

## Client Information Summary

Client Information Summary Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

### Current Assets

<u>Liquid Assets:</u>	Liquid Assets (Taxable Interest)	\$ 1,000,000	
	Liquid Assets (Tax Exempt Interest)	475,000	
	Hypothetical Equity Assets	1,000,000	
	Tax Deferred Assets	500,000	
	Pension Assets	0	
	Total Liquid Assets		2,975,000
<u>Illiquid Assets:</u>	Principal Residence	250,000	
	Personal Property	100,000	
	Vacation Home	150,000	
	Total Illiquid Assets		500,000
<u>Other Assets:</u>	Inside the Estate		
	Current Life Insurance Death Benefit	100,000	
	Total Other Assets Inside the Estate		100,000
	Total Estate Assets		\$3,575,000
	Outside the Estate		
	Proposed Life Insurance Outside the Estate	1,202,144	
	Total Other Assets Outside the Estate		1,202,144

### Funding Options for required Cash Flow

Cash Flow Funding: Sequential Use of Liquid Assets --  
CD, Bonds, Stocks, Annuity

The information in this presentation is not guaranteed; it is for illustration purposes only. Tax rates, interest and inflation rates, and IRS tax codes may, and probably will, change in the future; therefore, you should consult your tax adviser for additional information about potential taxes and IRS revisions.

## Client Information Summary

Client Information Summary Page: 2  
Date: 07/08/2001

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For: Paul Montgomery  
& Sarah Montgomery

### Assumptions Used

<u>Income Tax Rates:</u>	Retirement	35.00%
<u>Life Expectancy:</u>	Joint	29 Years
	Paul Montgomery	Age 93
	Sarah Montgomery	Age 88
<u>Taxable Account:</u>		CD
	Yield Assumption:	6.00%
<u>Tax Exempt Account:</u>		Bonds
	Yield Assumption:	5.00%
<u>Hypothetical Equities</u>		Stocks
	Growth Rate:	8.00%
	Dividend Rate:	2.00%
<u>Tax Deferred Account:</u>		Annuity
	Yield Assumption:	10.00%

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## Analysis of After Tax Cash Flow Requirements

For: Paul Montgomery  
Sarah Montgomery

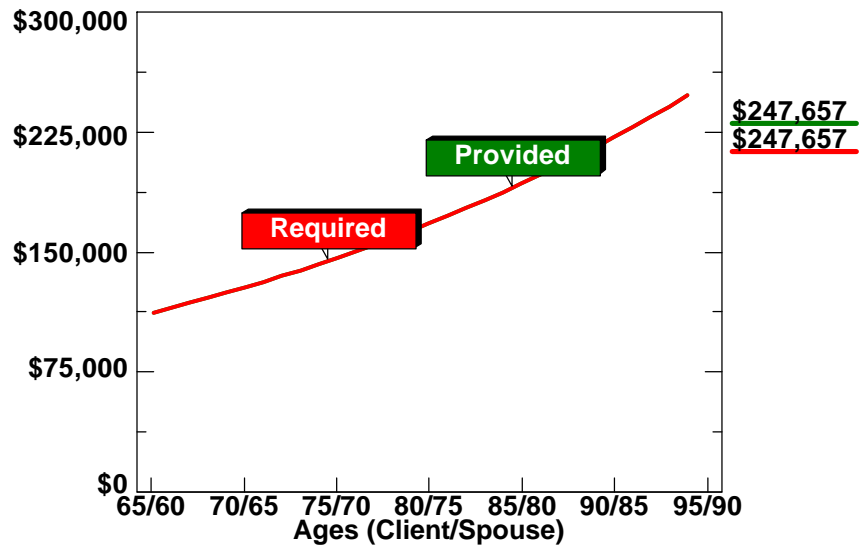
Presented By: [Licensed user's name appears here]  
Date: 07/08/2001

Below is a list of your liquid assets. It is suggested that you withdraw funds to meet your after tax cash flow requirements from each liquid asset in the order presented. The Cash Flow graph on the right illustrates whether your liquid assets are sufficient to provide the required cash flow.

### Withdrawal Order

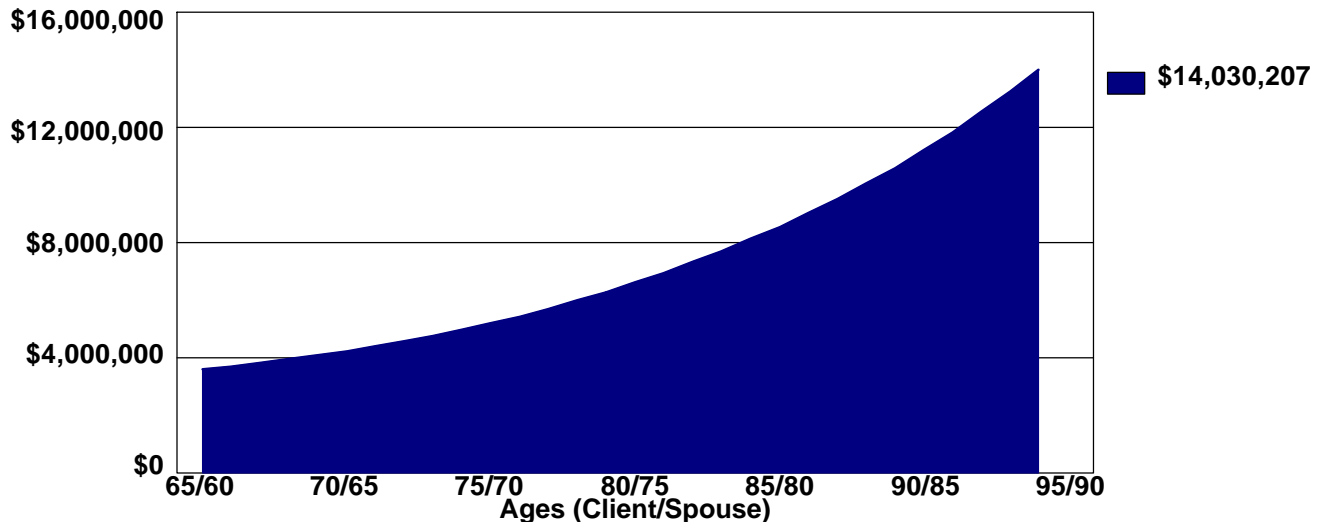
- 1st. CD
- 2nd. Bonds
- 3rd. Stocks
- 4th. Annuity

### Comparison of Annual Cash Flow (Required vs. Provided)



As you can see in the Cash Flow graph above, your liquid assets are sufficient to provide withdrawals to meet your required after tax cash flow in all years illustrated. The graph below shows your remaining total Net Worth.

### Net Worth



# Cash Flow Analysis

Cash Flow Analysis Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	Annual Cash Flow Required			Annual Cash Flow Provided				
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			After Tax Spendable Cash Flow Desired	After Tax Cash Flow for Annual Gifts	Total After Tax Cash Flow Required*	Total Expected After Tax Cash Flow	After Tax Cash Flow from Taxable & Tax Exempt Accounts	After Tax Cash Flow from Equity Assets	After Tax Cash Flow from Tax Deferred Assets	Total After Tax Cash Flow Provided*
1	65	60	100,000	12,000	112,000	11,018	100,982	0	0	112,000
2	66	61	103,000	12,000	115,000	11,349	103,651	0	0	115,000
3	67	62	106,090	12,000	118,090	11,689	106,401	0	0	118,090
4	68	63	109,273	12,000	121,273	12,040	109,233	0	0	121,273
5	69	64	112,551	12,000	124,551	12,401	112,150	0	0	124,551
6	70	65	115,927	12,000	127,927	19,159	108,768	0	0	127,927
7	71	66	119,405	12,000	131,405	19,734	111,671	0	0	131,405
8	72	67	122,987	12,000	134,987	20,326	114,661	0	0	134,987
9	73	68	126,677	12,000	138,677	20,936	117,741	0	0	138,677
10	74	69	130,477	12,000	142,477	21,564	120,913	0	0	142,477
11	75	70	134,392	12,000	146,392	22,211	124,181	0	0	146,392
12	76	71	138,423	12,000	150,423	22,877	127,546	0	0	150,423
13	77	72	142,576	12,000	154,576	23,564	131,012	0	0	154,576
14	78	73	146,853	12,000	158,853	24,270	134,583	0	0	158,853
15	79	74	151,259	12,000	163,259	24,999	138,260	0	0	163,259
16	80	75	155,797	12,000	167,797	25,749	142,048	0	0	167,797
17	81	76	160,471	12,000	172,471	26,521	145,950	0	0	172,471
18	82	77	165,285	12,000	177,285	27,317	83,383	66,585	0	177,285
19	83	78	170,243	12,000	182,243	28,136	0	154,107	0	182,243
20	84	79	175,351	12,000	187,351	28,980	0	158,371	0	187,351
21	85	80	180,611	12,000	192,611	29,850	0	162,761	0	192,611
22	86	81	186,029	12,000	198,029	30,745	0	167,284	0	198,029
23	87	82	191,610	12,000	203,610	31,667	0	171,943	0	203,610
24	88	83	197,359	12,000	209,359	32,617	0	176,742	0	209,359
25	89	84	203,279	12,000	215,279	33,596	0	181,683	0	215,279
26	90	85	209,378	12,000	221,378	34,604	0	186,774	0	221,378
27	91	86	215,659	12,000	227,659	35,642	0	192,017	0	227,659
28	92	87	222,129	12,000	234,129	36,711	0	197,418	0	234,129
29	93	88	228,793	12,000	240,793	37,813	0	202,980	0	240,793
30	94	89	235,657	12,000	247,657	38,947	0	208,710	0	247,657

4,757,541	360,000	5,117,541	757,032	2,133,134	2,227,375	0	5,117,541
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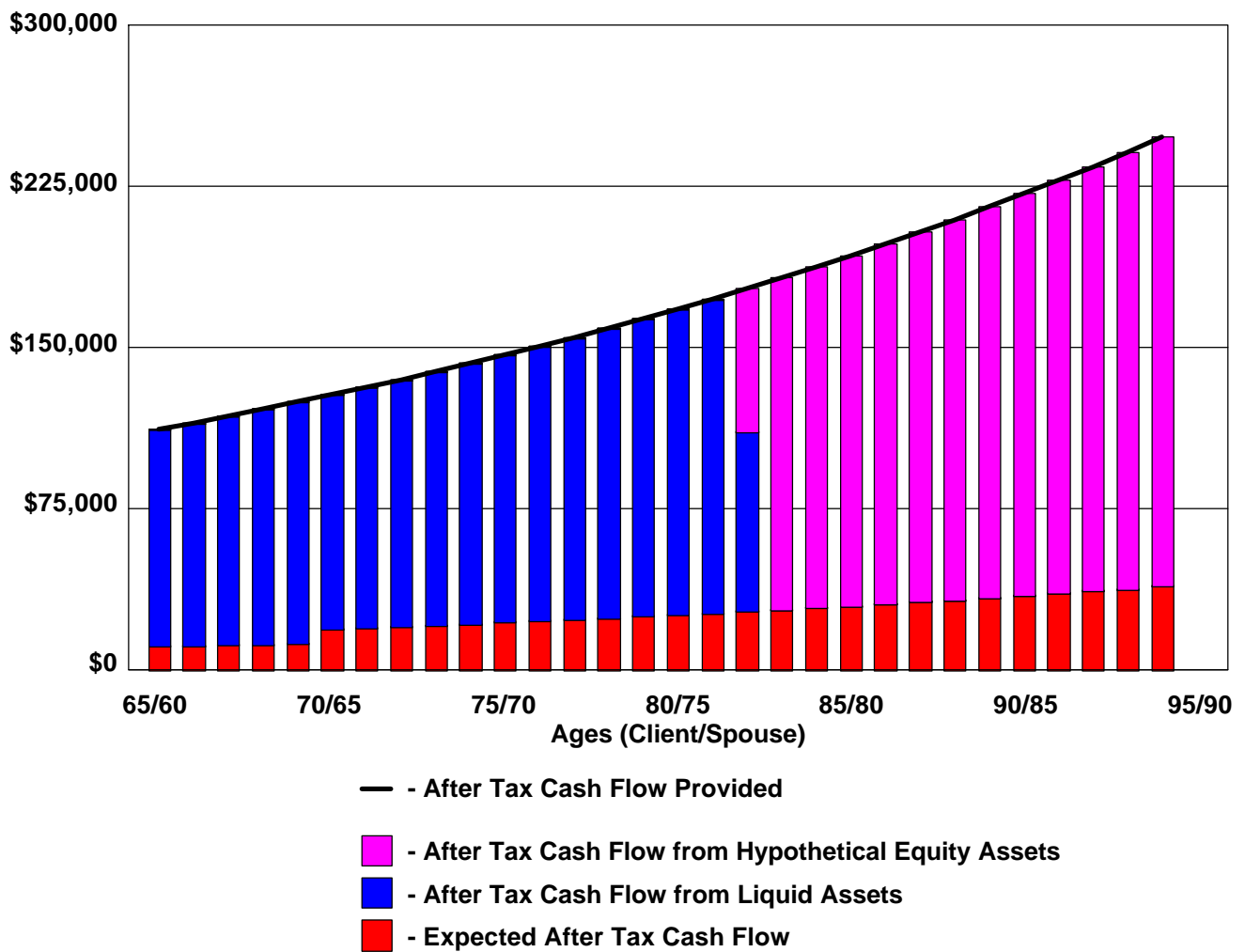
\*IMPORTANT NOTE: For this plan to be financially sound, the total cash flow provided in column (8) must equal column (3).  
 Column (1) assumes 3.00% inflation.  
 Column (2): see "Gifting Cash Flow Details".  
 Column (4): see "Expected Cash Flow" for details.  
 Column (5): see "Summary of Liquid Assets" for details.  
 Column (6): see "Summary of Hypothetical Equity Assets" for details.  
 Column (7): see "Summary of Tax Deferred Assets" for details.

# Sources of Required Cash Flow

Presented By: [Licensed user's name appears here]  
Date: 07/08/2001

For: Paul Montgomery  
& Sarah Montgomery

## 30 Year Graphic Analysis



## Desired Cash Flow Details

Desired Cash Flow Details Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1)	(2)
			Living Expenses	After Tax Spendable Cash Flow Desired
1	65	60	100,000	100,000
2	66	61	103,000	103,000
3	67	62	106,090	106,090
4	68	63	109,273	109,273
5	69	64	112,551	112,551
6	70	65	115,927	115,927
7	71	66	119,405	119,405
8	72	67	122,987	122,987
9	73	68	126,677	126,677
10	74	69	130,477	130,477
11	75	70	134,392	134,392
12	76	71	138,423	138,423
13	77	72	142,576	142,576
14	78	73	146,853	146,853
15	79	74	151,259	151,259
16	80	75	155,797	155,797
17	81	76	160,471	160,471
18	82	77	165,285	165,285
19	83	78	170,243	170,243
20	84	79	175,351	175,351
21	85	80	180,611	180,611
22	86	81	186,029	186,029
23	87	82	191,610	191,610
24	88	83	197,359	197,359
25	89	84	203,279	203,279
26	90	85	209,378	209,378
27	91	86	215,659	215,659
28	92	87	222,129	222,129
29	93	88	228,793	228,793
30	94	89	235,657	235,657

4,757,541	4,757,541
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All values are assumed to be after tax.

Column (1) assumes 3.00% inflation.

## Gifting Cash Flow Details

Gifting Cash Flow Details Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1) Gifts to Heirs for Life Insurance Premium	(2) After Tax Cash Flow for Annual Gifts
1	65	60	12,000	12,000
2	66	61	12,000	12,000
3	67	62	12,000	12,000
4	68	63	12,000	12,000
5	69	64	12,000	12,000
6	70	65	12,000	12,000
7	71	66	12,000	12,000
8	72	67	12,000	12,000
9	73	68	12,000	12,000
10	74	69	12,000	12,000
11	75	70	12,000	12,000
12	76	71	12,000	12,000
13	77	72	12,000	12,000
14	78	73	12,000	12,000
15	79	74	12,000	12,000
16	80	75	12,000	12,000
17	81	76	12,000	12,000
18	82	77	12,000	12,000
19	83	78	12,000	12,000
20	84	79	12,000	12,000
21	85	80	12,000	12,000
22	86	81	12,000	12,000
23	87	82	12,000	12,000
24	88	83	12,000	12,000
25	89	84	12,000	12,000
26	90	85	12,000	12,000
27	91	86	12,000	12,000
28	92	87	12,000	12,000
29	93	88	12,000	12,000
30	94	89	12,000	12,000

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360,000

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360,000

## Expected Cash Flow

Expected Cash Flow Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1)	(2)
			Social Security*	Total Expected After Tax Cash Flow
1	65	60	11,018	11,018
2	66	61	11,349	11,349
3	67	62	11,689	11,689
4	68	63	12,040	12,040
5	69	64	12,401	12,401
6	70	65	19,159	19,159
7	71	66	19,734	19,734
8	72	67	20,326	20,326
9	73	68	20,936	20,936
10	74	69	21,564	21,564
11	75	70	22,211	22,211
12	76	71	22,877	22,877
13	77	72	23,564	23,564
14	78	73	24,270	24,270
15	79	74	24,999	24,999
16	80	75	25,749	25,749
17	81	76	26,521	26,521
18	82	77	27,317	27,317
19	83	78	28,136	28,136
20	84	79	28,980	28,980
21	85	80	29,850	29,850
22	86	81	30,745	30,745
23	87	82	31,667	31,667
24	88	83	32,617	32,617
25	89	84	33,596	33,596
26	90	85	34,604	34,604
27	91	86	35,642	35,642
28	92	87	36,711	36,711
29	93	88	37,813	37,813
30	94	89	38,947	38,947

All values are assumed to be after tax.

Column (1) assumes 3.00% inflation.

\*The above calculations are based upon client furnished data. These results may be based on incomplete information. For precise estimates, call the Social Security Administration at 1-800-772-1213.

## Details of Taxable Account (CD)

Taxable Account Detail Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

			Taxable Assets Initial Value 1,000,000	Taxable Yield 6.00%	Retirement Income Tax Rate 35.00%			
Year	Client Age	Spouse Age	(1) Beginning of Year Balance in Account	(2) Net After Tax Account Withdrawal	(3) Balance in Account to Accrue	(4) After Tax Interest Earned	(5) Year End After Tax Value of Account	
				-	=	+	=	
1	65	60	1,000,000	100,982	899,018	35,062	934,080	
2	66	61	934,080	103,651	830,429	32,387	862,816	
3	67	62	862,816	106,401	756,415	29,500	785,915	
4	68	63	785,915	109,233	676,682	26,391	703,073	
5	69	64	703,073	112,150	590,923	23,046	613,969	
6	70	65	613,969	108,768	505,201	19,703	524,904	
7	71	66	524,904	111,671	413,233	16,116	429,349	
8	72	67	429,349	114,661	314,688	12,273	326,961	
9	73	68	326,961	117,741	209,220	8,160	217,380	
10	74	69	217,380	120,913	96,467	3,762	100,229	
11	75	70	100,229	100,229	0	0	0	
12	76	71	0	0	0	0	0	
13	77	72	0	0	0	0	0	
14	78	73	0	0	0	0	0	
15	79	74	0	0	0	0	0	
16	80	75	0	0	0	0	0	
17	81	76	0	0	0	0	0	
18	82	77	0	0	0	0	0	
19	83	78	0	0	0	0	0	
20	84	79	0	0	0	0	0	
21	85	80	0	0	0	0	0	
22	86	81	0	0	0	0	0	
23	87	82	0	0	0	0	0	
24	88	83	0	0	0	0	0	
25	89	84	0	0	0	0	0	
26	90	85	0	0	0	0	0	
27	91	86	0	0	0	0	0	
28	92	87	0	0	0	0	0	
29	93	88	0	0	0	0	0	
30	94	89	0	0	0	0	0	

## Details of Tax Exempt Account (Bonds)

Tax Exempt Account Detail Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

			Tax Exempt Assets Initial Value 475,000			Tax Exempt Yield 5.00%		
Year	Client Age	Spouse Age	(1) Beginning of Year Balance in Account	(2) Tax Exempt Account Withdrawal	(3) Balance in Account to Accrue	(4) Tax Exempt Interest Earned	(5) Year End Value of Account	
1	65	60	475,000	0	475,000	23,750	498,750	
2	66	61	498,750	0	498,750	24,938	523,688	
3	67	62	523,688	0	523,688	26,184	549,872	
4	68	63	549,872	0	549,872	27,494	577,366	
5	69	64	577,366	0	577,366	28,868	606,234	
6	70	65	606,234	0	606,234	30,312	636,546	
7	71	66	636,546	0	636,546	31,827	668,373	
8	72	67	668,373	0	668,373	33,419	701,792	
9	73	68	701,792	0	701,792	35,090	736,882	
10	74	69	736,882	0	736,882	36,844	773,726	
11	75	70	773,726	23,952	749,774	37,489	787,263	
12	76	71	787,263	127,546	659,717	32,986	692,703	
13	77	72	692,703	131,012	561,691	28,085	589,776	
14	78	73	589,776	134,583	455,193	22,760	477,953	
15	79	74	477,953	138,260	339,693	16,985	356,678	
16	80	75	356,678	142,048	214,630	10,732	225,362	
17	81	76	225,362	145,950	79,412	3,971	83,383	
18	82	77	83,383	83,383	0	0	0	
19	83	78	0	0	0	0	0	
20	84	79	0	0	0	0	0	
21	85	80	0	0	0	0	0	
22	86	81	0	0	0	0	0	
23	87	82	0	0	0	0	0	
24	88	83	0	0	0	0	0	
25	89	84	0	0	0	0	0	
26	90	85	0	0	0	0	0	
27	91	86	0	0	0	0	0	
28	92	87	0	0	0	0	0	
29	93	88	0	0	0	0	0	
30	94	89	0	0	0	0	0	

## Details of Hypothetical Equity Asset (Stocks)

Equity Assets Detail Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

			Equities Initial Value 1,000,000	Initial Cost Basis 675,000	Growth Rate 8.00%	Dividend Rate 2.00%	Retirement Income Tax Rate 35.00%	Capital Gains Tax Rate 20.00%				
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Year	Client Age	Spouse Age	Beginning of Year Assets Value	- Sale of Equities	+ Capital Growth	+ After Tax Reinvested Dividends	= Net Year End Value of Assets*	After Tax Dividend Cash Flow	+ After Tax Equity Sales Cash Flow	= Combined After Tax Cash Flow		
1	65	60	1,000,000	0	80,000	13,000	1,082,070	0	0	0		
2	66	61	1,082,070	0	86,566	14,067	1,170,876	0	0	0		
3	67	62	1,170,876	0	93,670	15,221	1,266,969	0	0	0		
4	68	63	1,266,969	0	101,358	16,471	1,370,950	0	0	0		
5	69	64	1,370,950	0	109,676	17,822	1,483,464	0	0	0		
6	70	65	1,483,464	0	118,677	19,285	1,605,212	0	0	0		
7	71	66	1,605,212	0	128,417	20,868	1,736,952	0	0	0		
8	72	67	1,736,952	0	138,956	22,580	1,879,503	0	0	0		
9	73	68	1,879,503	0	150,360	24,434	2,033,754	0	0	0		
10	74	69	2,033,754	0	162,700	26,439	2,200,664	0	0	0		
11	75	70	2,200,664	0	176,053	28,609	2,381,273	0	0	0		
12	76	71	2,381,273	0	190,502	30,957	2,576,705	0	0	0		
13	77	72	2,576,705	0	206,136	33,497	2,788,175	0	0	0		
14	78	73	2,788,175	0	223,054	36,246	3,017,000	0	0	0		
15	79	74	3,017,000	0	241,360	39,221	3,264,605	0	0	0		
16	80	75	3,264,605	0	261,168	42,440	3,532,531	0	0	0		
17	81	76	3,532,531	0	282,602	45,923	3,822,445	0	0	0		
18	82	77	3,822,445	19,975	304,198	0	4,065,601	49,432	17,153	66,585		
19	83	78	4,065,601	120,268	315,627	0	4,218,350	51,289	102,818	154,107		
20	84	79	4,218,350	123,495	327,588	0	4,378,219	53,233	105,138	158,371		
21	85	80	4,378,219	126,755	340,117	0	4,545,665	55,269	107,492	162,761		
22	86	81	4,545,665	130,048	353,249	0	4,721,177	57,403	109,881	167,284		
23	87	82	4,721,177	133,373	367,024	0	4,905,280	59,641	112,302	171,943		
24	88	83	4,905,280	136,723	381,485	0	5,098,542	61,991	114,751	176,742		
25	89	84	5,098,542	140,093	396,676	0	5,301,574	64,460	117,223	181,683		
26	90	85	5,301,574	143,483	412,647	0	5,515,031	67,055	119,719	186,774		
27	91	86	5,515,031	146,886	429,452	0	5,739,621	69,786	122,231	192,017		
28	92	87	5,739,621	150,297	447,146	0	5,976,105	72,661	124,757	197,418		
29	93	88	5,976,105	153,708	465,792	0	6,225,307	75,691	127,289	202,980		
30	94	89	6,225,307	157,114	485,455	0	6,488,112	78,886	129,824	208,710		

Capital gains tax calculations are based upon a ratio of asset value to remaining cost basis in any given year.  
\*Column (5) has been reduced by an assumed management fee of 1.00%.

## Details of Tax Deferred Asset (Annuity)

Tax Deferred Account Detail Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

			Tax Deferred Assets Initial Value 500,000	Initial Cost Basis 300,000	Tax Deferred Yield 10.00%	Retirement Income Tax Rate 35.00%				
			(1)	(2)	(3)	(4)	(5) Net	(6)		
Year	Client Age	Spouse Age	Beginning of Year Value of Account	Beginning of Year Pre Tax Withdrawal	Balance in Account to Accrue	Annualized Tax Deferred Interest Accrued	Year End Living Value of Account	After Tax Cash Flow from Withdrawal		
1	65	60	500,000	0	500,000	50,000	540,375	0		
2	66	61	540,375	0	540,375	54,038	584,011	0		
3	67	62	584,011	0	584,011	58,401	631,170	0		
4	68	63	631,170	0	631,170	63,117	682,137	0		
5	69	64	682,137	0	682,137	68,214	737,220	0		
6	70	65	737,220	0	737,220	73,722	796,751	0		
7	71	66	796,751	0	796,751	79,675	861,089	0		
8	72	67	861,089	0	861,089	86,109	930,622	0		
9	73	68	930,622	0	930,622	93,062	1,005,770	0		
10	74	69	1,005,770	0	1,005,770	100,577	1,086,986	0		
11	75	70	1,086,986	0	1,086,986	108,699	1,174,761	0		
12	76	71	1,174,761	0	1,174,761	117,476	1,269,623	0		
13	77	72	1,269,623	0	1,269,623	126,962	1,372,145	0		
14	78	73	1,372,145	0	1,372,145	137,215	1,482,946	0		
15	79	74	1,482,946	0	1,482,946	148,295	1,602,694	0		
16	80	75	1,602,694	0	1,602,694	160,269	1,732,111	0		
17	81	76	1,732,111	0	1,732,111	173,211	1,871,979	0		
18	82	77	1,871,979	0	1,871,979	187,198	2,023,141	0		
19	83	78	2,023,141	0	2,023,141	202,314	2,186,510	0		
20	84	79	2,186,510	0	2,186,510	218,651	2,363,071	0		
21	85	80	2,363,071	0	2,363,071	236,307	2,553,889	0		
22	86	81	2,553,889	0	2,553,889	255,389	2,760,116	0		
23	87	82	2,760,116	0	2,760,116	276,012	2,982,996	0		
24	88	83	2,982,996	0	2,982,996	298,300	3,223,873	0		
25	89	84	3,223,873	0	3,223,873	322,387	3,484,200	0		
26	90	85	3,484,200	0	3,484,200	348,420	3,765,549	0		
27	91	86	3,765,549	0	3,765,549	376,555	4,069,617	0		
28	92	87	4,069,617	0	4,069,617	406,962	4,398,239	0		
29	93	88	4,398,239	0	4,398,239	439,824	4,753,397	0		
30	94	89	4,753,397	0	4,753,397	475,340	5,137,234	0		

Column (5) has been reduced by an assumed management fee of 1.00%. Death benefit guarantee fee: 0.75%

## Summary of Illiquid Assets

Illiquid Assets Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

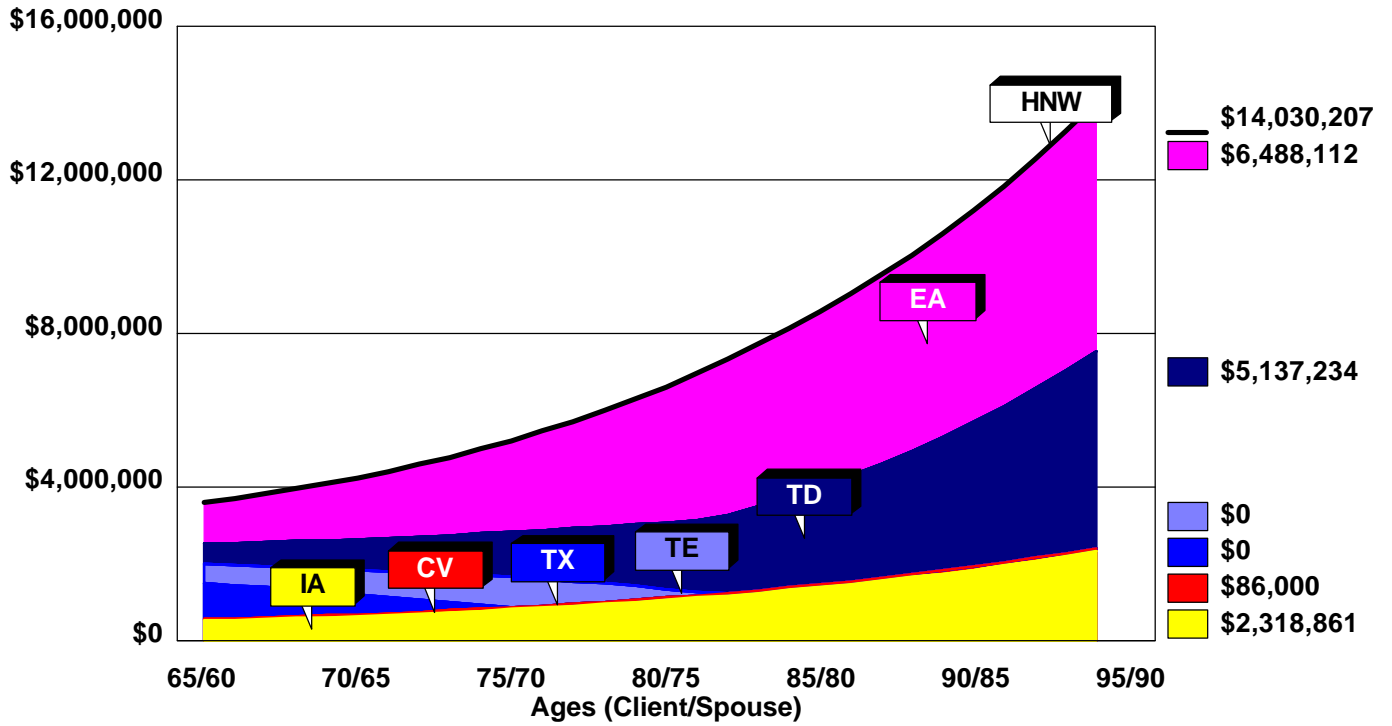
Year	Client Age	Spouse Age	(1) Principal Residence (6.00% Growth)	+	(2) Personal Property (-5.00% Growth)	+	(3) Vacation Home (6.00% Growth)	=	(4) Total Assets
1	65	60	265,000		95,000		159,000		519,000
2	66	61	280,900		90,250		168,540		539,690
3	67	62	297,754		85,738		178,652		562,144
4	68	63	315,619		81,451		189,372		586,442
5	69	64	334,556		77,378		200,734		612,668
6	70	65	354,630		73,509		212,778		640,917
7	71	66	375,908		69,834		225,545		671,287
8	72	67	398,462		66,342		239,077		703,881
9	73	68	422,370		63,025		253,422		738,817
10	74	69	447,712		59,874		268,627		776,213
11	75	70	474,575		56,880		284,745		816,200
12	76	71	503,049		54,036		301,829		858,914
13	77	72	533,232		51,334		319,939		904,505
14	78	73	565,226		48,768		339,136		953,130
15	79	74	599,140		46,329		359,484		1,004,953
16	80	75	635,088		44,013		381,053		1,060,154
17	81	76	673,193		41,812		403,916		1,118,921
18	82	77	713,585		39,721		428,151		1,181,457
19	83	78	756,400		37,735		453,840		1,247,975
20	84	79	801,784		35,849		481,070		1,318,703
21	85	80	849,891		34,056		509,935		1,393,882
22	86	81	900,884		32,353		540,531		1,473,768
23	87	82	954,937		30,736		572,962		1,558,635
24	88	83	1,012,234		29,199		607,340		1,648,773
25	89	84	1,072,968		27,739		643,781		1,744,488
26	90	85	1,137,346		26,352		682,407		1,846,105
27	91	86	1,205,586		25,034		723,352		1,953,972
28	92	87	1,277,922		23,783		766,753		2,068,458
29	93	88	1,354,597		22,594		812,758		2,189,949
30	94	89	1,435,873		21,464		861,524		2,318,861

# Hypothetical Net Worth (After Providing Required Cash Flow)

Presented By: [Licensed user's name appears here]  
Date: 07/08/2001

For: Paul Montgomery  
& Sarah Montgomery

## 30 Year Graphic Analysis



- HNW - Hypothetical Net Worth
- EA - Hypothetical Equity Assets
- TD - Tax Deferred Assets
- TE - Tax Exempt Assets
- TX - Taxable Assets
- CV - Life Insurance Cash Values
- IA - Illiquid Assets

## Wealth Transfer Summary (After Providing Required Cash Flow)

Wealth Transfer Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1) Total Estate Assets*	(2) Total Charitable Bequests	(3) Total Transfer Taxes	(4) Net Estate to Heirs	(5) Total Assets Outside the Estate	(6) Wealth Transferred to Heirs	(7) Wealth Transferred to Charity
1	65	60	3,674,275	540,375	785,111	2,348,789	1,202,144	3,550,933	540,375
2	66	61	3,781,081	584,011	531,564	2,665,506	1,214,293	3,879,799	584,011
3	67	62	3,896,070	631,170	564,801	2,700,099	1,227,429	3,927,528	631,170
4	68	63	4,019,968	682,137	152,024	3,185,807	1,241,643	4,427,450	682,137
5	69	64	4,153,555	737,220	187,351	3,228,984	1,257,218	4,486,202	737,220
6	70	65	4,304,330	796,751	0	3,507,579	1,273,987	4,781,566	796,751
7	71	66	4,467,050	861,089	0	3,605,961	1,291,670	4,897,631	861,089
8	72	67	4,642,759	930,622	0	3,712,137	1,310,898	5,023,035	930,622
9	73	68	4,832,603	1,005,770	0	3,826,833	1,331,470	5,158,303	1,005,770
10	74	69	5,037,818	1,086,986	0	3,950,832	1,353,423	5,304,255	1,086,986
11	75	70	5,259,497	1,174,761	991,605	3,093,131	1,376,483	4,469,614	1,174,761
12	76	71	5,497,945	1,269,623	1,070,577	3,157,745	1,400,783	4,558,528	1,269,623
13	77	72	5,754,601	1,372,145	1,155,351	3,227,105	1,425,780	4,652,885	1,372,145
14	78	73	6,031,029	1,482,946	1,246,446	3,301,637	1,451,389	4,753,026	1,482,946
15	79	74	6,328,930	1,602,694	1,344,430	3,381,806	1,478,391	4,860,197	1,602,694
16	80	75	6,650,158	1,732,111	1,449,926	3,468,121	1,506,919	4,975,040	1,732,111
17	81	76	6,996,728	1,871,979	1,563,612	3,561,137	1,536,817	5,097,954	1,871,979
18	82	77	7,370,199	2,023,141	1,685,882	3,661,176	1,567,553	5,228,729	2,023,141
19	83	78	7,752,835	2,186,510	1,806,479	3,759,846	1,598,573	5,358,419	2,186,510
20	84	79	8,159,993	2,363,071	1,933,307	3,863,615	1,629,604	5,493,219	2,363,071
21	85	80	8,593,436	2,553,889	2,066,751	3,972,796	1,660,512	5,633,308	2,553,889
22	86	81	9,055,061	2,760,116	2,207,220	4,087,725	1,691,060	5,778,785	2,760,116
23	87	82	9,546,911	2,982,996	2,355,153	4,208,762	1,720,791	5,929,553	2,982,996
24	88	83	10,071,188	3,223,873	2,511,023	4,336,292	1,749,073	6,085,365	3,223,873
25	89	84	10,630,262	3,484,200	2,675,334	4,470,728	1,774,653	6,245,381	3,484,200
26	90	85	11,226,685	3,765,549	2,848,625	4,612,511	1,795,499	6,408,010	3,765,549
27	91	86	11,863,210	4,069,617	3,031,476	4,762,117	1,809,323	6,571,440	4,069,617
28	92	87	12,542,802	4,398,239	3,224,510	4,920,053	1,813,653	6,733,706	4,398,239
29	93	88	13,268,653	4,753,397	3,428,391	5,086,865	1,805,595	6,892,460	4,753,397
30	94	89	14,044,207	5,137,234	3,643,835	5,263,138	1,780,553	7,043,691	5,137,234

\*Net of cash flow provided

Column (5) may include non-guaranteed values. If so, actual results are likely to vary. This page is not valid unless accompanied by a life insurance basic illustration that details non-guaranteed and guaranteed elements.

### Summary at Life Expectancy (Year 29)

Total Estate Assets	\$ 13,268,653
Wealth Transferred to Heirs	\$ 6,892,460
Wealth Transferred to Charity	\$ 4,753,397

# Summary Comparison

Presented By: [Licensed user's name appears here]  
Date: 07/08/2001

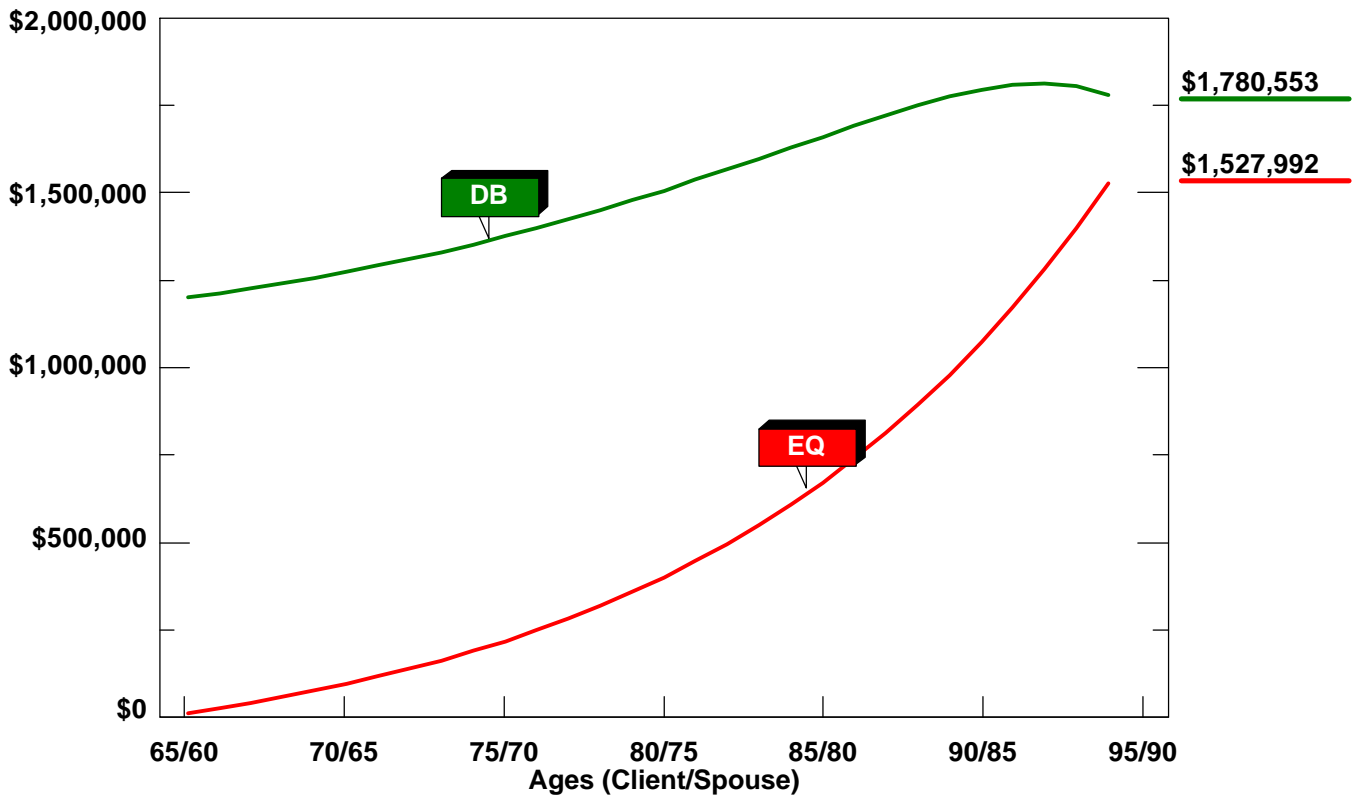
For: Paul Montgomery  
& Sarah Montgomery

Heirs'  
Income Tax Rate  
35.00%

Equity Account  
Growth Rate  
8.00%

Equity Account  
Dividend Rate  
2.00%

## 30 Year Graphic Analysis



EQ - Equity Account\*  
DB - Life Insurance Death Benefit

\*Equity Account includes management fee: 1.00%.

Life insurance death benefit may include non-guaranteed values. If so, the actual results are likely to vary. This graph is not valid unless accompanied by a life insurance basic illustration that details non-guaranteed and guaranteed elements.

## Estate Assets Details

Estate Assets Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1)		(2)		(3)	(4)	
			Liquid Assets*	+	Net Illiquid Assets**	+	Current Life Insurance Death Benefit	=	Total Estate Assets
1	65	60	3,055,275		519,000		100,000		3,674,275
2	66	61	3,141,391		539,690		100,000		3,781,081
3	67	62	3,233,926		562,144		100,000		3,896,070
4	68	63	3,333,526		586,442		100,000		4,019,968
5	69	64	3,440,887		612,668		100,000		4,153,555
6	70	65	3,563,413		640,917		100,000		4,304,330
7	71	66	3,695,763		671,287		100,000		4,467,050
8	72	67	3,838,878		703,881		100,000		4,642,759
9	73	68	3,993,786		738,817		100,000		4,832,603
10	74	69	4,161,605		776,213		100,000		5,037,818
11	75	70	4,343,297		816,200		100,000		5,259,497
12	76	71	4,539,031		858,914		100,000		5,497,945
13	77	72	4,750,096		904,505		100,000		5,754,601
14	78	73	4,977,899		953,130		100,000		6,031,029
15	79	74	5,223,977		1,004,953		100,000		6,328,930
16	80	75	5,490,004		1,060,154		100,000		6,650,158
17	81	76	5,777,807		1,118,921		100,000		6,996,728
18	82	77	6,088,742		1,181,457		100,000		7,370,199
19	83	78	6,404,860		1,247,975		100,000		7,752,835
20	84	79	6,741,290		1,318,703		100,000		8,159,993
21	85	80	7,099,554		1,393,882		100,000		8,593,436
22	86	81	7,481,293		1,473,768		100,000		9,055,061
23	87	82	7,888,276		1,558,635		100,000		9,546,911
24	88	83	8,322,415		1,648,773		100,000		10,071,188
25	89	84	8,785,774		1,744,488		100,000		10,630,262
26	90	85	9,280,580		1,846,105		100,000		11,226,685
27	91	86	9,809,238		1,953,972		100,000		11,863,210
28	92	87	10,374,344		2,068,458		100,000		12,542,802
29	93	88	10,978,704		2,189,949		100,000		13,268,653
30	94	89	11,625,346		2,318,861		100,000		14,044,207

\*Including taxable assets, tax exempt assets, tax deferred assets, and hypothetical equity assets.

\*\*Net of any liabilities.

Life Insurance values reflect life insurance proceeds that may include non-guaranteed values. If so, results are likely to vary. This page is not valid unless accompanied by a life insurance basic illustration that details non-guaranteed and guaranteed elements.

## Charitable Bequests Details

Charitable Bequests Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1)	(2)
			Liquid Assets	Total Charitable Bequests
1	65	60	540,375	540,375
2	66	61	584,011	584,011
3	67	62	631,170	631,170
4	68	63	682,137	682,137
5	69	64	737,220	737,220
6	70	65	796,751	796,751
7	71	66	861,089	861,089
8	72	67	930,622	930,622
9	73	68	1,005,770	1,005,770
10	74	69	1,086,986	1,086,986
11	75	70	1,174,761	1,174,761
12	76	71	1,269,623	1,269,623
13	77	72	1,372,145	1,372,145
14	78	73	1,482,946	1,482,946
15	79	74	1,602,694	1,602,694
16	80	75	1,732,111	1,732,111
17	81	76	1,871,979	1,871,979
18	82	77	2,023,141	2,023,141
19	83	78	2,186,510	2,186,510
20	84	79	2,363,071	2,363,071
21	85	80	2,553,889	2,553,889
22	86	81	2,760,116	2,760,116
23	87	82	2,982,996	2,982,996
24	88	83	3,223,873	3,223,873
25	89	84	3,484,200	3,484,200
26	90	85	3,765,549	3,765,549
27	91	86	4,069,617	4,069,617
28	92	87	4,398,239	4,398,239
29	93	88	4,753,397	4,753,397
30	94	89	5,137,234	5,137,234

Column (1) includes:  
100% of the value of Annuity.

## Transfer Tax Details

Transfer Tax Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	(1) Total Estate Assets*	(2) Total Charitable Bequests -	(3) = Taxable Estate**	(4) Available Unified Credit Equivalent	(5) Estate Tax** +	(6) Income Tax on Tax Deferred Assets =	(7) Total Transfer Taxes
1	65	60	3,674,275	540,375	3,133,900	1,350,000	785,111	0	785,111
2	66	61	3,781,081	584,011	3,197,070	2,000,000	531,564	0	531,564
3	67	62	3,896,070	631,170	3,264,900	2,000,000	564,801	0	564,801
4	68	63	4,019,968	682,137	3,337,831	3,000,000	152,024	0	152,024
5	69	64	4,153,555	737,220	3,416,335	3,000,000	187,351	0	187,351
6	70	65	4,304,330	796,751	3,507,579	4,000,000	0	0	0
7	71	66	4,467,050	861,089	3,605,961	4,000,000	0	0	0
8	72	67	4,642,759	930,622	3,712,137	4,000,000	0	0	0
9	73	68	4,832,603	1,005,770	3,826,833	7,000,000	0	0	0
10	74	69	5,037,818	1,086,986	0	0	0	0	0
11	75	70	5,259,497	1,174,761	4,084,736	2,000,000	991,605	0	991,605
12	76	71	5,497,945	1,269,623	4,228,322	2,000,000	1,070,577	0	1,070,577
13	77	72	5,754,601	1,372,145	4,382,456	2,000,000	1,155,351	0	1,155,351
14	78	73	6,031,029	1,482,946	4,548,083	2,000,000	1,246,446	0	1,246,446
15	79	74	6,328,930	1,602,694	4,726,236	2,000,000	1,344,430	0	1,344,430
16	80	75	6,650,158	1,732,111	4,918,047	2,000,000	1,449,926	0	1,449,926
17	81	76	6,996,728	1,871,979	5,124,749	2,000,000	1,563,612	0	1,563,612
18	82	77	7,370,199	2,023,141	5,347,058	2,000,000	1,685,882	0	1,685,882
19	83	78	7,752,835	2,186,510	5,566,325	2,000,000	1,806,479	0	1,806,479
20	84	79	8,159,993	2,363,071	5,796,922	2,000,000	1,933,307	0	1,933,307
21	85	80	8,593,436	2,553,889	6,039,547	2,000,000	2,066,751	0	2,066,751
22	86	81	9,055,061	2,760,116	6,294,945	2,000,000	2,207,220	0	2,207,220
23	87	82	9,546,911	2,982,996	6,563,915	2,000,000	2,355,153	0	2,355,153
24	88	83	10,071,188	3,223,873	6,847,315	2,000,000	2,511,023	0	2,511,023
25	89	84	10,630,262	3,484,200	7,146,062	2,000,000	2,675,334	0	2,675,334
26	90	85	11,226,685	3,765,549	7,461,136	2,000,000	2,848,625	0	2,848,625
27	91	86	11,863,210	4,069,617	7,793,593	2,000,000	3,031,476	0	3,031,476
28	92	87	12,542,802	4,398,239	8,144,563	2,000,000	3,224,510	0	3,224,510
29	93	88	13,268,653	4,753,397	8,515,256	2,000,000	3,428,391	0	3,428,391
30	94	89	14,044,207	5,137,234	8,906,973	2,000,000	3,643,835	0	3,643,835

\*See the Estate Assets Details Report.

Column (5) assumes half the amount shown in column (4) is transferred to a credit shelter trust by the first spouse to die.

\*\*The estate tax calculations on this page assume new estate tax law remains unchanged - (after one year of repeal in 2010, thereafter return to old estate tax law of 2001).

## Wealth Transfer Details

Wealth Transfer Details Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Year	Client Age	Spouse Age	Wealth Transfer to Heirs		Wealth Transfer to Charity	
			(1) Proposed Life Insurance Outside the Estate	(2) Total Assets Outside the Estate	(3) Total Charitable Bequests	(4) Wealth Transferred to Charity
1	65	60	1,202,144	1,202,144	540,375	540,375
2	66	61	1,214,293	1,214,293	584,011	584,011
3	67	62	1,227,429	1,227,429	631,170	631,170
4	68	63	1,241,643	1,241,643	682,137	682,137
5	69	64	1,257,218	1,257,218	737,220	737,220
6	70	65	1,273,987	1,273,987	796,751	796,751
7	71	66	1,291,670	1,291,670	861,089	861,089
8	72	67	1,310,898	1,310,898	930,622	930,622
9	73	68	1,331,470	1,331,470	1,005,770	1,005,770
10	74	69	1,353,423	1,353,423	1,086,986	1,086,986
11	75	70	1,376,483	1,376,483	1,174,761	1,174,761
12	76	71	1,400,783	1,400,783	1,269,623	1,269,623
13	77	72	1,425,780	1,425,780	1,372,145	1,372,145
14	78	73	1,451,389	1,451,389	1,482,946	1,482,946
15	79	74	1,478,391	1,478,391	1,602,694	1,602,694
16	80	75	1,506,919	1,506,919	1,732,111	1,732,111
17	81	76	1,536,817	1,536,817	1,871,979	1,871,979
18	82	77	1,567,553	1,567,553	2,023,141	2,023,141
19	83	78	1,598,573	1,598,573	2,186,510	2,186,510
20	84	79	1,629,604	1,629,604	2,363,071	2,363,071
21	85	80	1,660,512	1,660,512	2,553,889	2,553,889
22	86	81	1,691,060	1,691,060	2,760,116	2,760,116
23	87	82	1,720,791	1,720,791	2,982,996	2,982,996
24	88	83	1,749,073	1,749,073	3,223,873	3,223,873
25	89	84	1,774,653	1,774,653	3,484,200	3,484,200
26	90	85	1,795,499	1,795,499	3,765,549	3,765,549
27	91	86	1,809,323	1,809,323	4,069,617	4,069,617
28	92	87	1,813,653	1,813,653	4,398,239	4,398,239
29	93	88	1,805,595	1,805,595	4,753,397	4,753,397
30	94	89	1,780,553	1,780,553	5,137,234	5,137,234

Column (1) may include non-guaranteed values. If so, actual results are likely to vary. This page is not valid unless accompanied by a life insurance basic illustration that details non-guaranteed and guaranteed elements.

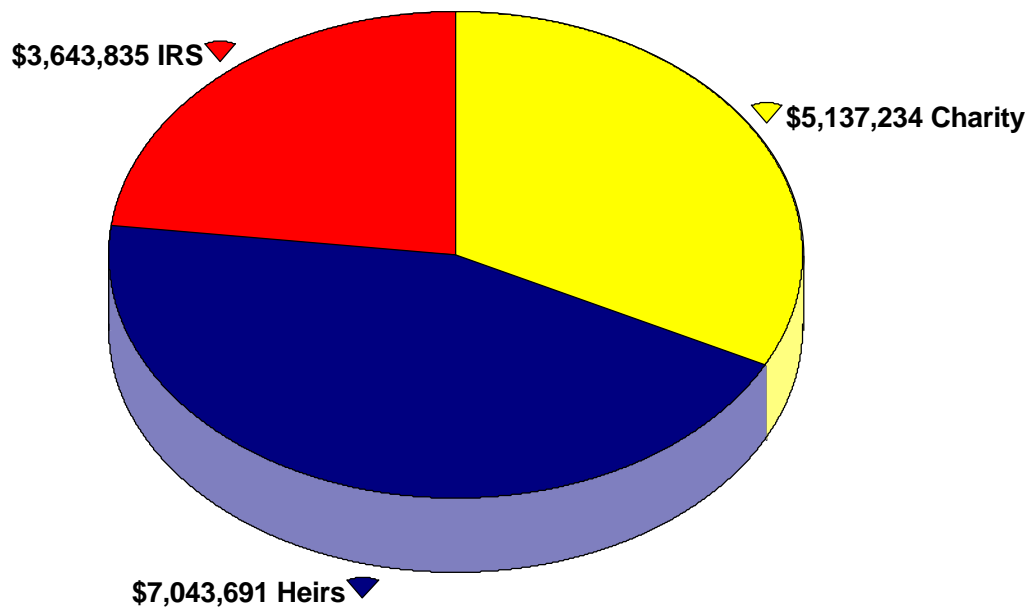
## Distribution of Assets

Presented By: [Licensed user's name appears here]  
Date: 07/08/2001

For: Paul Montgomery  
& Sarah Montgomery

### Summary Analysis at Ages 94/89

#### Estate Distribution



Heirs' values reflect life insurance proceeds that may include non-guaranteed values. If so, results are likely to vary. This graph is not valid unless accompanied by a life insurance basic illustration that details non-guaranteed and guaranteed elements.

## Summary of Transfer Taxation of Tax Deferred Assets

Tax Deferred Transfer Tax Summary Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

			Tax Deferred Assets Initial Value 500,000	Initial Cost Basis 300,000	Heirs' Tax Bracket 35.00%					
			(1)	(2)	(3)	(4)	(5)	(6)		
			Tax Deferred Assets in Estate	Scheduled Charitable Bequests	Estate Tax on Tax Deferred Assets	Income Tax on Tax Deferred Assets	Total Taxes Attributed to Tax Deferred Assets	Percent Loss Due to Tax		
Year	Client Age	Spouse Age	=	=	+	=	=	=		
1	65	60	540,375	540,375	0	0	0	0%		
2	66	61	584,011	584,011	0	0	0	0%		
3	67	62	631,170	631,170	0	0	0	0%		
4	68	63	682,137	682,137	0	0	0	0%		
5	69	64	737,220	737,220	0	0	0	0%		
6	70	65	796,751	796,751	0	0	0	0%		
7	71	66	861,089	861,089	0	0	0	0%		
8	72	67	930,622	930,622	0	0	0	0%		
9	73	68	1,005,770	1,005,770	0	0	0	0%		
10	74	69	1,086,986	1,086,986	0	0	0	0%		
11	75	70	1,174,761	1,174,761	0	0	0	0%		
12	76	71	1,269,623	1,269,623	0	0	0	0%		
13	77	72	1,372,145	1,372,145	0	0	0	0%		
14	78	73	1,482,946	1,482,946	0	0	0	0%		
15	79	74	1,602,694	1,602,694	0	0	0	0%		
16	80	75	1,732,111	1,732,111	0	0	0	0%		
17	81	76	1,871,979	1,871,979	0	0	0	0%		
18	82	77	2,023,141	2,023,141	0	0	0	0%		
19	83	78	2,186,510	2,186,510	0	0	0	0%		
20	84	79	2,363,071	2,363,071	0	0	0	0%		
21	85	80	2,553,889	2,553,889	0	0	0	0%		
22	86	81	2,760,116	2,760,116	0	0	0	0%		
23	87	82	2,982,996	2,982,996	0	0	0	0%		
24	88	83	3,223,873	3,223,873	0	0	0	0%		
25	89	84	3,484,200	3,484,200	0	0	0	0%		
26	90	85	3,765,549	3,765,549	0	0	0	0%		
27	91	86	4,069,617	4,069,617	0	0	0	0%		
28	92	87	4,398,239	4,398,239	0	0	0	0%		
29	93	88	4,753,397	4,753,397	0	0	0	0%		
30	94	89	5,137,234	5,137,234	0	0	0	0%		

The estate tax calculations on this page assume new estate tax law remains unchanged - (after one year of repeal in 2010, thereafter return to old estate tax law of 2001).

## Details of Transfer Taxation of Tax Deferred Assets

Tax Deferred Transfer Tax Detail Page: 1  
Date: 07/08/2001

Presented By: [Licensed user's name appears here]

For: Paul Montgomery  
& Sarah Montgomery

Tax Deferred Assets      Initial      Heirs' Tax  
Initial Value      Cost Basis      Bracket  
500,000      300,000      35.00%

Year	Client Age	Spouse Age	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			Tax Deferred Assets in Estate	Scheduled Charitable Bequests	Federal Estate Tax on Tax Deferred Assets	Unrealized Gain in Tax Deferred Assets	Federal Estate Tax Attributable to Gain*	Portion of Gain Subject to Income Tax (4) - (5)	Income Tax on Gain*	State Death Tax Attributable to Tax Deferred Assets	Total Taxes on Tax Deferred Assets (3)+(7)+(8)
1	65	60	540,375	540,375	0	0	0	0	0	0	0
2	66	61	584,011	584,011	0	0	0	0	0	0	0
3	67	62	631,170	631,170	0	0	0	0	0	0	0
4	68	63	682,137	682,137	0	0	0	0	0	0	0
5	69	64	737,220	737,220	0	0	0	0	0	0	0
6	70	65	796,751	796,751	0	0	0	0	0	0	0
7	71	66	861,089	861,089	0	0	0	0	0	0	0
8	72	67	930,622	930,622	0	0	0	0	0	0	0
9	73	68	1,005,770	1,005,770	0	0	0	0	0	0	0
10	74	69	1,086,986	1,086,986	0	0	0	0	0	0	0
11	75	70	1,174,761	1,174,761	0	0	0	0	0	0	0
12	76	71	1,269,623	1,269,623	0	0	0	0	0	0	0
13	77	72	1,372,145	1,372,145	0	0	0	0	0	0	0
14	78	73	1,482,946	1,482,946	0	0	0	0	0	0	0
15	79	74	1,602,694	1,602,694	0	0	0	0	0	0	0
16	80	75	1,732,111	1,732,111	0	0	0	0	0	0	0
17	81	76	1,871,979	1,871,979	0	0	0	0	0	0	0
18	82	77	2,023,141	2,023,141	0	0	0	0	0	0	0
19	83	78	2,186,510	2,186,510	0	0	0	0	0	0	0
20	84	79	2,363,071	2,363,071	0	0	0	0	0	0	0
21	85	80	2,553,889	2,553,889	0	0	0	0	0	0	0
22	86	81	2,760,116	2,760,116	0	0	0	0	0	0	0
23	87	82	2,982,996	2,982,996	0	0	0	0	0	0	0
24	88	83	3,223,873	3,223,873	0	0	0	0	0	0	0
25	89	84	3,484,200	3,484,200	0	0	0	0	0	0	0
26	90	85	3,765,549	3,765,549	0	0	0	0	0	0	0
27	91	86	4,069,617	4,069,617	0	0	0	0	0	0	0
28	92	87	4,398,239	4,398,239	0	0	0	0	0	0	0
29	93	88	4,753,397	4,753,397	0	0	0	0	0	0	0
30	94	89	5,137,234	5,137,234	0	0	0	0	0	0	0

\*The unrealized gain in tax deferred assets is also included on the heirs' income tax return. To avoid double taxation, the federal estate tax attributable to the gain is allowed as an itemized deduction on the heirs' income tax return. The estate tax calculations on this page assume new estate tax law remains unchanged - (after one year of repeal in 2010, thereafter return to old estate tax law of 2001).