Personal Financial Plan

For

William & Mary Sample

October 14, 2009

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 $839,500.
- You have liabilities of approximately $160,300.
- Your net worth is approximately $679,200.
- You now have $371,000 in working assets and are adding $34,900 per year.

Your Goals:

- William wants to retire at age 65 and Mary wants to retire at age 65.
- Monthly after-tax income needed at that time is $5,000 (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 $18,447 annually ($1,537 monthly).

Analysis Details:

- Asset Allocation: Type of Investor - Somewhat Aggressive
- Long-term care assets at risk: $714,738
- Net Estimated Life Insurance Needs Shortage for William: $250,000
- Net Estimated Life Insurance Needs Shortage for Mary: $440,000
- William and Mary do not have Wills.
- William and Mary both have Durable Powers of Attorney.
- William and Mary do not have Living Wills.
- William and Mary both have Health Care 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:

The analysis projects that you will have $516,200 left at your life expectancy (not including insurance proceeds). This amount should be considered marginal, since your analysis may not have considered the possibility of expensive long-term care during the final years, premature disability or some other economic downturn that might affect your investments.

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 :		William & Mary Sample
First Name 1		William
First Name 2		Mary
Birthdate / Age 1	1/1/1950	59
Birthdate / Age 2	1/1/1952	57
Retirement Age 1		65
Retirement Age 2		65
Life Expectancy 1		85
Life Expectancy 2		90
Alternate life exp. 1		86
Alternate life exp. 2		90
Risk Tolerance Level		Somewhat Aggressive
Life Insurance 1		$100,000
Life Insurance 2		
Term Insurance 1		$250,000
Term Insurance 2		$150,000
Insurance cash value 1		$11,500
Insurance cash value 2		

Pension & Social Security Data (Annual):

Pension-Indv. 1	
Pension start age	
Pension rate (pre ret.)	
Pension rate (ret.)	
Pension survivor %	
Pension-Indv. 2	$8,000
Pension start age	62
Pension rate (pre ret.)	2.00%
Pension rate (ret.)	2.00%
Pension survivor %	50%
Soc Sec 1 Start age	66
Soc Sec 1 Rate	2.00%
Earned income 1	$56,000
Soc Sec 1 Amt. (if known)	
Soc Sec 2 Start age	66
Soc Sec 2 Rate	2.00%
Earned income 2	$61,000
Soc Sec 2 Amt. (if known)	

Estimated Education Costs

Total cost at 6% inf.	$209,827

Expenses & Inflation (Annual After-tax):

Expenses, (pre ret.)	$62,000
Expenses, Survivor (pre ret.)	$54,000
Expenses at Retirement	$60,000
Expenses, Survivor (ret.)	$52,000
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	3.23%	5.00%
Income	9.16%	0.00%
Income & Growth	25.61%	15.00%
Growth	61.99%	40.00%
Aggressive Growth	0.00%	40.00%
Other	0.00%	0.00%

Rate Assumptions (Before & After Retirement):

Taxable Returns	7.00%	6.50%
Tax-Deferred & Roth Returns	8.00%	7.50%
Tax-Free Returns	4.00%	4.00%
Return on Annuities	8.00%	8.00%
Effective Tax Rates	26.00%	19.00%
Cost Basis for Taxable Assets		80.00%
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
Part time work	2015	2.00%	7	$12,000

Other Expenses After-tax:

Remodel Kitchen	2010	0.00%	1	($30,000)
Mortgage	2009	0.00%	12	($18,000)
College Alexi	2011	3.00%	4	($8,000)
College Stan	2015	3.00%	4	($9,000)

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

William & Mary Sample

October 14, 2009

ASSETS

Savings And Investments

Checking Accounts	$12,000	
Common Stocks	80,000	
		$92,000

Retirement Accounts

Qualified Plans-William	$150,000	
Qualified Plans-Mary	65,000	
Roth Assets-William	30,000	
Roth Assets-Mary	34,000	
		$279,000

Other Assets

Residence	$400,000	
cars	35,000	
boat	10,000	
coins/bullion	12,000	
Life Insurance Cash Values	11,500	
		$468,500
	TOTAL ASSETS	**$839,500**

LIABILITIES

Residence Mortgage	$157,800	
Home Equity	2,500	
		$160,300

Net Worth (Assets less Liabilities)	**$679,200**

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
Schwab Bank	12,000			Cash	Taxable (J)	Checking Account
Schwab Investment	80,000	2,400	2009-2014	Growth	Taxable (J)	Stocks
William ROTH	30,000	5,000	2009-2014	Inc./Gro.	Roth IRA (1)	Mutual Funds (Stock)
Mary ROTH	34,000	5,000	2009-2016	Income	Roth IRA (2)	Bond Mutual Funds
William 401k	150,000	11,500	2009-2014	Growth	Tax-Deferred (1)	Mutual Funds (Stock)
Mary 401k	65,000	11,000	2009-2016	Inc./Gro.	Tax-Deferred (2)	Bonds, Pref. Stock
Totals:	**$371,000**	**$34,900**				

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

Your Current Asset Allocation

The information from the Asset Worksheet 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	**$12,000**	***3%***	**$18,550 ****	***5%***	**$6,550**
Income	**34,000**	***9%***	**0**	***0%***	**(34,000)**
Income & Growth	**95,000**	***26%***	**55,650**	***15%***	**(39,350)**
Growth	**230,000**	***62%***	**148,400**	***40%***	**(81,600)**
Aggressive Growth	**0**	***0%***	**148,400**	***40%***	**148,400**
Other	**0**	***0%***	**0**	***0%***	**0**
Total	**$371,000**	***100%***	**$371,000**	***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

	William	Mary
Age:	59	57
Retirement Age:	65	65
Years until Retirement:	6	8
Years of Retirement:	21	25
Annual Retirement Spending (After-tax):	**$60,000**	*(expressed in today's dollars)*

Additional Objectives

Please see the attached Education Funding Illustration.

Other Expenses

Remodel Kitchen:	($30,000)/year starting 2010, increase rate of 0%, for 1 year.
Mortgage:	($18,000)/year starting 2009, increase rate of 0%, for 12 years.
College Alexi:	($8,000)/year starting 2011, increase rate of 3%, for 4 years.
College Stan:	($9,000)/year starting 2015, increase rate of 3%, for 4 years.

Assumptions

	Pre-Retirement	*Retirement*
Inflation Rate:	3.0%	3.0%
Income Tax Rate (Average):	26.0%	19.0%
Return on Investments (Average):	7.8%	7.3%

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	
Checking Accounts	**$12,000**
Common Stocks	**80,000**
	$92,000
Retirement Plans	
Qualified Plans-William	**$150,000**
Qualified Plans-Mary	**65,000**
Roth IRA/401k Assets-William	**30,000**
Roth IRA/401k Assets-Mary	**34,000**
	$279,000
Total Investment Assets	**$371,000**

See Asset Worksheet for detailed annual savings information.

Social Security	William	Mary
Starting Age	66	66
Benefit at Starting Age (After-tax)	$20,764	$22,276

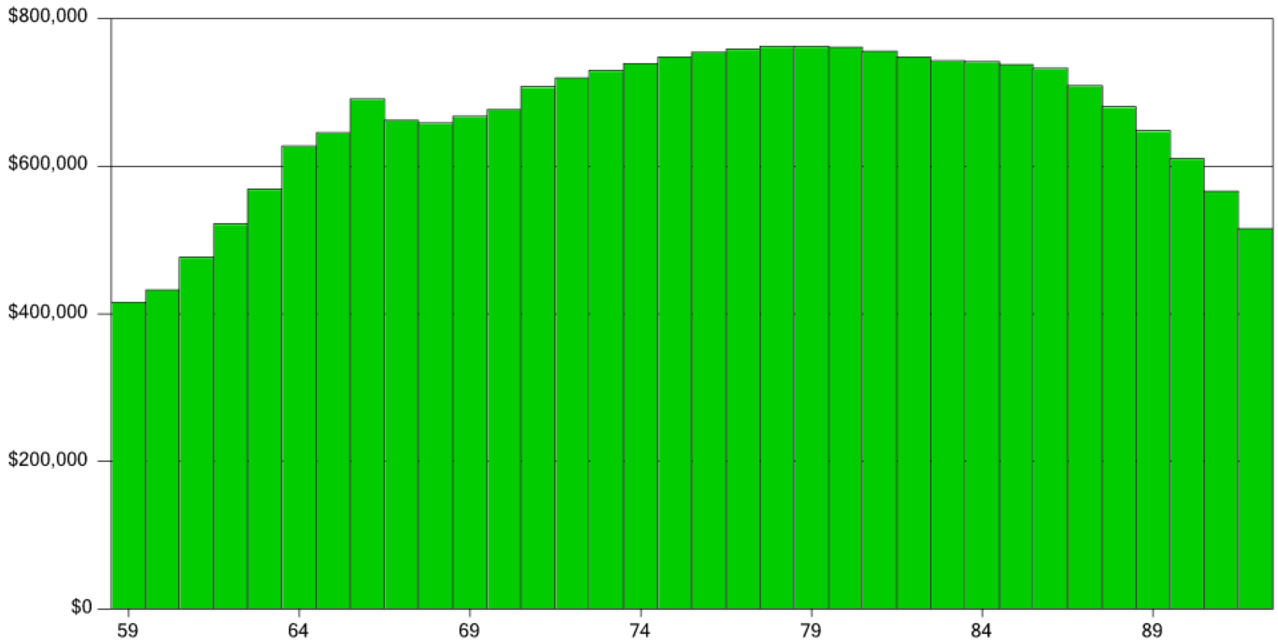
Pension Plans	William	Mary
Pension Amount	N/A	$5,920*
Pension Starting Age		62
Increase Rate Pre-Retirement		2.0%
Increase Rate in Retirement		2.0%
Survivor Percentage		50%

*Annual amount, after taxes.

Other Income

Part time work William: $12,000/year starting 2015, increase rate of 2%, for 7 years.

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 capital assets as seen in Retirement Capital Analysis.

General Assumptions:

Rates of Return Before and After Retirement Used in Illustration:		
Taxable RORs:	7%	6.5%
Tax Def. RORs:	8%	7.5%
Tax Free RORs:	4%	4%
Annuity RORs:	8%	8%

Retirement Spending Needs*	$60,000
Survivor Spending Needs*	$52,000
Retirement Age	William - 65
Retirement Age	Mary - 65
Inflation - Current	3%
Inflation - Retirement	3%
Tax Rate - Current	26%
Tax Rate - Retirement	19%

* 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:

The analysis projects that you will have $516,200 left at your life expectancy (not including insurance proceeds). This amount should be considered marginal, since your analysis may not have considered the possibility of expensive long-term care during the final years, premature disability or some other economic downturn that might affect your investments.

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 trends, changes, and values shown in your hypothetical financial program, the simulation process uses a different random rate of return for each year of a new hypothetical financial plan. Ten thousand full financial plan calculations are performed utilizing the volatile annual rates of return. The result is ten 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. 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 ten 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.

Debt Freedom

Credit is a useful and important tool in today's modern financial world. Mortgages, loans and credit cards allow people a way to purchase the goods and services they want now, then pay for the costs over time. With good planning and in the proper amount, credit is an affordable expense. Excessive debt can wreck even the best financial intentions.

Understanding and controllingdebt is one aspect of long term financial well being. This part of the report offers guidance on efficient repayment strategies. Being in control of debt is the first step toward debt freedom.

Too Much Debt is Costly

Costs of excessive borrowing can be heavy, both psychologicallyand economically. Psychologically,too much debt is a burden that squeezes family finances and increases stress as monthly payments eat up too much income. On the economic side, interest on debt increases the effective cost of purchases, and the benefits of credit are overwhelmed by the price over time

Three Step Debt Freedom Program

1 Accelerated Debt Reduction or Elimination

Develop a written plan to follow for efficient debt elimination.

Save money on interest payments by following a payment strategy.

Shorten payment schedule by increasing monthly payments.

2 Wealth Accumulation

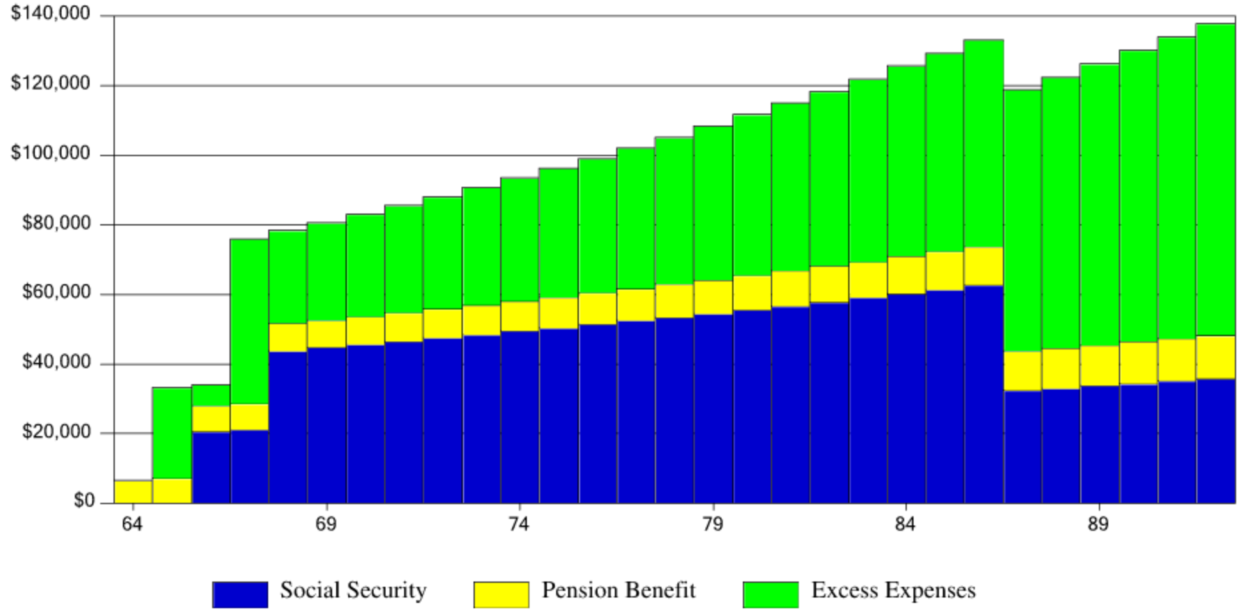
Enhance your present lifestyle with increased cash flow.

Invest more money for future needs such as college education or retirement.

3 Debt Education

Be knowledgable about debt and understand when it makes sense to borrow.

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.

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** $371,000
59	57						(18,000)	(18,000)	34,900	415,460
60	58						(48,000)	(48,000)	35,947	433,187
61	59						(26,487)	(26,487)	37,024	477,405
62	60						(26,742)	(26,742)	38,135	522,956
63	61						(27,004)	(27,004)	39,279	568,677
64	62					6,536	(27,274)	(20,738)	40,458	628,116
65 R	63	33,204				7,297	(15,233)	(41,139)	21,970	646,022
66	64	34,200	20,764			7,443	(15,285)	(21,277)	22,629	691,415
67	65 R	76,002	21,179			7,592	(15,341)	(62,572)		663,123
68	66	78,282	21,602	22,276		7,744	(15,402)	(42,061)		658,981
69	67	80,630	22,034	22,722		7,899	(3,372)	(31,347)		668,252
70	68	83,048	22,475	23,176		8,057	(3,080)	(32,419)		676,845
71	69	85,539	22,925	23,640		8,218	15,219	(15,538)		707,705
72	70	88,105	23,383	24,113		8,383		(32,227)		719,503
73	71	90,748	23,851	24,595		8,550		(33,752)		730,232
74	72	93,470	24,328	25,087		8,721		(35,334)		739,739
75	73	96,274	24,814	25,589		8,896		(36,976)		747,857
76	74	99,162	25,311	26,100		9,074		(38,678)		754,404
77	75	102,136	25,817	26,622		9,255		(40,442)		759,182
78	76	105,200	26,333	27,155		9,440		(42,272)		761,974
79	77	108,356	26,860	27,698		9,629		(44,169)		762,546
80	78	111,606	27,397	28,252		9,821		(46,136)		760,641
81	79	114,954	27,945	28,817		10,018		(48,174)		755,983
82	80	118,402	28,504	29,393		10,218		(50,287)		748,270
83	81	121,954	29,074	29,981		10,423		(52,476)		743,161
84	82	125,612	29,655	30,581		10,631		(54,745)		742,099
85	83	129,380	30,249	31,192		10,844		(57,096)		738,519
86 L	84	133,261	30,853	31,816		11,061		(59,531)		732,144
	85	118,952		32,452		11,282		(75,218)		709,016
	86	122,520		33,101		11,508		(77,911)		681,359
	87	126,195		33,764		11,738		(80,694)		648,741
	88	129,980		34,439		11,972		(83,569)		610,693
	89	133,879		35,128		12,212		(86,540)		566,710
	90 L	137,895		35,830		12,456		(89,609)		516,244

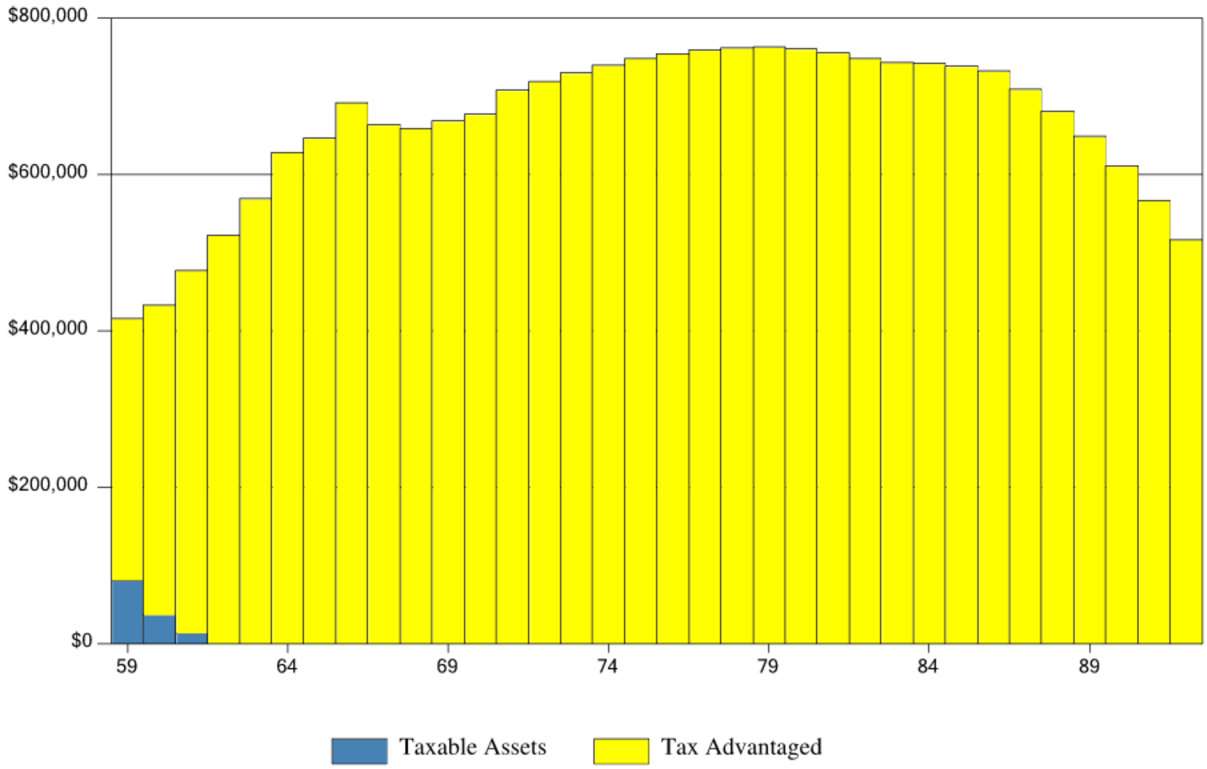
*R=Retirement age, L=Life expectancy.** Pensions & 85% of S.S. reduced 19.00% for income taxes. *** Includes life insurance and education costs.
Note: This report is based upon assumed inflation rates of 3.00% and 3.00% (before and after retirement). Actual future inflation rates are unknown.

Cash Flow

Ages Indv. 1	2	Cash Flow Sources: Earned Income	Retire/Roth Accounts*	Investment Accounts*	Pension/ Soc Sec.	Other Income	Total Sources	Less Living Expense & Taxes	Shortage or Surplus
59	57	$117,000	($25,500)	$15,600		($18,000)	$89,100	($88,390)	$710
60	58	120,510	(26,265)	45,528		(48,000)	91,773	(91,041)	732
61	59	124,124	(27,052)	23,941		(26,487)	94,526	(93,772)	753
62	60	127,848	(12,998)	13,120		(26,742)	101,228	(100,450)	777
63	61	131,684	4,142			(27,004)	108,822	(108,022)	800
64	62	135,634	(5,297)		6,536	(27,274)	109,599	(108,777)	822
65 R	63	72,837	32,325		7,297	(15,233)	97,226	(97,226)	
66	64	75,022	7,250		28,207	(15,285)	95,194	(95,195)	
67	65 R		77,249		28,771	(15,341)	90,679	(90,679)	
68	66		51,927		51,623	(15,402)	88,149	(88,148)	
69	67		38,699		52,655	(3,372)	87,982	(87,982)	
70	68		40,023		53,709	(3,080)	90,653	(90,652)	
71	69		19,182		54,783	15,219	89,184	(89,183)	
72	70		39,786		55,878		95,664	(95,664)	
73	71		41,669		56,996		98,665	(98,665)	
74	72		43,622		58,136		101,758	(101,758)	
75	73		45,648		59,298		104,946	(104,947)	
76	74		47,750		60,484		108,234	(108,234)	
77	75		49,928		61,694		111,622	(111,622)	
78	76		52,187		62,928		115,115	(115,115)	
79	77		54,530		64,187		118,717	(118,716)	
80	78		56,957		65,470		122,427	(122,427)	
81	79		59,474		66,780		126,254	(126,254)	
82	80		62,082		68,115		130,197	(130,197)	
83	81		59,014		69,478		128,492	(128,492)	
84	82		54,744		70,867		125,611	(125,612)	
85	83		57,095		72,285		129,380	(129,380)	
86 L	84		59,530		73,730		133,260	(133,261)	
	85		75,217		43,734		118,951	(118,952)	
	86		77,911		44,609		122,520	(122,520)	
	87		80,693		45,501		126,194	(126,195)	
	88		83,568		46,411		129,979	(129,980)	
	89		86,539		47,339		133,878	(133,879)	
	90 L		89,608		48,286		137,894	(137,895)	

* 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.

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.

Taxable Savings & Investment Accounts

Ages 1	Ages 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** $92,000**
59	57	2,400	5,894	(1,954)			(18,000)	80,340
60	58	2,472	4,030	(2,397)			(48,000)	36,445
61	59	2,546	1,713	(1,149)			(26,487)	13,068
62	60	2,623	456	(404)	14,864	(3,865)	(26,742)	
63	61	2,701			32,842	(8,539)	(27,004)	
64	62	2,782			24,265	(6,309)	(20,738)	
65 R	63	2,866			47,251	(8,978)	(41,139)	
66	64	2,952			22,624	(4,299)	(21,277)	
67	65 R				77,249	(14,677)	(62,572)	
68	66				51,927	(9,866)	(42,061)	
69	67				38,700	(7,353)	(31,347)	
70	68				40,023	(7,604)	(32,419)	
71	69				19,182	(3,645)	(15,538)	
72	70				39,786	(7,559)	(32,227)	
73	71				41,669	(7,917)	(33,752)	
74	72				43,622	(8,288)	(35,334)	
75	73				45,649	(8,673)	(36,976)	
76	74				47,750	(9,073)	(38,678)	
77	75				49,928	(9,486)	(40,442)	
78	76				52,188	(9,916)	(42,272)	
79	77				54,530	(10,361)	(44,169)	
80	78				56,958	(10,822)	(46,136)	
81	79				59,474	(11,300)	(48,174)	
82	80				62,082	(11,796)	(50,287)	
83	81				59,015	(6,539)	(52,476)	
84	82				54,745		(54,745)	
85	83				57,095		(57,096)	
86 L	84				59,531		(59,531)	
	85				75,218		(75,218)	
	86				77,911		(77,911)	
	87				80,694		(80,694)	
	88				83,569		(83,569)	
	89				86,540		(86,540)	
	90 L				89,609		(89,609)	

* Estimated taxes include tax due on income and on sales of assets. Starting cost basis is estimated at 80.00%.

** This report is based on assumed growth rates of 7.00% and 6.50%, 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-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* $64,000	Account Additions	Annual Growth	With-drawals	Balance* $0
59	57	5,000	5,000	5,520		79,520				
60	58	5,150	5,150	6,774		96,593				
61	59	5,304	5,304	8,152		115,352				
62	60	5,463	5,463	9,665		135,943				
63	61	5,627	5,627	11,326		158,522				
64	62	5,796	5,796	13,145		183,258				
65 R	63		5,970	13,968		203,196				
66	64		6,149	15,470		224,814				
67	65 R			16,861		241,674				
68	66			18,126		259,799				
69	67			19,485		279,283				
70	68			20,946		300,229				
71	69			22,517		322,745				
72	70			24,206		346,950				
73	71			26,021		372,970				
74	72			27,973		400,941				
75	73			30,071		431,010				
76	74			32,326		463,335				
77	75			34,750		498,084				
78	76			37,356		535,439				
79	77			40,158		575,596				
80	78			43,170		618,764				
81	79			46,407		665,170				
82	80			49,888		715,057				
83	81			52,707	(24,601)	743,161				
84	82			53,684	(54,745)	742,099				
85	83			53,516	(57,096)	738,519				
86 L	84			53,157	(59,531)	732,144				
	85		211,410	52,090	(286,628)	709,016				
	86			50,255	(77,911)	681,359				
	87			48,076	(80,694)	648,741				
	88			45,522	(83,569)	610,693				
	89			42,557	(86,540)	566,710				
	90 L			39,143	(89,609)	516,244				
					(516,244)					

* Roth growth rates: 8.00% and 7.50%, Tax-Free: 4.00% and 4.00%, 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	Met Life	NY Life	Work Plan AIG
Insured	Indv 1	Indv 1	Indv 2
Owner	Indv 1	Indv 1	Indv 2
Beneficiary	Indv 2	Indv 1	Indv 1
Type	Term	Universal	Term
Death Benefit	$250,000	$100,000	$150,000
Annual Premium	400	1,500	200
Total Premiums Paid	4,000	15,000	1,200
Current Cash Values		11,500	

Insurance Included in Estate:

William predeceases Mary

	William	Mary
Policy 1 - Met Life	$250,000	$0
Policy 2 - NY Life	100,000	0
Policy 3 - Work Plan AIG	0	150,000
	$350,000	$150,000

Mary predeceases William

	Mary	William
Policy 1 - Met Life	$0	$250,000
Policy 2 - NY Life	0	100,000
Policy 3 - Work Plan AIG	150,000	0
	$150,000	$350,000

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 $54,000 per year, inflated at 3% each year until retirement and $52,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on William:

Present Value:	Anticipated Spending Needs	$1,325,288	
	Education Expenses	133,000	
	Final Expenses	15,500	
	Other Expenses	257,183	$1,730,970
	Mary's Employment	($337,941)	
	Social Security Benefits	(405,715)	
	Pension Benefits	(111,552)	
	Other Incomes	(64,820)	($920,027)

Net Estimated Survivor Need Shortage	$810,943
Currently Existing Liabilities	160,300
Assets Available to Offset Shortage	(371,000)
Current Life Insurance Coverage	(350,000)
Suggested Additional Life Insurance Coverage	**$250,243**

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 $54,000 per year, inflated at 3% each year until retirement and $52,000 per year, inflated at 3% each year during retirement.

Life Insurance Basic Needs Estimate on Mary:

Present Value:	Anticipated Spending Needs	$1,148,117	
	Education Expenses	133,000	
	Final Expenses	15,500	
	Other Expenses	257,183	$1,553,800
	William's Employment	($237,096)	
	Social Security Benefits	(398,681)	
	Pension Benefits	(52,788)	
	Other Incomes	(64,820)	($753,385)

Net Estimated Survivor Need Shortage	$800,414
Currently Existing Liabilities	160,300
Assets Available to Offset Shortage	(371,000)
Current Life Insurance Coverage	(150,000)
Suggested Additional Life Insurance Coverage	**$439,714**

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 William

NPV's*	($1,325,288)	($133,000)	($207,863)	$337,941	$405,715	$111,552	($810,943)
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
57	(54,000)		(33,500)	45,140	26,997		(15,363)
58	(55,620)		(48,000)	46,494	27,537		(29,589)
59	(57,289)		(26,487)	47,889	24,071		(11,816)
60	(59,007)	(14,607)	(26,742)	49,326	24,552		(26,478)
61	(60,777)	(23,820)	(27,004)	50,805	25,043		(35,753)
62	(62,601)	(25,250)	(27,274)	52,330	25,544	7,154	(30,097)
63	(64,479)	(26,765)	(15,233)	53,900		7,297	(45,279)
64	(66,413)	(28,370)	(15,285)	55,517		7,443	(47,108)
65	(65,872)	(30,073)	(15,341)		14,387	7,592	(89,307)
66	(67,848)	(31,877)	(15,402)		22,276	7,744	(85,106)
67	(69,884)		(3,372)		22,722	7,899	(42,635)
68	(71,980)		(3,080)		23,176	8,057	(43,826)
69	(74,140)		15,219		23,640	8,218	(27,063)
70	(76,364)				24,113	8,383	(43,869)
71	(78,655)				24,595	8,550	(45,510)
72	(81,014)				25,087	8,721	(47,206)
73	(83,445)				25,589	8,896	(48,961)
74	(85,948)				26,100	9,074	(50,774)
75	(88,527)				26,622	9,255	(52,649)
76	(91,182)				27,155	9,440	(54,587)
77	(93,918)				27,698	9,629	(56,591)
78	(96,735)				28,252	9,821	(58,662)
79	(99,637)				28,817	10,018	(60,803)
80	(102,626)				29,393	10,218	(63,015)
81	(105,705)				29,981	10,423	(65,302)
82	(108,876)				30,581	10,631	(67,665)
83	(112,143)				31,192	10,844	(70,107)
84	(115,507)				31,816	11,061	(72,630)
85	(118,972)				32,452	11,282	(75,238)
86	(122,541)				33,101	11,508	(77,932)
87	(126,218)				33,764	11,738	(80,717)
88	(130,004)				34,439	11,972	(83,593)
89	(133,904)				35,128	12,212	(86,565)
90	(137,921)				35,830	12,456	(89,635)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 5%   (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $15,500.

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

NPV's*	($1,148,117)	($133,000)	($207,863)	$237,096	$398,681	$52,788	($800,414)
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
59	(54,000)		(33,500)	41,440	28,698	2,542	(14,820)
60	(55,620)		(48,000)	42,683	29,272	2,593	(29,072)
61	(57,289)		(26,487)	43,964	25,592	2,645	(11,575)
62	(59,007)	(14,607)	(26,742)	45,283	26,104	2,697	(26,272)
63	(60,777)	(23,820)	(27,004)	46,641	26,626	2,751	(35,583)
64	(62,601)	(25,250)	(27,274)	48,040	27,159	2,806	(37,119)
65	(62,091)	(26,765)	(15,233)		13,828	3,133	(87,127)
66	(63,953)	(28,370)	(15,285)		21,411	3,196	(83,001)
67	(65,872)	(30,073)	(15,341)		21,840	3,260	(86,187)
68	(67,848)	(31,877)	(15,402)		22,276	3,325	(89,526)
69	(69,884)		(3,372)		22,722	3,392	(47,142)
70	(71,980)		(3,080)		23,176	3,459	(48,424)
71	(74,140)		15,219		23,640	3,529	(31,752)
72	(76,364)				24,113	3,599	(48,652)
73	(78,655)				24,595	3,671	(50,389)
74	(81,014)				25,087	3,745	(52,183)
75	(83,445)				25,589	3,819	(54,037)
76	(85,948)				26,100	3,896	(55,952)
77	(88,527)				26,622	3,974	(57,930)
78	(91,182)				27,155	4,053	(59,974)
79	(93,918)				27,698	4,134	(62,086)
80	(96,735)				28,252	4,217	(64,266)
81	(99,637)				28,817	4,301	(66,519)
82	(102,626)				29,393	4,387	(68,846)
83	(105,705)				29,981	4,475	(71,249)
84	(108,876)				30,581	4,565	(73,731)
85	(112,143)				31,192	4,656	(76,295)
86	(115,507)				31,816	4,749	(78,942)

* Net Present Values for this illustration are calculated using an after-tax discount rate of 5% (Education Costs at 6%)

** First year expenses include allowances for final expenses and emergency funds in the amount of $15,500.

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:

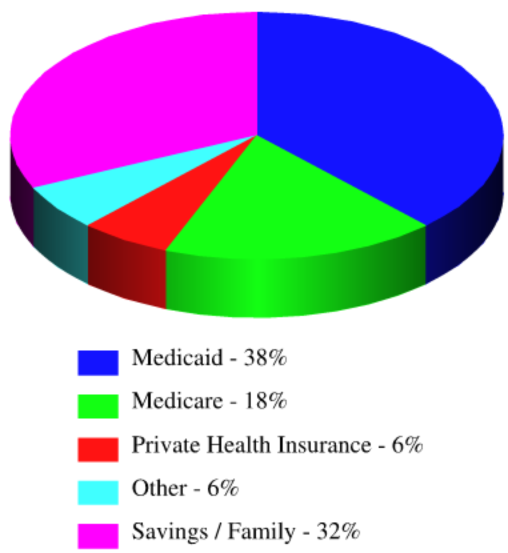
An inability to perform two or more Activities of Daily Living (or ADLs).	Activities of Daily Living (ADLs) are basic functions of daily independent living and includes: Dressing Toileting Bathing Transferring Eating Continence
Impaired Cognitive Ability	Loss of mental function can result from stroke, 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.

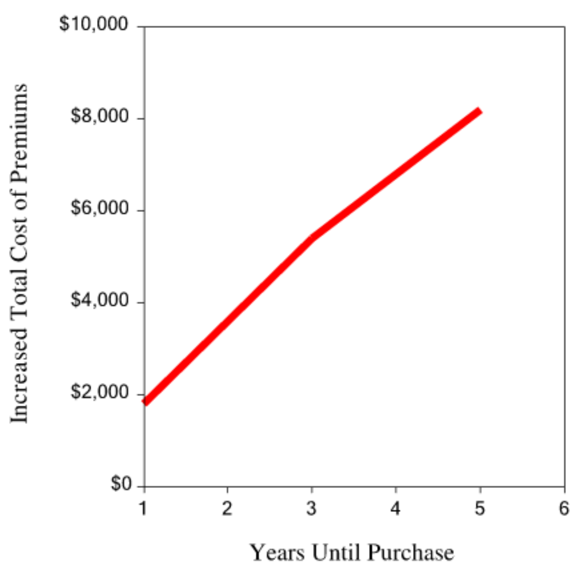
	William	Mary
Estimated daily care cost	$200	$200
Estimated annual care costs	$73,000	$73,000
Estimated years of care	5	5
Assumed inflation rate	5%	5%

Current financial assets exposed to potential long-term care expense risk : **$371,000**

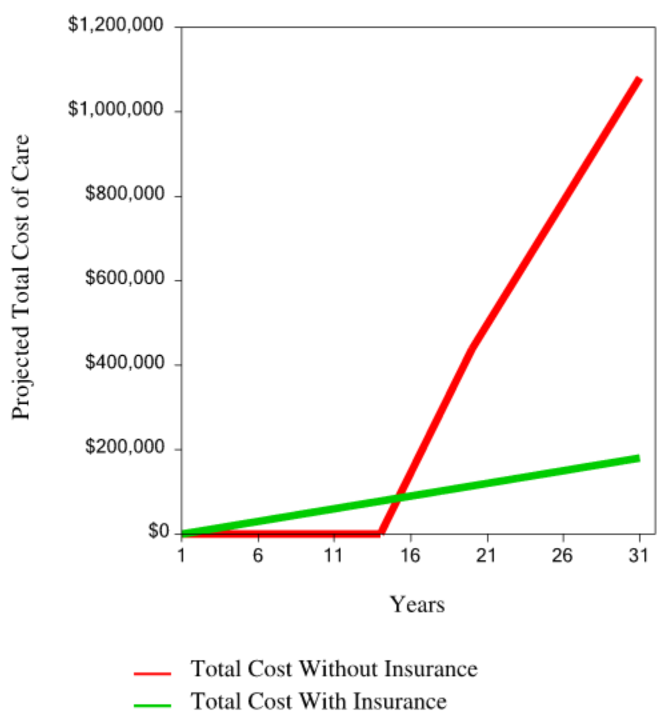
Depending on your age, a delay in arranging a Long-term care policy can mean substantially higher premiums. This graph illustrates the cost of waiting to purchase a Long-term care policy.

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



This report, and its hypothetical illustrations, are intended to form a basis for further discussion with your legal, accounting, and financial advisors. Actual future investment returns, taxes and inflation are unknown. Do not rely upon this report to predict future investment performance.

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

	William	Mary
Age	59	57
Age at Death for this Illustration	59	57

General Assumptions

Administrative & probate expenses as a percentage of estate assets:	0.00%
Estimated final expenses	$7,500

Existing Estate Planning

	William	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	**Yes**	**Yes**
Durable Health Care Power of Attorney	**Yes**	**Yes**
Living Will	No	No
Existing percentage of Estate in Living Trust	0%	0%

Previous Gifting Detail

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

Current Estate Summary

William's gross estate consists of $724,350 and Mary's consists of $443,350.
Potential federal estate taxes currently range from $0 to $0.
Administrative, probate, and final expenses could total from $15,000 to $15,000.
Additional planning could save up to $0 in estate taxes and other costs.

Estate Net Worth Statement

ASSETS				
Savings and Investments	**William**	**Mary**	**Joint/ Community**	**Total**
Checking accounts			$12,000	$12,000
Common stocks			80,000	80,000
	$0	$0	$92,000	$92,000
Retirement Accounts				
Qualified Plans - William	$150,000			$150,000
Qualified Plans - Mary		65,000		65,000
Roth IRA Assets - William	30,000			30,000
Roth IRA Assets - Mary		34,000		34,000
	$180,000	$99,000	$0	$279,000
Other Assets				
Residence			$400,000	$400,000
cars			35,000	35,000
boat			10,000	10,000
coins/bullion			12,000	12,000
Life Insurance Cash Values	11,500			11,500
	$11,500	$0	$457,000	$468,500
TOTAL ASSETS	**$191,500**	**$99,000**	**$549,000**	**$839,500**
LIABILITIES				
Residence Mortgage			$157,800	$157,800
Home Equity			2,500	2,500
TOTAL LIABILITIES	**$0**	**$0**	**$160,300**	**$160,300**
NET WORTH	**$191,500**	**$99,000**	**$388,700**	**$679,200**
ADJUSTMENTS				
Life insurance in estate	$350,000	$150,000		
Life insurance cash values	(11,500)	0		
Estate share of joint property	194,350	194,350		
ESTATE NET WORTH	**$724,350**	**$443,350**		

Current Situation - Flowchart

William Predeceases Mary

William's Estate $724,350

At William's Death

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

Proceeds from life insurance on William would transfer to beneficiaries.

Marital Transfer $716,850

At Mary's Death

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

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

Mary's Estate $1,160,200

To Beneficiaries* $1,152,700

* After total costs and taxes of $15,000

Mary Predeceases William

Mary's Estate $443,350

At Mary's Death

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

Proceeds from life insurance on Mary would transfer to beneficiaries.

Marital Transfer $435,850

At William's Death

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

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

William's Estate $1,160,200

To Beneficiaries* $1,152,700

* After total costs and taxes of $15,000

Current Situation - Estimate

William Predeceases Mary

Estate	William's Death	Mary's Death
Separate property	$0	$0
50% of jointly owned & community property	274,500	274,500
Retirement Accounts	180,000	99,000
Life Insurance	350,000	150,000
Debt	(80,150)	(80,150)
Marital Transfer	0	716,850
	$724,350	$1,160,200
Deductions and Expenses		
Marital Transfer	($716,850)	$0
Administrative, Probate and Final Expenses	(7,500)	(7,500)
	($724,350)	($7,500)
Federal Taxable Estate	$0	$1,152,700
Federal Estate Tax		
Federal Estate Tax	$0	($408,407)
Applicable Credit Amount	0	408,407
Federal Estate Tax	$0	$0

Mary Predeceases William

Estate	Mary's Death	William's Death
Separate property	$0	$0
50% of jointly owned & community property	274,500	274,500
Retirement Accounts	99,000	180,000
Life Insurance	150,000	350,000
Debt	(80,150)	(80,150)
Marital Transfer	0	435,850
	$443,350	$1,160,200
Deductions and Expenses		
Marital Transfer	($435,850)	$0
Administrative, Probate and Final Expenses	(7,500)	(7,500)
	($443,350)	($7,500)
Federal Taxable Estate	$0	$1,152,700
Federal Estate Tax		
Federal Estate Tax	$0	($408,407)
Applicable Credit Amount	0	408,407
Federal Estate Tax	$0	$0

Your Alternate Estate Planning Structure

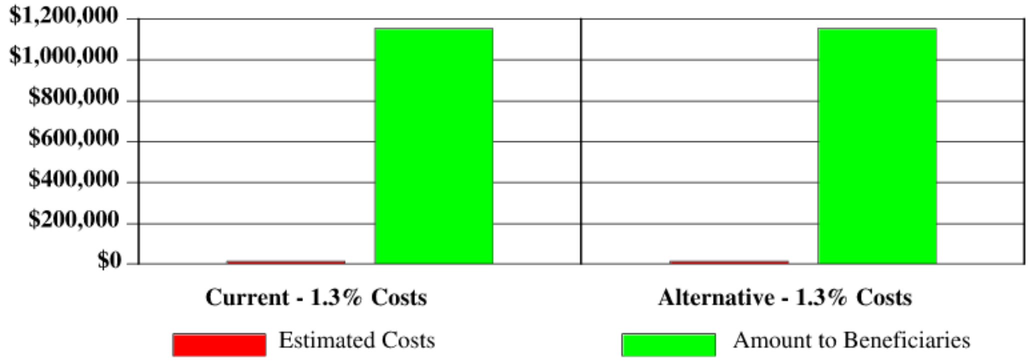
Summary of Alternative Estate Results

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 0%. These savings directly translate into additional assets available for beneficiaries.

Currently, your combined total estate is estimated to be $1,167,700. Using estimated estate settlement costs of $15,000, you would pass approximately $1,152,700 to your beneficiaries.

With proper implementation of suggested alternative estate structures, your current estimated estate settlement costs may be reduced to approximately $15,000. This would allow you to save $0 in taxes and expenses, transferring $1,152,700 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:

- Durable General Powers of Attorney
- Durable Health Care Powers of Attorney
- Living Wills

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
- Marital Trust provisions
- Credit Shelter Trust provisions
- Irrevocable Life Insurance Trusts*

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

Alternative Situation - Flowchart

William Predeceases Mary

William's Estate $374,350

At William's Death

Credit Shelter Trust $366,850

Life Insurance Trust $350,000

The Living Trust creates a Credit Shelter Trust with up to $3,500,000. 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 William 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 $293,350

Life Insurance Trust $150,000

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* $1,152,700

* After total costs and taxes of $15,000

Mary Predeceases William

Mary's Estate $293,350

At Mary's Death

Credit Shelter Trust $285,850

Life Insurance Trust $150,000

The Living Trust creates a Credit Shelter Trust with up to $3,500,000. Any remaining assets would be placed in a Marital Trust for William's primary financial needs. William 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 William's Death

William's Estate $374,350

Life Insurance Trust $350,000

William'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 William owned by Life Insurance Trust escape taxation in the estate and are passed to beneficiaries as specified in the trust.

To Beneficiaries* $1,152,700

* After total costs and taxes of $15,000

Alternative Situation - Estimate

William Predeceases Mary

Estate	William's Death	Mary's Death
Separate property (assets balanced)	$274,500	$274,500
Retirement Accounts	180,000	99,000
Life Insurance	0	0
Debt	(80,150)	(80,150)
Marital Transfer	0	0
	$374,350	$293,350
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(7,500)	(7,500)
	($7,500)	($7,500)
Federal Taxable Estate	$366,850	$285,850
Federal Estate Tax		
Federal Estate Tax	($110,529)	($82,989)
Applicable Credit Amount	110,529	82,989
Federal Estate Tax	$0	$0

Mary Predeceases William

Estate	Mary's Death	William's Death
Separate property (assets balanced)	$274,500	$274,500
Retirement Accounts	99,000	180,000
Life Insurance	0	0
Debt	(80,150)	(80,150)
Marital Transfer	0	0
	$293,350	$374,350
Deductions and Expenses		
Marital Transfer	$0	$0
Administrative, Probate and Final Expenses	(7,500)	(7,500)
	($7,500)	($7,500)
Federal Taxable Estate	$285,850	$366,850
Federal Estate Tax		
Federal Estate Tax	($82,989)	($110,529)
Applicable Credit Amount	82,989	110,529
Federal Estate Tax	$0	$0

Estate Tax Estimate

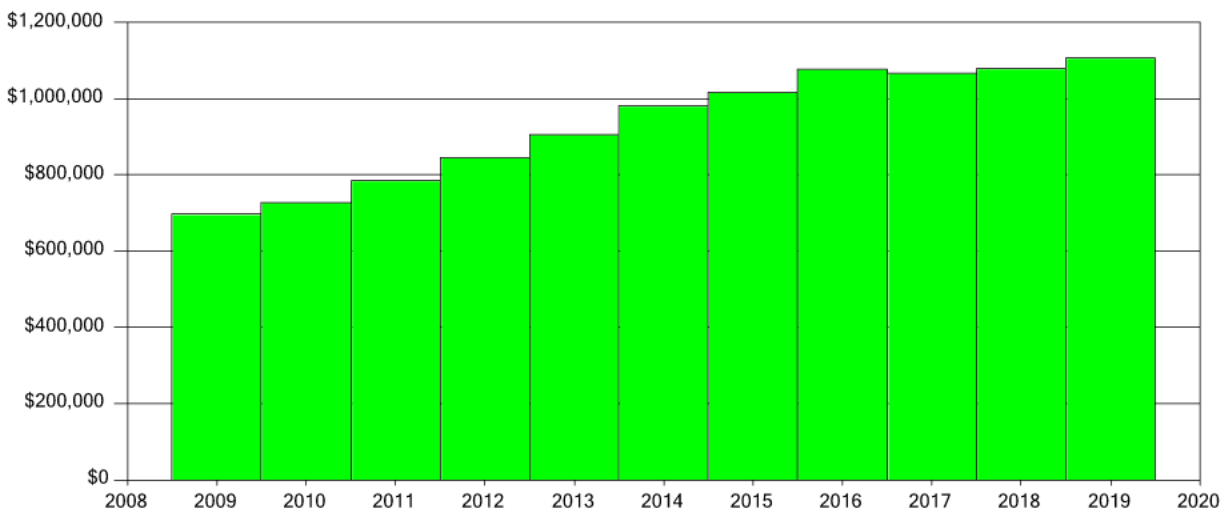
EGTRRA 2001

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 $3,500,000 per person in 2009). 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
2009	$415,460	$457,000	($175,300)	$0	$697,160	$7,000,000	$0
2010	433,187	470,710	(175,300)	0	728,597	0	0
2011	477,405	484,831	(175,300)	0	786,936	2,000,000	0
2012	522,956	499,376	(175,300)	0	847,032	2,000,000	0
2013	568,677	514,358	(175,300)	0	907,735	2,000,000	0
2014	628,116	529,788	(175,300)	0	982,604	2,000,000	0
2015	646,022	545,682	(175,300)	0	1,016,404	2,000,000	0
2016	691,415	562,052	(175,300)	0	1,078,167	2,000,000	0
2017	663,123	578,914	(175,300)	0	1,066,737	2,000,000	0
2018	658,981	596,281	(175,300)	0	1,079,962	2,000,000	0
2019	668,252	614,170	(175,300)	0	1,107,122	2,000,000	0

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

Education Funding Illustration

William & Mary Sample

Assuming an inflation rate of 6%, the total projected cost of education will be	$209,827
You are currently saving $2,400 each year for education costs.	
If you can invest your education funds at 6%* after taxes you may ...	
- Make a single deposit now in the amount of	$133,000
- Make level annual payments in the amount of ...	$18,447
- Make level monthly payments in the amount of ...	$1,537

* 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
Alexi	2011	4	$20,000	$92,742	$15,000	Yes	$65,000	$14,557
Stan	2015	4	20,000	117,085	12,000	Yes	68,000	9,432
				$209,827	$27,000		$133,000	$23,989 **

<u>It appears you need to save an additional $21,589 each year ($1,799/mo.) to fund your education plans.</u>

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%*
2010	$18,447		$48,174
2011	18,447	21,200	48,147
2012	18,447	22,472	46,769
2013	18,447	23,820	43,880
2014	18,447	25,250	39,302
2015	18,447	26,765	32,843
2016	18,447	28,370	24,295
2017	18,447	30,073	13,430
2018	18,447	31,877	

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