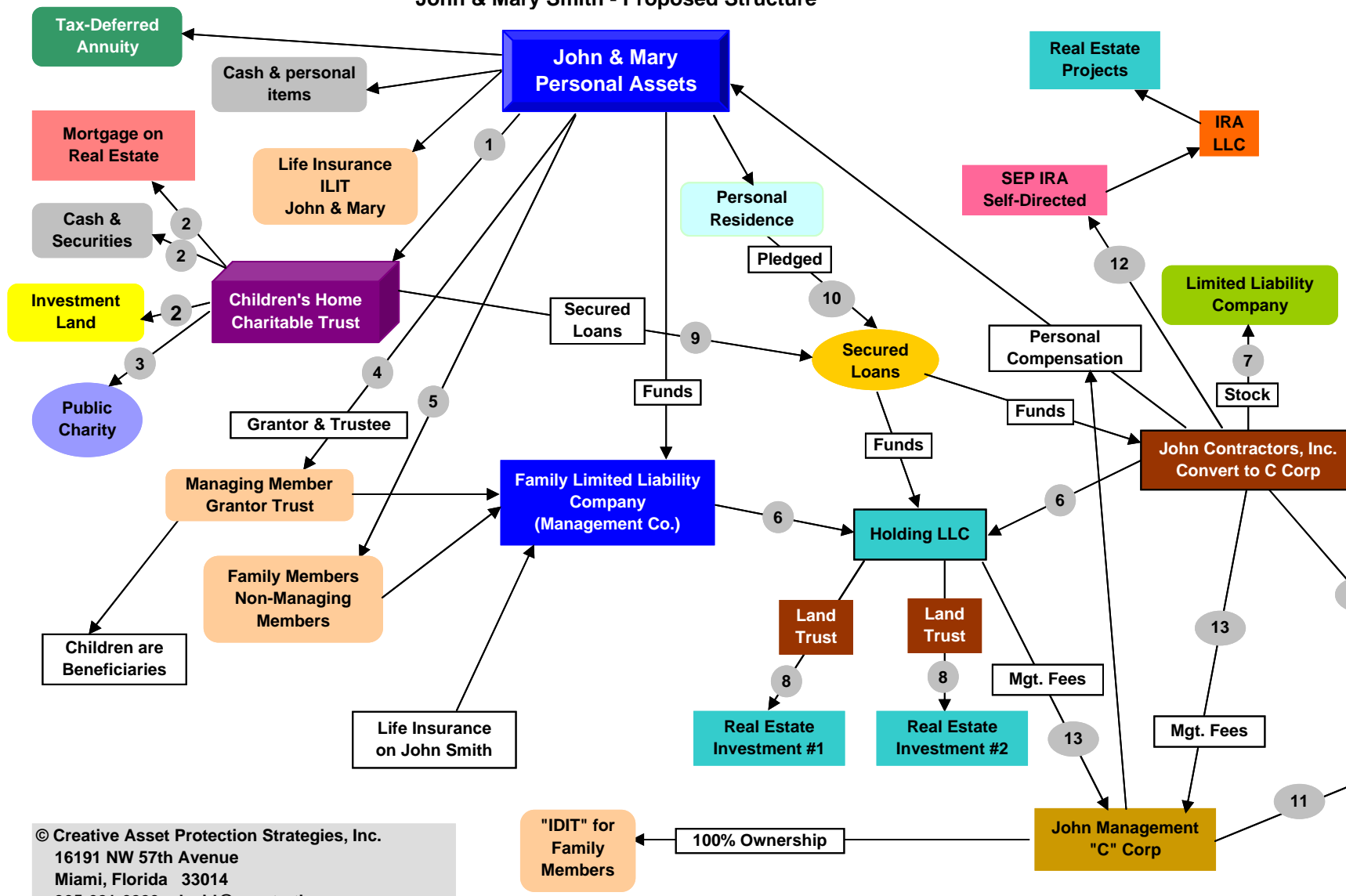


John & Mary Smith - Proposed Structure



1. Charitable Trust formed and funded with cash
2. Cash and Non-Cash assets gifted to Charitable Trust
3. Funds flow to supported charity
4. Grantor trust formed to act as Member-Manager of FLLC with Beneficiary as Heirs
5. Non-Managing Members are J & M, shares given to Heirs or purchased by Heirs
6. Holding LLC formed and owned by FLLC and by JCI after JCI converted to "C" Corp or by John Mgt. Corp.
7. LLC formed to own JCI stock after conversion to "C" LLC ownership will vary based on other choices to be made
8. Real Estate Investment #1 & #2 each purchased through Land Trust that has Holding LLC as Beneficiary.
9. Funds in CSO (75%) borrowed by Holding LLC and by JCI
10. Residence pledged to support borrowing from CSO
11. Employee Benefit plans and Deferred Comp Plans will vary depending upon whether from "S" or "C" Corp. May include Long-Term Care, 419 Plan, Health Ins.
12. SEP IRA can be 25% of comp from "S" Corp to \$40,000 - other options may exist
13. John Mgt. Corp - "C" Corp collects a mgt fee from JCI, has a June year-end and pays the majority of employee benefits to John & Mary. Conversion of JCI to a "C" Corp depends on timing and growth factors to be discussed.

If not current and up-to-date
 Living Trust
 Pour-Over Will
 Medical Power of Attorney
 Living Will
 Durable Power of Attorney
 Funeral & Burial Plans

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Mr. Smith has a contracting business that is generally very profitable but is concerned about protecting his assets and reducing his income taxes. He wishes to protect the substantial equity in his home, wishes to slowly close the construction business in favor of doing real estate "flips" and wishes to endow a children's home. Mr. Smith will donate assets and cash into the Charity (a Support Organization) to maximize his charitable deductions and generate cash flow. The cash flow, plus other cash will be used to fund the FLLC. The Holding LLC will borrow funds from the Support Org. and Mr. & Mrs. Smith will pledge their residence as collateral for the loans. The funds borrowed from the Support Org will then be utilized in real estate activities and the profits will be partly sheltered by the interest paid to the Support Org. All elements of the plan are not shown.