

Reports Presented By

MasterPlan™ Financial Software

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Note To Planner: We have included here some of MasterPlan's sample reports and graphs. You can include or exclude reports based on the needs of each client. We recommend that you arrange the reports in an order that makes sense for that client.

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Introducing Your Plan

Letter to John and Mary Demo

A Note About Your Plan

Projection (Global) Assumptions Used When Creating Your Plan

January 1, 2001

John & Mary Demo
2323 Prides Crossing
Fair Oaks, CA 95789

Dear John & Mary,

The aim of this financial plan is to make the greatest possible use of your present and expected financial resources. This has been done with a bias toward your expressed willingness and ability to assume an appropriate level of risk and to make the cash commitments required.

Most reports that we have incorporated into your plan are divided into two broad sections: the client summary and overview and the detailed working papers.

The summary reports are easy to follow and highlight the major findings and planning strategies we have employed while developing this plan for you. The detailed working papers are provided to help answer any specific questions you or your other advisors may have as to how certain figures were derived.

In this analysis we have used certain approximations and estimates, in most cases supplied by you. In some instances we have provided our own forecasts based on published historical data. We have attempted to use conservative estimates to provide a measure of safety to our calculations.

There are many nuances contained in the planning process that are not apparent from a casual reading of the following summary pages. Therefore, it will probably be helpful to refer occasionally to both types of reports. In addition, the Personal Action Plan provides the important details of which assets and liabilities need to be changed and when these changes should occur.

If, after a thorough review of the plan, you feel you'd like to make different assumptions than what we've provided for, we'll be happy to make adjustments based on whatever assumptions you may wish to adopt.

Finally, the value of this plan lies in its implementation. The more rapidly these changes are made, the more likely the desired results will be achieved.

Sincerely,

Frank Macawber
Certified Financial Planner
The Financial Group

A NOTE ABOUT YOUR PLAN

EVERY EFFORT HAS BEEN MADE TO ASSURE THE HIGHEST REASONABLE DEGREE OF ACCURACY IN YOUR FINANCIAL PLAN. HOWEVER, DUE TO THE DYNAMIC NATURE OF OUR ECONOMIC AND TAX ENVIRONMENT, NO GUARANTEES OR ASSURANCES CAN BE GIVEN REGARDING THE PROFITABILITY OR TAX BENEFITS OF ANY INVESTMENT. INDEED, THE ONLY ASSURANCE THAT CAN BE GIVEN IS THAT, OVER TIME, EVERY INVESTMENT PROGRAM IS LIKELY TO PRODUCE SOME LOSSES.

THUS, WHERE RATES OF RETURN ARE USED TO SIMULATE INVESTMENT RESULTS THEY SHOULD NOT BE CONSTRUED AS GUARANTEES OR WARRANTIES OF PROFITABILITY. WHERE TAX BENEFITS ARE ILLUSTRATED THEY ARE BASED ON THE BEST INFORMATION CURRENTLY AVAILABLE.

VARIOUS PROPOSALS ARE MADE FROM TIME TO TIME TO CHANGE THE TAX LAWS AS THEY EXIST AND IT SEEMS PROBABLE THAT MANY OF OUR CURRENT TAX LAWS WILL UNDERGO CHANGES DURING THE YEARS ILLUSTRATED IN THIS FINANCIAL PLAN. SOME OF THESE PROPOSALS, IF ENACTED, MIGHT HAVE A SERIOUS ADVERSE EFFECT ON TAX CONSEQUENCES OF SOME OF THE INVESTMENTS PROPOSED. THUS, THE FURTHER INTO THE FUTURE THIS PLAN PROJECTS, THE MORE INACCURATE IT BECOMES. AS A RESULT, YOUR PLAN SHOULD BE UPDATED PERIODICALLY TO ASSURE ITS CONTINUED ACCURACY.

THIS PLAN IS NOT TO BE CONSTRUED AS OFFERING LEGAL OR ACCOUNTING ADVICE. YOU ARE ENCOURAGED TO DISCUSS THIS PLAN AND ITS FINDINGS WITH YOUR ATTORNEY AND ACCOUNTANT.

FINALLY, THIS PLAN IS ONLY AS ACCURATE AS THE INFORMATION ON WHICH IT IS BASED. IF THE DATA ORIGINALLY SUPPLIED BY YOU IS INCORRECT, THIS PLAN WILL REFLECT THESE INACCURACIES. PLEASE REVIEW YOUR ORIGINAL DATA CAREFULLY; WE CANNOT BE RESPONSIBLE FOR ERRORS BASED ON INCOMPLETE OR INACCURATE INFORMATION.

GLOBAL ASSUMPTIONS
For
John and Mary Demo

Dating from January of 2001, the projections are based on a consumer price index, or overall inflation rate, of 3.00%. We assume a client life expectancy of 85 years.

We have also indexed tax rates, standard deduction amounts, personal exemptions, and Social Security withholding, if any, at 3.00%. For state income tax purposes, we assume that you live in the state of CA.

If our projections indicate that you have surplus cash for any year during the life of this plan, we assume that you will deposit it in a money market fund that will earn 3.00% compounded annually, until it is used to meet any cash shortages that might occur in future years. The interest earned on this surplus cash is taxable.

To illustrate the efficacy of our financial planning and investment recommendations, we assume in some reports that any income tax savings and investment cash flows which come from proposed investments are reinvested at 5.00%.

LINE ITEM LISTING OF ASSETS AND LIABILITIES
For
John and Mary Demo

ASSETS :

John Separate Property:

Disability Insurance Plans:

	Acquired	Premium	Benefit
Disability Insurance	1/2000	400	1,000

Fixed Annuities:

	Acquired	Balance	Int. Rate
Tax Def. Ret. Fixed Annuity	1/1988	10,000	10.00
Tax Def. Fixed Annuity	1/1988	10,000	10.00

Life Insurance Plans:

	Acquired	Bene- ficiary	Face Value	Cash Value	Premium
John's Whole Life Policy	7/1976	S	100,000	10,000	1,150

Personal Property:

	Acquired	Cost	Value	% Apprec.
Jewelry	1/1979	30,000	40,000	4.00

Retirement Plans:

	Acquired	Balance	Int. Rate
IRA - John	3/1981	24,000	8.00

Variable Annuities:

	Acquired	Units	Unit Cost	Share Val.
Tax Def. Variable Ann.	1/1988	1,000.00	7.50	8.00
Tax Def. Ret. Varble. Ann	1/1988	2,000.00	10.00	10.00

Mary Separate Property:

Bonds:

	Acquired	Face Value	Bond Cost	Market Value	Int. Rate	Mo/Yr Due	# Of Bonds
Taxable Corporate Bond	6/1979	1,000	1,000	850	8.50	6/2014	10

Business Valuation:

	Acquired	Book Value	Avg. Value	%Esc.
Side Business	3/1980	10,000	22,980	3.00

Life Insurance Plans:

	Acquired	Bene- ficiary	Face Value	Cash Value	Premium
Mary's Term Life Policy	2/1997	C	100,000	0	600

Retirement Plans:

	Acquired	Balance	Int. Rate
IRA - Mary	3/1981	15,900	8.00

LINE ITEM LISTING OF ASSETS AND LIABILITIES
For
John and Mary Demo

Joint Property:

CD's:

	Acquired	Balance	Int. Rate	Term
Taxable Cert. of Deposit	1/1987	25,000	6.15	999

Checking:

	Acquired	Balance	Int. Rate
Taxable Checking Account	1/1980	1,000	5.25

Mutual Funds:

	Acquired	Units	Unit Cost	Share Val.
Taxable Mutual Fund	3/1984	5,501.34	10.52	19.75

Money Market:

	Acquired	Balance	Int. Rate
Taxable Money Market Fund	3/1986	65,000	5.25

Notes Receivable:

	Acquired	Loaned	Int. Rate	Term	Payments
Taxable Note Carryback	6/1996	100,000	15.00	360	100

Personal Property:

	Acquired	Cost	Value	% Apprec.
Porsche	3/1993	67,500	67,000	-3.00

Personal Residence:

	Acquired	Cost	Value	% Apprec.
Personal Home	5/1984	155,000	225,000	5.00

Rental Property:

	Acquired	Cost	Value	% Apprec.
Rental Property	11/1981	67,150	97,500	5.00

Savings Accounts:

	Acquired	Balance	Int. Rate
Taxable Savings Account	4/1980	5,000	5.50

Stocks:

	Acquired	Units	Unit Cost	Share Val.
Taxable Common Stock	3/1982	1,000.00	15.50	27.27

LIABILITIES :

	Acquired	Amount	% Rate	Payment	Term	Balance
VA 1st Mtge	5/1989	135,000	11.50	1,337	360	122,390
Auto Loan	12/1997	67,500	9.90	1,431	60	29,864
Jones 2nd	11/1993	10,000	15.00	125	120	10,000
Rental 1st Mortgage	3/1984	38,500	8.75	303	360	28,358

Looking at Your Current Situation

Financial Projection Analysis

Current Financial Projection - One-Page Summary (Covering Five Years)

Current Financial Projection - Detailed

Monthly Cash Flow Statement (Budget Worksheet)

Education Expense Analysis

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Statement of Financial Condition (with Accompanying Schedules and Analysis)

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Present Asset Allocation as of January 2001 and December 31, 2002

FINANCIAL PROJECTION ANALYSIS
For
John and Mary Demo

The Current Financial Projection Report is actually six reports presented as one. These reports are: a taxable income summary, an income tax summary, a cash flow report, a liquidity statement, a retirement plan summary and an annual net worth status report.

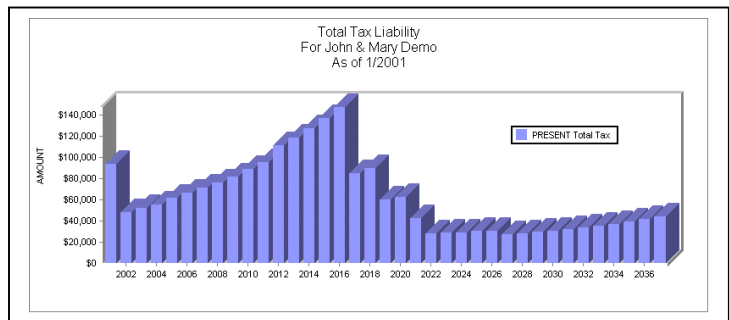
We can also prepare a Proposed Financial Projection Report which is identical to the first, with the exception that it shows how things are expected to evolve assuming you make all the recommended changes we propose.

The report begins in 2001 and can run to 2036, John's life expectancy. All anticipated cash income and expenses are included over this time frame including retirement income from all sources first beginning in 2017 when John is age 65. In one sense, this approach can be thought of as a total simulation model. All of the various elements of your financial affairs have been integrated into a comprehensive annual overview report permitting us to quickly spot any problems or trends.

The first six lines of the report pertain to your taxable income for each year. In 2001 your taxable gross income is scheduled to be \$277,189.

This includes earned income for John of \$100,000 and earned income for Mary of \$45,000.

Lines 7 through 20 of the report relate to the computation of your federal and state income taxes. In 2001 we show you having \$4,353 of adjustments to your income. Adjustments are such things as IRA's and certain other pension plan contributions.



After making adjustments for any passive losses, capital losses, itemized deductions, including state income tax payments, and your exemptions, we arrive at your taxable income for 2001 of \$232,944.

You'll notice that your federal and state tax estimate is \$83,382 using the table method and that you're in the 42% combined tax bracket.

In 2001 you will receive \$361,736 in total cash flow.

If we subtract \$30,150 of living expenses, \$83,382 of taxes, \$10,201 of FICA withholding, \$62,813 of loan and property expenses, and \$4,085 of investments, you will end the year with a surplus of \$171,105. We call this Annual Surplus Cash. Any balance of annual free cash is automatically assumed to be invested in a money market account at 3.00%. This balance is carried forward each year in the Accumulated Surplus Cash fund as shown on line 29.

Lines 32 and 33 of the report show the total amount of money going into your retirement plans, and the total value of the plans at the end of each year.

This year there will be a total of \$4,000 contributed to your retirement plans. When adding this figure to your current balance, plus this year's expected investment earnings, we find that you're expected to have a total of \$76,252 in your retirement plans by the end of 2001.

The final two lines of the report project your net worth from this year to 2036. Line 34 illustrates what your net worth is projected to be without regard to the effect inflation will have on purchasing power. Line 35 shows what those dollars are actually going to be worth assuming we experience a 3.00% average inflation rate.

CURRENT FINANCIAL PROJECTION - SUMMARY**For
John and Mary Demo**

	2001	2002	2003	2004	2005
TAXABLE INCOME					
(1) Salaries & Self-Emp Income	145,000	152,500	160,400	168,722	177,491
(2) Other Ord Income + Soc Sec	0	0	0	0	0
(3) Interest & Dividends	112,189	15,200	16,326	17,831	19,849
(4) Gross Capital Gains	20,000	0	0	0	0
(5) Passive Income	0	0	0	4,297	5,110
(6) Gross Income	277,189	167,700	176,726	190,850	202,450
INCOME TAXES					
(7) Adjustments To Income	4,353	4,389	4,427	4,470	4,517
(8) Usable Ordinary Losses	0	0	0	0	0
(9) Usable Capital Losses	0	0	0	0	0
(10) Usable Passive Losses	0	0	0	4,124	0
(11) Adjusted Gross Income	272,836	163,311	172,299	182,256	197,933
(12) Usable Deductions	32,584	25,901	26,242	26,615	27,317
(13) California Tax Estimate	20,198	10,357	11,119	11,971	13,355
(14) Exemption Amount	7,308	17,922	18,460	19,013	19,584
(15) Form 1040 Taxable Income	232,944	119,488	127,598	136,628	151,032
(16) Tax Credits	0	0	0	0	0
(17) Federal Tax	63,184	27,614	29,845	32,353	36,518
(18) Method	table	table	table	table	table
(19) Combined Tax Bracket	42	37	37	37	37
(20) Addl. Pref. Before AMT	342	5,581	6,290	6,456	5,156
CASH FLOW					
(21) Total Cash Flow	361,736	172,319	181,405	191,277	202,092
(22) Living Expenses	30,150	31,356	32,610	33,915	35,271
(23) Extraordinary Liv. Expense	0	0	0	0	0
(24) Federal & State Taxes	83,382	37,970	40,964	44,324	49,874
(25) Social Security Taxes	10,201	10,647	11,115	11,608	12,127
(26) Loan, Property & Other Exp	62,813	63,090	56,083	45,009	45,322
(27) Investments	4,085	4,085	4,085	4,085	4,085
(28) Surplus Cash	171,105	25,171	36,547	52,336	55,413
LIQUIDITY					
(29) Accumulated Surplus Cash	171,105	196,275	232,823	285,159	340,573
(30) Cash Assets	82,098	83,306	84,629	86,080	87,669
(31) Total Cash Assets	253,203	279,581	317,452	371,239	428,242
RETIREMENT PLANS					
(32) Plan Contributions	4,000	4,000	4,000	4,000	4,000
(33) Plan Projected Balance	76,252	87,185	99,071	111,996	126,050
NET WORTH					
(34) Apparent Net Worth	827,094	919,281	1,020,778	1,132,646	1,252,581
(35) 3.00% Inflation Adjusted	827,094	892,506	962,181	1,036,532	1,112,902

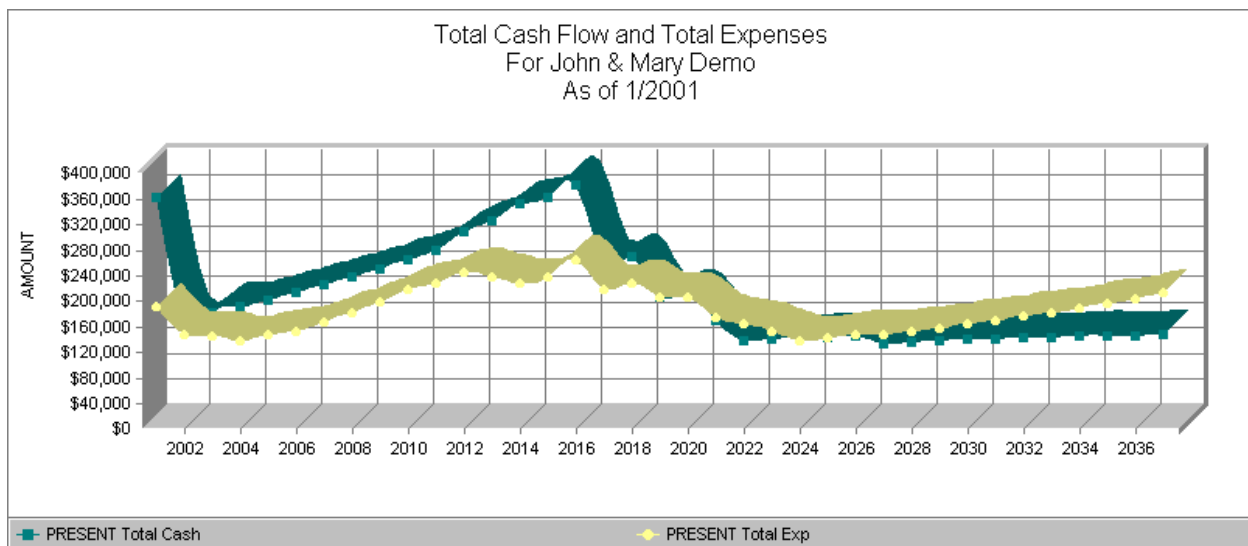
CURRENT FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
TAXABLE INCOME					
(1) Salaries & Self-Emp Income	145,000	152,500	160,400	168,722	177,491
Salary - Client	100,000	105,000	110,250	115,762	121,551
Salary - Second Client	40,000	42,000	44,100	46,305	48,620
Self-Employment - Second	5,000	5,500	6,050	6,655	7,320
(2) Other Ord Income + Soc Sec	0	0	0	0	0
(3) Interest & Dividends	112,189	15,200	16,326	17,831	19,849
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Checking Account	52	58	63	69	76
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	3,413	3,413	3,413	3,412
Taxable Mutual Fund	2,751	3,041	3,361	3,715	4,107
Taxable Note Carryback	102,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
Interest on Surplus Cash	0	5,133	5,888	6,985	8,555
(4) Gross Capital Gains	20,000	0	0	0	0
L)Taxable Note Carryback	20,000	0	0	0	0
(5) Passive Income	0	0	0	4,297	5,110
Rental Property	0	0	0	4,297	5,110
(6) Gross Income	277,189	167,700	176,726	190,850	202,450
INCOME TAXES					
(7) Adjustments To Income	4,353	4,389	4,427	4,470	4,517
1/2 Self-Emp. Soc. Sec.	353	389	427	470	517
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(8) Usable Ordinary Losses	0	0	0	0	0
(9) Usable Capital Losses	0	0	0	0	0
(10) Usable Passive Losses	0	0	0	4,124	0
Allowed Suspended Losses	0	0	0	4,124	0
Rental Property	1,854	1,425	845	0	0
Suspended Losses	-1,854	-1,425	-845	0	0
(11) Adjusted Gross Income	272,836	163,311	172,299	182,256	197,933
(12) Usable Deductions	32,584	25,901	26,242	26,615	27,317
AGI Excess Deductions	-4,197	-791	-938	-1,109	-1,449
Deduct Form-Charitable	400	400	400	400	400
Personal Home	1,600	1,632	1,665	1,698	1,732
Porsche	595	565	537	510	485
VA 1st Mtge	13,987	13,738	13,459	13,145	12,794
California State Tax	20,198	10,357	11,119	11,971	13,355

CURRENT FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
(13) California Tax Estimate	20,198	10,357	11,119	11,971	13,355
(14) Exemption Amount	7,308	17,922	18,460	19,013	19,584
(15) Form 1040 Taxable Income	232,944	119,488	127,598	136,628	151,032
State Taxable Income	251,758	146,976	156,239	166,503	182,522
(16) Tax Credits	0	0	0	0	0
(17) Federal Tax	63,184	27,614	29,845	32,353	36,518
Table Tax	63,184	27,614	29,845	32,353	36,518
AMT Tax	63,089	26,163	28,209	30,674	35,178
(18) Method	table	table	table	table	table
(19) Combined Tax Bracket	42	37	37	37	37
(20) Addl. Pref. Before AMT	342	5,581	6,290	6,456	5,156

CASH FLOW



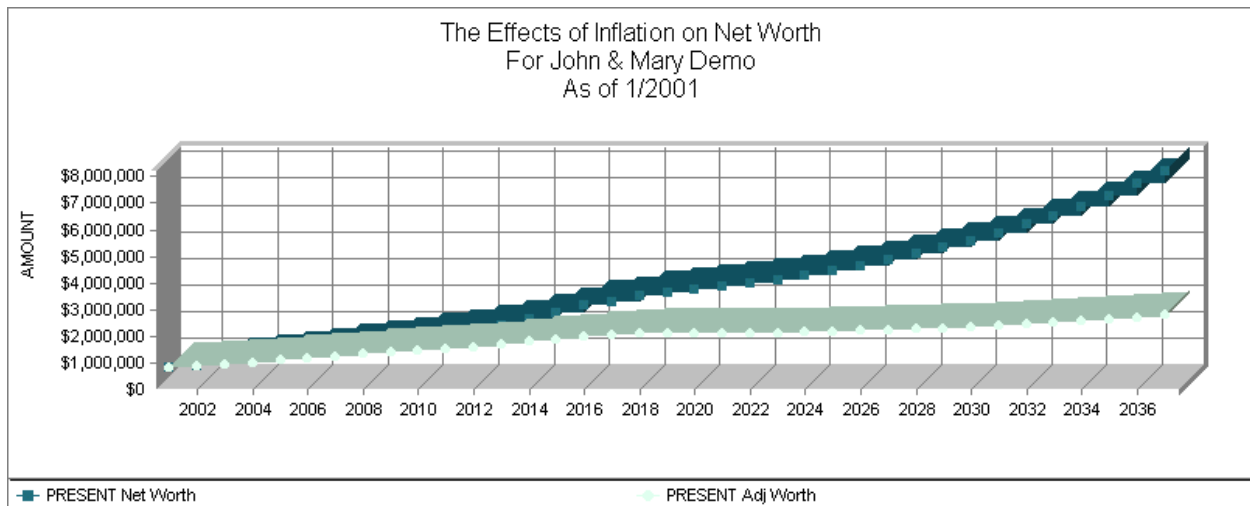
(21) Total Cash Flow	361,736	172,319	181,405	191,277	202,092
Lines 1-8: Cash Flow Form	145,000	152,500	160,400	168,722	177,491
Rental Property	7,350	7,718	8,103	8,509	8,934
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	3,412	3,412	3,412	3,412
Taxable Note Carryback	202,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
Interest on Surplus Cash	0	5,133	5,888	6,985	8,555
(22) Living Expenses	30,150	31,356	32,610	33,915	35,271
(23) Extraordinary Liv. Expense	0	0	0	0	0

CURRENT FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
(24) Federal & State Taxes	83,382	37,970	40,964	44,324	49,874
Federal	63,184	27,614	29,845	32,353	36,518
State	20,198	10,357	11,119	11,971	13,355
(25) Social Security Taxes	10,201	10,647	11,115	11,608	12,127
(26) Loan, Property & Other Exp	62,813	63,090	56,083	45,009	45,322
Auto Loan	17,170	17,170	0	0	0
Disability Insurance	400	412	424	437	450
Jewelry	250	258	265	273	281
John's Whole Life Policy	1,150	1,150	1,150	1,150	1,150
Jones 2nd	1,500	1,500	11,375	0	0
Liability Insurance	12,000	12,000	12,000	12,000	12,000
Mary's Term Life Policy	600	618	637	656	675
Medical Insurance	750	750	750	750	750
Personal Home	3,540	3,642	3,748	3,856	3,969
Porsche	4,095	4,185	4,281	4,383	4,490
Rental 1st Mortgage	3,635	3,635	3,635	3,635	3,635
Rental Property	1,680	1,727	1,776	1,827	1,879
VA 1st Mtge	16,043	16,043	16,043	16,043	16,043
(27) Investments	4,085	4,085	4,085	4,085	4,085
Taxable Checking Account	50	50	50	50	50
Taxable Common Stock	25	25	25	25	25
Taxable Mutual Fund	10	10	10	10	10
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(28) Surplus Cash	171,105	25,171	36,547	52,336	55,413
LIQUIDITY					
(29) Accumulated Surplus Cash	171,105	196,275	232,823	285,159	340,573
(30) Cash Assets	82,098	83,306	84,629	86,080	87,669
(31) Total Cash Assets	253,203	279,581	317,452	371,239	428,242
RETIREMENT PLANS					
(32) Plan Contributions (see Investments)	4,000	4,000	4,000	4,000	4,000
(33) Plan Projected Balance	76,252	87,185	99,071	111,996	126,050
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Tax Def. Ret. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294

CURRENT FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
NET WORTH					
(34) Apparent Net Worth	827,094	919,281	1,020,778	1,132,646	1,252,581
Auto Loan	-16,284	0	0	0	0
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Jewelry	41,600	43,264	44,995	46,794	48,666
John's Whole Life Policy	11,650	13,382	15,202	17,112	19,117
Jones 2nd	-10,000	-10,000	0	0	0
Personal Home	236,250	248,062	260,466	273,489	287,163
Porsche	64,990	63,040	61,149	59,315	57,535
Rental 1st Mortgage	-27,261	-25,961	-24,542	-22,993	-21,304
Rental Property	102,375	107,494	112,868	118,512	124,437
Side Business	22,980	23,669	24,379	25,111	25,864
Tax Def. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Fixed Annui	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294
Tax Def. Variable Ann.	9,300	10,801	12,531	14,526	16,822
Taxable Cert. of Deposit	25,000	25,000	25,000	25,000	25,000
Taxable Checking Account	1,098	1,206	1,319	1,439	1,564
Taxable Common Stock	28,931	30,692	32,559	34,537	36,634
Taxable Corporate Bond	8,500	8,500	8,500	8,500	8,500
Taxable Money Market Fund	65,000	65,000	65,000	65,000	65,000
Taxable Mutual Fund	120,104	132,763	146,755	162,221	179,316
Taxable Savings Account	5,000	5,000	5,000	5,000	5,000
VA 1st Mtge	-120,497	-118,192	-115,609	-112,711	-109,463
Accumulated Surplus Cash	171,105	196,275	232,823	285,159	340,573



(35) 3.00% Inflation Adjusted	827,094	892,506	962,181	1,036,532	1,112,902
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MONTHLY CASH FLOW STATEMENT - 2001

**For
John and Mary Demo**

	JAN	FEB	MAR	APR	MAY	JUN
INCOME						
Salaries	11,667	11,667	11,667	11,667	11,667	11,667
Self-Employment Income	417	417	417	417	417	417
Taxable Common Stock	71	71	71	71	71	71
Taxable Savings Account	23	23	23	23	23	23
Demo Rental Property	613	613	613	613	613	613
Taxable Note Carryback	16,872	16,872	16,872	16,872	16,872	16,872
Taxable Money Market Fund	284	284	284	284	284	284
Taxable Cert. of Deposit	128	128	128	128	128	128
Taxable Corporate Bond	71	71	71	71	71	71
	-----	-----	-----	-----	-----	-----
TOTAL INCOME	30,145	30,145	30,145	30,145	30,145	30,145
TAXES						
Federal Tax	5,265	5,265	5,265	5,265	5,265	5,265
State Tax	1,683	1,683	1,683	1,683	1,683	1,683
FICA Tax	850	850	850	850	850	850
	-----	-----	-----	-----	-----	-----
TOTAL TAXES	7,799	7,799	7,799	7,799	7,799	7,799
LIVING EXPENSES						
Allowances	100	100	100	100	100	100
Auto-Gas	150	150	150	150	150	150
Charitable Contribution	400	400	400	400	400	400
Clothing	250	250	250	250	250	250
Entertainment	500	500	500	500	500	500
Food	600	600	600	600	600	600
School Lunches	45	45	45	45	45	45
Tax Preparation Fee	0	0	0	450	0	0
Utilities	180	180	180	180	180	180
Vacations	0	0	0	0	0	0
	-----	-----	-----	-----	-----	-----
TOTAL LIVING EXPENSES	2,225	2,225	2,225	2,675	2,225	2,225
INVESTMENTS						
Taxable Common Stock	2	2	2	2	2	2
IRA - John	167	167	167	167	167	167
IRA - Mary	167	167	167	167	167	167
Taxable Mutual Fund	1	1	1	1	1	1
Taxable Checking Account	4	4	4	4	4	4
	-----	-----	-----	-----	-----	-----
TOTAL INVESTMENTS	340	340	340	340	340	340
LOAN/PROP/OTHER						
Demo Rental 1st	303	303	303	303	303	303
Demo Jones 2nd	125	125	125	125	125	125
Demo Auto Loan	1,431	1,431	1,431	1,431	1,431	1,431
Demo VA 1st Mtge	1,337	1,337	1,337	1,337	1,337	1,337
Demo Liability Insurance	1,000	1,000	1,000	1,000	1,000	1,000
Demo Rental Property	140	140	140	140	140	140
Demo Personal Home	295	295	295	295	295	295
Jewelry	21	21	21	21	21	21

MONTHLY CASH FLOW STATEMENT - 2001

**For
John and Mary Demo**

	JAN	FEB	MAR	APR	MAY	JUN
Demo Porsche	341	341	341	341	341	341
Medical Insurance	63	63	63	63	63	63
Demo Term Life	50	50	50	50	50	50
Demo Whole Life Policy	96	96	96	96	96	96
Demo Disability Insurance	33	33	33	33	33	33
	-----	-----	-----	-----	-----	-----
TOT LOAN/OTHER EX	5,234	5,234	5,234	5,234	5,234	5,234
	=====	=====	=====	=====	=====	=====
TOTAL EXPENSES	15,598	15,598	15,598	16,048	15,598	15,598
	=====	=====	=====	=====	=====	=====
SURPLUS/DEFICIT	14,546	14,546	14,546	14,096	14,546	14,546
	=====	=====	=====	=====	=====	=====

MONTHLY CASH FLOW STATEMENT - 2,001

For

John and Mary Demo

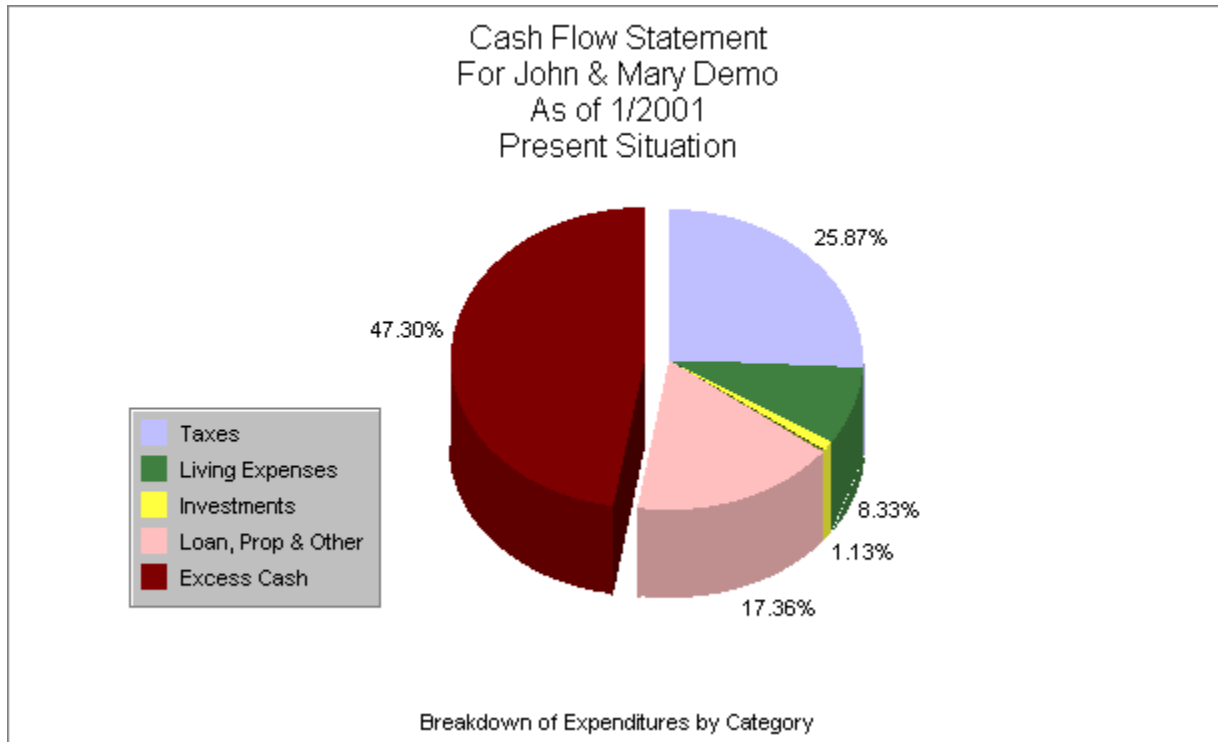
	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
INCOME							
Salaries	11,667	11,667	11,667	11,667	11,667	11,667	140,000
Self-Employment Income	417	417	417	417	417	417	5,000
Taxable Common Stock	71	71	71	71	71	71	850
Taxable Savings Account	23	23	23	23	23	23	275
Demo Rental Property	613	613	613	613	613	613	7,350
Taxable Note Carryback	16,872	16,872	16,872	16,872	16,872	16,872	202,461
Taxable Money Market Fund	284	284	284	284	284	284	3,413
Taxable Cert. of Deposit	128	128	128	128	128	128	1,538
Taxable Corporate Bond	71	71	71	71	71	71	850
	-----	-----	-----	-----	-----	-----	-----
TOTAL INCOME	30,145	30,145	30,145	30,145	30,145	30,145	361,736
TAXES							
Federal Tax	5,265	5,265	5,265	5,265	5,265	5,265	63,184
State Tax	1,683	1,683	1,683	1,683	1,683	1,683	20,198
FICA Tax	850	850	850	850	850	850	10,201
	-----	-----	-----	-----	-----	-----	-----
TOTAL TAXES	7,799	7,799	7,799	7,799	7,799	7,799	93,583
LIVING EXPENSES							
Allowances	100	100	100	100	100	100	1,200
Auto-Gas	150	150	150	150	150	150	1,800
Charitable Contribution	400	400	400	400	400	400	4,800
Clothing	250	250	250	250	250	250	3,000
Entertainment	500	500	500	500	500	500	6,000
Food	600	600	600	600	600	600	7,200
School Lunches	45	45	45	45	45	45	540
Tax Preparation Fee	0	0	0	0	0	0	450
Utilities	180	180	180	180	180	180	2,160
Vacations	3,000	0	0	0	0	0	3,000
	-----	-----	-----	-----	-----	-----	-----
TOTAL LIVING EXPENSES	5,225	2,225	2,225	2,225	2,225	2,225	30,150
INVESTMENTS							
Taxable Common Stock	2	2	2	2	2	2	25
IRA - John	167	167	167	167	167	167	2,000
IRA - Mary	167	167	167	167	167	167	2,000
Taxable Mutual Fund	1	1	1	1	1	1	10
Taxable Checking Account	4	4	4	4	4	4	50
	-----	-----	-----	-----	-----	-----	-----
TOTAL INVESTMENTS	340	340	340	340	340	340	4,085
LOAN/PROP/OTHER							
Demo Rental 1st	303	303	303	303	303	303	3,635
Demo Jones 2nd	125	125	125	125	125	125	1,500
Demo Auto Loan	1,431	1,431	1,431	1,431	1,431	1,431	17,170
Demo VA 1st Mtge	1,337	1,337	1,337	1,337	1,337	1,337	16,043
Demo Liability Insurance	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Demo Rental Property	140	140	140	140	140	140	1,680
Demo Personal Home	295	295	295	295	295	295	3,540
Jewelry	21	21	21	21	21	21	250
Demo Porsche	341	341	341	341	341	341	4,095

MONTHLY CASH FLOW STATEMENT - 2,001

For

John and Mary Demo

	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Medical Insurance	63	63	63	63	63	63	750
Demo Term Life	50	50	50	50	50	50	600
Demo Whole Life Policy	96	96	96	96	96	96	1,150
Demo Disability Insurance	33	33	33	33	33	33	400
TOT LOAN/OTHER EX	5,234	5,234	5,234	5,234	5,234	5,234	62,813
TOTAL EXPENSES	18,598	15,598	15,598	15,598	15,598	15,598	190,631
SURPLUS/DEFICIT	11,546	14,546	14,546	14,546	14,546	14,546	171,105



CASH FLOW STATEMENT - 2001

For
John and Mary Demo

	ANNUAL	PERCENT OF SECTION	PERCENT OF EXPENSES	PERCENT OF CASH FLOW
INCOME				
Salaries	140,000	39%		
Self-Employment Income	5,000	1%		
Taxable Common Stock	850	0%		
Taxable Savings Account	275	0%		
Demo Rental Property	7,350	2%		
Taxable Note Carryback	202,461	56%		
Taxable Money Market Fund	3,413	1%		
Taxable Cert. of Deposit	1,538	0%		
Taxable Corporate Bond	850	0%		
	-----	-----	-----	-----
TOTAL INCOME	361,736	100%		100%

TAXES

Federal Tax	63,184	68%	33%	17%
State Tax	20,198	22%	11%	6%
FICA Tax	10,201	11%	5%	3%
	-----	-----	-----	-----
TOTAL TAXES	93,583	100%	49%	26%

LIVING EXPENSES

Allowances	1,200	4%	1%	0%
Auto-Gas	1,800	6%	1%	0%
Charitable Contribution	4,800	16%	3%	1%
Clothing	3,000	10%	2%	1%
Entertainment	6,000	20%	3%	2%
Food	7,200	24%	4%	2%
School Lunches	540	2%	0%	0%
Tax Preparation Fee	450	1%	0%	0%
Utilities	2,160	7%	1%	1%
Vacations	3,000	10%	2%	1%
	-----	-----	-----	-----
TOTAL LIVING EXPENSES	30,150	100%	16%	8%

INVESTMENTS

Taxable Common Stock	25	1%	0%	0%
IRA - John	2,000	49%	1%	1%
IRA - Mary	2,000	49%	1%	1%
Taxable Mutual Fund	10	0%	0%	0%
Taxable Checking Account	50	1%	0%	0%
	-----	-----	-----	-----
TOTAL INVESTMENTS	4,085	100%	2%	1%

LOAN/PROP/OTHER

Demo Rental 1st	3,635	6%	2%	1%
Demo Jones 2nd	1,500	2%	1%	0%
Demo Auto Loan	17,170	27%	9%	5%
Demo VA 1st Mtge	16,043	26%	8%	4%
Demo Liability Insurance	12,000	19%	6%	3%
Demo Rental Property	1,680	3%	1%	0%
Demo Personal Home	3,540	6%	2%	1%

CASH FLOW STATEMENT - 2001
For
John and Mary Demo

	ANNUAL	PERCENT OF SECTION	PERCENT OF EXPENSES	PERCENT OF CASH FLOW
Jewelry	250	0%	0%	0%
Demo Porsche	4,095	7%	2%	1%
Medical Insurance	750	1%	0%	0%
Demo Term Life	600	1%	0%	0%
Demo Whole Life Policy	1,150	2%	1%	0%
Demo Disability Insurance	400	1%	0%	0%
	-----	-----	-----	-----
TOT LOAN/OTHER EX	62,813	100%	33%	17%
TOTAL EXPENSES	190,631	100%	100%	53%
	=====	=====	=====	=====
SURPLUS/DEFICIT	171,105	N/A	N/A	47%
	=====	=====	=====	=====

EDUCATION EXPENSE ANALYSIS
For
John and Mary Demo

	Jim	John Jr.	Jennifer	Jill
Grade This Fall	7	5	-2	-5
Years To Attend	6	4	4	4
Invested Amt. \$	6,000	3,000	0	0
Rate of Return %	5.00	5.00	0.00	0.00
1 Yr Undergrad \$	10,000	10,000	11,000	10,000
1 Yr Graduate \$	8,000	0	0	0
Cost Increase %	7.00	6.00	6.00	6.00

Year	Jim	John Jr.	Jennifer	Jill	Total
2001	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	7,504	0	0	0	7,504
2008	16,058	0	0	0	16,058
2009	17,182	7,969	0	0	25,151
2010	18,385	16,895	0	0	35,279
2011	17,704	17,908	0	0	35,613
2012	16,839	18,983	0	0	35,822
2013	9,009	10,061	0	0	19,070
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	0	13,181	0	13,181
2017	0	0	27,944	0	27,944
2018	0	0	29,621	0	29,621
2019	0	0	31,398	14,272	45,669
2020	0	0	16,641	30,256	46,897
2021	0	0	0	32,071	32,071
2022	0	0	0	33,996	33,996
2023	0	0	0	18,018	18,018
Total	102,680	71,816	118,784	128,612	421,893

Based On The Above Projected Expenses, The Following Contributions Will Be Needed To Meet Education Goals:

Assumed Investment Return	Contribution		
	Lump Sum	Equal Annual	
5.00%	201,252	14,210	(1,184 Monthly)
7.00%	155,151	12,864	(1,072 Monthly)
9.00%	121,120	11,599	(967 Monthly)

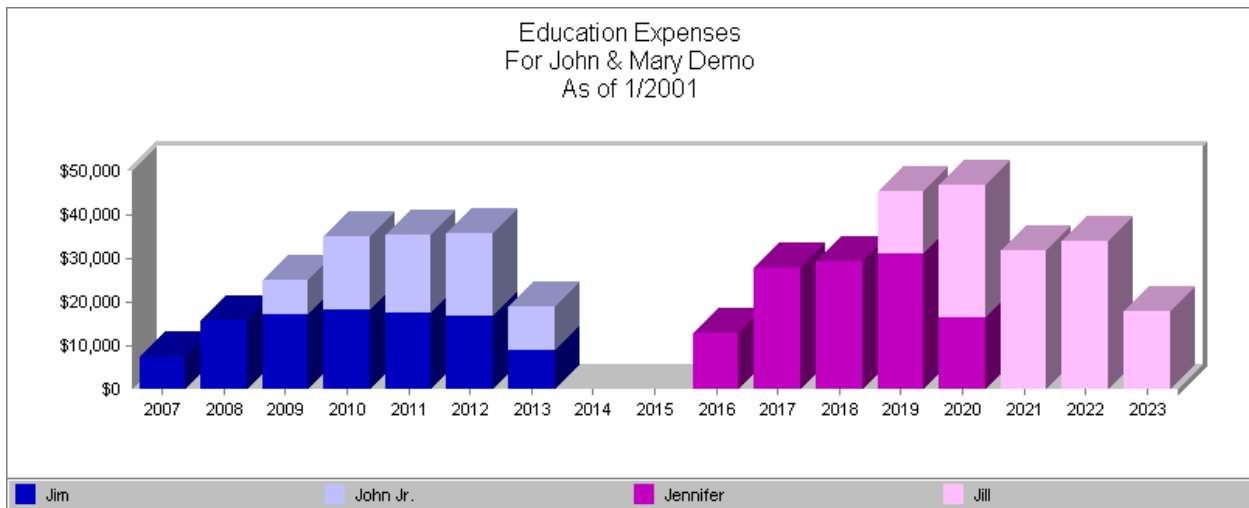
EDUCATION ANALYSIS
For
John and Mary Demo

There are a number of options open to parents when it comes to providing funds for their children’s education. Money can be taken out of current income as the needs occur or it can be accumulated over time, prior to college.

Although interest free loans have lost much of their appeal for meeting educational expenses, other income-splitting techniques can still work well in special cases. Business owners, for example, can hire family members and divert taxable income to those in lower income tax brackets. In other cases, single premium insurance products may work well.

In your case we have assumed that the funding of your 4 children’s educations has been attempted taking the best advantage of the then current situation.

The first of your children starts college in 2007. Due to inflation, the total cost of sending 4 children to college will be \$421,893 between 2007 and 2023. These educational expenses are already calculated into your financial plan. They appear on line 23 starting in 2007 in the Financial Projection Report.



We have selected 3 alternatives to illustrate the effect different rates of return have on accumulating funds for college. Although it is possible to achieve a consistently high return on your investments, we feel it is better to use lower assumptions when planning longrange. For this reason we recommend using the 5.00% figure in your planning. This means you can either invest \$201,252 in a lump sum today, \$14,210 in equal annual installments or \$1,184 each month for the next 23 years. Either of these methods should be sufficient to accumulate enough money to meet your family’s college costs.

RESIDENTIAL PROPERTY ANALYSIS
For
John and Mary Demo

This Property Analysis is for "Personal Home" located at:

1. Fair Oaks, CA

2. Market Value 225,000 Assumed Appreciation Rate: 5%

3. OPERATING EXPENSES:

4. Yearly Property Tax 1,600 Assumed Escalation Rate: 2%

5. Annual Insurance Premium 740 Assumed Escalation Rate: 3%

6. Maintenance & Other 1,200 Assumed Escalation Rate: 4%

7. TOTAL OPERATING EXPENSES 3,540

8. Estimated Cost To Rent/Month 1,100 Assumed Escalation Rate: 5%

9. Cost To Sell 6%

LOAN(S):	Date	Principal	Interest	Term	Payment	Balance
VA 1st Mtge	5/1989	135,000	11.50%	360	1,337	122,390

10. Marginal Income Tax Rate 41.00% 41.00% 41.00% 41.00% 41.00%

11. YEARS:	1/2001	2001	2002	2003	2004	2005
12. Market Value	\$ 225,000	236,250	248,063	260,466	273,489	287,163
13. Cost To Sell	\$ 13,500	14,175	14,884	15,628	16,409	17,230
14. Loan Balance	\$ 122,390	120,497	118,192	115,609	112,711	109,463
15. Equity	\$ 89,110	101,578	114,986	129,229	144,368	160,471
16. Gross Profit	\$ 69,110	81,578	94,986	109,229	124,368	140,471

17. Loan Payments	\$ 16,043	16,043	16,043	16,043	16,043	16,043
18. Loan Reduction	\$ 2,055	2,305	2,584	2,897	3,249	
19. Loan Interest	\$ 13,987	13,738	13,459	13,145	12,794	
20. Property Tax	\$ 1,600	1,632	1,665	1,698	1,732	
21. Tax Write-Offs	\$ 15,587	15,370	15,123	14,843	14,526	

OWNERSHIP EXPENSES:

22. Principal, Interest, Property Tax & Insurance	\$ 18,383	18,437	18,492	18,549	18,607	
23. Maintenance & Other Expenses	\$ 1,200	1,236	1,273	1,311	1,351	

OWNERSHIP ADVANTAGES:

24. Equity Increase	\$ 11,866	13,408	14,243	15,139	16,103	
25. Tax Savings	\$ 6,391	6,302	6,201	6,086	5,956	

26. FINANCIAL RETURN	\$ 18,257	19,710	20,443	21,225	22,058	
27. ON EQUITY:	20.35%	19.40%	17.78%	16.42%	15.28%	

28. RESIDENTIAL USE	\$ -6,383	-6,077	-5,762	-5,437	-5,101	
29. (BENEFIT OR COST):	-7.11%	-5.98%	-5.01%	-4.21%	-3.53%	

30. NET RETURN ON EQUITY:	13.24%	13.42%	12.77%	12.22%	11.75%	
----------------------------------	---------------	---------------	---------------	---------------	---------------	--

RESIDENTIAL PROPERTY ANALYSIS For John and Mary Demo

The Residential Property Analysis was developed in order to illustrate the importance of equity in a home as a significant part of the total assets of our financial planning clients.

The approach taken is to treat a personal residence as much like income property as possible. To do so, tax deductible expenses are itemized. There are, of course, fewer of them than for true income property.

The concept of “residential use benefit” substitutes for lease/rental income from investment property. The owner/occupant attributes an income value to his home equivalent to what it would cost to rent similar accommodations.

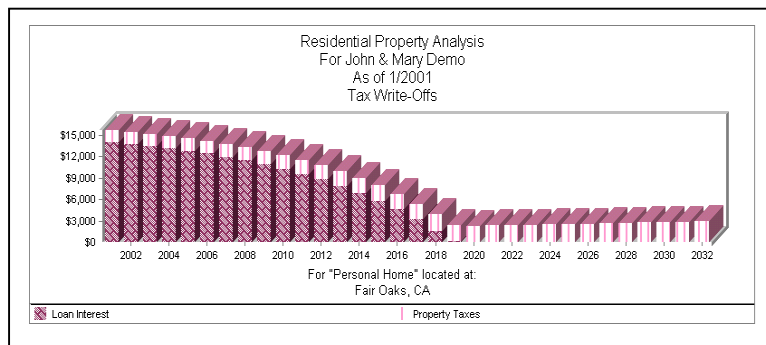
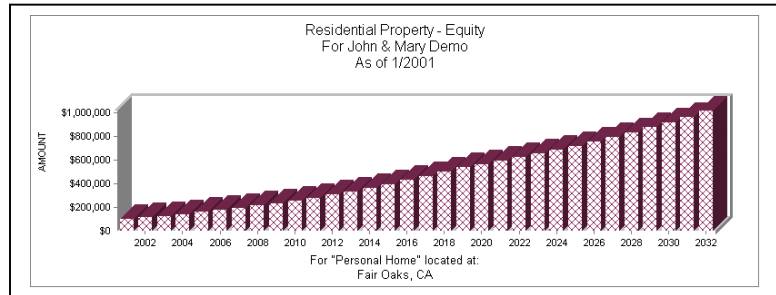
The analysis then computes a financial return on equity which omits consideration of the property’s residential use value. Separately, it then computes the residential use benefit or cost. The results may either be positive or negative.

The bottom line is NET RETURN ON EQUITY. It’s important to note that if you have a positive Residential Use Benefit you should be systematically saving or investing that amount of money in order to credit yourself with the additional return on equity dollars.

This report analyzes the property for year 2002.

The 15th line down in the analysis is titled EQUITY. \$114,986 is the net amount of money you would have (before income taxes) if you were to sell your home, pay off all mortgages, real estate commissions and closing costs.

Lines 17, 18 and 19, LOAN PAYMENTS, LOAN REDUCTION and LOAN INTEREST, simply describe how much of your mortgage payment goes to pay off principal and how much to interest.



Line 21, TAX WRITE-OFFS, is the total of the annual interest on your mortgage and the annual property taxes. The \$15,370 shown would be reflected on your income tax form Schedule A, Itemized Deductions.

The next two lines, 22 and 23, comprise the costs you incur by owning this home. These costs include your mortgage payments, property taxes, insurance premiums, maintenance and any condominium fees.

Line 24, shows your equity increasing by \$13,408 for the year and line 25 shows income tax savings of \$6,302. These are the two biggest advantages of home ownership. The total of these two lines shows up on lines 26 and 27, FINANCIAL RETURN ON EQUITY. It is shown in both dollars and as a percent. Keep in mind that this return is expressed as a percent of the previous year’s equity.

The RESIDENTIAL USE BENEFIT OR COST line either adds (in the case of a positive number) or subtracts (in the case of a negative number) the cost of renting this home as opposed to owning it. The rationale here is that it may be more cost effective to rent if your ownership expenses are very high.

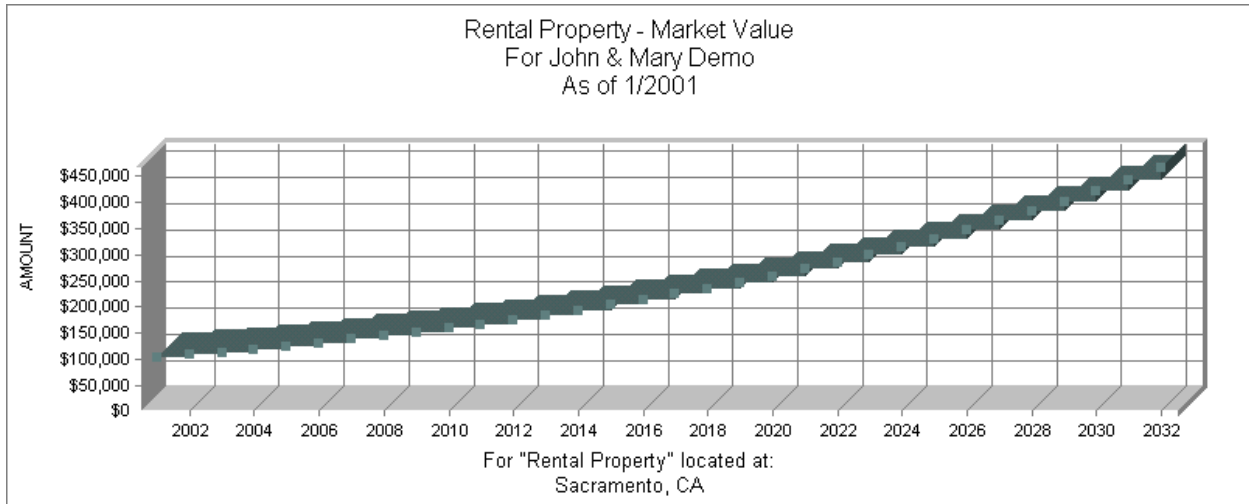
The final line on the report, NET RETURN ON EQUITY, is the sum of lines 27 and 29. Disregarding any “pride of ownership” advantages, this line tells you that your home is “yielding” about 13.42% as a financial asset.

RENTAL PROPERTY ANALYSIS
For
John and Mary Demo

The Rental Property Analysis program follows a standard investment property analysis format. From this base it calculates future investment performance based on stipulated appreciation and interest rate assumptions.

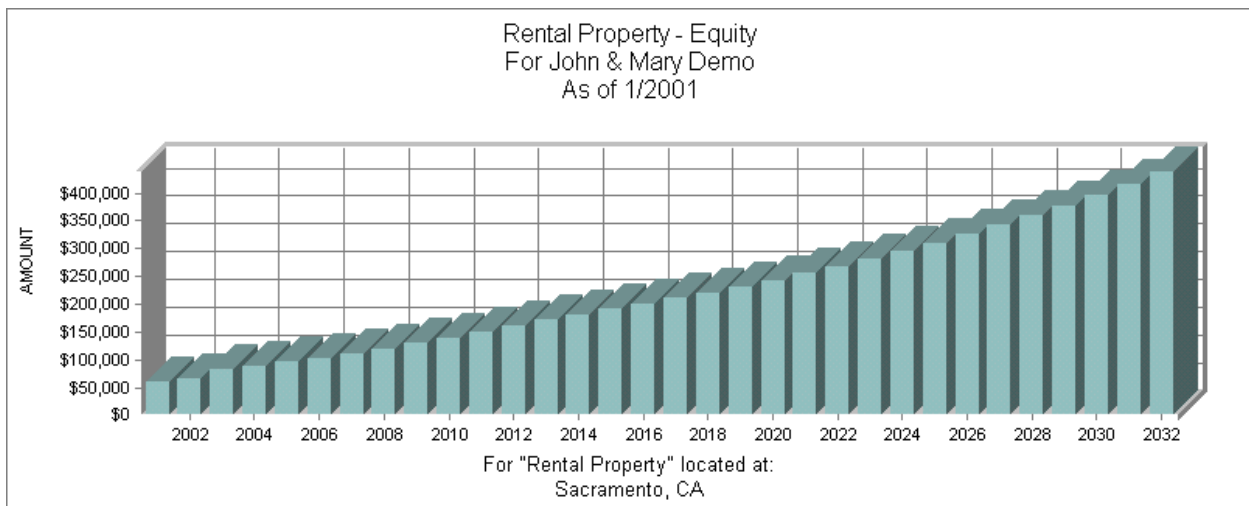
The following assumptions are built into this analysis for you:

1. The market value of the property increases at 5% per year.
2. Property taxes are assumed to escalate at 2% per year.
3. Gross rental income escalates at 5% annually.
4. Operating expenses are increased at an average of 3% annually.



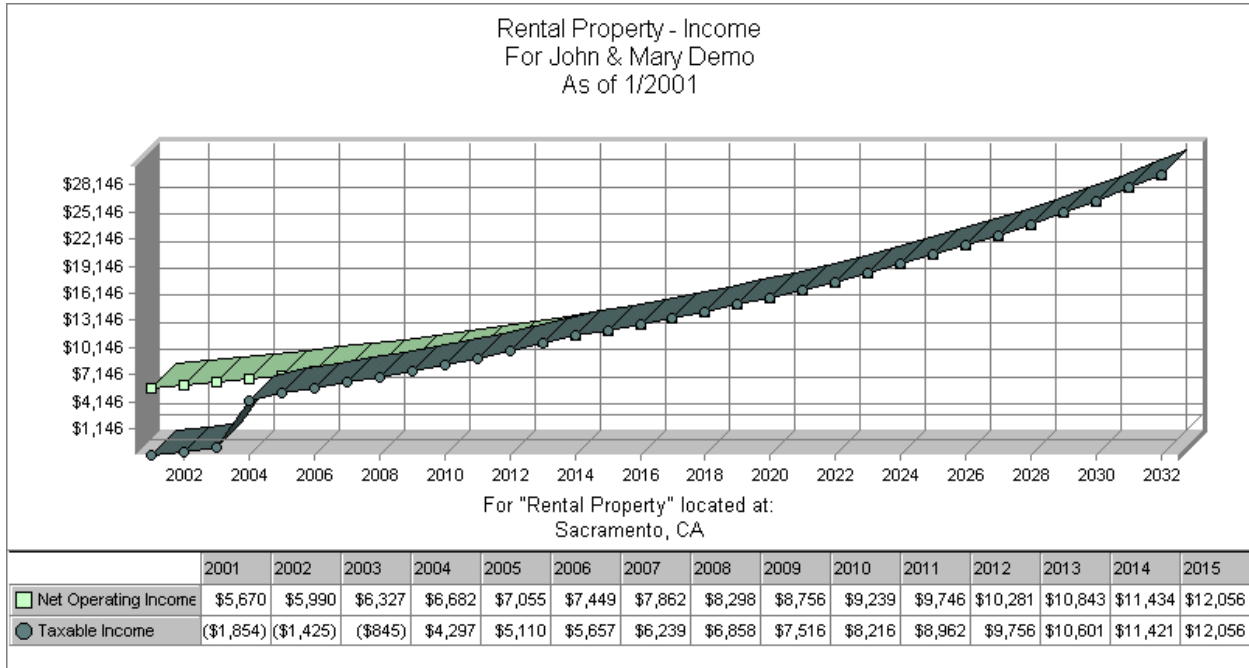
This report analyzes the property known as Rental Property. The following explanation applies to 2002.

The 20th line on the financial analysis is titled EQUITY. \$65,083 is the net cash (before income taxes) you would get if you sold the property at the end of the year.



RENTAL PROPERTY ANALYSIS
For
John and Mary Demo

The 25th line down \$-1,425, titled TAXABLE INCOME, is the amount that would be used in determining your passive income and loss for the year.



The \$856 entered on line 27, titled PRE-TAX CASH FLOW, is the cash income or loss this property will produce without regard to any savings the tax write-offs will produce. After making the adjustment for the income tax savings of \$584 shown on line 28, we arrive at the AFTER-TAX CASH FLOW.

The final line of the report, TOTAL RETURN, expresses the after-tax return of 12.81% on this property when you combine both the After-Tax Cash Flow and annual Equity Increase due to the property's appreciation. It is important to keep in mind that all returns are figured on the previous year's equity.

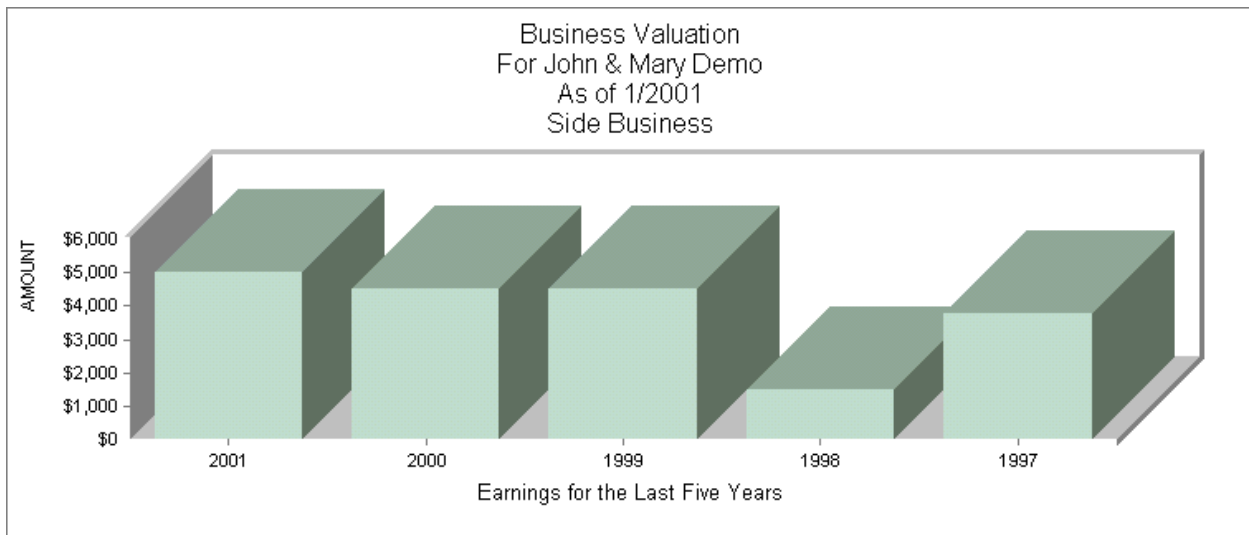
BUSINESS VALUATION ANALYSIS
For
John and Mary Demo

Business Name: Side Business

Business Earnings History:

<u>Year</u>	<u>Earnings</u>	<u>Weighting Factor</u>
2001	5,000	5
2000	4,500	4
1999	4,500	4
1998	1,500	1
1997	3,760	3

Weighted Average Earnings \$ 4,340

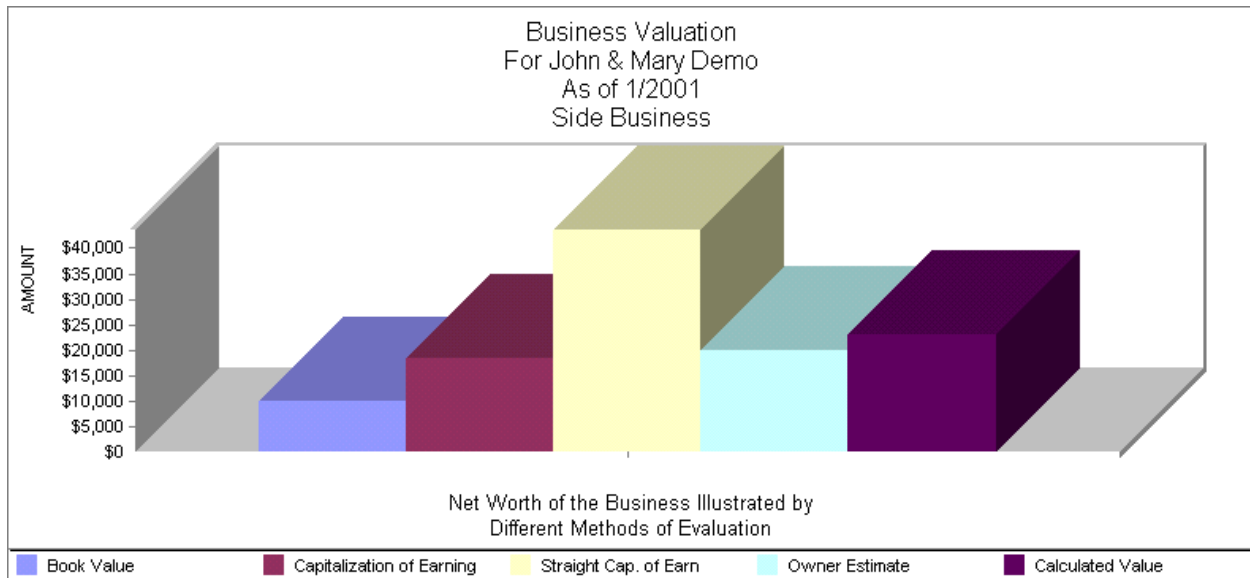


BUSINESS VALUATION ANALYSIS
For
John and Mary Demo

Business Valuation Methods

1. Book Value	\$	10,000
2. Capitalization Of Earnings		
Weighted Earnings	\$	4,340
Less 15.00% Return On Book Value	\$	1,500
Excess Earnings	\$	2,840
Value Of Goodwill (3 X 2,840)	\$	8,520
Plus Book Value	\$	10,000
Value Under This Method	\$	18,520
3. Straight Capitalization Of Earnings		
Average Earnings	\$	4,340
Capitalization At 10.00%		
Value Under This Method	\$	43,400
4. Owner's Estimated Value	\$	20,000

AVERAGE BUSINESS VALUE **\$ 22,980**



SCHEDULES TO STATEMENT OF FINANCIAL CONDITION
For
John and Mary Demo
(PRESENT)
As Of January 2001

Schedule - CASH AND CASH EQUIVALENTS

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Taxable Checking Account	Joint	10293847	\$ 1,000
Taxable Savings Account	Joint	6758493021	\$ 5,000
Taxable Cert. of Deposit	Joint	40987234	\$ 25,000
Tax Def. Fixed Annuity	Client		\$ 10,000
Taxable Money Market Fund	Joint	208945621	\$ 65,000
Accumulated Surplus Cash	Joint		\$ 0

Total			\$ 106,000

Schedule - LIFE INSURANCE CASH VALUE

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
John's Whole Life Policy	Client	342334-987	\$ 10,000
Mary's Term Life Policy	Second		\$ 0

Total			\$ 10,000

Schedule - EQUITIES AND MUTUAL FUNDS

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Taxable Common Stock	Joint	DM1101	\$ 27,270
Tax Def. Variable Ann.	Client		\$ 8,000
Taxable Mutual Fund	Joint	4697456-1	\$ 108,652

Total			\$ 143,922

Schedule - BONDS

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Taxable Corporate Bond	Second		\$ 8,500

Total			\$ 8,500

Schedule - NOTES

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Taxable Note Carryback	Joint		\$ 190,186

Total			\$ 190,186

SCHEDULES TO STATEMENT OF FINANCIAL CONDITION
For
John and Mary Demo
(PRESENT)
As Of January 2001

Schedule - REAL ESTATE

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Personal Home	Joint		\$ 225,000
Rental Property	Joint		\$ 97,500

Total			\$ 322,500

Schedule - OTHER PROPERTY

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Jewelry	Client		\$ 40,000
Porsche	Joint		\$ 67,000

Total			\$ 107,000

Schedule - RETIREMENT PLANS

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
IRA - John	Client		\$ 24,000
IRA - Mary	Second		\$ 15,900
Tax Def. Ret. Fixed Annuity	Client		\$ 10,000
Tax Def. Ret. Varble. Ann	Client		\$ 20,000

Total			\$ 69,900

Schedule - BUSINESS INTEREST

<u>Description</u>	<u>Owner</u>	<u>Account Number</u>	<u>Market Value</u>
Side Business	Second		\$ 22,980

Total			\$ 22,980

Schedule - LIABILITIES

<u>Description</u>	<u>Type</u>	<u>Amount Owed</u>
Auto Loan	Auto	\$ 29,864
Jones 2nd	Mortgage	10,000
Rental 1st Mortgage	Mortgage	28,358
VA 1st Mtge	Mortgage	122,390

		\$ 190,612

ANALYSIS OF FINANCIAL CONDITION
For
John and Mary Demo
(PRESENT)

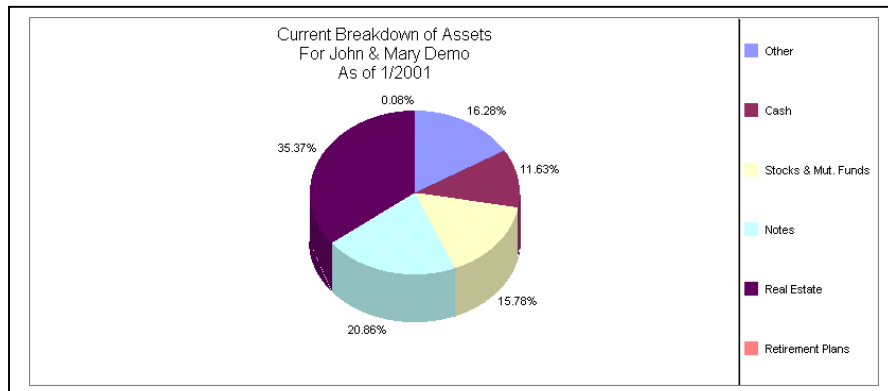
As Of January 2001

One of the key elements to any financial report is the Statement of Financial Condition. It acts as an annual “scorecard” in determining whether you’re winning or losing against the effects of taxes, inflation and personal spending patterns.

In reviewing your Statement of Financial Condition as it appears on the date indicated, ASSUMING NO CHANGES IN YOUR PRESENT SPENDING AND INVESTMENT HABITS, you can expect to have assets totaling \$980,987 and liabilities totaling \$190,612. Thus, your net worth is expected to be \$790,376.

A statistical breakdown of your ASSETS reveals:

ASSET TYPE	PERCENT OF TOTAL ASSETS			
CASH ASSETS of	\$	106,000	EQUALS	10.81%
STOCKS AND MUTUAL FUNDS of	\$	143,922	EQUALS	14.67%
BONDS of	\$	8,500	EQUALS	0.87%
NOTES of	\$	190,186	EQUALS	19.39%
LIFE INSURANCE CASH VALUE of	\$	10,000	EQUALS	1.02%
REAL ESTATE of	\$	322,500	EQUALS	32.88%
PERSONAL PROPERTY of	\$	107,000	EQUALS	10.91%
BUSINESS INTERESTS of	\$	22,980	EQUALS	2.34%
RETIREMENT PLANS of	\$	69,900	EQUALS	7.13%



In addition, further observations can be made that you have 73.10% of your annual earned income in readily available cash (checking, savings, money market accounts).

This is considered to be an extremely conservative cash position. Perhaps too conservative. Your risk here is broad exposure to inflation and taxes.

Your total current assets of \$258,422 (cash assets, stocks, bonds and mutual funds) equals 135.57% of your total liabilities.

This puts you in an extremely secure financial position although, this may not be working to your advantage from a tax standpoint.

INVESTMENT PERFORMANCE SUMMARY AS OF JANUARY 2001

For

John and Mary Demo
NON-QUALIFIED ASSETS

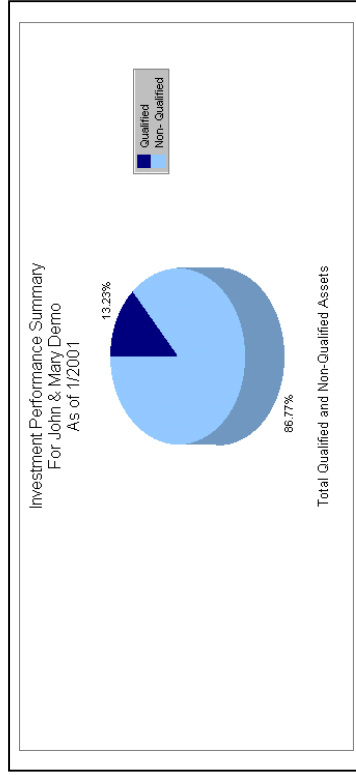
ASSET CATEGORY Asset Names	Owner	Pur- chased	No. Of Units	Total Cost	Total Value	Gain/ Loss	Annual Dividend	Annual Income	Yield On Cost	Yield On Value	Subtotal Of Value	% Of Portfolio
BONDS												
Taxable Corporate Bond	s	6/79	10,000	10,000	8,500	-1,500	85.00	850	8.50%	10.00%	8,500	1.61%
CERTIFICATE OF DEPOSIT												
Taxable Cert. of Deposit	j	1/87	1,000	23,000	25,000	2,000	1,537.50	1,538	6.68%	6.15%	25,000	4.73%
CHECKING												
Taxable Checking Account	j	1/80	1,000	0	1,000	1,000	52.50	53	N/A	5.25%	1,000	0.19%
FIXED ANNUITY												
Tax Def. Fixed Annuity	c	1/88	1,000	9,000	10,000	1,000	1,000.00	1,000	11.11%	10.00%	10,000	1.89%
LIFE INSURANCE												
John's Whole Life Policy	c	7/76	1,000	7,000	10,000	3,000	500.00	500	7.14%	5.00%	10,000	1.89%
MUTUAL FUNDS												
Taxable Mutual Fund	j	3/84	5,501.345	750	108,652	107,902	0.50	2,751	366.76%	2.53%	108,652	20.56%
MONEY MARKET												
Taxable Money Market Fund	j	3/86	1,000	50,000	65,000	15,000	3,412.50	3,413	6.83%	5.25%	65,000	12.30%
NOTES												
Taxable Note Carryback	j	6/96	1,000	80,000	190,186	110,186	N/A	202,461	35.66%	15.00%	190,186	35.99%
SAVINGS												
Taxable Savings Account	j	4/80	1,000	0	5,000	5,000	275.00	275	N/A	5.50%	5,000	0.95%
STOCKS												
Taxable Common Stock	j	3/82	1,000,000	800	27,270	26,470	0.85	850	106.25%	3.12%		

INVESTMENT PERFORMANCE SUMMARY AS OF JANUARY 2001

For

**John and Mary Demo
NON-QUALIFIED ASSETS**

ASSET CATEGORY Asset Names	Owner	Pur- chased	No. Of Units	Total Cost	Total Value	Gain/ Loss	Annual Dividend	Annual Income	Yield On Cost	Yield On Value	Subtotal Of Value	% Of Portfolio
VARIABLE ANNUITY												
Tax Def. Variable Ann.	c	1/88	1,000.000	9,000	8,000	-1,000	0.50	500	5.56%	6.25%	27,270	5.16%
Total Non-Qualified Assets				189,550	458,607	269,057		214,189	113.00%	46.70%	458,607	86.77%



INVESTMENT PERFORMANCE SUMMARY AS OF JANUARY 2,001

For
John and Mary Demo
QUALIFIED ASSETS

ASSET CATEGORY Asset Names	Owner	Pur- chased	No. Of Units	Total Cost	Total Value	Gain/ Loss	Annual Dividend	Annual Income	Yield On Cost	Yield On Value	Subtotal Of Value	% Of Portfolio
FIXED ANNUITY												
Tax Def. Ret. Fixed Annuity	c	1/88	1,000	7,000	10,000	3,000	1,000.00	1,000	14.29%	10.00%	10,000	1.89%
RETIREMENT PLAN												
IRA - Mary	s	3/81	1,000	0	15,900	15,900	0.00	0	N/A	0.00%		
IRA - John	c	3/81	1,000	0	24,000	24,000	0.00	0	N/A	0.00%	39,900	7.55%
VARIABLE ANNUITY												
Tax Def. Ret. Varble. Ann	c	1/88	2,000,000	18,000	20,000	2,000	0.08	160	0.89%	0.80%	20,000	3.78%
Total Qualified Assets			25,000	69,900	44,900		1,160	4.64%	1.66%	69,900	13.23%	

Grand Total All Distributions	\$	0.00
Total Distrib. Taken In Cash	\$	0.00
Grand Total All Liquidations	\$	0.00
Total Market Value	\$	528,507.39

PRESENT ASSET ALLOCATION AS OF JANUARY 2001

For
John and Mary Demo

NAME	UNITS	TOTAL COST	TOTAL VALUE	GROWTH	YIELD	TOTAL RETURN	ANNUALIZED INCOME	PERCENT OF TOTAL ASSETS	WEIGHTED RETURN
BONDS									
Taxable Corporate Bond	10.000	10,000	8,500	0.00%	10.00%	10.00%	850	1.61%	0.16%
			8,500					1.61%	0.16%
CERTIFICATE OF DEPOSIT									
Taxable Cert. of Deposit	1.000	23,000	25,000	0.00%	6.15%	6.15%	1,538	4.73%	0.29%
			25,000					4.73%	0.29%
CHECKING									
Taxable Checking Account	1.000	0	1,000	0.00%	5.25%	5.25%	53	0.19%	0.01%
			1,000					0.19%	0.01%
FIXED ANNUITY									
Tax Def. Ret. Fixed Annuity	1.000	7,000	10,000	0.00%	10.00%	10.00%	1,000	1.89%	0.19%
Tax Def. Fixed Annuity	1.000	9,000	10,000	0.00%	10.00%	10.00%	1,000	1.89%	0.19%
			20,000					3.78%	0.38%
LIFE INSURANCE									
John's Whole Life Policy	1.000	7,000	10,000	0.00%	5.00%	5.00%	500	1.89%	0.09%
			10,000					1.89%	0.09%
MUTUAL FUNDS									
Taxable Mutual Fund	5,501.345	750	108,652	8.00%	2.53%	10.53%	2,751	20.56%	2.17%
			108,652					20.56%	2.17%
MONEY MARKET									
Taxable Money Market Fund	1.000	50,000	65,000	0.00%	5.25%	5.25%	3,413	12.30%	0.65%
			65,000					12.30%	0.65%
NOTES									
Taxable Note Carryback	1.000	80,000	190,186	0.00%	15.00%	15.00%	202,461	35.99%	5.40%
			190,186					35.99%	5.40%

PRESENT ASSET ALLOCATION AS OF JANUARY 2001

For
John and Mary Demo

NAME	UNITS	TOTAL COST	TOTAL VALUE	GROWTH	YIELD	TOTAL RETURN	ANNUALIZED INCOME	PERCENT OF TOTAL ASSETS	WEIGHTED RETURN
RETIREMENT PLAN									
IRA - Mary	1.000	0	15,900	0.00%	8.00%	8.00%	1,272	3.01%	0.24%
IRA - John	1.000	0	24,000	0.00%	8.00%	8.00%	1,920	4.54%	0.36%
			39,900					7.55%	0.60%
SAVINGS									
Taxable Savings Account	1.000	0	5,000	0.00%	5.50%	5.50%	275	0.95%	0.05%
			5,000					0.95%	0.05%
STOCKS									
Taxable Common Stock	1,000.000	800	27,270	6.00%	3.12%	9.12%	850	5.16%	0.47%
			27,270					5.16%	0.47%
VARIABLE ANNUITY									
Tax Def. Variable Ann.	1,000.000	9,000	8,000	10.00%	6.25%	16.25%	500	1.51%	0.25%
Tax Def. Ret. Varble. Ann	2,000.000	18,000	20,000	10.00%	0.80%	10.80%	160	3.78%	0.41%
			28,000					5.30%	0.65%
TOTAL ASSETS							218,541		10.92%

PRESENT ASSET ALLOCATION AS OF DECEMBER 31, 2002

**For
John and Mary Demo**

Asset Name	Value	Growth	Yield	Total Return	% Of Tot Assets	Weighted Return
CASH & EQUIVALENTS						
Taxable Savings Account	5,000	0.00	5.50	5.50	1.277	0.070
Taxable Money Market Fund	65,000	0.00	5.25	5.25	16.597	0.871
Taxable Cert. of Deposit	25,000	0.00	6.15	6.15	6.384	0.393
Taxable Checking Account	1,206	0.00	5.25	5.25	0.308	0.016
Tax Def. Fixed Annuity	12,100	0.00	10.00	10.00	3.090	0.309
John's Whole Life Policy	13,383	0.00	5.00	5.00	3.417	0.171
	-----				-----	-----
Sub-Total	121,688				31.072	1.830
MARKETABLE SECURITIES						
Taxable Common Stock	30,692	6.00	3.12	9.12	7.837	0.714
Taxable Mutual Fund	132,763	8.00	2.53	10.53	33.900	3.570
Taxable Corporate Bond	8,500	0.00	8.50	8.50	2.170	0.184
Tax Def. Variable Ann.	10,801	10.00	6.25	16.25	2.758	0.448
	-----				-----	-----
Sub-Total	182,756				46.666	4.917
RETIREMENT						
IRA - John	29,994	0.00	8.00	8.00	7.659	0.613
IRA - Mary	20,546	0.00	8.00	8.00	5.246	0.420
Tax Def. Ret. Fixed Annuity	12,100	0.00	10.00	10.00	3.090	0.309
Tax Def. Ret. Varble. Ann	24,545	10.00	0.80	10.80	6.267	0.677
	-----				-----	-----
Sub-Total	87,185				22.262	2.018
GRAND TOTALS						
	=====					=====
GRAND TOTALS	391,629					8.766

Looking at Your Risks

Capital Needs Analysis

Disability Needs Analysis

Estate Planning Analysis

CAPITAL NEEDS ANALYSIS
For
John and Mary Demo
Assuming John Dies:

IMMEDIATE CASH FLOW

Liquidated Assets	321,402	Final Expenses	10,000
Pension Death Benefits	<u>54,000</u>	Administrative Costs	0
		Estate Taxes	0
IMMEDIATE EXPENSES	421,864	Education Fund	201,252
AVAILABLE CASH	- <u>375,402</u>	Emergency Needs	20,000
		Real Estate Loans	160,748
NET IMMEDIATE NEEDS	46,462	Other Loans	+ <u>29,864</u>
		IMMEDIATE EXPENSES	421,864

NEEDS BY PERIOD

	Two + Children 12 Yrs 47-59	One Child 3 Yrs 59-62	Soc Sec Blackout 0 Yrs	Survivor PreRet 3 Yrs 62-65	Survivor Retire 21 Yrs 65-86
AVAILABLE MONTHLY INCOME #s are Constant Value Dollars					
Survivor's Earned Income	3,750	3,750		3,750	0
Soc Sec Parent Survivor Benefit	1,333	571		0	0
Widow(er)'s Soc Sec Retirement	0	0		638	561
Other Retirement Income	0	0		0	1,750
Nonliquidated Asset Income	1,000	1,000		1,000	1,000
	-----	-----		-----	-----
AVAILABLE MONTHLY INCOME	6,083	5,321		5,388	3,311
MONTHLY EXPENSES-INCLUDING TAXES	6,000	5,500		5,000	4,000
Less AVAILABLE MONTHLY INCOME	-6,083	-5,321		-5,388	-3,311
	-----	-----		-----	-----
NET MONTHLY NEEDS-Constant \$'s	0	179		0	689
Above - Inflated At 3.00%	0	271		0	1,650
MONEY TO FUND EACH PERIOD	0	4,967		0	100,968

NEED FOR INSURANCE

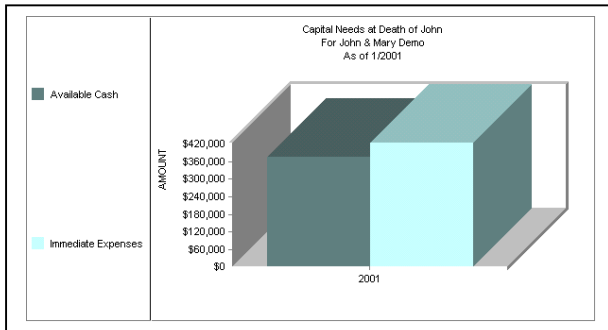
Immediate Expenses	421,864	
Money to Fund Ongoing Needs (Consumed)	105,936	

TOTAL NEEDS	527,799	527,799
Available Cash	375,402	
Existing Life Insurance	100,000	

TOTAL RESOURCES	475,402	- 475,402

ADDITIONAL LIFE INSURANCE NEEDED		52,397

CAPITAL NEEDS ANALYSIS For John and Mary Demo



When an adult member of the household dies, it causes economic disruption for the survivors, whether or not the individual produced income. Typically the survivors need two types of money: immediate cash and money to provide longer-term income.

Immediate needs generally include funeral expenses, taxes, and estate administrative costs. They may also include educational costs, payoffs of real estate and other loans, and provision for a cash emergency fund for the survivors.

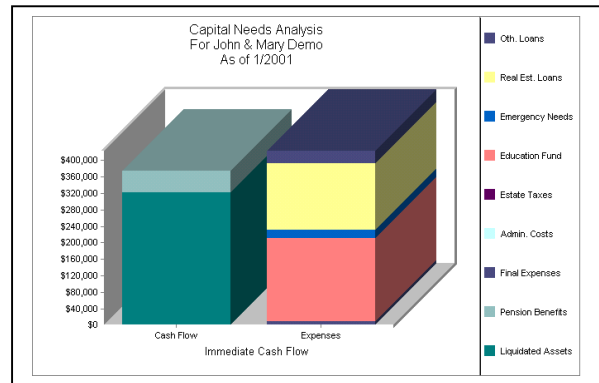
Also there are ongoing needs to provide future income to Mary.

To determine the immediate need for capital, we totaled liquid assets, and pensions. We find that if John were to die today there would be \$375,402 available immediately.

The needs for immediate cash are the following:

Final Expenses of \$10,000,
Administrative Costs of \$0,
Estate Taxes of \$0,
Educational Funds of \$201,252,
Real Estate Mortgages of \$160,748, and
Other Loans of \$29,864.

Coming to a total of \$421,864.



After immediate expenses you will have an immediate cash shortfall of \$46,462 not taking into account any life insurance you may already have.

To determine the capital required today to meet longer-term needs, we have used the net present value approach. This means that we look for the investment dollars needed today to produce the dollars needed tomorrow. We also take into account inflation and an assumed after-tax rate of return stated on the formatted report.

When looking at the longer-term needs, we divide the future into several periods. For each period we assume a monthly cash income requirement (including money to pay taxes) and subtract the expected sources of income. Please be sure to determine such available income in terms of your paycheck before deductions, since the needs should include taxes normally deducted from your paycheck.

If a surplus occurs during any given period, we assume that it will be consumed, and not carried forward to the next period.

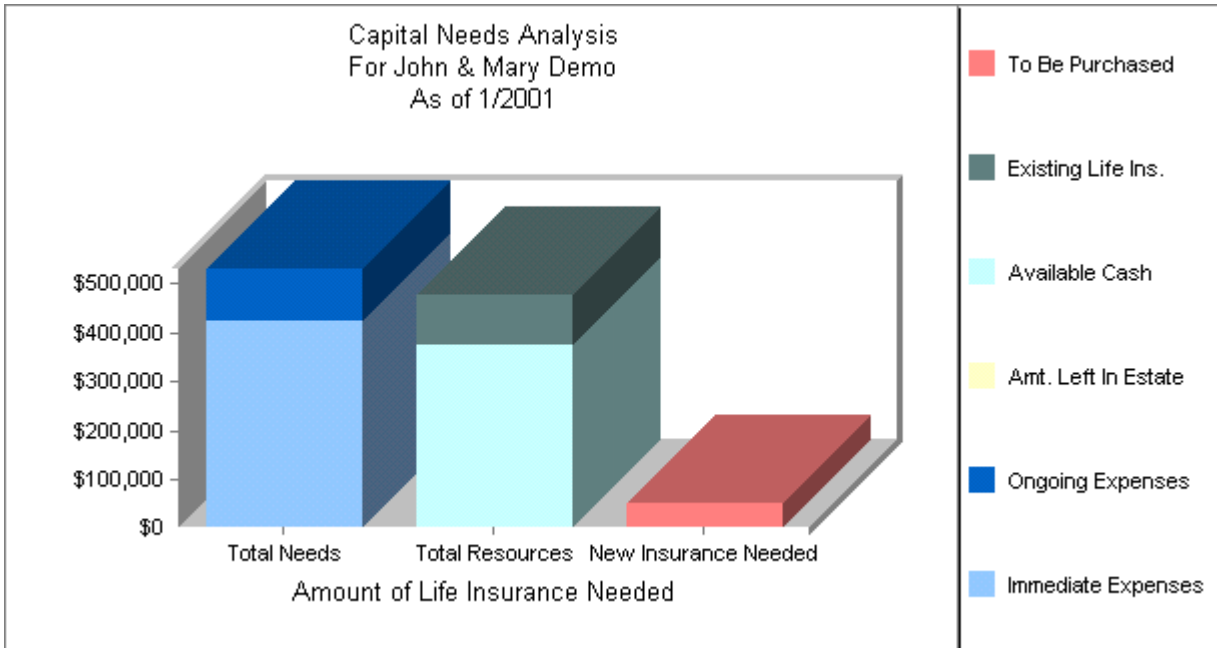
To determine Mary's actual need we have divided the future into five common need periods. Possibly all of them may apply, or only some may apply to your situation.

- 1) While two or more children are at home,
- 2) While one child remains at home,
- 3) Until Mary is eligible for Social Security,
- 4) Until Mary retires, and
- 5) Until Mary's life expectancy.

After adjusting for an expected annual inflation rate of 3.00%, we find that Mary has a need for \$52,397 of additional new capital for immediate needs and for income production.

CAPITAL NEEDS ANALYSIS
For
John and Mary Demo

TO SUMMARIZE: Since there would only be a total of \$475,402, including any existing life insurance provided at John's death, to provide for all of the immediate cash and ongoing income needs, there will be a shortfall experienced by John's survivors of \$52,397.



NOTE: Take care when interpreting this report. We cannot guarantee that the survivors will not experience cash flow shortfalls. Together we have made certain assumptions about the future; for example, we have estimated what we think the projected needs for each period will be and what we think the inflation rate will be, but these might change drastically.

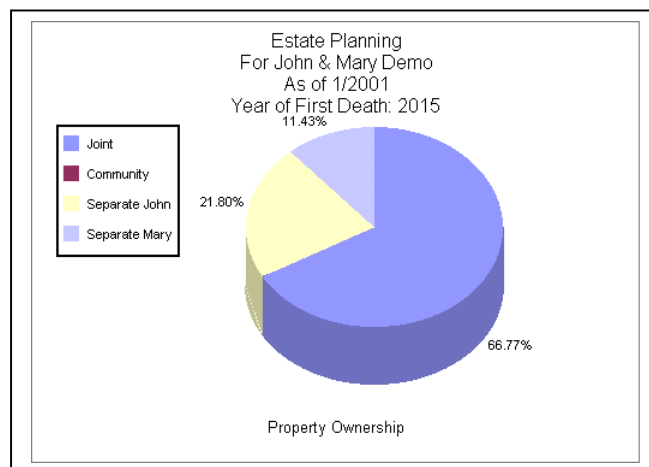
Another possibility is that you may need to provide for a greater projected life span than we have assumed here. Also, if the survivors deplete the principal of any available capital, or if the capital does not earn as much as we hope it might, or if the Federal government reduces benefits, there may also be cash shortages.

DISABILITY NEEDS ANALYSIS
For
John and Mary Demo
(Client Disabled)

Year	2001	2002	2003	2004	2005
DISABILITY INCOME REQUIREMENTS (ANNUAL)					
Living Expenses	27,638	31,356	32,610	33,915	35,271
Extraordinary Liv. Exp	0	0	0	0	0
Loan, Property & Other Exp	57,578	63,090	56,083	45,009	45,322
TOTAL ANNUAL INCOME NEEDS	85,216	94,446	88,694	78,924	80,593
DISABILITY INCOME PROVIDED (ANNUAL)					
Social Security Income	0	0	0	0	0
State Disability	0	0	0	0	0
Accrued Sick Leave	0	0	0	0	0
Employer Provided Disab	0	0	0	0	0
Individually Owned Disab	8,000	12,000	12,000	12,000	12,000
Earned Income	41,250	47,500	50,150	52,960	55,941
Investment Income	108,035	21,347	22,819	24,686	27,086
LESS: TOTAL INCOME PROVIDED	157,285	80,847	84,969	89,646	95,027
DISABILITY INCOME (SHORTAGE) \$	72,069	-13,598	-3,725	10,722	14,434

**PROPERTY OWNERSHIP AND PROBATE ESTATE
For
John and Mary Demo**

	<u>Joint</u>	<u>Community</u>	<u>John</u>	<u>Mary</u>	<u>TOTAL</u>
Retirement Plans					
John's Plans			200,650		200,650
Mary's Plans				98,867	98,867
Insurance Owned					
John's Life			100,000		100,000
Mary's Life				100,000	100,000
Other Assets	1,365,300		145,094	34,759	1,545,153
TOTAL ASSETS	1,365,300		445,744	233,626	2,044,670
John's Estate	682,650		445,744		1,128,394
Mary's Estate	682,650			233,626	916,276
Liabilities	45,150				45,150
Probate Estate			145,094	34,759	



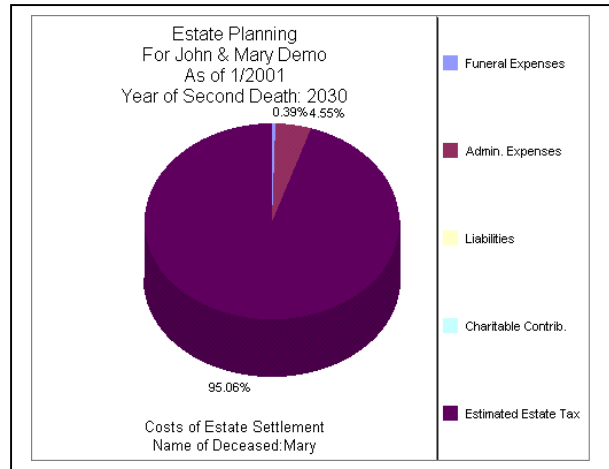
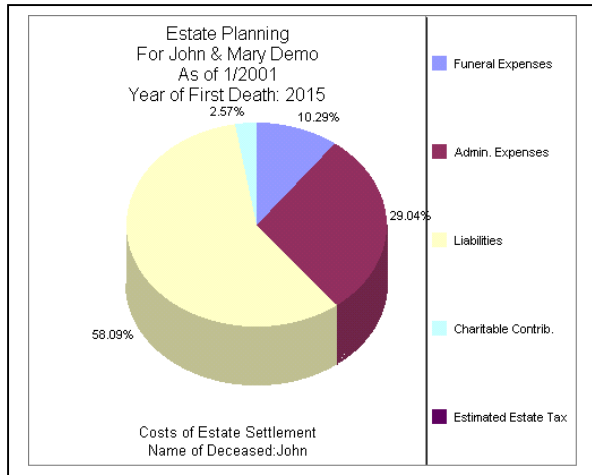
ESTIMATED FEDERAL ESTATE TAX
For
John and Mary Demo

	John	Mary
Year of Death	2015	2030
Estate Growth After John Dies		8.00
Gross Estate	1,128,394	2,689,366
John's Marital Deduction		160,753
John's Remaining Net Estate		3,011,416

Mary's TOTAL Gross Estate		5,861,535
Expenses		
Funeral Costs	8,000	10,000
Administrative Expenses at 2.0%	22,568	117,231
Liabilities/Loans	45,150	0
	-----	-----
TOTAL Expenses	75,718	127,231
	-----	-----
ADJUSTED GROSS ESTATE	1,052,676	5,734,304
Less		
Marital Deduction	50,676	
Charitable Deduction	2,000	0
	-----	-----
Tentative Taxable Estate	1,000,000	5,734,304
Plus: Taxable Gifts Made after 1976	0	0
	-----	-----
TOTAL TAXABLE ESTATE	1,000,000	5,734,304
	=====	=====
Tentative Federal Estate Tax	345,800	2,794,667
Estimated State Death Tax	0	0
Less		
Taxes Paid On Post-1976 Gifts	0	0
Unified Credit	345,800	345,800
Credit For State Death Tax	0	0
Credit For Prev Estate Tax		
	-----	-----
Estimated Fed. Estate Tax	0	2,448,867
	-----	-----
NET ESTATE	1,000,000	3,285,437
	=====	=====
DISTRIBUTION OF YOUR ESTATE		
Unified Credit Trust	50,676	160,753
Children	0	0
Grandchildren	0	0
Others	0	0
	-----	-----
Remaining Estate	949,324	3,446,190

COST & LIQUIDITY SITUATION
For
John and Mary Demo
John Predeceases Mary in 2015

	John	Mary
COSTS OF ESTATE SETTLEMENT		
Funeral Expenses	8,000	10,000
Administrative Expenses	22,568	117,231
Liabilities	45,150	0
Charitable Contributions	2,000	0
Estimated Estate Tax	0	2,448,867
	-----	-----
Total Costs	77,718	2,576,098
ESTATE DEPLETION	6.89%	43.95%
Liquidity Available	1,098,162	1,254,070
ADDITIONAL LIQUIDITY NEEDED	0	1,322,028



ESTATE PLANNING ANALYSIS
For
John and Mary Demo

Our review of your estate planning explores the impact of taxes and estate settlement costs on the assets you intend to leave to your heirs.

The 1981 changes to the federal estate tax laws allow for an unlimited marital deduction. This means you may make an election to have your total estate pass to Mary (assuming you die first) without incurring any federal estate tax liability. However, when Mary dies the entire estate, less any exemption, becomes subject to taxes.

One method of reducing this liability is to transfer some of your assets into a Credit Trust, thus significantly reducing the estate tax. Specifically, assuming John dies first in 2015, your gross estate will total \$1,128,394. This figure includes one half of all your joint and community property plus all your separate property.

Life insurance in the amount of \$100,000 is also included.

From the gross estate, \$45,150 is subtracted for debts and \$22,568 for expenses, leaving an adjusted gross estate of \$1,052,676.

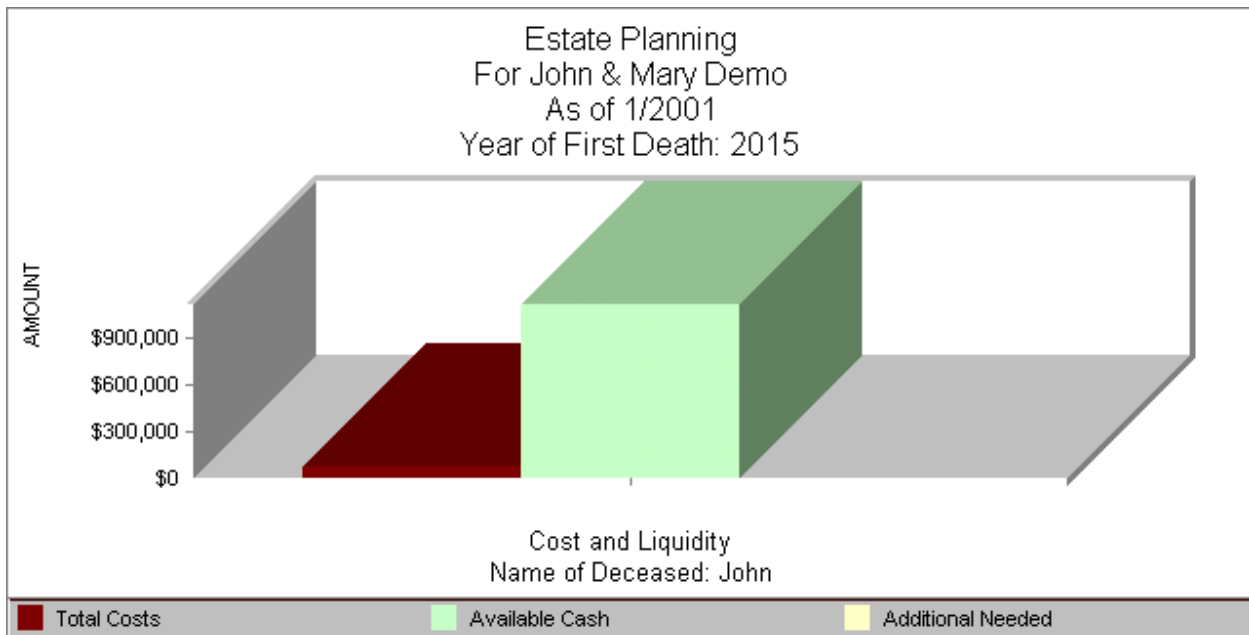
We then assume that \$50,676 is transferred into a trust.

We have hypothetically assumed that John has transferred \$50,676 to Mary under the unlimited marital deduction rules.

The result is that your net federal estate tax will be \$0.

Your estate settlement expenses also include \$22,568 (legal, accounting, court costs, etc.) and debts of \$45,150.

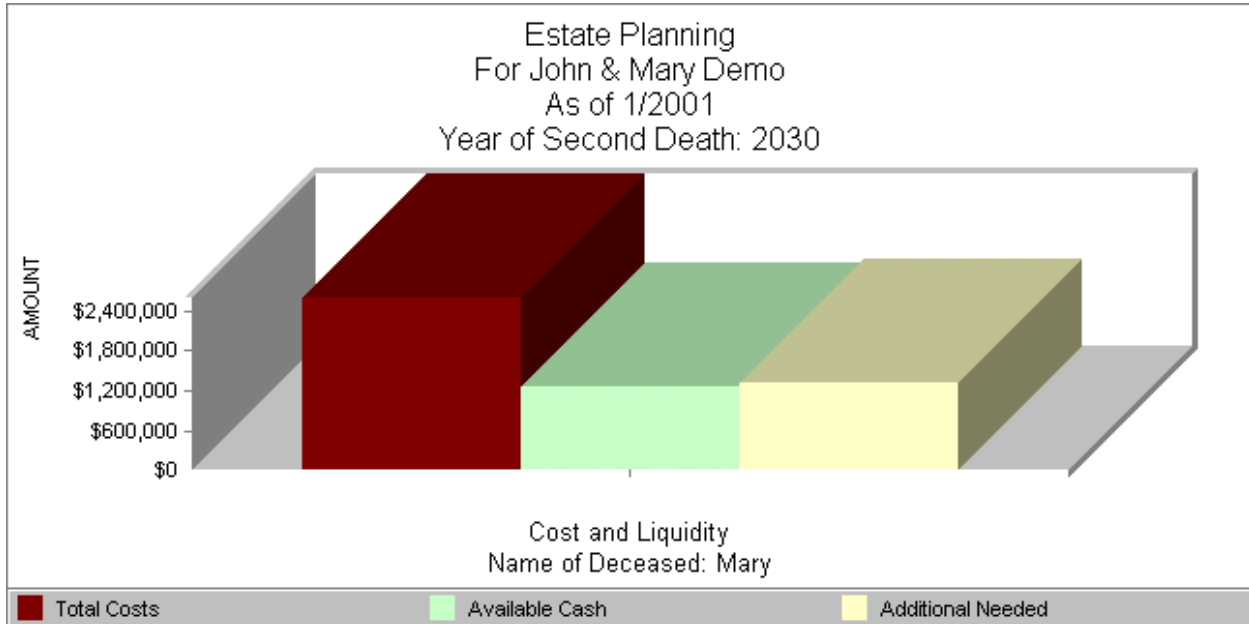
Since you are willing to liquidate assets in excess of these costs you will need to provide no additional liquid capital to settle your estate.



ESTATE PLANNING ANALYSIS
For
John and Mary Demo

We then make the assumption that Mary dies in the year 2030. Using the same basic calculations we determine that Mary's Adjusted Gross Estate is scheduled to be \$5,734,304. Note that the estate has been reduced for tax purposes by \$50,676, the amount we transferred into the Credit Trust.

Mary will wind up with a taxable estate of \$5,734,304, assuming Mary dies in the year 2030. There will be a net federal estate tax liability of \$2,448,867. Mary's other estate settlement costs are included in the total costs of settlement.



Since Mary's estate is short of liquid capital by \$1,322,028, this amount will have to be provided for.

Looking at Your Retirement

Retirement Needs Analysis

RETIREMENT PLANNING SUMMARY

For

John and Mary Demo

ASSUMPTIONS:

- 1. Monthly Purchasing Power Desired In Current Dollars \$ 8,000
- 2. Annual Inflation Rate 3.00%
- 3. Age At Retirement 65
- 4. Present Working Capital \$ 450,000
- 5. Home Equity Included N
- 6. Additional Monthly Investments Toward Retirement 0
- 7. Annual Increase In Monthly Investments 3.00%
- 8. Assumed Income Tax Rate At Retirement 28.00%
- 9. Annual Increase In Social Security Benefits 2.00%

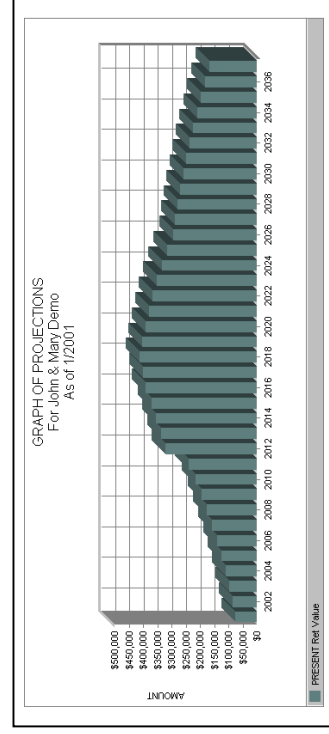
Year	Age	Monthly ->				Annual ->				Capital at 5.00%	Capital at 7.00%	Capital at 8.53%	
		Desired Retire. Income	Earned Income	Soc. Sec. + Income	Present Retire. + Income	Other Income	Less: Income - Taxes	Less: Education Expenses	Shortage or Surplus				Plus: Add. Invest.
2001	49	0	0	0	0	0	0	0	0	0	472,500	481,500	488,385
2002	50	0	0	0	0	0	0	0	0	0	496,125	515,205	530,044
2003	51	0	0	0	0	0	0	0	0	0	520,931	551,269	575,257
2004	52	0	0	0	0	0	0	0	0	0	546,977	589,858	624,326
2005	53	0	0	0	0	0	0	0	0	0	574,326	631,148	677,581
2006	54	0	0	0	0	0	0	0	0	0	603,043	675,328	735,379
2007	55	0	0	0	0	0	7,503	-7,503	0	0	625,316	714,572	789,963
2008	56	0	0	0	0	0	16,057	-16,057	0	0	639,721	747,410	839,919
2009	57	0	0	0	0	0	25,151	-25,151	0	0	645,298	772,818	884,268
2010	58	0	0	0	0	0	35,279	-35,279	0	0	640,520	789,166	921,407
2011	59	0	0	0	0	0	35,612	-35,612	0	0	635,153	806,302	961,353
2012	60	0	0	0	0	0	35,821	-35,821	0	0	629,297	824,414	1,004,479
2013	61	0	0	0	0	0	35,821	-35,821	0	0	640,739	861,718	1,069,464
2014	62	0	0	0	0	0	19,069	-19,069	0	0	672,776	922,038	1,160,690
2015	63	0	0	0	0	0	0	0	0	0	706,415	986,581	1,259,697
2016	64	0	0	0	0	0	13,181	-13,181	0	0	727,895	1,041,538	1,352,843
2017	65	12,837	13,357	1,445	1,933	0	27,943	-36,666	0	4,625	725,791	1,075,213	1,428,447
2018	66	13,222	13,912	1,474	1,990	0	29,620	-37,411	0	4,803	722,798	1,110,447	1,509,691
2019	67	13,619	6,483	2,137	3,361	0	45,669	-104,498	0	3,265	649,214	1,076,365	1,525,055
2020	68	14,028	6,714	2,309	3,423	0	46,896	-106,518	0	3,388	569,830	1,037,736	1,539,537

RETIREMENT PLANNING SUMMARY

For
John and Mary Demo

Year	Age	Monthly Desired Retire. Income ->		Soc. Sec. Income +	Present Retire. Income +	Other Income +	Less: Income - Taxes	Annual -> Less: Education Expenses -	Shortage or Surplus	Plus: Add. Invest.	Capital at		
		Retire. Income	Earned Income								5.00%	7.00%	8.50%
2021	69	14,448	2,803	2,355	3,480	0	2,320	32,071	-129,623	0	462,217	971,680	1,530,179
2022	70	14,882	0	2,403	3,533	0	1,383	33,995	-157,950	0	319,480	870,690	1,489,280
2023	71	15,328	0	2,451	3,573	0	1,410	18,017	-146,589	0	181,535	774,788	1,457,222
2024	72	15,788	0	2,500	3,608	0	1,433	0	-133,371	0	50,571	686,315	1,436,774
2025	73	16,262	0	2,550	3,637	0	1,454	0	-138,358	0	0	586,314	1,409,171
2026	74	16,750	0	2,601	3,514	0	1,397	0	-144,386	0	0	472,863	1,372,671
2027	75	17,252	0	2,653	2,517	0	886	0	-155,633	0	0	339,435	1,320,851
2028	76	17,770	0	2,706	2,520	0	894	0	-161,263	0	0	190,644	1,258,501
2029	77	18,303	0	2,760	2,533	0	908	0	-167,010	0	0	25,288	1,184,595
2030	78	18,852	0	2,815	2,529	0	912	0	-173,041	0	0	0	1,097,839
2031	79	19,418	0	2,871	2,522	0	915	0	-179,275	0	0	0	996,916
2032	80	20,000	0	2,929	2,492	0	907	0	-185,828	0	0	0	880,274
2033	81	20,600	0	2,987	2,481	0	908	0	-192,474	0	0	0	746,469
2034	82	21,218	0	3,047	2,445	0	896	0	-199,468	0	0	0	593,660
2035	83	21,855	0	3,108	2,406	0	883	0	-206,690	0	0	0	419,978
2036	84	22,510	0	3,170	2,363	0	868	0	-214,148	0	0	0	223,386
2037	85	23,186	0	3,234	2,316	0	851	0	-221,854	0	0	0	1,663

Retirement Plan Asset Balance at Age 85 is \$168,512 (from Financial Projection Summary)
 First year monthly investment required 5.00% return, escalating at 3.00% per year = \$ 4,114
 First year monthly investment required 7.00% return, escalating at 3.00% per year = \$ 1,442



RETIREMENT NEEDS ANALYSIS
For
John and Mary Demo

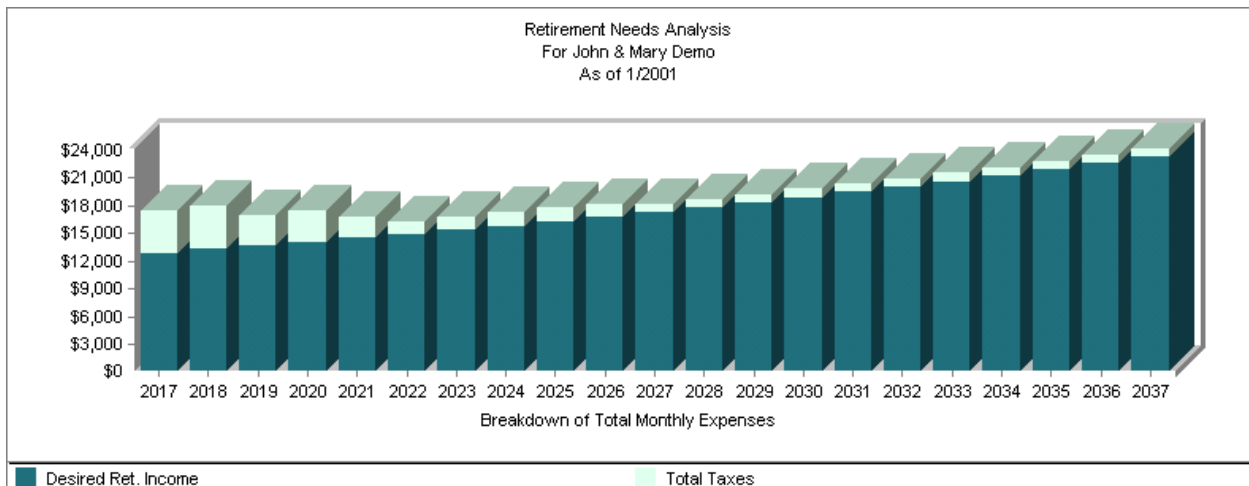
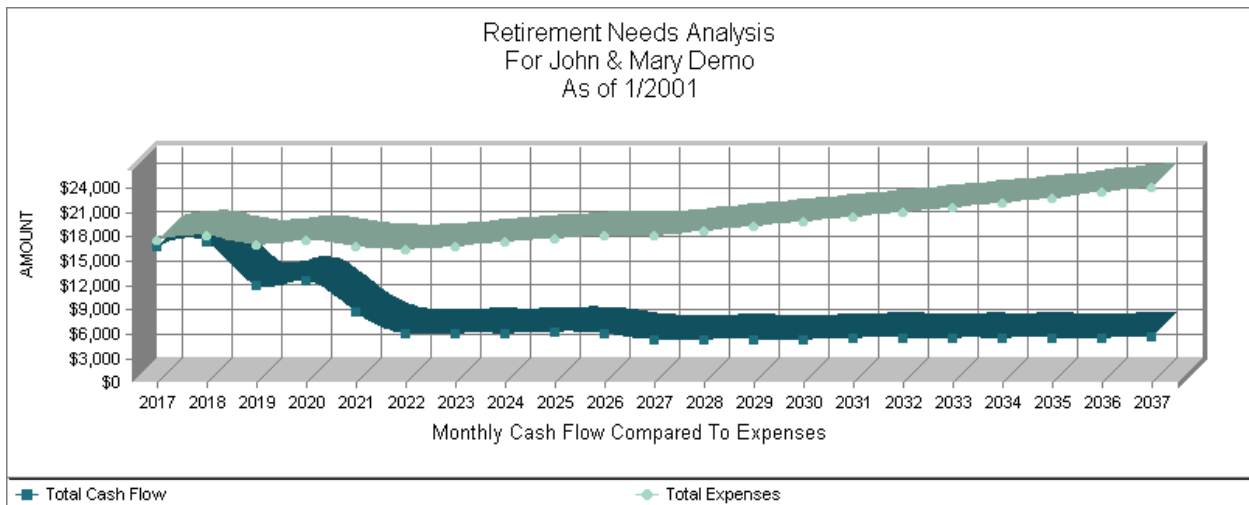
RETIREMENT OBJECTIVE:

Your goal is to retire and be financially independent when John is 65. Upon retirement, you wish to have a monthly purchasing power of \$8,000. However, after adjusting for the effects of 3.00% inflation, you will actually need \$12,838 per month.

In addition, we are also illustrating your family’s school funding requirements first beginning in 2007. These costs are included in the total funding needs since educational expenses often severely impact the amount of capital available at and for retirement.

RETIREMENT ASSUMPTIONS:

Monthly Retirement Income Desired at 65	\$8,000
Present Working Capital	\$450,000
Additional Monthly Investments of	\$0
Annual Increase in Monthly Investments	3.00%
Current After-Tax Return on Working Capital	5.00%



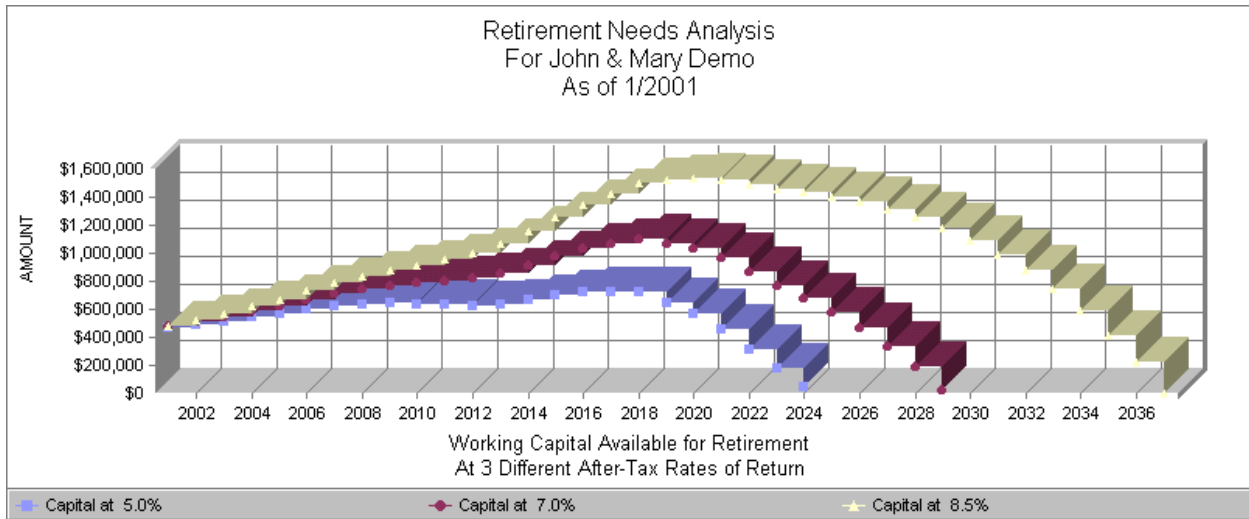
RETIREMENT NEEDS ANALYSIS
For
John and Mary Demo

RETIREMENT FINDINGS:

We calculate that, given these assumptions, your present efforts will prove inadequate to meet your retirement needs. To alleviate this problem you have several choices:

1. Retire later
2. Reduce your retirement income goal
3. Seek higher returns
4. Invest more money periodically
5. Lower your tax bracket
6. Some combination of the above

For example, if you were to continue to save and invest in the same general manner as the present where you are earning approximately 5.00% after tax, you will need to increase your investment contributions to \$4,114 per month.



Another alternative would be to increase the after-tax rate of return on both your present working capital and your monthly investments to 8.53%. Either of these alternatives could fund your present retirement income shortage.

CONCLUSION:

Based on our calculations, assuming \$450,000 in present resources and additional monthly investments of \$0, you will need to achieve an after-tax rate of return of 8.53% in order to meet your retirement income objective. Among the most common investments used to achieve this rate of return are:

- Growth/Income Mutual Fund High Quality Common Stocks
- Moderately Leveraged Real Estate Variable Annuities
- Real Estate Investment Trusts

Looking at Our Recommendations

Personal Action Plan and Recommendation Summary

Refinance Analysis of Your Residence

5 Year Planning Summary

20 Year Planning Summary

Proposed Plan Effects

Proposed Financial Projection - One-Page Summary (Covering Five Years)

Proposed Financial Projection - Detailed

Proposed Asset Allocation

PERSONAL ACTION PLAN
For
John and Mary Demo

The following is a chronological guide to the implementation of proposed changes for 2001 and 2002, designed to improve your overall financial situation:

LIABILITY CHANGE RECOMMENDATIONS:

We recommend the following changes to your loan portfolio.
All loan changes are assumed to take place immediately:

Refinance your VA 1st Mtge loan with a new loan from
What-If Loan on Residence for \$130,000. The Monthly payment is \$954.

This will net \$7,610 in cash, tax-free.

YEAR: 2001

SELL RECOMMENDATIONS
NONE

PURCHASE RECOMMENDATIONS

Month - January: Acquire \$20,000 of *What-If European Trip.

Month - December: Acquire \$100,000 of *What-If Taxable Large Cap.

YEAR: 2002

SELL RECOMMENDATIONS

Month - June: Sell \$10,000.0 of your Taxable Money Market Fund.
This releases \$10,000 in cash.

PURCHASE RECOMMENDATIONS

Month - March: Acquire \$15,000 of *What-If Taxable Growth Fund.

RECOMMENDATION SUMMARY
For
John and Mary Demo

ASSET LIQUIDATED	AMOUNT	DATE
Taxable Money Market Fund	\$ 10,000	6/2002
Sub-Total		\$ 10,000

BORROWED FUNDS	NET CASH OUT	DATE
What-If Loan on Residence	\$ 7,610	1/2001
Sub-Total		\$ 7,610

TOTAL INVESTABLE CASH		\$ 17,610
		=====

ASSET ACQUIRED	AMOUNT	DATE
*What-If European Trip	\$ 20,000	1/2001
*What-If Taxable Large Cap	\$ 100,000	12/2001
*What-If Taxable Growth Fund	\$ 15,000	3/2002
TOTAL NEW INVESTMENTS		\$ 135,000*
		=====

*If this figure exceeds the total amount of investable cash, the additional dollars are assumed to be drawn from surplus capital being carried in the accumulated surplus cash fund.

RESIDENTIAL PROPERTY ANALYSIS
For
John and Mary Demo

This Property Analysis is for "Personal Home" located at:

1. Fair Oaks, CA

2. Market Value 225,000 Assumed Appreciation Rate: 5%

3. OPERATING EXPENSES:

4. Yearly Property Tax 1,600 Assumed Escalation Rate: 2%

5. Annual Insurance Premium 740 Assumed Escalation Rate: 3%

6. Maintenance & Other 1,200 Assumed Escalation Rate: 4%

7. TOTAL OPERATING EXPENSES 3,540

8. Estimated Cost To Rent/Month 1,100 Assumed Escalation Rate: 5%

9. Cost To Sell 6%

LOAN(S):	Date	Principal	Interest	Term	Payment	Balance
What-If Loan on Residence	1/2001	130,000	8.00%	360	954	130,000

10. Marginal Income Tax Rate 41.00% 41.00% 41.00% 41.00% 41.00%

11. YEARS:

12. Market Value \$ 225,000 236,250 248,063 260,466 273,489 287,163

13. Cost To Sell \$ 13,500 14,175 14,884 15,628 16,409 17,230

14. Loan Balance \$ 130,000 129,008 127,840 126,574 125,204 123,720

15. Equity \$ 81,500 93,067 105,339 118,263 131,876 146,214

16. Gross Profit \$ 61,500 73,067 85,339 98,263 111,876 126,214

17. Loan Payments \$ 11,830 11,447 11,447 11,447 11,447 11,447

18. Loan Reduction \$ 1,155 1,168 1,265 1,370 1,484

19. Loan Interest \$ 10,675 10,278 10,181 10,076 9,963

20. Property Tax \$ 1,600 1,632 1,665 1,698 1,732

21. Tax Write-Offs \$ 12,275 11,910 11,846 11,774 11,695

OWNERSHIP EXPENSES:

22. Principal, Interest, Property Tax & Insurance \$ 14,170 13,841 13,896 13,953 14,011

23. Maintenance & Other Expenses \$ 1,200 1,236 1,273 1,311 1,351

OWNERSHIP ADVANTAGES:

24. Equity Increase \$ 10,965 12,272 12,924 13,612 14,338

25. Tax Savings \$ 5,033 4,883 4,857 4,827 4,795

26. FINANCIAL RETURN \$ 15,998 17,155 17,781 18,440 19,133

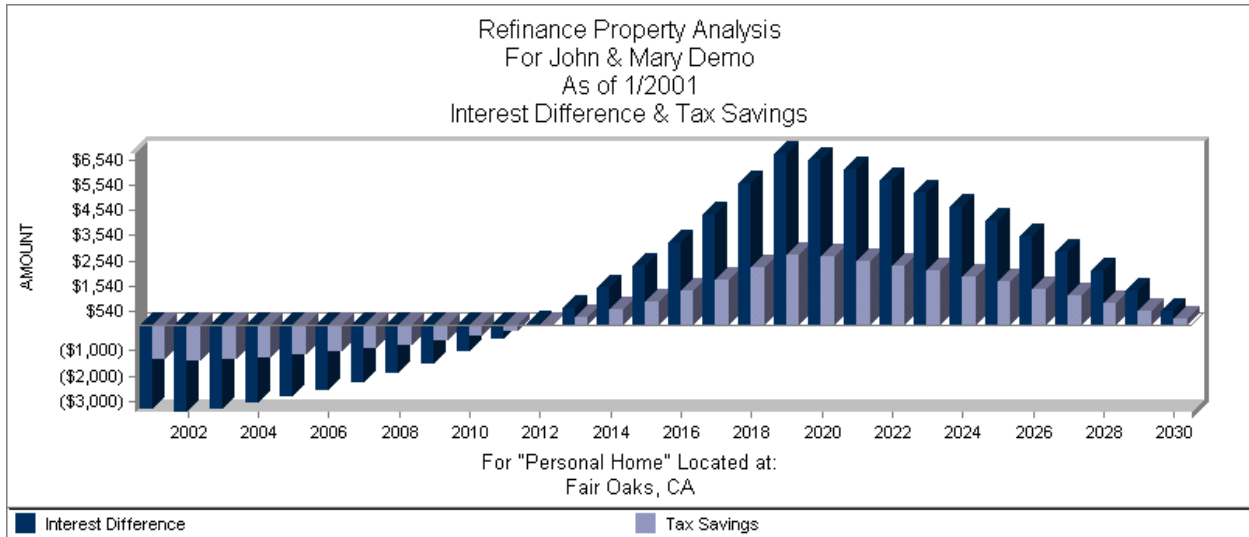
27. ON EQUITY: 19.49% 18.43% 16.88% 15.59% 14.51%

28. RESIDENTIAL USE \$ -2,170 -1,481 -1,166 -841 -505

29. (BENEFIT OR COST): -2.64% -1.59% -1.11% -0.71% -0.38%

30. NET RETURN ON EQUITY: 16.84% 16.84% 15.77% 14.88% 14.12%

**REFINANCE ANALYSIS
For
John and Mary Demo**



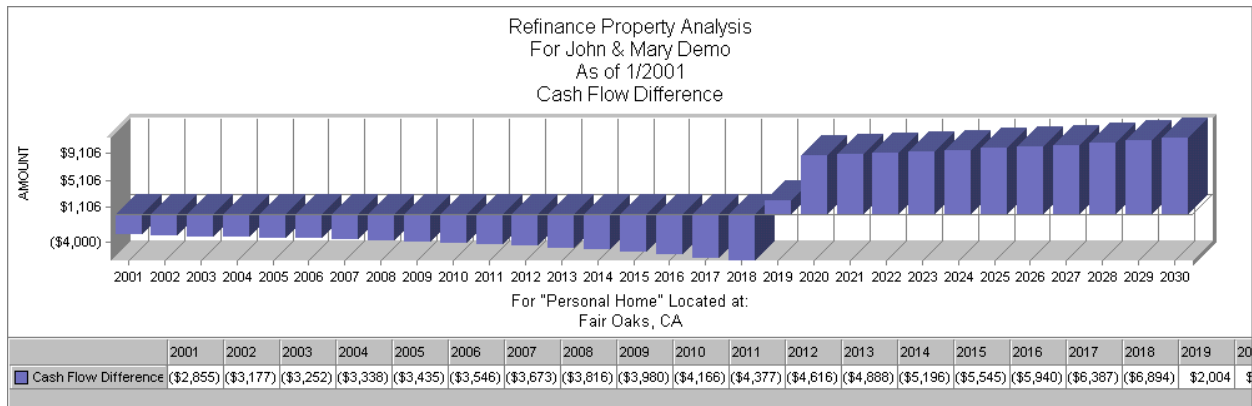
16. Interest Difference	\$	-3,312	-3,460	-3,277	-3,069	-2,831
17. Tax Savings	\$	-1,358	-1,419	-1,344	-1,258	-1,161
18. Payment Difference	\$	-4,213	-4,596	-4,596	-4,596	-4,596
19. Cash Flow Difference	\$	-2,855	-3,177	-3,252	-3,338	-3,435
20. Mortgage Reduction Difference	\$	901	1,136	1,319	1,527	1,765
21. NET COST OF	\$	-1,954	-2,041	-1,934	-1,811	-1,671
22. RELEASED EQUITY		-28.01%	-23.98%	-20.04%	-16.51%	-13.37%

23. AVG. COST RELEASED EQUITY: 5 Yrs: -20.39% 10 Yrs: -6.29% Life Of Loan: 3.28%

REFINANCE ANALYSIS
For
John and Mary Demo

The purpose of this analysis is to evaluate the results of either refinancing an existing mortgage or adding additional financing to your property. It's not uncommon to have real estate equities represent 50% or more of the net worth of our financial planning candidates. It is imperative therefore that you know just what your options are with regard to this trapped equity.

The analysis compares the current financing on the property with any proposed changes and relates this proposal to both your income tax bracket and the after-tax investment return you'll need to break even.



For the property known as Personal Home, the analysis suggests that placing a new loan of \$130,000 at 8.00% on the property will release \$7,610 in cash. In year 2002 you'll need to realize an after-tax return on this money of -23.98% in order to break even.

Due to the one-time costs of obtaining a new loan you'll notice that the first year's net cost percentage is considerably higher than subsequent years. Since these costs are nonrecurring they tend to distort the overall effect of obtaining new financing. Therefore, we recommend using the break-even percentages for 2002 and later years when determining whether to refinance.

5 YEAR PLANNING SUMMARY
For
John and Mary Demo

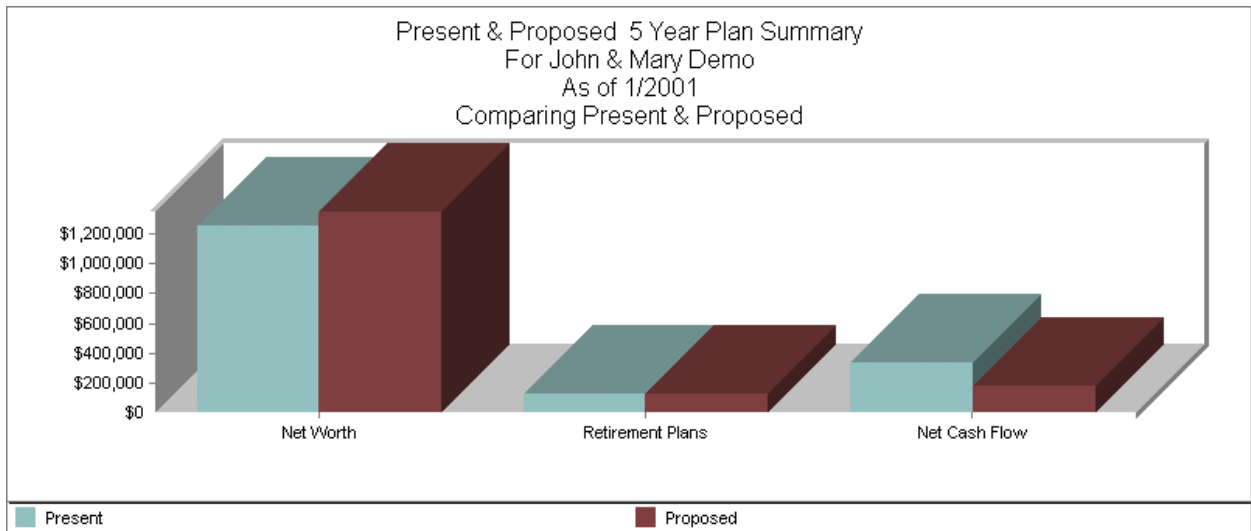
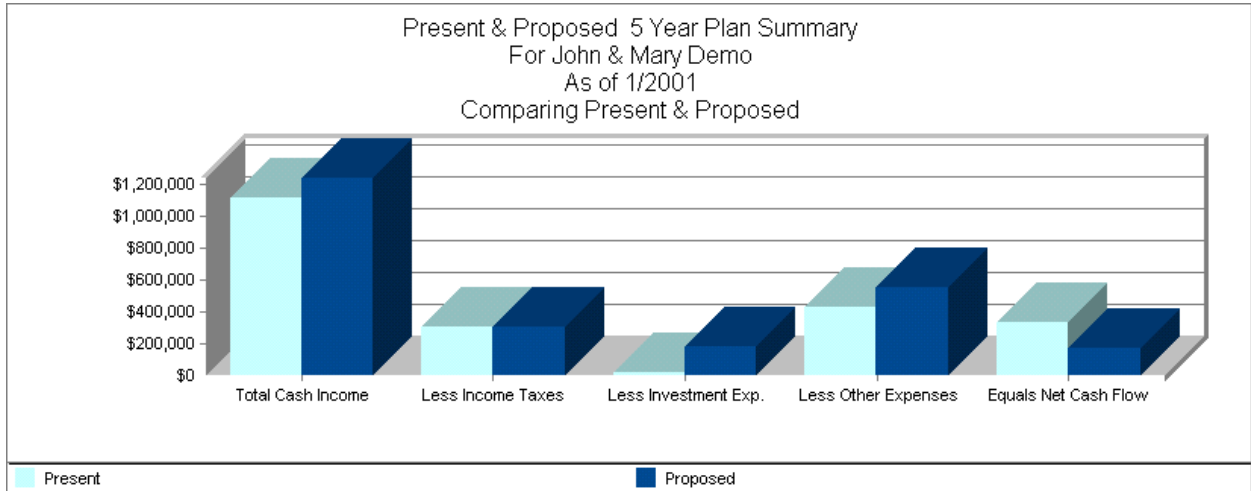
	PRESENT	PROPOSED
CASH FLOW & TAXES		
Income	1,108,829	1,213,722
Plus: Repositioned Assets	0	17,610
Total Cash Income	1,108,829	1,231,332
Less: Income Taxes	312,212	311,337
Net Cash Flow Before Expenses	796,616	919,995
Less: Investment Expenses	20,425	185,631
Less: Other Expenses	435,619	555,412
Net Cash Flow	340,573	178,952
CASH FLOW INCREASE (DECREASE)	\$	-161,620

RETIREMENT PLANS		
Projected Value Of Retirement Plans	126,050	126,050
RETIREMENT PLAN VALUE INCREASE (DECREASE)	\$	0

NET WORTH		
Net Worth	1,252,581	1,336,386
NET WORTH INCREASE (DECREASE)	\$	83,805

PROFORMA INVESTMENT PERFORMANCE - NOT GUARANTEED		
Total New Investments Made Through 2005		185,206
Less: Tax Savings		<u>876</u>
OUT-OF-POCKET COST OF INVESTMENTS THROUGH 2005		184,331
PROFORMA VALUE OF NEW INVESTMENTS IN 2005		269,682

**5 YEAR PLANNING SUMMARY
For
John and Mary Demo**



20 YEAR PLANNING SUMMARY
For
John and Mary Demo

	PRESENT	PROPOSED
CASH FLOW & TAXES		
Income	5,264,442	5,276,594
Plus: Repositioned Assets	0	17,610
Total Cash Income	5,264,442	5,294,204
Less: Income Taxes	1,732,415	1,687,379
Net Cash Flow Before Expenses	3,532,027	3,606,825
Less: Investment Expenses	69,360	290,391
Less: Other Expenses	2,184,605	2,260,859
Net Cash Flow	1,278,062	1,055,575
CASH FLOW INCREASE (DECREASE)	\$	-222,488

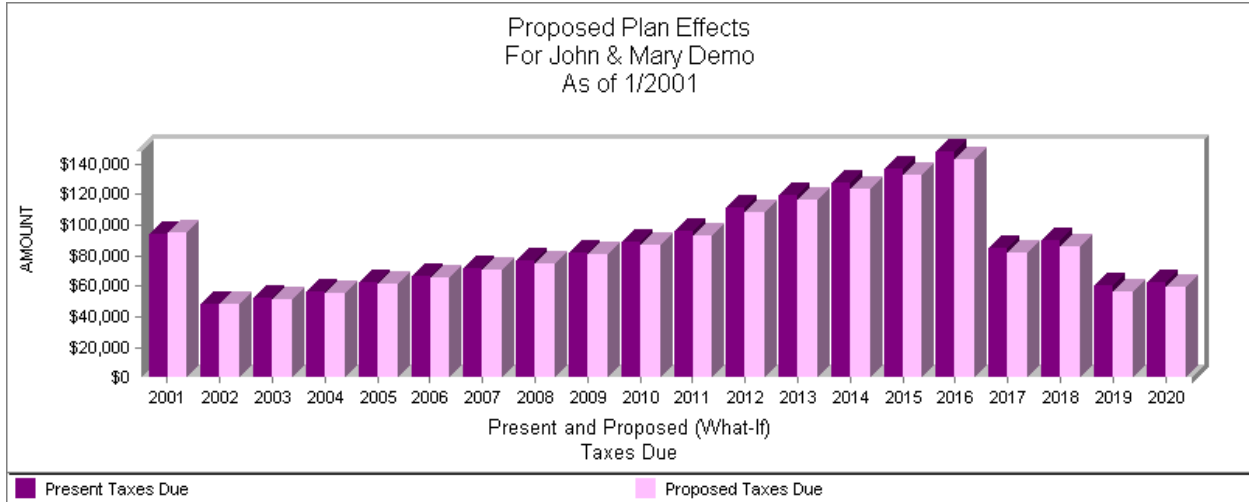
RETIREMENT PLANS		
Projected Value Of Retirement Plans	393,447	393,447
RETIREMENT PLAN VALUE INCREASE (DECREASE)	\$	0

NET WORTH		
Net Worth	3,749,165	5,848,180
NET WORTH INCREASE (DECREASE)	\$	2,099,016

PROFORMA INVESTMENT PERFORMANCE - NOT GUARANTEED		
Total New Investments Made Through 2020		241,031
Less: Tax Savings		<u>45,036</u>
OUT-OF-POCKET COST OF INVESTMENTS THROUGH 2020		195,996
PROFORMA VALUE OF NEW INVESTMENTS IN 2020		2,410,552

**PROPOSED PLAN EFFECTS
For
John and Mary Demo**

TAX EFFECTS						
Year	2001	2002	2003	2004	2005	Total
Present Taxes Due	93,583	48,617	52,079	55,932	62,000	312,212
Proposed Taxes Due	94,758	48,553	51,744	55,298	60,984	311,337
Proposed Taxes Saved	-1,174	64	335	634	1,016	876
Annual Tax Savings	-1%	0%	1%	1%	2%	
Tax Savings Efficiency	-1%	0%	2%	3%	20%	



IF INVESTMENT RETURN IS:

	Modified IRR Is (5% Safe Rate)	Total Value In 2005 Is
Tax Savings + New Investment Value + New Investment Cash Flow	10.95%	\$ 270,381
Total Present Tax Liability	\$ 312,212	
Total Proposed Tax Liability	- <u>311,337</u>	
Total Taxes Saved For Period	\$ 876	= 0.28% Of Present Tax Liability
Total Taxes Saved For Period Divided by	\$ 876 -----	= 0.47% Tax Savings Efficiency
Total New Investment Cost	185,206	

CAUTION!

The achievement of any financial forecast may be affected by fluctuating economic conditions and is dependent on the occurrence of other future events which cannot be assured. Therefore, actual results achieved may vary from this illustration and such variation could be material. The financial data shown on this schedule does not represent operating results and/or financial position in accordance with generally accepted accounting principles. The body of tax law is in a continuous state of change. Accordingly, there are likely to be developments, Congressional and otherwise, that will alter the indicated results. **NO FIGURES ILLUSTRATED ON THIS REPORT SHOULD BE CONSIDERED GUARANTEES OR ASSURANCES OF TAX SAVINGS, CASH FLOW, PROFIT OR PROTECTION FROM LOSS.**

PROPOSED FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
TAXABLE INCOME					
(1) Salaries & Self-Emp Income	145,000	152,500	160,400	168,722	177,491
Salary - Client	100,000	105,000	110,250	115,762	121,551
Salary - Second Client	40,000	42,000	44,100	46,305	48,620
Self-Employment - Second	5,000	5,500	6,050	6,655	7,320
(2) Other Ord Income + Soc Sec	0	0	0	0	0
(3) Interest & Dividends	112,189	11,657	12,254	13,183	14,616
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Checking Account	52	58	63	69	76
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	3,150	2,888	2,888	2,888
Taxable Mutual Fund	2,751	3,041	3,361	3,715	4,107
Taxable Note Carryback	102,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
Interest on Surplus Cash	0	1,853	2,341	2,862	3,847
(4) Gross Capital Gains	20,000	0	0	0	0
L)Taxable Note Carryback	20,000	0	0	0	0
(5) Passive Income	0	0	0	4,297	5,110
Rental Property	0	0	0	4,297	5,110
(6) Gross Income	277,189	164,157	172,654	186,202	197,217
INCOME TAXES					
(7) Adjustments To Income	4,353	4,389	4,427	4,470	4,517
1/2 Self-Emp. Soc. Sec.	353	389	427	470	517
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(8) Usable Ordinary Losses	0	0	0	0	0
(9) Usable Capital Losses	0	0	0	0	0
(10) Usable Passive Losses	0	0	0	4,124	0
Allowed Suspended Losses	0	0	0	4,124	0
Rental Property	1,854	1,425	845	0	0
Suspended Losses	-1,854	-1,425	-845	0	0
(11) Adjusted Gross Income	272,836	159,768	168,226	177,608	192,700
(12) Usable Deductions	29,243	22,540	23,012	23,539	24,320
AGI Excess Deductions	-4,197	-685	-815	-970	-1,292
Deduct Form-Charitable	400	400	400	400	400
Personal Home	1,600	1,632	1,665	1,698	1,732
Porsche	595	565	537	510	485
VA 1st Mtge	1,174	0	0	0	0
What-If Loan on Residence	9,501	10,278	10,181	10,076	9,963
California State Tax	20,169	10,349	11,045	11,824	13,032

PROPOSED FINANCIAL PROJECTION - DETAILED

**For
John and Mary Demo**

	2001	2002	2003	2004	2005
(13) California Tax Estimate	20,169	10,349	11,045	11,824	13,032
(14) Exemption Amount	7,308	17,922	18,460	19,013	19,584
(15) Form 1040 Taxable Income	236,285	119,306	126,754	135,056	148,797
State Taxable Income	251,450	146,892	155,443	164,924	179,048
(16) Tax Credits	0	0	0	0	0
(17) Federal Tax	64,387	27,557	29,583	31,866	35,825
Table Tax	64,387	27,557	29,583	31,866	35,825
AMT Tax	64,248	26,141	28,003	30,161	34,397
(18) Method	table	table	table	table	table
(19) Combined Tax Bracket	42	37	37	37	37
(20) Addl. Pref. Before AMT	497	5,448	6,079	6,555	5,492

CASH FLOW

(21) Total Cash Flow	491,736	178,776	177,333	186,629	196,859
Lines 1-8: Cash Flow Form	145,000	152,500	160,400	168,722	177,491
Rental Property	7,350	7,718	8,103	8,509	8,934
Taxable Cert. of Deposit	1,538	1,538	1,538	1,538	1,538
Taxable Common Stock	850	893	939	986	1,036
Taxable Corporate Bond	850	850	850	850	850
Taxable Money Market Fund	3,412	13,150	2,888	2,888	2,888
Taxable Note Carryback	202,461	0	0	0	0
Taxable Savings Account	275	275	275	275	275
What-If Loan on Residence	130,000	0	0	0	0
Interest on Surplus Cash	0	1,853	2,341	2,862	3,847
(22) Living Expenses	30,150	31,356	32,610	33,915	35,271
(23) Extraordinary Liv. Expense	0	0	0	0	0
(24) Federal & State Taxes	84,556	37,906	40,628	43,690	48,858
Federal	64,387	27,557	29,583	31,866	35,825
State	20,169	10,349	11,045	11,824	13,032
(25) Social Security Taxes	10,201	10,647	11,115	11,608	12,127
(26) Loan, Property & Other Exp	200,989	58,494	51,487	40,413	40,726
*What-If European Trip	20,000	0	0	0	0
Auto Loan	17,170	17,170	0	0	0
Disability Insurance	400	412	424	437	450
Jewelry	250	258	265	273	281
John's Whole Life Policy	1,150	1,150	1,150	1,150	1,150
Jones 2nd	1,500	1,500	11,375	0	0
Liability Insurance	12,000	12,000	12,000	12,000	12,000
Mary's Term Life Policy	600	618	637	656	675
Medical Insurance	750	750	750	750	750

PROPOSED FINANCIAL PROJECTION - DETAILED

**For
John and Mary Demo**

	2001	2002	2003	2004	2005
Personal Home	3,540	3,642	3,748	3,856	3,969
Porsche	4,095	4,185	4,281	4,383	4,490
Rental 1st Mortgage	3,635	3,635	3,635	3,635	3,635
Rental Property	1,680	1,727	1,776	1,827	1,879
VA 1st Mtge	123,727	0	0	0	0
What-If Loan on Residence	10,493	11,447	11,447	11,447	11,447
(27) Investments	104,085	24,104	24,129	24,154	9,160
*What-If Taxable Growth Fund	0	15,019	15,044	15,069	75
*What-If Taxable Large Cap	100,000	5,000	5,000	5,000	5,000
Taxable Checking Account	50	50	50	50	50
Taxable Common Stock	25	25	25	25	25
Taxable Mutual Fund	10	10	10	10	10
IRA - John	2,000	2,000	2,000	2,000	2,000
IRA - Mary	2,000	2,000	2,000	2,000	2,000
(28) Surplus Cash	61,754	16,269	17,363	32,850	50,718

LIQUIDITY

(29) Accumulated Surplus Cash	61,754	78,023	95,385	128,235	178,952
(30) Cash Assets	82,098	73,306	74,629	76,080	77,669
(31) Total Cash Assets	143,852	151,329	170,015	204,314	256,622

RETIREMENT PLANS

(32) Plan Contributions (see Investments)	4,000	4,000	4,000	4,000	4,000
(33) Plan Projected Balance	76,252	87,185	99,071	111,996	126,050
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Tax Def. Ret. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294

PROPOSED FINANCIAL PROJECTION - DETAILED
For
John and Mary Demo

	2001	2002	2003	2004	2005
NET WORTH					
(34) Apparent Net Worth	810,482	919,713	1,043,374	1,183,323	1,336,386
*What-If Taxable Growth Fund	0	16,894	36,347	58,742	67,629
*What-If Taxable Large Cap	101,250	121,438	144,653	171,351	202,054
Auto Loan	-16,284	0	0	0	0
IRA - John	25,920	29,994	34,393	39,145	44,276
IRA - Mary	17,172	20,546	24,189	28,125	32,375
Jewelry	41,600	43,264	44,995	46,794	48,666
John's Whole Life Policy	11,650	13,382	15,202	17,112	19,117
Jones 2nd	-10,000	-10,000	0	0	0
Personal Home	236,250	248,062	260,466	273,489	287,163
Porsche	64,990	63,040	61,149	59,315	57,535
Rental 1st Mortgage	-27,261	-25,961	-24,542	-22,993	-21,304
Rental Property	102,375	107,494	112,868	118,512	124,437
Side Business	22,980	23,669	24,379	25,111	25,864
Tax Def. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Fixed Annuity	11,000	12,100	13,310	14,641	16,105
Tax Def. Ret. Varble. Ann	22,160	24,545	27,179	30,086	33,294
Tax Def. Variable Ann.	9,300	10,801	12,531	14,526	16,822
Taxable Cert. of Deposit	25,000	25,000	25,000	25,000	25,000
Taxable Checking Account	1,098	1,206	1,319	1,439	1,564
Taxable Common Stock	28,931	30,692	32,559	34,537	36,634
Taxable Corporate Bond	8,500	8,500	8,500	8,500	8,500
Taxable Money Market Fund	65,000	55,000	55,000	55,000	55,000
Taxable Mutual Fund	120,104	132,763	146,755	162,221	179,316
Taxable Savings Account	5,000	5,000	5,000	5,000	5,000
What-If Loan on Residence	-129,008	-127,840	-126,574	-125,204	-123,720
Accumulated Surplus Cash	61,754	78,023	95,385	128,235	178,952
(35) 3.00% Inflation Adjusted	810,482	892,925	983,480	1,082,908	1,187,361

PROPOSED ASSET ALLOCATION AS OF DECEMBER 31, 2002

**For
John and Mary Demo**

Asset Name	Value	Growth	Yield	Total Return	% Of Tot Assets	Weighted Return
CASH & EQUIVALENTS						
Taxable Savings Account	5,000	0.00	5.50	5.50	0.962	0.053
Taxable Money Market Fund	55,000	0.00	5.25	5.25	10.578	0.555
Taxable Cert. of Deposit	25,000	0.00	6.15	6.15	4.808	0.296
Taxable Checking Account	1,206	0.00	5.25	5.25	0.232	0.012
Tax Def. Fixed Annuity	12,100	0.00	10.00	10.00	2.327	0.233
John's Whole Life Policy	13,383	0.00	5.00	5.00	2.574	0.129
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Sub-Total	111,688				21.480	1.277
MARKETABLE SECURITIES						
Taxable Common Stock	30,692	6.00	3.12	9.12	5.903	0.538
*What-If Taxable Growth Fund	16,894	15.00	0.00	15.00	3.249	0.487
*What-If Taxable Large Cap	121,438	15.00	0.00	15.00	23.355	3.503
Taxable Mutual Fund	132,763	8.00	2.53	10.53	25.533	2.689
Taxable Corporate Bond	8,500	0.00	8.50	8.50	1.635	0.139
Tax Def. Variable Ann.	10,801	10.00	6.25	16.25	2.077	0.338
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Sub-Total	321,087				61.752	7.694
RETIREMENT						
IRA - John	29,994	0.00	8.00	8.00	5.768	0.461
IRA - Mary	20,546	0.00	8.00	8.00	3.951	0.316
Tax Def. Ret. Fixed Annuity	12,100	0.00	10.00	10.00	2.327	0.233
Tax Def. Ret. Varble. Ann	24,545	10.00	0.80	10.80	4.721	0.510
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Sub-Total	87,185				16.768	1.520
GRAND TOTALS						
	=====				=====	=====
GRAND TOTALS	519,960					10.492