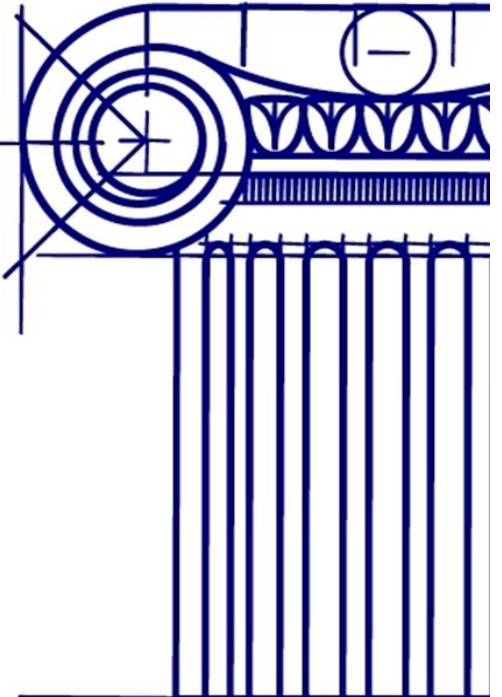


ESTATE PLANNING COUNCIL
OF GREATER MIAMI

CASH FLOW MODELING TO FUND
GRANTOR TRUSTS WITH LIFE
INSURANCE

R. Marshall Jones

November 2012



LIFE INSURANCE POLICY TYPES

1. Whole Life
2. Universal Life
3. Variable Life
4. Guaranteed Universal Life
5. Indexed Universal Life



JONES LOWRY

TIME TO KNOW™

CURRENT STATE OF THE LIFE INSURANCE INDUSTRY

- Carrier Financials
- Products used in estate planning for high net worth clients
- Impact of revised Actuarial Guideline XXXVIII (“AG 38”)
- Section 101(j) update
- Premium Financing



JONES LOWRY

TIME TO KNOW™

TYPICAL USES OF GRANTOR TRUSTS

- Exemption funding
- Non-Taxable Grantor Loans and Sales
- GST Planning
- Maximize trust investment growth
- Reduce taxable estate via grantor's income tax payments



JONES LOWRY

TIME TO KNOW™

OVERVIEW OF GRANTOR TRUSTS THAT USE LIFE INSURANCE

- Fully discretionary, multi-generational, grantor trusts
- Spousal Lifetime Access Trusts
- Section 678 Beneficiary Deemed Grantor Trusts
- Reverse Engineered Grantor Trusts
- Split Dollar Legacy Trusts

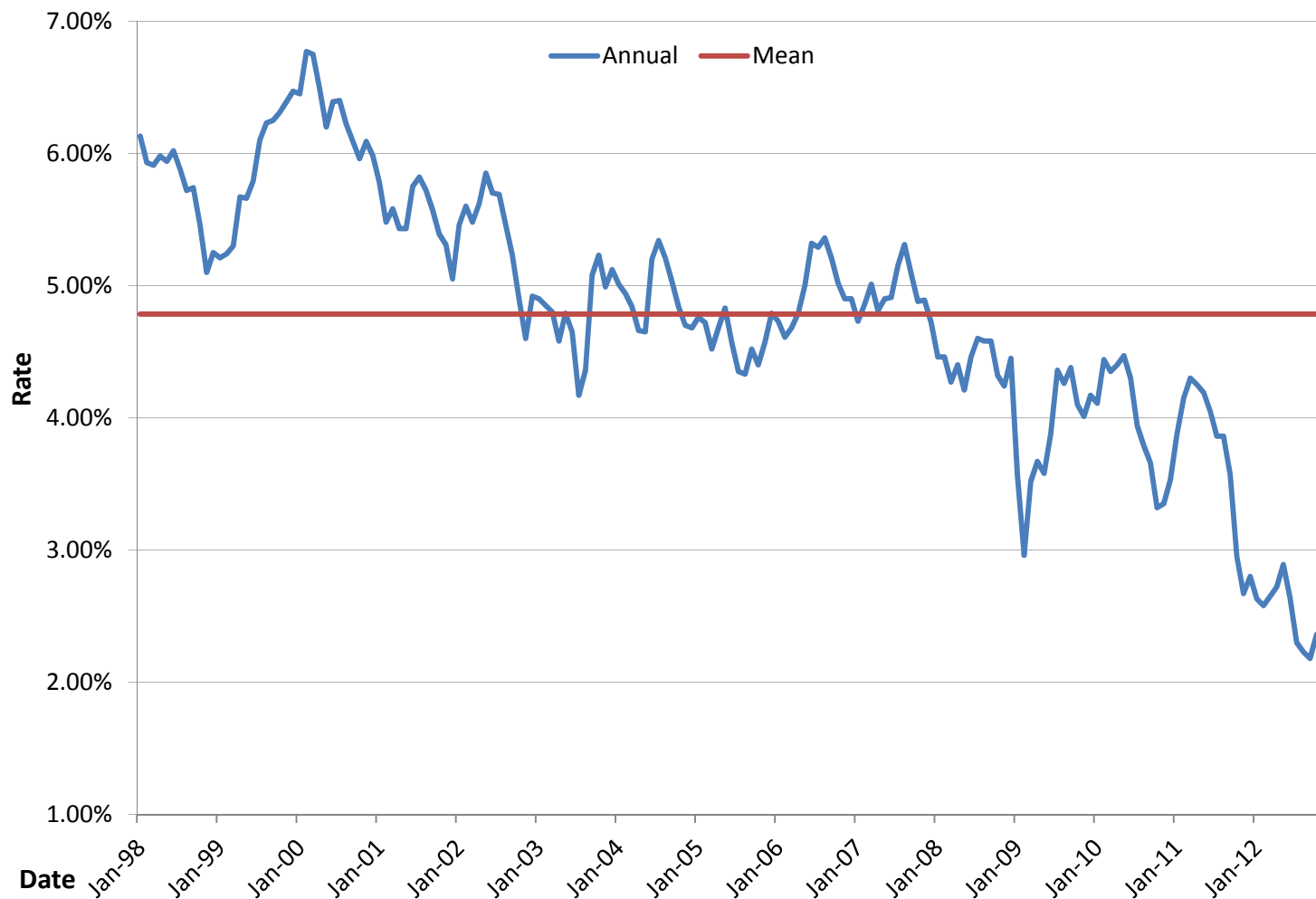


JONES LOWRY

TIME TO KNOW™

HISTORICAL LOW INTEREST RATES: PLANNING OPPORTUNITY!

Long Term AFR Rates

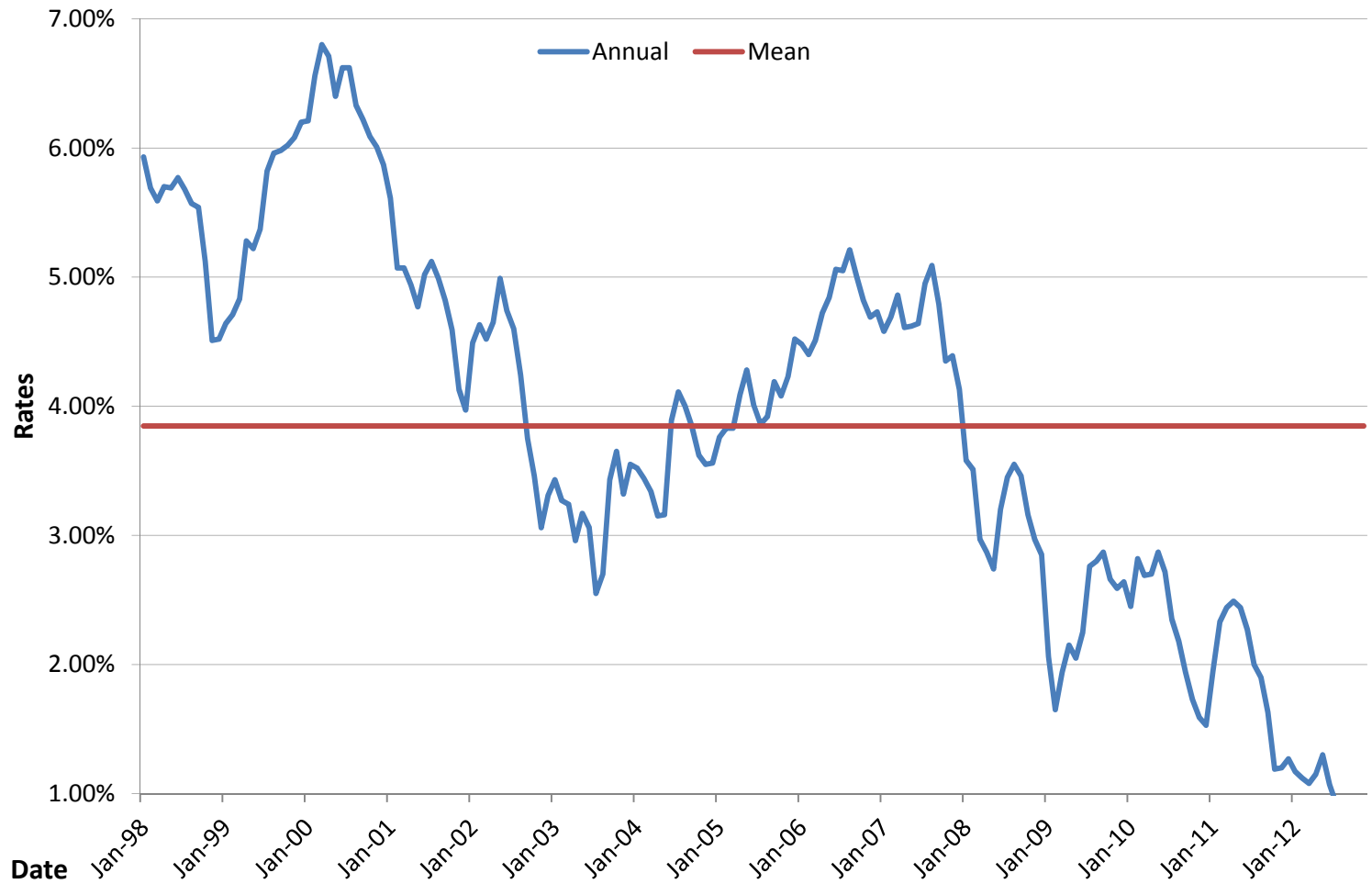


JONES LOWRY

TIME TO KNOW™

HISTORICAL LOW INTEREST RATES: PLANNING OPPORTUNITY!

Mid Term AFR Rates



JONES LOWRY

TIME TO KNOW™

REVISED ACTUARIAL GUIDELINES

- Revised Actuarial Guideline XXXVIII
 - Known as “AG38”
 - Purpose: Eliminate actuarial games played to delay funding of reserves
 - Revision: Standardized, higher reserve requirements for all new GUL policies
 - Effective January 01, 2013
 - Result: higher GUL premiums for companies that elect to stay in the market

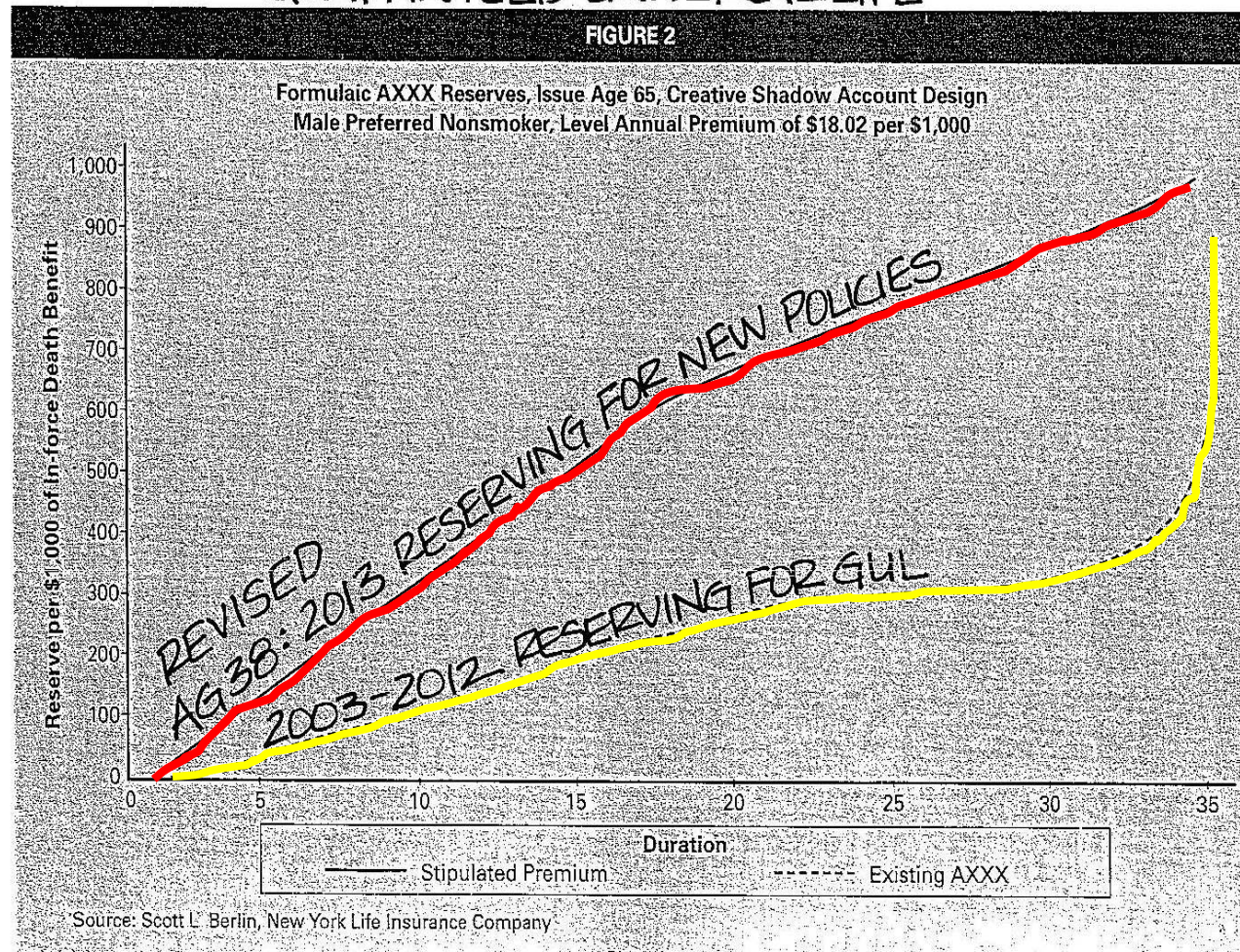


JONES LOWRY

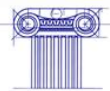
TIME TO KNOW™

2013 REVISED ACTUARIAL GUIDELINES FOR GUARANTEED UNIVERSAL LIFE INSURANCE

GUARANTEED UNIVERSAL LIFE



NOTE: HIGHER RESERVES INCREASE PREMIUM COSTS



JONES LOWRY

TIME TO KNOW™

FINDING GUARANTEED LIFE PRICING ANOMALIES

\$15,000,000 Survivorship Guaranteed Life Policy

2012 Option

<u>Pol. Yr.</u>	<u>B.O.Y. Age</u>	<u>Level Premium</u>	
		<u>Annual Outlay</u>	<u>NPV at 5.00%</u>
1	65	165,464	165,464
2	66	165,464	
3	67	165,464	
4	68	165,464	
5	69	165,464	752,191
6	70	165,464	
7	71	165,464	
8	72	165,464	
9	73	165,464	
10	74	165,464	1,341,553
11	75	165,464	
12	76	165,464	
13	77	165,464	
14	78	165,464	
15	79	165,464	1,803,333
16	80	165,464	
17	81	165,464	
18	82	165,464	
19	83	165,464	
20	84	165,464	2,165,150
21	85	165,464	
22	86	165,464	
23	87	165,464	
24	88	165,464	
25	89	165,464	2,448,642



JONES LOWRY

TIME TO KNOW™

FINDING GUARANTEED LIFE PRICING ANOMALIES

\$15,000,000 Survivorship Guaranteed Life Policy

Pol. Yr.	B.O.Y. Age	2012 Option		2012 Option	
		Level Premium Annual Outlay	NPV at 5.00%	Pricing Anomaly Annual Outlay	NPV at 5.00%
1	65	165,464	165,464	99,000	99,000
2	66	165,464		99,000	
3	67	165,464		99,000	
4	68	165,464		99,000	
5	69	165,464	752,191	99,000	450,049
6	70	165,464		99,000	
7	71	165,464		99,000	
8	72	165,464		99,000	
9	73	165,464		99,000	
10	74	165,464	1,341,553	99,000	802,674

25	89	165,464	2,448,642	290,452	2,211,729
14	78	165,464		99,000	
15	79	165,464	1,803,333	99,000	1,078,965
16	80	165,464		290,452	
17	81	165,464		290,452	
18	82	165,464		290,452	
19	83	165,464		290,452	
20	84	165,464	2,165,150	290,452	1,714,091
21	85	165,464		290,452	
22	86	165,464		290,452	
23	87	165,464		290,452	
24	88	165,464		290,452	
25	89	165,464	2,448,642	290,452	2,211,729



JONES LOWRY

TIME TO KNOW™

FINDING GUARANTEED LIFE PRICING ANOMALIES

\$15,000,000 Survivorship Guaranteed Life Policy

Pol. Yr.	B.O.Y. Age	2012 Option		2013 Option	
		Level Premium Annual Outlay	NPV at 5.00%	Not Recommended Annual Outlay	NPV at 5.00%
1	65	165,464	165,464	114,100	114,100
2	66	165,464		114,100	
3	67	165,464		114,100	
4	68	165,464		114,100	
5	69	165,464	752,191	114,100	518,693
6	70	165,464		114,100	
7	71	165,464		114,100	
8	72	165,464		114,100	
9	73	165,464		114,100	
10	74	165,464	1,341,553	114,100	925,102
25	89	165,464	2,448,642	325,082	2,511,355
14	78	165,464		114,100	
15	79	165,464	1,803,333	114,100	1,243,535
16	80	165,464		325,082	
17	81	165,464		325,082	
18	82	165,464		325,082	
19	83	165,464		325,082	
20	84	165,464	2,165,150	325,082	1,954,385
21	85	165,464		325,082	
22	86	165,464		325,082	
23	87	165,464		325,082	
24	88	165,464		325,082	
25	89	165,464	2,448,642	325,082	2,511,355



JONES LOWRY

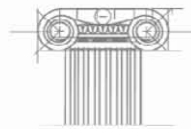
TIME TO KNOW™

Draft #1

Lane Grantor Trust
Trust Owned Life Insurance
Cash Flow Model

CONFIDENTIAL

November 15, 2012



JONES LOWRY

TIME TO KNOW™

New York • Palm Beach • Miami

TABLE OF CONTENTS

	Page
Disclosure	1
How much would it cost to bequeath \$15,000,000 to your Descendants?	2
Guaranteed Life Insurance as a Unique Investment Asset	3
Reallocation of Fixed Income Assets to create \$15,000,000 of Wealth	4
Grantor Trust Funding Concept	5
Grantor's Deployment of Assets	6
Detail of the Lane Grantor Trust With Insurance	7
Detail of the Lane Grantor Trust Without Insurance	8
Life Insurance Advantage	9

Please Note: This report is for internal use only by Mr. and Mrs. Lane and their professional advisors, if applicable. It is not to be shown, discussed with, or provided to others without the express written consent of Jones Lowry. All numbers and projections are based on the official insurance company illustrations, which govern in case of discrepancy. The illustrations are hypothetical, for educational purposes only. Securities and Investment Advisory Services offered through M Holdings Securities, Inc., a Registered Broker Dealer and Investment Advisor, Member FINRA, SIPC. Jones Lowry is independently owned and operated.

R. Marshall Jones, Principal: RMJ@JonesLowry.com
Palm Beach: 561-712-9799 Toll-Free: 877-600-0029
470 Columbia Drive, Suite 100-E, Palm Beach, FL 33409
www.JonesLowry.com



Disclosure

We are pleased to present you with this 2012 concept illustration for your review.

Effective planning requires the client to consult their own legal and tax counsel. Jones Lowry does not practice law or tax accounting or investment management. We design and model estate planning insurance solutions in conjunction with our clients and their advisors.

The results shown in this analysis are neither guarantees nor projections. Your actual results may differ significantly depending on the facts and tax treatment assumed in the analysis. To the extent that there may be discrepancies in the report or design changes, we stand ready to assist by making appropriate adjustments.

Please Note: This correspondence is for internal use only by the Robert and Renee Lane family, their attorneys, accountants and investment advisors. It is not to be shown, discussed with, or provided to others without the express written consent of Jones Lowry.

Most of the numbers in this correspondence are based on non-guaranteed assumptions. All insurance numbers in the correspondence are based on the official insurance company illustrations provided, which govern in case of discrepancy. The illustrations are hypothetical, for educational purposes only and do not represent the future performance of any of the products.

Sincerely,
R. Marshall Jones



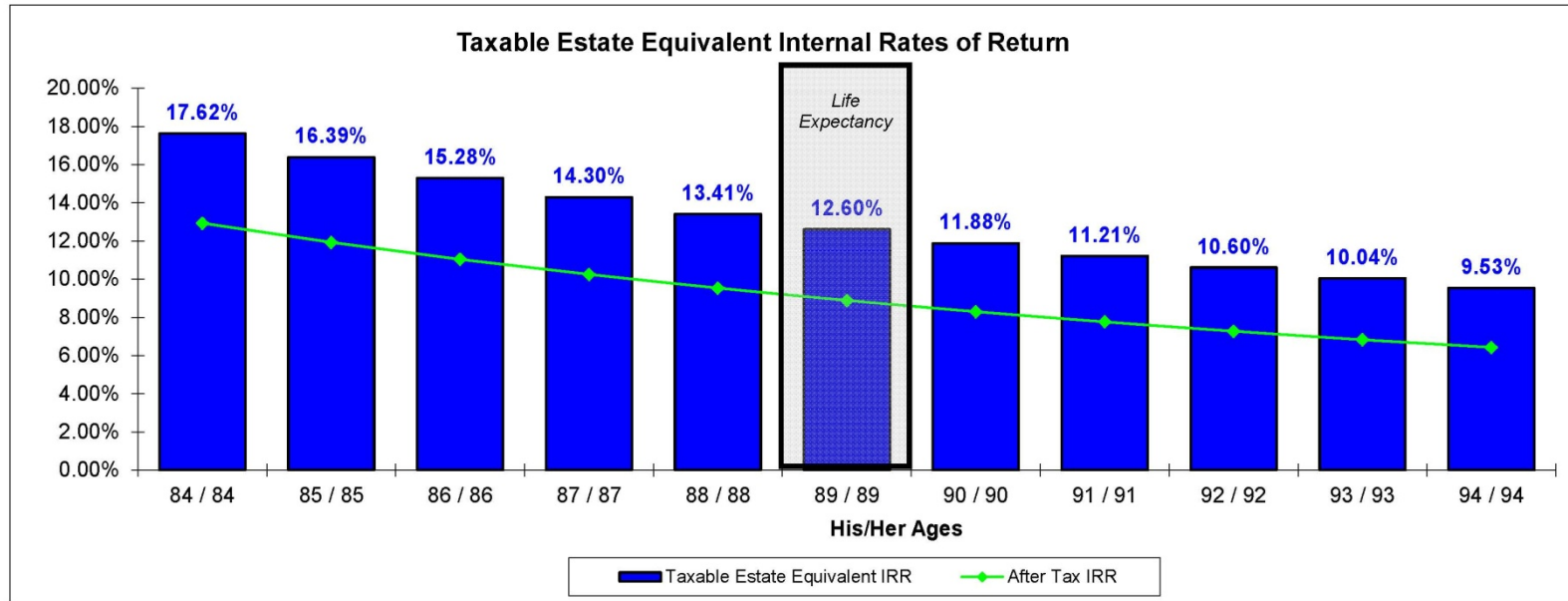
How much would it cost to bequeath \$15,000,000 to your Descendants?

Assumed Estate/Gift Tax Rate: 45%
Assumed Generation Skipping Transfer (GST) Tax Rate: 45%

To Make a Transfer of \$15,000,000, it Takes: **\$39,545,455**

You Start With: \$39,545,455
You Pay Federal Estate Tax on \$39,545,455 at 45%: \$17,795,455
This Leaves You With: \$21,750,000
You Pay GST Tax on \$15,000,000 at 45%: \$6,750,000
Net Remaining for Descendants: **\$15,000,000**

Guaranteed Life Insurance as a Unique Investment Asset

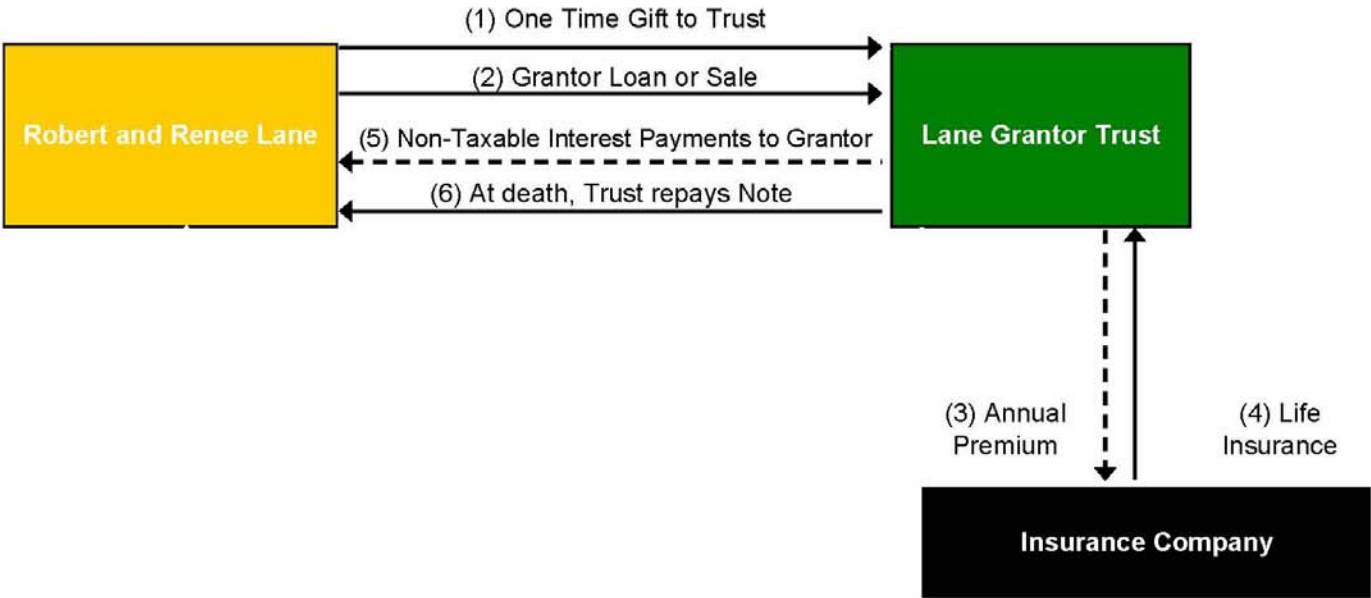


Year	His/Her Ages	Guaranteed Annual Premium	Tax-Free Death Benefit	After Tax IRR	Taxable Estate Equivalent	Taxable Estate Equivalent IRR	Generation Skipping Tax Equivalent	Generation Skipping Tax Equivalent IRR
1	65 / 65	165,464	15,000,000	8965.42%	27,272,727	16382.57%	39,545,455	23799.73%
5	69 / 69	165,464	15,000,000	118.88%	27,272,727	151.31%	39,545,455	173.33%
10	74 / 74	165,464	15,000,000	38.66%	27,272,727	49.43%	39,545,455	56.32%
15	79 / 79	165,464	15,000,000	20.52%	27,272,727	26.99%	39,545,455	31.03%
20	84 / 84	165,464	15,000,000	12.93%	27,272,727	17.62%	39,545,455	20.50%
25	89 / 89	165,464	15,000,000	8.88%	27,272,727	12.60%	39,545,455	14.86%
30	94 / 94	165,464	15,000,000	6.42%	27,272,727	9.53%	39,545,455	11.39%

Reallocation of Fixed Income Assets to Create \$15,000,000 of Wealth

Yr	His/Ages	Her	Beginning of Year Portfolio	Guaranteed Annual Premium -	=	Net Portfolio +	Annual Growth at 5.0% =	End of Year Portfolio	% of Annual Premium to End of Year Portfolio	Cumulative Premium	% of Cumulative Premium to End of Year Portfolio
1	65	65	30,000,000	165,464	=	29,834,536	1,491,727	31,326,263	0.53%	165,464	0.53%
2	66	66	31,326,263	165,464	=	31,160,799	1,558,040	32,718,839	0.51%	330,928	1.01%
3	67	67	32,718,839	165,464	=	32,553,375	1,627,669	34,181,043	0.48%	496,392	1.45%
4	68	68	34,181,043	165,464	=	34,015,579	1,700,779	35,716,358	0.46%	661,856	1.85%
5	69	69	35,716,358	165,464	=	35,550,894	1,777,545	37,328,439	0.44%	827,320	2.22%
6	70	70	37,328,439	165,464	=	37,162,975	1,858,149	39,021,124	0.42%	992,784	2.54%
7	71	71	39,021,124	165,464	=	38,855,660	1,942,783	40,798,443	0.41%	1,158,248	2.84%
8	72	72	40,798,443	165,464	=	40,632,979	2,031,649	42,664,628	0.39%	1,323,712	3.10%
9	73	73	42,664,628	165,464	=	42,499,164	2,124,958	44,624,122	0.37%	1,489,176	3.34%
10	74	74	44,624,122	165,464	=	44,458,658	2,222,933	46,681,591	0.35%	1,654,640	3.54%
11	75	75	46,681,591	165,464	=	46,516,127	2,325,806	48,841,933	0.34%	1,820,104	3.73%
12	76	76	48,841,933	165,464	=	48,676,469	2,433,823	51,110,293	0.32%	1,985,568	3.88%
13	77	77	51,110,293	165,464	=	50,944,829	2,547,241	53,492,070	0.31%	2,151,032	4.02%
14	78	78	53,492,070	165,464	=	53,326,606	2,666,330	55,992,937	0.30%	2,316,496	4.14%
15	79	79	55,992,937	165,464	=	55,827,473	2,791,374	58,618,846	0.28%	2,481,960	4.23%
16	80	80	58,618,846	165,464	=	58,453,382	2,922,669	61,376,051	0.27%	2,647,424	4.31%
17	81	81	61,376,051	165,464	=	61,210,587	3,060,529	64,271,117	0.26%	2,812,888	4.38%
18	82	82	64,271,117	165,464	=	64,105,653	3,205,283	67,310,935	0.25%	2,978,352	4.42%
19	83	83	67,310,935	165,464	=	67,145,471	3,357,274	70,502,745	0.23%	3,143,816	4.46%
20	84	84	70,502,745	165,464	=	70,337,281	3,516,864	73,854,145	0.22%	3,309,280	4.48%
21	85	85	73,854,145	165,464	=	73,688,681	3,684,434	77,373,115	0.21%	3,474,744	4.49%
22	86	86	77,373,115	165,464	=	77,207,651	3,860,383	81,068,033	0.20%	3,640,208	4.49%
23	87	87	81,068,033	165,464	=	80,902,569	4,045,128	84,947,698	0.19%	3,805,672	4.48%
24	88	88	84,947,698	165,464	=	84,782,234	4,239,112	89,021,346	0.19%	3,971,136	4.46%
25	89	89	89,021,346	165,464	=	88,855,882	4,442,794	93,298,676	0.18%	4,136,600	4.43%
26	90	90	93,298,676	165,464	=	93,133,212	4,656,661	97,789,872	0.17%	4,302,064	4.40%
27	91	91	97,789,872	165,464	=	97,624,408	4,881,220	102,505,629	0.16%	4,467,528	4.36%
28	92	92	102,505,629	165,464	=	102,340,165	5,117,008	107,457,173	0.15%	4,632,992	4.31%
29	93	93	107,457,173	165,464	=	107,291,709	5,364,585	112,656,294	0.15%	4,798,456	4.26%
30	94	94	112,656,294	165,464	=	112,490,830	5,624,542	118,115,372	0.14%	4,963,920	4.20%

Grantor Trust Funding Concept



Please consult with your legal and tax advisors regarding the income tax benefits of using a Grantor Trust.

Grantor's Deployment of Assets

<u>Year</u>	<u>Age</u>	<u>One Time Gift to Trust</u>	<u>+</u>	<u>Asset Sale/Loan to Trust</u>	<u>-</u>	<u>Non-Taxable Loan Interest</u>	<u>=</u>	<u>Annual Assets Deployed</u>	<u>Cumulative Assets Deployed</u>	<u>Grantor Note Receivable</u>
1	65	650,000		5,850,000		52,065		6,447,935	6,447,935	5,850,000
2	66	0		0		52,065		(52,065)	6,395,870	5,850,000
3	67	0		0		52,065		(52,065)	6,343,805	5,850,000
4	68	0		0		52,065		(52,065)	6,291,740	5,850,000
5	69	0		0		52,065		(52,065)	6,239,675	5,850,000
6	70	0		0		52,065		(52,065)	6,187,610	5,850,000
7	71	0		0		52,065		(52,065)	6,135,545	5,850,000
8	72	0		0		52,065		(52,065)	6,083,480	5,850,000
9	73	0		0		52,065		(52,065)	6,031,415	5,850,000
10	74	0		0		234,000		(234,000)	5,797,415	5,850,000
11	75	0		0		234,000		(234,000)	5,563,415	5,850,000
12	76	0		0		234,000		(234,000)	5,329,415	5,850,000
13	77	0		0		234,000		(234,000)	5,095,415	5,850,000
14	78	0		0		234,000		(234,000)	4,861,415	5,850,000
15	79	0		0		234,000		(234,000)	4,627,415	5,850,000
16	80	0		0		234,000		(234,000)	4,393,415	5,850,000
17	81	0		0		234,000		(234,000)	4,159,415	5,850,000
18	82	0		0		234,000		(234,000)	3,925,415	5,850,000
19	83	0		0		234,000		(234,000)	3,691,415	5,850,000
20	84	0		0		234,000		(234,000)	3,457,415	5,850,000
21	85	0		0		234,000		(234,000)	3,223,415	5,850,000
22	86	0		0		234,000		(234,000)	2,989,415	5,850,000
23	87	0		0		234,000		(234,000)	2,755,415	5,850,000
24	88	0		0		234,000		(234,000)	2,521,415	5,850,000
25	89	0		0		234,000		(234,000)	2,287,415	5,850,000
26	90	0		0		234,000		(234,000)	2,053,415	5,850,000
27	91	0		0		234,000		(234,000)	1,819,415	5,850,000
28	92	0		0		234,000		(234,000)	1,585,415	5,850,000
29	93	0		0		234,000		(234,000)	1,351,415	5,850,000
30	94	0		0		234,000		(234,000)	1,117,415	5,850,000

1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, .89% interest of \$52,065 is paid to the Grantor. Years 10 and beyond, 4% interest of \$234,000 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.



Detail of the Lane Grantor Trust With Insurance

Yr	His/Her Ages	Lane Grantor Trust Assets	- Annual Premium =	Net Trust Assets +	5.0% Investment Return -	Grantor Loan Interest -	Discretionary Trust Distributions =	End of Year Investment Account +	Guaranteed Life Insurance =	Lane Grantor Trust Assets -	Grantor Loan Balance =	Net Lane Grantor Trust
1	65 65	6,500,000	165,464	6,334,536	316,727	52,065	0	6,599,198	15,000,000	21,599,198	5,850,000	15,749,198
2	66 66	6,599,198	165,464	6,433,734	321,687	52,065	0	6,703,355	15,000,000	21,703,355	5,850,000	15,853,355
3	67 67	6,703,355	165,464	6,537,891	326,895	52,065	0	6,812,721	15,000,000	21,812,721	5,850,000	15,962,721
4	68 68	6,812,721	165,464	6,647,257	332,363	52,065	0	6,927,555	15,000,000	21,927,555	5,850,000	16,077,555
5	69 69	6,927,555	165,464	6,762,091	338,105	52,065	0	7,048,130	15,000,000	22,048,130	5,850,000	16,198,130
6	70 70	7,048,130	165,464	6,882,666	344,133	52,065	0	7,174,735	15,000,000	22,174,735	5,850,000	16,324,735
7	71 71	7,174,735	165,464	7,009,271	350,464	52,065	0	7,307,669	15,000,000	22,307,669	5,850,000	16,457,669
8	72 72	7,307,669	165,464	7,142,205	357,110	52,065	0	7,447,251	15,000,000	22,447,251	5,850,000	16,597,251
9	73 73	7,447,251	165,464	7,281,787	364,089	52,065	0	7,593,811	15,000,000	22,593,811	5,850,000	16,743,811
10	74 74	7,593,811	165,464	7,428,347	371,417	234,000	0	7,565,764	15,000,000	22,565,764	5,850,000	16,715,764
11	75 75	7,565,764	165,464	7,400,300	370,015	234,000	0	7,536,315	15,000,000	22,536,315	5,850,000	16,686,315
12	76 76	7,536,315	165,464	7,370,851	368,543	234,000	0	7,505,394	15,000,000	22,505,394	5,850,000	16,655,394
13	77 77	7,505,394	165,464	7,339,930	366,996	234,000	0	7,472,926	15,000,000	22,472,926	5,850,000	16,622,926
14	78 78	7,472,926	165,464	7,307,462	365,373	234,000	0	7,438,835	15,000,000	22,438,835	5,850,000	16,588,835
15	79 79	7,438,835	165,464	7,273,371	363,669	234,000	0	7,403,040	15,000,000	22,403,040	5,850,000	16,553,040
16	80 80	7,403,040	165,464	7,237,576	361,879	234,000	0	7,365,455	15,000,000	22,365,455	5,850,000	16,515,455
17	81 81	7,365,455	165,464	7,199,991	360,000	234,000	0	7,325,990	15,000,000	22,325,990	5,850,000	16,475,990
18	82 82	7,325,990	165,464	7,160,526	358,026	234,000	0	7,284,553	15,000,000	22,284,553	5,850,000	16,434,553
19	83 83	7,284,553	165,464	7,119,089	355,954	234,000	0	7,241,043	15,000,000	22,241,043	5,850,000	16,391,043
20	84 84	7,241,043	165,464	7,075,579	353,779	234,000	0	7,195,358	15,000,000	22,195,358	5,850,000	16,345,358
21	85 85	7,195,358	165,464	7,029,894	351,495	234,000	0	7,147,389	15,000,000	22,147,389	5,850,000	16,297,389
22	86 86	7,147,389	165,464	6,981,925	349,096	234,000	0	7,097,021	15,000,000	22,097,021	5,850,000	16,247,021
23	87 87	7,097,021	165,464	6,931,557	346,578	234,000	0	7,044,135	15,000,000	22,044,135	5,850,000	16,194,135
24	88 88	7,044,135	165,464	6,878,671	343,934	234,000	0	6,988,604	15,000,000	21,988,604	5,850,000	16,138,604
25	89 89	6,988,604	165,464	6,823,140	341,157	234,000	0	6,930,297	15,000,000	21,930,297	5,850,000	16,080,297
26	90 90	6,930,297	165,464	6,764,833	338,242	234,000	0	6,869,075	15,000,000	21,869,075	5,850,000	16,019,075
27	91 91	6,869,075	165,464	6,703,611	335,181	234,000	0	6,804,792	15,000,000	21,804,792	5,850,000	15,954,792
28	92 92	6,804,792	165,464	6,639,328	331,966	234,000	0	6,737,294	15,000,000	21,737,294	5,850,000	15,887,294
29	93 93	6,737,294	165,464	6,571,830	328,592	234,000	0	6,666,422	15,000,000	21,666,422	5,850,000	15,816,422
30	94 94	6,666,422	165,464	6,500,958	325,048	234,000	0	6,592,005	15,000,000	21,592,005	5,850,000	15,742,005

1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, .89% interest of \$52,065 is paid to the Grantor. Years 10 and beyond, 4% interest of \$234,000 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.

Detail of the Lane Grantor Trust Without Insurance

Yr	Age His/Her	Lane Grantor Trust Assets	- Guaranteed Annual Premium	= Net Trust Assets	+ 5.0% Investment Return	- Grantor Loan Interest*	- Discretionary Trust Distributions	= End of Year Investment Account	+ Guaranteed Life Insurance	= Lane Grantor Trust Assets	- Grantor Loan Repayment	= Net Lane Family Trust
1	65 65	6,500,000	0	6,500,000	325,000	52,065	0	6,772,935	0	6,772,935	5,850,000	922,935
2	66 66	6,772,935	0	6,772,935	338,647	52,065	0	7,059,517	0	7,059,517	5,850,000	1,209,517
3	67 67	7,059,517	0	7,059,517	352,976	52,065	0	7,360,428	0	7,360,428	5,850,000	1,510,428
4	68 68	7,360,428	0	7,360,428	368,021	52,065	0	7,676,384	0	7,676,384	5,850,000	1,826,384
5	69 69	7,676,384	0	7,676,384	383,819	52,065	0	8,008,138	0	8,008,138	5,850,000	2,158,138
6	70 70	8,008,138	0	8,008,138	400,407	52,065	0	8,356,480	0	8,356,480	5,850,000	2,506,480
7	71 71	8,356,480	0	8,356,480	417,824	52,065	0	8,722,239	0	8,722,239	5,850,000	2,872,239
8	72 72	8,722,239	0	8,722,239	436,112	52,065	0	9,106,286	0	9,106,286	5,850,000	3,256,286
9	73 73	9,106,286	0	9,106,286	455,314	52,065	0	9,509,535	0	9,509,535	5,850,000	3,659,535
10	74 74	9,509,535	0	9,509,535	475,477	234,000	0	9,751,012	0	9,751,012	5,850,000	3,901,012
11	75 75	9,751,012	0	9,751,012	487,551	234,000	0	10,004,563	0	10,004,563	5,850,000	4,154,563
12	76 76	10,004,563	0	10,004,563	500,228	234,000	0	10,270,791	0	10,270,791	5,850,000	4,420,791
13	77 77	10,270,791	0	10,270,791	513,540	234,000	0	10,550,330	0	10,550,330	5,850,000	4,700,330
14	78 78	10,550,330	0	10,550,330	527,517	234,000	0	10,843,847	0	10,843,847	5,850,000	4,993,847
15	79 79	10,843,847	0	10,843,847	542,192	234,000	0	11,152,039	0	11,152,039	5,850,000	5,302,039
16	80 80	11,152,039	0	11,152,039	557,602	234,000	0	11,475,641	0	11,475,641	5,850,000	5,626,641
17	81 81	11,475,641	0	11,475,641	573,782	234,000	0	11,815,423	0	11,815,423	5,850,000	5,965,423
18	82 82	11,815,423	0	11,815,423	590,771	234,000	0	12,172,194	0	12,172,194	5,850,000	6,322,194
19	83 83	12,172,194	0	12,172,194	608,610	234,000	0	12,546,804	0	12,546,804	5,850,000	6,696,804
20	84 84	12,546,804	0	12,546,804	627,340	234,000	0	12,940,144	0	12,940,144	5,850,000	7,090,144
21	85 85	12,940,144	0	12,940,144	647,007	234,000	0	13,353,152	0	13,353,152	5,850,000	7,503,152
22	86 86	13,353,152	0	13,353,152	667,658	234,000	0	13,786,809	0	13,786,809	5,850,000	7,936,809
23	87 87	13,786,809	0	13,786,809	689,340	234,000	0	14,242,150	0	14,242,150	5,850,000	8,392,150
24	88 88	14,242,150	0	14,242,150	712,107	234,000	0	14,720,257	0	14,720,257	5,850,000	8,870,257
25	89 89	14,720,257	0	14,720,257	736,013	234,000	0	15,222,270	0	15,222,270	5,850,000	9,372,270
26	90 90	15,222,270	0	15,222,270	761,113	234,000	0	15,749,383	0	15,749,383	5,850,000	9,899,383
27	91 91	15,749,383	0	15,749,383	787,469	234,000	0	16,302,853	0	16,302,853	5,850,000	10,452,853
28	92 92	16,302,853	0	16,302,853	815,143	234,000	0	16,883,995	0	16,883,995	5,850,000	11,033,995
29	93 93	16,883,995	0	16,883,995	844,200	234,000	0	17,494,195	0	17,494,195	5,850,000	11,644,195
30	94 94	17,494,195	0	17,494,195	874,710	234,000	0	18,134,905	0	18,134,905	5,850,000	12,284,905

1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, 89% interest of \$52,065 is paid to the Grantor. Years 10 and beyond, 4% interest of \$234,000 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.

Advantage of the Lane Grantor Trust owning Guaranteed Life Insurance

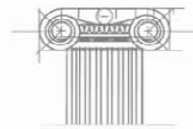
Yr	His/Her Age	With Insurance	-	Without Insurance	=	Trust Owned Life Insurance Advantage
1	65 65	15,749,198		922,935		14,826,263
2	66 66	15,853,355		1,209,517		14,643,839
3	67 67	15,962,721		1,510,428		14,452,293
4	68 68	16,077,555		1,826,384		14,251,171
5	69 69	16,198,130		2,158,138		14,039,992
6	70 70	16,324,735		2,506,480		13,818,255
7	71 71	16,457,669		2,872,239		13,585,430
8	72 72	16,597,251		3,256,286		13,340,965
9	73 73	16,743,811		3,659,535		13,084,276
10	74 74	16,715,764		3,901,012		12,814,752
11	75 75	16,686,315		4,154,563		12,531,753
12	76 76	16,655,394		4,420,791		12,234,603
13	77 77	16,622,926		4,700,330		11,922,596
14	78 78	16,588,835		4,993,847		11,594,989
15	79 79	16,553,040		5,302,039		11,251,001
16	80 80	16,515,455		5,625,641		10,889,814
17	81 81	16,475,990		5,965,423		10,510,567
18	82 82	16,434,553		6,322,194		10,112,358
19	83 83	16,391,043		6,696,804		9,694,239
20	84 84	16,345,358		7,090,144		9,255,214
21	85 85	16,297,389		7,503,152		8,794,237
22	86 86	16,247,021		7,936,809		8,310,212
23	87 87	16,194,135		8,392,150		7,801,985
24	88 88	16,138,604		8,870,257		7,268,347
25	89 89	16,080,297		9,372,270		6,708,027
26	90 90	16,019,075		9,899,383		6,119,692
27	91 91	15,954,792		10,452,853		5,501,939
28	92 92	15,887,294		11,033,995		4,853,299
29	93 93	15,816,422		11,644,195		4,172,227
30	94 94	15,742,005		12,284,905		3,457,101

Draft #2

Lane Grantor Trust
Trust Owned Life Insurance
Cash Flow Model with Split Dollar

CONFIDENTIAL

November 15, 2012



JONES LOWRY

TIME TO KNOW™

New York • Palm Beach • Miami

TABLE OF CONTENTS

	Page
Disclosure	1
How much would it cost to bequeath \$15,000,000 to your Descendants?	2
Guaranteed Life Insurance as a Unique Investment Asset	3
Reallocation of Fixed Income Assets to create \$15,000,000 of Wealth	4
Grantor Trust Funding Concept	5
Grantor's Deployment of Assets	6
Detail of the Lane Grantor Trust With Insurance	7
Split Dollar Life Insurance Worksheet - November 2012	8
What if the Trust Earns 100 Basis Points More?	9
Concept Summary without Philanthropy	10
Concept Summary with Philanthropy	11

Please Note: This report is for internal use only by Mr. and Mrs. Lane and their professional advisors, if applicable. It is not to be shown, discussed with, or provided to others without the express written consent of Jones Lowry. All numbers and projections are based on the official insurance company illustrations, which govern in case of discrepancy. The illustrations are hypothetical, for educational purposes only. Securities and Investment Advisory Services offered through M Holdings Securities, Inc., a Registered Broker Dealer and Investment Advisor, Member FINRA, SIPC. Jones Lowry is independently owned and operated.



R. Marshall Jones, Principal: RMJ@JonesLowry.com
Palm Beach: 561-712-9799 Toll-Free: 877-600-0029
470 Columbia Drive, Suite 100-E, Palm Beach, FL 33409
www.JonesLowry.com

Disclosure

We are pleased to present you with this 2012 concept illustration for your review.

Effective planning requires the client to consult their own legal and tax counsel. Jones Lowry does not practice law or tax accounting or investment management. We design and model estate planning insurance solutions in conjunction with our clients and their advisors.

The results shown in this analysis are neither guarantees nor projections. Your actual results may differ significantly depending on the facts and tax treatment assumed in the analysis. To the extent that there may be discrepancies in the report or design changes, we stand ready to assist by making appropriate adjustments.

Please Note: This correspondence is for internal use only by the Robert and Renee Lane family, their attorneys, accountants and investment advisors. It is not to be shown, discussed with, or provided to others without the express written consent of Jones Lowry.

Most of the numbers in this correspondence are based on non-guaranteed assumptions. All insurance numbers in the correspondence are based on the official insurance company illustrations provided, which govern in case of discrepancy. The illustrations are hypothetical, for educational purposes only and do not represent the future performance of any of the products.

Sincerely,
R. Marshall Jones



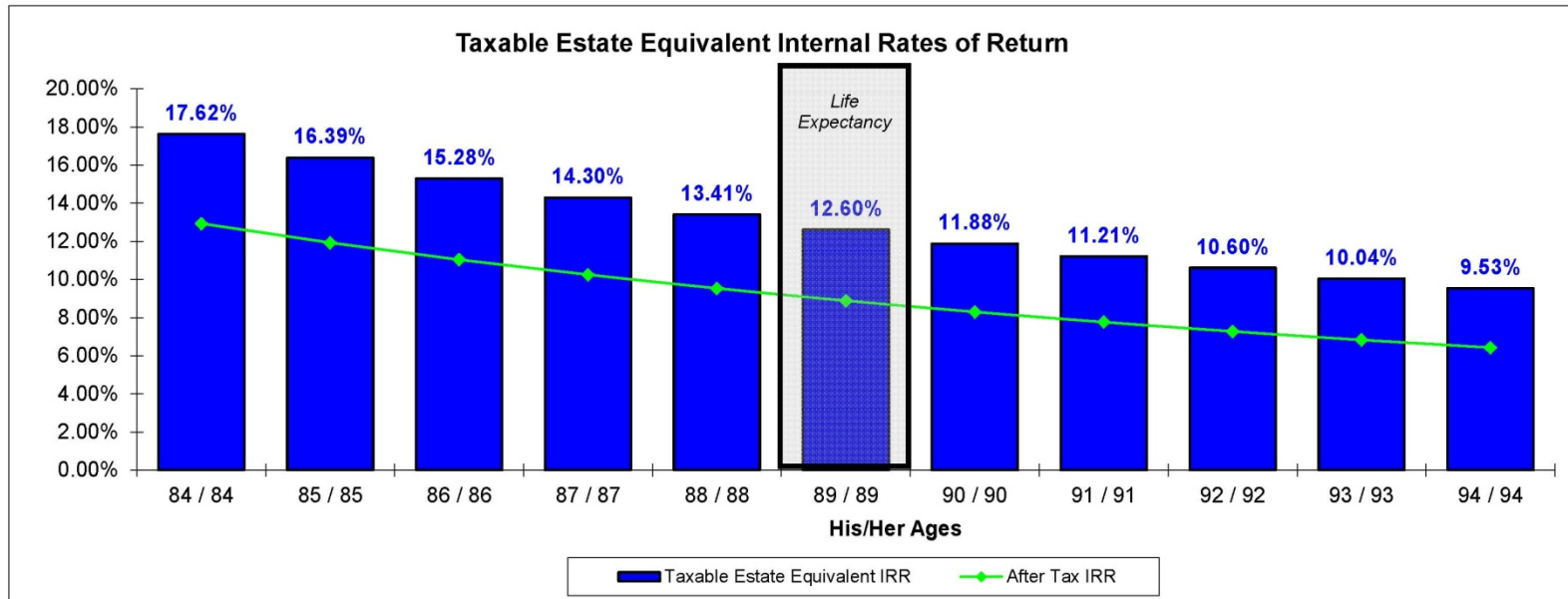
How much would it cost to bequeath \$15,000,000 to your Descendants?

Assumed Estate/Gift Tax Rate:	45%
Assumed Generation Skipping Transfer (GST) Tax Rate:	45%

To Make a Transfer of \$15,000,000, it Takes:	\$39,545,455
---	---------------------

You Start With:	\$39,545,455
You Pay Federal Estate Tax on \$39,545,455 at 45%:	<u>\$17,795,455</u>
This Leaves You With:	\$21,750,000
You Pay GST Tax on \$15,000,000 at 45%:	<u>\$6,750,000</u>
Net Remaining for Descendants:	\$15,000,000

Guaranteed Life Insurance as a Unique Investment Asset



Year	His/Her Ages	Guaranteed Annual Premium	Tax-Free Death Benefit	After Tax IRR	Taxable Estate Equivalent	Taxable Estate Equivalent IRR	Generation Skipping Tax Equivalent	Generation Skipping Tax Equivalent IRR
1	65 / 65	165,464	15,000,000	8965.42%	27,272,727	16382.57%	39,545,455	23799.73%
5	69 / 69	165,464	15,000,000	118.88%	27,272,727	151.31%	39,545,455	173.33%
10	74 / 74	165,464	15,000,000	38.66%	27,272,727	49.43%	39,545,455	56.32%
15	79 / 79	165,464	15,000,000	20.52%	27,272,727	26.99%	39,545,455	31.03%
20	84 / 84	165,464	15,000,000	12.93%	27,272,727	17.62%	39,545,455	20.50%
25	89 / 89	165,464	15,000,000	8.88%	27,272,727	12.60%	39,545,455	14.86%
30	94 / 94	165,464	15,000,000	6.42%	27,272,727	9.53%	39,545,455	11.39%

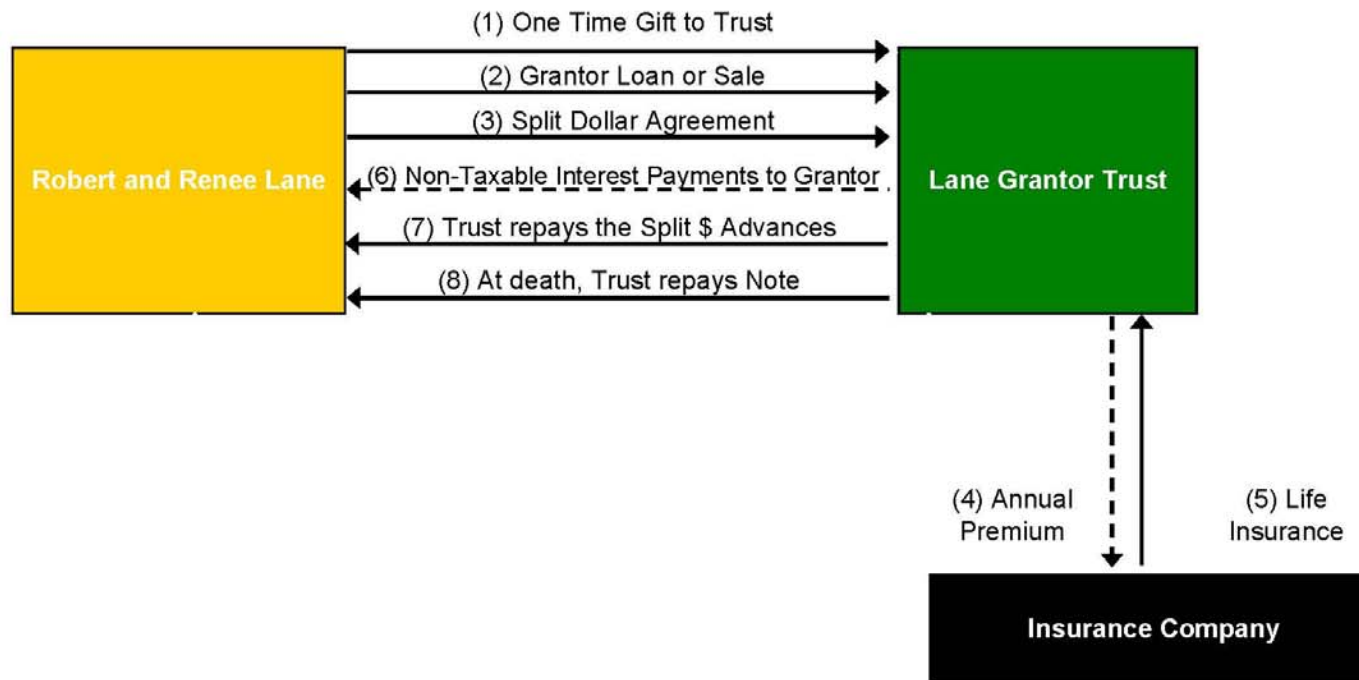


JONES LOWRY
TIME TO KNOW™

Reallocation of Fixed Income Assets to Create \$15,000,000 of Wealth

Yr	His/Her Ages	Beginning of Year Portfolio	Guaranteed Annual - Premium =	Net Portfolio	+	Annual Growth at 5.0% =	End of Year Portfolio	% of Annual Premium to End of Year Portfolio	Cumulative Premium	% of Cumulative Premium to End of Year Portfolio
1	65 65	30,000,000	165,464	29,834,536	+	1,491,727	31,326,263	0.53%	165,464	0.53%
2	66 66	31,326,263	165,464	31,160,799	+	1,558,040	32,718,839	0.51%	330,928	1.01%
3	67 67	32,718,839	165,464	32,553,375	+	1,627,669	34,181,043	0.48%	496,392	1.45%
4	68 68	34,181,043	165,464	34,015,579	+	1,700,779	35,716,358	0.46%	661,856	1.85%
5	69 69	35,716,358	165,464	35,550,894	+	1,777,545	37,328,439	0.44%	827,320	2.22%
6	70 70	37,328,439	165,464	37,162,975	+	1,858,149	39,021,124	0.42%	992,784	2.54%
7	71 71	39,021,124	165,464	38,855,660	+	1,942,783	40,798,443	0.41%	1,158,248	2.84%
8	72 72	40,798,443	165,464	40,632,979	+	2,031,649	42,664,628	0.39%	1,323,712	3.10%
9	73 73	42,664,628	165,464	42,499,164	+	2,124,958	44,624,122	0.37%	1,489,176	3.34%
10	74 74	44,624,122	165,464	44,458,658	+	2,222,933	46,681,591	0.35%	1,654,640	3.54%
11	75 75	46,681,591	165,464	46,516,127	+	2,325,806	48,841,933	0.34%	1,820,104	3.73%
12	76 76	48,841,933	165,464	48,676,469	+	2,433,823	51,110,293	0.32%	1,985,568	3.88%
13	77 77	51,110,293	165,464	50,944,829	+	2,547,241	53,492,070	0.31%	2,151,032	4.02%
14	78 78	53,492,070	165,464	53,326,606	+	2,666,330	55,992,937	0.30%	2,316,496	4.14%
15	79 79	55,992,937	165,464	55,827,473	+	2,791,374	58,618,846	0.28%	2,481,960	4.23%
16	80 80	58,618,846	165,464	58,453,382	+	2,922,669	61,376,051	0.27%	2,647,424	4.31%
17	81 81	61,376,051	165,464	61,210,587	+	3,060,529	64,271,117	0.26%	2,812,888	4.38%
18	82 82	64,271,117	165,464	64,105,653	+	3,205,283	67,310,935	0.25%	2,978,352	4.42%
19	83 83	67,310,935	165,464	67,145,471	+	3,357,274	70,502,745	0.23%	3,143,816	4.46%
20	84 84	70,502,745	165,464	70,337,281	+	3,516,864	73,854,145	0.22%	3,309,280	4.48%
21	85 85	73,854,145	165,464	73,688,681	+	3,684,434	77,373,115	0.21%	3,474,744	4.49%
22	86 86	77,373,115	165,464	77,207,651	+	3,860,383	81,068,033	0.20%	3,640,208	4.49%
23	87 87	81,068,033	165,464	80,902,569	+	4,045,128	84,947,698	0.19%	3,805,672	4.48%
24	88 88	84,947,698	165,464	84,782,234	+	4,239,112	89,021,346	0.19%	3,971,136	4.46%
25	89 89	89,021,346	165,464	88,855,882	+	4,442,794	93,298,676	0.18%	4,136,600	4.43%
26	90 90	93,298,676	165,464	93,133,212	+	4,656,661	97,789,872	0.17%	4,302,064	4.40%
27	91 91	97,789,872	165,464	97,624,408	+	4,881,220	102,505,629	0.16%	4,467,528	4.36%
28	92 92	102,505,629	165,464	102,340,165	+	5,117,008	107,457,173	0.15%	4,632,992	4.31%
29	93 93	107,457,173	165,464	107,291,709	+	5,364,585	112,656,294	0.15%	4,798,456	4.26%
30	94 94	112,656,294	165,464	112,490,830	+	5,624,542	118,115,372	0.14%	4,963,920	4.20%

Grantor Trust Funding Concept



Please consult with your legal and tax advisors regarding the income tax benefits of using a Grantor Trust.

Grantor's Deployment of Assets

Year	Age		One Time Gift to Trust	Asset Sale/Loan to Trust	Non-Taxable Loan Interest	Total Annual Premium	Split Dollar Premium Allocation			Annual Assets Deployed	Cumulative Assets Deployed	Grantor Note Receivable
							Trust Payment	Grantor Advance	Split Dollar Receivable			
1	65	65	485,000	4,365,000	38,849	165,464	3,751	161,713	161,713	4,972,864	4,972,864	4,365,000
2	66	66	0	0	38,849	165,464	3,860	161,604	323,317	122,756	5,095,620	4,365,000
3	67	67	0	0	38,849	165,464	4,111	161,353	484,671	122,505	5,218,125	4,365,000
4	68	68	0	0	38,849	165,464	4,209	161,255	645,925	122,406	5,340,531	4,365,000
5	69	69	0	0	38,849	165,464	4,594	160,870	806,796	122,022	5,462,553	4,365,000
6	70	70	0	0	38,849	165,464	4,824	160,640	967,435	121,791	5,584,344	4,365,000
7	71	71	0	0	38,849	165,464	5,051	160,413	1,127,848	121,564	5,705,909	4,365,000
8	72	72	0	0	38,849	165,464	5,412	160,052	1,287,900	121,203	5,827,112	4,365,000
9	73	73	0	0	38,849	165,464	5,622	159,842	1,447,742	120,994	5,948,105	4,365,000
10	74	74	0	0	174,600	165,464	5,826	159,638	1,607,380	(14,962)	5,933,143	4,365,000
11	75	75	0	0	174,600	165,464	6,292	159,172	1,766,551	(15,428)	5,917,715	4,365,000
12	76	76	0	0	174,600	165,464	7,276	158,188	1,924,739	(16,412)	5,901,303	4,365,000
13	77	77	0	0	174,600	165,464	8,236	157,228	2,081,967	(17,372)	5,883,931	4,365,000
14	78	78	0	0	174,600	165,464	9,432	156,032	2,237,999	(18,568)	5,865,362	4,365,000
15	79	79	0	0	174,600	165,464	10,595	154,869	2,392,868	(19,731)	5,845,631	4,365,000
16	80	80	0	0	174,600	0		(2,392,868)	0	(2,567,468)	3,278,164	4,365,000
17	81	81	0	0	174,600	0		0	0	(174,600)	3,103,564	4,365,000
18	82	82	0	0	174,600	0		0	0	(174,600)	2,928,964	4,365,000
19	83	83	0	0	174,600	0		0	0	(174,600)	2,754,364	4,365,000
20	84	84	0	0	174,600	0		0	0	(174,600)	2,579,764	4,365,000
21	85	85	0	0	174,600	0		0	0	(174,600)	2,405,164	4,365,000
22	86	86	0	0	174,600	0		0	0	(174,600)	2,230,564	4,365,000
23	87	87	0	0	174,600	0		0	0	(174,600)	2,055,964	4,365,000
24	88	88	0	0	174,600	0		0	0	(174,600)	1,881,364	4,365,000
25	89	89	0	0	174,600	0		0	0	(174,600)	1,706,764	4,365,000
26	90	90	0	0	174,600	0		0	0	(174,600)	1,532,164	4,365,000
27	91	91	0	0	174,600	0		0	0	(174,600)	1,357,564	4,365,000
28	92	92	0	0	174,600	0		0	0	(174,600)	1,182,964	4,365,000
29	93	93	0	0	174,600	0		0	0	(174,600)	1,008,364	4,365,000
30	94	94	0	0	174,600	0		0	0	(174,600)	833,764	4,365,000

1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, .89% interest of \$38,849 is paid to the Grantor. Years 10 and beyond, 4% interest of \$174,600 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.

Detail of the Lane Grantor Trust With Insurance

Yr	His/Her Ages	Lane Grantor Trust Assets	Trust Annual Premium =	Net Trust Assets +	5.0% Investment Return -	Grantor Loan Interest -	Discretionary Trust Distributions =	End of Year Investment Account +	Guaranteed Life Insurance =	Lane Grantor Trust Assets -	Grantor Loan Balance and Split \$ Repayment =	Net Lane Grantor Trust
1	65 65	4,850,000	3,751	4,846,249	242,312	38,849	0	5,049,713	15,000,000	20,049,713	4,526,713	15,523,000
2	66 66	5,049,713	3,860	5,045,853	252,293	38,849	0	5,259,297	15,000,000	20,259,297	4,688,317	15,570,980
3	67 67	5,259,297	4,111	5,255,187	262,759	38,849	0	5,479,098	15,000,000	20,479,098	4,849,671	15,629,427
4	68 68	5,479,098	4,209	5,474,888	273,744	38,849	0	5,709,784	15,000,000	20,709,784	5,010,925	15,698,859
5	69 69	5,709,784	4,594	5,705,190	285,260	38,849	0	5,951,601	15,000,000	20,951,601	5,171,796	15,779,806
6	70 70	5,951,601	4,824	5,946,777	297,339	38,849	0	6,205,268	15,000,000	21,205,268	5,332,435	15,872,832
7	71 71	6,205,268	5,051	6,200,216	310,011	38,849	0	6,471,379	15,000,000	21,471,379	5,492,848	15,978,531
8	72 72	6,471,379	5,412	6,465,966	323,298	38,849	0	6,750,416	15,000,000	21,750,416	5,652,900	16,097,516
9	73 73	6,750,416	5,622	6,744,794	337,240	38,849	0	7,043,185	15,000,000	22,043,185	5,812,742	16,230,444
10	74 74	7,043,185	5,826	7,037,359	351,868	174,600	0	7,214,627	15,000,000	22,214,627	5,972,380	16,242,248
11	75 75	7,214,627	6,292	7,208,335	360,417	174,600	0	7,394,151	15,000,000	22,394,151	6,131,551	16,262,600
12	76 76	7,394,151	7,276	7,386,876	369,344	174,600	0	7,581,619	15,000,000	22,581,619	6,289,739	16,291,880
13	77 77	7,581,619	8,236	7,573,383	378,669	174,600	0	7,777,452	15,000,000	22,777,452	6,446,967	16,330,485
14	78 78	7,777,452	9,432	7,768,020	388,401	174,600	0	7,981,821	15,000,000	22,981,821	6,602,999	16,378,822
15	79 79	7,981,821	10,595	7,971,226	398,561	174,600	0	8,195,187	15,000,000	23,195,187	6,757,868	16,437,320
16	80 80	5,802,320	165,464	5,636,856	281,843	174,600	0	5,744,098	15,000,000	20,744,098	4,365,000	16,379,098
17	81 81	5,744,098	165,464	5,578,634	278,932	174,600	0	5,682,966	15,000,000	20,682,966	4,365,000	16,317,966
18	82 82	5,682,966	165,464	5,517,502	275,875	174,600	0	5,618,777	15,000,000	20,618,777	4,365,000	16,253,777
19	83 83	5,618,777	165,464	5,453,313	272,666	174,600	0	5,551,379	15,000,000	20,551,379	4,365,000	16,186,379
20	84 84	5,551,379	165,464	5,385,915	269,296	174,600	0	5,480,610	15,000,000	20,480,610	4,365,000	16,115,610
21	85 85	5,480,610	165,464	5,315,146	265,757	174,600	0	5,406,304	15,000,000	20,406,304	4,365,000	16,041,304
22	86 86	5,406,304	165,464	5,240,840	262,042	174,600	0	5,328,282	15,000,000	20,328,282	4,365,000	15,963,282
23	87 87	5,328,282	165,464	5,162,818	258,141	174,600	0	5,246,359	15,000,000	20,246,359	4,365,000	15,881,359
24	88 88	5,246,359	165,464	5,080,895	254,045	174,600	0	5,160,339	15,000,000	20,160,339	4,365,000	15,795,339
25	89 89	5,160,339	165,464	4,994,875	249,744	174,600	0	5,070,019	15,000,000	20,070,019	4,365,000	15,705,019
26	90 90	5,070,019	165,464	4,904,555	245,228	174,600	0	4,975,183	15,000,000	19,975,183	4,365,000	15,610,183
27	91 91	4,975,183	165,464	4,809,719	240,486	174,600	0	4,875,605	15,000,000	19,875,605	4,365,000	15,510,605
28	92 92	4,875,605	165,464	4,710,141	235,507	174,600	0	4,771,048	15,000,000	19,771,048	4,365,000	15,406,048
29	93 93	4,771,048	165,464	4,605,584	230,279	174,600	0	4,661,263	15,000,000	19,661,263	4,365,000	15,296,263
30	94 94	4,661,263	165,464	4,495,799	224,790	174,600	0	4,545,989	15,000,000	19,545,989	4,365,000	15,180,989

1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, .89% interest of \$38,849 is paid to the Grantor. Years 10 and beyond, 4% interest of \$174,600 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.

Split Dollar Life Insurance Worksheet - November 2012

\$15,000,000 Total Face Amount

Robert and Renee Lane

		<u>Split Dollar Allocations & Oligations</u>					<u>Lane Grantor Trust</u>					
Policy Year	EOY Ages	Planned Annual Premium	Trust Owner Payment	Net Split \$ Outlay	Cumulative Split \$ Outlay	Net Receivable	Split Dollar Obligation	Planned Split Dollar Repayment	Economic Benefit ²		4% AFR Interest ³	Net Death Benefit
									Two Lives	One Life		
1	65 / 65	165,464	3,751	161,713	161,713	161,713	161,713	0	3,751	178,500	6,619	14,838,287
2	66 / 66	165,464	3,860	161,604	323,317	323,317	323,317	0	3,860	202,650	13,237	14,676,683
3	67 / 67	165,464	4,111	161,353	484,671	484,671	484,671	0	4,111	228,000	19,856	14,515,329
4	68 / 68	165,464	4,209	161,255	645,925	645,925	645,925	0	4,209	253,800	26,474	14,354,075
5	69 / 69	165,464	4,594	160,870	806,796	806,796	806,796	0	4,594	280,500	33,093	14,193,204
6	70 / 70	165,464	4,824	160,640	967,435	967,435	967,435	0	4,824	309,300	39,711	14,032,565
7	71 / 71	165,464	5,051	160,413	1,127,848	1,127,848	1,127,848	0	5,051	340,800	46,330	13,872,152
8	72 / 72	165,464	5,412	160,052	1,287,900	1,287,900	1,287,900	0	5,412	376,050	52,948	13,712,100
9	73 / 73	165,464	5,622	159,842	1,447,742	1,447,742	1,447,742	0	5,622	413,550	59,567	13,552,258
10	74 / 74	165,464	5,826	159,638	1,607,380	1,607,380	1,607,380	0	5,826	452,700	66,186	13,392,620
11	75 / 75	165,464	6,292	159,172	1,766,551	1,766,551	1,766,551	0	6,292	495,750	72,804	13,233,449
12	76 / 76	165,464	7,276	158,188	1,924,739	1,924,739	1,924,739	0	7,276	544,950	79,423	13,075,261
13	77 / 77	165,464	8,236	157,228	2,081,967	2,081,967	2,081,967	0	8,236	602,550	86,041	12,918,033
14	78 / 78	165,464	9,432	156,032	2,237,999	2,237,999	2,237,999	0	9,432	664,950	92,660	12,762,001
15	79 / 79	165,464	10,595	154,869	2,392,868	2,392,868	2,392,868	0	10,595	738,450	99,278	12,607,132
16	80 / 80	165,464	165,464	0	0	0	0	2,392,868	0	0	0	15,000,000
17	81 / 81	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
18	82 / 82	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
19	83 / 83	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
20	84 / 84	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
21	85 / 85	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
22	86 / 86	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
23	87 / 87	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
24	88 / 88	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000
25	89 / 89	165,464	165,464	0	0	0	0	0	0	0	0	15,000,000

¹ Non-Equity Collateral Assignment Split Dollar until loan repayment (assumed year 10).

² Based on Table 2001 - Joint life rates.

³ Hypothetical rate, for discussion purposes only. Actual rate will vary.

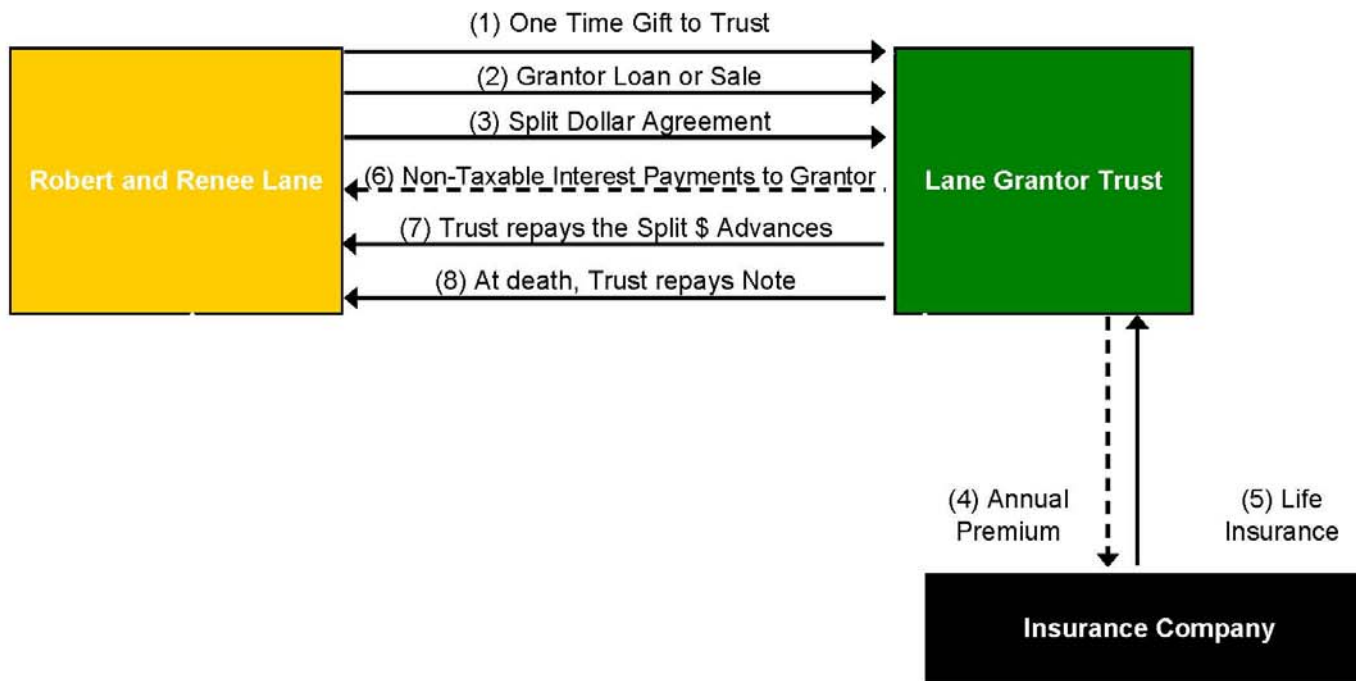
This is not an illustration or a contract for insurance. Marshall Jones is not authorized to practice law or to provide legal or tax advice and is not doing so with this communication or otherwise. The material contained in any presentation is not a substitute for consultation with a competent legal advisor and should only be relied upon in conjunction with his or her advice.

Detail of the Lane Grantor Trust What if the Trust Earns 100 Basis Points More?

Yr	His/Her Ages	Lane Grantor Trust Assets	Trust Annual Premium =	Net Trust Assets +	6.0% Investment Return -	Grantor Loan Interest -	Discretionary Trust Distributions =	End of Year Investment Account +	Guaranteed Life Insurance =	Lane Grantor Trust Assets -	Grantor Loan Balance Split \$ Repayment =	Net Lane Grantor Trust
1	65 65	4,850,000	3,751	4,846,249	290,775	38,849	0	5,098,175	15,000,000	20,098,175	4,526,713	15,571,462
2	66 66	5,098,175	3,860	5,094,316	305,659	38,849	0	5,361,126	15,000,000	20,361,126	4,688,317	15,672,809
3	67 67	5,361,126	4,111	5,357,015	321,421	38,849	0	5,639,588	15,000,000	20,639,588	4,849,671	15,789,917
4	68 68	5,639,588	4,209	5,635,379	338,123	38,849	0	5,934,653	15,000,000	20,934,653	5,010,925	15,923,728
5	69 69	5,934,653	4,594	5,930,059	355,804	38,849	0	6,247,014	15,000,000	21,247,014	5,171,796	16,075,219
6	70 70	6,247,014	4,824	6,242,190	374,531	38,849	0	6,577,873	15,000,000	21,577,873	5,332,435	16,245,437
7	71 71	6,577,873	5,051	6,572,822	394,369	38,849	0	6,928,342	15,000,000	21,928,342	5,492,848	16,435,494
8	72 72	6,928,342	5,412	6,922,930	415,376	38,849	0	7,299,457	15,000,000	22,299,457	5,652,900	16,646,558
9	73 73	7,299,457	5,622	7,293,835	437,630	38,849	0	7,692,617	15,000,000	22,692,617	5,812,742	16,879,875
10	74 74	7,692,617	5,826	7,686,791	461,207	174,600	0	7,973,398	15,000,000	22,973,398	5,972,380	17,001,019
11	75 75	7,973,398	6,292	7,967,106	478,026	174,600	130,000	8,140,532	15,000,000	23,140,532	6,131,551	17,008,981
12	76 76	8,140,532	7,276	8,133,256	487,995	174,600	130,000	8,316,652	15,000,000	23,316,652	6,289,739	17,026,912
13	77 77	8,316,652	8,236	8,308,416	498,505	174,600	130,000	8,502,320	15,000,000	23,502,320	6,446,967	17,055,353
14	78 78	8,502,320	9,432	8,492,888	509,573	174,600	130,000	8,697,861	15,000,000	23,697,861	6,602,999	17,094,863
15	79 79	8,697,861	10,595	8,687,266	521,236	174,600	130,000	8,903,902	15,000,000	23,903,902	6,757,868	17,146,035
16	80 80	6,511,035	165,464	6,345,571	380,734	174,600	130,000	6,421,705	15,000,000	21,421,705	4,365,000	17,056,705
17	81 81	6,421,705	165,464	6,256,241	375,374	174,600	130,000	6,327,015	15,000,000	21,327,015	4,365,000	16,962,015
18	82 82	6,327,015	165,464	6,161,551	369,693	174,600	130,000	6,226,644	15,000,000	21,226,644	4,365,000	16,861,644
19	83 83	6,226,644	165,464	6,061,180	363,671	174,600	130,000	6,120,251	15,000,000	21,120,251	4,365,000	16,755,251
20	84 84	6,120,251	165,464	5,954,787	357,287	174,600	130,000	6,007,474	15,000,000	21,007,474	4,365,000	16,642,474
21	85 85	6,007,474	165,464	5,842,010	350,521	174,600	130,000	5,887,931	15,000,000	20,887,931	4,365,000	16,522,931
22	86 86	5,887,931	165,464	5,722,467	343,348	174,600	130,000	5,761,215	15,000,000	20,761,215	4,365,000	16,396,215
23	87 87	5,761,215	165,464	5,595,751	335,745	174,600	130,000	5,626,896	15,000,000	20,626,896	4,365,000	16,261,896
24	88 88	5,626,896	165,464	5,461,432	327,686	174,600	130,000	5,484,518	15,000,000	20,484,518	4,365,000	16,119,518
25	89 89	5,484,518	165,464	5,319,054	319,143	174,600	130,000	5,333,597	15,000,000	20,333,597	4,365,000	15,968,597
26	90 90	5,333,597	165,464	5,168,133	310,088	174,600	130,000	5,173,621	15,000,000	20,173,621	4,365,000	15,808,621
27	91 91	5,173,621	165,464	5,008,157	300,489	174,600	130,000	5,004,047	15,000,000	20,004,047	4,365,000	15,639,047
28	92 92	5,004,047	165,464	4,838,583	290,315	174,600	130,000	4,824,298	15,000,000	19,824,298	4,365,000	15,459,298
29	93 93	4,824,298	165,464	4,658,834	279,530	174,600	130,000	4,633,764	15,000,000	19,633,764	4,365,000	15,268,764
30	94 94	4,633,764	165,464	4,468,300	268,098	174,600	130,000	4,431,798	15,000,000	19,431,798	4,365,000	15,066,798

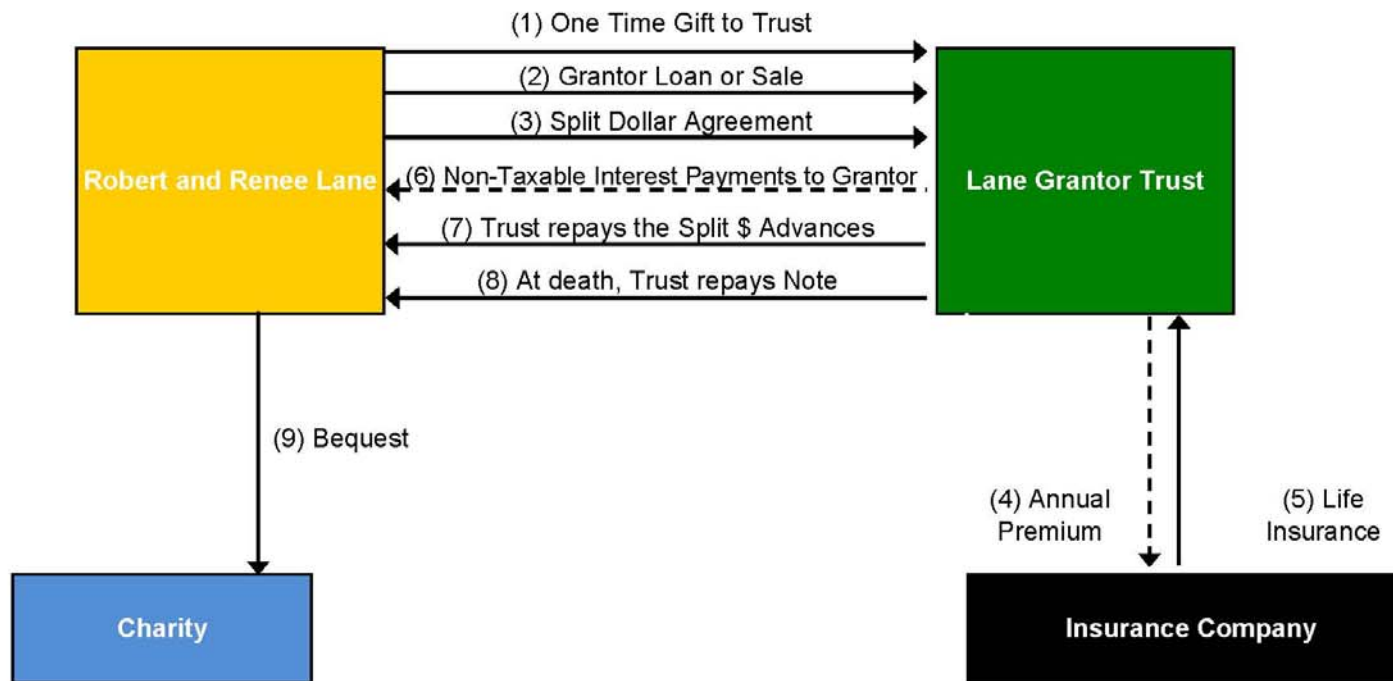
1. Loan interest paid to the grantor is non-taxable when the trust is a grantor trust for income tax purposes.
2. Applicable Federal Rate (AFR) Assumptions: Years 1-9, .89% interest of \$38,849 is paid to the Grantor. Years 10 and beyond, 4% interest of \$174,600 is paid to the Grantor.
3. This is a hypothetical illustration. Please consult your legal and tax advisor for details.

Grantor Trust Funding Concept (Without Philanthropy)



Please consult with your legal and tax advisors regarding the income tax benefits of using a Grantor Trust.

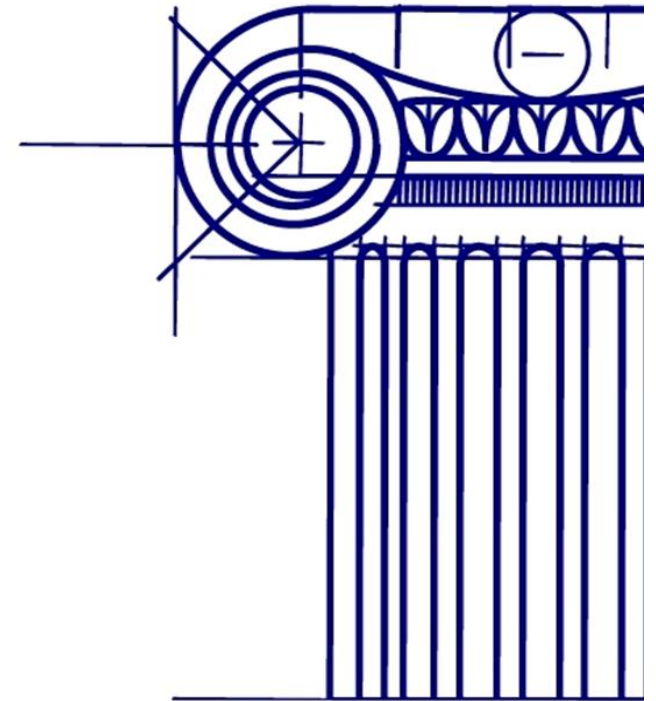
Grantor Trust Funding Concept (With Philanthropy)



Please consult with your legal and tax advisors regarding the income tax benefits of using a Grantor Trust.

“SHAMELESS SELF-PROMOTION”

M-FINANCIAL
AND
JONES LOWRY



M FINANCIAL IS A MAJOR LIFE INSURANCE DISTRIBUTION FORCE

2010 Rank	Insurance Group	Life Premium (\$ Millions)	Market Share (%)	M Partner
1	New York Life	2,463	9.6	No
2	Lincoln Financial	2,189	8.5	Yes
3	Northwestern Mutual	1,677	6.5	No
4	Manulife/John Hancock	1,409	5.5	Yes
5	Metropolitan Life	1,003	3.9	No
6	AEGON	959	3.7	No
7	M Financial Group	826	3.3	N/A
8	Guardian Life	716	2.8	No
9	Pacific Life	698	2.7	Yes
10	Hartford Life	657	2.6	No
11	Sun Life Financial	637	2.5	Yes
19	Prudential	442	1.7	Yes
20	Nationwide Life	442	1.7	Yes

Some distribution channels need thousands of Marketers to achieve sales of this magnitude—New York Life (9,000), Northwestern Mutual (6,000); M Financial does it with approximately 700.



JONES LOWRY

TIME TO KNOW™

CLIENT ADVOCACY ASSESSMENT TOOL

QUESTIONS:

M FINANCIAL ANSWERS:

1. Is the distribution channel independent of, or captive to, the insurance company?	Independent
2. Is the volume of business sold by the distribution channel sufficient to build credible data and be relevant to the insurance company?	<ul style="list-style-type: none"> • \$1.3 billion in 2010 new sales • 30+ years of experience • More than \$123 billion in-force face amount • \$33 billion in policy cash value
3. Is the client pricing experience socialized with all risks or is it placed in a select risk pool?	In segregated proprietary product pool— not socialized
4. Is the client a member of a risk class that justifies superior pricing characteristics?	Clients in risk class are exclusively high net worth and highly compensated executive clients of M Financial Member Firms
5. Does the insurance company have a good reputation built on competitive products and a superior track record?	<ul style="list-style-type: none"> • M Partner Carriers are highly rated • Member Firms have access to 20+ competitive proprietary products



JONES LOWRY

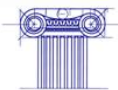
TIME TO KNOW™

CLIENT ADVOCACY ASSESSMENT TOOL (CONT.)

QUESTIONS:

M FINANCIAL ANSWERS:

<p>6. Is there risk sharing by the distributor/producer? Is the distribution channel putting capital at risk to legitimately “own” a seat at the table when it comes to negotiating price adjustments?</p>	<ul style="list-style-type: none"> • M reinsurance via M Financial Re • \$47 billion of face amount reinsured • Upwards of \$50 million of new capital invested per year
<p>7. What resources and technical support are dedicated to monitoring the policy on an ongoing basis and who provides them (captive or independent)?</p>	<ul style="list-style-type: none"> • Independent staff • 12 actuaries • Annually audited by independent consultants
<p>8. How do you characterize the producer’s relationship with the insurance company?</p>	<p>Independent producers that maintain deep relationships with a select group of Partner Carriers</p>
<p>9. Does the client advocacy model have a track record?</p>	<ul style="list-style-type: none"> • 34 repricings • \$80 million in historical value • \$170 million in future value
<p>10. Is the client advocacy model sustainable?</p>	<p>Yes, based on 30+ years of data and 15+ years of proprietary product experience</p>



JONES LOWRY

TIME TO KNOW™

R. MARSHALL JONES, PRINCIPAL

BURNS M. LOWRY, PRINCIPAL

JONES LOWRY

470 COLUMBIA DRIVE, SUITE 100-E

WEST PALM BEACH, FL 33409

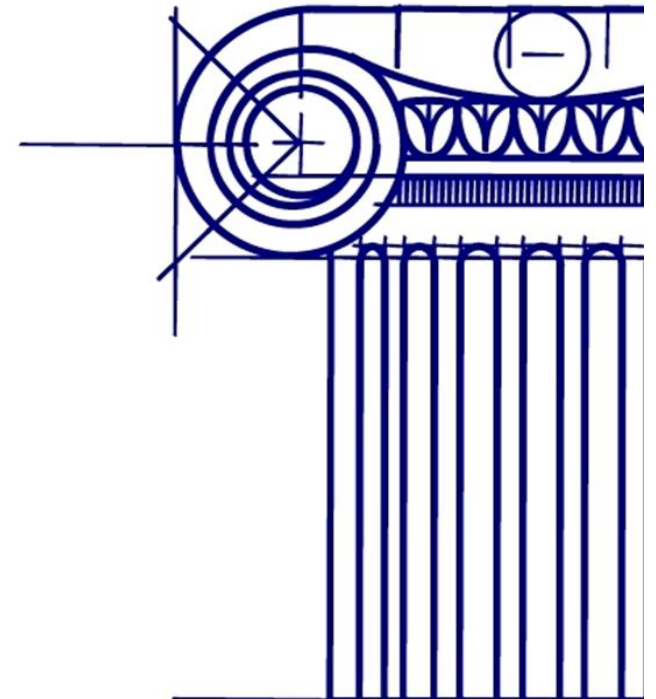
561-712-9799

1-877-600-0029

WWW.JONESLOWRY.COM

RMJ@JONESLOWRY.COM

BML@JONESLOWRY.COM



TIME TO KNOW™ • *INNOVATIVE LIFE INSURANCE SOLUTIONS*