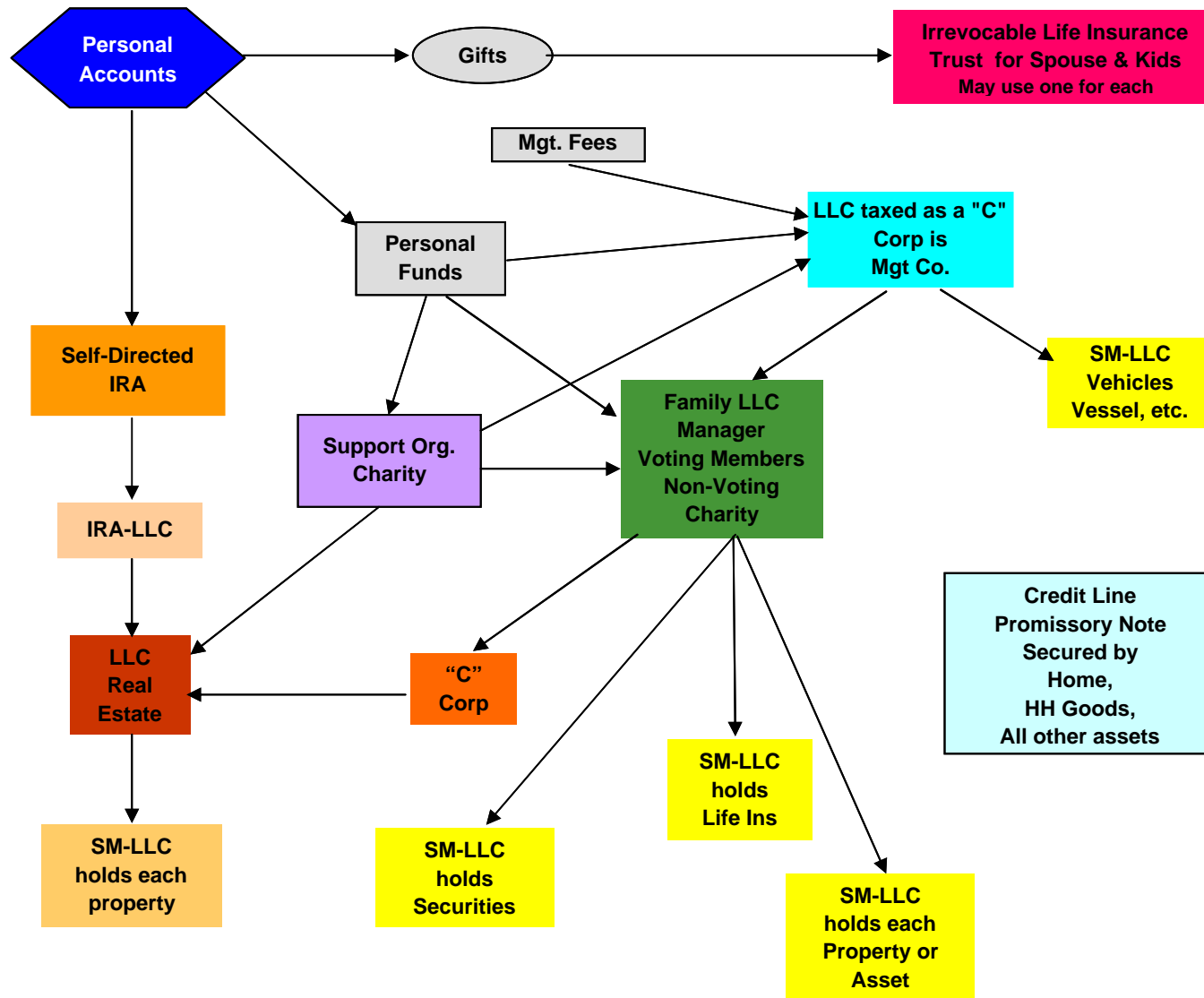


A BASIC ASSET PROTECTION PLAN!



COMMENTS:

This chart illustrates certain elements taken from the plan prepared for an owner of a high-risk business with children from a previous marriage and the desire to form a business together with the children of a previous marriage.

Not shown are the portions of the plan prepared for this individual to protect the business, the income stream from the business, the assets of the business, or certain benefits that flow to the owner as a result of being an employee of the business. Also not shown are residence and certain other personal assets of client, wife and client's sons.

1. An ILIT was established to provide for the current wife, her children and their children together. This freed the client to invest income and assets in a business with his children from the first marriage.
2. An LLC taxed as a "C" Corp is formed to serve as a Mgt Co for the Family LLC (FLLC). The Mgt LLC is owned by the client (70%) and the Support Org (30%). This LLC will also provide services to the client's main business, for which it will receive a fee. It will pay certain employee benefits for the client and will form a SM-LLC to own vehicles, the client's vessel and other similar assets that have both business and personal use.
3. FLLC - Mgt. LLC and Support Org are Voting Members, Mgt. LLC is Manager, Sons of client are Non-voting Members. LLC Interest was owned by client who gifted the interest to sons prior to business activity occurring.
4. FLLC forms Single-Member LLC (SM-LLC) to hold Life Ins on client, to hold securities and other marketable securities, and forms a separate SM-LLC for each real estate venture or proeprty or major asset.
5. IRA funds are moved to a true self-directed IRA custodian, a special LLC for IRAs is formed to hold the IRA assets. The IRA-LLC invests (not more than 95%) in LLC to invest in real estate or other passive activities. Support Org holds (5% to 35%) of the LLC and the "C" corp holds and interest, serves as the compensated Mgr of the LLC and employs the sons, provides benefits and pays salary.
6. Support Org serves as a Voting Member of the FLLC and the LLC Real Estate - (IRA-LLC is Non-Voting Member). If Support Org is not used, an entity that is not family owned must be used as a substitute.
7. Credit Line Promissory Note is used to cross-collateralize assets between individuals and entities. This type note allows for the principal amount to increase; Note is recorded.