, tax status, and growth characteristics.

Large Cap Growth Equity

Domestic U.S. equity stocks representing securities with a greater-than-average growth orientation, which tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields, and higher forecasted growth values.

Large Cap Value Equity

Domestic U.S. equity stocks representing securities with a less-than-average growth orientation, which generally have lower price-to-book and price-earnings ratios, higher dividend yields, and lower forecasted growth values.

Mid Cap Equity

Domestic U.S. equity stocks representing the Russell Mid Cap Index, which consists of the smallest 800 companies in the Russell 1000 index as ranked by total market capitalization.

Small Cap Equity

Domestic U.S. equity stocks representing the Russell 2000 Index, which is a small-cap index consisting of the smallest 2,000 companies in the Russell 3000 Index.

International Equity

Stocks representing the MSCI EAFE (Europe, Australasia, Far East) Index, which is a free float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada.

Emerging Markets Equity

Equities representing the MSCI Emerging Markets Index, which is a free float-adjusted market capitalization index designed to measure equity market performance in the global emerging markets.

Long-Term Bonds

Bonds where the total returns are calculated for each year on a single bond issued by the U.S. Government with a term of approximately 20 years, and a reasonably current coupon with returns that did not reflect potential tax benefits, impaired negotiability, or special redemption or call privileges.

Intermediate-Term Bonds

These bonds represent one-bond portfolios used to construct the intermediate-term index. The bond chosen each year is the shortest non-callable bond with a maturity of not less than five years, and it is "held" for the calendar year.

Short-Term Bonds – U.S. 1-Year Government Bonds

Bonds represent yields on Treasury securities at "constant maturity" and are interpolated by the U.S. Treasury from the daily yield curve. This curve relates the yield on a security to its time to maturity, and is based on the closing market bid yields on actively traded Treasury securities in the over-the-counter market.

High-Yield Bonds

Bonds representing the universe of fixed rate, noninvestment grade debt.

International Bonds

Bonds reflecting the returns provided by investment in international (non-U.S.) fixed income securities.

Cash

Cash reflects the returns provided by short-term fixed income instruments. The index is based on the U.S. 3-month Treasury bills.

Important acronyms

CST – Credit shelter trust	CSV – Cash surrender value
EOY – End of year	GSTT – Generation-skipping transfer tax
ILIT – Irrevocable life insurance trust	IRD – Income in respect of a decedent
JGTRRA – Jobs and Growth Tax Relief Reconciliation Act of 2003	RMD – Required minimum distribution
SOY – Start of year	UGMA – Uniform Gift to Minors Act
UMD – Unlimited marital deduction	UTMA – Uniform Transfer to Minors Act
ROR – Rate of return	

Disclaimer

IMPORTANT: Please read this section carefully. It contains an explanation of some of the limitations of this report.

IMPORTANT: The calculations or other information generated by NaviPlan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.

Below is an outline of several specific limitations of the calculations of financial models in general and of NaviPlan specifically.

The Calculations Contained in This Report Depend in Part, on Personal Data That You Provide

The assumptions used in this analysis are based on information provided and reviewed by you. Please review all assumptions in the Plan Data Summary section before reviewing the rest of the report to ensure the accuracy and reasonableness of the assumptions. These assumptions must be reconsidered on a frequent basis to ensure the results are adjusted accordingly. The smallest of changes in assumptions can have a dramatic impact on the outcome of this analysis. Any inaccurate representation by you of any facts or assumptions used in this analysis invalidates the results.

This Report is Not a Comprehensive Financial Report and Does Not Include, Among Other Things, a Review of Your Insurance Policies

We have made no attempt to review your property and liability insurance policies (auto and homeowners, for example). We strongly recommend that in conjunction with this analysis, you consult with your property and liability agent to review your current coverage to ensure it continues to be appropriate. In doing so, you may wish to review the dollar amount of your coverage, the deductibles, the liability coverage (including an umbrella policy), and the premium amounts.

NaviPlan Does Not Constitute Legal, Accounting, or Tax Advice

This analysis does not constitute advice in the areas of legal, accounting or tax. It is your responsibility to consult with the appropriate professionals in those areas either independently or in conjunction with this planning process.

Circular 230: Any income tax, estate tax or gift tax advice contained within this document was not intended or written to be used for, and cannot be used for, the purpose of avoiding penalties that may be imposed.

Discussion of the Limits of Financial Modeling

Inherent Limitations in Financial Model Results

Investment outcomes in the real world are the result of a near infinite set of variables, few of which can be accurately anticipated. Any financial model, such as NaviPlan, can only consider a small subset of the factors that may affect investment outcomes and the ability to accurately anticipate those few factors is limited. For these reasons, investors should understand that the calculations made in this analysis are hypothetical, do not reflect actual investment results, and are not guarantees of future results.

Results May Vary With Each Use and Over Time

The results presented in this analysis are not predictions of actual results. Actual results may vary to a material degree due to external factors beyond the scope and control of this analysis. Historical data is used to produce future assumptions used in the analysis, such as rates of return. Utilizing historical data has limitations as past performance is not a guarantee or predictor of future performance.

Outline of the Limitations of NaviPlan and Financial Modeling

Your Future Resources and Needs May Be Different From the Estimates That You Provide

This analysis is intended to help you in making decisions on your financial future based, in part, on information that you have provided and reviewed. The proposed asset allocation presented in this analysis is based, in part, on your answers to a risk tolerance questionnaire and may represent a more aggressive—and therefore more risky—investment strategy than your current asset allocation mix.

The calculations contained in the report utilize the information that you have provided and reviewed including, but not limited to, your age, tolerance for investment risk, income, assets, liabilities, anticipated expenses, and likely retirement age. Some of this information may change in unanticipated ways in the future and those changes may make NaviPlan less useful.

NaviPlan Considers Investment in Only a Few Broad Investment Categories

NaviPlan utilizes this information to estimate your future needs and financial resources and to identify an allocation of your current and future resources, given your tolerance for investment risk, to a few broad investment categories: large-cap equity, mid-cap equity, small-cap equity, international equity, emerging equity, bonds, and cash.

In general, NaviPlan favors the investment categories that have higher historical and expected returns. The extent of the recommended allocation to these favored investment categories is limited by the investor's disclosed tolerance for risk. In general, higher returns are associated with higher risk.

These broad investment categories are not specific securities, funds, or investment products and NaviPlan is not an offer or solicitation to purchase any securities or investment products. The assumed rates of return of these broad categories are based on the returns of indices. These indices do not include fees or operating expenses and are not available for investment. These indices are unmanaged and the returns are shown for illustrative purposes only.

It is important to note that the broad categories that are used are not comprehensive and other investments that are not considered may have characteristics that are similar or superior to the categories that are used in NaviPlan.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this analysis.

NaviPlan Calculates Investment Returns Far Into the Future Using Ibbotson Data

For all asset class forecasts, Ibbotson uses the building block approach to generate expected return estimates. The building block approach uses current market statistics as its foundation and adds historical performance relationships to build expected return forecasts. This approach separates the expected return of each asset class into three components: the real risk-free rate, expected inflation, and risk premia. The real risk-free rate is the return that can be earned without incurring any default or inflation risk. Expected inflation is the additional reward demanded to compensate investors for future price increases, and risk premia measures the additional reward demanded for accepting uncertainty associated with investing in a given asset class. Any calculation of future returns of any asset category, including any calculation using historical returns as a guide, has severe limitations. Changes in market conditions or economic conditions can cause investment returns in the future to be very different from returns in the past. Returns realized in the future can, in fact, be much lower, or even negative, for all or some of these asset categories and, if so, the calculations in NaviPlan will be less useful.

Any assets, including the broad asset categories considered in NaviPlan, that offer potential profits also entail the possibility of losses.

Furthermore, it is significant that the historical data for these investment categories does not reflect investment fees or expenses that an investor would pay when investing in securities or investment products. The fees and expenses would significantly reduce net investment returns and a calculation taking account of fees and expenses would result in lower expected asset values in the future.

Refer to the Asset Allocation section of this report for details on return rate assumptions used throughout this analysis.

NaviPlan Calculations Include Limited Accounting for Taxes

The federal and state income tax laws are extremely complex and subject to continuous change. NaviPlan has limited capability to model any individual's tax liability, and future tax laws may be significantly different from current tax laws. Any changes in tax law may affect returns for any given investment and make the calculations produced by NaviPlan less useful. The calculations contain limited support for the tax impact on transfers of money or redemptions of funds. Please review the tax assumptions outlined in the Plan Data Summary section of this report for more specific information regarding tax assumptions used in the calculations.

NaviPlan Calculations Do Not Include Fees and Expenses

The calculations utilize return data that do not include fees or operating expenses. If included, fees and other operating expenses would materially reduce these calculations. Recommendations included in the calculations to redeem funds from certain investments or transfer money to others do not account for fees and charges that may be incurred.

NaviPlan Calculations May Include Variable Products

Variable life insurance policies or deferred variable annuities are inherently risky and may be included in the calculations. The return rate assumptions used throughout this analysis do not relate to the underlying product illustrated. These returns should not be used as a proxy for actual performance as they may exaggerate the performance potential of the underlying investment accounts (subaccounts). Any calculations incorporating variable products are hypothetical and intended to show how the performance of the underlying subaccounts could affect the value and death benefit of the variable products; these calculations are not intended to predict or project investment results. Please review all assumptions in the Plan Data Summary section of this report to assess the reasonableness of the assumptions associated with any variable products used in the calculations.

The rates of return have not been adjusted to include mortality and expense fees attributable to variable annuities. These fees, and their effects on asset growth, are accounted for as a monthly expense of the annuity contract and can be observed in applicable net worth reports.

If a variable annuity included in this analysis contains a guaranteed minimum withdrawal rider, it is important to understand that if the contract value is greater than the guaranteed minimum withdrawal benefit once withdrawals begin, as an investor you will have paid for the rider and not actually used it.

Income taxes during the annuitization phase are accounted for in the calculations. See the section titled NaviPlan Calculations Include Limited Accounting for Taxes in this Disclaimer for further information on the tax methodology used.

Delivery Acknowledgement

We, Joe and Jane Sample-Affluent, have reviewed and accept the information contained within this plan and understand the assumptions associated with it. We believe that all information provided by us is complete and accurate to the best of our knowledge. We recognize that performance is not guaranteed and that all future calculations are included simply as a tool for decision-making and do not represent a forecast of our financial future. This analysis should be reviewed periodically to ensure that decisions made continue to be appropriate, particularly if there are changes in family circumstances, such as an inheritance, birth of a child, death of a family member, or material change in incomes or expenses.

Joe Sample-Affluent

Jane Sample-Affluent

Date:

Note

This analysis has been prepared based on the information provided. There has been no attempt to verify the accuracy or completeness of this information. As the future cannot be forecast with certainty, actual results will vary from these calculations. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered.