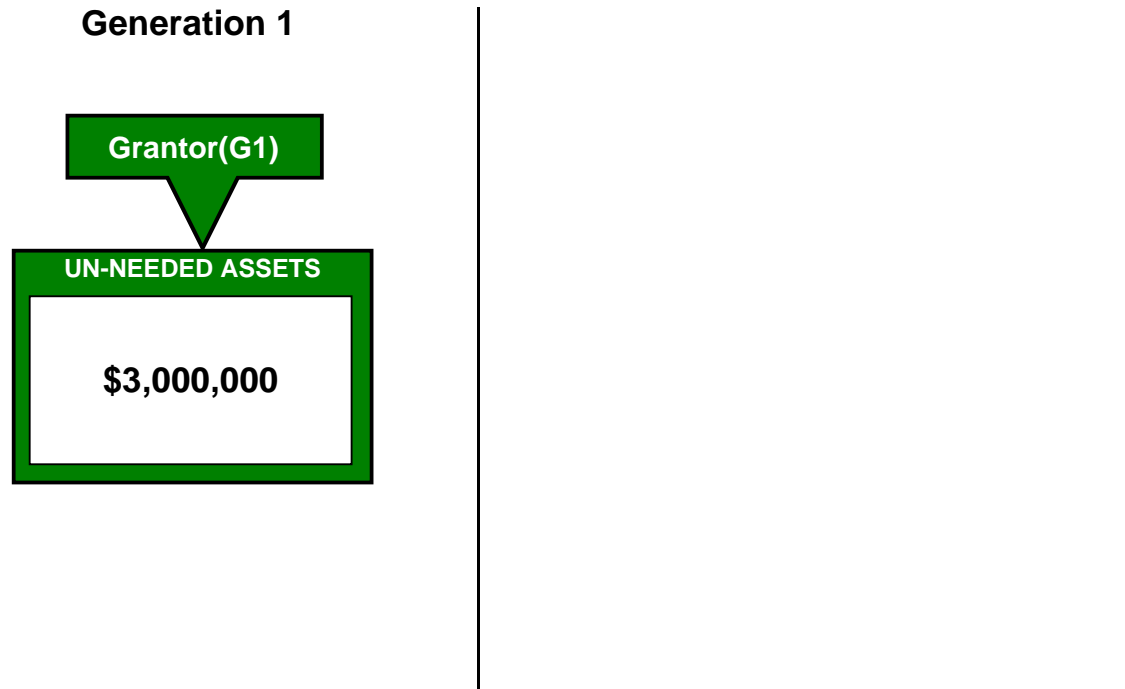


Grantor Trust Arbitrage for: Valued Client

Generation 1

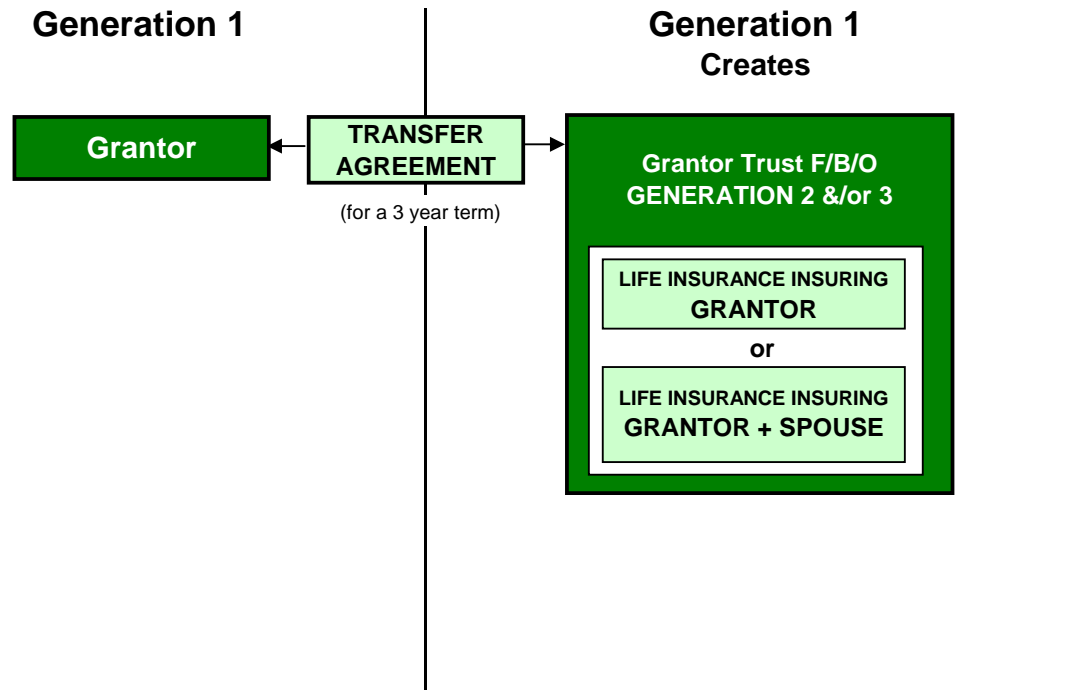
Presented by:
owR Opinion, LLC
August 1, 2012

Grantor Trust Arbitrage for: Valued Client



Grantor (generation 1) Retitles \$3,000,000 of Assets Into a Grantor Trust for 3 to 9 Years.
Can be accomplished as a loan or sale of the portfolio for a balloon note.

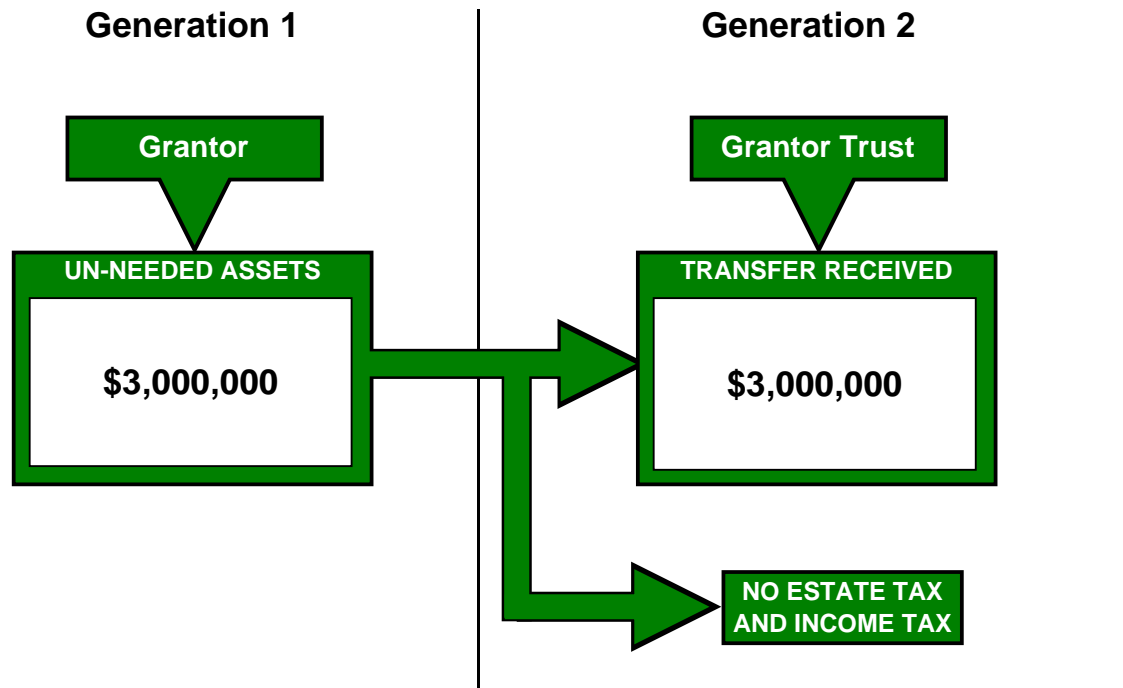
Grantor Trust Arbitrage for: Valued Client



Agreement Between Grantor & ILIT to Return Transferred Assets

Grantor and ILIT enter into an Agreement to set forth the terms of the repayment of the transferred assets. Grantor's estate plan can be modified to include the distribution of the repayment agreement to the ILIT at Grantor's death.

Grantor Trust Arbitrage for: Valued Client

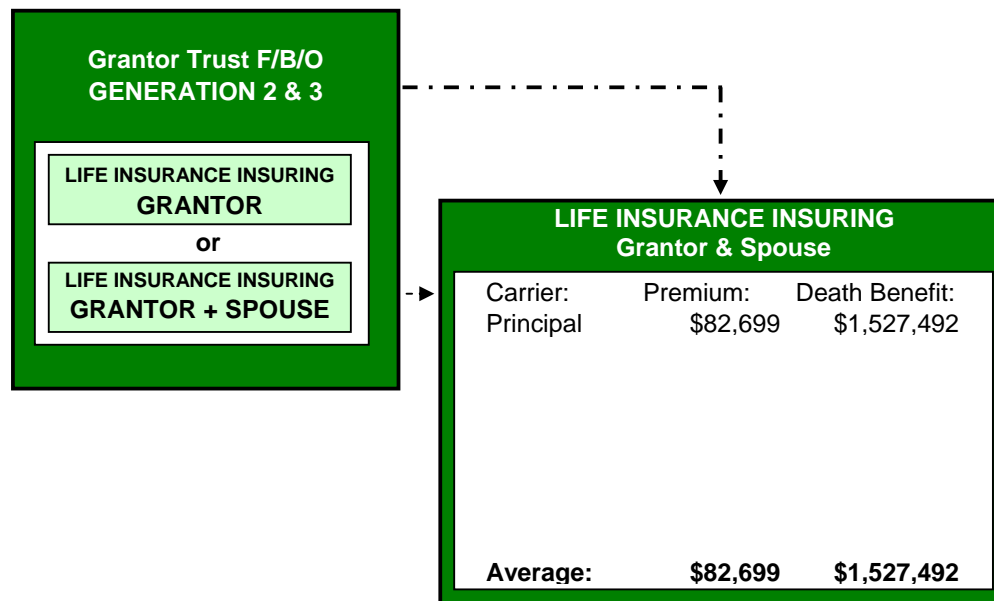


Temporary Transfer to Grantor Trust

Un-needed assets are temporarily transferred to Grantor Trust for the ultimate benefit of generation 2 and/or 3, with no tax effect.

Grantor Trust Arbitrage for: Valued Client

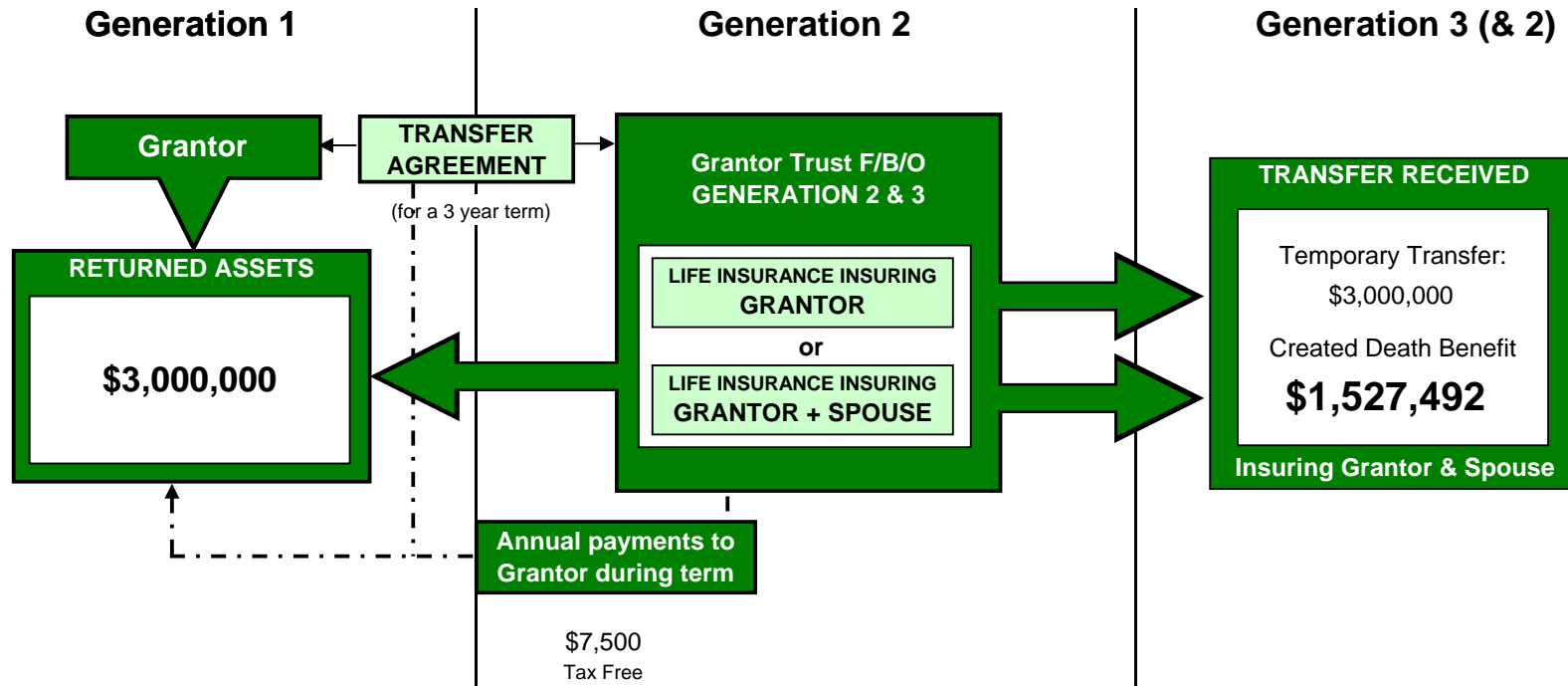
Generation 1



Grantor Trust (ILIT) Purchases Life Insurance Policy(ies)

Generation 1 members are underwritten for life insurance policies from highly rated insurance carriers. Multiple policies from a diversified array of carriers will be utilized. Insurance policies can also be underwritten for children (G2), individually, or for the children and their spouses using survivorship life insurance policies, if the un-needed assets provide more net income than needed for insurance on G1.

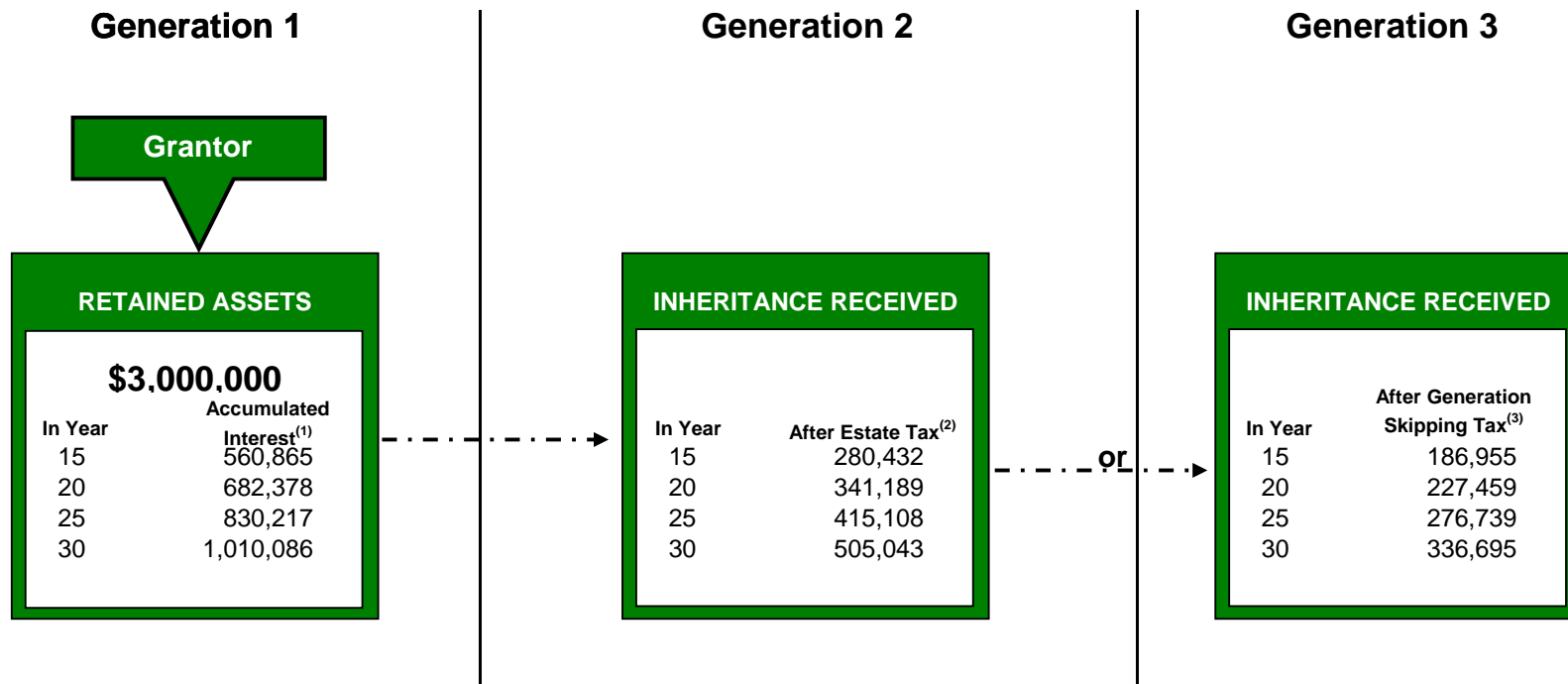
Grantor Trust Arbitrage for: Valued Client



Un-needed Assets are Returned After Term in Agreement

During the term the transfer is in effect, payments are required in accordance with the appropriate AFR rate in effect at the inception of the transfer

Grantor Trust Arbitrage for: Valued Client



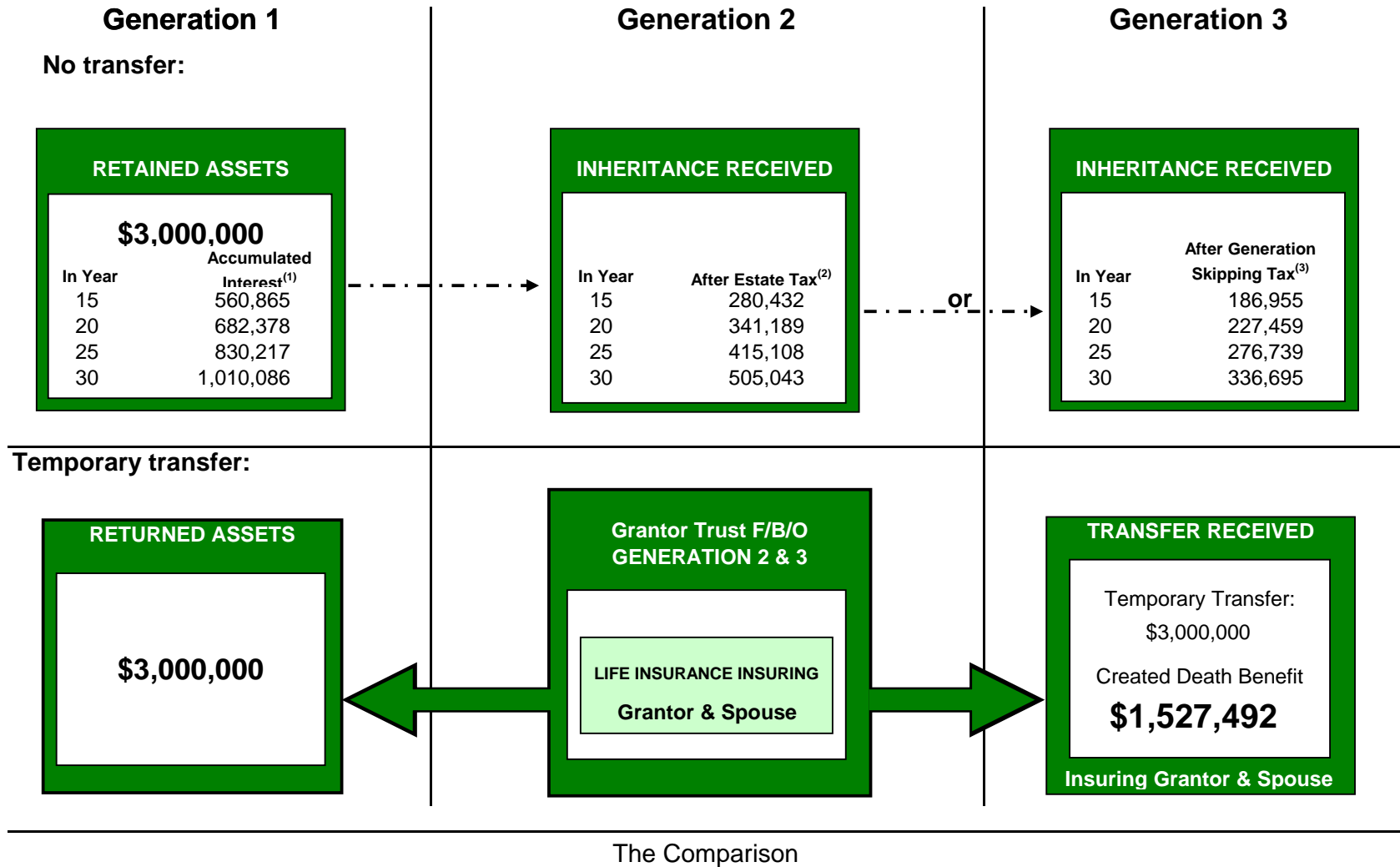
No transfer:

⁽¹⁾ Accumulated interest is the interest the Grantor would accumulate during the term if the transfer was not effectuated.

⁽²⁾ Assumes taxation in a 50.0% estate tax bracket.

⁽³⁾ Assumes direct skip taxation in a 50.0% tax bracket.

Grantor Trust Arbitrage for: Valued Client



GRANTOR TRUST ARBITRAGE

| | | | | | |
|-------------------------|---------------------------|----------------------------|------------|------|-----------|
| Client 1: 65M | Loan interest: Paid | Income Tax Rate: | Repayment: | Year | Amount |
| Client 2: 60F | Loan term: Period certain | Transfer Tax Rate: | Repayment: | 4 | 100% |
| Insurance: Survivorship | Years: 3 | Initial Coverage: | | | 0% |
| | | Years of Premium Payments: | | | |
| | | | | | 1,527,492 |
| | | | | | 4 |

| Loan Analysis | | | Trust Fund Transaction Analysis | | | | | | | | | | |
|---------------|------------------|-----------------------|---------------------------------|--------------|--|-----------------------------------|----------------------------|-------------------------------|--------------------------------------|-------------------------------|--|-------------------|--|
| Yr. | Col. #1 | Col. #2 | Col. #3 | Inflow | | OutFlow | | | Investment Fund & Benefits | | | | Liabilities |
| | BOY Loan Balance | Paid Interest @ 0.25% | | BOY Receipts | Col. #5 Investment ⁽¹⁾ EOY Earnings | Col. #6 Loan Interest BOY Payment | Col. #7 BOY Loan Repayment | Col. #8 Insurance Premium BOY | Col. #9 Trust Fund EOY Net Additions | Col. #10 Trust Fund EOY Value | Col. #11 Insurance ⁽²⁾ Death Benefit ⁽³⁾ | Col. #12 Combined | Col. #13 EOY Loan Balance ⁽⁴⁾ |
| 1 | 3,000,000 | - | - | 3,000,000 | 116,692 | - | - | 82,699 | 3,033,993 | 3,033,993 | 1,527,492 | 4,561,485 | 3,007,500 |
| 2 | 3,000,000 | 7,500 | - | - | 117,752 | 7,500 | - | 82,699 | 27,553 | 3,061,546 | 1,527,492 | 4,589,038 | 3,007,500 |
| 3 | 3,000,000 | 7,500 | - | - | 118,854 | 7,500 | - | 82,699 | 28,655 | 3,090,201 | 1,527,492 | 4,617,693 | 3,007,500 |
| 4 | 3,000,000 | 7,500 | 3,000,000 | - | 0 | 7,500 | 3,000,000 | 82,699 | (3,090,199) | 2 | 1,527,492 | 1,527,494 | - |
| 5 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 6 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 7 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 8 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 9 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 10 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 11 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 12 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 13 | - | - | - | - | 0 | - | - | - | 0 | 2 | 1,527,492 | 1,527,494 | - |
| 14 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 15 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 16 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 17 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 18 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 19 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 20 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 21 | - | - | - | - | 0 | - | - | - | 0 | 3 | 1,527,492 | 1,527,495 | - |
| 22 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 23 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 24 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 25 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 26 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 27 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 28 | - | - | - | - | 0 | - | - | - | 0 | 4 | 1,527,492 | 1,527,496 | - |
| 29 | - | - | - | - | 0 | - | - | - | 0 | 5 | 1,527,492 | 1,527,497 | - |
| 30 | - | - | - | - | 0 | - | - | - | 0 | 5 | 1,527,492 | 1,527,497 | - |
| 31 | - | - | - | - | 0 | - | - | - | 0 | 5 | 1,527,492 | 1,527,497 | - |
| 32 | - | - | - | - | 0 | - | - | - | 0 | 5 | 1,527,492 | 1,527,497 | - |
| 33 | - | - | - | - | 0 | - | - | - | 0 | 5 | 1,527,492 | 1,527,497 | - |
| 34 | - | - | - | - | 0 | - | - | - | 0 | 6 | 1,527,492 | 1,527,498 | - |
| 35 | - | - | - | - | 0 | - | - | - | 0 | 6 | 1,527,492 | 1,527,498 | - |
| 36 | - | - | - | - | 0 | - | - | - | 0 | 6 | 1,527,492 | 1,527,498 | - |
| 37 | - | - | - | - | 0 | - | - | - | 0 | 6 | 1,527,492 | 1,527,498 | - |
| 38 | - | - | - | - | 0 | - | - | - | 0 | 7 | 1,527,492 | 1,527,499 | - |
| 39 | - | - | - | - | 0 | - | - | - | 0 | 7 | 1,527,492 | 1,527,499 | - |
| 40 | - | - | - | - | 0 | - | - | - | 0 | 7 | 1,527,492 | 1,527,499 | - |
| 41 | - | - | - | - | 0 | - | - | - | 0 | 7 | 1,527,492 | 1,527,499 | - |
| 42 | - | - | - | - | 0 | - | - | - | 0 | 8 | 1,527,492 | 1,527,500 | - |
| 43 | - | - | - | - | 0 | - | - | - | 0 | 8 | 1,527,492 | 1,527,500 | - |
| 44 | - | - | - | - | 0 | - | - | - | 0 | 8 | 1,527,492 | 1,527,500 | - |
| 45 | - | - | - | - | 0 | - | - | - | 0 | 9 | 1,527,492 | 1,527,501 | - |

⁽¹⁾Investment earnings, if taxable, would be taxed to the Grantor and not the trust. The income tax paid, if any, would be a non taxable gift to the trust.

⁽²⁾This is only a summary of policy values and benefits. Please see insurance company ledgers for complete policy details.

⁽³⁾Death benefit collected at the death of the surviving insured.

⁽⁴⁾During the period loan interest is paid in cash, the EOY loan includes the accrued interest owed to be paid next year.