

# **Executive Trifecta®**

## **(for Key Non-Partner Executives of Partnerships)**

### **Key Executive Coverage, Survivor Income Benefit, and Subsequent Transfer of Policy to Key Executive**

"Trifecta" refers to a winning sequence of three, and Executive Trifecta delivers three, very powerful, sequential benefits:

- 1) Selected non-partner executives whose deaths would cause a serious financial loss for the Partnership are insured in favor of the Partnership thereby providing indemnification for such a loss.
- 2) During their participation, each insured executive is provided with Partnership-paid survivor income benefits should death occur while employed.
- 3) At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the life insurance policy is contractually transferred to the participating executive (as a deferred bonus) thereby creating a supplemental retirement asset. After the policy transfer, any payment of the life insurance death benefit is made directly to the executive's personal beneficiaries.

### **Part 1: Key Executive Coverage**

Most firms would not consider operating without insuring against the loss of its property. The same logic should apply to its human capital -- a far more vital asset to the successful continuation of any business. Property can be rebuilt; not so with a human life.

In order to recognize the value of a key executive, a life insurance policy on the executive's life made payable to the Partnership is a prudent strategy. This coverage can provide needed cash to:

- a) Recover the costs of locating a replacement;
- b) Recover the loss of profits while training a replacement;
- c) Recover the permanent loss of profits if the executive is "irreplaceable";
- d) Assure creditors and suppliers that their loans and receivables are safe;
- e) Assure customers that the Partnership will continue its operations;

Features of this coverage for the Partnership are:

- a) Discriminatory participation as to the selection of participants;
- b) Income tax free policy death benefits;
- c) No regulatory approval required and negligible plan administration.

## **Part 2: Survivor Income Benefit**

With Executive Trifecta, the Partnership contractually agrees to pay scheduled amounts of income to the survivors of a participating executive. This provides the executive with:

- a) A source of continuing family income;
- b) Relief from purchasing expensive personal life insurance.

Features of this coverage for the Partnership are:

- a) Discriminatory participation as to the selection of participants;
- b) Deductible benefit payments;
- c) No regulatory approval required and negligible plan administration.

## **Part 3: Policy Transfer**

At the executive's retirement, disability, or involuntary severance from employment without cause, all as described in the Agreement between the parties, the Partnership transfers ownership of the policy to the participating executive who, in turn, names personal beneficiaries. This provides the executive with:

- a) Policy cash values for use as a supplemental retirement asset;
- b) Income tax free policy death benefits for personal beneficiaries.

## **Conclusion**

Executive Trifecta facilitates a nurturing environment that rewards key executives while simultaneously providing indemnification for the Partnership in the event of the untimely death of a covered participant.

Be sure to consult with your own tax attorney and accountant before entering into this or any other arrangement involving tax, legal, and economic considerations.

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 1  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age	Eq. Indexed UL Interest Rate	Initial Premium	Initial Death Benefit	
	45	8.50%	25,000	1,529,322	
	(1)	(2)	(3)	(4)	(5)
Year	Premium Payment	Pre-Tax Policy Cash Flow	Year End Accum Value*	Year End Cash Value*	Policy Death Benefit
1	25,000	0	23,148	1,737	1,529,322
2	25,000	0	48,241	5,420	1,529,322
3	25,000	0	75,337	29,764	1,529,322
4	25,000	0	104,601	59,027	1,529,322
5	25,000	0	136,213	90,639	1,529,322
6	25,000	0	170,395	127,100	1,529,322
7	25,000	0	207,290	166,730	1,529,322
8	25,000	0	247,152	209,781	1,529,322
9	25,000	0	290,229	256,505	1,529,322
10	25,000	0	336,808	307,185	1,529,322
11	25,000	0	387,227	362,162	1,529,322
12	25,000	0	441,856	421,804	1,529,322
13	25,000	0	501,089	486,506	1,529,322
14	25,000	0	565,406	556,746	1,529,322
15	25,000	0	635,340	635,340	1,529,322
16	25,000	0	711,475	711,475	1,529,322
17	25,000	0	794,519	794,519	1,529,322
18	25,000	0	885,267	885,267	1,529,322
19	25,000	0	984,629	984,629	1,529,322
20	25,000	0	1,093,671	1,093,671	1,529,322
	500,000	0			

### 20 Year Summary

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	0
Accum Value	1,093,671
Death Benefit	1,529,322

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 2  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age 45	Eq. Indexed UL Interest Rate 8.50%	Initial Premium 25,000	Initial Death Benefit 1,529,322	
	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
21	0	443,785	701,932	701,932	1,085,512
22	0	61,000	692,433	692,433	1,020,852
23	0	61,000	682,486	682,486	952,312
24	0	61,000	672,276	672,276	879,660
25	0	61,000	662,777	662,777	814,079
26	0	61,000	652,012	652,012	804,488
27	0	61,000	640,137	640,137	781,988
28	0	61,000	627,141	627,141	755,828
29	0	61,000	613,045	613,045	725,816
30	0	61,000	597,913	597,913	691,779
31	0	61,000	581,867	581,867	653,573
32	0	61,000	563,833	563,833	640,428
33	0	61,000	543,557	543,557	625,276
34	0	61,000	520,746	520,746	607,830
35	0	61,000	495,071	495,071	587,766
36	0	61,000	466,158	466,158	564,717
37	0	61,000	433,579	433,579	538,257
38	0	61,000	396,852	396,852	507,906
39	0	61,000	355,427	355,427	473,116
40	0	61,000	308,681	308,681	433,261
	500,000	1,602,785			

### 40 Year Summary

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	1,602,785
Accum Value	308,681
Death Benefit	433,261

# Executive Trifecta Using Equity Indexed Universal Life

## Illustration of Values of The Policy Used in the Plan

Values Page: 3  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Male Age	Eq. Indexed UL Interest Rate	Initial Premium	Initial Death Benefit	
	45	8.50%	25,000	1,529,322	
Year	(1) Premium Payment	(2) Pre-Tax Policy Cash Flow	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Policy Death Benefit
41	0	0	322,452	322,452	454,269
42	0	0	335,429	335,429	474,837
43	0	0	347,230	347,230	494,587
44	0	0	357,397	357,397	513,061
45	0	0	365,379	365,379	529,710
46	0	0	370,512	370,512	543,863
47	0	0	378,264	378,264	524,686
48	0	0	390,341	390,341	506,428
49	0	0	408,710	408,710	490,644
50	0	0	435,778	435,778	479,228

500,000

1,602,785

### 50 Year Summary

Cum. Premium Payments	500,000
Cum. Pre-Tax Cash Flow	1,602,785
Accum Value	435,778
Death Benefit	479,228

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

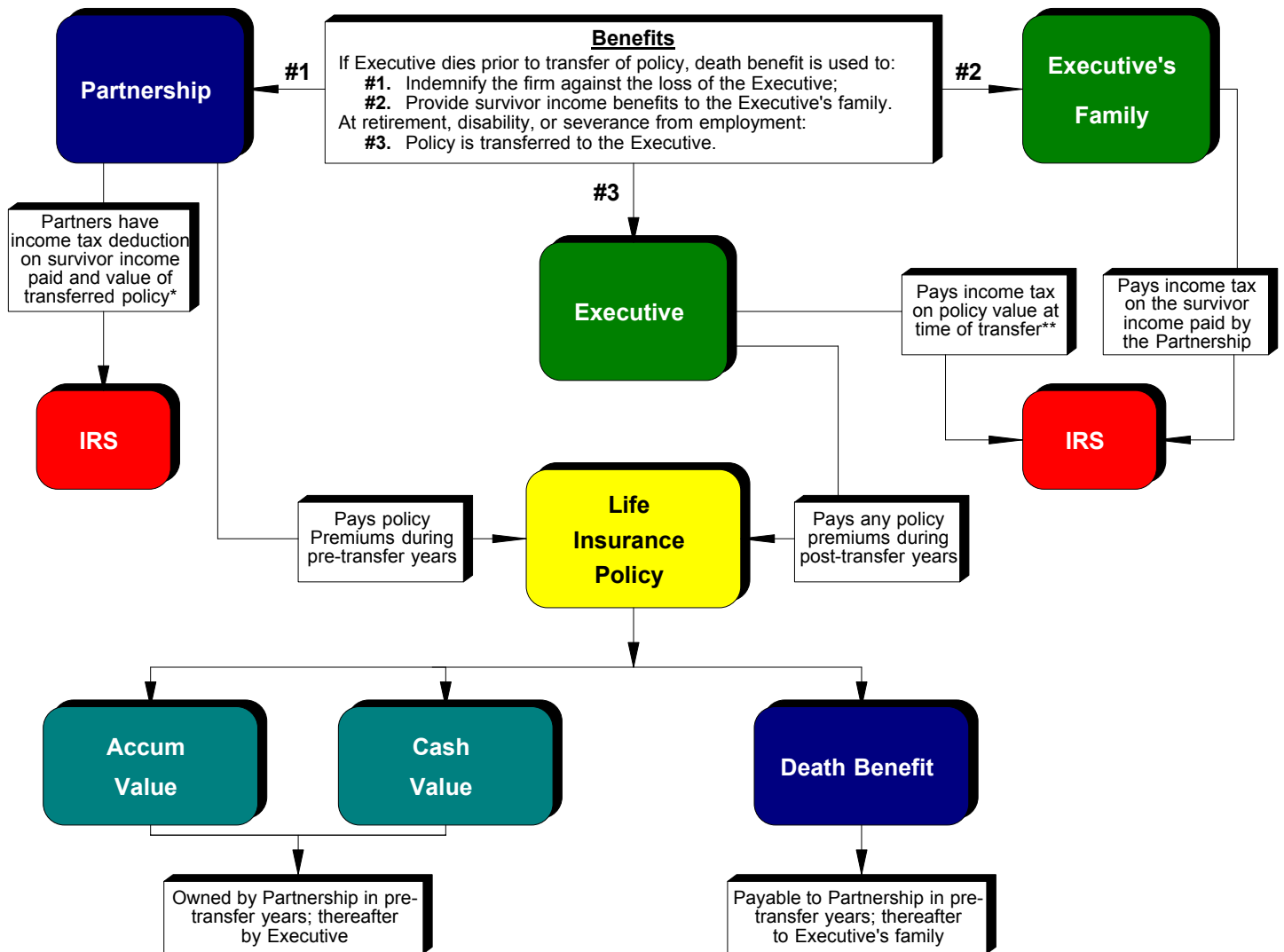
# Executive Trifecta Using Equity Indexed Universal Life

## Who Pays What - Who Receives What

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

### Flow Chart Analysis



\*When the policy is transferred, the Partners must recognize gain to the extent that the policy value exceeds the Partnership's premium payments; however, partners are entitled to a deduction equal to the amount the executive includes in income on the transfer - which is generally approximated by the policy value without regard to any surrender charges (IRS Rev. Proc. 2005-25).

\*\*The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

# Executive Trifecta

## Details of the Tax Consequences

### When the Policy is Transferred to the Non-Partner Executive

Tax Details Page: 1  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

	Form of Transaction	Policy Transfer to		
Male	(Key Executive Coverage with	Executive is Illustrated	Partners'	Executive's
Age	Deferred Transfer of Policy to	at Beginning of Year	Tax Bracket	Tax Bracket
45	Executive as Compensation)	21	34.00%	34.00%

#### Transfer Details:

Year the transfer is illustrated: Beginning of year 21  
 Accumulation value of policy when transferred: \$1,093,671  
 Partnership's cumulative premiums prior to transfer: \$500,000  
 Executive's cumulative premiums prior to transfer: \$0

#### Partners' Transfer Tax Consequences:

When the policy is transferred, Partners must recognize gain to the extent that the policy value exceeds the Partnership's premium payments; however, partners are entitled to a deduction equal to the amount the executive includes in income on the transfer -- which is generally approximated by the policy value without regard to any surrender charges (IRS Refv. Proc. 2005-25).

Therefore, for this case:

- Partners have a taxable gain of the difference between \$1,093,671 (accumulation value of policy) and \$500,000 (Partnership's cumulative premium share) which equals \$593,671 in taxable gain.  $\$593,671 \times 34.00\%$  (assumed tax bracket of partners) = \$201,848 of income tax due.
- In addition, the partners have an income tax deduction of the difference between \$1,093,671 (policy accumulation value) and \$0 (Executive's cumulative premium share) which equals \$1,093,671 in taxable gain.  $\$1,093,671 \times 34.00\%$  = \$371,848 of income tax savings.
- \$371,848 of income tax savings less \$201,848 of income tax due = \$170,000 of net income tax savings to the partners at transfer.

#### Executive's Transfer Tax Consequences:

The executive has taxable income to the extent of the policy's fair market value (IRC Section 83) which is generally approximated by the policy value without reduction for surrender charges (IRS Rev. Proc. 2005-25).

Therefore, for this case:

- The executive has a taxable income of \$1,093,671 (the policy accumulation value).
- $\$1,093,671 \times 34.00\%$  = \$371,848 of income tax due.
- The executive has basis in the policy of \$1,093,671 (the amount of taxable income).

Note: Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of transfer are presumed to occur after the transfer takes place.

# Executive's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 1  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
1	0	0	0	0	0	1,000,000
2	0	0	0	0	0	1,000,000
3	0	0	0	0	0	1,000,000
4	0	0	0	0	0	1,000,000
5	0	0	0	0	0	1,000,000
6	0	0	0	0	0	1,000,000
7	0	0	0	0	0	1,000,000
8	0	0	0	0	0	1,000,000
9	0	0	0	0	0	1,000,000
10	0	0	0	0	0	1,000,000
11	0	0	0	0	0	1,000,000
12	0	0	0	0	0	1,000,000
13	0	0	0	0	0	1,000,000
14	0	0	0	0	0	1,000,000
15	0	0	0	0	0	1,000,000
16	0	0	0	0	0	1,000,000
17	0	0	0	0	0	1,000,000
18	0	0	0	0	0	1,000,000
19	0	0	0	0	0	1,000,000
20	0	0	0	0	0	1,000,000
	0	0				

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 2  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
Age 45				

Year	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
21	0	71,937	701,932	701,932	1,085,512	0
22	0	61,000	692,433	692,433	1,020,852	0
23	0	61,000	682,486	682,486	952,312	0
24	0	61,000	672,276	672,276	879,660	0
25	0	61,000	662,777	662,777	814,079	0
26	0	61,000	652,012	652,012	804,488	0
27	0	61,000	640,137	640,137	781,988	0
28	0	61,000	627,141	627,141	755,828	0
29	0	61,000	613,045	613,045	725,816	0
30	0	61,000	597,913	597,913	691,779	0
31	0	61,000	581,867	581,867	653,573	0
32	0	61,000	563,833	563,833	640,428	0
33	0	61,000	543,557	543,557	625,276	0
34	0	61,000	520,746	520,746	607,830	0
35	0	61,000	495,071	495,071	587,766	0
36	0	61,000	466,158	466,158	564,717	0
37	0	61,000	433,579	433,579	538,257	0
38	0	61,000	396,852	396,852	507,906	0
39	0	61,000	355,427	355,427	473,116	0
40	0	61,000	308,681	308,681	433,261	0
	0	1,230,937				

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Summary Page: 3  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
41	0	0	322,452	322,452	454,269	0
42	0	0	335,429	335,429	474,837	0
43	0	0	347,230	347,230	494,587	0
44	0	0	357,397	357,397	513,061	0
45	0	0	365,379	365,379	529,710	0
46	0	0	370,512	370,512	543,863	0
47	0	0	378,264	378,264	524,686	0
48	0	0	390,341	390,341	506,428	0
49	0	0	408,710	408,710	490,644	0
50	0	0	435,778	435,778	479,228	0

0	1,230,937
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Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 1  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
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Year	Executive's Costs		Executive's Values			
	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
1	0	0	0	0	0	1,000,000
2	0	0	0	0	0	1,000,000
3	0	0	0	0	0	1,000,000
4	0	0	0	0	0	1,000,000
5	0	0	0	0	0	1,000,000
6	0	0	0	0	0	1,000,000
7	0	0	0	0	0	1,000,000
8	0	0	0	0	0	1,000,000
9	0	0	0	0	0	1,000,000
10	0	0	0	0	0	1,000,000
11	0	0	0	0	0	1,000,000
12	0	0	0	0	0	1,000,000
13	0	0	0	0	0	1,000,000
14	0	0	0	0	0	1,000,000
15	0	0	0	0	0	1,000,000
16	0	0	0	0	0	1,000,000
17	0	0	0	0	0	1,000,000
18	0	0	0	0	0	1,000,000
19	0	0	0	0	0	1,000,000
20	0	0	0	0	0	1,000,000
	0	0				

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 2  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
-------------------	---	--	--------------------------------------	--

Year	Executive's Costs		Executive's Values			
	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
21	0	71,937	701,932	701,932	1,085,512	0
22	0	61,000	692,433	692,433	1,020,852	0
23	0	61,000	682,486	682,486	952,312	0
24	0	61,000	672,276	672,276	879,660	0
25	0	61,000	662,777	662,777	814,079	0
26	0	61,000	652,012	652,012	804,488	0
27	0	61,000	640,137	640,137	781,988	0
28	0	61,000	627,141	627,141	755,828	0
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31	0	61,000	581,867	581,867	653,573	0
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35	0	61,000	495,071	495,071	587,766	0
36	0	61,000	466,158	466,158	564,717	0
37	0	61,000	433,579	433,579	538,257	0
38	0	61,000	396,852	396,852	507,906	0
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40	0	61,000	308,681	308,681	433,261	0
	0	1,230,937				

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Executive's Personal Report

## Executive Trifecta Using Equity Indexed Universal Life

Executive's Personal Report Page: 3  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Executive's Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%
Age 45				

Year	Executive's Costs	Executive's Values				
	(1) Net Payment	(2) Retirement Income After Tax Policy Cash Flow	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit	(6) Total Survivor Income Benefit**
41	0	0	322,452	322,452	454,269	0
42	0	0	335,429	335,429	474,837	0
43	0	0	347,230	347,230	494,587	0
44	0	0	357,397	357,397	513,061	0
45	0	0	365,379	365,379	529,710	0
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47	0	0	378,264	378,264	524,686	0
48	0	0	390,341	390,341	506,428	0
49	0	0	408,710	408,710	490,644	0
50	0	0	435,778	435,778	479,228	0

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\*\*\$1,000,000 is the sum of 10 scheduled survivor income payments from the Partnership to the executive's beneficiaries.

\*\*Survivor Income Benefit is terminated at the beginning of year 21 when the policy is transferred to the executive.

# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Partnership's Summary Page: 1  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)		Policy Transfer to Executive is Illustrated at Beginning of Year 21		Partnership (Partner) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Year	Net Payment	Cumulative Net Payments	Policy Accum Value*	Policy Cash Value*	Portion of Policy Death Benefit Allocated for Key Executive Coverage	Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	Total Policy Death Benefit Required (5) + (6)	Total Policy Death Benefit Provided
1	25,000	25,000	23,148	1,737	1,000,000	529,322	1,529,322	1,529,322
2	25,000	50,000	48,241	5,420	1,000,000	529,322	1,529,322	1,529,322
3	25,000	75,000	75,337	29,764	1,000,000	529,322	1,529,322	1,529,322
4	25,000	100,000	104,601	59,027	1,000,000	529,322	1,529,322	1,529,322
5	25,000	125,000	136,213	90,639	1,000,000	529,322	1,529,322	1,529,322
6	25,000	150,000	170,395	127,100	1,000,000	529,322	1,529,322	1,529,322
7	25,000	175,000	207,290	166,730	1,000,000	529,322	1,529,322	1,529,322
8	25,000	200,000	247,152	209,781	1,000,000	529,322	1,529,322	1,529,322
9	25,000	225,000	290,229	256,505	1,000,000	529,322	1,529,322	1,529,322
10	25,000	250,000	336,808	307,185	1,000,000	529,322	1,529,322	1,529,322
11	25,000	275,000	387,227	362,162	1,000,000	529,322	1,529,322	1,529,322
12	25,000	300,000	441,856	421,804	1,000,000	529,322	1,529,322	1,529,322
13	25,000	325,000	501,089	486,506	1,000,000	529,322	1,529,322	1,529,322
14	25,000	350,000	565,406	556,746	1,000,000	529,322	1,529,322	1,529,322
15	25,000	375,000	635,340	635,340	1,000,000	529,322	1,529,322	1,529,322
16	25,000	400,000	711,475	711,475	1,000,000	529,322	1,529,322	1,529,322
17	25,000	425,000	794,519	794,519	1,000,000	529,322	1,529,322	1,529,322
18	25,000	450,000	885,267	885,267	1,000,000	529,322	1,529,322	1,529,322
19	25,000	475,000	984,629	984,629	1,000,000	529,322	1,529,322	1,529,322
20	25,000	500,000	1,093,671	1,093,671	1,000,000	529,322	1,529,322	1,529,322
	500,000							

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Partnership's Summary Page: 2  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Partnership (Partner) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%			
(1)	(2)	(3)	(4)	(5) Portion of Policy Death Benefit Allocated for Key Executive Coverage	(6) Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	(7) Total Policy Death Benefit Required (5) + (6)	(8) Total Policy Death Benefit Provided
Year	Net Payment	Cumulative Net Payments	Policy Accum Value*	Policy Cash Value*			
21	-170,000	330,000	0	0	0	0	0
22	0	330,000	0	0	0	0	0
23	0	330,000	0	0	0	0	0
24	0	330,000	0	0	0	0	0
25	0	330,000	0	0	0	0	0
26	0	330,000	0	0	0	0	0
27	0	330,000	0	0	0	0	0
28	0	330,000	0	0	0	0	0
29	0	330,000	0	0	0	0	0
30	0	330,000	0	0	0	0	0
31	0	330,000	0	0	0	0	0
32	0	330,000	0	0	0	0	0
33	0	330,000	0	0	0	0	0
34	0	330,000	0	0	0	0	0
35	0	330,000	0	0	0	0	0
36	0	330,000	0	0	0	0	0
37	0	330,000	0	0	0	0	0
38	0	330,000	0	0	0	0	0
39	0	330,000	0	0	0	0	0
40	0	330,000	0	0	0	0	0
	330,000						

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# Partnership's Summary of Costs and Benefits

## Executive Trifecta Using Equity Indexed Universal Life

Partnership's Summary Page: 3  
Date: 03/28/2008

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

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Male Age 45	Form of Transaction (Key Executive Coverage with Deferred Transfer of Policy To Executive)	Policy Transfer to Executive is Illustrated at Beginning of Year 21	Partnership (Partner) Tax Bracket 34.00%	Eq. Indexed UL Interest Rate 8.50%			
(1)	(2)	(3)	(4)	(5) Portion of Policy Death Benefit Allocated for Key Executive Coverage	(6) Portion of Policy Death Benefit Allocated for Survivor Income Benefit**	(7) Total Policy Death Benefit Required (5) + (6)	(8) Total Policy Death Benefit Provided
Year	Net Payment	Cumulative Net Payments	Policy Accum Value*	Policy Cash Value*			
41	0	330,000	0	0	0	0	0
42	0	330,000	0	0	0	0	0
43	0	330,000	0	0	0	0	0
44	0	330,000	0	0	0	0	0
45	0	330,000	0	0	0	0	0
46	0	330,000	0	0	0	0	0
47	0	330,000	0	0	0	0	0
48	0	330,000	0	0	0	0	0
49	0	330,000	0	0	0	0	0
50	0	330,000	0	0	0	0	0

330,000

Equity Indexed UL indexed universal life. In an actual presentation, this footnote will refer to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

\*\*Key Executive Coverage and Survivor Income Benefit are terminated at the beginning of year 21 when the policy is transferred to the executive.

# Partnership's Analysis of Survivor Income Benefit

## Executive Trifecta Using Equity Indexed Universal Life

Analysis Page: 1  
Date: 03/28/2008

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

For the Beneficiaries of: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

Partnership (Partner) Tax Bracket 34.00%	Assumed Use of Money 8.00%	Cost to Provide the Benefit* 529,322	Total Survivor Benefit Scheduled 1,000,000
---	----------------------------------	--	--

Year Following Executive's Death	Benefits and Costs		Survivor Income Account Activity		
	(1) Annual Benefit Payment to Executive's Survivors	(2) Annual After Tax Cost of Payment to Survivors	(3) Beginning of Year Balance in Survivor Benefit Account	(4) Balance in Account to Accrue (3) - (2)	(5) Year End After Tax Accrual of Account
1	100,000	66,000	529,322	463,322	487,785
2	100,000	66,000	487,785	421,785	444,055
3	100,000	66,000	444,055	378,055	398,017
4	100,000	66,000	398,017	332,017	349,547
5	100,000	66,000	349,547	283,547	298,519
6	100,000	66,000	298,519	232,519	244,796
7	100,000	66,000	244,796	178,796	188,236
8	100,000	66,000	188,236	122,236	128,690
9	100,000	66,000	128,690	62,690	66,000
10	100,000	66,000	66,000	0	0
	<u>1,000,000</u>	<u>660,000</u>			

\*See Column (3), year 1. (Funding source is a portion of the proceeds from the Key Executive coverage.)

This table shows the escrow calculations (columns 3, 4 and 5) necessary to produce the survivor benefit shown in column (1). Rounding may cause minor math inconsistencies. Calculation formulae are:

Column (2) = column (1) times (1-(tax bracket/100))

Column (4) = column (3) minus column (2)

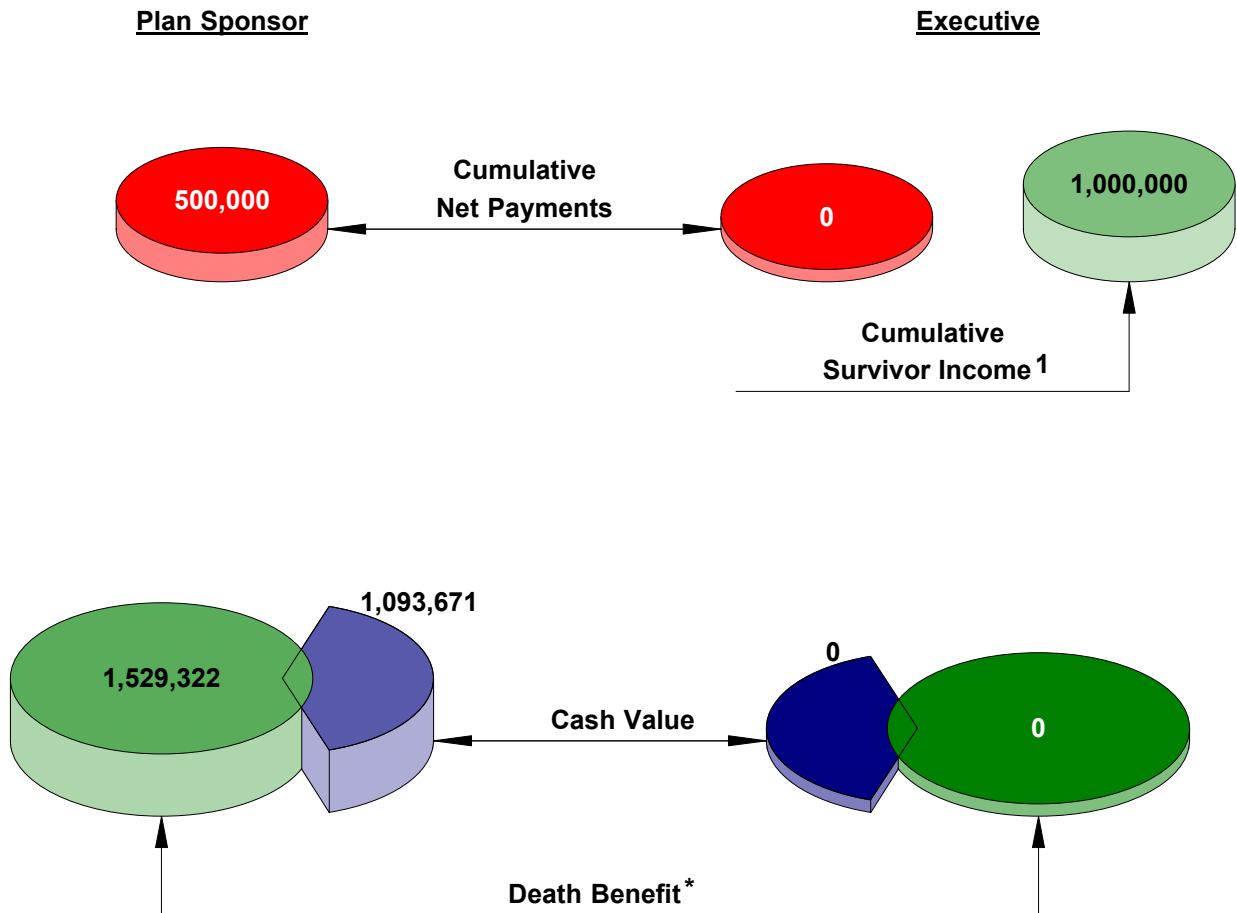
Column (5) = column (4) plus the after tax interest credit

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## 20th Year Summary Analysis



(1) For Family Income

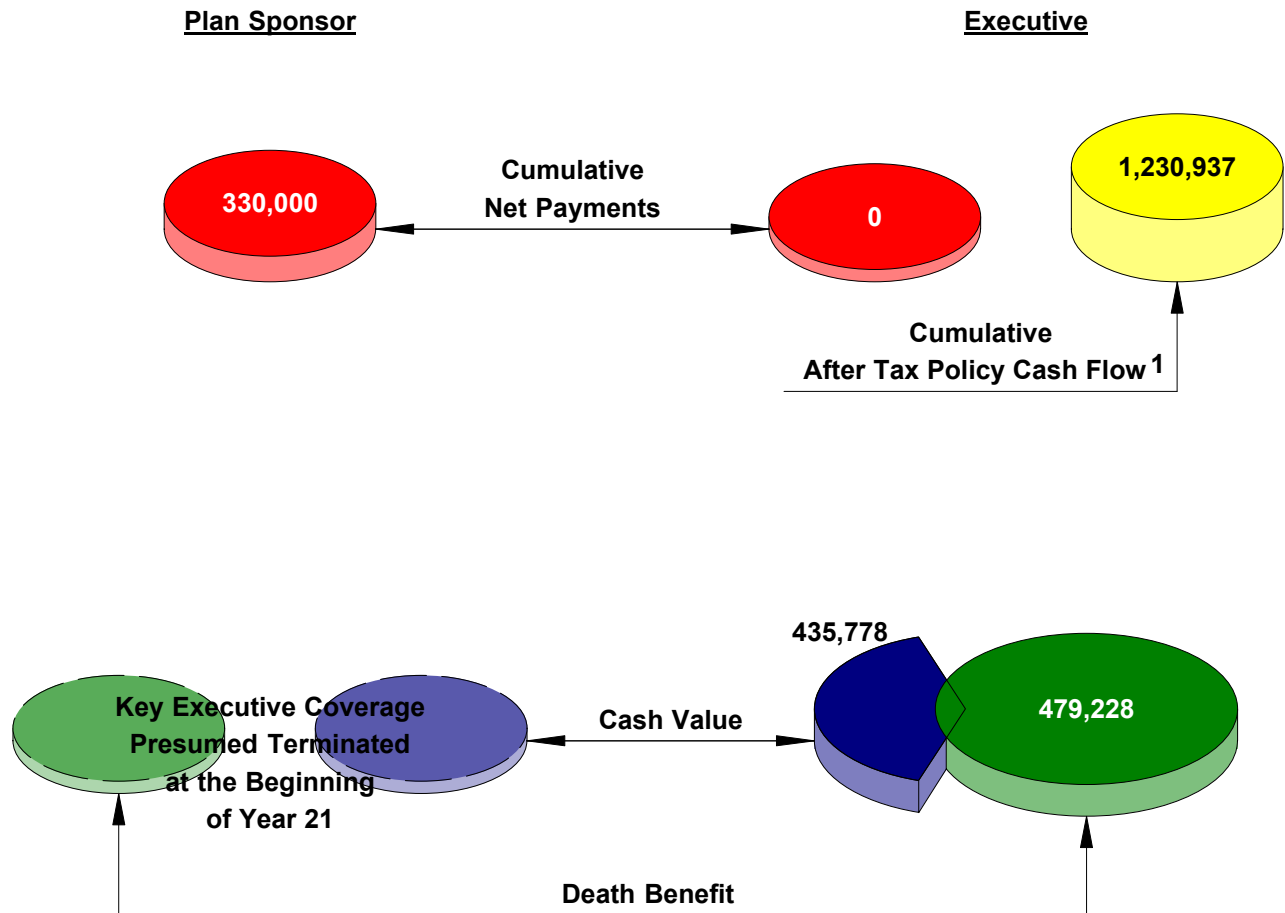
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## 50th Year Summary Analysis



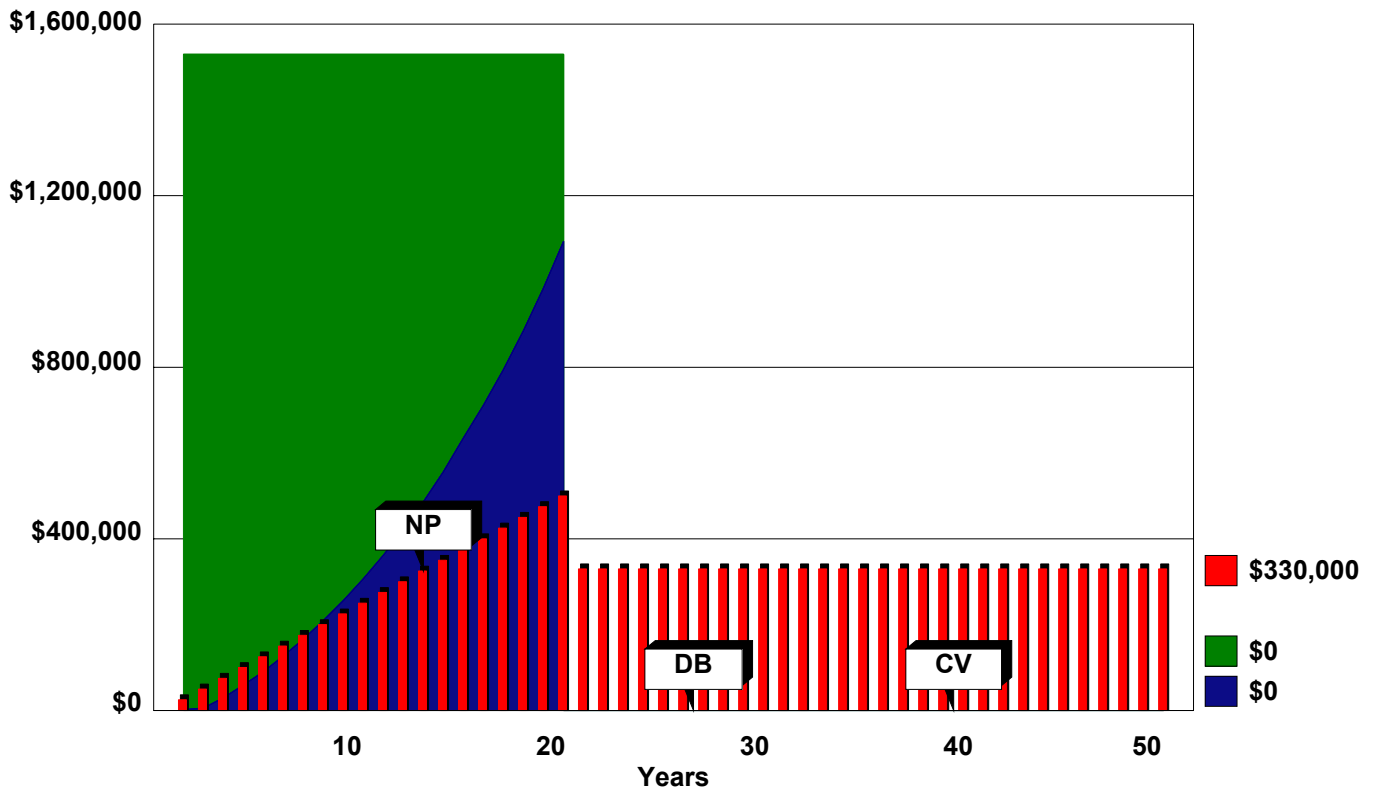
(1) For Retirement Income.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## Partnership's 50 Year Graphic Analysis



- NP - Plan Sponsor's Cumulative Net Payments
- CV - Plan Sponsor's Cash Value
- DB - Plan Sponsor's Death Benefit\*

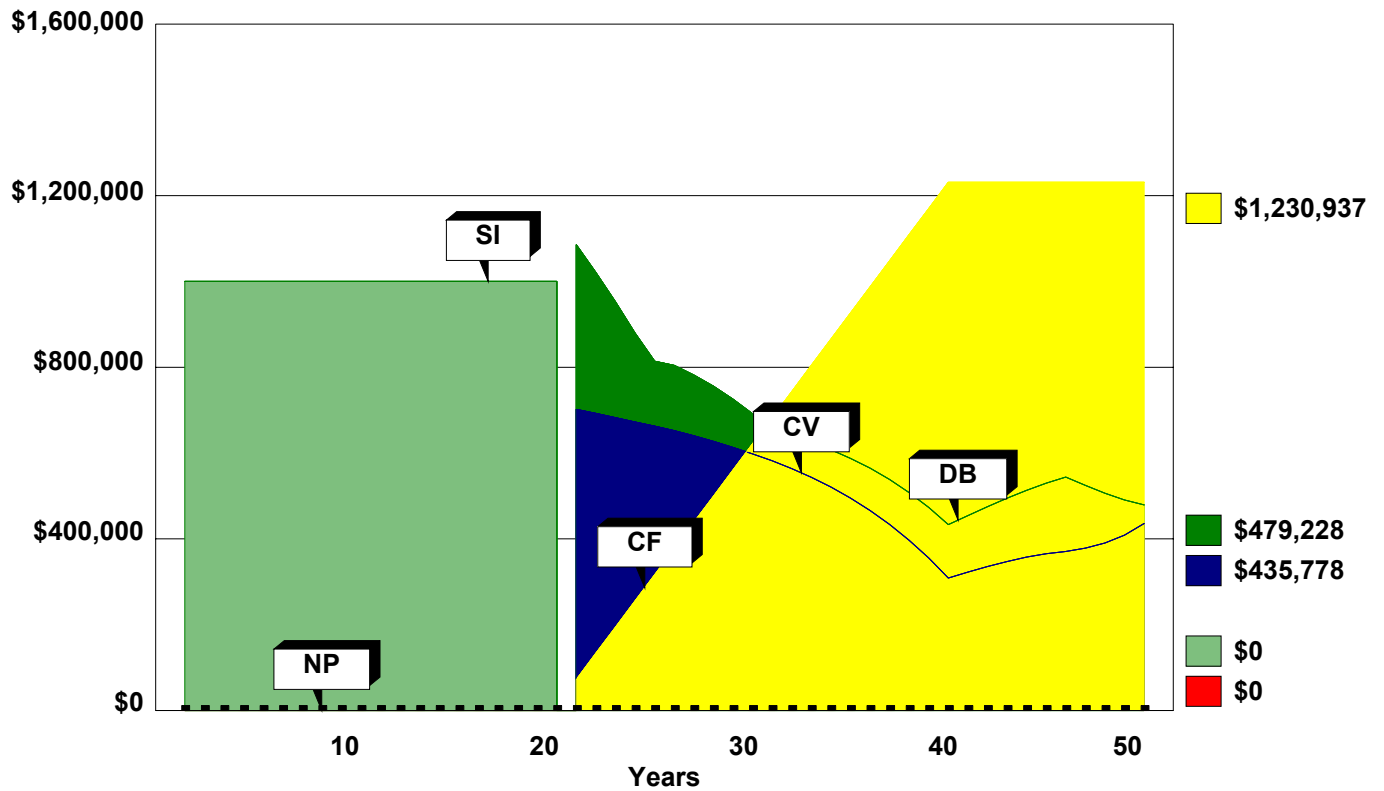
\* Plan Sponsor's Death Benefit includes an amount allocated for funding the survivor income benefit for the executive's beneficiaries.

# Executive Trifecta Using Equity Indexed Universal Life

Presented By: [Licensed user's name appears here]  
Date: 03/28/2008

Insured: Ted Coombs  
Plan Sponsor: Baker, Simms, and Caldwell  
Partnership

## Executive's 50 Year Graphic Analysis



- NP - Executive's Cumulative Net Payments
- SI - Executive's Total Survivor Income Benefit
- CF - Executive's Cumulative After Tax Policy Cash Flow<sup>1</sup>
- CV - Executive's Cash Value
- DB - Executive's Death Benefit

(1) For Retirement Income.