Personal Financial Plan

For

John and Mary Sample

September 14, 2006

Prepared by

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About Your Personal Financial Plan

We appreciate that you have questions and concerns as you work to attain and preserve financial security. Today's financial environment is complex and in many regards, uncertain. The decisions you make regarding work, spending, investment, and retirement, both now and in the future, will significantly affect your financial condition over the long term.

In an effort to aid you in learning, understanding, and formulating a personal basis for decision making, this 'Personal Financial Plan' is offered to help enhance your knowledge of various topics and communicate some of the intricacies of the financial world. The plan represents a framework to clarify and structure your financial matters.

This plan is based upon confidential information you provided regarding your present resources and objectives. While illustrations within this plan can be a valuable aid in the examination of your finances, it does not represent the culmination of your planning efforts. Financial planning is an ongoing process.

This hypothetical illustration of mathematical principles is custom made to model some potential situations and transitions you may face in your financial future. Hypothetical assumptions used in this illustration are specifically chosen to communicate and demonstrate your current financial position and highlight for discussion with your advisor the complex future interacting effects of combined incomes, expenses, savings, asset growth, taxes, retirement benefits, and insurance.

This document is not an advertisement or solicitation for any specific investment, investment strategy, or service. No recommendations or projections of specific investments or investment strategies are made or implied. Any illustrations of asset growth contained herein are strictly used to demonstrate mathematical concepts and relationships while presenting a balanced and complete picture of certain financial principles. Growth assumptions are applied to generalized accounts based upon differing tax treatment. Illustrations, charts and tables do not predict or project actual future investment performance, or imply that any past performance will recur.

This plan does not provide tax or legal advice, but may illustrate some tax rules or effects and mention potential legal options for educational purposes. Information contained herein is not a substitute for consultation with a competent legal professional or tax advisor and should only be used in conjunction with his or her advice.

The results shown in this illustration are not guarantees of, or projections of future performance. Results shown are for illustrative purposes only. This presentation contains forward-looking statements and there can be no guarantees that the views and opinions expressed will come to pass. Historical data shown represents past performance and does not imply or guarantee comparable future results. Information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are guaranteed as to accuracy or completeness.

The Assumptions page contains information you provided that is used throughout the presentation. Please review the information for accuracy and notify your Financial Advisor promptly if discrepancies in the assumptions are present; discrepancies may materially alter the presentation.

Your actual future investment returns, tax levels and inflation are unknown. This illustration uses representative assumptions in a financial planning calculation model to generate a report for education and discussion purposes. Calculations and assumptions within this report may not reflect all potential fees, charges, and expenses that might be incurred over the time frame covered by these illustrations which, if included, would result in lower investment returns and less favorable illustration results. Do not rely upon the results of this report to predict actual future investment performance, market conditions, tax effects or inflation rates.

Summary

This report uses financial models to present a picture of your current financial situation and illustrations of possible directions your finances may take. Future economic and market conditions are unknown, and will change. The assumptions used are representative of economic and market conditions that could occur, and are designed to promote a discussion of appropriate actions that may need to be taken, now or in the future, to help you manage and maintain your financial situation under changeable conditions.

Your Current Situation:

- You have assets of approximately $433,000.
- You have liabilities of approximately $140,000.
- Your net worth is approximately $293,000.
- You now have $183,000 in working assets and are adding $16,000 per year.

Your Goals:

- John wants to retire at age 64 and Mary wants to retire at age 62.
- Monthly after-tax income needed at that time is $4,792 (in today's dollars).
- You will need the income until the last life expectancy of age 90.
- To meet your education goals you need to save $11,252 annually ($938 monthly).

Analysis Details:

- Asset Allocation: Type of Investor - Somewhat Aggressive
- Long-term care assets at risk - $1,386,791
- Net Estimated Life Insurance Needs Shortage for John: $522,000
- Net Estimated Life Insurance Needs Shortage for Mary: $90,000
- John and Mary do not have Wills.
- John and Mary do not have a Durable General Powers of Attorney.
- John and Mary do not have a Living Wills.
- John and Mary do not have a Healthcare Powers of Attorney.

Retirement Analysis

Using the information you provided, calculations have been made to estimate whether your current retirement program will meet your stated retirement goals. The analysis begins now and extends through life expectancy. It includes tax advantaged, taxable investments, defined benefit pensions, if applicable, and Social Security benefits. The analysis calculates growth and depletion of capital assets over time. This analysis is the basis for the following summarized statement.

Actions:

It appears you may run out of money before the last life expectancy of age 90. The range of possible options you might consider to improve your situation include the following:

- Increase the rate of return on your investments.
- Increase your annual savings by $7,100/year ($592 month).
- Reduce your retirement spending needs by $6,300 to $51,200/year ($4,267/month).
- Defer your retirement by about 2 years.
- Combine any of the above and lower the requirements for each.

This report is for informational and educational purposes only. The information and assumptions used are estimates. The resulting calculations are designed to help illustrate financial concepts and general trends.

Assumptions

Client Information:

Names :	John and Mary Sample
First Name 1	John
First Name 2	Mary
Birthdate / Age 1	48
Birthdate / Age 2	46
Retirement Age 1	64
Retirement Age 2	62
Life Expectancy 1	85
Life Expectancy 2	90
Alternate life exp. 1	
Alternate life exp. 2	
Risk Tolerance Level	Somewhat Aggressive
Life Insurance 1	
Life Insurance 2	
Term Insurance 1	$300,000
Term Insurance 2	$100,000
Insurance cash value 1	
Insurance cash value 2	

Pension & Social Security Data (Annual):

Pension-Indv. 1	$7,200
Pension start age	62
Pension rate (pre ret.)	0.00%
Pension rate (ret.)	2.00%
Pension survivor %	0%
Pension-Indv. 2	
Pension start age	
Pension rate (pre ret.)	
Pension rate (ret.)	
Pension survivor %	
Soc Sec 1 Start age	62
Soc Sec 1 Rate	2.25%
Earned income 1	$90,000
Soc Sec 1 Amt. (if known)	
Soc Sec 2 Start age	62
Soc Sec 2 Rate	2.25%
Earned income 2	$30,000
Soc Sec 2 Amt. (if known)	

Estimated Education Costs

Total cost at 6% inf.	$187,429

Expenses & Inflation (Annual After-tax):

Expenses, (pre ret.)	$70,000
Expenses, Survivor (pre ret.)	$60,000
Expenses at Retirement	$57,500
Expenses, Survivor (ret.)	$50,000
Inflation, (pre ret.)	3.00%
Inflation, Survivor (pre ret.)	3.00%
Inflation at Retirement	3.00%
Inflation, Survivor (ret.)	3.00%

Asset Allocations:	Current	Suggested
Cash & Reserves	13.11%	5%
Income	24.04%	0%
Income & Growth	62.84%	15%
Growth	0.00%	40%
Aggressive Growth	0.00%	40%
Other	0.00%	0%

Rate Assumptions (Before & After Retirement):

Taxable Returns	7.00%	6.00%
Tax-Deferred & Roth Returns	7.00%	6.00%
Tax-Free Returns	5.00%	5.00%
Return on Annuities	7.00%	7.00%
Effective Tax Rates	25.00%	20.00%
Cost Basis for Taxable Assets		100.00%
Cost Basis for Annuity Assets		100.00%
Additions Increase Rate: Taxable		3.00%
Additions Increase Rate: Tax-Def 1		3.00%
Additions Increase Rate: Tax-Def 2		3.00%

Other Incomes After-tax

Item Description	Start Year	Inc Rate	Number of years	Amount per year

Other Expenses After-tax:

European vacation	2014	3.00%	1	($20,000)

Note: These assumptions are based upon information provided by you, combined with representative forward looking values intended to provide a reasonable financial illustration for education and discussion purposes. The investment returns, tax rates, benefit increase rates, inflation rates, and future expense values used in this report were selected based on your age, assets, income, goals and other information you provided. These assumptions do not presuppose or analyze any particular investments or investment strategy, or represent a guarantee of future results.

Net Worth Statement

John and Mary Sample

September 14, 2006

ASSETS

Savings And Investments		
Money Market Accounts/Funds	$20,000	
Annuities	30,000	
Municipal Bonds and Funds	10,000	
Stock Mutual Funds	5,000	
		$65,000
Retirement Accounts		
Qualified Plans-John	$100,000	
IRA Assets-Mary	14,000	
Roth Assets-John	2,000	
Roth Assets-Mary	2,000	
		$118,000
Other Assets		
Residence	$200,000	
Personal Property	20,000	
Auto	30,000	
		$250,000
	TOTAL ASSETS	**$433,000**

LIABILITIES

Residence Mortgage	$120,000	
Credit Card Debt	5,000	
Auto Loans	15,000	
		$140,000

Net Worth (Assets less Liabilities)	**$293,000**

Note: Potential taxes due on unrealized gains or assets in tax-deferred retirement plans are not accounted for in this Net Worth Statement.

Asset Worksheet

Description	Current Amount	Annual Additions*	Addition Period	Asset Class	Account Taxation	Asset Type
Cash	20,000			Cash	Taxable(J)	Money Market
Municipal Bond Fund	10,000			Income	Tax-Free(J)	Muni Bonds & Funds
Stock Mutual Funds	5,000	3,000	2006-2021	Inc./Gro.	Taxable(J)	Mutual Funds (Stock)
IRA	14,000			Income	IRA (2)	Stocks
401k	20,000	1,000	2006-2021	Income	Tax-Deferred (1)	Bond Mutual Funds
401k	80,000	8,000	2006-2021	Inc./Gro.	Tax-Deferred (1)	Mutual Funds (Stock)
Annuity	30,000			Inc./Gro.	Annuity(1)	Annuities
Roth IRA	2,000	2,000	2006-2021	Cash	Roth IRA (1)	Money Market
Roth IRA	2,000	2,000	2006-2021	Cash	Roth IRA (2)	Money Market
Totals:	**$183,000**	**$16,000**				

*Annual IRA addition amounts used in the analysis are limited to the maximums allowed by law.

Asset Allocation

Developing An Asset Allocation

Asset allocation refers to maintaining your investments in strategic asset classes, such as Cash, Fixed Income, and Equities, in an advantageous manner over time to ensure adequate diversification. It is important to the success of your planning that your asset allocation be consistent with your goals.

Here is a summary of your current asset allocation.

Personal Investments	**Current Balances**	**Cash & Equivalents**	**Income Assets**	**Growth Assets**	**Other Assets***
Money Market Account	**$20,000**	$20,000			
Annuities	**30,000**			30,000	
Municipal Bonds & Funds	**10,000**		10,000		
Stock Mutual Fund	**5,000**			5,000	
	$65,000	$20,000	$10,000	$35,000	
Retirement Plans					
Qualified Plans-John	**$100,000**		$20,000	$80,000	
IRA Assets-Mary	**14,000**		14,000		
Roth IRA Assets-John	**2,000**	2,000			
Roth IRA Assets-Mary	**2,000**	2,000			
	$118,000	$4,000	$34,000	$80,000	
Total Investment Assets	**$183,000**	$24,000	$44,000	$115,000	
		13%	**24%**	**63%**	

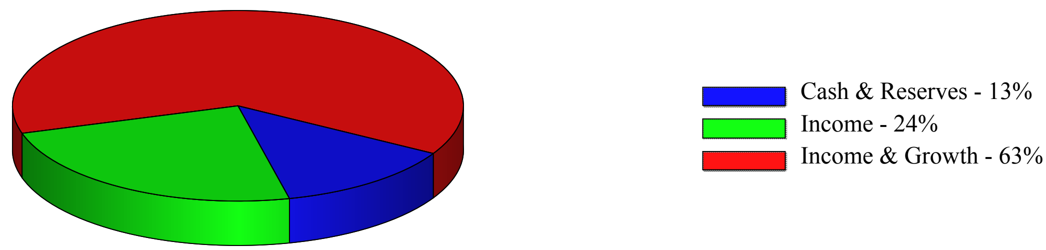
Current Asset Allocation

** Other assets are not included in the Current Asset Allocation.*

Your Current Asset Allocation

The information from the previous page was used to create the following chart.

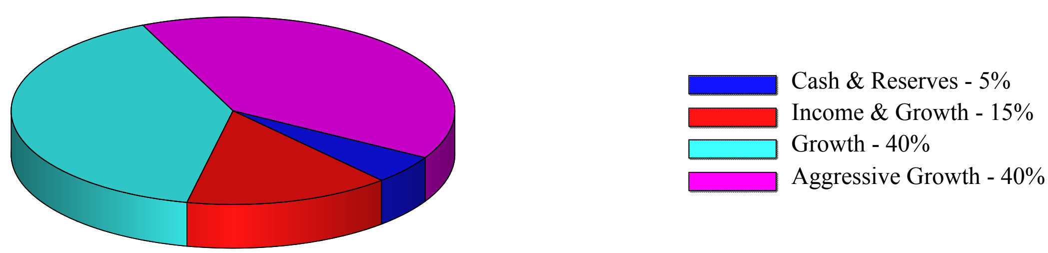
It is important to the success of your planning that your asset allocation is consistent with your goals. You should compare your current allocation to the Suggested Asset Allocation below which may be more appropriate and beneficial to your situation.



Suggested Asset Allocation

Based upon information you provided, we believe you should consider an investment mix similar to the one below.

We have illustrated a broad-based allocation. Effectiveness might be further increased by diversifying the types of securities held within the asset mix. See your Financial Advisor for further analysis.



Asset Allocation

	Current		Suggested *		Change
Cash & Reserves	**$24,000**	***13%***	**$9,150 ****	***5%***	**($14,850)**
Income	**44,000**	***24%***	**0**	***0%***	**(44,000)**
Income & Growth	**115,000**	***63%***	**27,450**	***15%***	**(87,550)**
Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Aggressive Growth	**0**	***0%***	**73,200**	***40%***	**73,200**
Other	**0**	***0%***	**0**	***0%***	**0**
Total	**$183,000**	***100%***	**$183,000**	***100%***	**0**

* These suggested asset allocation percentages are representative portfolio target values.

** Does not include any provision for an Emergency Fund.

Note: Asset Allocation does not guarantee a profit or protect against loss in declining markets.

Retirement Profile

Developing A Retirement Plan

Developing a retirement plan means understanding your current situation, deciding among alternatives, and taking appropriate action today. *This report will help you define your current retirement goals, identify your current planning, and estimate the results for your review.*

Your Current Retirement Goals

	John	Mary
Age:	48	46
Retirement Age:	64	62
Years until Retirement:	16	16
Years of Retirement:	21	28
Annual Retirement Spending (After-tax):	**$57,500**	*(expressed in today's dollars)*

Additional Objectives Please see the attached Education Funding Illustration.

Other Expenses

European vacation: ($20,000)/year starting 2014, increase rate of 3%, for 1 year.

Assumptions

	Pre-Retirement	*Retirement*
Inflation Rate:	3.0%	3.0%
Income Tax Rate (Average):	25.0%	20.0%
Return on Investments (Average):	6.9%	6.1%

Current residence(s) will be maintained. Related debt will be paid per existing mortgage(s).

Resources Available for Retirement

Funds to meet your goals can come from several sources: Personal Investing, Retirement Plans, Defined Benefit Pensions, Social Security, and Other Income.

Here is a summary of your situation.

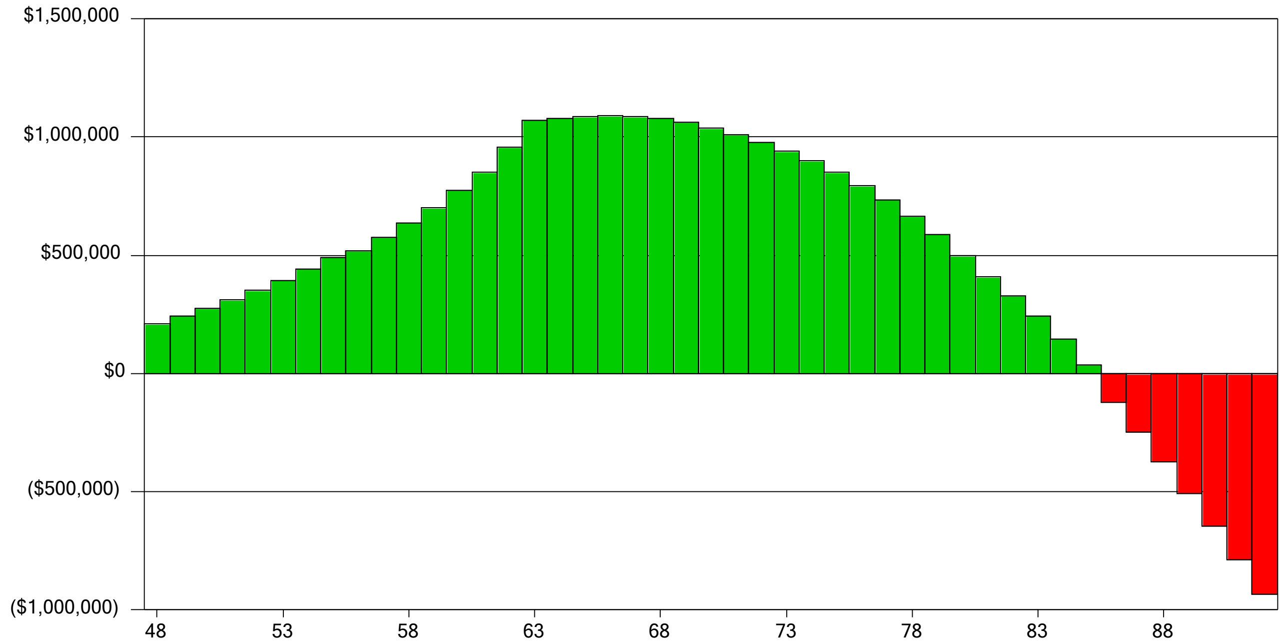
	Current Balances
Personal Investments	
Money Market Accounts/Funds	**$20,000**
Annuities	**30,000**
Municipal Bonds and Funds	**10,000**
Stock Mutual Funds	**5,000**
	$65,000
Retirement Plans	
Qualified Plans-John	**$100,000**
IRA Assets-Mary	**14,000**
Roth IRA/401k Assets-John	**2,000**
Roth IRA/401k Assets-Mary	**2,000**
	$118,000
Total Investment Assets	**$183,000**

* See Asset Worksheet for detailed annual savings information.

Social Security	John	Mary
Starting Age	62	62
Benefit at Starting Age (After-tax)	$18,241	$11,658

Pension Plans	John	Mary
Pension Amount per Year (After-tax)	$5,400	N/A
Pension Starting Age	62	
Increase Rate Pre-Retirement	0.0%	
Increase Rate in Retirement	2.0%	
Survivor Percentage	0%	

Retirement Summary



Retirement Capital Illustration

The analysis begins at your current age and extends through your life expectancy. It includes all assets, both tax advantaged and taxable, all expenses, including education funding if applicable, other income and expense estimates, defined benefit pensions, and Social Security benefits. The graph illustrates the growth and depletion of your capital assets, and in cases of capital shortages shows accumulating deficits.

General Assumptions:

Rates of Return Before and After Retirement Used in Illustration:		
Taxable RORs:	7%	6%
Tax Def. RORs:	7%	6%
Tax Free RORs:	5%	5%
Annuity RORs:	7%	7%

Retirement Spending Needs*	$57,500
Survivor Spending Needs*	$50,000
Retirement Age	John - 64
Retirement Age	Mary - 62
Inflation - Current	3%
Inflation - Retirement	3%
Tax Rate - Current	25%
Tax Rate - Retirement	20%

* Spending needs are stated in today's after tax-dollars. See Assumptions page for complete listing of assumptions.

Actual future returns, taxes, expenses, and benefits are unknown. This illustration uses representative estimates and assumptions for educational and discussion purposes only. Do not rely on this report for investment analysis.

Retirement Capital Illustration Results:

It appears you may run out of money before the last life expectancy of age 90. The range of possible options you might consider to improve your situation include the following:

- Increase the rate of return on your investments.
- Increase your annual savings by $7,100/year ($592 month).
- Reduce your retirement spending needs by $6,300 to $51,200/year ($4,267/month).
- Defer your retirement by about 2 years.
- Combine any of the above and lower the requirements for each.

Monte Carlo Simulation Explanation

The Financial planning process can help you evaluate your status in relationship to your financial goals and objectives. In preparing a hypothetical financial illustration for discussion, a series of representative fixed assumptions are made, such as inflation rates, rates of return, retirement benefits and tax rates. While such static hypothetical illustrations are still useful for education and discussion purposes, they are based upon unchanging long-term assumptions. In fact, economic and financial environments are unpredictable and constantly changing.

Monte Carlo Simulation is one way to visualize the effect of unpredictable financial market volatility on your retirement plan. Monte Carlo Simulation introduces random uncertainty into the annual assumptions of a retirement capital illustration model, and then runs the model a large number of times. Observing results from all these changing results can offer a view of trends, patterns and potential ranges of future outcomes illustrated by the randomly changing simulation conditions. While Monte Carlo Simulation cannot and does not predict your financial future, it may help illustrate for you some of the many different possible hypothetical outcomes.

Monte Carlo Simulation Technique:
Based upon the assumed portfolio rates of return used in your hypothetical financial plan, the simulation process uses a different random rate of return for each year of a new hypothetical financial plan. Five thousand full financial plan calculations are performed utilizing the volatile annual rates of return. The result is five thousand new hypothetical financial plan results illustrating possible future financial market environments.

By using random rates from a statistically appropriate collection of annual returns, and repeating the process thousands of times, the resulting collection can be viewed as a representative set of potential future results. The tendencies within the group of Monte Carlo Simulation results; the highs, lows and averages, offer insight into potential plan performance which may occur under various combinations of broad market conditions.

Note: No investment products, investment strategy or particular investment style is projected or illustrated by this process. Simulation results demonstrate effects of volatility on rate of return assumptions for education and discussion purposes only.

Standard Deviation:
The simulated level of volatility in future financial markets is represented by a Standard Deviation value. This statistical measure of variation is used within the Monte Carlo Simulation to indicate how dramatically return rates can change year by year. The Standard Deviation controls the magnitude of the random changes in each annual rate of return as it is varied each year above or below the average annual rate to simulate market volatility.

The simulation model uses a Standard Deviation based upon the rate of return assumptions used in the Retirement Capital Illustration, and limits the rate of return variation to plus or minus five standard deviations in any year. Low assumed return rates generate low Standard Deviation values, higher returns relate to higher Standard Deviations.

The Bold Line
The bold line in the Monte Carlo Simulation Results graph tracks the value of assets over the length of the illustration if all rates of return are held stable at the assumed rates of return (see Assumptions). The estimate uses annual expected portfolio rates of return and inflation rates to model the growth and use of assets as indicated under Assumptions (page 3). The bold line represents the values shown in the Retirement Capital Analysis.

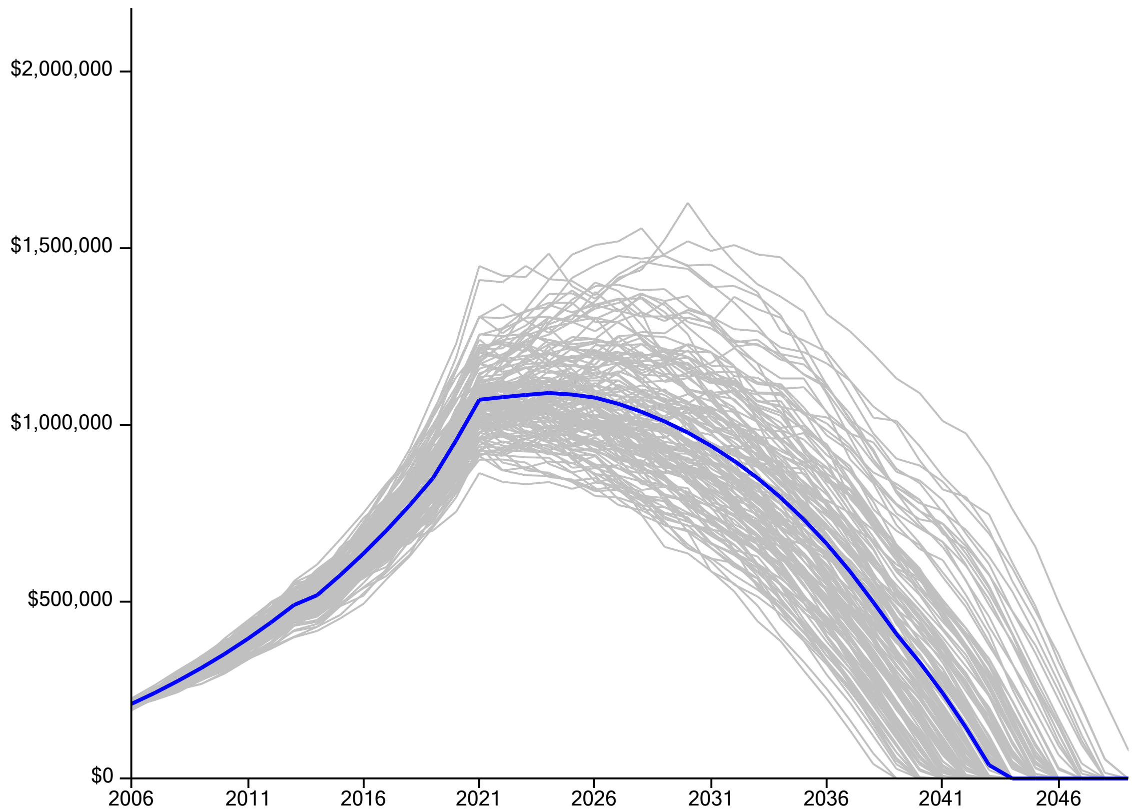
Percentage of Monte Carlo Results Above Zero at Selected Ages
These results represent the percentage of Monte Carlo simulation outcomes that show positive retirement asset value remaining at different ages. A percentage above 70 at last life expectancy is an indication that the underlying retirement plan offers a substantial probability of success even under volatile market conditions. Additional ages shown give the percentage of simulation outcomes with positive asset amounts at various ages.

Monte Carlo Simulation Minimum, Average and Maximum Dollar Results
These values indicate the best, worst and average dollar results at the end of the five thousand Monte Carlo Simulations. These show the range of results (high and low), and the average of all Monte Carlo results. All values are based on results at the life expectancy of the last to die.

IMPORTANT: The projections or other information generated by the Personal 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. Each Monte Carlo Simulation is unique; results vary with each use and over time.

Monte Carlo Retirement Simulation

Results from 5000 Monte Carlo Simulation Trials



* The bold line is the estimated retirement capital value over time using fixed rates.

This Monte Carlo Retirement Simulation illustrates possible variations in growth and/or depletion of retirement capital under unpredictable future conditions. The simulation introduces uncertainty by fluctuating annual rates of returns on assets. The graph and related calculations do not presuppose or analyze any particular investment or investment strategy. This long-term hypothetical model is used to help show potential effects of broad market volatility and the possible impact on your financial plans. This is not a projection, but an illustration of uncertainty.

The simulations begin in the current year and model potential asset level changes over time. Included are all capital assets, both tax advantaged and taxable, all expenses, including education funding if applicable, pension benefits, and Social Security benefits. Observing results from this large number of simulations may offer insight into the shape, trends, and potential range of future retirement plan outcomes under volatile market conditions.

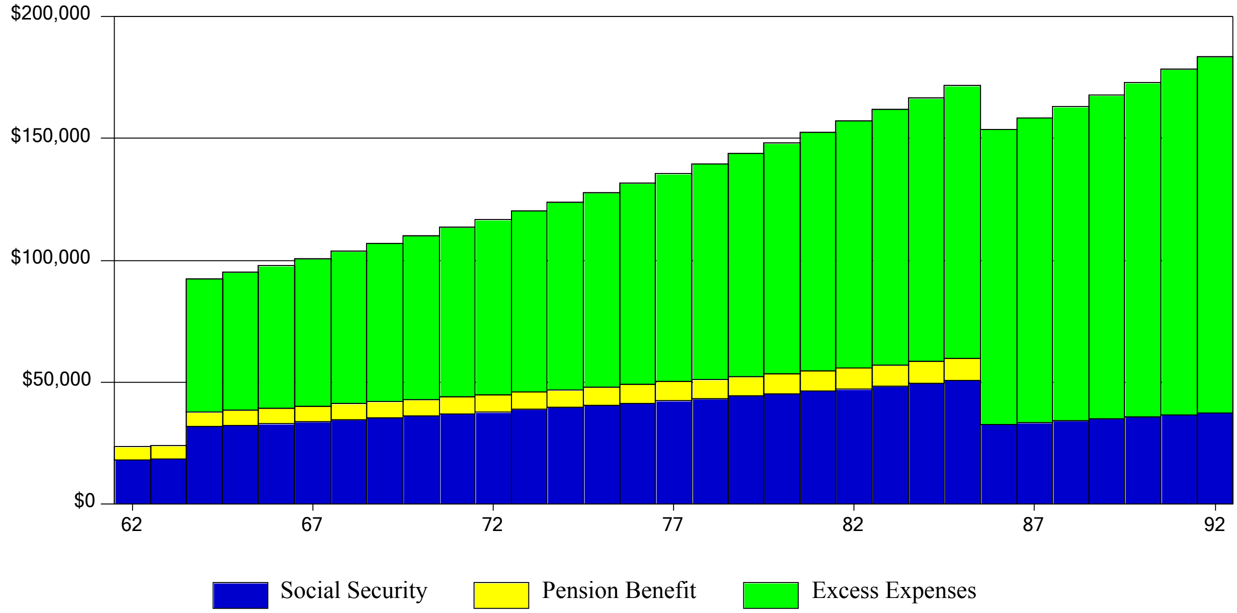
Retirement Capital Analysis Results, at Life Expectancy, of 5000 Monte Carlo Simulations:

Percent with funds at last life expectancy	1%	Retirement Capital Estimate	$0
Percent with funds at age 83	91%	Minimum (Worst Case) result	$0
Percent with funds at age 73	100%	Average Monte Carlo result	$1,241
Percent with funds at age 64	100%	Maximum Monte Carlo result	$762,011

Life insurance proceeds are not included in the final year balances of these calculations.
Illustration based on an average rate of return of 6.4%, with a std. dev. of 3.1% (95% of values fall between 0.2% and 12.6%).

IMPORTANT: The projections or other information generated in this report 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 may vary with each report and over time. Results of this simulation are neither guarantees nor projections of future performance. Information is for illustrative purposes only. Do not rely upon the results of this report to predict actual future performance of any investment or investment strategy.

Retirement Expense Forecast



The Retirement Expense Forecast graph combines estimated Social Security benefits with defined pension benefits plotted with estimated annual living expenses in retirement. The graph begins at retirement age and continues to life expectancy. Future retirement expenses are estimated based on your objectives, adjusted for inflation over time. Survivor expense levels start the year after first life expectancy.

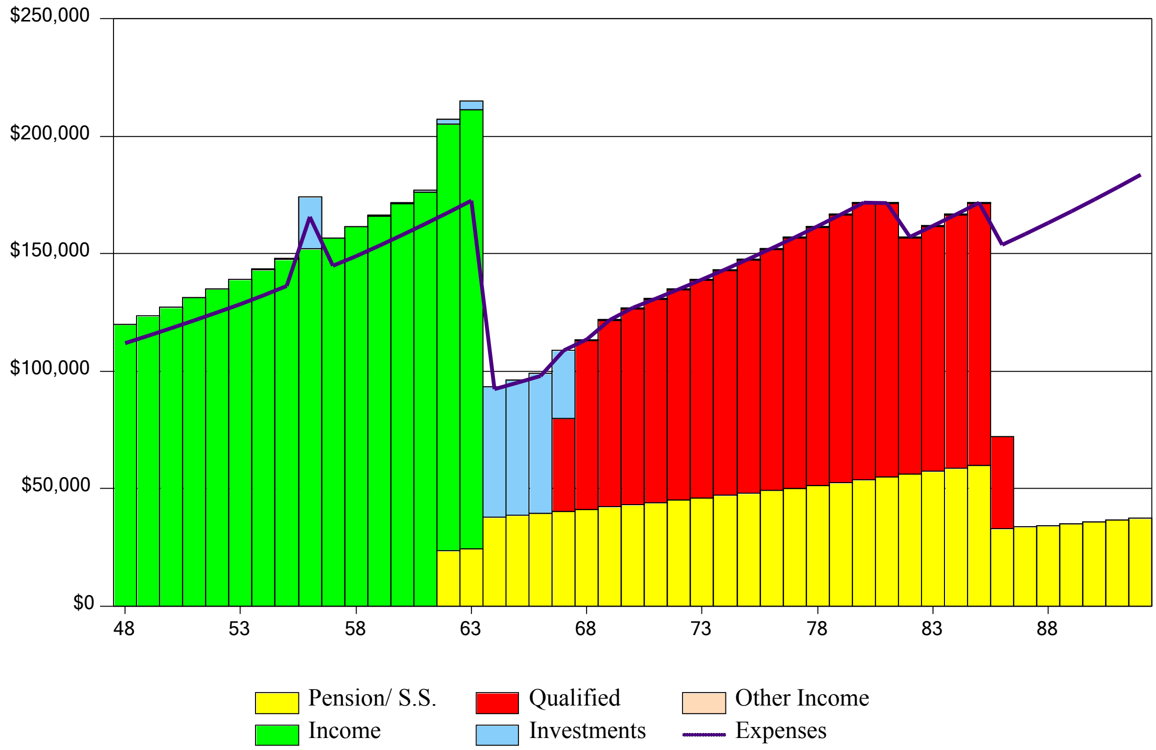
Social Security benefits, and annual adjustments for benefit growth, are estimated and illustrated over the anticipated lifetime. If the starting age selected for Social Security benefits is prior to normal benefit age, only a partial Social Security benefit may be available. Benefit amounts may decrease upon first death.

The Pension Benefit estimate combines any pension benefits and plots them starting at the age the benefit begins. At the death of the pension holder a surviving spouse might receive no continuing benefit, or only a portion of the benefit, causing a decrease in overall annual income.

Excess Expenses shown in the graph represent the amount of inflation adjusted annual living expenses that exceed the combined estimated Social Security and pension benefits. These are estimated amounts which will need to come from retirement savings to fund future expenses not covered by expected benefit income.

Note: Social Security and Pension benefit estimates are based upon information you provided. Estimates are not guarantees of future benefits amounts. Clients should not rely upon results of this report to predict actual future benefit amounts.

Cash Flow Summary



The bars in the above graph represent the amounts available from:

- Earned income (wages and self-employment)
- Social security
- Qualified plan additions and distributions
- Investment additions and distributions
- Misc - (inheritances, sale of residence, retirement account minimum distributions, life insurance)

The line illustrates the annual expenses including:

- Personal living expenses
- Planned debt expenses
- Specified special expenses
- Planned deposits to investment and retirement accounts
- Miscellaneous expense items
- Taxes

Note: The Cash Flow report provides the actual numbers that create the preceding Cash Flow Summary graph.

Cash Flow

Ages Indv. 1	2	Earned Income	Retire/Roth Accounts*	Investment Accounts*	Pension/ Soc Sec.	Other Income	Total Sources	Less Living Expense & Taxes	Shortage or Surplus
		Cash Flow Sources							
48	46	$120,000	($13,000)	($1,109)			$105,891	($97,750)	$8,141
49	47	123,600	(13,390)	(941)			109,270	(100,682)	8,587
50	48	127,308	(13,790)	(758)			112,760	(103,702)	9,058
51	49	131,126	(14,204)	(557)			116,365	(106,814)	9,551
52	50	135,060	(14,631)	(340)			120,089	(110,018)	10,071
53	51	139,112	(15,069)	(103)			123,940	(113,319)	10,621
54	52	143,285	(15,522)	153			127,916	(116,718)	11,198
55	53	147,584	(15,986)	431			132,029	(120,220)	11,809
56	54	152,012	(16,466)	22,274		(25,335)	132,484	(123,826)	8,658
57	55	156,572	(16,960)	(309)			139,303	(127,541)	11,762
58	56	161,269	(17,469)	(30)			143,770	(131,367)	12,403
59	57	166,108	(17,994)	271			148,385	(135,308)	13,077
60	58	171,090	(18,533)	598			153,155	(139,368)	13,787
61	59	176,224	(19,090)	951			158,085	(143,549)	14,536
62	60	181,510	(19,663)	1,953	23,641		187,441	(147,855)	39,586
63	61	186,956	(20,251)	3,652	24,159		194,516	(152,291)	42,225
64 R	62 R			55,613	37,750		93,363	(92,272)	1,092
65	63			57,601	38,585		96,186	(95,040)	1,147
66	64			59,657	39,438		99,095	(97,891)	1,204
67	65		39,494	28,924	40,309		108,727	(108,726)	
68	66		72,242		41,201		113,443	(113,443)	
69	67		79,644		42,111		121,755	(121,756)	
70	68		83,919		43,042		126,961	(126,961)	
71	69		86,861		43,994		130,855	(130,855)	
72	70		89,900		44,967		134,867	(134,867)	
73	71		93,041		45,961		139,002	(139,002)	
74	72		96,286		46,977		143,263	(143,263)	
75	73		99,638		48,016		147,654	(147,653)	
76	74		103,100		49,077		152,177	(152,178)	
77	75		106,678		50,163		156,841	(156,840)	
78	76		110,372		51,272		161,644	(161,644)	
79	77		114,189		52,406		166,595	(166,594)	
80	78		118,131		53,565		171,696	(171,696)	
81	79		116,748		54,749		171,497	(171,498)	
82	80		101,126		55,960		157,086	(157,087)	
83	81		104,602		57,198		161,800	(161,800)	
84	82		108,191		58,463		166,654	(166,654)	
85 L	83		111,897		59,756		171,653	(171,654)	
	84		39,143		32,794		71,937	(153,738)	(81,801)
	85				33,532		33,532	(158,350)	(124,818)
	86				34,286		34,286	(163,101)	(128,815)
	87				35,058		35,058	(167,994)	(132,936)
	88				35,846		35,846	(173,034)	(137,188)
	89				36,653		36,653	(178,225)	(141,572)
	90 L				37,478		37,478	(183,572)	(146,094)

* Scheduled distributions, interest, or dividends taken in cash or amounts taken to meet the IRS minimum distribution requirements.
Note: Earned Income is reduced by qualified retirement account contributions in calculating the effect of income taxes. Pension, Social Security, and Other Income cash flow items are net of income taxes. The tax rate used is the average tax rate entered in the input.

Cash Flow Explanation

Cash flows are sources and uses of money. Primary sources of funds are income from work, Social Security, pensions, savings, insurance proceeds, and other income events. Regular living expenses, education costs, and other planned expenses are the primary use of funds.

The cash flow report pages are designed to be an alternate presentation of the financial information shown elsewhere in this report. The emphasis of the cash flow illustrations are the amounts and types of incomes and levels of expenses that occur during the illustration.

The Cash Flow Summary Graph illustrates four primary financial elements; income, investment, expenses, and cash sources. The different colored bars in the graph represent the level of cash flows that are occurring, and what accounts they are related to. The single solid line represents the annual expense level from now to the end of the illustration. Prior to retirement, bars above the expense level represent investments.

Portions of bars below the expense line represent sources of cash that are being used to pay for planned living expenses and to cover special expenses such as education. During the working years, income from employment is generally the primary source of cash to cover expenses. In retirement, social security, pension benefits, and cash withdrawn from investment accounts are the major sources of cash to cover expenses.

In general terms, the best case is to have the cash flow bars always at or above the expense line. This indicates that there is sufficient income, or investment asset sources, to meet living expenses and other planned needs. Gaps between the expense line and cash flow bars indicate calculated shortfalls of cash flow during those years.

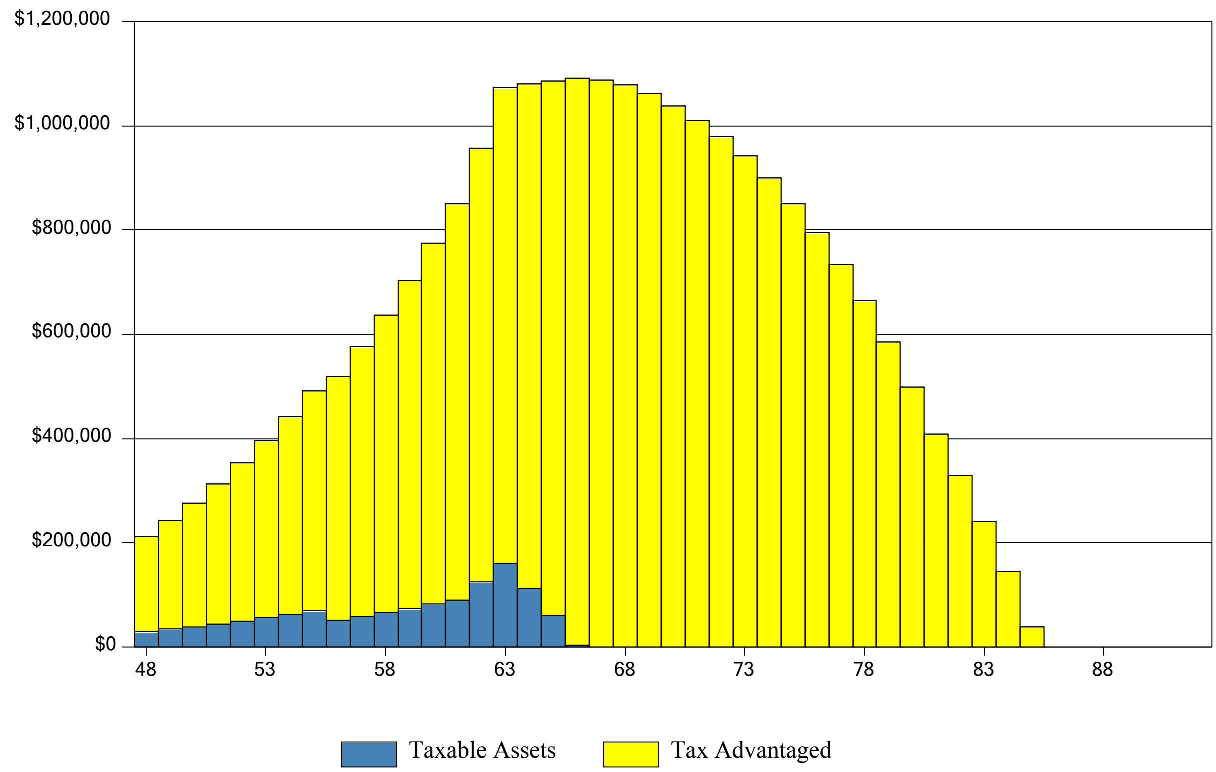
The cash flow numbers page contains the numerical information upon which the graph is based. This page shows the sources and uses of funds. The columns coincide with the bars and lines in the cash flow graph. Red numbers represent a use of cash, black a source.

The red numbers in the Retire/Roth or Investment Accounts columns are additions made to those accounts; these are investments and uses of funds. The black numbers in those columns represent withdrawals from the account; these are sources of funds to meet retirement needs.

All sources (and investment uses) are subtotaled in the Total Sources column. Tax estimates are based on earned income and investment income (adjusted for contributions to qualified retirement accounts) multiplied by the estimated net effective tax rates. The resulting tax estimate is added to inflation adjusted living expenses to create an estimated annual figure.

The combination of Total Sources and Living Expenses & Taxes can create a surplus or shortage. A shortage indicates that expenses exceed incomes and sources. A surplus can indicate that incomes exceed expenses. During retirement, if money is withdrawn at the same level of need, no surplus or shortage will occur.

Total Capital Assets



The Total Capital Assets graph displays taxable assets, combined with the value of the tax advantaged assets over time. The illustration shows assets from current age through life expectancy. Estimated capital growth is based on the rate of return for the assets, plus any annual additions or expenses. When the taxable accounts have been consumed, tax-advantaged accounts may be drawn on for additional funds.

Generally, the IRS requires that by age 70 1/2, minimum distributions must be made from qualified tax-deferred accounts. These annual distributions must be made on a schedule calculated to consume the account balances during the life expectancy. Money distributed from these tax-deferred accounts will first be used to meet current spending needs. Excess funds will be reinvested into taxable accounts.

Retirement Capital Analysis

Ages*		Retirement Spending Needs	Sources of Annual Income ** Social Security Indv. 1	Social Security Indv. 2	Pension Income Indv. 1	Pension Income Indv. 2	Education & Other Inc/Exp***	Net Surplus or (Shortage)	Annual Additions To Assets	**Retirement Capital** $183,000
48	46								16,000	211,706
49	47								16,480	242,828
50	48								16,973	276,543
51	49								17,483	313,048
52	50								18,008	352,544
53	51								18,547	395,248
54	52								19,105	441,395
55	53								19,676	491,237
56	54						(25,335)	(25,335)	20,267	519,035
57	55								20,875	575,718
58	56								21,501	636,882
59	57								22,147	702,851
60	58								22,811	773,971
61	59								23,496	850,616
62	60		18,241		5,400			23,641	24,201	957,442
63	61		18,651		5,508			24,159	24,926	1,072,419
64 R	62 R	92,272	20,100	11,658	5,993			(54,522)		1,079,671
65	63	95,040	20,552	11,920	6,113			(56,455)		1,086,007
66	64	97,891	21,015	12,188	6,235			(58,453)		1,091,362
67	65	100,828	21,488	12,462	6,360			(60,519)		1,087,119
68	66	103,853	21,971	12,743	6,487			(62,653)		1,078,325
69	67	106,969	22,465	13,029	6,616			(64,858)		1,061,015
70	68	110,178	22,971	13,323	6,749			(67,136)		1,038,237
71	69	113,483	23,488	13,622	6,884			(69,489)		1,011,063
72	70	116,887	24,016	13,929	7,021			(71,921)		979,127
73	71	120,394	24,557	14,242	7,162			(74,433)		942,040
74	72	124,006	25,109	14,563	7,305			(77,029)		899,386
75	73	127,726	25,674	14,890	7,451			(79,710)		850,719
76	74	131,558	26,252	15,225	7,600			(82,481)		795,567
77	75	135,505	26,842	15,568	7,752			(85,342)		733,420
78	76	139,570	27,446	15,918	7,907			(88,298)		663,740
79	77	143,757	28,064	16,276	8,065			(91,351)		585,947
80	78	148,070	28,695	16,643	8,227			(94,505)		499,427
81	79	152,512	29,341	17,017	8,391			(97,763)		409,140
82	80	157,087	30,001	17,400	8,559			(101,127)		329,527
83	81	161,800	30,676	17,791	8,730			(104,602)		241,558
84	82	166,654	31,366	18,192	8,905			(108,191)		144,614
85 L	83	171,654	32,072	18,601	9,083			(111,898)		38,036
	84	153,738		32,794				(120,944)		
	85	158,350		33,532				(124,818)		
	86	163,101		34,286				(128,815)		
	87	167,994		35,058				(132,936)		
	88	173,034		35,846				(137,188)		
	89	178,225		36,653				(141,572)		
	90 L	183,572		37,478				(146,094)		

*R=Retirement age, L=Life expectancy.** Pensions & 85% of S.S. reduced 20.00% for income taxes. *** Includes life insurance and education costs.
Note: This report is based upon assumed inflation rates of 3.00% and 3.00% (before and after retirement). Actual future inflation rates are unknown.

Taxable Savings & Investment Accounts

Ages 1 & 2		Account Additions	Annual Growth	Income Tax On Account*	From Tax-Advantaged Assets Distri-butions	From Tax-Advantaged Assets Income Tax	Paid out or received for cash flow	Account Balance** $25,000
48	46	3,000	1,855	(464)				29,391
49	47	3,090	2,166	(541)				34,105
50	48	3,183	2,499	(625)				39,161
51	49	3,278	2,856	(714)				44,581
52	50	3,377	3,239	(810)				50,386
53	51	3,478	3,649	(912)				56,600
54	52	3,582	4,087	(1,022)				63,247
55	53	3,690	4,556	(1,139)				70,354
56	54	3,800	4,171	(1,043)			(25,335)	51,946
57	55	3,914	3,773	(943)				58,690
58	56	4,032	4,249	(1,062)				65,909
59	57	4,153	4,759	(1,190)				73,630
60	58	4,277	5,304	(1,326)				81,885
61	59	4,406	5,886	(1,472)				90,704
62	60	4,538	7,336	(1,834)			23,641	124,384
63	61	4,674	9,716	(2,429)			24,159	160,504
64 R	62 R		7,995	(1,599)			(54,522)	112,377
65	63		5,049	(1,010)			(56,455)	59,960
66	64		1,844	(369)			(58,453)	2,981
67	65		87	(17)	65,366	(7,899)	(60,519)	
68	66				72,243	(9,590)	(62,653)	
69	67				79,645	(14,787)	(64,858)	
70	68				83,920	(16,784)	(67,136)	
71	69				86,861	(17,372)	(69,489)	
72	70				89,901	(17,980)	(71,921)	
73	71				93,042	(18,608)	(74,433)	
74	72				96,286	(19,257)	(77,029)	
75	73				99,638	(19,928)	(79,710)	
76	74				103,101	(20,620)	(82,481)	
77	75				106,678	(21,336)	(85,342)	
78	76				110,373	(22,075)	(88,298)	
79	77				114,189	(22,838)	(91,351)	
80	78				118,132	(23,626)	(94,505)	
81	79				116,749	(18,986)	(97,763)	
82	80				101,127		(101,127)	
83	81				104,602		(104,602)	
84	82				108,191		(108,191)	
85 L	83				111,898		(111,898)	
	84				39,144		(120,944)	
	85						(124,818)	
	86						(128,815)	
	87						(132,936)	
	88						(137,188)	
	89						(141,572)	
	90 L						(146,094)	

* Estimated taxes include tax due on income and on sales of assets. Starting cost basis is estimated at 100.00%.
** This report is based on assumed growth rates of 7.00% and 6.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account additions are calculated to increase at 3.00% per year for each individual.

Tax-Deferred Annuities

Ages 1 & 2		Account Additions	Annual Growth	Account Withdrawals	Balance* $30,000	Cumulative Growth	Taxable Withdrawal	Income Tax Due
48	46		2,100		32,100	2,100		
49	47		2,247		34,347	4,347		
50	48		2,404		36,751	6,751		
51	49		2,573		39,324	9,324		
52	50		2,753		42,077	12,077		
53	51		2,945		45,022	15,022		
54	52		3,152		48,173	18,173		
55	53		3,372		51,546	21,546		
56	54		3,608		55,154	25,154		
57	55		3,861		59,015	29,015		
58	56		4,131		63,146	33,146		
59	57		4,420		67,566	37,566		
60	58		4,730		72,295	42,295		
61	59		5,061		77,356	47,356		
62	60		5,415		82,771	52,771		
63	61		5,794		88,565	58,565		
64 R	62 R		6,200		94,764	64,764		
65	63		6,634		101,398	71,398		
66	64		7,098		108,496	78,496		
67	65		6,212	(39,494)	75,214	84,708	39,494	(7,899)
68	66		2,736	(72,243)	5,708	47,951	47,951	(9,590)
69	67		193	(5,901)		193	193	(39)
70	68							
71	69							
72	70							
73	71							
74	72							
75	73							
76	74							
77	75							
78	76							
79	77							
80	78							
81	79							
82	80							
83	81							
84	82							
85 L	83							
	84							
	85							
	86							
	87							
	88							
	89							
	90 L							

* This report is based on assumed growth rates of 7.00% and 7.00%, with inflation rates of 3.00% and 3.00% (before and after retirement). Starting Cost basis is 100.00%. Account additions are calculated to increase 3.00% per year.

Tax-Deferred Retirement Accounts

	Individual 1 Accounts					Individual 2 Accounts			
Age	Account Additions	Annual Growth	With-drawals	**Balance*** $100,000	Age	Account Additions	Annual Growth	With-drawals	**Balance*** $14,000
48	9,000	7,315		116,315	46		980		14,980
49	9,270	8,467		134,051	47		1,049		16,028
50	9,548	9,718		153,316	48		1,122		17,149
51	9,835	11,076		174,226	49		1,200		18,349
52	10,130	12,550		196,905	50		1,284		19,633
53	10,433	14,149		221,486	51		1,374		21,007
54	10,746	15,880		248,112	52		1,470		22,477
55	11,069	17,755		276,936	53		1,573		24,050
56	11,401	19,785		308,121	54		1,684		25,733
57	11,743	21,979		341,843	55		1,801		27,534
58	12,095	24,352		378,290	56		1,927		29,461
59	12,458	26,916		417,664	57		2,062		31,523
60	12,832	29,686		460,181	58		2,207		33,729
61	13,217	32,675		506,073	59		2,361		36,090
62	13,613	35,902		555,587	60		2,526		38,616
63	14,022	39,382		608,990	61		2,703		41,319
64 R		36,539		645,529	62 R		2,479		43,798
65		38,732		684,260	63		2,628		46,425
66		41,056		725,315	64		2,786		49,210
67		43,519		768,833	65		2,953		52,162
68		46,130		814,962	66		3,130		55,291
69		46,685	(73,744)	787,903	67		3,317		58,608
70		44,757	(83,920)	748,739	68		3,516		62,124
71		42,318	(86,861)	704,196	69		3,727		65,851
72		39,627	(87,497)	656,325	70		3,879	(2,403)	67,326
73		36,664	(90,501)	602,488	71		3,963	(2,541)	68,748
74		33,341	(93,601)	542,228	72		4,044	(2,685)	70,106
75		29,630	(96,800)	475,057	73		4,121	(2,838)	71,388
76		25,500	(100,101)	400,456	74		4,193	(3,000)	72,581
77		20,922	(103,509)	317,869	75		4,260	(3,169)	73,671
78		15,861	(107,024)	226,706	76		4,320	(3,349)	74,642
79		10,282	(110,668)	126,319	77		4,373	(3,521)	75,494
80		4,147	(114,413)	16,052	78		4,418	(3,719)	76,193
81		468	(16,520)		79		2,219	(78,412)	
82					80				
83					81				
84					82				
85 L					83				
					84				
					85				
					86				
					87				
					88				
					89				
					90 L				

* This report is based on assumed growth rates of 7.00% and 6.00%, and inflation rates of 3.00% and 3.00% (before and after retirement). Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2). Company contributions to Roth 401k accounts show as account additions to Tax Deferred accounts.

Tax-Free Accounts

Combined ROTH IRA Accounts							Other Tax Free Assets			
Age Indv 1	Age Indv 2	Additions Indv. 1	Additions Indv. 2	Annual Growth	With-drawals	**Balance*** $4,000	Account Additions	Annual Growth	With-drawals	**Balance*** $10,000
48	46	2,000	2,000	420		8,420		500		10,500
49	47	2,060	2,060	734		13,272		525		11,025
50	48	2,121	2,121	1,078		18,590		551		11,576
51	49	2,185	2,185	1,454		24,414		579		12,154
52	50	2,251	2,251	1,867		30,782		608		12,761
53	51	2,318	2,318	2,317		37,734		638		13,399
54	52	2,388	2,388	2,809		45,318		670		14,068
55	53	2,459	2,459	3,344		53,580		703		14,771
56	54	2,533	2,533	3,928		62,572		739		15,509
57	55	2,609	2,609	4,563		72,352		775		16,284
58	56	2,687	2,687	5,253		82,978		814		17,098
59	57	2,768	2,768	6,002		94,516		855		17,952
60	58	2,851	2,851	6,816		107,032		898		18,849
61	59	2,937	2,937	7,698		120,602		942		19,791
62	60	3,025	3,025	8,654		135,304		990		20,780
63	61	3,115	3,115	9,689		151,222		1,039		21,819
64 R	62 R			9,073		160,294		1,091		22,909
65	63			9,618		169,910		1,145		24,054
66	64			10,195		180,104		1,203		25,256
67	65			10,806		190,910		616	(25,872)	
68	66			11,455		202,364				
69	67			12,142		214,504				
70	68			12,870		227,374				
71	69			13,642		241,016				
72	70			14,461		255,476				
73	71			15,329		270,804				
74	72			16,248		287,052				
75	73			17,223		304,274				
76	74			18,256		322,530				
77	75			19,352		341,880				
78	76			20,513		362,392				
79	77			21,744		384,134				
80	78			23,048		407,182				
81	79			23,776	(21,817)	409,140				
82	80			21,515	(101,127)	329,527				
83	81			16,634	(104,602)	241,558				
84	82			11,248	(108,191)	144,614				
85 L	83			5,320	(111,898)	38,036				
	84			1,108	(39,144)					
	85									
	86									
	87									
	88									
	89									
	90 L									

* Roth growth rates: 7.00% and 6.00%, Tax-Free: 5.00% and 5.00%, inflation rates: 3.00% and 3.00% (before and after retirement). Account deposits are calculated to increase 3.00% and 3.00% per year (Individual 1 and 2).

Insurance Summary

Company Name		
Insured	Indv 1	Indv 2
Owner	Indv 1	Indv 2
Beneficiary	Indv 2	Indv 1
Type	Term	Term
Death Benefit	$300,000	$100,000
Annual Premium		
Total Premiums Paid		
Current Cash Values		

Insurance Included in Estate:

John predeceases Mary

	John	**Mary**
Policy 1 -	$300,000	$0
Policy 2 -	0	100,000
	$300,000	$100,000

Mary predeceases John

	Mary	**John**
Policy 1 -	$0	$300,000
Policy 2 -	100,000	0
	$100,000	$300,000

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on John:

Present Value:	Anticipated Spending Needs	$1,411,442	
	Education Expenses	99,999	
	Other Expenses	33,396	$1,544,837
	Mary's Employment	($292,809)	
	Social Security Benefits	(386,893)	
	Pension Benefits	(0)	
	Other Incomes	(0)	($679,702)

Net Estimated Survivor Need Shortage	$865,135
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(300,000)
Suggested Additional Life Insurance Coverage	**$522,135**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse's retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Analysis

In the event of an untimely death, survivors may be left without the household income needed to sustain their existing lifestyle. Life insurance coverage is recommended in an amount that will ensure sufficient ongoing income, as well as cover immediate needs, such as final expenses.

Determining proper levels of life insurance involves a comparison of current and future household expense levels with expected surviving spouse's earnings plus survivor benefits. Other resources are also taken into account such as: liquid assets, investments, pension, and retirement accounts.

Insurance needs estimates are the calculated lump sum amounts which would provide a source of future cash flow to supplement the anticipated household income. The insurance levels suggested are just general guides and may not include all factors affecting your own situation.

Spending needs for this report are based upon $60,000 per year, inflated at 3% each year.
until retirement and $50,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on Mary:

Present Value:	Anticipated Spending Needs	$1,303,406	
	Education Expenses	99,999	
	Other Expenses	33,396	$1,436,801
	John's Employment	($878,427)	
	Social Security Benefits	(285,151)	
	Pension Benefits	(40,693)	
	Other Incomes	(0)	($1,204,272)

Net Estimated Survivor Need Shortage	$232,529
Currently Existing Liabilities	140,000
Assets Available to Offset Shortage	(183,000)
Current Life Insurance Coverage	(100,000)
Suggested Additional Life Insurance Coverage	**$89,529**

Note: Estimated insurance requirements can vary over time due to changes in asset levels, special expenses, education expenses, estate planning, and spouse's retirement needs. Additional insurance, held outside of an insurance trust, may have estate tax consequences. It may be prudent to purchase an amount of insurance appropriate to prepare for potential higher coverage needs. Consult with your financial advisor about factors that may suggest additional insurance coverage.

Survivor Needs Calculation for Mary, To Estimate Life Insurance Required on John

Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
NPV's*	($1,411,442)	($99,999)	($33,396)	$292,809	$386,893	$0	($865,135)
46	(60.000)		(17.500)	22.500	32.810		(22.190)
47	(61.800)			23.175	33.549		(5.076)
48	(63.654)			23.870	34.303		(5.480)
49	(65.564)			24.586	35.075		(5.902)
50	(67.531)			25.324	35.865		(6.342)
51	(69.556)			26.084	31.433		(12.040)
52	(71.643)	(13.382)		26.866	32.140		(26.019)
53	(73.792)	(21.278)		27.672	32.863		(34.535)
54	(76.006)	(22.554)	(25.335)	28.502	33.602		(61.791)
55	(78.286)	(23.908)		29.357			(72.837)
56	(80.635)	(25.342)		30.238			(75.739)
57	(83.054)	(26.863)		31.145			(78.772)
58	(85.546)	(28.474)		32.080			(81.940)
59	(88.112)			33.042			(55.070)
60	(90.755)			34.033			(56.722)
61	(93.478)			35.054			(58.424)
62	(80.235)				20.100		(60.135)
63	(82.642)				20.552		(62.090)
64	(85.122)				21.015		(64.107)
65	(87.675)				21.488		(66.188)
66	(90.306)				21.971		(68.334)
67	(93.015)				22.465		(70.549)
68	(95.805)				22.971		(72.834)
69	(98.679)				23.488		(75.192)
70	(101.640)				24.016		(77.623)
71	(104.689)				24.557		(80.132)
72	(107.830)				25.109		(82.720)
73	(111.064)				25.674		(85.390)
74	(114.396)				26.252		(88.145)
75	(117.828)				26.842		(90.986)
76	(121.363)				27.446		(93.917)
77	(125.004)				28.064		(96.940)
78	(128.754)				28.695		(100.059)
79	(132.617)				29.341		(103.276)
80	(136.595)				30.001		(106.594)
81	(140.693)				30.676		(110.017)
82	(144.914)				31.366		(113.547)
83	(149.261)				32.072		(117.189)
84	(153.739)				32.794		(120.945)
85	(158.351)				33.532		(124.820)
86	(163.102)				34.286		(128.816)
87	(167.995)				35.058		(132.937)
88	(173.035)				35.846		(137.188)
89	(178.226)				36.653		(141.573)
90	(183.573)				37.478		(146.095)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $17,500.

Survivor Needs Calculation for John, To Estimate Life Insurance Required on Mary

NPV's*	($1,303,406)	($99,999)	($33,396)	$878,427	$285,151	$40,693	($232,529)
Age	After Tax Spending Need	Education Costs	Other Inc/Exp**	After Tax Emp. Income	After Tax SS Benefits	After Tax Pension Inc.	Estimated Inc. Shortage
48	(60,000)		(17,500)	67,500	19,807		9,807
49	(61,800)			69,525	20,253		27,978
50	(63,654)			71,611	20,709		28,665
51	(65,564)			73,759	21,174		29,370
52	(67,531)			75,972	21,651		30,092
53	(69,556)			78,251	18,975		27,670
54	(71,643)	(13,382)		80,599	19,402		14,976
55	(73,792)	(21,278)		83,016	19,839		7,785
56	(76,006)	(22,554)	(25,335)	85,507	20,285		(18,103)
57	(78,286)	(23,908)		88,072			(14,122)
58	(80,635)	(25,342)		90,714			(15,263)
59	(83,054)	(26,863)		93,436			(16,481)
60	(85,546)	(28,474)		96,239			(17,781)
61	(88,112)			99,126			11,014
62	(90,755)			102,100	19,225	5,760	36,330
63	(93,478)			105,163	19,658	5,875	37,218
64	(80,235)				20,100	5,993	(54,142)
65	(82,642)				20,552	6,113	(55,977)
66	(85,122)				21,015	6,235	(57,872)
67	(87,675)				21,488	6,360	(59,828)
68	(90,306)				21,971	6,487	(61,848)
69	(93,015)				22,465	6,616	(63,933)
70	(95,805)				22,971	6,749	(66,085)
71	(98,679)				23,488	6,884	(68,308)
72	(101,640)				24,016	7,021	(70,602)
73	(104,689)				24,557	7,162	(72,970)
74	(107,830)				25,109	7,305	(75,415)
75	(111,064)				25,674	7,451	(77,939)
76	(114,396)				26,252	7,600	(80,544)
77	(117,828)				26,842	7,752	(83,234)
78	(121,363)				27,446	7,907	(86,009)
79	(125,004)				28,064	8,065	(88,875)
80	(128,754)				28,695	8,227	(91,832)
81	(132,617)				29,341	8,391	(94,884)
82	(136,595)				30,001	8,559	(98,035)
83	(140,693)				30,676	8,730	(101,287)
84	(144,914)				31,366	8,905	(104,643)
85	(149,261)				32,072	9,083	(108,106)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 6% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $17,500.

Disability Income Insurance

Disability due to illness or injury can devastate your financial plans. At a time when you are unable to work for a living, household expenses may actually increase while your income decreases. You could be forced to deplete funds that might have been saved for your retirement years.

Generally, the goal of disability insurance is to replace the after-tax earnings of the insured wage earner and to allow you and your family to maintain your current lifestyle. Based on your current situation, you would need to replace the following income if you were disabled.

John		**Mary**	
Current Income:	$90,000/Yr.	Current Income:	$30,000/Yr.
Replacement Ratio*:	65%	Replacement Ratio*:	65%
Suggested Need:	$59,000/Yr.	Suggested Need:	$20,000/Yr.

* Current underwriting standards allow only a portion of Current Income to be replaced.

In addition, there are many factors which could affect the amount of the Suggested Need noted above. You should review these items before making your final decision. These factors include:

- Investment Income
- Investment Assets
- Retirement Assets
- Spouse's Salary
- Pension Income
- Other Income
- Changes in Living Expenses
- Inflation
- Funds required for retirement/education or other needs
- Length of Time Until Retirement
- Changes in Taxes
- Social Security Disability Benefits
- Employer Disability Benefits

Note: Consult with your financial advisor about factors that may suggest additional insurance coverage.

Long-Term Care

Long-Term Care Defined

Long-term care is sustained medical or custodial care in a hospital, nursing facility, or equivalent care at home. This care meets the needs of people when, for some reason, they cannot care for themselves. Long-term care insurance provides coverage for costs when the need for care extends beyond a pre-determined period. Benefits start when certain conditions and time frames specified by a long-term care insurance policy are met.

Generally the needs requirements to obtain insurance benefits fall into two categories:

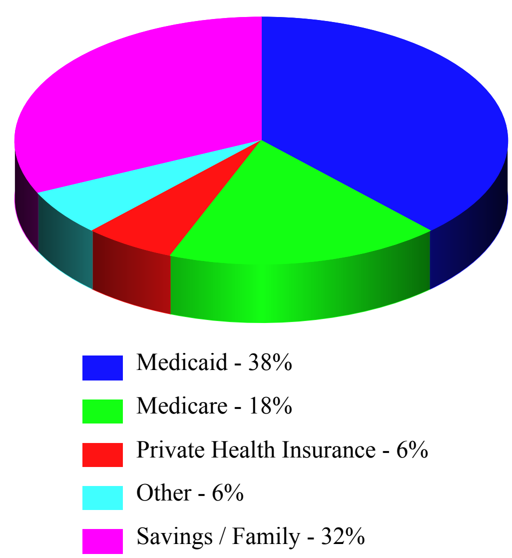
An inability to perform two or more Activities of Daily Living (or ADLs).	Activities of Daily Living (ADLs) are basic functions of daily independent living and includes: Dressing Toileting Bathing Transferring Eating Continence
Impaired Cognitive Ability	Loss of mental function can result from stroke, dementia or Alzheimer's Disease. Alzheimer's Disease is a disorder that progressively affects one's ability to carry out daily activities.

The Cost of Waiting to Plan

- 40% of all long-term care recipients are under the age of 65.
- Over 45% of seniors who reach age 65 will spend some time in a nursing home.
- Over 70% of seniors who reach age 65 will need some form of home health care in their lifetime.
- One out of every four families provides care to an elderly relative or loved one.
- 25% will stay in a Nursing Facility for more than one full year.
- The average nursing home stay is 2.5 years and the average Alzheimer's stay is 7 years.

Without benefits from long-term care insurance or a comparable plan, the cost of providing these services could devastate your lifetime savings, or a relative's life savings. On average, one year in a nursing home costs in the area of $57,000 and can easily exceed $100,000.

Depending on the care required, most of these expenses are paid for by the patient or their family. Medicare may contribute toward the first 100 days expenses in a skilled care facility. There are no Medicaid benefits available for intermediate term or custodial care, unless the state finds the patient to be impoverished under local guidelines. Even then, care options would be restricted to care facilities that accept the very limited benefit payments Medicaid offers.



Medicaid and Medicare Facts

- **Medicaid is a welfare program designed as an emergency safety net to pay health care costs of the poor.**
- **Medicare is part of Social Security, and helps pay for the general health care needs of retired persons.**
- **Medicare typically only pays for doctors, hospitals, and short recuperative stays in nursing facilities.**
- **Private health insurance is designed for medical (doctors, hospitals, etc) not long-term care expenses.**
- **Most people end up relying on their own or relatives resources to pay for long-term care expenses.**

Long-Term Care Need Analysis

Long-term care (LTC) requires long-term planning. LTC insurance is available to cover these expenses, protect your assets, your independence, and control the quality of the care you receive. You are able to choose the specified daily benefit level, as well as the types of medical and care services covered.

When is the best time to purchase LTC insurance? Generally, the premiums stay level once the policy is purchased, much like level term insurance. In practice, the earlier you buy a policy, the lower the premium. Since the odds of becoming disabled increase with age, purchasing coverage before the age of 55 is good planning. Consider the premium cost of several coverage levels to determine which is right for your budget.

Needs Estimate

These estimated long-term care cost examples are based upon your financial information. Consider the numbers here to be a starting point for analysis and discussion of your long-term care insurance needs.

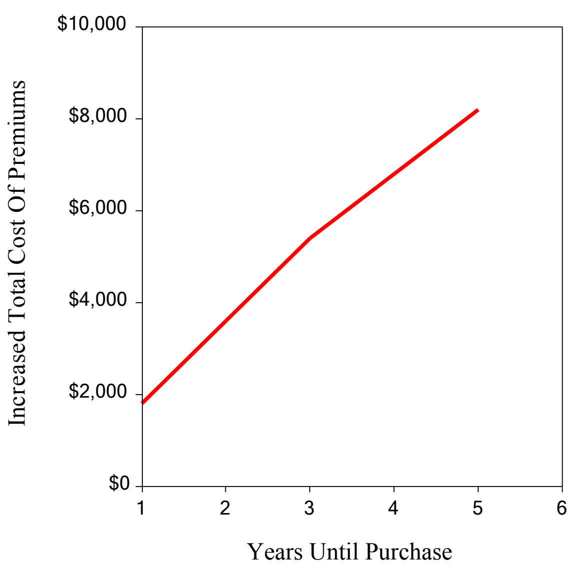
	John	Mary
Estimated daily care cost	$350	$350
Estimated annual care costs	$127,750	$127,750
Estimated years of care	5	5
Assumed inflation rate	5%	5%

Current financial assets exposed to potential long-term care expense risk : **$183,000**

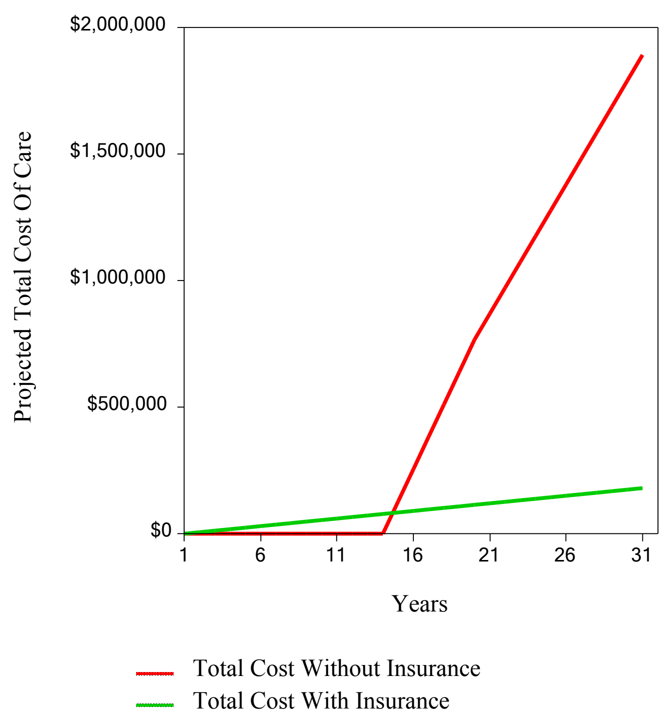
Depending on your age, a delay in arranging a Long-term care policy can mean substantially higher premiums. This graph illustrates the cost of waiting to purchase a Long-term care policy.

A Long-term care policy can stabilize and moderate the potentially damaging costs of nursing home care. This graph displays potential cost differential and value of having a Long-term insurance plan in place.

Cumulative Cost of Waiting to Purchase



Economic Impact of Long-Term Care

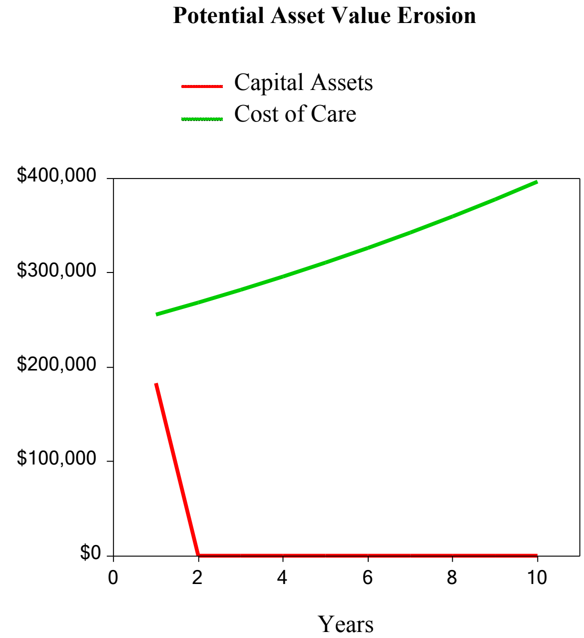


Long-Term Care Unprotected Need

This future long-term care needs chart displays the annual future amount of long-term care needed vs. your assets available. Total Long-Term Care Need is based upon average care requirements. Assets to Liquidate are your non-qualified working assets. Your Unprotected Need is estimated to be $1,386,791 based upon these estimates:

Long-Term Care Need Calculation

Total Long-Term Care Need:	$1,411,791
Assets to Liquidate:	$25,000
Unprotected Need:	$1,386,791



Favorable income tax treatment is available for policies meeting certain requirements. In those cases, premiums, with certain limitations, may be deducted as medical expenses for those who itemize their deductions.

Alternative Options to Long-Term Care Insurance

Self-Insurance

This alternative to purchasing LTC insurance is using your existing investments to pay for long-term care if needed. This would be appropriate if sufficient assets are available and the potential loss of those assets to heirs is acceptable. Of course this means that you are willing to liquidate your assets, and if you don't have sufficient funds, you transfer the financial burden to your loved ones. While this alternative may be more flexible, the LTC insurance would be more beneficial if the coverage is eventually needed.

Qualify for Medicaid

Medicaid was enacted to provide health care services for the impoverished. Recent legislation has made it extremely difficult for a person of modest means to qualify for Medicaid benefits by gifting or otherwise disposing of personal assets for less than fair market value.

Summary

Be aware that the potential loss of financial assets to pay for long-term care costs is due to increasing life expectancies and advances in medical treatment for the elderly. This presents a risk to your lifetime savings and financial future. LTC insurance is available at varying levels of coverage and corresponding premiums to meet these risks. LTC insurance can allow you to maintain your desired level of independence and preserve personal assets. However, premium costs will be a significant factor in your decision. Consider discussing your LTC insurance needs and options with an insurance specialist who can explain specific policy details. Fully understanding available options can help you find the best choice for you and your family's future.

Estate Planning

While a very complex topic, estate planning is a critical component of any well developed financial plan. To be effective, this planning needs to be carefully coordinated with the other areas of planning such as Insurance, Retirement, Investments, etc. The primary goal of this section is to highlight estate planning concepts, and help illustrate potential benefits of implementing basic estate planning techniques available today.

Estate Tax

Minimizing estate tax exposure is generally a primary goal of most clients. History is full of examples of estates decimated by unnecessary estate taxes and expenses. We will provide you with an analysis of your current situation and illustrate suggestions to minimize your current and future estate tax exposure. Some of the basic planning techniques we will consider are the use of:

Unlimited Marital Deduction
Maximizing use of Applicable Exclusion Amount
Unlimited Charitable Deductions
Annual Gift Exclusion
Revocable Living Trusts
Irrevocable Life Insurance Trusts

Other Financial Goals

Other financial goals to consider in your planning are:

Estate liquidity
Managing probate, administrative and other expenses
Minimizing Income Tax

Non-Financial Goals

The non-financial aspects of estate planning are just as important as the various financial goals described above. They will often be of a very personal nature and should be customized to fit into your overall plan. Generally, this can be accomplished by discussing these goals noted above. We will be able to point out only general concepts in this report. However, some of the non-financial goals for you to consider are:

Caring for dependents or minor children
Distribution of property to heirs
Maintaining control over assets
Lifetime planning issues such as incapacity and health care powers

Summary

Protecting your estate requires careful planning. The diverse skills required to coordinate a plan might require a team approach consisting of your financial planner, attorney, insurance specialist, accountant, and investment advisor. The illustrations provided here are intended as tools to help you and your team make informed decisions. In addition, your situation will most likely change with time. Therefore, you will need to monitor your estate planning situation periodically and make amendments as required.

This report is a hypothetical illustration and does not constitute legal or tax advice. You should always obtain legal counsel and professional tax advice before taking action affecting your estate planning.

Your Current Situation

The recommendations in this report are based on information that you provided. Before reviewing the estate plan or implementing any of the recommendations that follow, please verify the following data and assumptions.

Basic Data

	John	Mary
Age	48	46
Age at Death for this Illustration	48	46

General Assumptions

Administrative & probate expenses as a percentage of estate assets:	4.00%
Estimated final expenses	$7,500

Existing Estate Planning

	John	Mary
Will	No	No
Revocable Living Trust	No	No
Marital Trust Provisions	No	No
Credit Shelter Trust Provisions	No	No
QTIP Trust Provisions	No	No
Generation Skip Trust Provisions	No	No
Irrevocable Life Insurance Trust	No	No
Durable General Power of Attorney	No	No
Durable Health Care Power of Attorney	No	No
Living Will	No	No
Existing percentage of Estate in Living Trust	0%	0%

Previous Gifting Detail

	John	Mary
Previous Taxable Gifts	$0	$0
Previous Gift Taxes Paid	$0	$0

Current Estate Summary

John's gross estate consists of $504,500 and Mary's consists of $188,500.
Potential federal estate taxes currently range from $0 to $0.
Administrative, probate, and final expenses could total from $55,146 to $67,281.
Additional planning could save up to $48,817 in estate taxes and other costs.

Estate Net Worth Statement

ASSETS	John	Mary	Joint/ Community	Total
Savings and Investments				
Money market accounts/funds			$20,000	$20,000
Municipal bonds and funds			10,000	10,000
Stock mutual funds			5,000	5,000
Annuities	30,000			30,000
	$30,000	$0	$35,000	$65,000
Retirement Accounts				
Qualified Plans - John	$100,000			$100,000
Roth IRA Assets - John	2,000			2,000
Roth IRA Assets - Mary		2,000		2,000
IRA Assets - Mary		14,000		14,000
	$102,000	$16,000	$0	$118,000
Other Assets				
Residence			$200,000	$200,000
Personal Property			20,000	20,000
Auto			30,000	30,000
	$0	$0	$250,000	$250,000
TOTAL ASSETS	**$132,000**	**$16,000**	**$285,000**	**$433,000**
LIABILITIES				
Residence Mortgage			$120,000	$120,000
Credit Card Debt			5,000	5,000
Auto Loans			15,000	15,000
TOTAL LIABILITIES	**$0**	**$0**	**$140,000**	**$140,000**
NET WORTH	**$132,000**	**$16,000**	**$145,000**	**$293,000**
ADJUSTMENTS				
Life insurance in estate	$300,000	$100,000		
Estate share of joint property	72,500	72,500		
ESTATE NET WORTH	**$504,500**	**$188,500**		

Current Situation - Flowchart

John Predeceases Mary

John's Estate $504,500

At John's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Marital Transfer $474,020

Proceeds from life insurance on John would transfer to beneficiaries.

At Mary's Death

Mary's own assets, plus the assets transferred from John will be included in Mary's taxable estate.

Mary's Estate $662,520

Proceeds from life insurance on Mary would be subject to estate tax.

To Beneficiaries* $625,719

* After total costs and taxes of $67,281

Mary Predeceases John

Mary's Estate $188,500

At Mary's Death

The Marital Deduction allows unlimited assets to pass to a spouse without estate taxation.

Marital Transfer $170,660

Proceeds from life insurance on Mary would transfer to beneficiaries.

At John's Death

John's own assets, plus the assets transferred from Mary will be included in John's taxable estate.

John's Estate $675,160

Proceeds from life insurance on John would be subject to estate tax.

To Beneficiaries* $637,854

* After total costs and taxes of $55,146

Current Situation - Estimate

John Predeceases Mary

Estate	John's Death	Mary's Death
Separate property (assets balanced)	$30,000	$0
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	102,000	16,000
Life Insurance	300,000	100,000
Debt	(70,000)	(70,000)
Marital Transfer	0	474,020
	$504,500	$662,520
Deductions and Expenses		
Marital Transfer	($474,020)	$0
Administrative, Probate and Final Expenses	(30,480)	(36,801)
	($504,500)	($36,801)
Federal Taxable Estate	$0	$625,719
Federal Estate Tax		
Federal Estate Tax	$0	($202,316)
Applicable Credit Amount	0	202,316
Federal Estate Tax	$0	$0

Mary Predeceases John

Estate	Mary's Death	John's Death
Separate property (assets balanced)	$0	$30,000
50% of jointly owned & community property	142,500	142,500
Retirement Accounts	16,000	102,000
Life Insurance	100,000	300,000
Debt	(70,000)	(70,000)
Marital Transfer	0	170,660
	$188,500	$675,160
Deductions and Expenses		
Marital Transfer	($170,660)	$0
Administrative, Probate and Final Expenses	(17,840)	(37,306)
	($188,500)	($37,306)
Federal Taxable Estate	$0	$637,854
Federal Estate Tax		
Federal Estate Tax	$0	($206,806)
Applicable Credit Amount	0	206,806
Federal Estate Tax	$0	$0

Your Alternate Estate Planning Structure

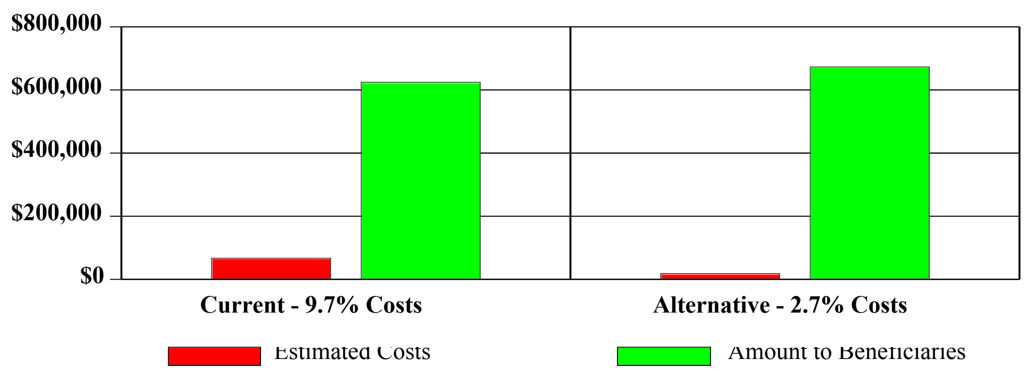
Summary of Alternative Estate Results

This report reviews and compares the cumulative impact of the suggested estate planning alternatives upon your estate. The Suggested Alternative Flowchart diagram which follows this page illustrates how the improved estate structure reduces the amount of your estate exposed to estate taxes. In your specific case, you may be able to reduce your estate costs and taxes by up to 73%. These savings directly translate into additional assets available for beneficiaries.

Currently, your combined total estate is estimated to be $693,000. Using estimated estate settlement costs of $67,281, you would pass approximately $625,719 to your beneficiaries.

With proper implementation of suggested alternative estate structures, your current estimated estate settlement costs may be reduced to approximately $18,464. This would allow you to save $48,817 in taxes and expenses, transferring $674,536 to your beneficiaries.

Impact of Planning upon Estate Costs



Alternative Wills and Trusts

By implementing suggested alternative estate strategies, you may significantly increase the assets passing to your beneficiaries at death and reduce your estimated estate settlement costs.

Your current estate documents:

- None

Suggested additional/alternative estate documents:

- A Will for each spouse if necessary
- Revised asset ownership to balance property if necessary
- A Revocable Living Trust for each spouse
- Fund the Revocable Living Trusts
- Credit Shelter Trust provisions
- Marital Trust provisions
- Irrevocable Life Insurance Trusts*
- Durable General Powers of Attorney
- Durable Health Care Powers of Attorney
- Living Wills

* Please note that Irrevocable Life Insurance Trusts may not be needed in all cases. Please consult your attorney.

Alternative Situation - Flowchart

John Predeceases Mary

John's Estate $189,500

At John's Death

Credit Shelter Trust $179,924

Life Insurance Trust $300,000

The Living Trust creates a Credit Shelter Trust with up to $2,000,000. Any remaining assets would be placed in a Marital Trust for Mary's primary financial needs. Mary also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on John owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer $0

At Mary's Death

Mary's Estate $103,500

Life Insurance Trust $100,000

Mary's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to the specified beneficiaries.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries* $674,536

* After total costs and taxes of $18,464

Mary Predeceases John

Mary's Estate $103,500

At Mary's Death

Credit Shelter Trust $94,612

Life Insurance Trust $100,000

The Living Trust creates a Credit Shelter Trust with up to $2,000,000. Any remaining assets would be placed in a Marital Trust for John's primary financial needs. John also has access to the Credit Shelter Trust assets if needed.

Proceeds from life insurance policies on Mary owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

Marital Trust/Transfer $0

At John's Death

John's Estate $189,500

Life Insurance Trust $300,000

John's assets, the remaining assets held in the Marital Trust and Credit Shelter Trust would transfer to the specified beneficiaries.

Proceeds from life insurance policies on John owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries* $674,536

* After total costs and taxes of $18,464

Alternative Situation - Estimate

John Predeceases Mary

Estate	John's Death	Mary's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	102,000	16,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$189,500	$103,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(9,576)	(8,888)
	($9,576)	($8,888)
Federal Taxable Estate	$179,924	$94,612
Federal Estate Tax		
Federal Estate Tax	($48,376)	($22,291)
Applicable Credit Amount	48,376	22,291
Federal Estate Tax	$0	$0

Mary Predeceases John

Estate	Mary's Death	John's Death
Separate property (assets balanced)	$157,500	$157,500
Retirement Accounts	16,000	102,000
Life Insurance	0	0
Debt	(70,000)	(70,000)
Marital Transfer	0	0
	$103,500	$189,500
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(8,888)	(9,576)
	($8,888)	($9,576)
Federal Taxable Estate	$94,612	$179,924
Federal Estate Tax		
Federal Estate Tax	($22,291)	($48,376)
Applicable Credit Amount	22,291	48,376
Federal Estate Tax	$0	$0

Estate Tax Estimate

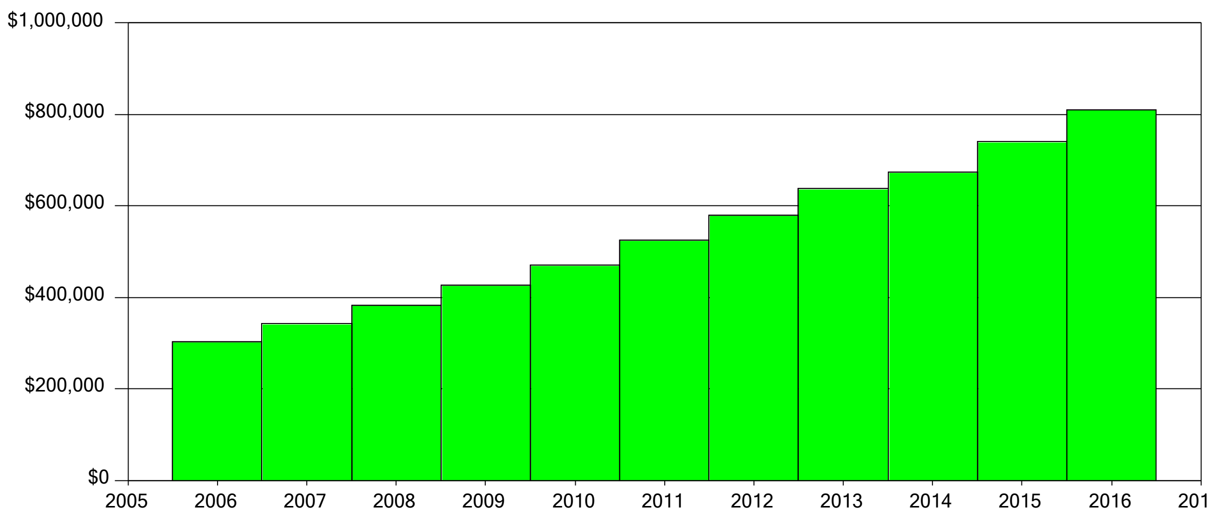
EGTRRA 2001

In June 2001, The Economic Growth and Tax Relief Reconciliation Act of 2001 was signed into law. One feature of the new law is to completely phase out estate taxes by 2010. This will be done by increasing estate tax exemptions and decreasing estate tax rates each year. In 2010, inherited property will no longer receive a step-up in basis as is done now, exposing those assets to potentially large capital gains when sold. In addition, Gift Tax rules have been changed. Congress must decide by 2011 if these changes will be permanent or revert back to previous law. We have shown your estate tax exposure in 2011 in terms of the previous law.

An Estimate of Your Estate Tax Exposure Using Suggested Planning

We have taken information provided about your current estate net worth to estimate your estate tax exposure under the new law over the next several years. We make some general assumptions regarding the growth of assets. Also, as previously suggested in this analysis, we assume that each individual has funded a credit shelter trust utilizing the applicable exclusion amounts available to them (currently $2,000,000 per person in 2006). We also assume that any life insurance benefits are kept out of the taxable estate. The graph below shows your estimated estate tax exposure (red) and your estate remainder after taxes (green) at each year end. Keep in mind that the status of estate tax law is uncertain beyond year 2010.

Estimated Estate Growth vs. Federal Estate Tax



Year End	Retirement Capital	Other Assets	Debts & Expenses	Adjustments *	Estate Tax Base	Exclusion Amounts	Estimated Estate Tax
2006	$211,706	$250,000	($158,134)	$0	$303,572	$4,000,000	$0
2007	242,828	257,500	(158,443)	0	341,885	4,000,000	0
2008	276,543	265,225	(158,774)	0	382,994	4,000,000	0
2009	313,048	273,182	(159,130)	0	427,100	7,000,000	0
2010	352,544	281,377	(163,611)	0	470,310	0	0
2011	395,248	289,819	(159,921)	0	525,146	2,000,000	0
2012	441,395	298,513	(160,359)	0	579,549	2,000,000	0
2013	491,237	307,468	(160,830)	0	637,875	2,000,000	0
2014	519,035	316,693	(161,126)	0	674,601	2,000,000	0
2015	575,718	326,193	(161,655)	0	740,256	2,000,000	0
2016	636,882	335,979	(162,223)	0	810,638	2,000,000	0

*Adjustments include charitable deductions or previous taxable gifts that have been included in your estate plan analysis.

Education Funding Illustration

John and Mary Sample

Assuming an inflation rate of 6%, the total projected cost of education will be $187,429

If you can invest your education funds at 6%* after taxes you may ...

- Make a single deposit now in the amount of $99,998
- Make level annual payments in the amount of ... $11,252
- Make level monthly payments in the amount of ... $938

* This hypothetical rate of return is for illustrative purposes and does not represent a particular investment.

Student Name	Starting Year	Number of Years	Per Year in Today's $	Total Cost at 6% Inf.	Current College Funds Saved	529 Plan	One Time Deposit	Annual Deposits
Janie	2011	4	$15,000	$82,842	$20,000	No	$39,999	$6,077
John	2015	4	15,000	104,587			59,999	6,751
				$187,429	$20,000		$99,998	$12,828 **

The following schedule demonstrates the option of making level annual payments until the last year of education expenses. Any current funds saved will be utilized as educational expenses are incurred.

Annual Breakdown of Educational Funding

Year	Additions to fund	Paid to school from fund	Ending Balance at 6%*
2007	$11,252		$33,128
2008	11,252		47,043
2009	11,252		61,793
2010	11,252		77,428
2011	11,252	18,937	73,928
2012	11,252	20,073	69,014
2013	11,252	21,278	62,528
2014	11,252	22,554	54,300
2015	11,252	23,908	44,144
2016	11,252	25,342	31,857
2017	11,252	26,863	17,222
2018	11,252	28,474	

** Annual deposit total shown may be higher than the level payment amount, but decreases as each student graduates.