

FAMILY WEALTH GOAL ACHIEVER™ - INITIAL

PREPARED FOR:

DUNCAN AND TINA LEWIS

April 27, 2011

v5

DRAFT FOR DISCUSSION PURPOSES ONLY

PRESENTED BY

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YOUR GOALS AND OBJECTIVES

DUNCAN AND TINA LEWIS

- Maintain our customary lifestyle. This should take about \$1,600,000 annually after taxes and gifts.
- Provide for the financial security of the surviving spouse.
- Maintain adequate liquidity for emergencies and investment opportunities. We prefer to keep at least \$1,000,000 in cash and readily marketable securities.
- Assure that Duncan's, Inc. does not have to be liquidated as a result of our death.
- Provide a successful transition of the business to our son, Jason, while ensuring an equal inheritance for our son, Jeremy. We would like to leave 50% of our estate to Jason & Jeremy and another 25% to our grandchildren and other family members.
- We wish to continue annual giving to our family foundation and ultimately leave 25% of our estate to the foundation at death.
- Make sure the company buy/sell agreement accurately reflects the wishes of the family owners in the most tax efficient manner possible.
- Reduce income taxes if possible.
- Eliminate or reduce estate taxes.

FAMILY INFORMATION

DUNCAN AND TINA LEWIS

CLIENTS

Duncan Lewis	Date of Birth	May 20, 1946
Tina Lewis	Date of Birth	October 27, 1946
123 Main Street		
Philadelphia, PA		

CHILDREN

CHILD'S NAME	DATE OF BIRTH	SPOUSE'S NAME
Jason Lewis	May 2, 1967	Cathy
Jeremy Lewis	September 15, 1971	Jackie

GRANDCHILDREN

NAME	AGE
#1	12
#2	10
#3	7
#4	5
#5	2
#6	3

PERIODIC TABLE OF ESTATE PLANNING ELEMENTS - CONSIDERED

DUNCAN AND TINA LEWIS

In our planning process, we start with the universe of available planning tools. While this universe is constantly changing, the following chart outlines many of the available tools. We examine each of these strategies and discard those that are not suitable for meeting your goals and objectives.

Charitable Remainder Uni-Trust	412(e)	Family Limited Partnership	Private Annuity	Grantor Retained Annuity Trust	Charitable Lead Annuity Trust	SCIN
Family LLC	TCLAT	Qualified Personal Residence Trust	Flip CRT	Sale of Duncan's, Inc. shares for Installment Note	Series Limited Liability Company	GDOT Owned Life Insurance
Premium Finance	Continued Annual Charitable Gifts	Beneficiary Defective Inheritor's Trust (BDIT)	529 Plans	Giftting	ILIT	Corporate Recapitalization
Walton GRAT	Family Foundation	Charitable Life Estate	NIMCRUT	Annuity Withdrawal	Asset Protection	SPIA/Life Arbitrage
SPIA/Life in a CLAT	Principal Protected Notes	Revocable Living Trusts, DPAs and POAs	Crummey Powers	Dynasty Trust	International VUL	GDOT
Supporting Organizations	IRA to Charity	Gift Annuity	Amended Buy/Sell Agreement	Life Estates	International Business Risk Management	LLC/CRT's
Bargain Sales	Business Succession Planning	Risk Management	Charitable Remainder Annuity Trust	ESOP Planning	Defined Benefit Plans	Qualified Plan Limited Partnership

INTRODUCTION TO THE PLAN STRATEGIES ROADMAP

DUNCAN AND TINA LEWIS

The following section of the plan contains a step by step roadmap for each of the strategies that we are recommending.

You will notice that the strategies are often interdependent; that is, in order for one strategy to be successful, you must complete another strategy as well. It is the integration of each of these strategies that allows you to most efficiently accomplish your goals.

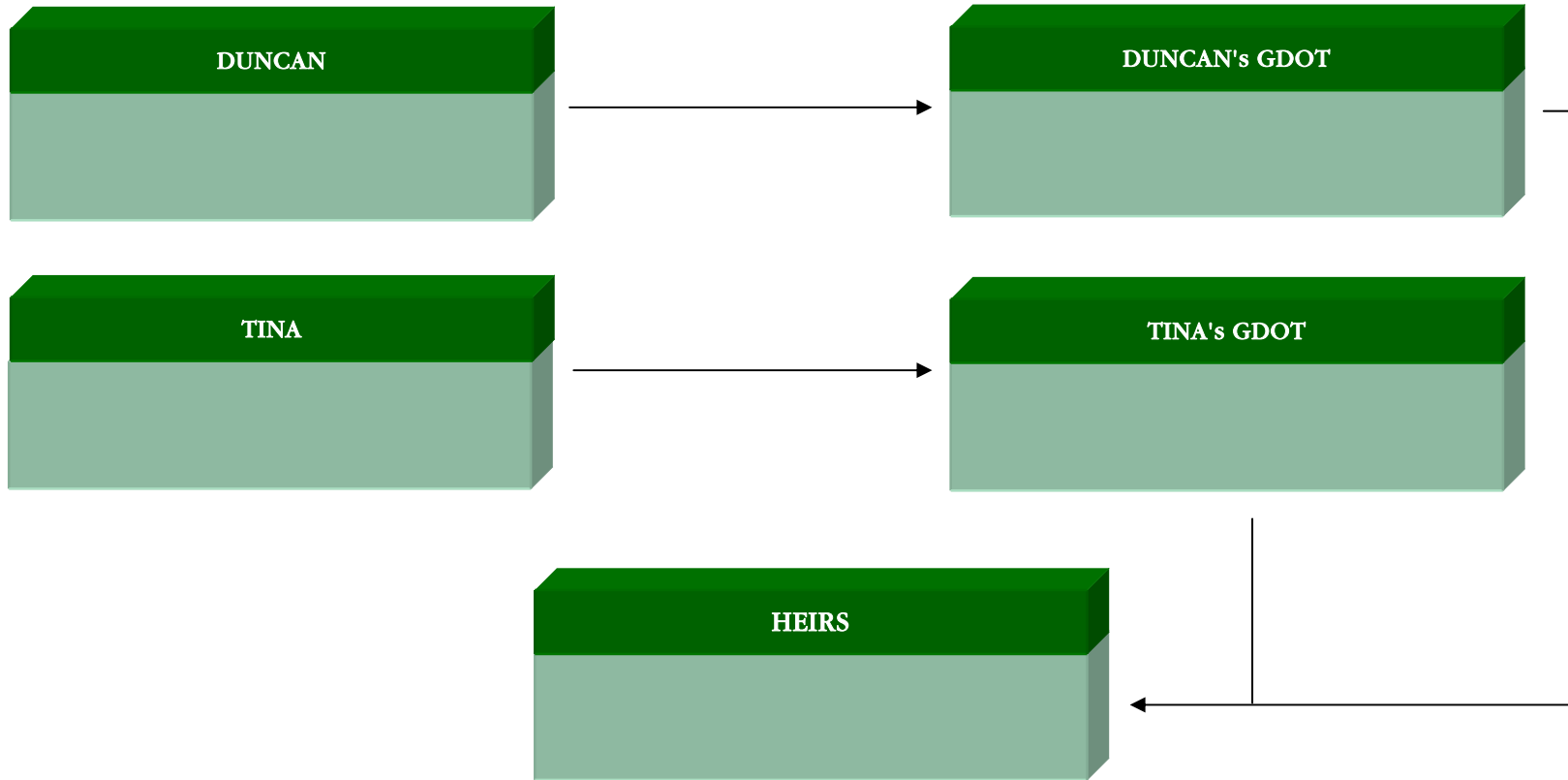
Also keep in mind that there is often more than one way to get from point A to point B. This is true in wealth transfer planning. If a particular strategy or combination of strategies is not acceptable to you, we may be able to reach the desired result in a less efficient but perhaps more acceptable way.

The following pages are a conceptual road map only, there are numerous details contained in each strategy that are not detailed in the overall plan that follows.

CREATE GRANTOR DEEMED OWNER TRUSTS

DUNCAN AND TINA LEWIS

Duncan and Tina create individual grantor deemed owner trusts (GDOT).

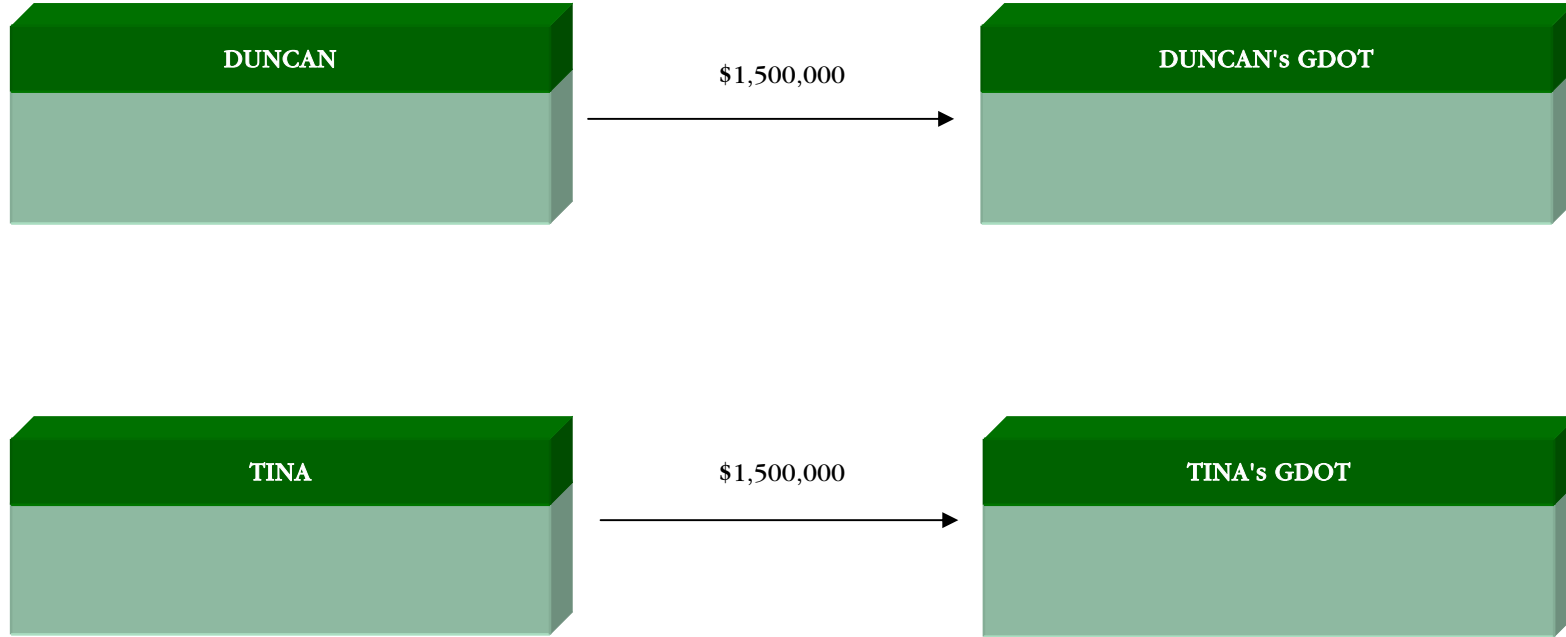


The GDOTs can be drafted to provide asset protection and long term estate tax savings through the use of dynasty trust provisions.

GIFT TO GRANTOR DEEMED OWNER TRUST

DUNCAN AND TINA LEWIS

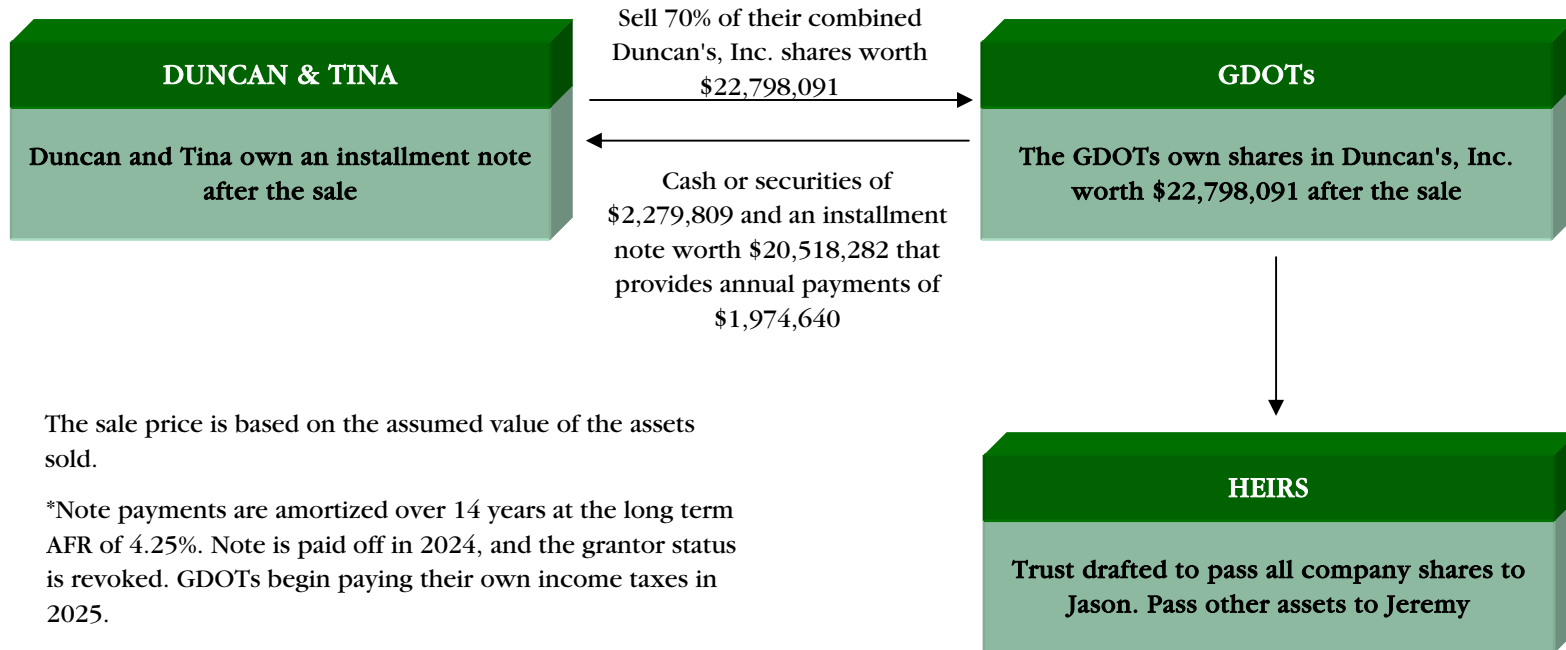
Duncan and Tina each make a gift of \$1,500,000 to their individual GDOT. These gifts are designed to give each trust economic substance.



SELL DUNCAN'S, INC. SHARES TO EACH GDOT

DUNCAN AND TINA LEWIS

Duncan and Tina sell 70% of their Duncan's, Inc. shares to their individual GDOTs for an installment note.



The sale price is based on the assumed value of the assets sold.

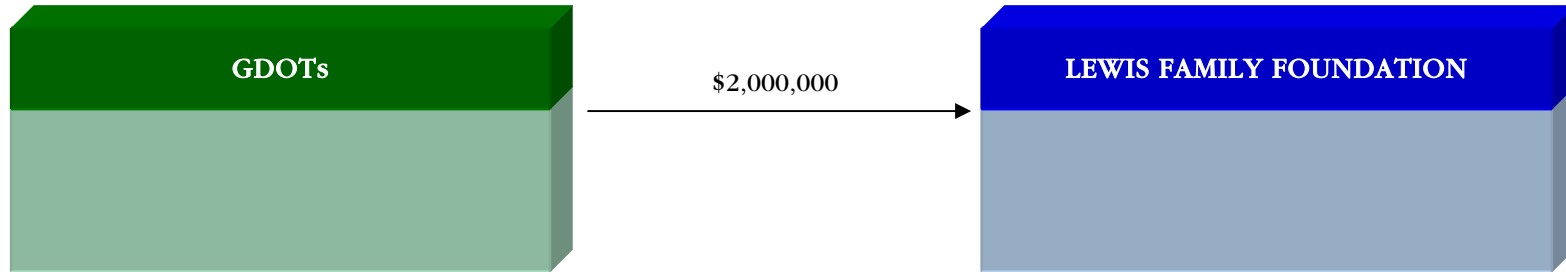
*Note payments are amortized over 14 years at the long term AFR of 4.25%. Note is paid off in 2024, and the grantor status is revoked. GDOTs begin paying their own income taxes in 2025.

Note: Appoint special trustee with power to vote shares of Duncan's, Inc.

GDOTs MAKE ANNUAL GIFTS TO CHARITY

DUNCAN AND TINA LEWIS

The GDOT Trustees make annual charitable gifts to the Lewis Family Foundation.



Advantages

Allows continued contribution to important charitable causes
Income tax benefits and deductions of the annual gifts continue

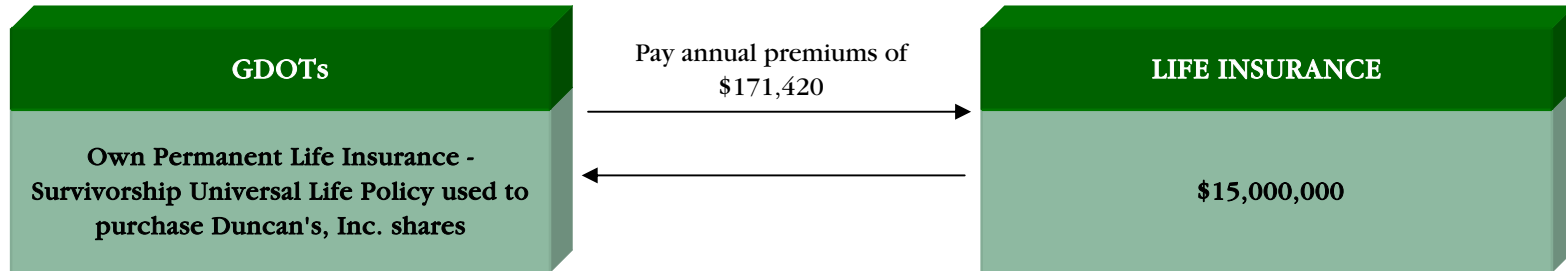
Discussion Points

Trust should provide for minimum of \$2,000,000 annual distributions to charity
Trust Protector should be given power to increase or decrease annual distributions

PERMANENT LIFE INSURANCE TO PURCHASE DUNCAN'S, INC. SHARES

DUNCAN AND TINA LEWIS

The GDOT Trustees purchase permanent second-to-die life insurance with a small portion of the assets of the two GDOTs.



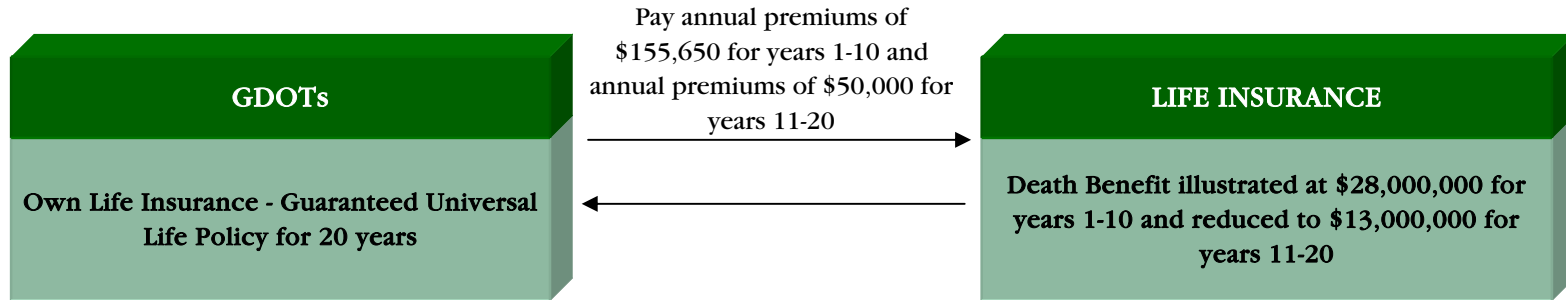
Note: GDOTs purchase a survivorship universal life insurance where death benefit is guaranteed for life assuming annual premiums continue to be paid. This policy is specifically designed to purchase the Duncan's, Inc. shares remaining in Duncan & Tina's estate, thereby assuring that they pass to Jason.

The premium is based on certain assumptions. This is for illustration purposes only. Actual insurance numbers can only be determined by applying for insurance.

LIFE INSURANCE TO MEET INHERITANCE GOAL

DUNCAN AND TINA LEWIS

The GDOT Trustees purchase second-to-die life insurance with a small portion of the assets of the two GDOTs.

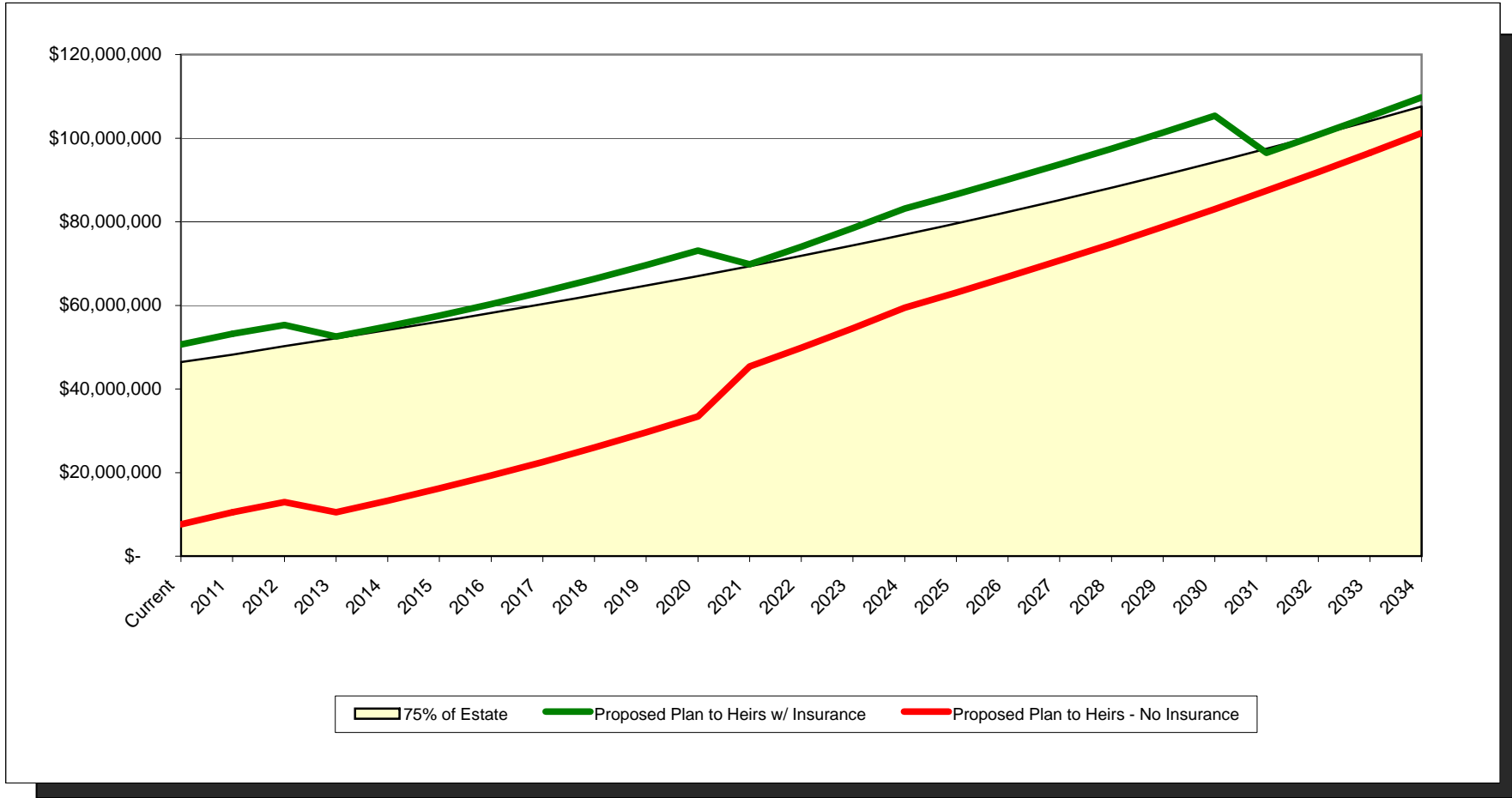


Note: The purpose of this policy is to allow Duncan & Tina to meet their inheritance goal to pass 75% of their estate to family in all years. The GDOTs purchase a survivorship universal life insurance policy designed with minimum premiums. We are using this type of policy instead of term for cost savings. This choice also allows for the possibility of continuing some or all of the policy death benefit beyond 20 years depending on the financial situation of the family and the GDOTs.

The premium is based on certain assumptions. This is for illustration purposes only. Actual insurance numbers can only be determined by applying for insurance.

MEETING YOUR INHERITANCE GOALS

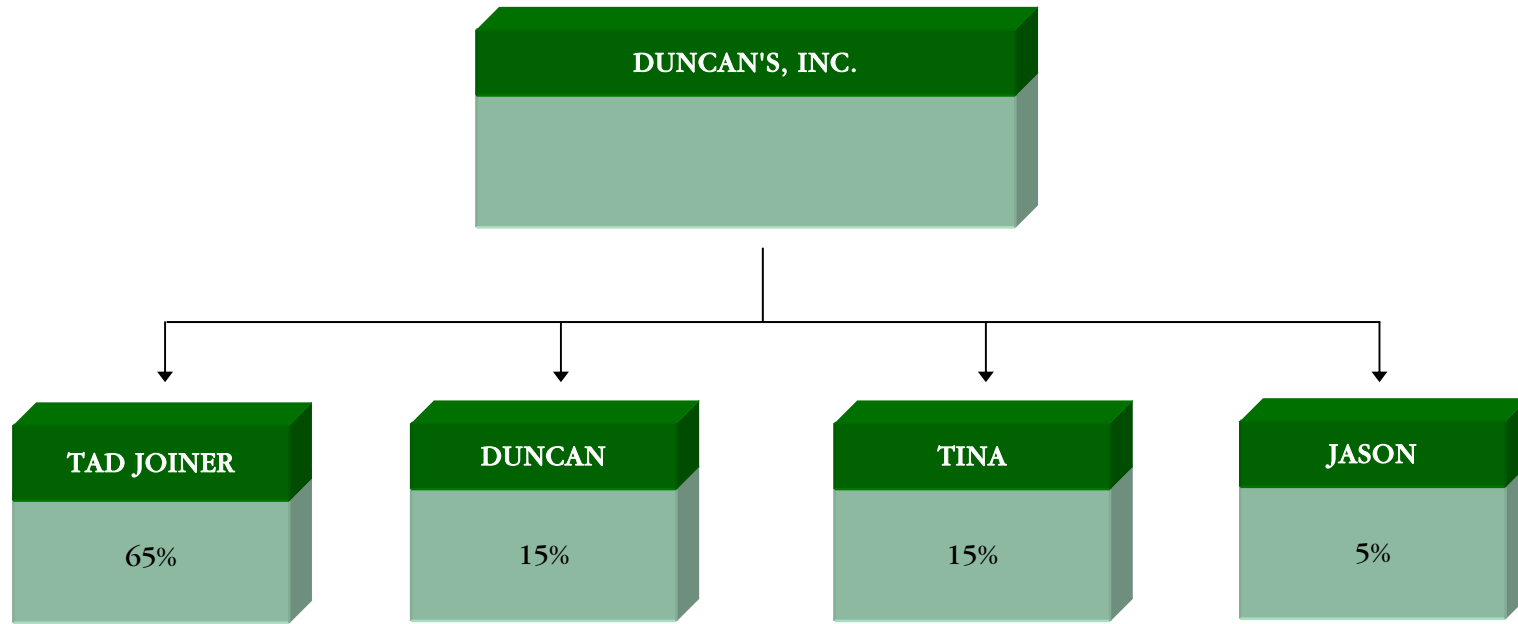
DUNCAN AND TINA LEWIS



This chart shows how the recommended strategies coupled with carefully managed amounts of life insurance will allow you to meet your inheritance goals.

EXISTING STOCK REDEMPTION AGREEMENT - DUNCAN'S, INC.

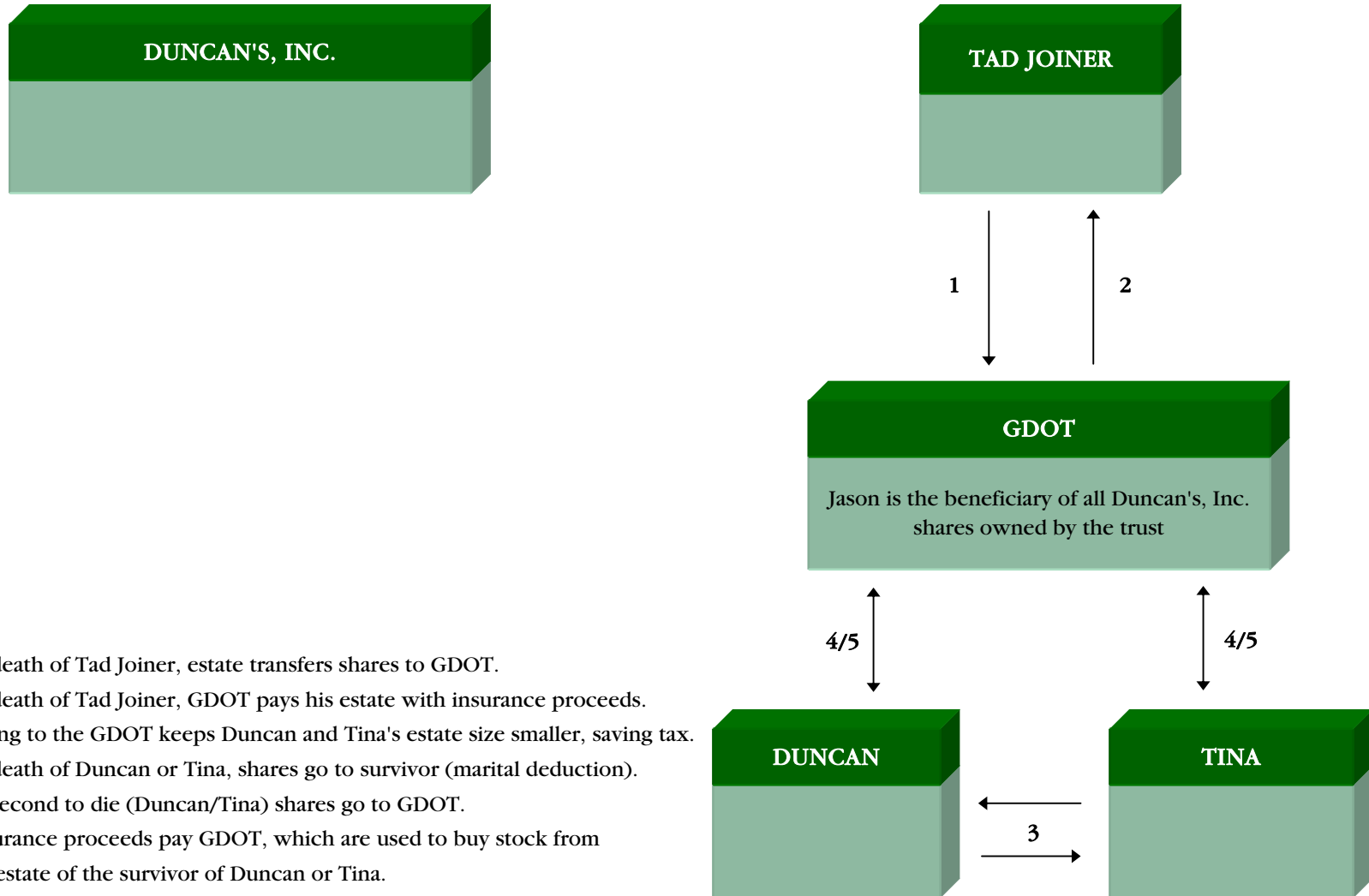
DUNCAN AND TINA LEWIS



Under the existing scenario: At death, Duncan's, Inc. redeems shares with life insurance proceeds. In the event of the death of Tad Joiner, this would unnecessarily increase Duncan and Tina's estate.

PROPOSED BUY/SELL AGREEMENT - DUNCAN'S, INC.

DUNCAN AND TINA LEWIS



Notes:

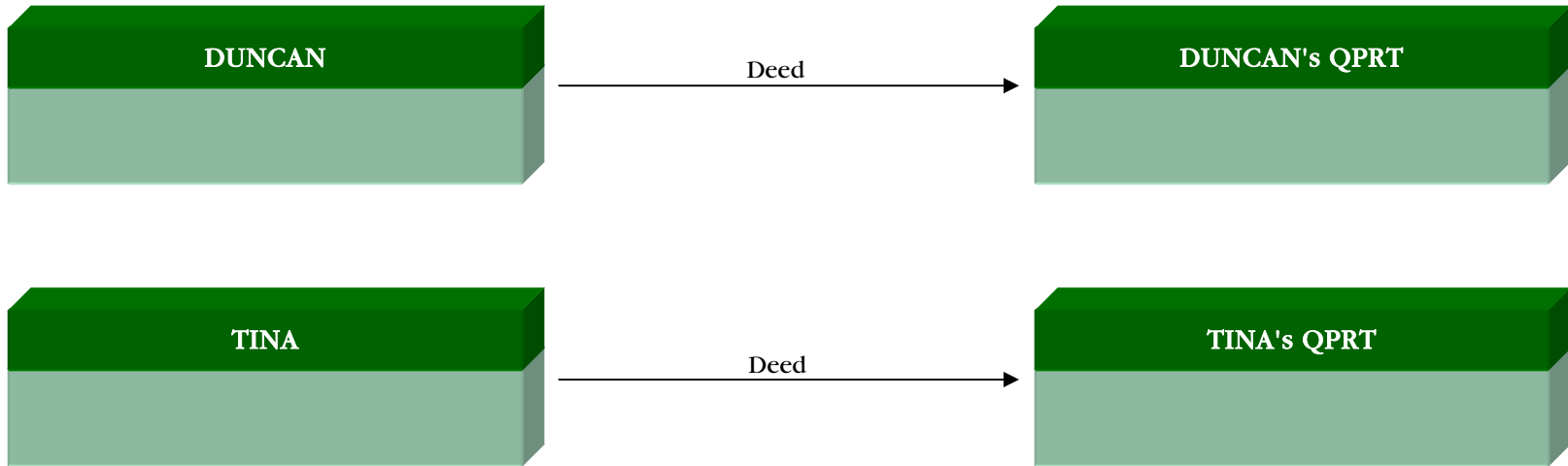
1. At death of Tad Joiner, estate transfers shares to GDOT.
2. At death of Tad Joiner, GDOT pays his estate with insurance proceeds.
Selling to the GDOT keeps Duncan and Tina's estate size smaller, saving tax.
3. At death of Duncan or Tina, shares go to survivor (marital deduction).
4. At second to die (Duncan/Tina) shares go to GDOT.
5. Insurance proceeds pay GDOT, which are used to buy stock from the estate of the survivor of Duncan or Tina.

Further Notes: Consider a corporate recapitalization to keep controlling stock in hands of senior family members while transferring equity to Jason.

CREATE AND FUND QUALIFIED PERSONAL RESIDENCE TRUSTS

DUNCAN AND TINA LEWIS

Duncan and Tina each create a qualified personal residence trust (QPRT) with a term of 10 years. Take care to be taken to avoid reciprocal trust doctrine.



Duncan gifts an undivided interest in property	
456 Main St, Florida	1,750,000
Sub Total	1,750,000

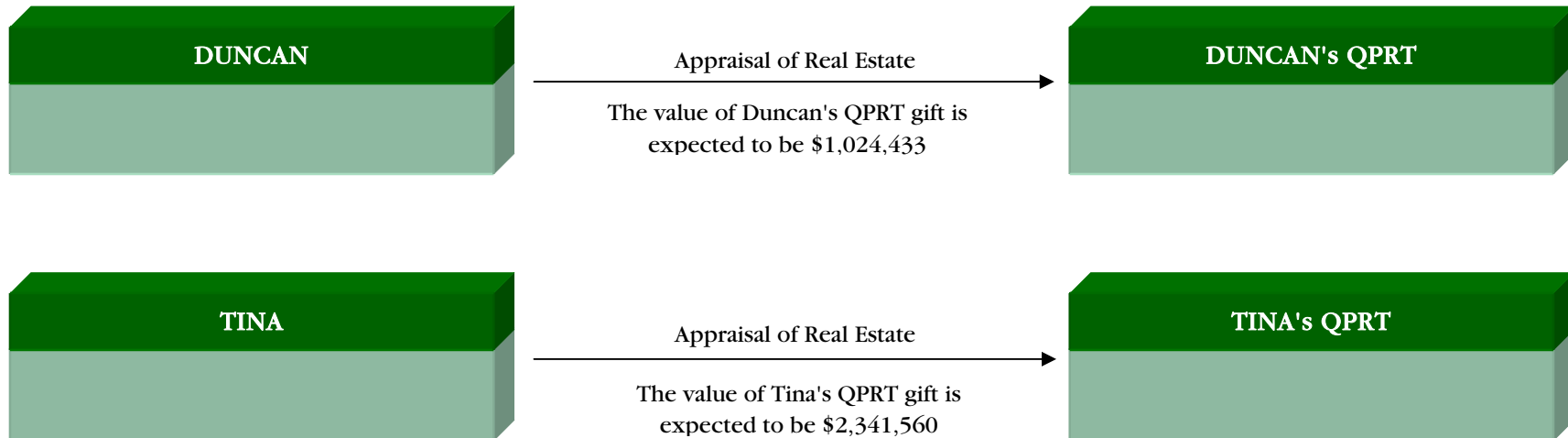
Tina gifts an undivided interest in property	
765 Main Street, Philadelphia, PA	4,000,000
Sub Total	4,000,000

Note: If one or both of you should die before the QPRT term ends, that property would be back in your estate(s).

QPRT APPRAISAL - GIFT OF REAL ESTATE

DUNCAN AND TINA LEWIS

Duncan and Tina hire an appraiser to value the real estate.



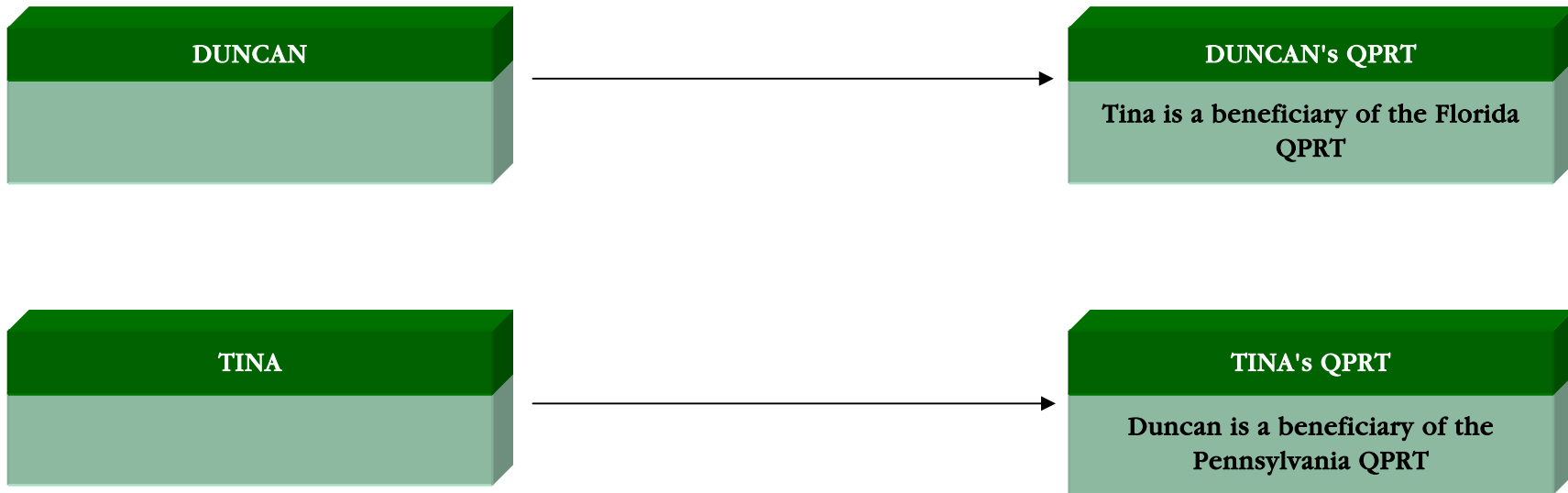
ASSUMPTIONS USED TO CALCULATE QPRT GIFT VALUES

Term (years)	10
7520 Rate	2.98%
Duncan's age	65
Tina's age	65

AFTER THE QPRT TERM ENDS (I)

DUNCAN AND TINA LEWIS

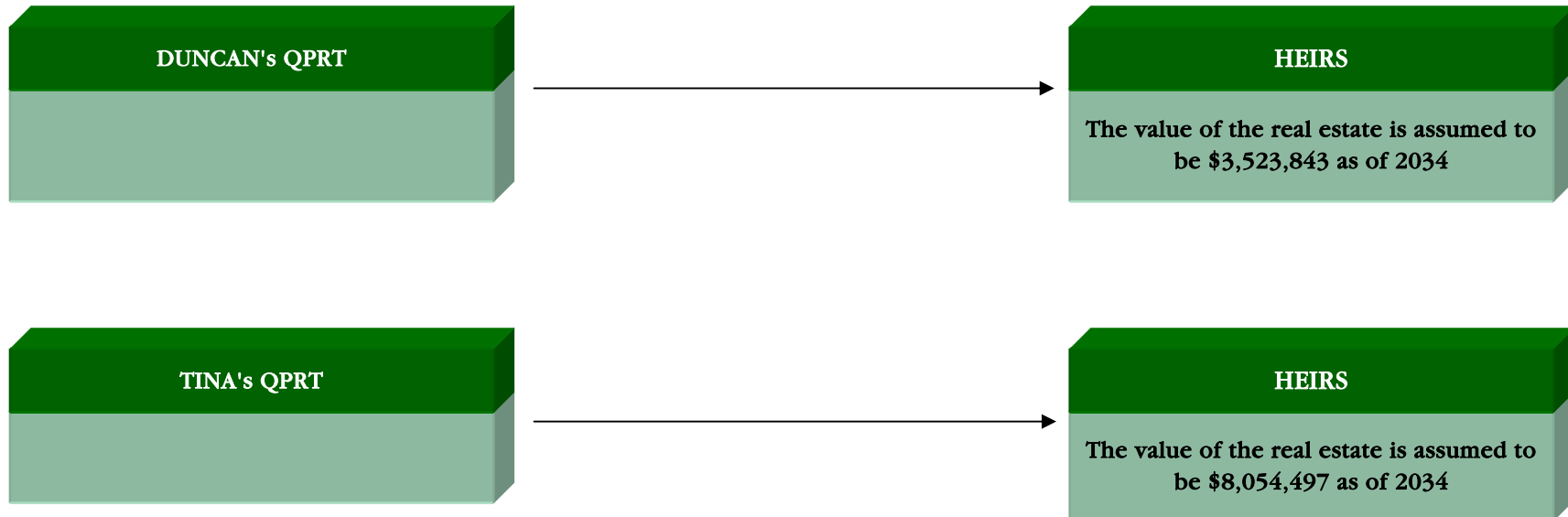
Each QPRT will name the other spouse as a beneficiary. As such, the other spouse can continue to use the residence without rent.



AFTER THE QPRT TERM ENDS (II)

DUNCAN AND TINA LEWIS

At death, the real estate and any accumulated rental income, passes to your heirs without estate tax. The trusts can be structured for distributions according to your particular goals and objectives.



Note: This illustration assumes no rent is paid; however, under certain circumstances fair market rent may need to be paid.

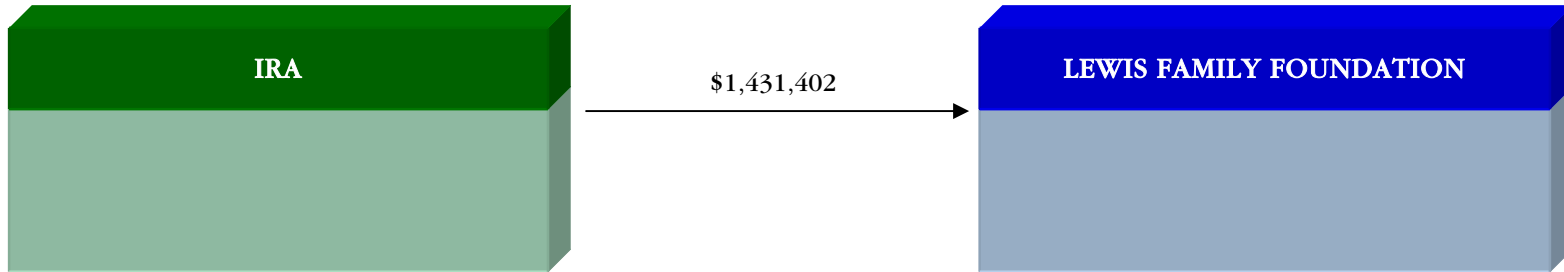
For example, if Tina outlives Duncan and wants to continue to use the Pennsylvania property, she will need to pay fair market rent.

The advantage to this is that rent is a very effective way to move additional assets outside of the taxable estate.

LEAVE YOUR IRA TO CHARITY

DUNCAN AND TINA LEWIS

At the 2nd death, leave your IRA and qualified plans to charity.



Advantages

No estate tax

No income in respect of a decedent tax

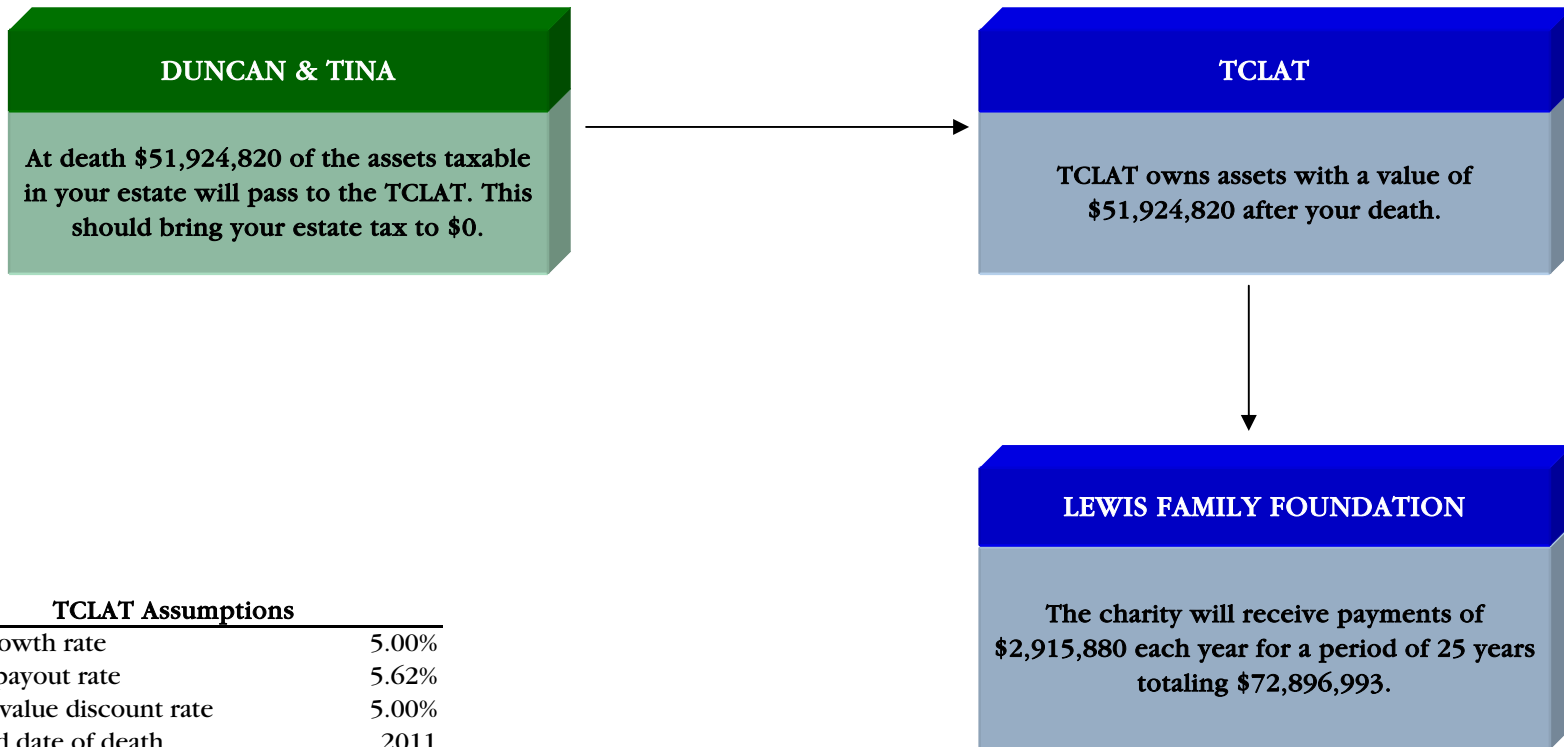
Most tax efficient asset to satisfy charitable intent

Helps to satisfy goal of leaving 25% of the estate to the family foundation

TESTAMENTARY CHARITABLE LEAD ANNUITY TRUST (PART I)

DUNCAN AND TINA LEWIS

Include language in your trust or Will that creates a testamentary charitable lead trust (TCLAT) at the second death.



TCLAT Assumptions

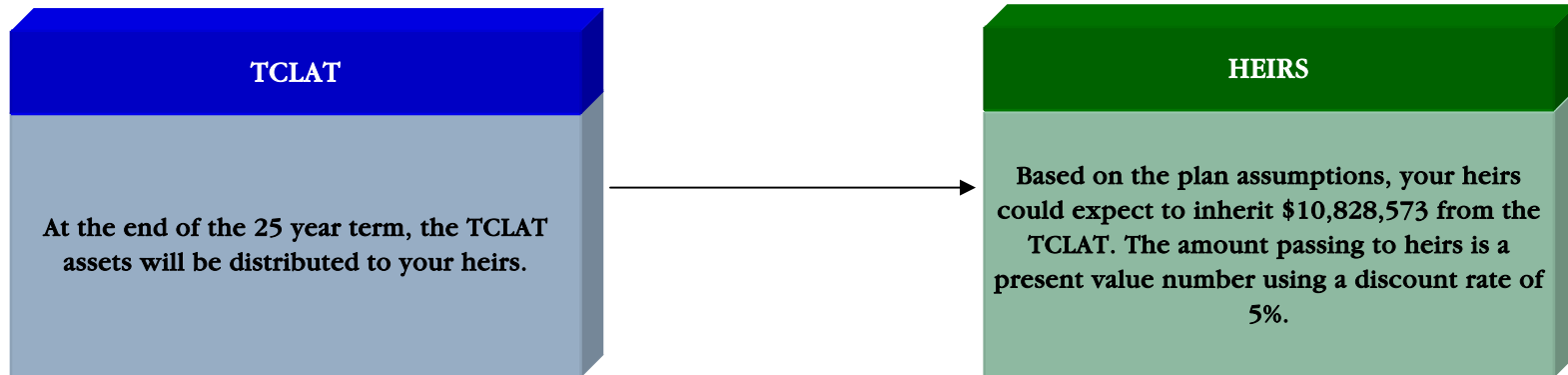
Asset growth rate	5.00%
TCLAT payout rate	5.62%
Present value discount rate	5.00%
Assumed date of death	2011

Note: In this scenario the proceeds from the permanent life insurance policy would be utilized to buy the remaining Duncan's, Inc. interests from Duncan & Tina's estate. This would allow the business interests to pass to Jason and not end up in the charitable trust.

TESTAMENTARY CHARITABLE LEAD ANNUITY TRUST (PART II)

DUNCAN AND TINA LEWIS

At the end of the TCLAT term, your heirs will receive all of the remaining trust assets.



Note: The amount passing to beneficiaries is entirely dependent on the rate of return of the assets in the trust. A higher rate of return means more passing to heirs and a lower rate of return could mean that nothing passes to heirs.

PERIODIC TABLE OF ESTATE PLANNING ELEMENTS - RECOMMENDED

DUNCAN AND TINA LEWIS

The highlighted tools are those we have determined are most suited to achieving your goals and objectives.

Charitable Remainder Uni-Trust	412(e)	Family Limited Partnership	Private Annuity	Grantor Retained Annuity Trust	Charitable Lead Annuity Trust	SCIN
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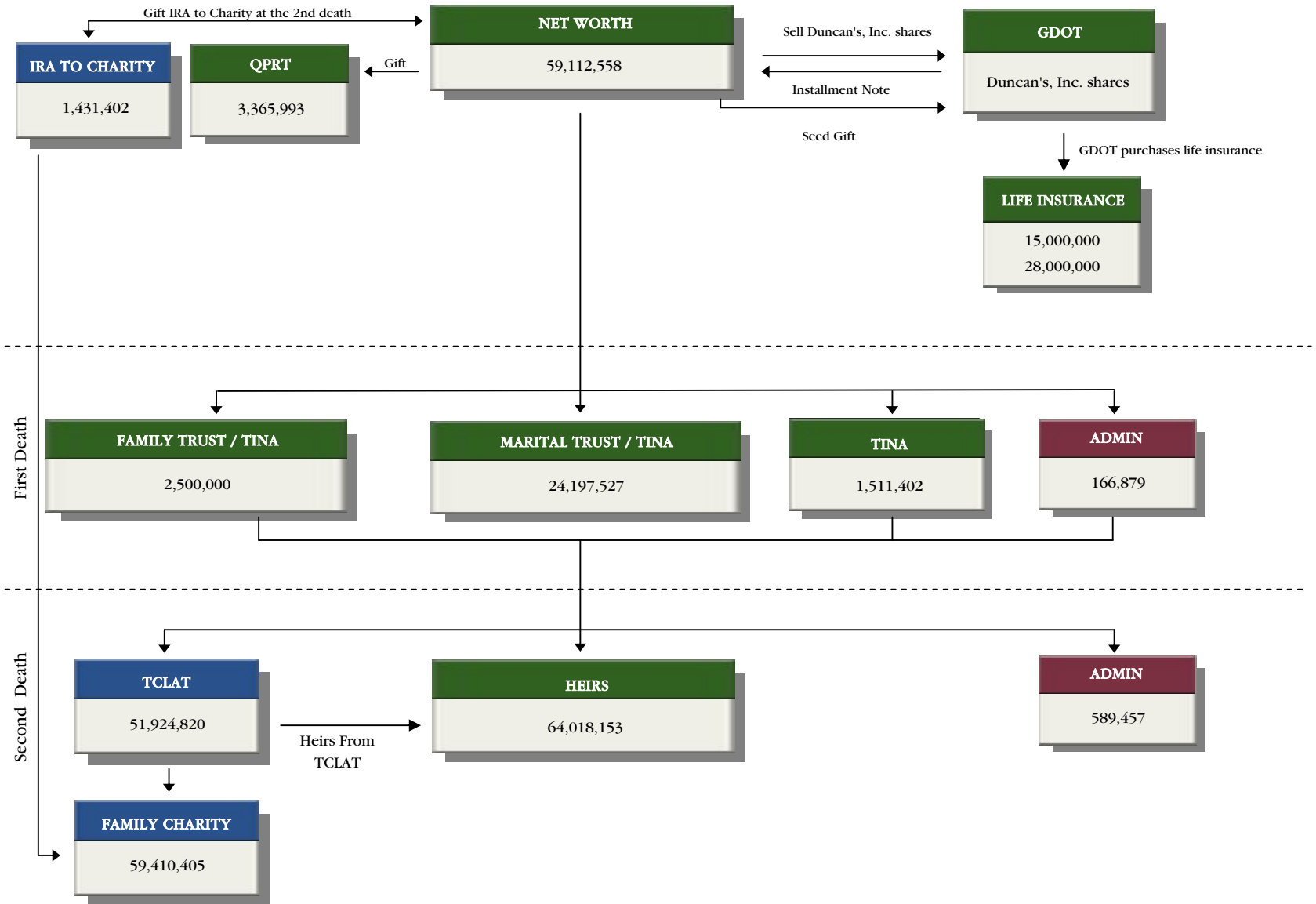
Green equals a new planning tool for family

Blue equals a social capital or charitable tool

Yellow equals an existing planning tool

ESTATE PLAN OVERVIEW AND ESTATE DISTRIBUTION - 2011

DUNCAN AND TINA LEWIS

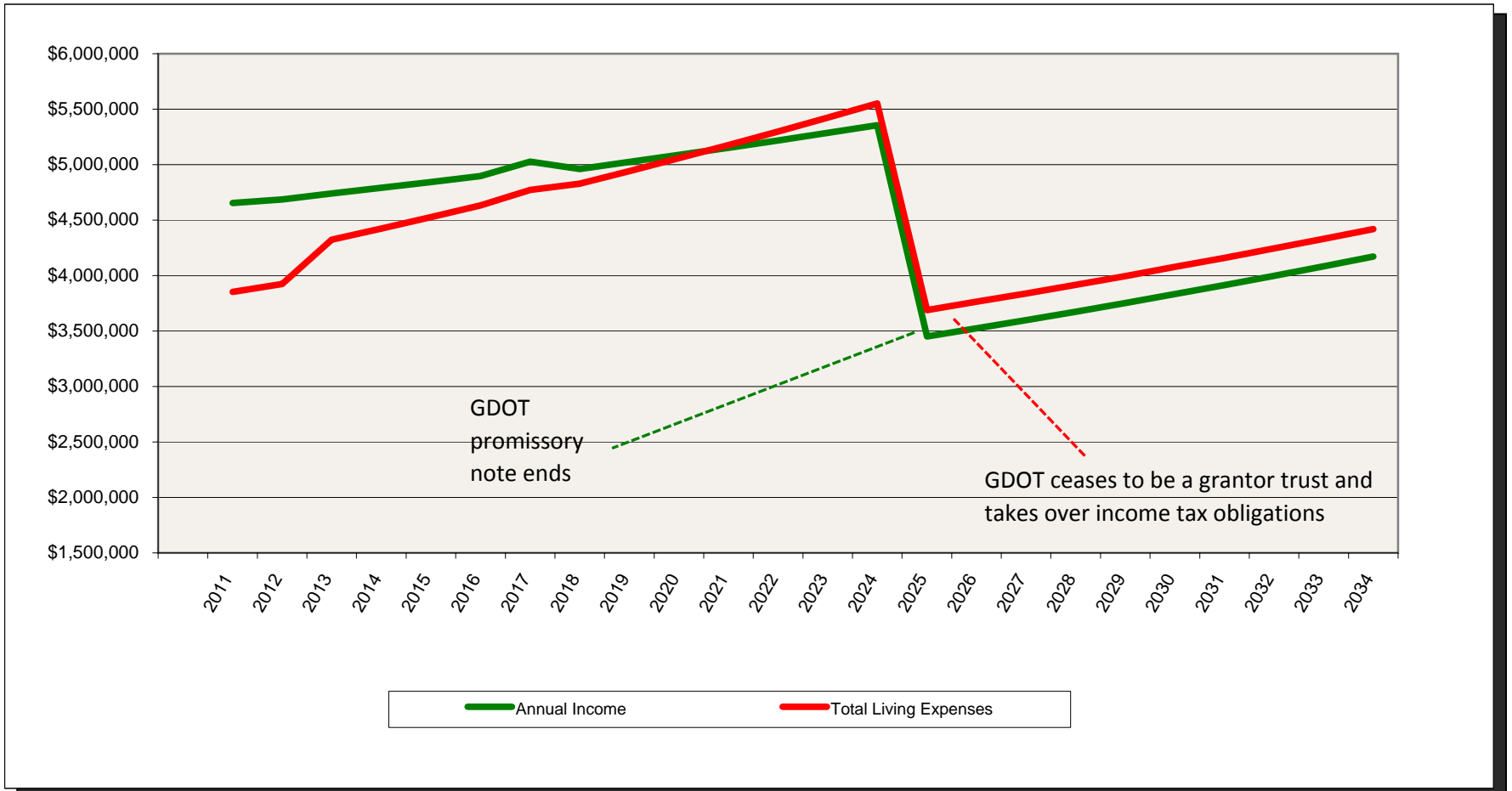


DUNCAN AND TINA LEWIS

LIFETIME SPENDING
AND LIQUIDITY

SPENDING VS. INCOME - PROPOSED PLAN

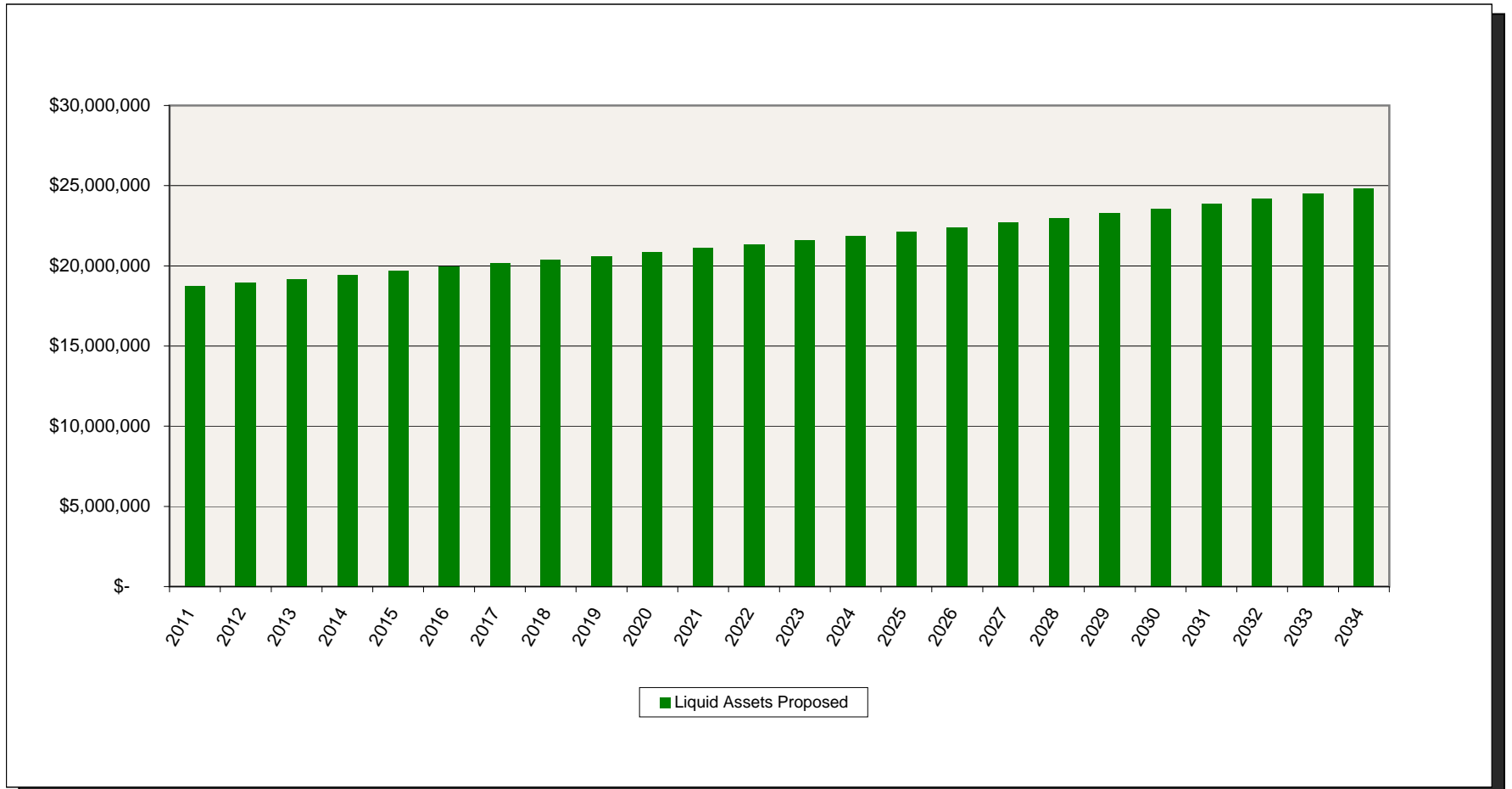
DUNCAN AND TINA LEWIS



Most of our clients want to know that they have sufficient income and liquid assets to pay their living expenses for the rest of their lives. This chart assumes full implementation of the proposed plan and compares your annual living expenses to your annual income over your life expectancy.

LIQUID ASSETS YEAR BY YEAR - PROPOSED PLAN

DUNCAN AND TINA LEWIS



Most of our clients want to know that they have sufficient liquid assets (in addition to income) to pay their living expenses. This chart shows your liquid assets assuming full implementation of the proposed plan. For purposes of this chart, liquid assets include cash, stocks, bonds, annuities and qualified retirement accounts but do not include any other assets you might own such as promissory notes, businesses or real estate.

INCREASE INHERITANCE
AND REDUCE ESTATE TAX

PROPOSED PLAN RESULTS - PLAN YEAR 2011

DUNCAN AND TINA LEWIS

● GOAL - MAXIMIZE INHERITANCE

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>April 27, 2011</u>
Pay to the order of <u>Our Heirs</u>		\$64,018,153
<u>Sixty Four Million Eighteen Thousand One Hundred Fifty Three Dollars and No Cents</u>		Dollars
Memo <u>Inheritance</u>		

● GOAL - REDUCE ESTATE TAXES

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>April 27, 2011</u>
Pay to the order of <u>Internal Revenue Service</u>		\$0,000
<u>No Dollars and No Cents</u>		Dollars
Memo <u>Estate and Income Taxes</u>		

● GOAL - GIFT TO CHARITY

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>April 27, 2011</u>
Pay to the order of <u>Charity</u>		\$59,410,405
<u>Fifty Nine Million Four Hundred Ten Thousand Four Hundred Five Dollars and No Cents</u>		Dollars
Memo <u>Family Charities</u>		

COMPARISON OF PLAN RESULTS - PLAN YEAR 2011

DUNCAN AND TINA LEWIS

	Existing Plan	Proposed Plan	Advantage
Estate Value	\$ 64,251,208	\$ 59,112,558	
Heirs Receive Immediately	\$ 44,417,366	\$ 53,189,580	\$ 8,772,215
Heirs Receive from Deferred Inheritance	\$ -	\$ 10,828,573	\$ 10,828,573
Total Benefits to Family	\$ 44,417,366	\$ 64,018,153	\$ 19,600,787
Family Charity	\$ 6,054,183	\$ 59,410,405	\$ 53,356,222
Estate and Income Tax	\$ 19,405,812	\$ -	\$ 19,405,812

This chart assumes that you both die this year and compares the results of the current plan with the proposed plan. Deferred Inheritance is a gross approximation based on the long term performance of the TCLAT.

PROPOSED PLAN RESULTS - PLAN YEAR 2034

DUNCAN AND TINA LEWIS

● GOAL - MAXIMIZE INHERITANCE

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>December 31, 2034</u>
Pay to the order of	<u>Our Heirs</u>	\$119,338,147
<u>One Hundred Nineteen Million Three Hundred Thirty Eight Thousand One Hundred Forty Seven Dollars and No Cents</u>		Dollars
Memo	<u>Inheritance</u>	

● GOAL - REDUCE ESTATE TAXES

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>December 31, 2034</u>
Pay to the order of	<u>Internal Revenue Service</u>	\$0,000
<u>No Dollars and No Cents</u>		Dollars
Memo	<u>Estate and Income Taxes</u>	

● GOAL - GIFT TO CHARITY

ESTATE OF DUNCAN AND TINA LEWIS	1st National Bank	Date: <u>December 31, 2034</u>
Pay to the order of	<u>Charity</u>	\$115,855,999
<u>One Hundred Fifteen Million Eight Hundred Fifty Five Thousand Nine Hundred Ninety Nine Dollars and No Cents</u>		Dollars
Memo	<u>Family Charities</u>	

COMPARISON OF PLAN RESULTS - PLAN YEAR 2034

DUNCAN AND TINA LEWIS

	Existing Plan	Proposed Plan	Advantage
Estate Value	\$ 143,428,066	\$ 49,278,867	
Heirs Receive Immediately	\$ 64,677,186	\$ 109,750,045	\$ 45,072,859
Heirs Receive from Deferred Inheritance	\$ -	\$ 9,588,102	\$ 9,588,102
Total Benefits to Family	\$ 64,677,186	\$ 119,338,147	\$ 54,660,960
Family Charity	\$ 67,236,764	\$ 115,855,999	\$ 48,619,235
Estate and Income Tax	\$ 78,084,628	\$ -	\$ 78,084,628
Present Value of total to Heirs *	\$21,057,036	\$38,853,076	
Discount rate for PV calculation	5.00%		

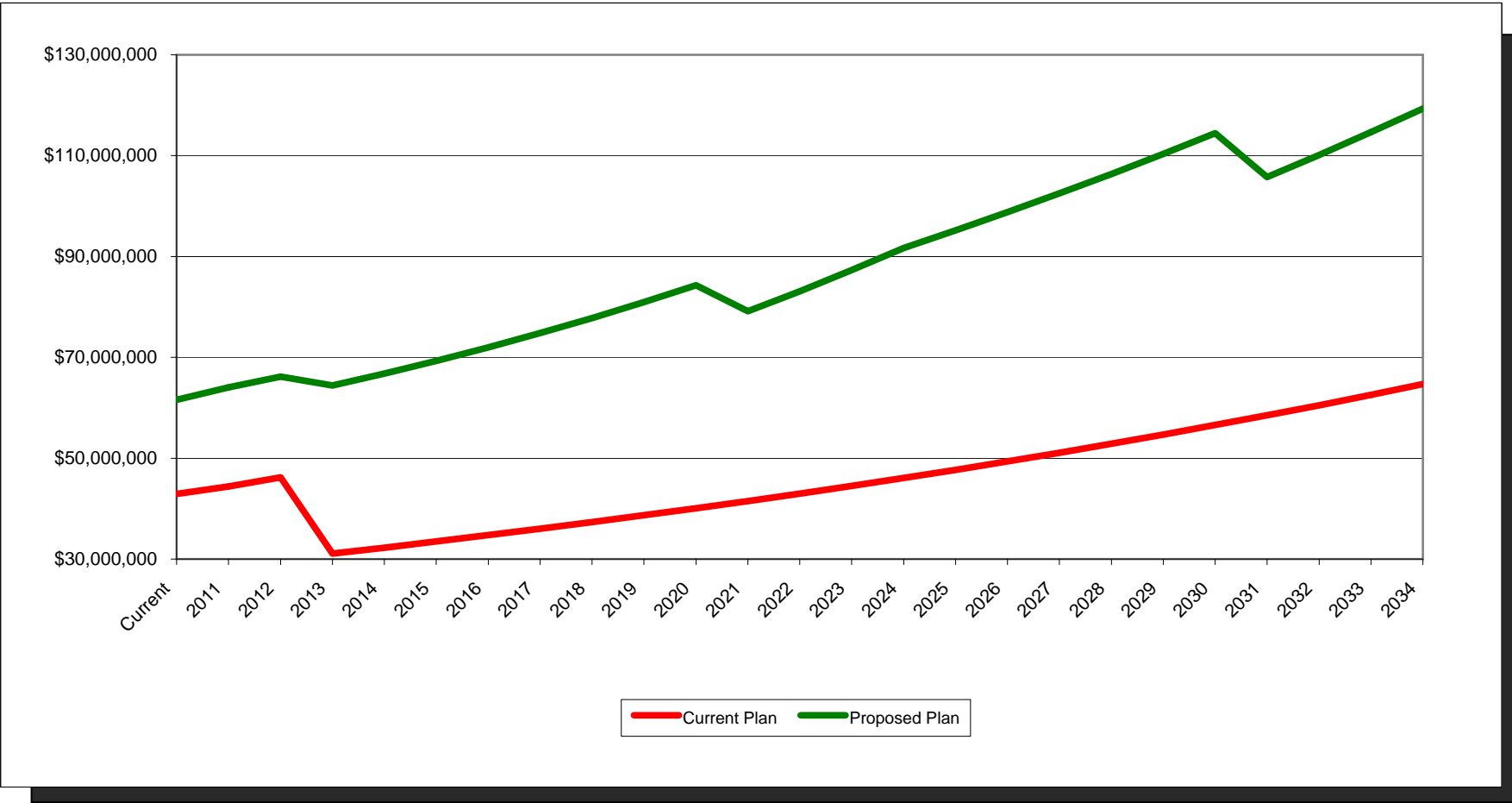
This chart assumes that you both die at life expectancy and compares the results of the current plan with the proposed plan.

Deferred Inheritance is a gross approximation based on the long term performance of the TCLAT.

* The present value is lower than the "current" values on the previous page. This is a function of re-invested profits growing at low or no growth rates.

ASSETS PASSING TO YOUR FAMILY - CURRENT VS. PROPOSED

DUNCAN AND TINA LEWIS



This chart compares the amount of your assets that will pass to heirs after estate taxes and costs of implementation in the current plan as against the proposed plan.

DUNCAN AND TINA LEWIS

INCREASE IN
CHARITABLE GIVING

COMPARISON OF CHARITY RESULTS - PLAN YEAR 2011

DUNCAN AND TINA LEWIS

	Existing Plan	Proposed Plan	Increase in Charity
Charity Receives from TCLAT	\$ -	\$ 51,900,000	\$ 51,900,000
Cumulative Annual Gifts to Family Foundation	\$ 6,100,000	\$ 6,100,000	\$ -
Charitable gift of IRA assets	\$ -	\$ 1,400,000	\$ 1,400,000
Family Charity	\$ 6,100,000	\$ 59,400,000	\$ 53,300,000

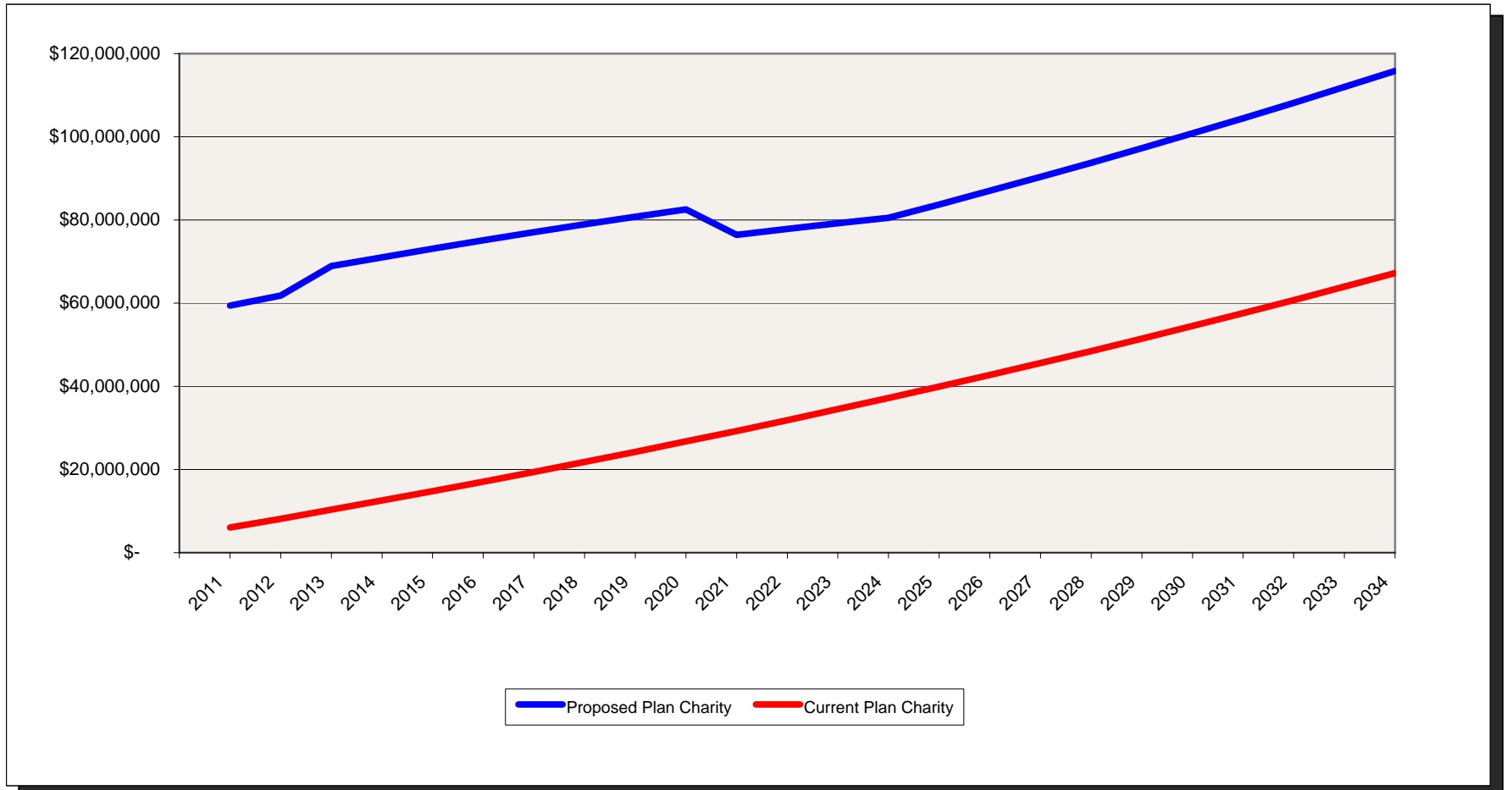
COMPARISON OF CHARITY RESULTS - PLAN YEAR 2034

DUNCAN AND TINA LEWIS

	Existing Plan	Proposed Plan	Increase in Charity
Charity Receives from TCLAT	\$ -	\$ 46,000,000	\$ 46,000,000
Cumulative Annual Gifts to Family Foundation	\$ 67,200,000	\$ 67,200,000	\$ -
Charitable gift of IRA assets	\$ -	\$ 2,600,000	\$ 2,600,000
Family Charity	\$ 67,200,000	\$ 115,900,000	\$ 48,700,000

GIFTING TO CHARITY - EXISTING PLAN VS. PROPOSED PLAN

DUNCAN AND TINA LEWIS



This chart compares the amount of your gifts to charity in the current plan as against the proposed plan.

DETAILED FINANCIAL ANALYSIS

DUNCAN AND TINA LEWIS

INTRODUCTION

The following section of the plan contains all of the financial analysis used to show you where you stand with your current plan and what is possible with the proposed plan.

All of the numbers are based on information provided by you or gleaned from statements and tax returns. If numbers do not look correct, please let us know so that we can make appropriate changes.

Assumed growth and yield numbers are all listed on the Net Worth pages contained in these sections.

DETAILED FINANCIAL ANALYSIS

DUNCAN AND TINA LEWIS

CURRENT PLAN FINANCIALS

In the Current Plan Section you will find a Net Worth Statement and a detailed cash flow and asset value projection analysis.

CURRENT NET WORTH STATEMENT

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
CASH AND EQUIVALENTS						
Bank	1,013,319	-	-	1,013,319	0.4%	0.0%
Bank	-	1,012,847	-	1,012,847	0.4%	0.0%
Bank	3,121,625	-	-	3,121,625	0.4%	0.0%
Bank	-	2,938,695	-	2,938,695	0.4%	0.0%
Bank	12,651	-	-	12,651	0.4%	0.0%
Bank	-	12,651	-	12,651	0.4%	0.0%
Bank	106,208	-	-	106,208	0.4%	0.0%
Bank	-	106,208	-	106,208	0.4%	0.0%
Bank	105,905	-	-	105,905	0.4%	0.0%
Bank	-	106,168	-	106,168	0.4%	0.0%
Bank	104,987	-	-	104,987	0.4%	0.0%
Bank	-	104,987	-	104,987	0.4%	0.0%
Bank	257,591	-	-	257,591	0.4%	0.0%
Bank	-	257,591	-	257,591	0.4%	0.0%
Total of Cash and Equivalents	4,722,286	4,539,147	-	9,261,433	0.4%	0.0%
MARKETABLE SECURITIES - EQUITIES						
Investment Company	-	118,960	-	118,960	1.2%	5.0%
Investment Company	-	164,509	-	164,509	1.2%	5.0%
Investment Company	-	856,067	-	856,067	1.2%	5.0%
Investment Company	-	12,300	-	12,300	1.2%	5.0%
Investment Company	-	12,012	-	12,012	1.2%	5.0%
Investment Company	127,868	-	-	127,868	1.2%	5.0%
Investment Company	146,218	-	-	146,218	1.2%	5.0%
Investment Company	854,949	-	-	854,949	1.2%	5.0%
Total of Equities	1,129,035	1,163,848	-	2,292,883	1.2%	5.0%

CURRENT NET WORTH STATEMENT (PAGE 2)

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
NON-TAXABLE MARKETABLE SECURITIES						
Muni Bonds	3,226,787	-	-	3,226,787	4.1%	0.0%
Muni Bonds	-	3,154,378	-	3,154,378	4.1%	0.0%
Total of Non-Taxable Marketable Securities	3,226,787	3,154,378	-	6,381,165	4.1%	0.0%
OTHER INVESTMENTS						
Duncan Leasing Co, LLC Class A (.1750%/.1750%)	10,500	10,500	-	21,000	9.7%	3.0%
Duncan Leasing Co, LLC Class B (17.325%/17.325%)	1,039,500	1,039,500	-	2,079,000	9.7%	3.0%
Total of Other Investments	1,050,000	1,050,000	-	2,100,000	9.7%	3.0%
CLOSELY HELD BUSINESS						
Duncan's, Inc. (S Corp - 15.82%/15.37%)	16,524,664	16,044,038	-	32,568,702	20.6%	2.0%
Property Company	47,297	47,297	-	94,594	0.2%	3.0%
Corporate Property	51,750	51,750	-	103,500	5.0%	3.0%
Total Closely Held Business	16,623,711	16,143,085	-	32,766,796	20.5%	2.0%
RETIREMENT PLANS/IRAs						
Duncan's, Inc.	1,367,089	-	-	1,367,089	0.0%	7.0%
Total Retirement Plans	1,367,089	-	-	1,367,089	0.0%	7.0%

CURRENT NET WORTH STATEMENT (PAGE 3)

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
RESIDENTIAL REAL ESTATE						
123 Main Street	-	750,000	-	750,000	0.0%	3.0%
456 Main St, Florida	1,750,000	-	-	1,750,000	0.0%	3.0%
678 Main Street, Florida	-	850,000	-	850,000	0.0%	3.0%
765 Main Street, Philadelphia, PA	-	4,000,000	-	4,000,000	0.0%	3.0%
Total of Personal Residences	1,750,000	5,600,000	-	7,350,000	0.0%	3.0%
		160,000				
PERSONAL PROPERTY						
Paintings	-	300,000	-	300,000	0.0%	0.0%
Autos	80,000	45,000	-	125,000	0.0%	0.0%
Total of Personal Property	80,000	345,000	-	425,000	0.0%	0.0%
TOTAL ASSETS	29,948,908	31,995,458	-	61,944,366		
TOTAL LIABILITIES	-	-	-	-		
NET WORTH	29,948,908	31,995,458	-	61,944,366		

SCHEDULE OF LIFE INSURANCE BENEFITS - CURRENT PLAN

DUNCAN AND TINA LEWIS

COMPANY	INSURED	POLICY #	BENEFICIARY	PREMIUM	CASH VALUE	DEATH BENEFIT
Policies owned by Duncan's, Inc.						
Term	Duncan Lewis	#	Duncan's, Inc.	43,825	-	18,000,000
Term	Tina Lewis	#	Duncan's, Inc.	22,175	-	17,000,000
Term	Tad Joiner	#	Duncan's, Inc.	81,975	-	65,000,000
Term	Jason Lewis	#	Duncan's, Inc.	2,835	-	5,000,000
Totals				150,810	-	105,000,000

Insurance Notes: All insurance is currently owned by Duncan's, Inc. and is designed to fund redemption of stock in the event of the death of a share holder. As shown earlier, insurance ownership should be rearranged (or in the case of Duncan and Tina, surrendered) after new insurance is put in place.

ASSET VALUE PROJECTIONS - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Asset Values									
Cash and cash equivalents	9,261,433	9,261,433	9,261,433	9,261,433	9,261,433	9,261,433	9,261,433	9,261,433	9,261,433
Marketable securities - Equities	2,292,883	2,370,167	2,488,676	2,613,109	2,743,765	2,880,953	4,469,304	4,692,769	7,280,025
Municipal bonds	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165
Other investments	2,100,000	2,142,602	2,206,880	2,273,087	2,341,279	2,411,518	3,146,484	3,240,878	4,228,611
Closely held business	32,766,796	33,211,988	33,878,235	34,557,848	35,251,095	35,958,248	42,996,363	43,858,890	52,443,400
Surplus Cashflow to Cash Accts	-	1,528,342	3,087,667	4,397,742	5,759,395	7,173,782	22,414,743	24,425,961	45,965,612
Retirement plans/IRAs	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Personal residences	7,350,000	7,499,108	7,724,081	7,955,804	8,194,478	8,440,312	11,012,693	11,343,074	14,800,139
Personal property	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Total assets in estate	61,944,366	64,251,208	66,984,738	69,504,001	72,111,139	74,808,687	102,589,514	106,157,963	143,428,066
Combined net worth	\$ 61,944,366	\$ 64,251,208	\$ 66,984,738	\$ 69,504,001	\$ 72,111,139	\$ 74,808,687	\$ 102,589,514	\$ 106,157,963	\$ 143,428,066

TAXABLE INCOME PROJECTIONS - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Sources of taxable income									
Cash and cash equivalents		38,998	45,434	52,000	57,516	63,250	125,208	133,382	221,096
Marketable securities - Equities		27,062	27,974	29,373	30,842	32,384	50,238	52,749	81,832
Other investments		202,975	207,093	213,305	219,705	226,296	295,265	304,123	396,811
Closely held business		6,722,291	6,813,625	6,950,309	7,089,735	7,231,959	8,647,472	8,820,944	10,547,469
Retirement plans/IRAs		-	-	-	-	-	119,798	127,299	209,920
Client earned income		127,068	127,068	127,068	127,068	127,068	-	-	-
Gross income		\$ 7,118,394	\$ 7,221,193	\$ 7,372,055	\$ 7,524,866	\$ 7,680,956	\$ 9,237,979	\$ 9,438,497	\$ 11,457,127

INCOME TAX PROJECTIONS - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Income tax Estimation									
Adjusted gross income:									
Dividend income (marketable sec.)		27,062	27,974	29,373	30,842	32,384	50,238	52,749	81,832
Earned and other income		7,091,332	7,193,219	7,342,682	7,494,024	7,648,572	9,187,742	9,385,747	11,375,296
Adjusted gross income		7,118,394	7,221,193	7,372,055	7,524,866	7,680,956	9,237,979	9,438,497	11,457,127
Deductions									
Real estate tax		41,548	42,379	43,227	44,091	44,973	53,747	54,822	65,517
Pennsylvania state income taxes		459,136	465,767	475,498	485,354	495,422	595,850	608,783	738,985
Charitable gifts		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Charitable Deduction available		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Charitable Deduction allowed		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total deductions		2,500,684	2,508,146	2,518,724	2,529,445	2,540,395	2,649,596	2,663,605	2,804,502
Reductions		-	-	(216,158)	(220,742)	(225,425)	(272,135)	(278,151)	(338,710)
Deductions allowed		2,500,684	2,508,146	2,302,566	2,308,703	2,314,970	2,377,461	2,385,454	2,465,792
Taxable income		4,617,710	4,713,047	5,069,488	5,216,163	5,365,986	6,860,518	7,053,043	8,991,335
Federal and State income tax		\$ 2,039,794	\$ 2,079,610	\$ 2,447,082	\$ 2,515,021	\$ 2,584,419	\$ 3,276,682	\$ 3,365,855	\$ 4,263,621

CASH FLOW PROJECTIONS - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Sources of income for Lifestyle									
Consumable income (taxable)		7,118,394	7,221,193	7,372,055	7,524,866	7,680,956	9,237,979	9,438,497	11,457,127
Consumable income (tax exempt)		262,742	262,742	262,742	262,742	262,742	262,742	262,742	262,742
Total income available for lifestyle		7,381,136	7,483,935	7,634,797	7,787,608	7,943,698	9,500,721	9,701,239	11,719,869
Uses of Cash									
Living expenses		1,600,000	1,632,000	1,664,640	1,697,933	1,731,891	2,069,771	2,111,166	2,523,039
Income tax		2,039,794	2,079,610	2,447,082	2,515,021	2,584,419	3,276,682	3,365,855	4,263,621
Cash gifts to family		213,000	213,000	213,000	213,000	213,000	213,000	213,000	213,000
Cash gifts to charity		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total uses of cash		5,852,794	5,924,610	6,324,722	6,425,954	6,529,311	7,559,453	7,690,021	8,999,659
Surplus		\$ 1,528,342	\$ 1,559,325	\$ 1,310,075	\$ 1,361,653	\$ 1,414,387	\$ 1,941,269	\$ 2,011,218	\$ 2,720,210

FIRST ESTATE TAX ESTIMATION AND DISTRIBUTION - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Tax calculation on Duncan's death									
Combined net worth	61,944,366	64,251,208	66,984,738	69,504,001	72,111,139	74,808,687	102,589,514	106,157,963	143,428,066
Duncan's estimated estate	29,948,908	31,064,222	32,385,831	33,603,846	34,864,347	36,168,560	49,600,054	51,325,331	69,344,707
Total gross estate	29,948,908	31,064,222	32,385,831	33,603,846	34,864,347	36,168,560	49,600,054	51,325,331	69,344,707
Settlement expenses	(174,745)	(180,321)	(186,929)	(193,019)	(199,322)	(205,843)	(273,000)	(281,627)	(371,724)
Joint, personal and IRA to Tina	(1,447,089)	(1,511,402)	(1,611,600)	(1,718,812)	(1,833,529)	(1,956,276)	(2,562,329)	(2,608,793)	(2,722,681)
Outright or in trust to Tina	(24,327,074)	(25,372,498)	(26,587,302)	(31,692,014)	(32,831,496)	(34,006,441)	(46,764,725)	(48,434,911)	(66,250,303)
Taxable estate	4,000,000	4,000,000	4,000,000	-	-	-	-	-	-
Plus Duncan's lifetime taxable gifts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax base	5,000,000	5,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Federal Estate Tax	-	-	-	-	-	-	-	-	-
Distribution of Duncan's estate									
Settlement expenses	174,745	180,321	186,929	193,019	199,322	205,843	273,000	281,627	371,724
To family trust	4,000,000	4,000,000	4,000,000	-	-	-	-	-	-
Joint, personal and IRA to Tina	1,447,089	1,511,402	1,611,600	1,718,812	1,833,529	1,956,276	2,562,329	2,608,793	2,722,681
Outright or in trust to Tina	24,327,074	25,372,498	26,587,302	31,692,014	32,831,496	34,006,441	46,764,725	48,434,911	66,250,303
Total	\$ 29,948,908	\$ 31,064,222	\$ 32,385,831	\$ 33,603,846	\$ 34,864,347	\$ 36,168,560	\$ 49,600,054	\$ 51,325,331	\$ 69,344,707

Assumptions

We assume that Duncan dies first, followed immediately by Tina.

Taxes under "Distribution of First Estate" include estate and income taxes.

SECOND ESTATE TAX ESTIMATION AND DISTRIBUTION - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Tax Calculation on Tina's death									
Tina's assets	31,995,458	33,186,986	34,598,907	35,900,155	37,246,792	38,640,128	52,989,460	54,832,632	74,083,358
Plus assets from Duncan's estate	25,774,163	26,883,901	28,198,902	33,410,827	34,665,025	35,962,717	49,327,054	51,043,704	68,972,984
Tina's estimated estate	57,769,621	60,070,887	62,797,809	69,310,981	71,911,818	74,602,845	102,316,514	105,876,337	143,056,342
Settlement expenses	(602,696)	(625,709)	(652,978)	(718,110)	(744,118)	(771,028)	(1,048,165)	(1,083,763)	(1,455,563)
Tina's taxable estate	57,166,925	59,445,178	62,144,831	68,592,872	71,167,699	73,831,816	101,268,349	104,792,573	141,600,779
Plus Tina's lifetime taxable gifts	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax base	58,166,925	60,445,178	63,144,831	69,592,872	72,167,699	74,831,816	102,268,349	105,792,573	142,600,779
Federal Estate Tax	18,608,424	19,405,812	20,350,691	37,930,279	39,346,435	40,811,699	55,901,792	57,840,115	78,084,628
Total Estate Tax Due	18,608,424	19,405,812	20,350,691	37,930,279	39,346,435	40,811,699	55,901,792	57,840,115	78,084,628
Distribution of Tina's estate									
Settlement expenses	602,696	625,709	652,978	718,110	744,118	771,028	1,048,165	1,083,763	1,455,563
Taxes	18,608,424	19,405,812	20,350,691	37,930,279	39,346,435	40,811,699	55,901,792	57,840,115	78,084,628
Qualified plan to heirs	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Residual estate to heirs	37,191,412	38,607,964	40,262,540	29,023,780	30,067,736	31,143,841	42,884,228	44,423,665	60,873,470
Total	\$ 57,769,621	\$ 60,070,887	\$ 62,797,809	\$ 69,310,981	\$ 71,911,818	\$ 74,602,845	\$ 102,316,514	\$ 105,876,337	\$ 143,056,342

Assumptions

We assume that Duncan dies first, followed immediately by Tina.

Taxes under "Distribution of Second Estate" include estate and income taxes.

SUMMARY OF BENEFITS TO FAMILY - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Benefits to Family									
Family trust	4,000,000	4,000,000	4,000,000	-	-	-	-	-	-
Residual estate	37,191,412	38,607,964	40,262,540	29,023,780	30,067,736	31,143,841	42,884,228	44,423,665	60,873,470
Qualified plan assets	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
529 Plans (Grandchildren) ¹	360,000	378,000	396,900	416,745	437,582	459,461	712,775	748,414	1,161,036
Total assets to heirs	\$ 42,918,501	\$ 44,417,366	\$ 46,191,040	\$ 31,079,337	\$ 32,258,847	\$ 33,479,579	\$ 46,079,332	\$ 47,700,872	\$ 64,677,186

¹ Assumed growth rate of 5% annually.

LEWIS FAMILY FOUNDATION DETAILS - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Lewis Family Foundation, Inc.									
BOY Foundation Value	4,000,000	4,054,183	6,175,267	8,338,772	10,545,548	12,796,459	35,192,395	37,936,243	65,236,764
Annual Cash Contributions		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
EOY Foundation Value to Charity		6,054,183	8,175,267	10,338,772	12,545,548	14,796,459	37,192,395	39,936,243	67,236,764

DETAILS OF DUNCAN'S QUALIFIED PLAN - EXISTING PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Duncan's Qualified Plans									
Duncan's Age		65	66	67	68	69	78	79	88
Tina's Age		65	66	67	68	69	78	79	88
Minimum distribution factor		32.0	31.1	30.2	29.2	28.3	20.3	19.5	12.7
Plan contributions		-	-	-	-	-	-	-	-
Plan balance	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Minimum distribution		-	-	-	-	-	119,798	127,299	209,920
Preferred distribution		-	-	-	-	-	-	-	-
Actual distribution		-	-	-	-	-	119,798	127,299	209,920

DETAILED FINANCIAL ANALYSIS

DUNCAN AND TINA LEWIS

PROPOSED PLAN FINANCIALS

In the Proposed Plan Section you will find a balance sheet which reflects the repositioning of assets as set out in the step by step roadmap in the proceeding section. You will also find detailed cash flow and asset projection information on each of the proposed planning strategies.

NET WORTH STATEMENT AFTER PLAN IMPLEMENTATION

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
CASH AND EQUIVALENTS						
Bank	1,013,319	-	-	1,013,319	0.4%	0.0%
Bank	-	1,012,847	-	1,012,847	0.4%	0.0%
Bank	3,121,625	-	-	3,121,625	0.4%	0.0%
Bank	-	2,938,695	-	2,938,695	0.4%	0.0%
Bank	12,651	-	-	12,651	0.4%	0.0%
Bank	-	12,651	-	12,651	0.4%	0.0%
Bank	106,208	-	-	106,208	0.4%	0.0%
Bank	-	106,208	-	106,208	0.4%	0.0%
Bank	105,905	-	-	105,905	0.4%	0.0%
Bank	-	106,168	-	106,168	0.4%	0.0%
Bank	104,987	-	-	104,987	0.4%	0.0%
Bank	-	104,987	-	104,987	0.4%	0.0%
Bank	257,591	-	-	257,591	0.4%	0.0%
Bank	-	257,591	-	257,591	0.4%	0.0%
Total of Cash and Equivalents	4,722,286	4,539,147	-	9,261,433	0.4%	0.0%
MARKETABLE SECURITIES - EQUITIES						
Investment Company	-	118,960	-	118,960	1.2%	5.0%
Investment Company	-	164,509	-	164,509	1.2%	5.0%
Investment Company	-	856,067	-	856,067	1.2%	5.0%
Investment Company	-	12,300	-	12,300	1.2%	5.0%
Investment Company	-	12,012	-	12,012	1.2%	5.0%
Investment Company	127,868	-	-	127,868	1.2%	5.0%
Investment Company	146,218	-	-	146,218	1.2%	5.0%
Investment Company	854,949	-	-	854,949	1.2%	5.0%
Total of Equities	1,129,035	1,163,848	-	2,292,883	1.2%	5.0%

REVISED NET WORTH STATEMENT (PAGE 2)

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
NON-TAXABLE MARKETABLE SECURITIES						
Muni Bonds	3,226,787	-	-	3,226,787	4.1%	0.0%
Muni Bonds	-	3,154,378	-	3,154,378	4.1%	0.0%
Total of Non-Taxable Marketable Securities	3,226,787	3,154,378	-	6,381,165	4.1%	0.0%
OTHER INVESTMENTS						
Duncan Leasing Co, LLC Class A (.1750%/1750%)	10,500	10,500	-	21,000	9.7%	3.0%
Duncan Leasing Co, LLC Class B (17.325%/17.325%)	1,039,500	1,039,500	-	2,079,000	9.7%	3.0%
Total of Other Investments	1,050,000	1,050,000	-	2,100,000	9.7%	3.0%
CLOSELY HELD BUSINESS						
Duncan's, Inc. (S Corp - 15.82%/15.37%)	4,957,399	4,813,211	-	9,770,611	20.6%	2.0%
Property Company	47,297	47,297	-	94,594	0.2%	3.0%
Corporate Property	51,750	51,750	-	103,500	5.0%	3.0%
Total Closely Held Business	5,056,446	4,912,258	-	9,968,705	20.3%	2.0%
RETIREMENT PLANS/IRAs						
Duncan's, Inc.	1,367,089	-	-	1,367,089	0.0%	7.0%
Total Retirement Plans	1,367,089	-	-	1,367,089	0.0%	7.0%

REVISED NET WORTH STATEMENT (PAGE 3)

DUNCAN AND TINA LEWIS

	DUNCAN	TINA	JOINT	TOTAL	YIELD	GROWTH
RESIDENTIAL REAL ESTATE						
123 Main Street	-	750,000	-	750,000	0.0%	3.0%
678 Main Street, Florida	-	850,000	-	850,000	0.0%	3.0%
Total of Personal Residences	-	1,600,000	-	1,600,000	0.0%	3.0%
PERSONAL PROPERTY						
Paintings	-	300,000	-	300,000	0.0%	0.0%
Autos	80,000	45,000	-	125,000	0.0%	0.0%
Total of Personal Property	80,000	345,000	-	425,000	0.0%	0.0%
OTHER STRATEGY ASSETS						
GDOT Note	10,259,141	10,259,141	-	20,518,282	4.25%	
QPRT Property	1,750,000	4,000,000	-	5,750,000		
Total of Other Strategy Assets	12,009,141	14,259,141	-	26,268,282	4.25%	
TOTAL ASSETS	28,640,784	31,023,773	-	59,664,557		
TOTAL LIABILITIES	-	-	-	-		
NET WORTH	28,640,784	31,023,773	-	59,664,557		

ASSET VALUE PROJECTIONS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Asset Values									
Cash and cash equivalents**	9,261,433	8,541,242	8,541,242	8,541,242	8,541,242	8,541,242	8,541,242	8,541,242	8,541,242
Marketable securities - Equities	2,292,883	2,370,167	2,488,676	2,613,109	2,743,765	2,880,953	4,469,304	4,692,769	7,280,025
Municipal bonds	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165	6,381,165
Other investments	2,100,000	2,142,602	2,206,880	2,273,087	2,341,279	2,411,518	3,146,484	3,240,878	4,228,611
Closely held business	9,968,705	10,105,077	10,309,186	10,517,419	10,729,857	10,946,586	13,105,140	13,369,847	16,006,242
Surplus Cashflow to Cash Accts	-	801,124	1,564,927	1,980,564	2,347,412	2,664,259	2,987,850	2,749,993	552,102
Retirement plans/IRAs	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Personal residences	1,600,000	1,632,459	1,681,433	1,731,876	1,783,832	1,837,347	2,397,321	2,469,241	3,221,799
Residences in QPRTs ¹	5,750,000	5,866,649	6,042,649	6,223,928	6,410,646	6,602,965	-	-	-
Personal property	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000	425,000
Note from GDOT ²	20,518,282	19,415,670	18,266,196	17,067,870	15,818,615	14,516,267	-	-	-
Total assets in estate	59,664,557	59,112,558	59,438,955	59,394,073	59,276,342	59,083,579	43,935,834	44,398,928	49,278,867
Combined net worth	\$ 59,664,557	\$ 59,112,558	\$ 59,438,955	\$ 59,394,073	\$ 59,276,342	\$ 59,083,579	\$ 43,935,834	\$ 44,398,928	\$ 49,278,867

¹ QPRT term ends in 2020, beginning in 2021 the residences are outside of the estate.

² Note paid off in 2024.

** Reduced by additional seed gift money to the GDOTs in year 1.

TAXABLE INCOME PROJECTIONS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Sources of Taxable Income									
Cash and cash equivalents**		38,998	39,339	42,555	44,305	45,850	49,373	48,547	39,334
Marketable securities - Equities		27,062	27,974	29,373	30,842	32,384	50,238	52,749	81,832
Cash - GDOT ¹		-	4,718	6,691	9,073	11,875	59,019	-	-
Other investments		202,975	207,093	213,305	219,705	226,296	295,265	304,123	396,811
Closely held business		2,020,434	2,048,073	2,089,442	2,131,646	2,174,702	2,603,531	2,656,119	3,179,878
Retirement plans/IRAs		-	-	-	-	-	119,798	127,299	209,920
Other taxable earnings - GDOT ¹		4,701,857	4,765,548	4,860,859	4,958,076	5,057,238	6,043,867	-	-
Client earned income		127,068	127,068	127,068	127,068	127,068	-	-	-
Gross income		\$ 7,118,394	\$ 7,219,812	\$ 7,369,293	\$ 7,520,714	\$ 7,675,412	\$ 9,221,090	\$ 3,188,837	\$ 3,907,774

¹ Note is paid off in 2024 and the grantor status of the trust is revoked. Beginning in 2025, the trust will pay it's own income taxes.

INCOME TAX PROJECTIONS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Income Tax Estimation									
Adjusted gross income:									
Dividend income (Marketable Sec.)		27,062	32,692	36,063	39,915	44,259	109,256	52,749	81,832
Earned and other income		7,091,332	7,187,121	7,333,229	7,480,800	7,631,154	9,111,834	3,136,087	3,825,943
Adjusted gross income		7,118,394	7,219,812	7,369,293	7,520,714	7,675,412	9,221,090	3,188,837	3,907,774
Deductions									
Real Estate Tax		41,548	42,379	43,227	44,091	44,973	53,747	54,822	65,517
Pennsylvania state income taxes		459,136	465,678	475,319	485,086	495,064	594,760	205,680	252,051
Cash charitable gifts		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
Charitable Deduction available		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
Charitable Deduction allowed		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	-	-
Total deductions		2,500,684	2,508,057	2,518,546	2,529,177	2,540,037	2,648,507	260,502	317,568
Reductions		-	-	(216,075)	(220,617)	(225,258)	(271,629)	(90,661)	(112,229)
Deductions allowed		2,500,684	2,508,057	2,302,471	2,308,560	2,314,779	2,376,878	169,841	205,339
Taxable income		4,617,710	4,711,756	5,066,821	5,212,155	5,360,634	6,844,212	3,018,996	3,702,435
Federal and State income tax		\$ 2,039,794	\$ 2,078,126	\$ 2,445,848	\$ 2,513,166	\$ 2,581,942	\$ 3,269,135	\$ 1,365,270	\$ 1,682,283

CASH FLOW PROJECTIONS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Sources of Income for Lifestyle									
Consumable income (taxable)		2,416,537	2,449,547	2,501,743	2,553,565	2,606,300	3,118,204	3,188,837	3,907,774
Consumable income (tax exempt)		262,742	262,742	262,742	262,742	262,742	262,742	262,742	262,742
Distribution from Marketable Securities		-	-	-	-	-	196,320	237,857	247,805
Note Payment from GDOT ¹		1,974,640	1,974,640	1,974,640	1,974,640	1,974,640	1,974,640	-	-
Total income available for lifestyle		4,653,918	4,686,929	4,739,125	4,790,947	4,843,681	5,551,906	3,689,436	4,418,322
Uses of Cash									
Living expenses		1,600,000	1,632,000	1,664,640	1,697,933	1,731,891	2,069,771	2,111,166	2,523,039
Income tax		2,039,794	2,078,126	2,445,848	2,513,166	2,581,942	3,269,135	1,365,270	1,682,283
Cash gifts to family		213,000	213,000	213,000	213,000	213,000	213,000	213,000	213,000
Total uses of cash		3,852,794	3,923,126	4,323,488	4,424,099	4,526,834	5,551,906	3,689,436	4,418,322
Surplus		\$ 801,124	\$ 763,803	\$ 415,637	\$ 366,847	\$ 316,848	\$ -	\$ -	\$ -

¹ Note is paid off in 2024 and the grantor status of the trust is revoked. Beginning in 2025, the trust will pay it's own income taxes.

FIRST ESTATE TAX ESTIMATION AND DISTRIBUTION - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Tax calculation on Duncan's death									
Combined Net Worth	59,664,557	59,112,558	59,438,955	59,394,073	59,276,342	59,083,579	43,935,834	44,398,928	49,278,867
Duncan's estimated estate	28,640,784	28,375,808	28,532,488	28,510,944	28,454,430	28,361,898	21,090,524	21,312,823	23,655,341
Total gross estate	28,640,784	28,375,808	28,532,488	28,510,944	28,454,430	28,361,898	21,090,524	21,312,823	23,655,341
Settlement expenses	(168,204)	(166,879)	(167,662)	(167,555)	(167,272)	(166,809)	(130,453)	(131,564)	(143,277)
Joint, personal and IRA to Tina	(1,447,089)	(1,511,402)	(1,611,600)	(1,718,812)	(1,833,529)	(1,956,276)	(2,562,329)	(2,608,793)	(2,722,681)
Outright or in trust to Tina	(24,525,491)	(24,197,527)	(24,253,226)	(26,624,577)	(26,453,628)	(26,238,812)	(18,397,742)	(18,572,465)	(20,789,383)
Taxable estate	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Plus Duncan's lifetime taxable gifts	2,500,000	2,500,000	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax base	5,000,000	5,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tentative Federal Estate Tax	-	-	-	-	-	-	-	-	-
Distribution of First Estate									
Settlement expenses	168,204	166,879	167,662	167,555	167,272	166,809	130,453	131,564	143,277
To family trust	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Joint, personal and IRA to Tina	1,447,089	1,511,402	1,611,600	1,718,812	1,833,529	1,956,276	2,562,329	2,608,793	2,722,681
Outright or in trust to Tina	24,525,491	24,197,527	24,253,226	26,624,577	26,453,628	26,238,812	18,397,742	18,572,465	20,789,383
Total	\$ 28,640,784	\$ 28,375,808	\$ 28,532,488	\$ 28,510,944	\$ 28,454,430	\$ 28,361,898	\$ 21,090,524	\$ 21,312,823	\$ 23,655,341

Assumptions

We assume that Duncan dies first, followed immediately by Tina.

Taxes under "Distribution of First Estate" include estate and income taxes, if any.

SECOND ESTATE TAX ESTIMATION AND DISTRIBUTION - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Tax Calculation on Tina's death									
Tina's assets	31,023,773	30,736,750	30,906,466	30,883,129	30,821,913	30,721,682	22,845,311	23,086,105	25,623,527
Plus assets from Duncan's estate	25,972,580	25,708,929	25,864,826	28,343,389	28,287,158	28,195,088	20,960,071	21,181,259	23,512,064
Tina's estimated estate	56,996,353	56,445,679	56,771,292	59,226,518	59,109,070	58,916,770	43,805,382	44,267,364	49,135,591
Settlement expenses	(594,964)	(589,457)	(592,713)	(617,265)	(616,091)	(614,168)	(463,054)	(467,674)	(516,356)
Charitable gift of IRA assets	(1,367,089)	(1,431,402)	(1,531,600)	(1,638,812)	(1,753,529)	(1,876,276)	(2,482,329)	(2,528,793)	(2,642,681)
Charitable deduction from TCLAT	(52,534,300)	(51,924,820)	(52,146,979)	(56,970,440)	(56,739,450)	(56,426,326)	(40,859,999)	(41,270,897)	(45,976,554)
Taxable estate	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Plus Tina's lifetime taxable gifts	2,500,000	2,500,000	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Tax base	5,000,000	5,000,000	5,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Federal Estate Tax	-	-	-	-	-	-	-	-	-
Distribution of Second Estate									
Settlement expenses	594,964	589,457	592,713	617,265	616,091	614,168	463,054	467,674	516,356
Taxes	-	-	-	-	-	-	-	-	-
Other gifts to charity	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Residual estate to heirs	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Contribution to TCLAT	52,534,300	51,924,820	52,146,979	56,970,440	56,739,450	56,426,326	40,859,999	41,270,897	45,976,554
Total	\$ 56,996,353	\$ 56,445,679	\$ 56,771,292	\$ 59,226,518	\$ 59,109,070	\$ 58,916,770	\$ 43,805,382	\$ 44,267,364	\$ 49,135,591

Assumptions

We assume that Duncan dies first, followed immediately by Tina.

Taxes under "Distribution of Second Estate" include estate and income taxes, if any.

SUMMARY OF BENEFITS TO FAMILY - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Benefits to Family									
Residual estate	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Family trust	2,500,000	2,500,000	2,500,000	-	-	-	-	-	-
Value of GDOT	2,279,809	4,811,580	6,891,748	9,127,295	11,522,799	14,082,975	45,814,087	48,942,192	82,010,669
Life insurance proceeds GDOT	43,000,000	43,000,000	43,000,000	43,000,000	43,000,000	43,000,000	28,000,000	28,000,000	15,000,000
Existing 529 Plans	360,000	378,000	396,900	416,745	437,582	459,461	712,775	748,414	1,161,036
Value of QPRTs ¹	-	-	-	-	-	-	8,615,372	8,873,833	11,578,340
NPV of TCLAT benefits to heirs	10,955,676	10,828,573	10,874,902	11,880,803	11,832,631	11,767,331	8,521,078	8,606,769	9,588,102
Total assets to heirs	\$ 61,595,485	\$ 64,018,153	\$ 66,163,551	\$ 64,424,843	\$ 66,793,013	\$ 69,309,767	\$ 91,663,313	\$ 95,171,208	\$ 119,338,147

¹ QPRT term ends in 2020, beginning in 2021 the residences are outside of the estate.

GRANTOR DEEMED OWNER TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
GDOT Balance Sheet									
Additional Year One Seed Gifts - Cash	-	720,191	720,191	720,191	720,191	720,191	720,191	720,191	720,191
Reinvested excess cash flow	-	400,148	868,704	1,434,544	2,099,984	2,867,387	15,202,643	17,732,923	44,853,207
Duncan's, Inc. Shares	22,798,091	23,106,911	23,569,049	24,040,430	24,521,239	25,011,664	29,891,254	30,489,079	36,437,271
Note payable to Duncan and Tina	(20,518,282)	(19,415,670)	(18,266,196)	(17,067,870)	(15,818,615)	(14,516,267)	-	-	-
Net equity	\$ 2,279,809	\$ 4,811,580	\$ 6,891,748	\$ 9,127,295	\$ 11,522,799	\$ 14,082,975	\$ 45,814,087	\$ 48,942,192	\$ 82,010,669
GDOT Income Tax Estimation									
Duncan's, Inc. Income		4,701,857	4,765,548	4,860,859	4,958,076	5,057,238	6,043,867	6,164,744	7,367,440
Earnings from reinvestment acct./Seed Gift		-	4,718	6,691	9,073	11,875	59,019	67,048	177,441
Total earnings		4,701,857	4,770,266	4,867,549	4,967,149	5,069,113	6,102,886	6,231,792	7,544,882
GDOT Cash Flow									
Annual Charitable Gifts		(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
Duncan's, Inc. Income		4,701,857	4,765,548	4,860,859	4,958,076	5,057,238	6,043,867	6,164,744	7,367,440
Cash flow from reinvestment acct./Seed Gift		-	4,718	6,691	9,073	11,875	59,019	67,048	177,441
Installment Note payments to Duncan and Tina ¹		(1,974,640)	(1,974,640)	(1,974,640)	(1,974,640)	(1,974,640)	(1,974,640)	-	-
Trust Income Taxes ¹		-	-	-	-	-	-	(1,480,092)	(1,939,673)
Insurance Premium		(327,070)	(327,070)	(327,070)	(327,070)	(327,070)	(221,420)	(221,420)	(171,420)
Cash flow to reinvest		400,148	468,556	565,840	665,440	767,403	1,906,826	2,530,280	3,433,789
¹ Note is paid off in 2024 and the grantor status of the trust is revoked. Beginning in 2025, the trust begins paying it's own income taxes.									
GDOT Insurance - Permanent SUL - MetLife									
Net death benefit	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
Premium		171,420	171,420	171,420	171,420	171,420	171,420	171,420	171,420
GDOT Insurance - 20 yr - Principal**									
Net death benefit	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	28,000,000	13,000,000	13,000,000	-
Premium		155,650	155,650	155,650	155,650	155,650	50,000	50,000	-
** Beginning in year 11, the death benefit is dropped to \$13M and the annual premiums drop to \$50,000.									

QUALIFIED PERSONAL RESIDENCE TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
QPRT Values									
Gross value of residence	5,750,000	5,866,649	6,042,649	6,223,928	6,410,646	6,602,965	8,615,372	8,873,833	11,578,340
Discounted value of residence	5,750,000	5,866,649	6,042,649	6,223,928	6,410,646	6,602,965	8,615,372	8,873,833	11,578,340
Diff. between gross and discount	-	-	-	-	-	-	-	-	-
Reversionary value in estate	5,750,000	5,866,649	6,042,649	6,223,928	6,410,646	6,602,965	-	-	-
Rent paid to heirs post-QPRT	-	-	-	-	-	-	-	-	-
Value of home to heirs	-	-	-	-	-	-	8,615,372	8,873,833	11,578,340
Total Value to Heirs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,615,372	\$ 8,873,833	\$ 11,578,340

* QPRT term ends in 2020, beginning in 2021 the residences are outside of the estate.

** Residence values are aggregated for purposes of this summary.

EXISTING CHARITABLE FOUNDATION DETAILS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Lewis Family Foundation, Inc.									
BOY Foundation Value	4,000,000	4,054,183	6,175,267	8,338,772	10,545,548	12,796,459	35,192,395	37,936,243	65,236,764
Annual Cash Contributions		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
EOY Foundation Value to Charity		6,054,183	8,175,267	10,338,772	12,545,548	14,796,459	37,192,395	39,936,243	67,236,764

TESTAMENTARY CHARITABLE LEAD TRUST DETAILS - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Charitable Lead Annuity Trust									
Balance Sheet									
Tot. value of TCLAT assets	52,534,300	51,924,820	52,146,979	56,970,440	56,739,450	56,426,326	40,859,999	41,270,897	45,976,554
Annual payment to foundation if death occurs in the column year	2,950,106	2,915,880	2,928,355	3,199,221	3,186,249	3,168,665	2,294,526	2,317,600	2,581,850
Benefits to Charity									
NPV of TCLAT income distributions**	52,534,300	51,924,820	52,146,979	56,970,440	56,739,450	56,426,326	40,859,999	41,270,897	45,976,554
Total of TCLAT distributions**	73,752,640	72,896,993	73,208,881	79,980,514	79,656,229	79,216,635	57,363,147	57,940,005	64,546,253
Benefits to Heirs									
Future benefits to heirs from TCLAT**	37,099,806	36,669,390	36,826,279	40,232,616	40,069,490	39,848,361	28,855,396	29,145,573	32,468,716
NPV of benefits to heirs**	10,955,676	10,828,573	10,874,902	11,880,803	11,832,631	11,767,331	8,521,078	8,606,769	9,588,102

**The values shown passing to charity and to heirs vary from year to year based on the projected size of your estate, and the applicable tax law.

Note: NPV of benefits to heirs assumes a 5% linear growth of TCLAT assets. A higher actual rate of growth would mean more money to the heirs while a lower actual rate of growth would mean less money to the heirs.

BENEFITS TO LEWIS FAMILY FOUNDATION - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Lewis Family Foundation - Annual Gifts	4,000,000	6,054,183	8,175,267	10,338,772	12,545,548	14,796,459	37,192,395	39,936,243	67,236,764
Charitable gift of IRA assets	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
NPV of TCLAT income distributions	52,534,300	51,924,820	52,146,979	56,970,440	56,739,450	56,426,326	40,859,999	41,270,897	45,976,554
Total benefits to foundation	\$ 57,901,389	\$ 59,410,405	\$ 61,853,846	\$ 68,948,025	\$ 71,038,527	\$ 73,099,061	\$ 80,534,723	\$ 83,735,933	\$ 115,855,999

DETAILS OF DUNCAN'S QUALIFIED PLAN - PROPOSED PLAN

YEAR	Current	2011	2012	2013	2014	2015	2024	2025	2034
Duncan's Qualified Plans									
Duncan's age		65	66	67	68	69	78	79	88
Tina's age		65	66	67	68	69	78	79	88
Minimum distribution factor		32.0	31.1	30.2	29.2	28.3	20.3	19.5	12.7
Securities in plans	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Plan balance during life	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Plan balance at death of survivor	1,367,089	1,431,402	1,531,600	1,638,812	1,753,529	1,876,276	2,482,329	2,528,793	2,642,681
Minimum distribution		-	-	-	-	-	119,798	127,299	209,920
Actual distribution		-	-	-	-	-	119,798	127,299	209,920

PLAN ASSUMPTIONS

DUNCAN AND TINA LEWIS

The plan is based on numerous assumptions. Important among these are the yield and growth assumptions contained on the balance sheet in the Financial Analysis section. Other important assumptions are contained on this Plan Assumptions page.

Tax Rate Assumptions

State Income Tax Rate	6%	
State Inheritance - Estate Tax		No state estate tax

Tax on IRD

Unless a qualified plan is given to charity, we assume the beneficiary designations are changed to provide for a stretch out distribution.

7520 Rates

Highest rate	3.0%	April, 2011
Current rate	3.0%	April, 2011
Lowest rate	2.8%	February, 2011

Long Term AFR Rate

Annual increase in Duncan's earned income	4.3%	April, 2011
Annual increase in Duncan's earned income		0%
Number of years Duncan's income is expected to continue		7

Lifestyle Need Assumptions

Net annual outlay for Duncan and Tina's lifestyle needs, not including gifts or income taxes		\$1,600,000
Annual cost of living increase used in the plan		2%

Settlement and Administrative Expenses

Fixed estate settlement costs		\$25,000
Variable estate settlement costs, 1st death	0.50%	(of assets)
Variable estate settlement costs, 2nd death	1.00%	(of assets)

DISCLAIMER AND DISCLOSURE

DUNCAN AND TINA LEWIS

InKnowVision, LLC does not give accounting or investment advice to its clients. The effectiveness of any of the strategies described will depend on your individual situation and on a number of complex factors.

You should consult with your other advisors on the accounting and investment implications of the proposed strategies before any strategy is implemented.

Any discussion in this presentation relating to tax, accounting, investments, regulatory, or legal matters is based on our understanding as of the date of this presentation. Rules in these areas are constantly changing and are open to varying interpretations.

Assumption Issues The plan involves numerous assumptions. While we believe that these assumptions are reasonable, it is important to understand that it is a virtual certainty that the actual results will differ from those illustrated. Returns on investment and performance of financial products can cause the results to vary. Changes in tax, trust or property laws can cause plan results to vary. Plan implementation that differs from that described in the plan will cause the results to vary. Provision of state law may cause the plan results to vary.

Tax Opinions The IRS has recently issued new rules for tax practitioners regarding covered opinions, reliance opinions and marketed opinions. While this is an arcane area, suffice it to say that these opinions are often obtained by taxpayers for purposes of avoiding penalties. These opinions are obtained at substantial cost and after substantial legal analysis. If you believe that such an opinion would be helpful to you prior to entering into any of the transactions outlined in this plan, you should feel free do so.

Be advised that nothing in this analysis should be construed by you, your advisors or any one else as a covered opinion, reliance opinion, marketed opinion or any other type of opinion regarding any of the transactions or outcomes outlined in this plan.

APPENDIX

DUNCAN AND TINA LEWIS

Many of our clients like to read about some of the strategies that we have recommended. Both as further education and as a reminder of the main points involved in the strategies.

The appendix material that follows includes information about the planning strategies recommended. Not all strategies are included. Only those that likely require additional explanation.

Naturally, we are always happy to answer your questions or review the details of a particular strategy with you at any time.

Charitable Remainder Unitrust (CRT) - This trust allows an individual or couple to make a gift, or a series of gifts, normally of appreciated assets, receive a charitable income tax deduction for the present value of the gift and to receive an income stream of a percentage that is based on the value of the trust assets. All types of CRTs have a minimum payout percentage of 5%. The trust is based on the life expectancy of the grantor or a term of years no greater than twenty. When the last income beneficiary dies or at the end of the term, the remainder passes to the charitable beneficiary.

TCLAT - A testamentary charitable lead annuity trust is established at the death of the grantor. It pays a fixed annuity percentage to charity for a period of time then the remaining assets are transferred to the grantor's beneficiaries. Most TCLATs are structured to create a "zero" transfer tax and are often used to eliminate any estate tax that would be due from the grantor's estate.

Charitable Life Estate - Client makes a gift to a charity of his residence and retains all rights and obligations of property ownership for his life. Client receives an immediate charitable income tax deduction for the present value of the gift to charity. At death, the house passes to the designated charity and is removed from the estate of the donor.

Private Foundations - A private foundation is a specific type of charity that is established and operated usually by one family. The entity can be a trust or a corporation and the family may have 100% control of the board, make all of the investment decisions and all charitable grants. Private foundations must distribute 5% of its assets annually. There are also strict guidelines as to what type of investments may be owned and there are special limitations as to the amount of charitable income tax deductions are available for contributions.

Family Charity Plan - Client establishes a family limited partnership that is designed to minimize the typical discounting that is normally associated with partnership planning. Client funds the partnership and then donates the limited partnership interests to designated charities. Client receives a significant income tax deduction and maintains investment control over partnership assets. Often client has a right to borrow from the partnership. Also, client generally makes an annual distribution to the charities from the partnership, normally 1% of assets.

Supporting Organizations (SOs) - SOs are similar to private foundations but are actually public charities that can be established by private families. Because they are technically public charities, the higher charitable income tax deduction rules for public charities apply. Unlike private foundations, however, SOs require that a private family may not have absolute control of the board. That is, if the board is to have 5 members, the family can only have a maximum of 2 of those members. SOs are not required to pay excise taxes, nor are they required to distribute 5% of their assets annually. Instead, they must distribute 85% of their income.

Bargain Sales - A bargain sale occurs when a donor transfers property to a charity for less than the full fair market value of the property or when the charity pays some portion of the value for property it receives. The donor only receives a tax deduction for the contributed portion of the property.

Charitable Remainder Annuity Trust (CRAT) - This trust allows an individual or couple to make a single gift, normally of appreciated assets, receive a charitable income tax deduction for the present value of the gift and to receive an income stream of a fixed percentage of the original value of the contribution of trust assets. The trust is based on the life expectancy of the grantor or a term of years no greater than twenty. When the last income beneficiary dies or at the end of the term, the remainder passes to the charitable beneficiary.

Gift Annuity - A gift annuity is a form of a bargain sale. A donor transfers property to a charity in exchange for a fixed income stream that will last for the life expectancy of the donor. A charitable income tax deduction for the present value of the gifted property is allowed. The charity is liable and responsible for the payment of the annuity income stream.

Net Income with Makeup Unitrust (NIMCRUT) - This is a special type of charitable remainder unitrust (see above) wherein the trust distributes the "net income" that the trust assets earn within the trust. If the trust does not earn enough income to pay the stated income percentage payout, the trust creates an "IOU" account that it can pay at a later date when the assets earn more income. These trusts are often used when a donor has other income currently but would like income later such as during their retirement. Trust assets can be managed to produce income or not.

Flip Charitable Remainder Unitrust (Flip CRT) - This type of CRT operates like a NIMCRUT when it is originally established, paying out only the income it earns at a set percentage. At some triggering event in the future, the FLIP CRT changes character and operates like a standard CRT (SCRUT) whereby it pays out a fixed percentage of its annual valuation. This type of CRT is often used when a gift that produces little current income (such as land) is transferred before it is sold. Upon sale, the proceeds are reinvested and the CRT begins paying its regular percentage.

Charitable Lead Unitrust (CLUT) - This trust operates very much like the CLAT. However, while the percentage payout remains fixed, the trust's distribution amount varies depending on the value of the trusts assets which are computed annually. Because of this, the CLUT cannot have a "zero" gift amount as there will always be some calculated remainder that passes to the heirs. CLUTs are often used for gifts to grandchildren or other "skip generations" because the generation skipping tax amount can be calculated when the trust is first established.

Charitable Lead Annuity Trust (CLAT) - This trust distributes income to charity over the life of the donor or for a period of years. At the end of the trust term, the trust assets are either distributed back to the grantor or to heirs. These trusts are used to either transfer assets to heirs with little or no gift tax or to create a different way to make gifts if the grantor has already used significant charitable income tax deductions. CLATs have no minimum payout percentage.

Donor Advised Funds (DAF) - A DAF is a special account established at a Community Foundation. It allows a donor to make a gift of property without specifying the final charitable purpose for the gift. Donors often are allowed to maintain money management responsibility for the DAF and can also direct the Community Foundation as to where the charitable funds are ultimately distributed. The Community Foundation is not technically bound to direct the funds to the donor's selection but as a practical matter most follow the donor's wishes. DAFs have no annual minimum requirement for distribution and are usually inexpensive to establish.

Limited Liability Company/Charitable Remainder Trust (LLC/CRT) - In this strategy a gift of appreciated property is made to an LLC. The LLC then gifts the property to a CRT in exchange for the income interest. The LLC is then sold to a Grantor Deemed Owned Trust (GDOT) in exchange for a note. Because of the fact that the LLC only owns the income stream due from the CRT, and the LLC has restrictions on marketability and liquidity, the "discount" available for the sale to the GDOT should be substantial.

Family Limited Partnership (FLP) - FLPs are a form of business entity that can be utilized to facilitate the transfer of assets. Ownership interests are divided into General Partner (GP) and Limited Partner (LP) shares. GPs maintain control of the entity even though they may own a small percentage of the total FLP. LP interests have ownership but no control. Because the LPs have no control over their interests FLPs often receive significant valuation adjustments when valued by appraisers. This allows the LP units to be transferred or sold at less than their full monetary value. FLPs also enjoy strong creditor protection and are therefore effective for family asset protection purposes.

Long Term Care Insurance (LTC) - This type of insurance is meant to protect families from the catastrophic costs of care due to a prolonged illness. Coverage is usually provided as a “per day” cost and many policies feature various riders that protect against inflation. Coverage applies not only for nursing home and rehabilitation facilities but for home health care costs as well. Policies can be structured so that they are paid for over a lifetime or for a period of years. Some policies refund the premiums that have been paid at the death of the insured. LTC is income tax deductible to C Corporations and owners of those corporations may “discriminate” as to which employees are covered.

Walton Grantor Retained Annuity Trust (Walton GRAT) - In a typical GRAT assets are transferred to a trust and the grantor of the trust receives an income stream for a period of years. What is left in the trust at the end of its term is transferred to beneficiaries, normally the grantor’s heirs. The normal structure of a GRAT is meant to use “leverage” to reduce or eliminate the taxable gift to the heirs from the GRAT. This type of normal GRAT causes all of the GRAT assets to be included in the grantor’s estate if the grantor dies during the GRAT period. The Walton GRAT provides an exception to this rule, thereby allowing GRAT payments to continue after death and the GRAT assets not reverting to the grantor.

Revocable Living Trust (RLT) - A foundational document of most estate plans, the RLT is a trust that is established by an individual for the purpose of holding and managing the assets of the individual. The trust is a non-entity for income tax purposes. That is, the grantor of the trust is still responsible to report and pay the income tax due on any trust assets. RLTs are also effective in the event of a disability or incompetence of the grantor, in that they name a successor trustee who can step in to the shoes of the grantor without a court proceeding. RLTs are often established in order for the grantor’s estate to avoid probate. Further, a properly drafted RLT can be utilized to take advantage of the estate exemption in order to minimize estate taxes.

Preferred Limited Partnership (LP) - This type of LP creates two different classes of limited partner. LP units are allocated between “common” and “preferred” classes. The common interests are generally entitled to receive any of the growth associated with the underlying assets of the LP. The preferred receive a stated percentage income return, e.g. 5%. Because of the possible disparity of return between the two types of units often have different values when appraised. This allows the General Partner of the LP to make different decisions as to the ultimate disposition of the two types of interests. This type of LP can provide substantial planning leverage for the appropriate estate.

Life Insurance - While life insurance has been available for a very long time it is often dismissed. However, properly structured life insurance can add an element of safety and certainty to most estate plans. Life insurance death benefits are generally income tax free and policies that are properly owned outside of the estate can also be estate tax free. Many policies have guarantees that will keep the policy in force as long as premiums are paid in a timely fashion, regardless of interest rate or company mortality fluctuations.

Rent to Own - This strategy couples a short term Qualified Personal Residence Trust (QPRT) with an Irrevocable Life Insurance Trust (ILIT). The ILIT is a beneficiary of the QPRT and at the termination of the QPRT term receives premium payments in the form of rental income. This allows the client to pay large insurance premiums without annual gifting, Crummey notices or income tax consequences.

Life Settlements - This strategy involves the sale of a life insurance policy to an independent third party. There are many reasons to consider this type of transaction. The client may no longer need the insurance; the policy may be in danger of lapsing while the client is unwilling or unable to make the necessary premium payments; or there may be newer, more appropriate and cost effective insurance needed for the clients' current circumstances.

529 Plans - 529 Plans represent a special section of the tax code which has been enacted to encourage the funding of post high school education. Each state has its own plan but individuals may choose the plan of any state they wish to use. 529 plans allow an individual to establish an investment account for themselves or for another person (normally children or grandchildren). Investment returns grow on a tax free basis and, if utilized for post high school educational purposes, remain tax free. While the funds are generally out of the estate of the grantor of the plan, the grantor may take them back at any time. While they will have to pay income tax as well as a 10% penalty on the earnings, it is often reassuring to have the knowledge that the funds are retrievable in the event of an economic emergency. The law further allows the grantor to make five years of gifts to the 529 plan in one year. That is, \$60,000 can be deposited currently in a plan for the benefit of another, and then the grantor must wait until the sixth year to make any additional deposits.

Family Limited Liability Company (FLLC) - Much like the FLP, a FLLC is a type of business entity that provides for the centralized pooling and management of family assets. Owners of FLLC units are considered "members" and there is usually a single "managing member". FLLCs are a relatively new form of entity and there is less case law regarding their uses and nuances when compared to FLPs. However, many jurisdictions have passed favorable FLLC statutes and therefore the FLLC should be carefully considered in the proper jurisdiction.

Crummey Powers - Most traditional life insurance trusts contain what are known as "Crummey Powers" which grant the beneficiaries of the trust the right to withdraw money that has been contributed to the trust (normally to pay insurance premiums), for a period of time. This allows the contribution to be a gift of a "present interest" and therefore qualify for the application of the annual exclusion. The name "Crummey" power derives from the court case that originally challenged and won on this principle.

Jurisdictional Trusts - These trusts are normally established because of the favorable laws of a specific jurisdiction. These could be any type of trust, revocable or irrevocable, grantor or non-grantor. What's important is that the specific legal foundation of the jurisdiction is favorable for the application sought. These could be state specific, i. e. Delaware for asset protection or Dynasty provision, or could even be international such as Cook Islands or Nevis for asset protection.

Succession Planning - This is the process by which the owner of a closely held business determines who will take over the business and how and when the transition will take place. While not necessarily a codified estate planning “technique” a business without an organized succession plan will be more likely to fail and have to be sold or liquidated. The economic result to the family may be different than planned for or anticipated.

Grantor Retained Annuity Trust (GRAT) - The GRAT transaction entails the transfer of assets to a trust whereby the grantor retains an income from the trust for a period of years and the remainder transfers to beneficiaries at the end of the trust term. The “remainder” is calculated using IRS tables and is considered a gift to the remainder beneficiaries. Therefore, many GRATs are structured to produce a “zero” gift and hope to take advantage of the possible arbitrage of the return of the assets in the GRAT compared to the IRS rates utilized to calculate the trust remainder. The disadvantage of the regular GRAT transaction is that if the grantor dies during the trust period, all of the assets in the GRAT are included back in the grantors estate.

Sale for Installment Note - This transaction is normally coupled with other techniques to improve the results. Often a family will use an FLP or FLLP and sell interests that have been appraised at a reduced value because of lack of liquidity and marketability. The buyer is often a trust for the beneficiaries, which purchases the discounted assets for the installment note. While the note is in the estate of the seller, it is usually of less value than the assets that have been sold. The note can be structured to be paid as “interest only” or it may be amortized.

Gifting - A simple way to transfer assets to beneficiaries. An individual may currently gift \$11,000 of property to any other individual, annually (\$12,000 beginning in 2006). Further, every individual can currently give away up to \$1 million of assets during their lifetime without incurring gift taxes. Making gifts of property that is discounted in some way can be advantageous in transferring more than the statutory amount.

Annuity Withdrawal - Often families ignore the funds that clients have in commercial annuities. Since funds are accumulating on a tax-deferred basis, this is often a logical approach. However, since annuities remain in the estate of the owner and are therefore subject to estate tax and income in respect of a decedent tax, it is often advisable to begin a systematic program of annuity withdrawal. Frequently the after-tax proceeds of the withdrawal can be utilized to subsidize lifestyle or to purchase life insurance to replace the dollars that would be lost to the double taxation of the annuity.

Dynasty Trust - This type of trust allows assets that are contributed to the trust to remain in the trust for multiple generations. Because of this provision, the trust assets will pass outside of the estate tax system and will also be protected from the claims of a trust beneficiary’s creditors. This type of irrevocable trust must be established in a jurisdiction that allows multi-generational trusts.

Premium Finance - When purchasing life insurance, many families face the possibility of making taxable gifts because the amount of the premium exceeds the amount of annual gifting available to the insured. Using the option of premium financing may alleviate this problem. Funds are provided by a third party lender who pays the premium. The insured usually pays only the interest on the borrowed funds while the principal of the loan accumulates and is often repaid from the insurance proceeds at the insured's death. While complicated, premium financing can be an interesting solution for funding large policies.

Buy-Sell Agreements - This type of contract is normally associated with the owners of a closely business to allow for the disability, abandonment of the business, or untimely death of any of the owners. The agreements describe the provisions by which an owner's share of the business will be redeemed. Buy-sells can be funded with disability and life insurance or they may be unfunded and, therefore, rely on the cash flow of the business to fund the buy out. Providing liquidity for the estate of the business owner is often the reason for the formation and execution of a buy-sell.

Irrevocable Life Insurance Trust (ILIT) - In many estate plans, it is best to own life insurance outside of the taxable estate. The ILIT is the most common and flexible form of trust to accomplish this function. The ILIT will be the owner and beneficiary of one or more life insurance policies and will obligated to pay the premiums, collect the proceeds at death and distribute the funds to beneficiaries per the provisions of the trust. This is a good way to engage professional management in the management and oversight of the trust funds. ILITs may be established as Dynasty Trusts, if so desired.

Asset Protection - This is a broad category of planning which may involve one or more different strategies. Each of the techniques seeks to provide insulate assets from the attack of creditors. Various trusts, FLPs, FLLCs and other entities may be considered for asset protection. Further, there are choices of jurisdiction both domestic and foreign that may provide favorable environments for asset protection. Those in high risk profession or those with high risk assets generally fit the profile for implementing asset protection strategies.

Intra Family Loans - A simple solution that allows family members to make loans at the current Applicable Federal Rate (AFR), this strategy allows for possible arbitrage gains when the AFR is low relative to long term investment results. Furthermore, it is often possible for discounts to apply to the value of the notes in the event of the death of the lender.

Corporate Recapitalization - Many closely held companies only have one class of stock, known as common voting stock. When considering options for estate planning, the closely held company stock often represents a major portion of the estate. In order to facilitate transfer while retaining control of the company, it is possible to "recapitalize" the company by redeeming the outstanding shares and issuing new shares which are divided between "voting" and "non-voting" shares. The non-voting shares are then transferred by sale or gift and because of their non-voting status appraisals often reflect a greatly reduced value for these shares. Recapitalizations are available to S corporations as well as C corporations.

Self Canceling Installment Note (SCIN) - Like other installment notes, the SCIN originates when assets are sold. As the name implies the SCIN obligation is cancelled when the obligation is fully paid or at the death of the seller. Because of the self-canceling feature of the SCIN, the seller receives a “premium” amount that is higher than a normal installment obligation. The premium is reflected in one of two ways; either more principal is added to the balance or a higher (than current federal tables) interest rate is applied to the obligation. SCINs may be effective in circumstances where the seller is not expected to live to their IRS computed life expectancy.

Grantor Deemed Owned Trust (GDOT) - This type of trust has several unique properties that make it a very powerful estate planning tool. First, when assets are transferred to the trust either by gift or by sale, they are removed from the estate of the grantor. Second, the assets in the GDOT remain income taxable to the grantor of the trust. While this may not seem like a positive attribute, the grantor’s recognition and payment of the income taxes essentially allows the assets in the GDOT to grow free of income taxes outside of the estate. This can greatly increase the ultimate value of the assets transferred to the trust.

Offshore Captive Planning - Business owners often have risks that are either under-insured or are too expensive to insure. Those who have excess taxable income may choose to establish their own insurance entity, known as a “Captive.” These are most done in international jurisdictions since the tax laws favor this type of arrangement. These structures are very complex and require specialized planning but can also provide very favorable income and estate tax benefits.

Qualified Personal Residence Trust (QPRT) - This technique involves transferring a residence by gift to a trust for a period of years. Normally, a gift tax return is filed for the year that the QPRT is funded. At the end of the trust period, the residence becomes the property of the beneficiaries of the trust. Because the gift is made currently and vests in the beneficiary at a later date, there is a discount on the value of the transfer which is calculated utilizing IRS tables. One risk of the QPRT is if the transferor dies during the QPRT term, the house reverts to the estate of the transferor. After the QPRT terminates, the transferor should pay rent to the transferees as in any other commercial transaction.

Leveraged Roth Conversions - Under certain circumstances it is possible to convert a traditional IRA account to a Roth IRA. This may be an effective strategy, though it requires the payment of income taxes on the converted amount. Use of borrowed funds to pay taxes can make this a very strong strategy.

Employee Stock Ownership Plans (ESOP) - Closely held businesses often have no clear exit strategy. An ESOP can provide a ready market since the ESOP effectively sells a portion of the company stock to a qualified plan which must include the employees of the company. The owner may receive property which will allow a diversification of his assets that have been concentrated in their own company. ESOPs take many forms and are often complex transactions.

412(i) - This type of defined benefit pension plan is structured to allow the investments in the plan to be either life insurance and/or commercial annuities. Normally these products are designed to produce a low guaranteed rate of return which causes the annual contribution and, therefore, the income tax deduction to the participants in the plan, to be relatively high. 412(i) may be appropriate for an older business owner who has few employees.

IRA Maximizer - This strategy is for those individuals who have significant balance in their IRA (or other qualified plan) and who do not need the funds to live on. Normally, the IRA invests all or some of its assets in a newly formed family limited partnership (flp) and the flp invests all or some of its assets in a restricted management account (rma). The result of the transaction is that there will be a reduction in appraised value of the account because of the illiquid nature of the rma and the flp. By structuring the transaction properly, the IRA owner may reduce income taxes on required minimum distributions and estate taxes because of the reduction in appraised value.

Limited Partnership Owned Life Insurance - An alternative to owning life insurance in an irrevocable life insurance trust (ILIT), families often use a Limited Partnership. This is normally done as one step in a transaction whereby the limited partnership units will be sold or otherwise transferred out of the estate of the insured. Further, there are usually other assets contributed to the partnership that will fund the insurance premiums. Done properly, the life insurance death benefit can remain outside of the estate of the insured while some degree of control through the control granted by retaining the General Partner interest.

Family Bank - a combination of strategies that may include an LLC and/or a multi-generational irrevocable trust. The purpose of the family bank is to create an entity that will allow several generations of family members to have access to wealth for various purposes but also with a great degree of monitoring and supervision. A family bank may lend money to an heir to purchase a home or to start a business but will first assess the appropriateness of the transaction against a set of guidelines that have been drafted into the formation documents.