

Preface

An inherited IRA is an asset accumulation and distribution program that has been granted special tax consideration. It has the following characteristics:

Additional Contributions

There is no provision for additional contributions.

Tax Free Growth

As values grow, earnings are not subject to income tax.

Taxable Distributions

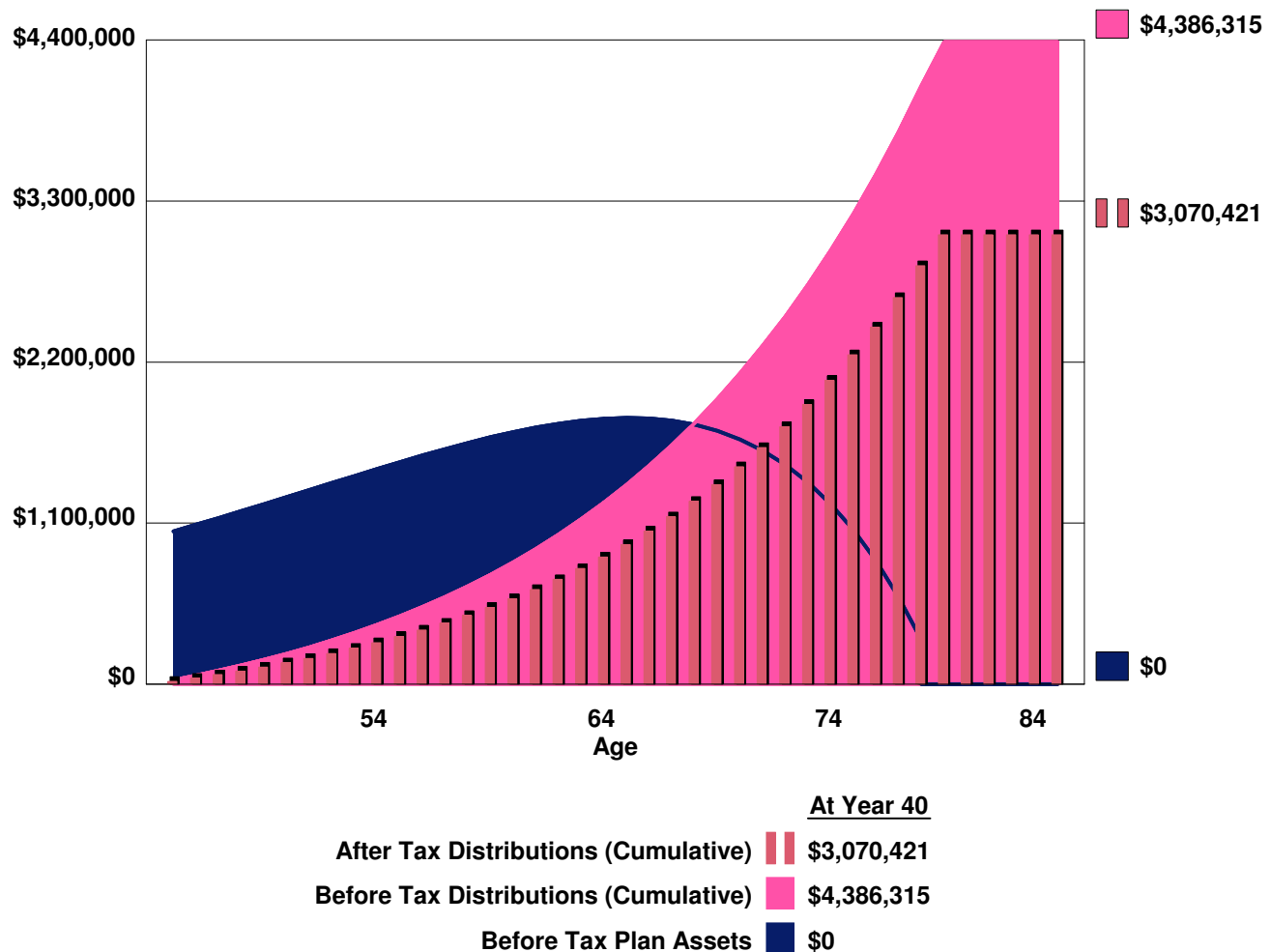
Distributions in excess of any cost basis are subject

to income tax, however, a deduction is allowed for any estate tax attributable to the income which accrued prior to the owner's death.

Required Minimum Distributions

There are required minimum distributions from such plans based on age(s) of participants and IRS formulas.

As a result of its powerful tax free growth component, an IRA is a valuable financial instrument to inherit. The accompanying material should be helpful to you in analyzing the value of such a plan.



Note: All projections are based on client furnished data and assumptions.

Inherited IRA

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

For: Tommy Barker

Distribution

| | | Current Value 1,000,000 | Plan Yield 7.50% | Beneficiary's Income Tax Bracket 30.00% | | | | |
|------|-----|-------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------|-----------------------------------|
| Year | Age | (1) Beginning of Year Balance in Plan Assets | (2) Before Tax IRS Required Minimum Distribution* | (3) Before Tax Scheduled Distribution | (4) Taxable Portion of Scheduled Distribution Column (3) | (5) Income Tax Owed | (6) After Tax Income from Scheduled Distribution (3) - (5) | (7) Year End Plan Assets |
| 1 | 45 | 1,000,000 | 28,653 | 28,653 | 28,653 | 8,596 | 20,057 | 1,044,198 |
| 2 | 46 | 1,044,198 | 30,802 | 30,802 | 30,802 | 9,241 | 21,561 | 1,089,401 |
| 3 | 47 | 1,089,401 | 33,112 | 33,112 | 33,112 | 9,934 | 23,178 | 1,135,510 |
| 4 | 48 | 1,135,510 | 35,596 | 35,596 | 35,596 | 10,679 | 24,917 | 1,182,408 |
| 5 | 49 | 1,182,408 | 38,266 | 38,266 | 38,266 | 11,480 | 26,786 | 1,229,953 |
| 6 | 50 | 1,229,953 | 41,136 | 41,136 | 41,136 | 12,341 | 28,795 | 1,277,978 |
| 7 | 51 | 1,277,978 | 44,221 | 44,221 | 44,221 | 13,266 | 30,955 | 1,326,289 |
| 8 | 52 | 1,326,289 | 47,537 | 47,537 | 47,537 | 14,261 | 33,276 | 1,374,658 |
| 9 | 53 | 1,374,658 | 51,103 | 51,103 | 51,103 | 15,331 | 35,772 | 1,422,822 |
| 10 | 54 | 1,422,822 | 54,935 | 54,935 | 54,935 | 16,481 | 38,455 | 1,470,478 |
| 11 | 55 | 1,470,478 | 59,055 | 59,055 | 59,055 | 17,717 | 41,339 | 1,517,280 |
| 12 | 56 | 1,517,280 | 63,485 | 63,485 | 63,485 | 19,046 | 44,440 | 1,562,829 |
| 13 | 57 | 1,562,829 | 68,246 | 68,246 | 68,246 | 20,474 | 47,772 | 1,606,677 |
| 14 | 58 | 1,606,677 | 73,364 | 73,364 | 73,364 | 22,009 | 51,355 | 1,648,312 |
| 15 | 59 | 1,648,312 | 78,867 | 78,867 | 78,867 | 23,660 | 55,207 | 1,687,153 |
| 16 | 60 | 1,687,153 | 84,782 | 84,782 | 84,782 | 25,435 | 59,347 | 1,722,549 |
| 17 | 61 | 1,722,549 | 91,140 | 91,140 | 91,140 | 27,342 | 63,798 | 1,753,765 |
| 18 | 62 | 1,753,765 | 97,976 | 97,976 | 97,976 | 29,393 | 68,583 | 1,779,973 |
| 19 | 63 | 1,779,973 | 105,324 | 105,324 | 105,324 | 31,597 | 73,727 | 1,800,247 |
| 20 | 64 | 1,800,247 | 113,223 | 113,223 | 113,223 | 33,967 | 79,256 | 1,813,551 |
| 21 | 65 | 1,813,551 | 121,715 | 121,715 | 121,715 | 36,515 | 85,201 | 1,818,724 |
| 22 | 66 | 1,818,724 | 130,843 | 130,843 | 130,843 | 39,253 | 91,590 | 1,814,472 |
| 23 | 67 | 1,814,472 | 140,657 | 140,657 | 140,657 | 42,197 | 98,460 | 1,799,351 |
| 24 | 68 | 1,799,351 | 151,206 | 151,206 | 151,206 | 45,362 | 105,844 | 1,771,756 |
| 25 | 69 | 1,771,756 | 162,546 | 162,546 | 162,546 | 48,764 | 113,782 | 1,729,901 |
| 26 | 70 | 1,729,901 | 174,737 | 174,737 | 174,737 | 52,421 | 122,316 | 1,671,801 |
| 27 | 71 | 1,671,801 | 187,843 | 187,843 | 187,843 | 56,353 | 131,490 | 1,595,255 |
| 28 | 72 | 1,595,255 | 201,931 | 201,931 | 201,931 | 60,579 | 141,352 | 1,497,823 |
| 29 | 73 | 1,497,823 | 217,076 | 217,076 | 217,076 | 65,123 | 151,953 | 1,376,803 |
| 30 | 74 | 1,376,803 | 233,356 | 233,356 | 233,356 | 70,007 | 163,349 | 1,229,206 |
| | | | 2,962,733 | 2,962,733 | 2,962,733 | 888,824 | 2,073,913 | |

Inherited IRA Plan assets were assumed inherited with a value of \$1,000,000.

*Column (2) projects an estimate of the required minimum distribution based on asset value and beneficiary's life expectancy (reduced by one each year thereafter).

Plan results are hypothetical only. Actual results will vary due to changes in contributions and withdrawals, income tax brackets, and investment performance.

Inherited IRA

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Distribution

| | | Current Value 1,000,000 | Plan Yield 7.50% | Beneficiary's Income Tax Bracket 30.00% | | | | |
|------|-----|-------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------|-----------------------------------|
| Year | Age | (1) Beginning of Year Balance in Plan Assets | (2) Before Tax IRS Required Minimum Distribution* | (3) Before Tax Scheduled Distribution | (4) Taxable Portion of Scheduled Distribution Column (3) | (5) Income Tax Owed | (6) After Tax Income from Scheduled Distribution (3) - (5) | (7) Year End Plan Assets |
| 31 | 75 | 1,229,206 | 250,858 | 250,858 | 250,858 | 75,257 | 175,601 | 1,051,724 |
| 32 | 76 | 1,051,724 | 269,673 | 269,673 | 269,673 | 80,902 | 188,771 | 840,705 |
| 33 | 77 | 840,705 | 289,898 | 289,898 | 289,898 | 86,969 | 202,929 | 592,117 |
| 34 | 78 | 592,117 | 311,641 | 311,641 | 311,641 | 93,492 | 218,149 | 301,512 |
| 35 | 79 | 301,512 | 301,512 | 301,512 | 301,512 | 90,454 | 211,058 | 0 |
| 36 | 80 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | 83 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 40 | 84 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | 4,386,315 | 4,386,315 | 4,386,315 | 1,315,898 | 3,070,421 | | |

Inherited IRA Plan assets were assumed inherited with a value of \$1,000,000.

*Column (2) projects an estimate of the required minimum distribution based on asset value and beneficiary's life expectancy (reduced by one each year thereafter).

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Inherited IRA

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For: Tommy Barker

Summary Analysis at age 84



Note: All projections are based on client furnished data and assumptions.

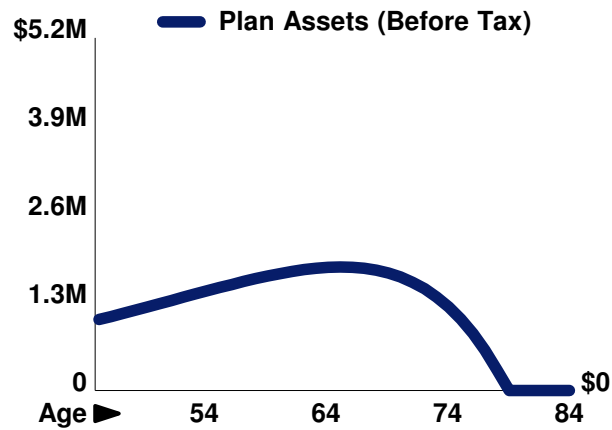
Inherited IRA

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

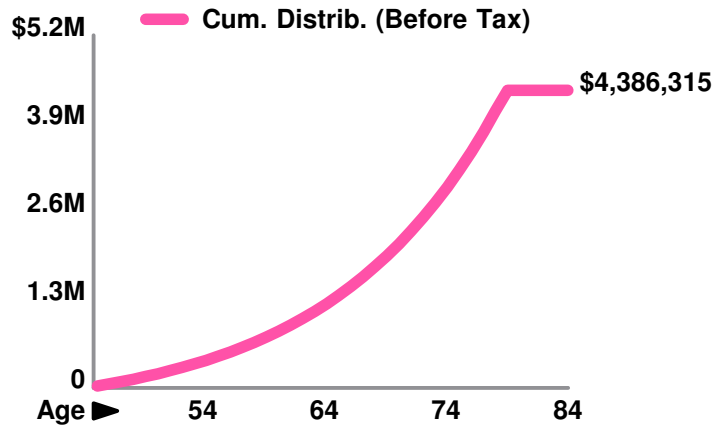
For: Tommy Barker

Distribution

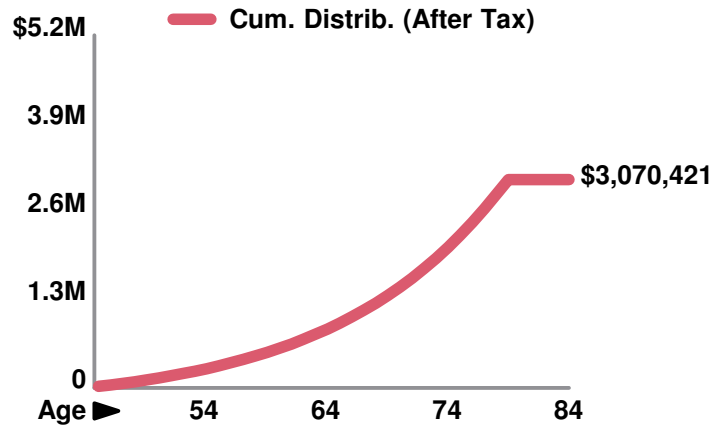
Plan Assets
(Before Tax)



Cumulative Distributions
(Before Tax)



Cumulative Distributions
(After Tax)



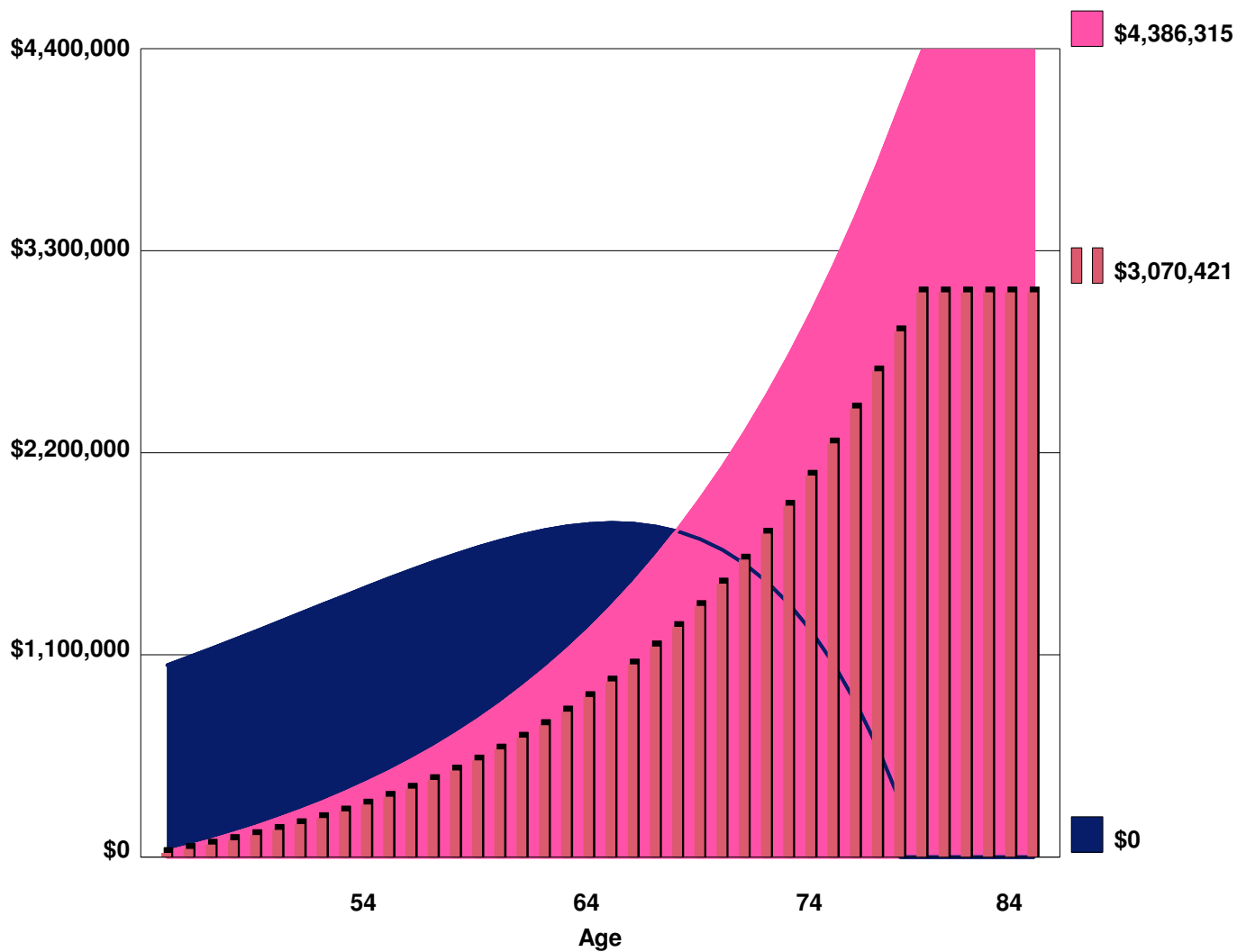
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Inherited IRA

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Distribution Summary



At Year 40

After Tax Distributions (Cumulative) \$3,070,421

Before Tax Distributions (Cumulative) \$4,386,315

Before Tax Plan Assets \$0

Note: All projections are based on client furnished data and assumptions.