

**Prepared for:**  
**Income Client**

**Illustration Date:**  
January 13, 2009

**Prepared by:**  
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# THE FLEXIBLE INCOME STREAM

*An illustration to help you securely maximize your income for the rest of your life*

# \$100,000 Principal Income Comparison

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By Michael J. Prestwich  
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## Certificates of Deposit at 4.000%

### Advantages

- Safety of Principal
- Available for Emergencies
- Competitive Interest Rates
- FDIC Insured

### Disadvantages

- Income is Fully Taxable
- Penalty for Early Withdrawal

## Recommended Strategy

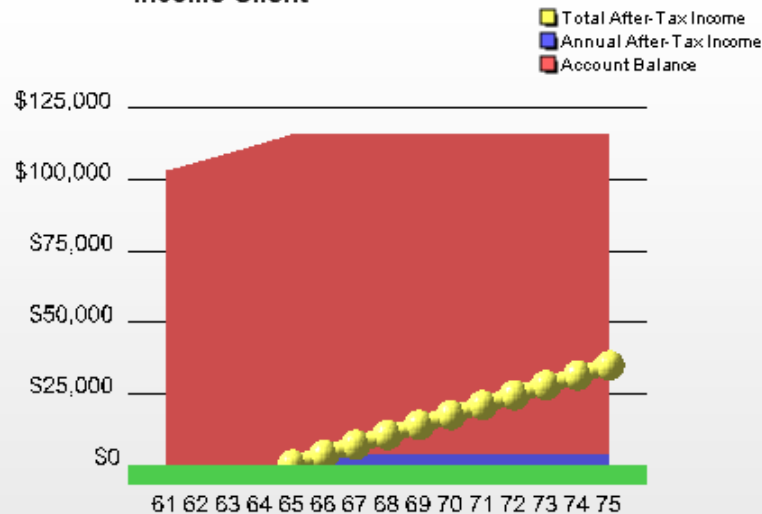
### Advantages

- Safety of Principal
- Available for Emergencies
- Competitive Interest Rates
- Income is Tax Advantaged
- Income May Increase Every 5 Years for 4% Inflation

### Disadvantages

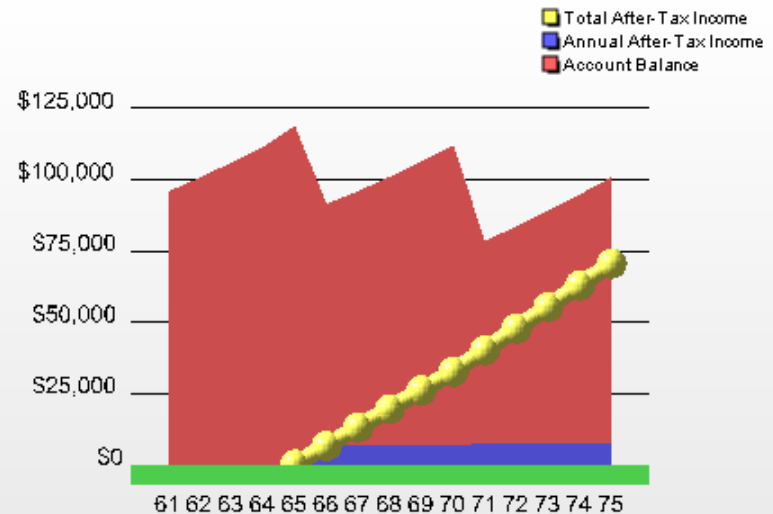
- Penalty for Early Withdrawal
- Not FDIC Insured

Income Client



**\$34,778 Total After-Tax Income**

Income Client



**\$70,459 Total After-Tax Income**

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# \$100,000 Principal Income Comparison

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		Certificates of Deposit					Recommended Strategy				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
End of Year	Age	Account Balance	Annualized Income	Less Income Taxes	After-Tax Income	Total After-Tax Income to Date	Account Balance	Annualized Annuity Payout	Less Income Taxes	After-Tax Income	Total After-Tax Income to Date
1	61	103,000	1,000	1,000	0	0	95,770	0	0	0	0
2	62	106,090	1,030	1,030	0	0	100,738	0	0	0	0
3	63	109,273	1,061	1,061	0	0	105,961	0	0	0	0
4	64	112,551	1,093	1,093	0	0	111,452	0	0	0	0
5	65	115,927	1,126	1,126	0	0	118,803	0	0	0	0
6	66	115,927	4,637	1,159	3,478	3,478	91,490	7,020	512	6,508	6,508
7	67	115,927	4,637	1,159	3,478	6,956	95,964	7,020	512	6,508	13,015
8	68	115,927	4,637	1,159	3,478	10,433	101,048	7,020	512	6,508	19,523
9	69	115,927	4,637	1,159	3,478	13,911	106,392	7,020	512	6,508	26,030
10	70	115,927	4,637	1,159	3,478	17,389	112,009	7,020	512	6,508	32,538
11	71	115,927	4,637	1,159	3,478	20,867	78,460	8,541	957	7,584	40,122
12	72	115,927	4,637	1,159	3,478	24,345	83,614	8,541	957	7,584	47,706
13	73	115,927	4,637	1,159	3,478	27,823	89,062	8,541	957	7,584	55,291
14	74	115,927	4,637	1,159	3,478	31,300	94,820	8,541	957	7,584	62,875
15	75	115,927	4,637	1,159	3,478	34,778	100,904	8,541	957	7,584	70,459

## Notes to the Ledger Page

- 1) Combined balance of Certificates of Deposit, comprised of assets earning an assumed rate of 4.000% for all years.
- 2) Annualized Income withdrawn from the Account Balance in column 1.
- 3) Assumes a taxable rate of 25% tax rate. This rate could be higher or lower in the future.
- 4) After-tax Income is the Annualized Income from column 2 less the Income Taxes in column 3.
- 5) Total After-tax Income to Date is the yearly totals from column 4.
- 6) Annuity Portfolio Account Balance is the approximate cash surrender value of all interest earning annuity accounts. Interest earned is deemed to be tax-deferred until withdrawn as income. Most of the large drop at the beginning of each income period is due to purchasing an Immediate Annuity that is guaranteed to pay \$0.00\* Annual Income for 5 years.
- 7) Annualized Annuity Payout consists of two separate accounts: one that starts in year 6 and ends in year 10, and another that starts in year 6 and ends in year 10. If death occurs during the 5 year payout period, the payout will continue until the end of the 5 year period represented. See company-approved illustrations and brochures for assumptions, limitations, guaranteed values, and guaranteed payouts.
- 8) Income taxes illustrated are based on the taxable portion of the Annuity Payout. In the early years most of the income received is a tax-free return of principal. This illustration assumes a 25% tax rate which could be higher or lower in the future. These calculations are provided for illustration purposes only. Michael J. Prestwich does not provide tax, legal, or accounting advice. You should consult with your attorney or qualified tax advisor about how these products may affect your specific situation.
- 9) After-tax Income is the Annualized Payout from column 7 less the Income Taxes in column 8.
- 10) Total After-tax Income to Date is the yearly totals from column 9.

I hereby acknowledge receipt of a copy of this illustration, and confirm that the guarantees, benefits and the relation between deposits and premiums to the account values, costs and benefits under the policy have been explained to me, have been fully disclosed to my satisfaction, are acceptable and that I have been given an opportunity to ask any questions about it. I acknowledge that I have been advised to consult with independent tax counsel regarding the tax treatment of the benefits provided under this contract.

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Applicant's Signature

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Date

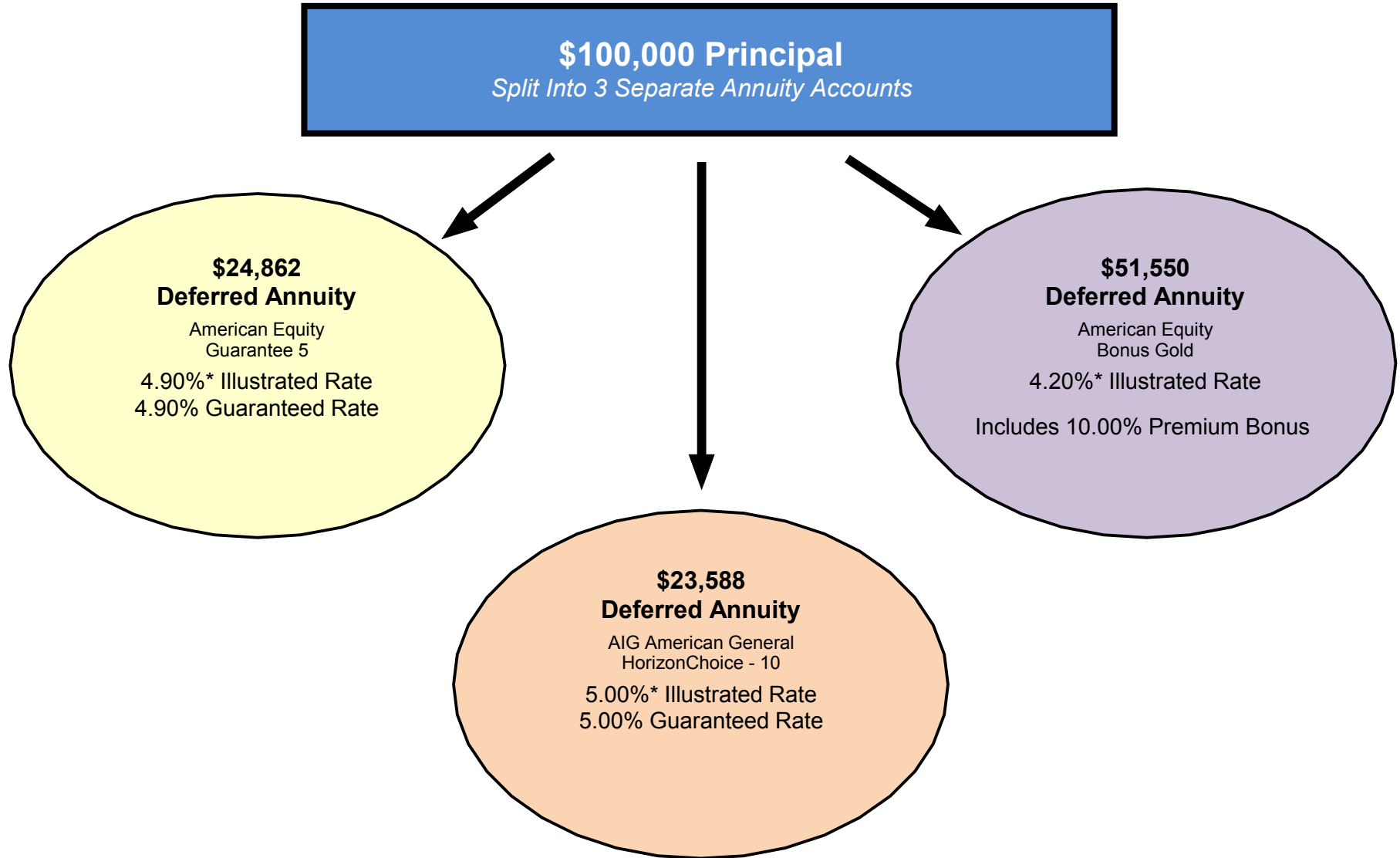
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Agent

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# Annuity Product Income Strategy

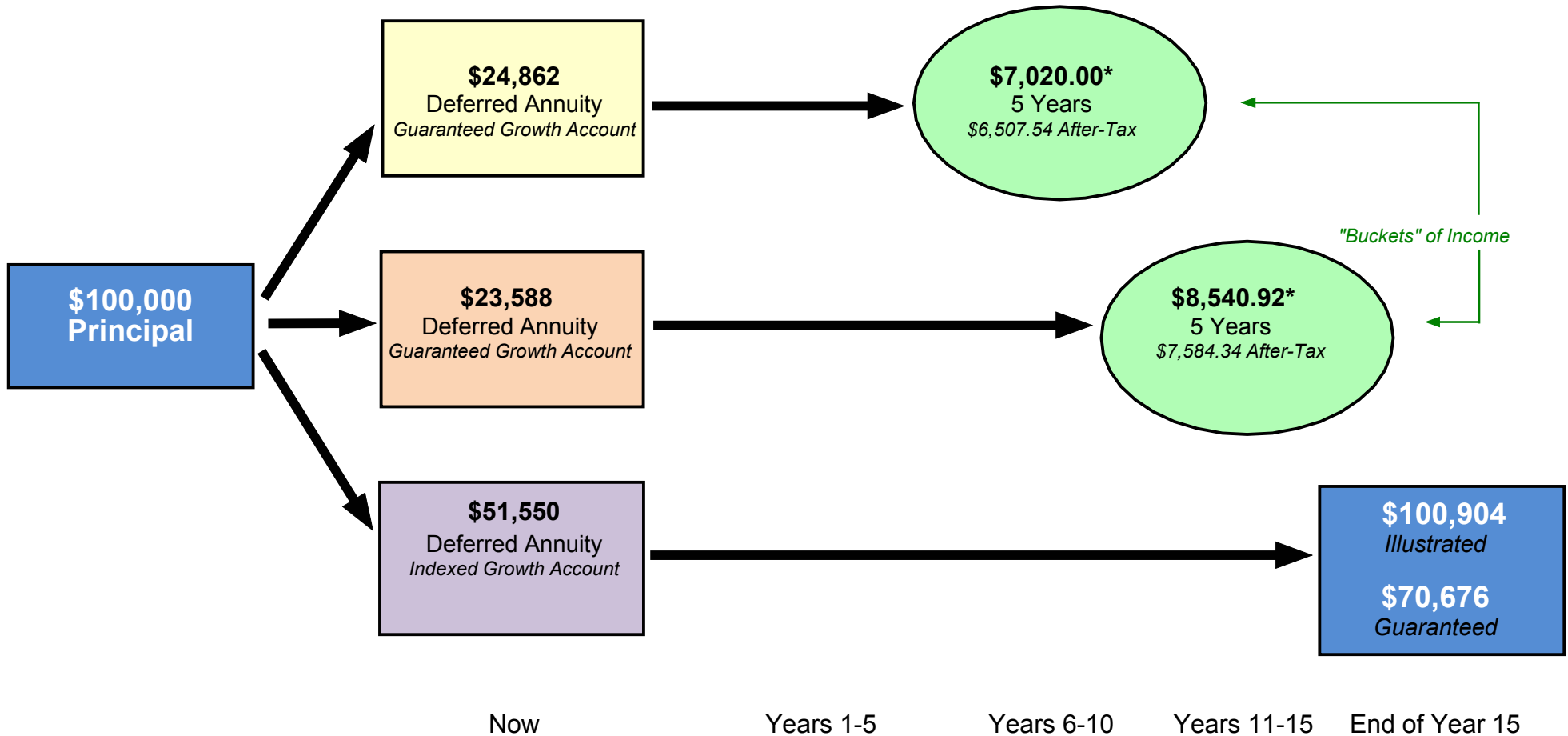
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# Annuity Product Income Strategy

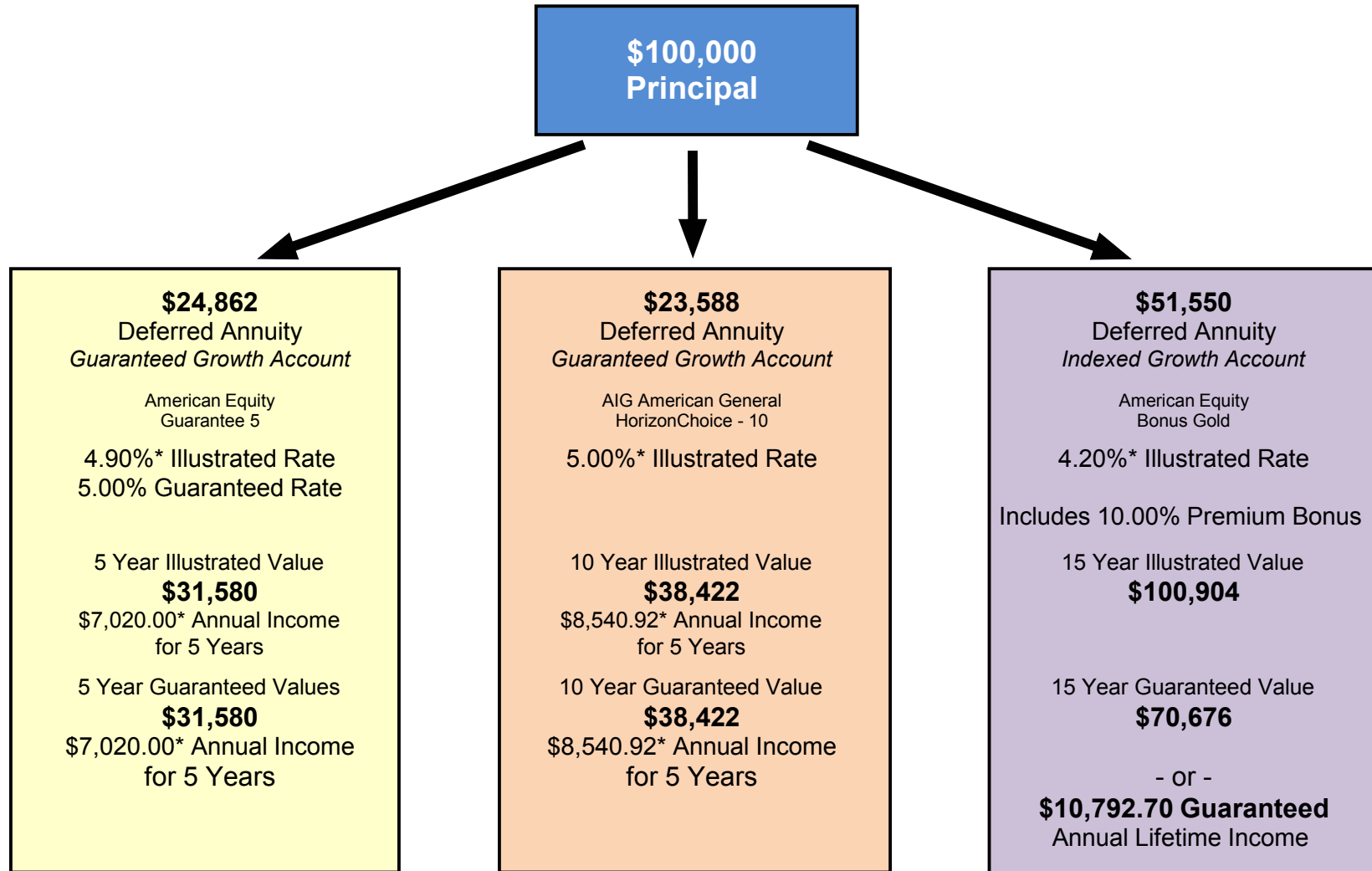
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