

POWER WORDS, PHRASES, & CONCEPTS TO USE WITH WEALTHY PROSPECTS

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1. When talking with wealthy people, ask them if they would like to pay less in taxes. They will usually say “yes.” Then ask them if they would like to meet with an expert who can show them how to reduce or eliminate taxes while increasing what is available for their family, their retirement security, and their favorite charities. Again, they will usually say “yes.” Then ask if you can schedule a time to meet and discuss the benefits of a Value Proposition Letter or a comprehensive plan.
2. Wealth planning allows you to win, win, win, win, win, and win. That is, we can 1) reduce income taxes, 2) reduce capital gains taxes, 3) reduce estate taxes, 4) reduce pension excise taxes, 5) increase transfers to heirs, and 6) increase transfers to charity.
3. Comprehensive wealth planning may be the only common investment strategy that takes advantage of the four best tax avoidance strategies. You get a tax-deduction, tax-free compounding, avoidance of capital gains taxes, and avoidance of estate taxes. Can you think of a better way to improve your after-tax returns?
4. Comprehensive wealth planning makes optimal use of the four most powerful techniques for avoiding taxes when transferring wealth: low interest loans, charitable deductions, life insurance, and discounting.
5. Your fee will never exceed 1% of your tax savings! If the plan involves the sale of financial products, any commissions can be used to offset the fee.
6. You are a philanthropist. We all give away part of our wealth. The question is whether you will let the government direct your philanthropy through the tax process or whether you will direct the giving through charitable planning. Charitable planning can give you more control while increasing what is available for your retirement and your family.
7. Our plans can address myriad important issues. For example, when reviewing the 50+ issues below, it is possible to spot planning opportunities available to almost any client. The questions on the following pages review key issues affecting Income Tax Planning, Wealth Transfer Planning, Asset Protection, Business Planning, and Investment Planning. Below is a summary of issues to review.

8. Here's a summary of what sets us apart from competitors

- ❖ Clients Can Control 100% of Their Wealth
 - Eliminate estate and/or gift taxes
 - Reduce or eliminate income taxes
 - Protect assets from creditors
 - Pass the full value of an estate to heirs

- ❖ Clients Can Move From Success to Significance
 - Make charitable gifts instead of paying taxes
 - Involve family members in benefiting the community
 - Align financial and legal plans with personal values

- ❖ Clients Can Integrate Advanced and Proprietary Tools into a Comprehensive Plan
 - Apply creative and cutting-edge ideas not widely available
 - Illustrate all ideas with one color flow chart and integrated cash flows statement

- ❖ Clients Can Assemble a Highly Skilled Planning Team
 - Engage nationally known attorneys through a simple process
 - Benefit from the national reputation and depth of experience of advisers who specialize in preparing strategic plans

- ❖ Clients Can Obtain a Full-Color Plan Illustrating All of the Proposed Tools
 - Receive comprehensive client presentations that illustrate and integrate the effect of all proposed strategies on cash flow, income taxes, charitable giving, estate taxes and wealth distribution
 - View attractive and easy-to-follow graphs, tables, and text reports
 - Maintain financial and estate information in a format that can be updated easily during quarterly or annual reviews

- ❖ Clients Benefit from a Proven Process
 - Purpose-driven: Clients define a compelling purpose before the planning starts.
 - Integrated: Includes financial, estate, philanthropic, insurance, investment and life planning
 - Fee-based: Advisors provide wisdom, not just commodities.
 - Tactical and Comprehensive: Simple or thorough, depending on client needs
 - Technological: New efficiencies add value to the planning process.

9. Our planning process can help a client achieve any of the benefits on the following list:

A. INCOME TAX AVOIDANCE

1. How the tax code allows you to sell -- without capital gains -- assets such as:
 - a) Stock
 - b) Real estate
 - c) Partnerships
 - d) Businesses
2. How to take advantage of little-known installment sale techniques to reduce income taxes.
3. How to sell real estate with no taxes using charitable trusts or basis boost strategies.
4. How you can legally lower your family income taxes by using a Family Partnership.
5. How you can avoid immediate recognition of taxes on Accounts Receivables.
6. How you can defer taxes on bonus payments for up to 30 years.
7. How you can offset taxes on the sale of non-qualified stock options.
8. How to maximize year-end tax-deductions with a customized retirement plan.
9. How to generate a current income tax deduction equal to 90% of what you contribute to charity and still have your entire donation returned to you to spend as you wish?

B. WEALTH TRANSFER PLANNING

1. How to avoid leaving too much in your bypass trusts ⁱ
2. How to take fuller advantage of annual exclusion gifts by minimizing fears of outliving your estate.
3. How to avoid probate and estate taxes using the best trust.
4. How to transfer wealth to your children so that they have enough that they can do anything but not so much that they can do nothing.
5. How to insure retirement security while freeing up charitable gifts now so that you can follow the advice of Andrew Carnegie, who recommended that you “do your giving while you’re living so you’re knowing where it’s going.”
6. Why joint ownership can be a ticking time bomb for you.

7. Under new tax laws, who should now own your life insurance? Who should be the beneficiary?
8. How to give assets away but still maintain equitable control.
9. How to protect your gifts to a child from being reached by an ex-in-law when a divorce occurs.
10. How to form a simple life insurance trust that will protect your heirs from losing as much as half of your life insurance benefits in estate taxes!
11. How to pass unlimited IRA's & qualified accounts to heirs with practically no income or estate taxation.
12. **How to make your insurance premiums tax deductible.**
13. How to legally "devalue" an estate, pass the estate on to heirs, and then "inflate" the estate back to its original value using several techniques, including FLIPs and LLCs.
14. How to move estates from one generation to the next, to the next, and so on, with little or no estate tax or GSTT.
15. How to maximize the credit shelter trust.
16. How to increase substantially the amount available for life insurance premium.
17. How to establish trusts for the management of your money if you are not comfortable giving this responsibility to your spouse.
18. How to transfer wealth form over-funded IRA plans.
19. Is it wise to use the full marital deduction if you may not have a taxable estate under the new tax law?
20. **How to invest in life insurance contracts that provide the optimal combination of investment returns, death benefit guarantees, and low premiums.**

C. ASSET PROTECTION

1. How to keep your home if you are sued regardless of its value!
2. How to protect your assets from a divorce using a L/P.
3. How to protect your business income and assets from lawsuits.
4. How to avoid the dangers of putting business assets in a corporation.
5. How to enhance your estate with a unique IRS approved tool that will form still another barrier between your assets and creditors.

6. How spouses hold title to their assets in order to assure maximum protection.
7. How to structure your partnership so you are not liable for your partner's negligence or debts!

D. BUSINESS PLANNING

1. How to avoid long term capital gains tax on the sale of your company
2. How to develop a business succession plan that avoids taxes and maintains commitment to your core values.
3. How to perpetuate the family business into the second generation tax free.
4. How to supplement executive's retirement income beyond the limitations of E.R.I.S.A. and T.E.F.R.A;
5. How to get money out of your qualified pension plan at retirement tax-free.
6. How to sell an appreciated asset tax free to a non-profit organization.
7. How to determine whether your buy-sell agreement is adequately designed and funded.
8. How to determine appropriate key person insurance needs.
9. How to establish the correct amount of disability income coverage.
10. How to maximize income tax deductions by supplementing your current pension or profit sharing plan
11. How to operate a business in a tax-free environment.

E. INVESTMENT PLANNING

1. How to maximize the after-tax, after-inflation, after-fee, risk-adjusted return of your portfolio.
2. How to optimize your portfolio like you have optimized your estate plan.
3. How to monetize illiquid assets.
4. How to earn guaranteed returns even in a down market.
5. How to diversify a large holding of stock without incurring capital gains or locking up wealth in an irrevocable trust.

6. How to increase portfolio returns if your fixed income investments produce less than a 10% annual return.
7. Why you can be subject to substantial liability if you do not have an Investment Policy Statement.
8. Why a diversified portfolio of Exchange Traded Funds out-performs 95% of actively-managed funds.
9. Why variable annuities can provide better after-tax returns than mutual funds.

F. EXECUTIVE BENEFITS

1. How to attract, retain and reward your very best employees.
2. How to use a nonqualified plan for selected key employees to increase their loyalty and productivity, align their long-term goals with the company's goals and enable them to see a clear connection between their performance, improved company financial results and an increase in their personal net worth and/or retirement income.
3. How to use a nonqualified plan as a "golden handcuffs" mechanism for key employees.
4. How to use a nonqualified plan to ensure compliance with the terms of your key employee's employment contracts, including non-compete and confidentiality provisions.
5. Why a well-designed executive compensation plan for your key employees can increase company profitability by a multiple of the cost of the plan.

ⁱ Rethink your will. Under current law, married couples can cut their estate taxes by leaving money to children in a bypass trust. The income from the trust can go to the surviving spouse for life. These trusts typically stipulate that "the maximum allowed by law" goes to the surviving spouse for life. Under the new law, however, the maximum could be as much as \$3.5 million. You might not want that much to go to the children's trust. Moreover, you may not be comfortable giving so little to your surviving spouse.