



## *Wealth Design Summary*

Analysis of Alternative Planning Scenarios  
**A COMPARISON OF KEY VALUES**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**John & Mary Sample**

*Baseline vs. Basic Planning vs. Advanced Planning*

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## Disclaimer

This financial plan is designed to provide educational and/or general information and is not intended to provide specific legal, accounting and/or tax advice. Any comparisons and projections including expected rates of return are presented for purposes of illustration only. Nevertheless, we believe that the comparisons as well as the other projections shown provide an important and valid basis for consideration when planning for your financial future.

**IMPORTANT: *The projections or other information generated by this financial plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results herein may vary with each use of the software tool(s) used to generate this financial plan and over time.***

The financial plan may contain ideas for your consideration concerning aspects of your life such as tax, retirement and estate planning, but these are not presented as, and must not be taken for, legal or tax advice. It is your responsibility to determine if, and how, the suggestions contained in the financial plan should be implemented or otherwise followed. You must carefully consider all relevant factors in making these types of decisions. For specific advice on these aspects of your overall financial plan, you should consult your professional tax and legal advisors. The report that follows is based upon:

- information and assumptions that you have provided or reviewed;
- current tax laws;
- appropriate financial planning concepts;
- historic asset class characteristics;
- additional assumptions and information discussed with your advisor.

The outcome of the analysis will be dependent to a significant extent upon the information and the reasonableness of the planning assumptions. It is your responsibility to provide accurate and complete information. Please contact your advisor with any changes to your information and/or planning assumptions. Inaccurate information and/or unreasonable planning assumptions can materially impact the results of this financial plan.

The simulation of returns at the individual asset, account and/or portfolio level drives the investment projections and proposed financial plan. In all cases investment projections are not to be considered definitive estimates of how the individual assets you own now or in the future will perform. Therefore, it is important that you recognize that the comparisons shown may include comparisons of two asset allocation models—the asset allocation of your current portfolio and the asset allocation projected in our proposed plan—and not comparisons of the individual securities you own. Model comparisons and the projected rates of return are based on past performance of the relevant asset classes. Past performance is not a guarantee of future results. No future rate of return can be predicted with certainty.

The report that follows does not make specific investment recommendations or analyze particular securities. Rather, the report typically contains a proposed asset allocation model based upon your stated risk tolerance, age, current asset allocation and value of your assets. The asset allocation models we use are continuously re-evaluated and are periodically changed as a result. We are under no obligation to revise any financial planning report already prepared if an allocation model is changed after it is issued to you.

Actual results are influenced by events that are both within and outside of your control. The rates actually returned by asset classes will differ from our projections. The rates actually returned by any allocation model noted within the financial plan will likely differ from those returned by any individual portfolio of securities constructed to follow a specific allocation model. Any rate of return shown or used in the financial plan is not intended to predict nor guarantee the actual results of an investment product.

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## Disclaimer

**IMPORTANT: *Investments in stocks, bonds, mutual funds, and other securities are not bank products, are not FDIC insured, and may be subject to loss of principal.***

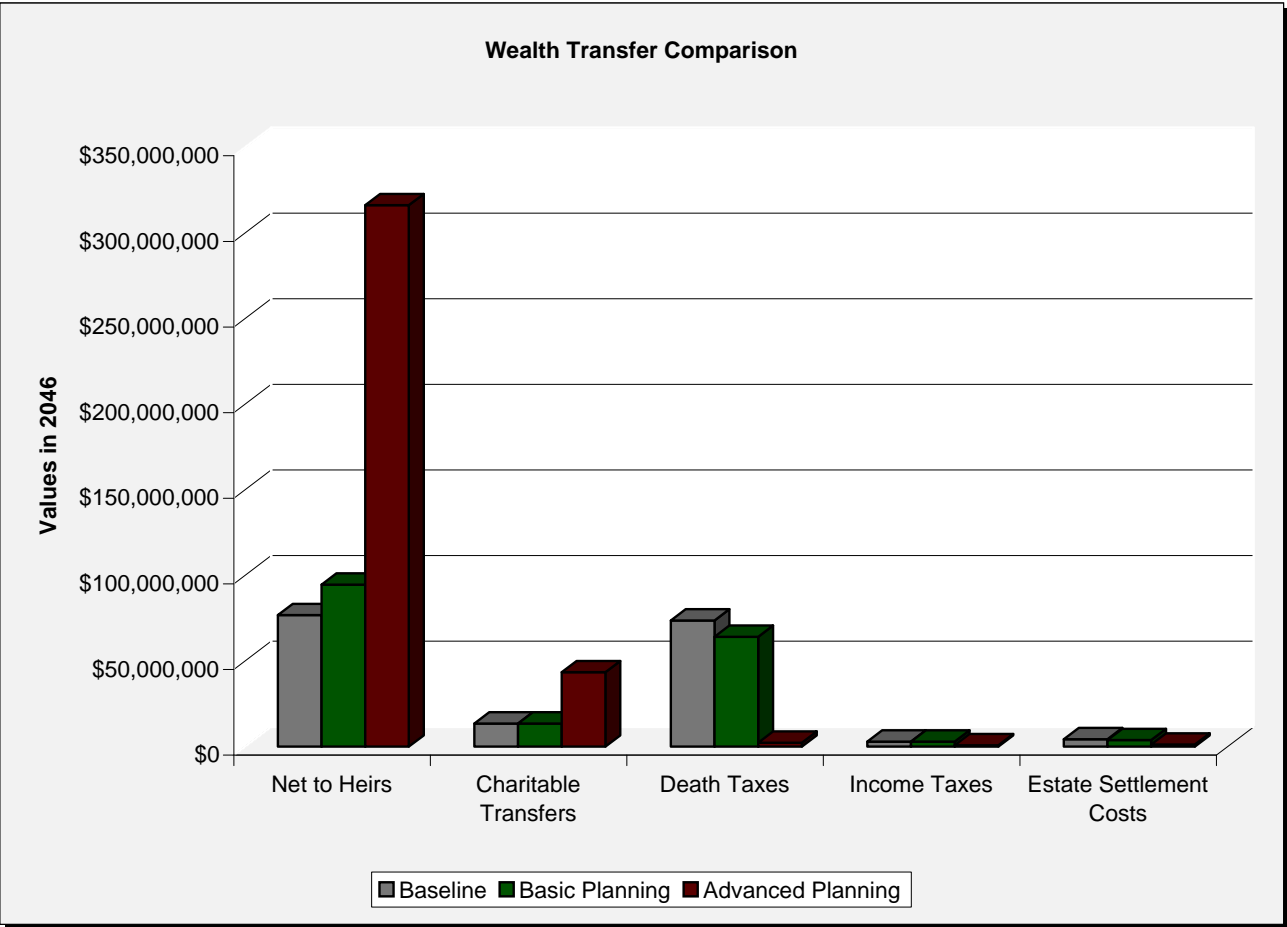
We have read and understand the above information and disclosures. We understand the basis upon which the report that follows was prepared. We recognize the nature of the asset allocation comparisons and estimated returns as illustrations only. We acknowledge that the report may contain a recommendation for adjusting the asset allocation of our current investment portfolio(s), but it does not provide any guaranteed rates of return, advice on particular securities or any specific legal, tax or accounting advice.

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Customer Signature

## Wealth Transfer Illustration

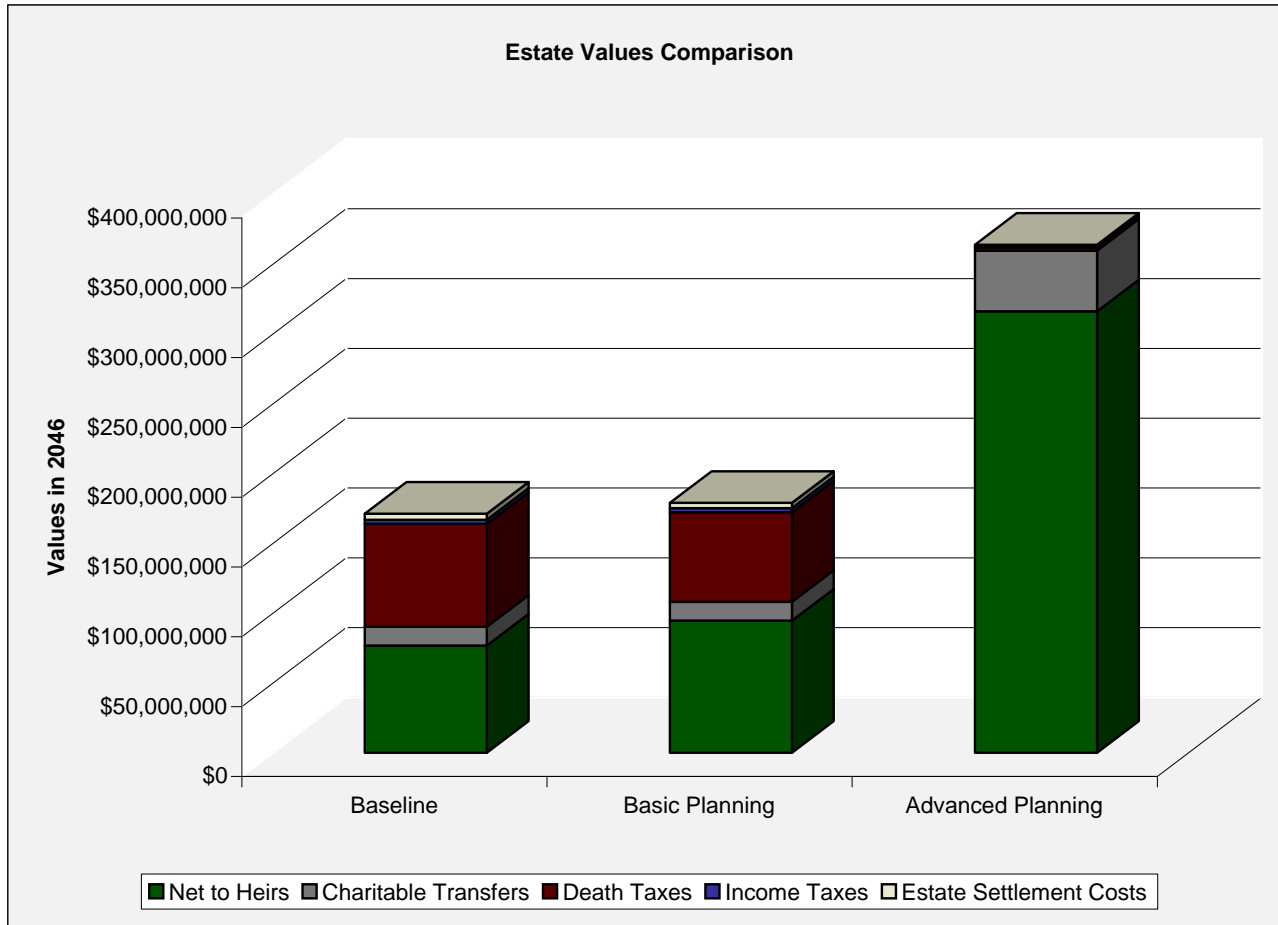
John & Mary Sample



The chart above compares the wealth transferred to heirs and charity, along with federal and state death and income taxes.

## Summary of Estate Values

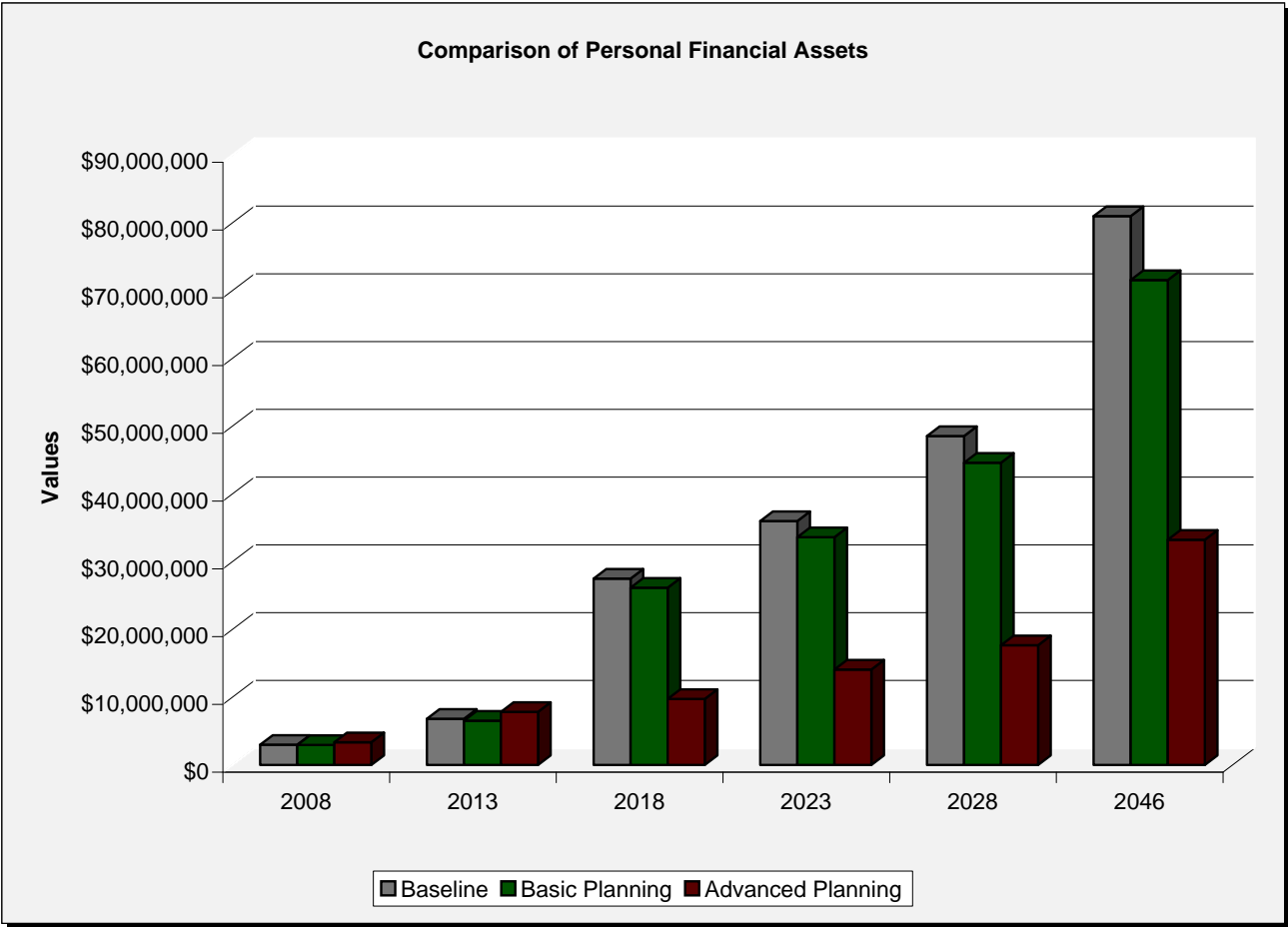
John & Mary Sample



The chart above compares the wealth transferred to heirs and charity, along with federal and state death and income taxes.

## Personal Financial Assets Comparison

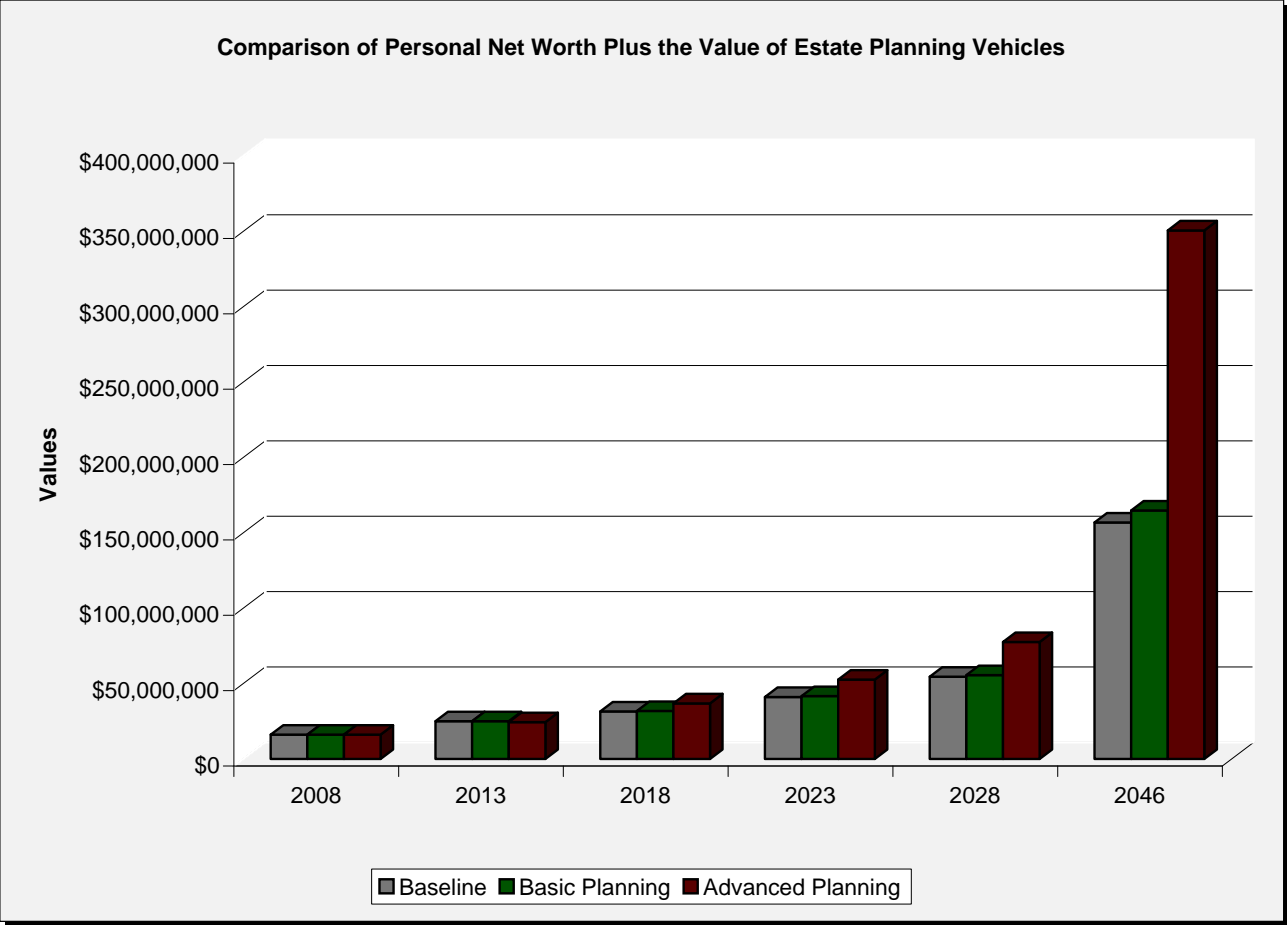
John & Mary Sample



The chart above compares the personal financial assets under alternative planning scenarios.

## Family Wealth Comparison

John & Mary Sample



The chart above compares total family wealth under alternative planning scenarios.

**Estate Analysis Summary***John & Mary Sample*

<b>John's Estate Analysis</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Year	2043	2043	2043
Combined net worth plus value of estate planning vehicles	133,565,269	139,359,999	270,682,647
Net worth includible in John's gross estate	66,646,828	57,693,934	14,240,501
Gross estate	66,646,828	57,693,934	14,240,501
Less: nontax estate settlement costs	-1,403,283	-1,224,225	-355,157
<b>Adjusted gross estate</b>	<b>65,243,545</b>	<b>56,469,708</b>	<b>13,885,344</b>
Specific outright bequests to Mary	12,109,829	11,408,630	9,131,083
Residuary bequests to Mary in trust	47,971,874	40,453,705	0
<b>Total marital bequests</b>	<b>60,081,703</b>	<b>51,862,335</b>	<b>9,131,083</b>
Residuary charitable bequests	1,406,931	1,406,931	1,392,591
<b>Total charitable bequests</b>	<b>1,406,931</b>	<b>1,406,931</b>	<b>1,392,591</b>
Taxable estate before state death tax deduction	3,754,911	3,200,442	3,361,670
Less: state death tax deduction	254,911	200,442	215,920
Taxable estate	3,500,000	3,000,000	3,145,750
Post-1976 adjusted taxable gifts	0	500,000	354,250
<b>Estate Tax Base</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>
Federal estate tax	0	0	0
State death tax	254,911	200,442	215,920
<b>Total Death Taxes</b>	<b>254,911</b>	<b>200,442</b>	<b>215,920</b>

**Estate Analysis Summary***John & Mary Sample*

<b>Mary's Estate Analysis</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Year	2046	2046	2046
Personal net worth plus value of estate planning vehicles	156,858,126	164,833,280	350,593,993
Net worth includible in gross estate	143,615,998	125,193,631	38,503,114
Gross estate	143,615,998	125,193,631	38,503,114
Less: nontax estate settlement costs	-2,949,190	-2,580,742	-846,932
<b>Adjusted gross estate</b>	<b>140,666,808</b>	<b>122,612,889</b>	<b>37,656,182</b>
Residuary charitable bequests	768,696	768,696	30,747,835
<b>Total charitable bequests</b>	<b>768,696</b>	<b>768,696</b>	<b>30,747,835</b>
Taxable estate before state death tax deduction	139,898,112	121,844,193	6,908,347
Less: state death tax deduction	21,850,498	18,961,871	626,268
Taxable estate	118,047,614	102,882,322	6,282,079
Post-1976 adjusted taxable gifts	0	500,000	354,250
<b>Estate Tax Base</b>	<b>118,047,614</b>	<b>103,382,322</b>	<b>6,636,329</b>
Federal estate tax	51,546,426	44,947,045	1,411,348
State death tax	21,850,498	18,961,871	626,268
<b>Total Death Taxes</b>	<b>73,396,924</b>	<b>63,908,916</b>	<b>2,037,616</b>
Income in respect of a decedent bequeathed to heirs	12,420,622	12,406,499	2,299,891
Less: allocable 691(c) deduction	-4,694,995	-4,689,657	-258,924
Amount subject to income taxes	7,725,627	7,716,842	2,040,967
<b>Income Taxes on Income in Respect of a Decedent</b>	<b>2,958,915</b>	<b>2,955,551</b>	<b>781,691</b>

**Wealth Transfer Summary***John & Mary Sample*

<b>Net to Heirs Summary</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Year	2046	2046	2046
Outright bequests	6,180,319	6,607,558	4,089,040
Family Trust	4,185,095	3,587,224	3,761,503
Marital Trust	57,361,954	48,372,168	0
Annual Gift Fund & ShopRight LP Gift 1	9,057,033	17,629,672	27,720,178
ShopRight LP Gift 2	0	18,422,753	18,238,526
ShopRight IDGT 1 & ShopRight IDGT 2	0	0	262,370,672
<b>Net to Heirs</b>	<b>76,784,401</b>	<b>94,619,375</b>	<b>316,179,920</b>

<b>Settlement Costs &amp; Taxes</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Federal & state death taxes	73,651,835	64,109,358	2,253,537
Estate settlement costs	4,352,473	3,804,967	1,202,088
Income taxes on income in respect of a decedent	2,958,915	2,955,551	781,691
<b>Total Settlement Costs &amp; Taxes</b>	<b>80,963,223</b>	<b>70,869,876</b>	<b>4,237,316</b>

<b>Value of Cumulative Transfers to Charity</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Year	2046	2046	2046
Aggregate bequests from John's & Mary's estates	2,175,627	2,175,627	32,140,426
Other charitable transfers	1,444,685	1,444,685	1,444,685
Cumulative income & growth on charitable transfers	9,871,796	9,871,796	9,867,049
<b>Total Value of Charitable Transfers</b>	<b>13,492,107</b>	<b>13,492,107</b>	<b>43,452,160</b>

<b>Net to 3rd Generation Summary</b>	<b>Scenario 1</b>	<b>Scenario 2</b>	<b>Scenario 3</b>
Year	2071	2071	2071
Net to heirs	76,784,401	94,619,375	316,179,920
Aggregate growth following death of senior generation	83,985,083	103,492,585	345,830,618
Total transferable wealth	160,769,484	198,111,960	662,010,538
Amount subject to second generation death taxes	160,769,484	121,188,488	15,872,103
Less: second generation federal & state death taxes	-72,346,268	-54,534,820	-7,142,447
<b>Net to 3rd Generation</b>	<b>88,423,216</b>	<b>143,577,140</b>	<b>654,868,091</b>
Net transfer as a percentage of wealth - 2nd generation	44.8%	52.9%	86.9%
Net transfer as a percentage of wealth - 3rd generation	24.7%	38.3%	86.0%

## Annual Cash Flows, Financial Assets & Family Wealth Comparison

John & Mary Sample

Year	After-Tax Cash Inflows			Cash Flow Surplus/-Deficit			Personal Financial Assets			Net Worth + Estate Planning Vehicles		
	Baseline	Basic Planning	Advanced Planning	Baseline	Basic Planning	Advanced Planning	Baseline	Basic Planning	Advanced Planning	Baseline	Basic Planning	Advanced Planning
Start							2,466,595	2,466,595	2,466,595	14,804,200	14,804,200	14,804,200
2008	689,676	652,107	1,053,133	209,462	171,893	572,919	2,986,313	2,948,744	3,349,770	16,153,822	16,153,822	16,126,300
2009	724,280	685,617	1,203,715	265,386	226,722	648,821	3,596,253	3,520,528	4,338,241	17,616,851	17,620,680	17,518,224
2010	735,808	696,048	1,361,202	264,775	225,014	794,168	4,254,311	4,136,202	5,550,951	19,219,391	19,227,641	19,026,389
2011	770,333	729,831	1,570,641	299,392	258,889	995,699	5,009,107	4,844,353	7,060,322	20,981,997	20,995,663	20,647,325
2012	807,887	766,435	271,763	324,995	283,542	-315,129	5,855,592	5,639,291	7,373,202	22,909,919	22,929,829	22,375,200
2013	848,557	806,176	258,518	366,333	323,952	-327,706	6,817,248	6,544,089	7,821,719	25,030,859	25,057,942	24,395,439
2014	894,307	851,026	256,252	400,149	356,868	-349,906	7,900,937	7,565,142	8,297,549	27,351,553	27,386,826	26,620,195
2015	944,482	900,336	256,850	438,037	393,890	-361,596	9,120,425	8,715,709	8,806,885	29,890,982	29,935,555	29,066,549
2016	995,882	950,910	840,084	477,283	432,311	201,486	10,489,467	10,008,998	9,947,368	32,668,493	32,723,580	31,776,812
2017	17,583,136	16,897,386	371,230	16,487,465	15,741,715	-784,440	27,542,475	26,298,051	9,704,702	31,387,287	31,577,980	34,354,876
2018	818,535	762,296	211,081	307,535	187,296	-363,919	27,507,396	26,155,862	9,735,906	31,535,913	31,827,095	36,866,361
2019	802,895	741,997	131,015	294,742	169,844	-441,138	28,998,619	27,471,349	9,697,612	33,212,666	33,552,647	39,570,946
2020	852,944	787,021	3,517,535	326,866	192,943	2,923,458	30,597,008	28,877,144	13,049,541	35,005,951	35,400,440	42,562,145
2021	890,540	819,267	455,668	335,841	196,568	-167,031	32,280,419	30,354,386	13,189,321	36,924,728	37,380,179	45,453,699
2022	930,137	853,103	469,283	372,287	223,253	-160,567	34,082,763	31,931,564	13,625,703	38,960,804	39,484,125	48,889,907
2023	978,075	894,907	491,221	401,377	246,209	-157,477	35,999,911	33,607,680	14,087,061	41,125,047	41,723,994	52,661,721
2024	1,028,973	939,208	511,356	476,996	311,231	-116,620	38,084,742	35,430,036	14,613,856	43,503,666	44,186,567	56,848,919
2025	1,078,366	981,576	527,772	512,837	340,047	-113,756	40,301,177	37,365,511	15,169,563	46,029,537	46,805,702	61,409,274
2026	1,130,893	1,026,556	545,092	547,406	363,069	-118,395	42,658,172	39,417,304	15,747,715	48,716,820	49,596,268	66,378,053
2027	2,679,231	2,566,782	2,055,665	2,077,367	1,880,918	1,369,801	46,658,169	43,086,546	17,850,469	51,534,047	52,528,151	71,759,233
2028	1,223,721	1,102,630	571,479	-160,549	-365,639	-896,790	48,532,754	44,607,116	17,676,606	54,524,840	55,645,837	77,598,588
2029	1,285,761	1,156,010	577,569	649,836	432,085	-146,356	51,517,284	47,198,849	18,416,692	57,881,953	59,133,621	84,091,176
2030	1,357,822	1,218,356	602,907	706,187	478,721	-136,728	54,637,307	49,918,148	19,196,671	61,395,764	62,811,742	91,170,816
2031	1,434,664	1,284,785	629,882	762,847	520,968	-133,935	57,954,933	52,802,404	20,010,461	65,133,994	66,730,735	98,893,028
2032	1,517,551	1,356,507	659,374	825,068	568,023	-129,110	61,482,858	55,862,423	20,859,446	69,111,064	70,906,933	107,318,038
2033	1,607,882	1,434,870	692,545	894,232	621,219	-121,106	65,233,434	59,108,151	21,744,487	73,341,170	75,356,224	116,511,308
2034	1,704,635	1,518,873	728,052	973,303	687,541	-103,280	69,224,589	62,559,021	22,675,820	77,839,915	80,095,831	126,545,411
2035	1,808,720	1,609,309	766,783	1,055,175	751,765	-90,762	73,466,636	66,218,410	23,646,823	82,623,702	85,143,950	137,499,559
2036	1,919,899	1,705,873	808,056	1,143,596	821,569	-76,248	77,975,629	70,099,810	24,659,214	87,710,816	90,521,395	149,460,934
2037	2,039,071	1,809,396	852,465	1,258,698	917,023	-39,908	82,787,279	74,235,810	25,735,424	93,120,105	96,249,373	162,526,567
2038	2,167,652	1,921,227	901,135	1,363,378	1,000,953	-19,140	87,899,567	78,621,051	26,858,077	98,870,204	102,349,081	176,800,246
2039	2,303,683	2,039,333	951,745	1,474,910	1,090,561	2,973	93,333,659	83,273,129	28,029,424	104,984,940	108,847,132	192,397,344
2040	2,449,256	2,165,804	1,005,941	1,599,370	1,195,918	36,055	99,113,576	88,216,324	29,256,941	111,486,891	115,768,912	209,440,994
2041	2,604,950	2,301,072	1,064,059	1,729,318	1,301,440	64,426	105,256,109	93,459,161	30,531,381	118,399,875	123,141,322	228,066,372
2042	2,770,471	2,444,746	1,125,231	1,868,439	1,414,715	95,200	111,784,379	99,020,778	31,854,576	125,750,257	130,994,648	248,425,169
2043	2,947,228	2,598,141	1,190,409	2,018,125	1,537,039	129,307	118,722,151	104,920,295	33,227,172	133,565,269	139,359,999	270,682,647
2044	2,502,147	2,242,189	1,105,697	1,545,281	1,285,324	148,831	71,543,631	63,390,946	30,490,579	138,700,662	145,338,851	292,933,552
2045	2,669,265	2,391,177	1,172,572	1,683,924	1,405,836	187,231	76,113,024	67,344,159	31,837,903	147,493,200	154,771,730	319,423,770
2046	2,848,088	2,550,562	1,243,861	1,833,536	1,536,011	229,309	80,986,975	71,554,394	33,236,045	156,858,126	164,833,280	350,593,993

## Planning Assumptions

John & Mary Sample

Planning Assumptions	Scenario 1	Scenario 2	Scenario 3
1. John retires at age 62 and Mary retires at age 60.	X	X	X
2. Expenses: \$269K annually (indexed) + education + debt service.	X	X	X
3. \$20K (indexed for inflation) cash gifts made to charity annually.	X	X	X
4. Mary divests herself of SoftCo. stock between now and retirement.	X	X	X
5. John's trading cards are sold over two years starting in 2008.	X	X	X
6. Qualified plans and Mary's SERP are funded until retirement.	X	X	X
7. Tax-deferred annuities are funded until John's retirement.	X	X	X
8. Investment accounts are distributed at 4% of value annually at retirement.	X	X	X
9. Mary's SERP is distributed annually over 10 years starting at retirement.	X	X	X
10. John sells ShopRight, Inc. outright at retirement.	X	X	
11. John sells 50% of ShopRight's office building at retirement.	X		
12. Mary winds up MNS Enterprises at retirement.	X	X	X
13. Family home is sold in 20 years; 50% of proceeds reinvested in new home.	X	X	X
14. Annual cash flow surpluses are reallocated to the managed accounts.	X	X	X
15. In-force life insurance coverage terminates at retirement.	X	X	X
16. \$12K (indexed) annual gifts made to the kids starting at John's retirement.	X	X	
17. \$12K (indexed) annual gifts made to the kids starting in 2009.			X
18. Credit shelter bypass trusts are established by each estate at death.	X	X	X
19. John's estate bequeathes \$500K (indexed) to charity at death.	X	X	X
20. Mary's estate bequeathes \$250K (indexed) to charity at death.	X	X	
21. Mary's estate bequeathes \$10MM (indexed) to charity at death.			X
22. Generation-skipping exemptions are allocated to lifetime gifts and at death.		X	X
23. ShopRight's office building is gifted outright to a trust FBO heirs in 2008.		X	
24. ShopRight's office building is transferred to a FLP; FLP interests are gifted.			X
25. John transfers 50% of ShopRight, Inc. to a 4-year GRAT in 2008.			X
26. John gifts 1% of ShopRight, Inc. to IDGT #1 in 2008.			X
27. John sells 9% of ShopRight, Inc. to IDGT #1 in 2008 for 9-year note.			X
28. IDGT #1 buys \$2MM 2nd-to-die life insurance in 2008.			X
29. John sells remaining 40% of ShopRight, Inc. to IDGT #2 in 2012.			X
30. Projections are based on recommended asset allocations.	X	X	X

Scenario 1 - Baseline  
 Scenario 2 - Basic Planning  
 Scenario 3 - Advanced Planning



## *Wealth Design Summary*

Analysis of Alternative Planning Scenarios

**GRAPHIC ILLUSTRATIONS**

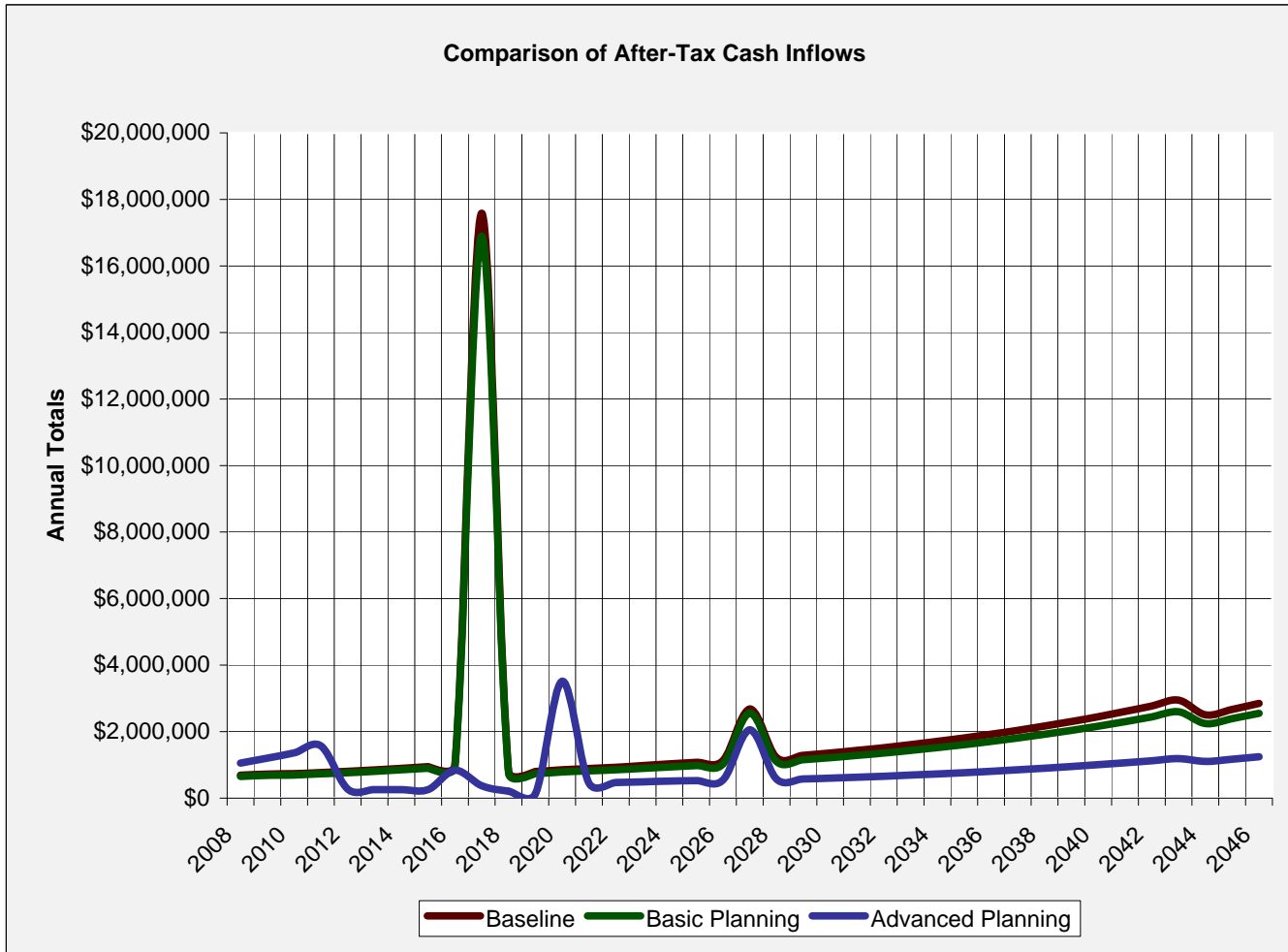
AN ANALYSIS PREPARED EXCLUSIVELY FOR

**John & Mary Sample**

*Baseline vs. Basic Planning vs. Advanced Planning*

## After-Tax Cash Inflows Illustration

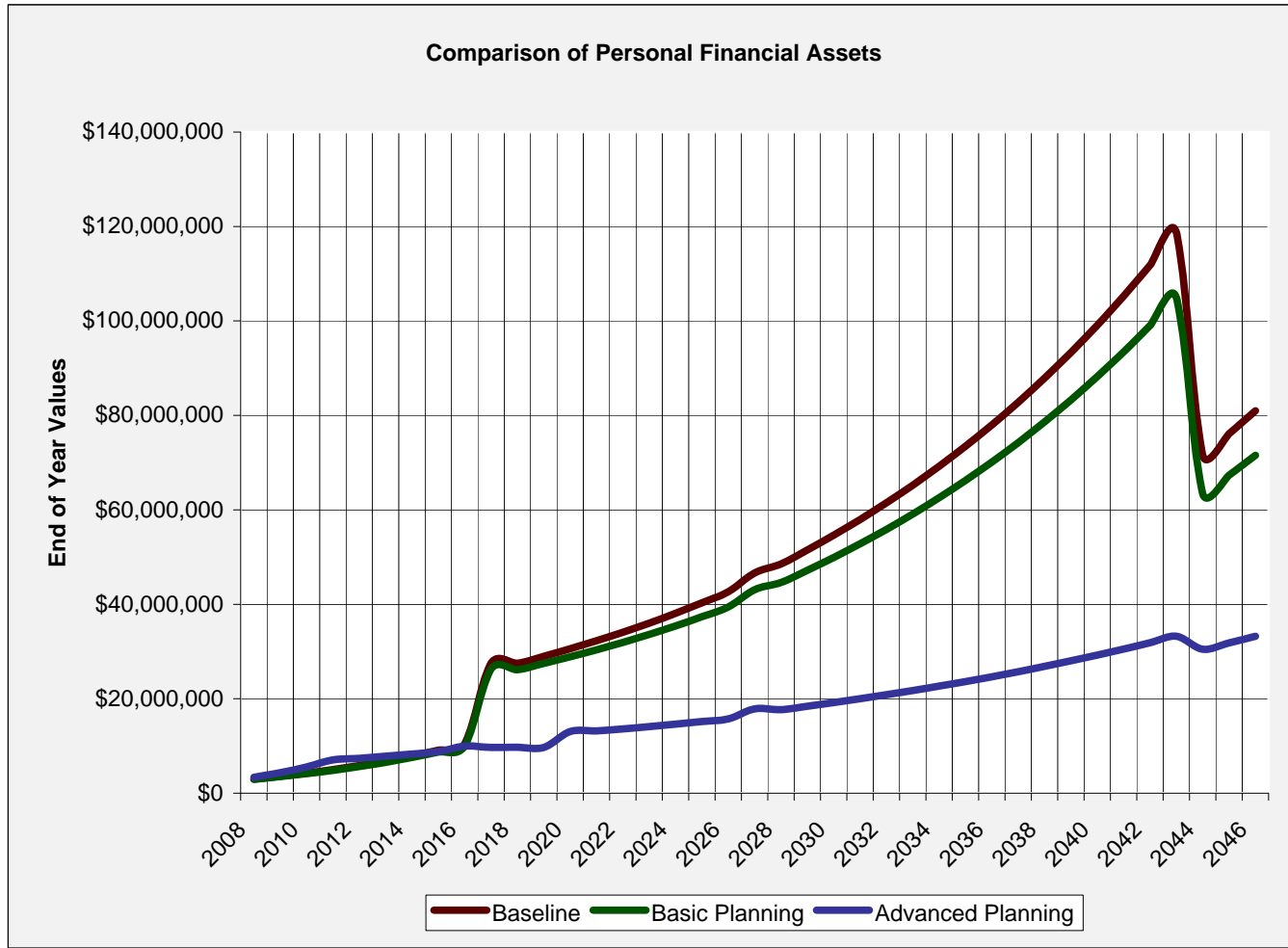
John & Mary Sample



The chart above compares the after-tax cash inflows under alternative planning scenarios.

## Personal Financial Assets Illustration

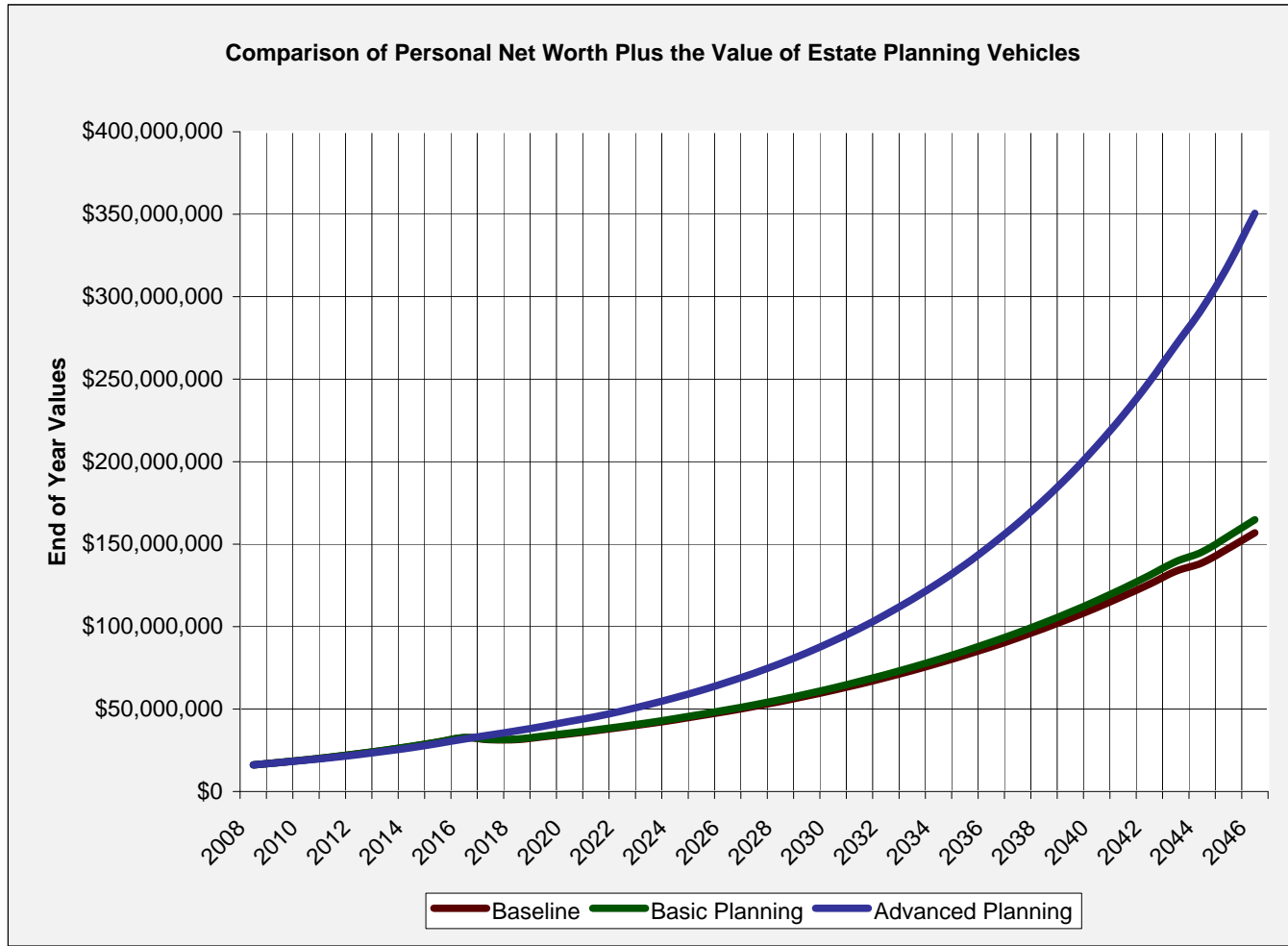
John & Mary Sample



The chart above compares the personal financial assets under alternative planning scenarios.

## Family Wealth Illustration

John & Mary Sample



The chart above compares total family wealth under alternative planning scenarios.