

Dual Security Plan Buy-Sell

For: Brady and Carpenter, LLC



"Success isn't about what you accomplish in your life, it's about what you inspire others to accomplish."

Anonymous

Presented By:

[Licensed user's name appears here]

Dual Security Plan Buy-Sell

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Dual Security Plan Buy-Sell

**Plan Sponsor's Composite Analysis
of
Dual Security Plan Buy-Sell
for
Brady and Carpenter, LLC**

Dual Security Plan Buy-Sell for Brady and Carpenter, LLC

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

Plan Sponsor: Brady and Carpenter, LLC

Plan Sponsor's Composite Analysis of Costs and Policy Values

Number of Participants: 2
Limited Liability Company

Plan Year	(1) Plan Sponsor's Net Payment	(2) Plan Sponsor's Cumulative Net Payments	(3) Plan Sponsor's Policy Accum Value*	(4) Plan Sponsor's Policy Cash Value*	(5) Portion of Policy Death Benefits Allocated to Acquire Members' Interest	(6) Portion of Policy Death Benefits Allocated for Loss of Key Members	(7) Total Policy Death Benefits Provided (5) + (6)
1	200,000	200,000	167,944	0	6,167,944	1,000,000	7,167,944
2	200,000	400,000	349,416	148,796	6,349,416	1,000,000	7,349,416
3	200,000	600,000	545,506	347,896	6,545,506	1,000,000	7,545,506
4	200,000	800,000	757,392	562,932	6,757,392	1,000,000	7,757,392
5	200,000	1,000,000	986,346	795,106	6,986,346	1,000,000	7,986,346
6	200,000	1,200,000	1,233,744	1,045,794	7,233,744	1,000,000	8,233,744
7	200,000	1,400,000	1,501,072	1,316,482	7,501,072	1,000,000	8,501,072
8	200,000	1,600,000	1,789,932	1,636,142	7,789,932	1,000,000	8,789,932
9	200,000	1,800,000	2,102,064	1,979,004	8,102,064	1,000,000	9,102,064
10	200,000	2,000,000	2,447,982	2,355,722	8,447,982	1,000,000	9,447,982
11	200,000	2,200,000	2,821,766	2,760,236	8,821,766	1,000,000	9,821,766
12	200,000	2,400,000	3,225,658	3,194,928	9,225,658	1,000,000	10,225,658
13	200,000	2,600,000	3,662,088	3,662,088	9,662,088	1,000,000	10,662,088
14	200,000	2,800,000	4,133,674	4,133,674	10,133,674	1,000,000	11,133,674
15	200,000	3,000,000	4,642,170	4,642,170	10,642,170	1,000,000	11,642,170
16	200,000	3,200,000	5,204,798	5,204,798	11,204,798	1,000,000	12,204,798
17	200,000	3,400,000	5,810,634	5,810,634	11,810,634	1,000,000	12,810,634
18	200,000	3,600,000	6,462,738	6,462,738	12,462,738	1,000,000	13,462,738
19	200,000	3,800,000	7,164,118	7,164,118	13,164,118	1,000,000	14,164,118
20	200,000	4,000,000	7,918,412	7,918,412	13,918,412	1,000,000	14,918,412

4,000,000

List of Plan Participants:
Roger Brady, age 45
Tom Carpenter, age 45

*This Composite page includes non-guaranteed life insurance values. Actual results are likely to vary. This page is not valid unless accompanied by a life insurance basic illustration for each participant in the Composite that details non-guaranteed and guaranteed elements.

Dual Security Plan Buy-Sell for Brady and Carpenter, LLC

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

Plan Sponsor: Brady and Carpenter, LLC

Plan Sponsor's Composite Analysis of Benefits**

Number of Participants: 2
Limited Liability Company

Names of Covered Plan Participants	(1) Age of Plan Participants	(2) Year of Policy Transferred to Plan Participants	(3) Plan Participant's Out-of-Pocket Cost for Acquiring the Policy	(4) Plan Participant's Policy Cash Value in Year of Transfer	(5) Plan Participant's Death Benefit in Year of Transfer	(6) Plan Participant's Cumulative Retirement Income After Tax Policy Loans Illustrated	(7) Plan Participant's Policy Cash Value in the Final Year Illustrated	(8) Plan Participant's Death Benefit in the Final Year Illustrated
Roger Brady	45	21	0	3,956,999	4,811,399	18,138,624*	5,162,049	5,162,049
Tom Carpenter	45	21	0	3,956,999	4,811,399	18,138,624*	5,162,049	5,162,049

*An asterisk indicates the Retirement Income After Tax Policy Loans is not level.

See the individual plan participant's report entitled Member Personal Report for further details.

**This Composite page includes non-guaranteed life insurance values. Actual results are likely to vary. This page is not valid unless accompanied by a life insurance basic illustration for each participant in the Composite that details non-guaranteed and guaranteed elements.

Dual Security Plan Buy-Sell

**Individual Reports
for
Roger Brady**

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Preface (for Key Members of Limited Liability Companies (LLCs))

Key Member Life Insurance Coverage to Fund Buy-Sell Agreements between LLC Members who are also Shareholders of C or S Corporations with Subsequent Tax-Free Distribution of the Policies to each Insured Key Member.

"Dual Security Buy-Sell Plan" involves two sequential benefits for the principals of an LLC:

- 1) Selected Members' lives are insured to provide funds for redemption (or cross purchase) of ownership interests in a C or S corporation.
- 2) At a future date, the policy is transferred to the Member by way of a K-1 distribution thereby creating a supplemental retirement asset.

Assuming the LLC is taxed as a partnership, the K-1 distribution is tax free to the Member (IRC Sec. 731(a)).

Features of the LLC's coverage are:

- a) Discriminatory participation as to the selection of participants;
- b) Income tax free policy death benefits;
- c) No regulatory approval is required.

Features of the policy transfer are:

The LLC transfers ownership of the policy to the insured Member who, in turn, names personal beneficiaries. This provides the Member with:

- a) Policy cash values for use as a supplemental retirement asset;
- b) Income tax free policy death benefits for personal beneficiaries.

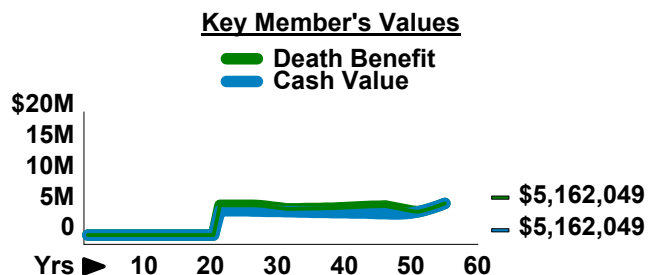
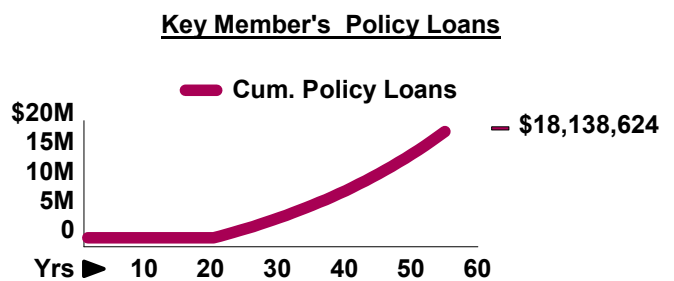
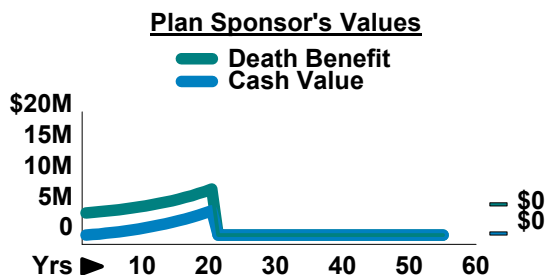
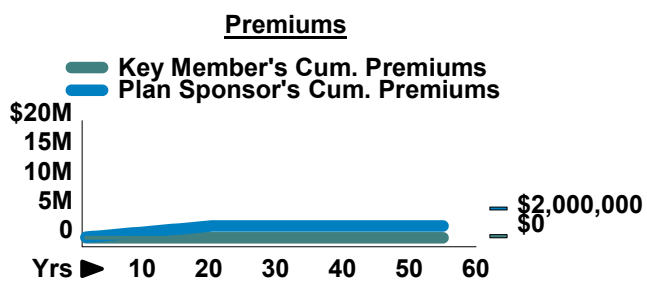
Option

Many Dual Security Buy-Sell Plans include additional life insurance on the life of the insured Member to indemnify the LLC in the event of the untimely death of a covered Member.

Conclusion

The Dual Security Buy-Sell Plan facilitates a nurturing environment that rewards key Members.

Be sure to consult with your own tax advisers before entering into this or any other arrangement involving tax and legal economic considerations.



This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

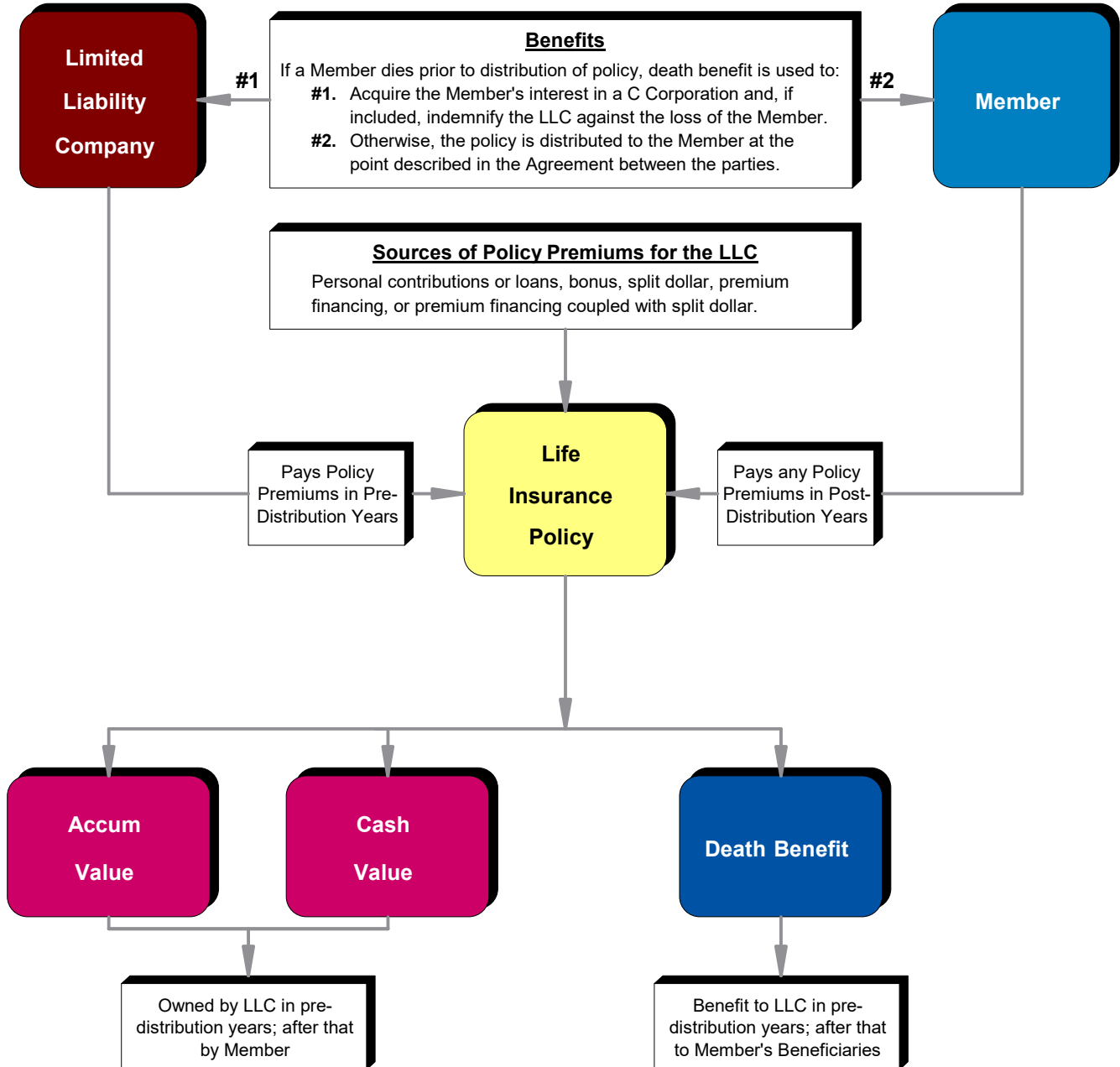
Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Who Pays What - Who Receives What

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company



When the policy is distributed to the Member as a K-1 distribution, no gain or loss need be recognized by the LLC on a distribution of property to a Member IRC Sec. 731(b)). (A life insurance policy is legally considered property). Likewise, no gain or loss need be recognized by the Member receiving the policy, regardless of whether the value of the policy is higher or lower than the adjusted basis Member's interest in the LLC. (IRC Sec. 731(a)). The basis of property (the policy in this case) distributed by the LLC to a Member, other than in liquidation of the Member's interest, is its adjusted basis to the LLC immediately before the distribution (which is the sum of the premiums paid by the LLC less any withdrawals made by the LLC prior to the distribution (IRS Rev. Proc. 2005-25)). LLCs have significant flexibility in how they account for assets, and the taxation of the policy distribution should be able to be arranged in this manner.

If multiple members are insured, the tax consequences of each distributed policy should be the same.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Illustration of Policy Values Funding the Plan

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Indexed UL Interest Rate 6.50%	Initial Premium 100,000	Initial Death Benefit 3,500,000	LLC's (Key Member's) Tax Bracket 40.00%			
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(4a) Pre-Tax Equivalent Rate of Return of Cash Value*	(5) Policy Death Benefit	(5a) Pre-Tax Equivalent Rate of Return of Death Benefit
1	45	100,000	0	83,972	0	n/a	3,583,972	5806.62
2	46	100,000	0	174,708	74,398	-50.30	3,674,708	763.75
3	47	100,000	0	272,753	173,948	-24.88	3,772,753	327.03
4	48	100,000	0	378,696	281,466	-13.57	3,878,696	193.66
5	49	100,000	0	493,173	397,553	-7.55	3,993,173	132.71
6	50	100,000	0	616,872	522,897	-3.92	4,116,872	98.77
7	51	100,000	0	750,536	658,241	-1.54	4,250,536	77.53
8	52	100,000	0	894,966	818,071	0.83	4,394,966	63.17
9	53	100,000	0	1,051,032	989,502	3.15	4,551,032	52.94
10	54	100,000	0	1,223,991	1,177,861	4.93	4,723,991	45.37
11	55	100,000	0	1,410,883	1,380,118	6.23	4,910,883	39.59
12	56	100,000	0	1,612,829	1,597,464	7.21	5,112,829	35.06
13	57	100,000	0	1,831,044	1,831,044	7.98	5,331,044	31.45
14	58	100,000	0	2,066,837	2,066,837	8.43	5,566,837	28.53
15	59	100,000	0	2,321,085	2,321,085	8.81	5,821,085	26.14
16	60	100,000	0	2,602,399	2,602,399	9.19	6,102,399	24.17
17	61	100,000	0	2,905,317	2,905,317	9.51	6,405,317	22.52
18	62	100,000	0	3,231,369	3,231,369	9.78	6,731,369	21.13
19	63	100,000	0	3,582,059	3,582,059	10.01	7,082,059	19.95
20	64	100,000	0	3,959,206	3,959,206	10.22	7,459,206	18.95
21	65	0	300,000	4,271,999	3,956,999	10.45	4,811,399	12.83
22	66	0	309,000	4,607,012	3,951,812	10.65	4,827,144	12.78
23	67	0	318,270	4,965,788	3,943,644	10.84	4,837,486	12.75
24	68	0	327,818	5,349,955	3,932,496	11.01	4,841,988	12.73
25	69	0	337,653	5,761,091	3,918,223	11.16	4,839,998	12.72
26	70	0	347,782	6,200,999	3,900,816	11.31	4,830,966	12.71
27	71	0	358,216	6,672,569	3,881,251	11.46	4,748,685	12.63
28	72	0	368,962	7,178,302	3,860,007	11.60	4,649,620	12.56
29	73	0	380,031	7,720,974	3,837,732	11.73	4,532,620	12.50
30	74	0	391,432	8,303,690	3,815,282	11.86	4,396,541	12.44
		2,000,000	3,439,164					

30 Year Summary

Cum. Premium Payments	2,000,000
Cum. Policy Loan Proceeds	3,439,164
Accum Value	3,815,282
Death Benefit	4,396,541

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Illustration of Policy Values Funding the Plan

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Indexed UL Interest Rate 6.50%	Initial Premium 100,000	Initial Death Benefit 3,500,000	LLC's (Key Member's) Tax Bracket 40.00%			
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(4a) Pre-Tax Equivalent Rate of Return of Cash Value*	(5) Policy Death Benefit	(5a) Pre-Tax Equivalent Rate of Return of Death Benefit
31	75	0	403,175	8,929,936	3,793,774	12.00	4,240,271	12.40
32	76	0	415,270	9,600,463	3,771,460	12.12	4,251,483	12.51
33	77	0	427,728	10,318,263	3,748,695	12.25	4,264,608	12.62
34	78	0	440,560	11,086,490	3,725,856	12.36	4,280,180	12.73
35	79	0	453,777	11,908,503	3,703,371	12.48	4,298,796	12.83
36	80	0	467,390	12,787,775	3,681,626	12.59	4,321,015	12.93
37	81	0	481,412	13,727,770	3,660,832	12.70	4,347,221	13.03
38	82	0	495,854	14,732,284	3,641,352	12.81	4,377,966	13.13
39	83	0	510,730	15,805,244	3,623,499	12.91	4,413,761	13.22
40	84	0	526,052	16,949,923	3,606,736	13.01	4,454,232	13.31
41	85	0	541,833	18,168,972	3,589,700	13.10	4,498,149	13.39
42	86	0	558,088	19,466,369	3,572,142	13.19	4,545,460	13.47
43	87	0	574,831	20,845,210	3,552,699	13.28	4,594,959	13.55
44	88	0	592,076	22,307,378	3,528,561	13.36	4,643,930	13.62
45	89	0	609,838	23,854,751	3,496,663	13.43	4,689,401	13.68
46	90	0	628,133	25,488,181	3,452,649	13.50	4,727,058	13.74
47	91	0	646,977	27,240,777	3,424,142	13.57	4,513,773	13.76
48	92	0	666,387	29,130,388	3,423,215	13.64	4,297,126	13.78
49	93	0	686,378	31,180,655	3,467,426	13.72	4,091,039	13.81
50	94	0	706,970	33,421,528	3,580,320	13.80	3,914,535	13.84
51	95	0	728,179	35,888,997	3,791,140	13.88	3,791,140	13.88
52	96	0	750,024	38,538,484	4,048,209	13.96	4,048,209	13.96
53	97	0	772,525	41,383,649	4,357,709	14.03	4,357,709	14.03
54	98	0	795,701	44,439,196	4,726,474	14.11	4,726,474	14.11
55	99	0	819,572	47,720,958	5,162,049	14.18	5,162,049	14.18
		2,000,000	18,138,624					

55 Year Summary

Cum. Premium Payments	2,000,000
Cum. Policy Loan Proceeds	18,138,624
Accum Value	5,162,049
Death Benefit	5,162,049

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)		Policy Transfer to Key Member is Illustrated at Beginning of Year 21		Indexed UL Interest Rate 6.50%			
Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit to Acquire Member's LLC Interest	(6) Portion of Policy Death Benefit to Indemnify the LLC	(7) Total Policy Death Benefit Required (5) + (6)**	(8) Total Policy Death Benefit Provided
1	45	100,000	100,000	83,972	0	3,083,972	500,000	3,583,972	3,583,972
2	46	100,000	200,000	174,708	74,398	3,174,708	500,000	3,674,708	3,674,708
3	47	100,000	300,000	272,753	173,948	3,272,753	500,000	3,772,753	3,772,753
4	48	100,000	400,000	378,696	281,466	3,378,696	500,000	3,878,696	3,878,696
5	49	100,000	500,000	493,173	397,553	3,493,173	500,000	3,993,173	3,993,173
6	50	100,000	600,000	616,872	522,897	3,616,872	500,000	4,116,872	4,116,872
7	51	100,000	700,000	750,536	658,241	3,750,536	500,000	4,250,536	4,250,536
8	52	100,000	800,000	894,966	818,071	3,894,966	500,000	4,394,966	4,394,966
9	53	100,000	900,000	1,051,032	989,502	4,051,032	500,000	4,551,032	4,551,032
10	54	100,000	1,000,000	1,223,991	1,177,861	4,223,991	500,000	4,723,991	4,723,991
11	55	100,000	1,100,000	1,410,883	1,380,118	4,410,883	500,000	4,910,883	4,910,883
12	56	100,000	1,200,000	1,612,829	1,597,464	4,612,829	500,000	5,112,829	5,112,829
13	57	100,000	1,300,000	1,831,044	1,831,044	4,831,044	500,000	5,331,044	5,331,044
14	58	100,000	1,400,000	2,066,837	2,066,837	5,066,837	500,000	5,566,837	5,566,837
15	59	100,000	1,500,000	2,321,085	2,321,085	5,321,085	500,000	5,821,085	5,821,085
16	60	100,000	1,600,000	2,602,399	2,602,399	5,602,399	500,000	6,102,399	6,102,399
17	61	100,000	1,700,000	2,905,317	2,905,317	5,905,317	500,000	6,405,317	6,405,317
18	62	100,000	1,800,000	3,231,369	3,231,369	6,231,369	500,000	6,731,369	6,731,369
19	63	100,000	1,900,000	3,582,059	3,582,059	6,582,059	500,000	7,082,059	7,082,059
20	64	100,000	2,000,000	3,959,206	3,959,206	6,959,206	500,000	7,459,206	7,459,206
21	65	0	2,000,000	0	0	0	0	0	0
22	66	0	2,000,000	0	0	0	0	0	0
23	67	0	2,000,000	0	0	0	0	0	0
24	68	0	2,000,000	0	0	0	0	0	0
25	69	0	2,000,000	0	0	0	0	0	0
26	70	0	2,000,000	0	0	0	0	0	0
27	71	0	2,000,000	0	0	0	0	0	0
28	72	0	2,000,000	0	0	0	0	0	0
29	73	0	2,000,000	0	0	0	0	0	0
30	74	0	2,000,000	0	0	0	0	0	0
		2,000,000							

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Key Member Coverage is terminated at the beginning of year 21 when the policy is transferred to the Key Member.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)		Policy Transfer to Key Member is Illustrated at Beginning of Year 21		Indexed UL Interest Rate 6.50%			
Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit to Acquire Member's LLC Interest	(6) Portion of Policy Death Benefit to Indemnify the LLC	(7) Total Policy Death Benefit Required (5) + (6)**	(8) Total Policy Death Benefit Provided
31	75	0	2,000,000	0	0	0	0	0	0
32	76	0	2,000,000	0	0	0	0	0	0
33	77	0	2,000,000	0	0	0	0	0	0
34	78	0	2,000,000	0	0	0	0	0	0
35	79	0	2,000,000	0	0	0	0	0	0
36	80	0	2,000,000	0	0	0	0	0	0
37	81	0	2,000,000	0	0	0	0	0	0
38	82	0	2,000,000	0	0	0	0	0	0
39	83	0	2,000,000	0	0	0	0	0	0
40	84	0	2,000,000	0	0	0	0	0	0
41	85	0	2,000,000	0	0	0	0	0	0
42	86	0	2,000,000	0	0	0	0	0	0
43	87	0	2,000,000	0	0	0	0	0	0
44	88	0	2,000,000	0	0	0	0	0	0
45	89	0	2,000,000	0	0	0	0	0	0
46	90	0	2,000,000	0	0	0	0	0	0
47	91	0	2,000,000	0	0	0	0	0	0
48	92	0	2,000,000	0	0	0	0	0	0
49	93	0	2,000,000	0	0	0	0	0	0
50	94	0	2,000,000	0	0	0	0	0	0
51	95	0	2,000,000	0	0	0	0	0	0
52	96	0	2,000,000	0	0	0	0	0	0
53	97	0	2,000,000	0	0	0	0	0	0
54	98	0	2,000,000	0	0	0	0	0	0
55	99	0	2,000,000	0	0	0	0	0	0

2,000,000

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Key Member Coverage is terminated at the beginning of year 21 when the policy is transferred to the Key Member.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Key Member's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member) Policy Transfer to Key Member is Illustrated at Beginning of Year 21 LLC's (Key Member's) Tax Bracket 40.00% Indexed UL Interest Rate 6.50%

Year	Male Age	(1) Premium Payment	(2) Retirement Income Net Policy Loan Proceeds	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit
1	45	0	0	0	0	0
2	46	0	0	0	0	0
3	47	0	0	0	0	0
4	48	0	0	0	0	0
5	49	0	0	0	0	0
6	50	0	0	0	0	0
7	51	0	0	0	0	0
8	52	0	0	0	0	0
9	53	0	0	0	0	0
10	54	0	0	0	0	0
11	55	0	0	0	0	0
12	56	0	0	0	0	0
13	57	0	0	0	0	0
14	58	0	0	0	0	0
15	59	0	0	0	0	0
16	60	0	0	0	0	0
17	61	0	0	0	0	0
18	62	0	0	0	0	0
19	63	0	0	0	0	0
20	64	0	0	0	0	0
21	65	0	300,000	4,271,999	3,956,999	4,811,399
22	66	0	309,000	4,607,012	3,951,812	4,827,144
23	67	0	318,270	4,965,788	3,943,644	4,837,486
24	68	0	327,818	5,349,955	3,932,496	4,841,988
25	69	0	337,653	5,761,091	3,918,223	4,839,998
26	70	0	347,782	6,200,999	3,900,816	4,830,966
27	71	0	358,216	6,672,569	3,881,251	4,748,685
28	72	0	368,962	7,178,302	3,860,007	4,649,620
29	73	0	380,031	7,720,974	3,837,732	4,532,620
30	74	0	391,432	8,303,690	3,815,282	4,396,541
		0	3,439,164			

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Key Member's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member) Policy Transfer to Key Member is Illustrated at Beginning of Year 21 LLC's (Key Member's) Tax Bracket 40.00% Indexed UL Interest Rate 6.50%

Year	Male Age	(1) Premium Payment	(2) Retirement Income Net Policy Loan Proceeds	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit
31	75	0	403,175	8,929,936	3,793,774	4,240,271
32	76	0	415,270	9,600,463	3,771,460	4,251,483
33	77	0	427,728	10,318,263	3,748,695	4,264,608
34	78	0	440,560	11,086,490	3,725,856	4,280,180
35	79	0	453,777	11,908,503	3,703,371	4,298,796
36	80	0	467,390	12,787,775	3,681,626	4,321,015
37	81	0	481,412	13,727,770	3,660,832	4,347,221
38	82	0	495,854	14,732,284	3,641,352	4,377,966
39	83	0	510,730	15,805,244	3,623,499	4,413,761
40	84	0	526,052	16,949,923	3,606,736	4,454,232
41	85	0	541,833	18,168,972	3,589,700	4,498,149
42	86	0	558,088	19,466,369	3,572,142	4,545,460
43	87	0	574,831	20,845,210	3,552,699	4,594,959
44	88	0	592,076	22,307,378	3,528,561	4,643,930
45	89	0	609,838	23,854,751	3,496,663	4,689,401
46	90	0	628,133	25,488,181	3,452,649	4,727,058
47	91	0	646,977	27,240,777	3,424,142	4,513,773
48	92	0	666,387	29,130,388	3,423,215	4,297,126
49	93	0	686,378	31,180,655	3,467,426	4,091,039
50	94	0	706,970	33,421,528	3,580,320	3,914,535
51	95	0	728,179	35,888,997	3,791,140	3,791,140
52	96	0	750,024	38,538,484	4,048,209	4,048,209
53	97	0	772,525	41,383,649	4,357,709	4,357,709
54	98	0	795,701	44,439,196	4,726,474	4,726,474
55	99	0	819,572	47,720,958	5,162,049	5,162,049
		0	18,138,624			

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

Benefit Summary

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Indexed UL Interest Rate 6.50%	Initial Death Benefit 3,500,000	<u>Policy Owner</u> LLC Until Transferred to Member in Year 21	<u>Policy Premiums Prior to Transfer</u> Paid by Business \$100,000 for 1st 20 Yrs	Paid by Member \$0
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Benefits for Roger Brady	See Report Entitled
Policy illustrated transferred to the Member at the beginning of year 21.	Member's Summary of Costs and Benefits
Member's out-of-pocket cost for tax on the transfer in year 21: \$0	Member's Cost Analysis
Member's illustrated cash value at end of year 21: \$3,956,999	Member's Summary of Costs and Benefits
Member's illustrated cum. retirement cash flow* for all 35 years: \$18,138,624	Member's Summary of Costs and Benefits
Member's illustrated death benefit at end of year 21: \$4,811,399	Member's Summary of Costs and Benefits

*Cash flow is received **income tax free** according to current tax rules assuming it involves withdrawals to basis and/or loans. Withdrawals that exceed cost basis are taxed.

Benefits for Brady and Carpenter, LLC	See Report Entitled
Cash value of life insurance policy owned by the business just prior to transfer of the policy: \$3,959,206	Plan Sponsor's Summary of Costs and Benefits
Lowest illustrated life insurance death benefit to indemnify the business prior to the transfer of the policy: \$3,583,972	Plan Sponsor's Summary of Costs and Benefits
Illustrated tax savings for the business upon transfer of the policy: \$0	Details of the Tax Consequences
Should the Member fail to complete the terms of the agreement associated with the plan, the transfer of the policy is forfeited, and all policy values remain an asset of the business.	

This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Details of the Tax Consequences When the Policy is Distributed to the Key Member

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)	Policy Transfer to Key Member is Illustrated at Beginning of Year 21
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K-1 Distribution Details:

Year the K-1 Distribution is illustrated: Beginning of year 21
Accumulation value of policy when distributed: \$3,959,206
LLC cumulative premiums prior to distribution: \$2,000,000
Member's cumulative premiums prior to distribution: \$0

Tax Consequences of the K-1 Distribution:

(The following taxation remarks apply whether one member or multiple members are insured.)*

When the policy is distributed, no gain or loss need be recognized by the Limited Liability Company on a distribution of property (a life insurance policy is legally considered property) to a member (IRC Sec. 731(b)). Likewise, no gain or loss need be recognized by the member receiving the policy, regardless of whether the value of the policy is higher or lower than the member's adjusted basis in the member's interest in the LLC (IRC Sec. 731(a)).

The member's basis in the policy distributed by the LLC to the member is its adjusted basis to the LLC immediately before the distribution (which is the sum of the premiums paid by the LLC less any withdrawals made by the LLC prior to the distribution (IRS Rev. Proc. 2005-25)). The distributee member's basis in the property cannot exceed the adjusted basis of the member's interest in the LLC reduced by any money distributed in the same transaction (IRC Sec. 732(a)). (If multiple members are insured, the tax consequences of each distributed policy should be the same.)

For this case, the member's illustrated basis in the policy at the point of distribution is \$2,000,000.

Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of distribution are presumed to occur after the distribution takes place.

*Because the LLC is taxed as a Partnership, it has significant flexibility in how it accounts for assets, and the taxation of policy distributions should be able to be arranged in this manner. (Some states do not allow LLCs with only one member.)

*LLC accounting is complex and should only be done by a qualified professional. Be sure to consult with your own legal and tax advisers before entering into this or any other arrangement involving legal, tax, and economic considerations.

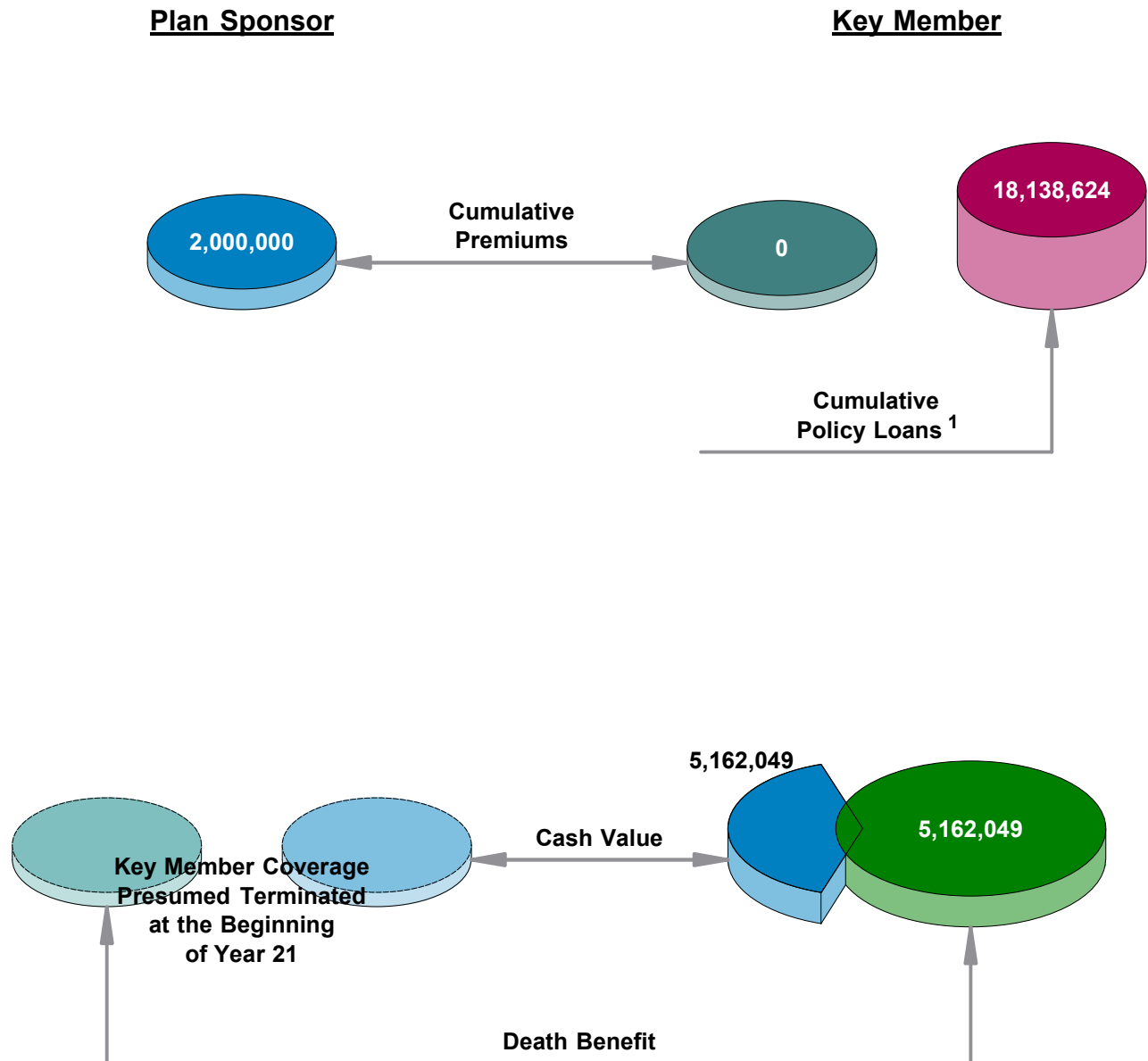
Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Roger Brady

A Look at Year 55

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company



¹For Retirement Income.

Dual Security Buy-Sell Plan Using Indexed Universal Life

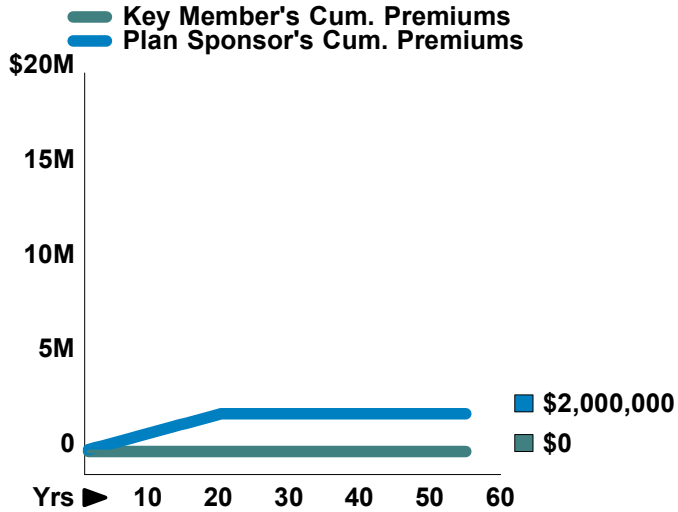
Presented By: [Licensed user's name appears here]

Insured: Roger Brady

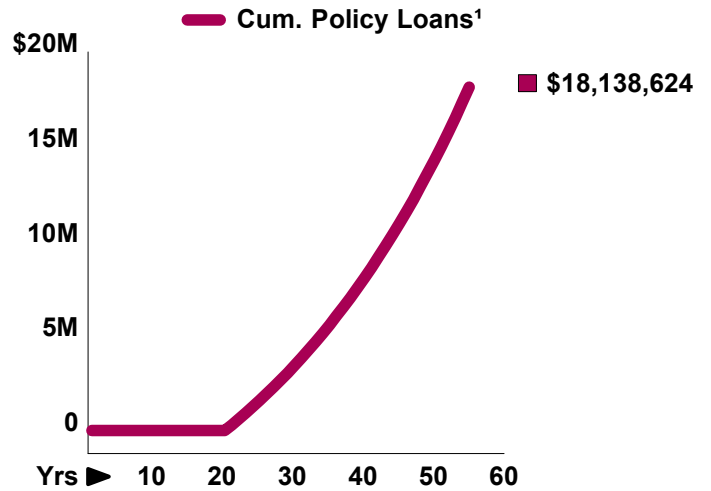
55 Year Analysis

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

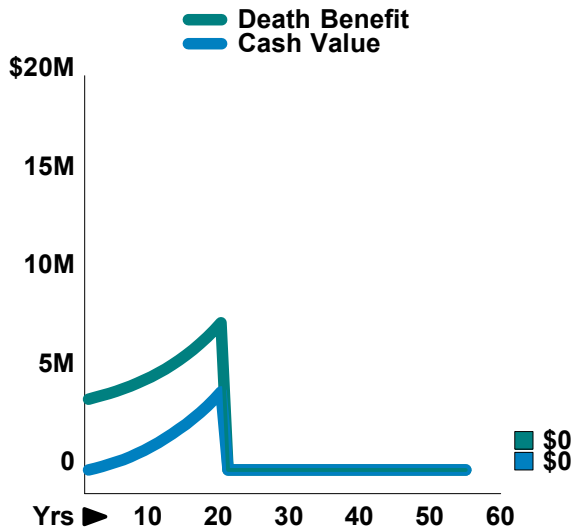
Premiums



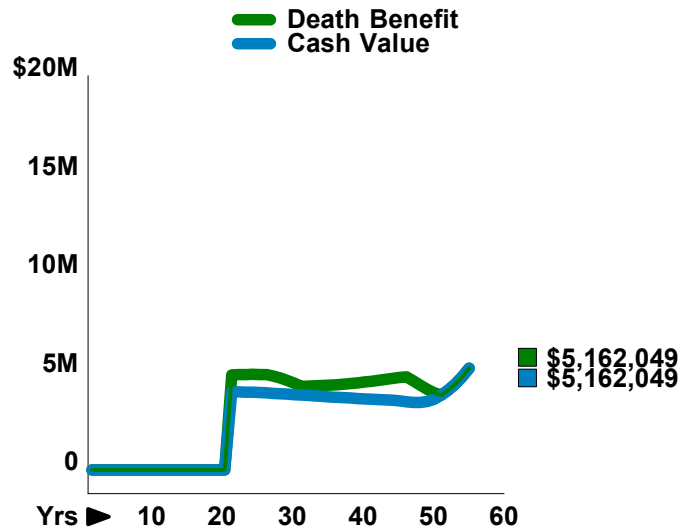
Key Member's Policy Loans



Plan Sponsor's Values



Key Member's Values



¹ For Retirement Income.

Dual Security Plan Buy-Sell

**Individual Reports
for
Tom Carpenter**

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Preface (for Key Members of Limited Liability Companies (LLCs))

Key Member Life Insurance Coverage to Fund Buy-Sell Agreements between LLC Members who are also Shareholders of C or S Corporations with Subsequent Tax-Free Distribution of the Policies to each Insured Key Member.

"Dual Security Buy-Sell Plan" involves two sequential benefits for the principals of an LLC:

- 1) Selected Members' lives are insured to provide funds for redemption (or cross purchase) of ownership interests in a C or S corporation.
- 2) At a future date, the policy is transferred to the Member by way of a K-1 distribution thereby creating a supplemental retirement asset.

Assuming the LLC is taxed as a partnership, the K-1 distribution is tax free to the Member (IRC Sec. 731(a)).

Features of the LLC's coverage are:

- a) Discriminatory participation as to the selection of participants;
- b) Income tax free policy death benefits;
- c) No regulatory approval is required.

Features of the policy transfer are:

The LLC transfers ownership of the policy to the insured Member who, in turn, names personal beneficiaries. This provides the Member with:

- a) Policy cash values for use as a supplemental retirement asset;
- b) Income tax free policy death benefits for personal beneficiaries.

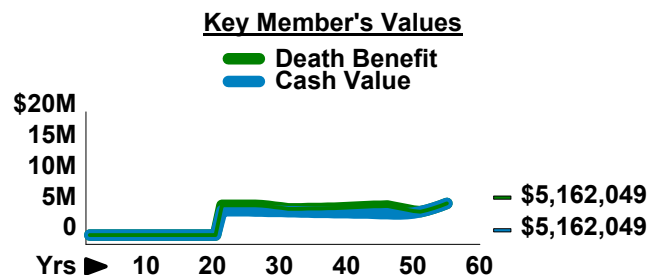
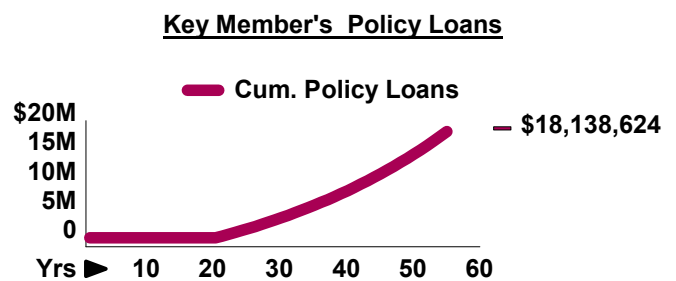
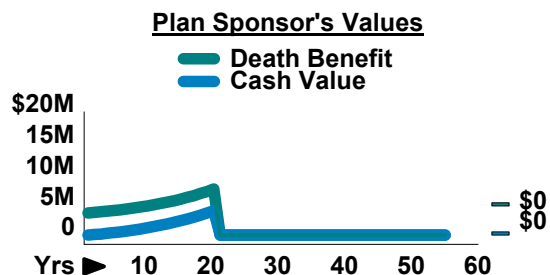
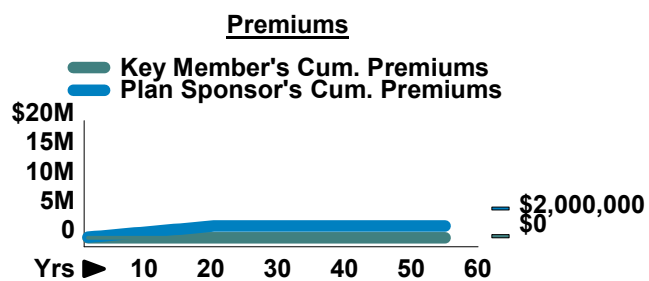
Option

Many Dual Security Buy-Sell Plans include additional life insurance on the life of the insured Member to indemnify the LLC in the event of the untimely death of a covered Member.

Conclusion

The Dual Security Buy-Sell Plan facilitates a nurturing environment that rewards key Members.

Be sure to consult with your own tax advisers before entering into this or any other arrangement involving tax and legal economic considerations.



This graphic assumes the non-guaranteed values shown continue in all years. This is not likely, and actual results may be more or less favorable.

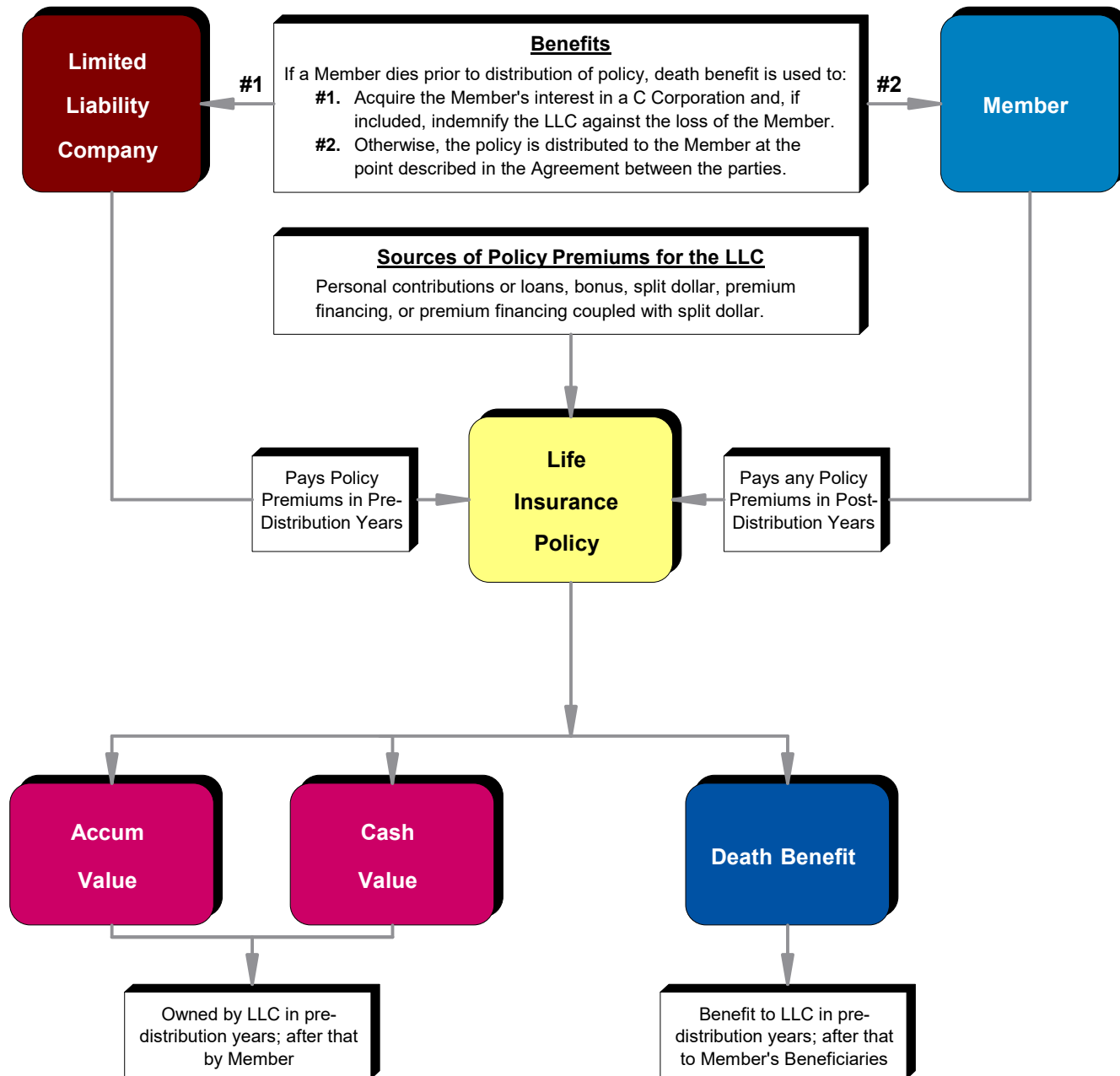
Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Who Pays What - Who Receives What

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company



When the policy is distributed to the Member as a K-1 distribution, no gain or loss need be recognized by the LLC on a distribution of property to a Member IRC Sec. 731(b)). (A life insurance policy is legally considered property). Likewise, no gain or loss need be recognized by the Member receiving the policy, regardless of whether the value of the policy is higher or lower than the adjusted basis Member's interest in the LLC. (IRC Sec. 731(a)). The basis of property (the policy in this case) distributed by the LLC to a Member, other than in liquidation of the Member's interest, is its adjusted basis to the LLC immediately before the distribution (which is the sum of the premiums paid by the LLC less any withdrawals made by the LLC prior to the distribution (IRS Rev. Proc. 2005-25)). LLCs have significant flexibility in how they account for assets, and the taxation of the policy distribution should be able to be arranged in this manner.

If multiple members are insured, the tax consequences of each distributed policy should be the same.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Illustration of Policy Values Funding the Plan

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Indexed UL Interest Rate 6.50%	Initial Premium 100,000	Initial Death Benefit 3,500,000	LLC's (Key Member's) Tax Bracket 40.00%			
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(4a) Pre-Tax Equivalent Rate of Return of Cash Value*	(5) Policy Death Benefit	(5a) Pre-Tax Equivalent Rate of Return of Death Benefit
1	45	100,000	0	83,972	0	n/a	3,583,972	5806.62
2	46	100,000	0	174,708	74,398	-50.30	3,674,708	763.75
3	47	100,000	0	272,753	173,948	-24.88	3,772,753	327.03
4	48	100,000	0	378,696	281,466	-13.57	3,878,696	193.66
5	49	100,000	0	493,173	397,553	-7.55	3,993,173	132.71
6	50	100,000	0	616,872	522,897	-3.92	4,116,872	98.77
7	51	100,000	0	750,536	658,241	-1.54	4,250,536	77.53
8	52	100,000	0	894,966	818,071	0.83	4,394,966	63.17
9	53	100,000	0	1,051,032	989,502	3.15	4,551,032	52.94
10	54	100,000	0	1,223,991	1,177,861	4.93	4,723,991	45.37
11	55	100,000	0	1,410,883	1,380,118	6.23	4,910,883	39.59
12	56	100,000	0	1,612,829	1,597,464	7.21	5,112,829	35.06
13	57	100,000	0	1,831,044	1,831,044	7.98	5,331,044	31.45
14	58	100,000	0	2,066,837	2,066,837	8.43	5,566,837	28.53
15	59	100,000	0	2,321,085	2,321,085	8.81	5,821,085	26.14
16	60	100,000	0	2,602,399	2,602,399	9.19	6,102,399	24.17
17	61	100,000	0	2,905,317	2,905,317	9.51	6,405,317	22.52
18	62	100,000	0	3,231,369	3,231,369	9.78	6,731,369	21.13
19	63	100,000	0	3,582,059	3,582,059	10.01	7,082,059	19.95
20	64	100,000	0	3,959,206	3,959,206	10.22	7,459,206	18.95
21	65	0	300,000	4,271,999	3,956,999	10.45	4,811,399	12.83
22	66	0	309,000	4,607,012	3,951,812	10.65	4,827,144	12.78
23	67	0	318,270	4,965,788	3,943,644	10.84	4,837,486	12.75
24	68	0	327,818	5,349,955	3,932,496	11.01	4,841,988	12.73
25	69	0	337,653	5,761,091	3,918,223	11.16	4,839,998	12.72
26	70	0	347,782	6,200,999	3,900,816	11.31	4,830,966	12.71
27	71	0	358,216	6,672,569	3,881,251	11.46	4,748,685	12.63
28	72	0	368,962	7,178,302	3,860,007	11.60	4,649,620	12.56
29	73	0	380,031	7,720,974	3,837,732	11.73	4,532,620	12.50
30	74	0	391,432	8,303,690	3,815,282	11.86	4,396,541	12.44
		2,000,000	3,439,164					

30 Year Summary

Cum. Premium Payments	2,000,000
Cum. Policy Loan Proceeds	3,439,164
Accum Value	3,815,282
Death Benefit	4,396,541

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Illustration of Policy Values Funding the Plan

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Indexed UL Interest Rate 6.50%	Initial Premium 100,000	Initial Death Benefit 3,500,000	LLC's (Key Member's) Tax Bracket 40.00%			
Year	Male Age	(1) Premium Payment	(2) Net Policy Loan Proceeds	(3) Year End Accum Value*	(4) Year End Cash Value*	(4a) Pre-Tax Equivalent Rate of Return of Cash Value*	(5) Policy Death Benefit	(5a) Pre-Tax Equivalent Rate of Return of Death Benefit
31	75	0	403,175	8,929,936	3,793,774	12.00	4,240,271	12.40
32	76	0	415,270	9,600,463	3,771,460	12.12	4,251,483	12.51
33	77	0	427,728	10,318,263	3,748,695	12.25	4,264,608	12.62
34	78	0	440,560	11,086,490	3,725,856	12.36	4,280,180	12.73
35	79	0	453,777	11,908,503	3,703,371	12.48	4,298,796	12.83
36	80	0	467,390	12,787,775	3,681,626	12.59	4,321,015	12.93
37	81	0	481,412	13,727,770	3,660,832	12.70	4,347,221	13.03
38	82	0	495,854	14,732,284	3,641,352	12.81	4,377,966	13.13
39	83	0	510,730	15,805,244	3,623,499	12.91	4,413,761	13.22
40	84	0	526,052	16,949,923	3,606,736	13.01	4,454,232	13.31
41	85	0	541,833	18,168,972	3,589,700	13.10	4,498,149	13.39
42	86	0	558,088	19,466,369	3,572,142	13.19	4,545,460	13.47
43	87	0	574,831	20,845,210	3,552,699	13.28	4,594,959	13.55
44	88	0	592,076	22,307,378	3,528,561	13.36	4,643,930	13.62
45	89	0	609,838	23,854,751	3,496,663	13.43	4,689,401	13.68
46	90	0	628,133	25,488,181	3,452,649	13.50	4,727,058	13.74
47	91	0	646,977	27,240,777	3,424,142	13.57	4,513,773	13.76
48	92	0	666,387	29,130,388	3,423,215	13.64	4,297,126	13.78
49	93	0	686,378	31,180,655	3,467,426	13.72	4,091,039	13.81
50	94	0	706,970	33,421,528	3,580,320	13.80	3,914,535	13.84
51	95	0	728,179	35,888,997	3,791,140	13.88	3,791,140	13.88
52	96	0	750,024	38,538,484	4,048,209	13.96	4,048,209	13.96
53	97	0	772,525	41,383,649	4,357,709	14.03	4,357,709	14.03
54	98	0	795,701	44,439,196	4,726,474	14.11	4,726,474	14.11
55	99	0	819,572	47,720,958	5,162,049	14.18	5,162,049	14.18
		2,000,000	18,138,624					

55 Year Summary

Cum. Premium Payments	2,000,000
Cum. Policy Loan Proceeds	18,138,624
Accum Value	5,162,049
Death Benefit	5,162,049

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)		Policy Transfer to Key Member is Illustrated at Beginning of Year 21		Indexed UL Interest Rate 6.50%			
Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit to Acquire Member's LLC Interest	(6) Portion of Policy Death Benefit to Indemnify the LLC	(7) Total Policy Death Benefit Required (5) + (6)**	(8) Total Policy Death Benefit Provided
1	45	100,000	100,000	83,972	0	3,083,972	500,000	3,583,972	3,583,972
2	46	100,000	200,000	174,708	74,398	3,174,708	500,000	3,674,708	3,674,708
3	47	100,000	300,000	272,753	173,948	3,272,753	500,000	3,772,753	3,772,753
4	48	100,000	400,000	378,696	281,466	3,378,696	500,000	3,878,696	3,878,696
5	49	100,000	500,000	493,173	397,553	3,493,173	500,000	3,993,173	3,993,173
6	50	100,000	600,000	616,872	522,897	3,616,872	500,000	4,116,872	4,116,872
7	51	100,000	700,000	750,536	658,241	3,750,536	500,000	4,250,536	4,250,536
8	52	100,000	800,000	894,966	818,071	3,894,966	500,000	4,394,966	4,394,966
9	53	100,000	900,000	1,051,032	989,502	4,051,032	500,000	4,551,032	4,551,032
10	54	100,000	1,000,000	1,223,991	1,177,861	4,223,991	500,000	4,723,991	4,723,991
11	55	100,000	1,100,000	1,410,883	1,380,118	4,410,883	500,000	4,910,883	4,910,883
12	56	100,000	1,200,000	1,612,829	1,597,464	4,612,829	500,000	5,112,829	5,112,829
13	57	100,000	1,300,000	1,831,044	1,831,044	4,831,044	500,000	5,331,044	5,331,044
14	58	100,000	1,400,000	2,066,837	2,066,837	5,066,837	500,000	5,566,837	5,566,837
15	59	100,000	1,500,000	2,321,085	2,321,085	5,321,085	500,000	5,821,085	5,821,085
16	60	100,000	1,600,000	2,602,399	2,602,399	5,602,399	500,000	6,102,399	6,102,399
17	61	100,000	1,700,000	2,905,317	2,905,317	5,905,317	500,000	6,405,317	6,405,317
18	62	100,000	1,800,000	3,231,369	3,231,369	6,231,369	500,000	6,731,369	6,731,369
19	63	100,000	1,900,000	3,582,059	3,582,059	6,582,059	500,000	7,082,059	7,082,059
20	64	100,000	2,000,000	3,959,206	3,959,206	6,959,206	500,000	7,459,206	7,459,206
21	65	0	2,000,000	0	0	0	0	0	0
22	66	0	2,000,000	0	0	0	0	0	0
23	67	0	2,000,000	0	0	0	0	0	0
24	68	0	2,000,000	0	0	0	0	0	0
25	69	0	2,000,000	0	0	0	0	0	0
26	70	0	2,000,000	0	0	0	0	0	0
27	71	0	2,000,000	0	0	0	0	0	0
28	72	0	2,000,000	0	0	0	0	0	0
29	73	0	2,000,000	0	0	0	0	0	0
30	74	0	2,000,000	0	0	0	0	0	0
		2,000,000							

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Key Member Coverage is terminated at the beginning of year 21 when the policy is transferred to the Key Member.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Plan Sponsor's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

		Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)		Policy Transfer to Key Member is Illustrated at Beginning of Year 21		Indexed UL Interest Rate 6.50%			
Year	Male Age	(1) Premium Payment	(2) Cumulative Premium Payments	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Portion of Policy Death Benefit to Acquire Member's LLC Interest	(6) Portion of Policy Death Benefit to Indemnify the LLC	(7) Total Policy Death Benefit Required (5) + (6)**	(8) Total Policy Death Benefit Provided
31	75	0	2,000,000	0	0	0	0	0	0
32	76	0	2,000,000	0	0	0	0	0	0
33	77	0	2,000,000	0	0	0	0	0	0
34	78	0	2,000,000	0	0	0	0	0	0
35	79	0	2,000,000	0	0	0	0	0	0
36	80	0	2,000,000	0	0	0	0	0	0
37	81	0	2,000,000	0	0	0	0	0	0
38	82	0	2,000,000	0	0	0	0	0	0
39	83	0	2,000,000	0	0	0	0	0	0
40	84	0	2,000,000	0	0	0	0	0	0
41	85	0	2,000,000	0	0	0	0	0	0
42	86	0	2,000,000	0	0	0	0	0	0
43	87	0	2,000,000	0	0	0	0	0	0
44	88	0	2,000,000	0	0	0	0	0	0
45	89	0	2,000,000	0	0	0	0	0	0
46	90	0	2,000,000	0	0	0	0	0	0
47	91	0	2,000,000	0	0	0	0	0	0
48	92	0	2,000,000	0	0	0	0	0	0
49	93	0	2,000,000	0	0	0	0	0	0
50	94	0	2,000,000	0	0	0	0	0	0
51	95	0	2,000,000	0	0	0	0	0	0
52	96	0	2,000,000	0	0	0	0	0	0
53	97	0	2,000,000	0	0	0	0	0	0
54	98	0	2,000,000	0	0	0	0	0	0
55	99	0	2,000,000	0	0	0	0	0	0

2,000,000

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

**Key Member Coverage is terminated at the beginning of year 21 when the policy is transferred to the Key Member.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Key Member's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member) Policy Transfer to Key Member is Illustrated at Beginning of Year 21 LLC's (Key Member's) Tax Bracket 40.00% Indexed UL Interest Rate 6.50%

Year	Male Age	(1) Premium Payment	(2) Retirement Income Net Policy Loan Proceeds	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit
1	45	0	0	0	0	0
2	46	0	0	0	0	0
3	47	0	0	0	0	0
4	48	0	0	0	0	0
5	49	0	0	0	0	0
6	50	0	0	0	0	0
7	51	0	0	0	0	0
8	52	0	0	0	0	0
9	53	0	0	0	0	0
10	54	0	0	0	0	0
11	55	0	0	0	0	0
12	56	0	0	0	0	0
13	57	0	0	0	0	0
14	58	0	0	0	0	0
15	59	0	0	0	0	0
16	60	0	0	0	0	0
17	61	0	0	0	0	0
18	62	0	0	0	0	0
19	63	0	0	0	0	0
20	64	0	0	0	0	0
21	65	0	300,000	4,271,999	3,956,999	4,811,399
22	66	0	309,000	4,607,012	3,951,812	4,827,144
23	67	0	318,270	4,965,788	3,943,644	4,837,486
24	68	0	327,818	5,349,955	3,932,496	4,841,988
25	69	0	337,653	5,761,091	3,918,223	4,839,998
26	70	0	347,782	6,200,999	3,900,816	4,830,966
27	71	0	358,216	6,672,569	3,881,251	4,748,685
28	72	0	368,962	7,178,302	3,860,007	4,649,620
29	73	0	380,031	7,720,974	3,837,732	4,532,620
30	74	0	391,432	8,303,690	3,815,282	4,396,541
		0	3,439,164			

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Key Member's Summary of Costs and Benefits

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member) Policy Transfer to Key Member is Illustrated at Beginning of Year 21 LLC's (Key Member's) Tax Bracket 40.00% Indexed UL Interest Rate 6.50%

Year	Male Age	(1) Premium Payment	(2) Retirement Income Net Policy Loan Proceeds	(3) Policy Accum Value*	(4) Policy Cash Value*	(5) Policy Death Benefit
31	75	0	403,175	8,929,936	3,793,774	4,240,271
32	76	0	415,270	9,600,463	3,771,460	4,251,483
33	77	0	427,728	10,318,263	3,748,695	4,264,608
34	78	0	440,560	11,086,490	3,725,856	4,280,180
35	79	0	453,777	11,908,503	3,703,371	4,298,796
36	80	0	467,390	12,787,775	3,681,626	4,321,015
37	81	0	481,412	13,727,770	3,660,832	4,347,221
38	82	0	495,854	14,732,284	3,641,352	4,377,966
39	83	0	510,730	15,805,244	3,623,499	4,413,761
40	84	0	526,052	16,949,923	3,606,736	4,454,232
41	85	0	541,833	18,168,972	3,589,700	4,498,149
42	86	0	558,088	19,466,369	3,572,142	4,545,460
43	87	0	574,831	20,845,210	3,552,699	4,594,959
44	88	0	592,076	22,307,378	3,528,561	4,643,930
45	89	0	609,838	23,854,751	3,496,663	4,689,401
46	90	0	628,133	25,488,181	3,452,649	4,727,058
47	91	0	646,977	27,240,777	3,424,142	4,513,773
48	92	0	666,387	29,130,388	3,423,215	4,297,126
49	93	0	686,378	31,180,655	3,467,426	4,091,039
50	94	0	706,970	33,421,528	3,580,320	3,914,535
51	95	0	728,179	35,888,997	3,791,140	3,791,140
52	96	0	750,024	38,538,484	4,048,209	4,048,209
53	97	0	772,525	41,383,649	4,357,709	4,357,709
54	98	0	795,701	44,439,196	4,726,474	4,726,474
55	99	0	819,572	47,720,958	5,162,049	5,162,049
		0	18,138,624			

*This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

Benefit Summary

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Indexed UL Interest Rate 6.50%	Initial Death Benefit 3,500,000	<u>Policy Owner</u> LLC Until Transferred to Member in Year 21	<u>Policy Premiums Prior to Transfer</u> Paid by Business \$100,000 for 1st 20 Yrs	Paid by Member \$0
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Benefits for Tom Carpenter	See Report Entitled
Policy illustrated transferred to the Member at the beginning of year 21.	Member's Summary of Costs and Benefits
Member's out-of-pocket cost for tax on the transfer in year 21: \$0	Member's Cost Analysis
Member's illustrated cash value at end of year 21: \$3,956,999	Member's Summary of Costs and Benefits
Member's illustrated cum. retirement cash flow* for all 35 years: \$18,138,624	Member's Summary of Costs and Benefits
Member's illustrated death benefit at end of year 21: \$4,811,399	Member's Summary of Costs and Benefits

*Cash flow is received **income tax free** according to current tax rules assuming it involves withdrawals to basis and/or loans. Withdrawals that exceed cost basis are taxed.

Benefits for Brady and Carpenter, LLC	See Report Entitled
Cash value of life insurance policy owned by the business just prior to transfer of the policy: \$3,959,206	Plan Sponsor's Summary of Costs and Benefits
Lowest illustrated life insurance death benefit to indemnify the business prior to the transfer of the policy: \$3,583,972	Plan Sponsor's Summary of Costs and Benefits
Illustrated tax savings for the business upon transfer of the policy: \$0	Details of the Tax Consequences
Should the Member fail to complete the terms of the agreement associated with the plan, the transfer of the policy is forfeited, and all policy values remain an asset of the business.	

This illustration assumes the nonguaranteed values continue in all years. This is not likely, and actual results may be more or less favorable. This illustration is not valid unless accompanied by a basic illustration from the issuing life insurance company.

Details of the Tax Consequences When the Policy is Distributed to the Key Member

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

Form of Transaction (Key Member Coverage with Deferred K-1 Distribution of Policy to Key Member)	Policy Transfer to Key Member is Illustrated at Beginning of Year 21
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K-1 Distribution Details:

Year the K-1 Distribution is illustrated: Beginning of year 21
Accumulation value of policy when distributed: \$3,959,206
LLC cumulative premiums prior to distribution: \$2,000,000
Member's cumulative premiums prior to distribution: \$0

Tax Consequences of the K-1 Distribution:

(The following taxation remarks apply whether one member or multiple members are insured.)*

When the policy is distributed, no gain or loss need be recognized by the Limited Liability Company on a distribution of property (a life insurance policy is legally considered property) to a member (IRC Sec. 731(b)). Likewise, no gain or loss need be recognized by the member receiving the policy, regardless of whether the value of the policy is higher or lower than the member's adjusted basis in the member's interest in the LLC (IRC Sec. 731(a)).

The member's basis in the policy distributed by the LLC to the member is its adjusted basis to the LLC immediately before the distribution (which is the sum of the premiums paid by the LLC less any withdrawals made by the LLC prior to the distribution (IRS Rev. Proc. 2005-25)). The distributee member's basis in the property cannot exceed the adjusted basis of the member's interest in the LLC reduced by any money distributed in the same transaction (IRC Sec. 732(a)). (If multiple members are insured, the tax consequences of each distributed policy should be the same.)

For this case, the member's illustrated basis in the policy at the point of distribution is \$2,000,000.

Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of distribution are presumed to occur after the distribution takes place.

*Because the LLC is taxed as a Partnership, it has significant flexibility in how it accounts for assets, and the taxation of policy distributions should be able to be arranged in this manner. (Some states do not allow LLCs with only one member.)

*LLC accounting is complex and should only be done by a qualified professional. Be sure to consult with your own legal and tax advisers before entering into this or any other arrangement involving legal, tax, and economic considerations.

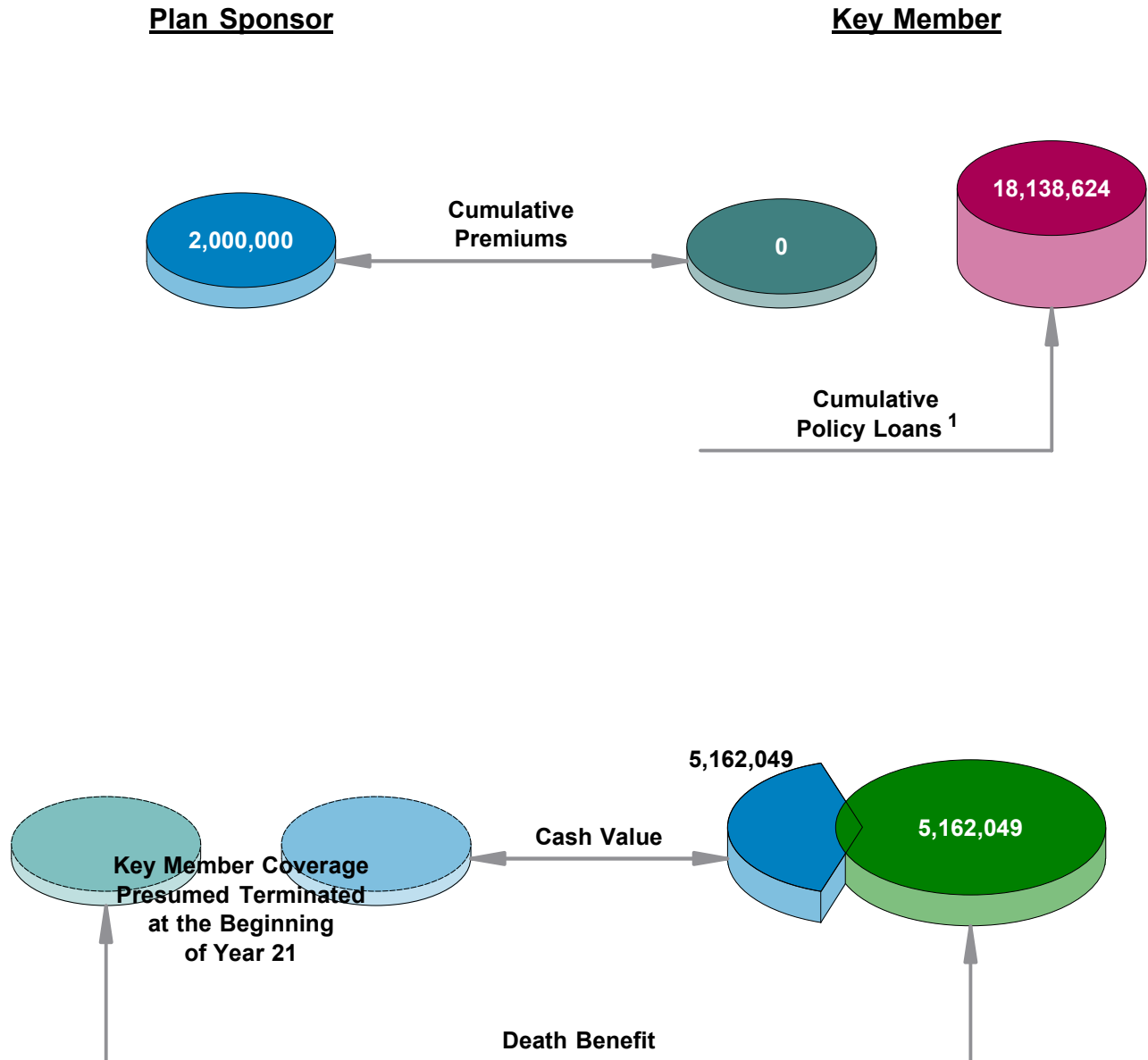
Dual Security Buy-Sell Plan Using Indexed Universal Life

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

Insured: Tom Carpenter

A Look at Year 55

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company



¹For Retirement Income.

Dual Security Buy-Sell Plan Using Indexed Universal Life

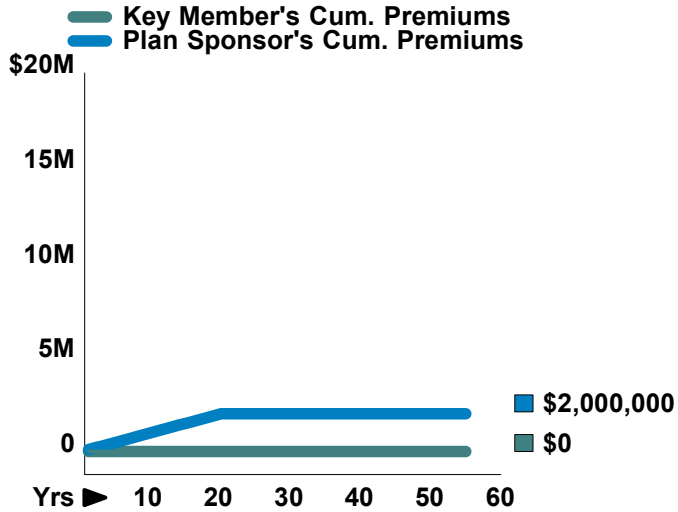
Presented By: [Licensed user's name appears here]

Insured: Tom Carpenter

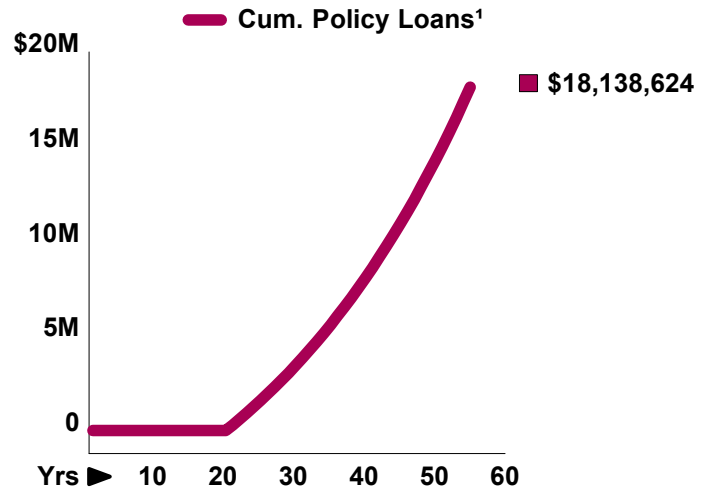
55 Year Analysis

Plan Sponsor: Brady and Carpenter, LLC
Limited Liability Company

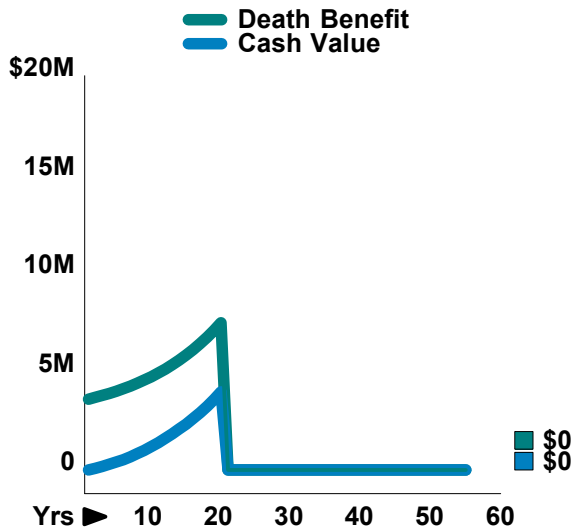
Premiums



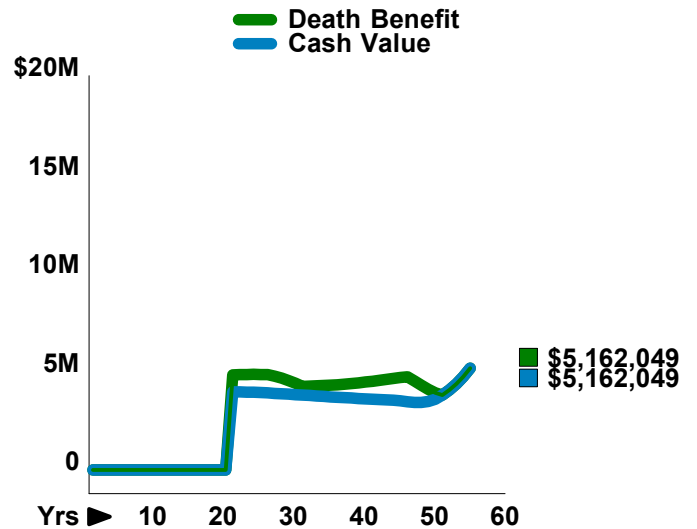
Key Member's Policy Loans



Plan Sponsor's Values



Key Member's Values



¹ For Retirement Income.

Supplemental Report

Important Note (Composite)

This material is for educational purposes only. In all cases, the approval of a client's legal and tax advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.