

PREPARING FOR THE FUTURE: A BUSINESS OWNER'S CHECKLIST

As you can see, planning for your future and the future of your business involves making many choices. This checklist can help you assess your needs and determine the best plans to lay for the future. If you would like more information on any of the areas we've discussed in this guide, mail or fax these two pages (or copies of them) back to us. We can help you create a plan that will best suit both your needs and the needs of your business.

| BUSINESS STRUCTURE | Yes | I would like to consider it | I need more information |
|---|--------------------------|--|------------------------------------|
| ■ Have you considered all the advantages and disadvantages of each type of entity and how each could apply to your business? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Would the relatively new S corporation rules allow you to use that business structure where it was previously not feasible? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Can new shareholders now be brought into an existing S corporation because of the tax law change? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Can an LLC be used for a new business structure or a new portion of your existing business? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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PREPARING FOR THE FUTURE: A BUSINESS OWNER'S CHECKLIST (CONTINUED)

| BUSINESS STRUCTURE | Yes | I would like to consider it | I need more information |
|--|--------------------------|--|------------------------------------|
| ■ If your business has more than one owner, do you have a buy-sell agreement in place? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Have you kept your buy-sell agreement up to date, accounting for any changes in business value or ownership structure? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Are you using the appropriate structure for your buy-sell agreement (redemption vs. cross purchase)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Do you currently have the right amount of insurance to fund the agreement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Should you use a separate entity to hold the insurance policies? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| NONQUALIFIED DEFERRED COMPENSATION PLANS | | | |
| ■ Have your plans been reviewed to determine if they need to be amended as a result of the 2004 tax act? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Do you have the appropriate compensation plans in place to motivate and retain key people? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Does it make sense for key executives to be part of a group term policy? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Have you considered using life insurance as an informal funding mechanism for a deferred compensation plan, or in place of such a plan, for your business? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Would the use of a welfare benefit plan be appropriate for your business? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| QUALIFIED RETIREMENT PLANS | | | |
| ■ Have you considered the various plan types and adjusted your strategy to balance maximizing your deferral and minimizing your cost? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Is your plan the best place to purchase life insurance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Have you planned for the distribution of large retirement plan balances? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ESTATE PLANNING | | | |
| ■ Is a family limited partnership right for you? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Could a GRAT be an effective means of shifting value out of your estate while maintaining control, retaining an income stream and leveraging your use of the gift tax exemption? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Are you making maximum use of an irrevocable life insurance trust? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ■ Have you considered the use of a charitable remainder trust? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| TYPES OF INSURANCE | | | |
| ■ Have you evaluated the various types of insurance and determined which one or combination best suits your needs today and for the future? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |