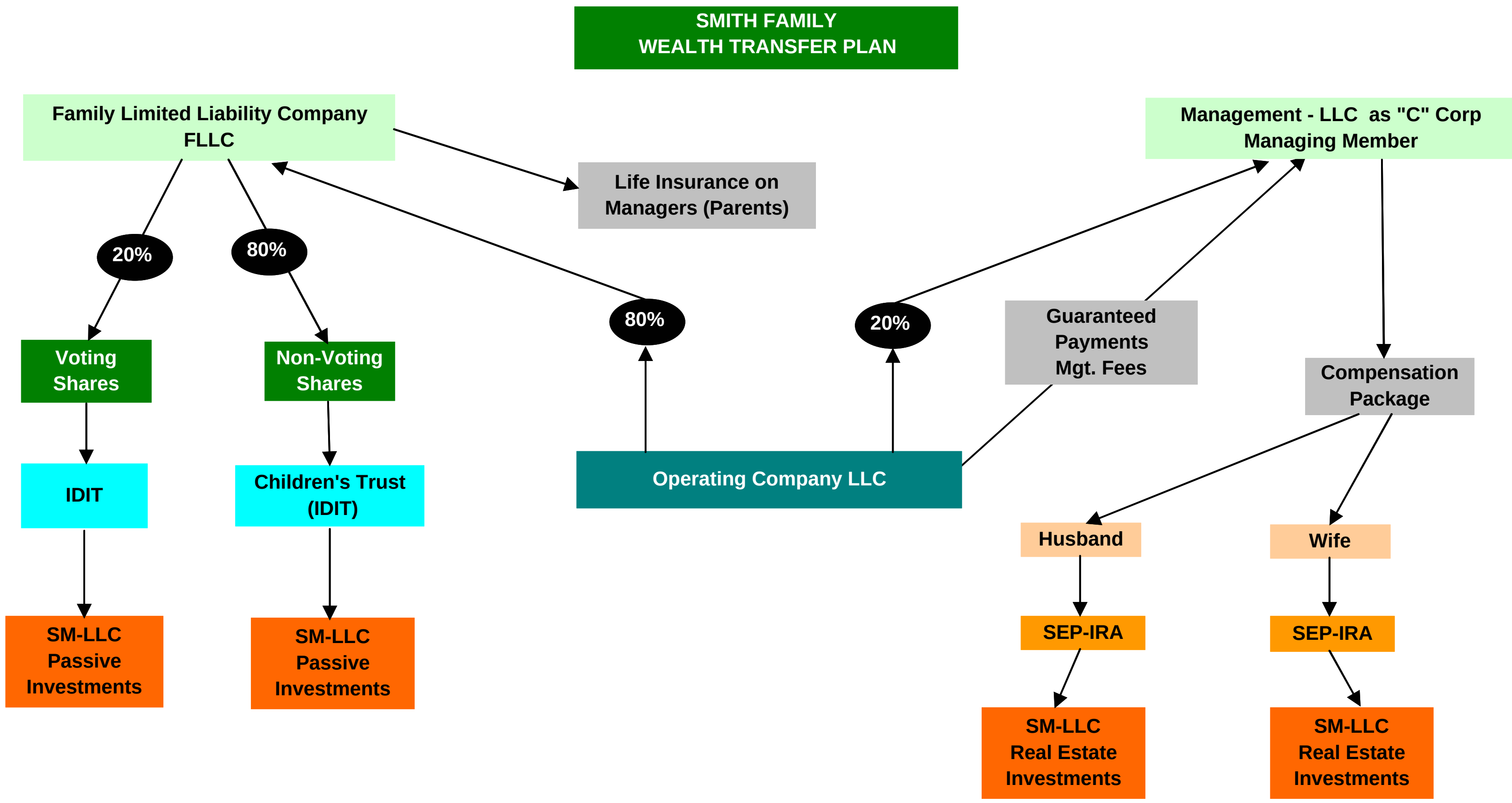

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The objectives of this plan are to gift ownership of the family business to the minor children at a time when the market value of the business is low, freeze the value for gift/estate tax purposes, maintain control of the business in the hands of the parents, establish a deferred compensation program and benefits for the owner/employees, establish a life insurance program, utilize the IRA and Trust accounts for passive estate investments, and to build a series of "walls" between the owners of the business and potential judgment creditors.

The tax implications of this plan are that the income which flows to the children will flow though into entities (Defective Trusts) that are taxed to the parents. The owners will be able to greatly increase the dollar value of "employee" benefits and other employee related expenses that are chargable to the LLC taxed as a "C" Corp, thereby reducing their income subject to various taxes, and when the Operating Company is sold in the future, a significant portion of the sales price will flow into the Children's Trust on a tax-free basis.

Initially the Parents own 100% of the FLLC, but quickly gift 80% to the Children's Trust and file a Gift Tax return. The FLLC should be professionally valued to determine the basis of the gift. Any growth in the value of the FLLC interests will then be to the benefit of the children and the value of the life insurance - when collected - will flow to the children as basis - without tax. The FLLC will continue after the Operating Business is sold, which should not be sold until at least 3 years after filing the Gift Tax return.

All elements of the plan are not shown on this chart. Ownership of the Management LLC and certain private investment plans as well as employee benefit programs are not shown.