Deferred Gift Annuity

If you like the Charitable Remainder Trust but you want a bigger tax deduction, then consider a Deferred Gift Annuity ("DGA"). Because the DGA usually grows many years before making retirement income payments, you can receive a larger income tax write-off. In addition to the larger deduction, the DGA can give you substantial tax-deferred growth and tax-advantaged distributions.

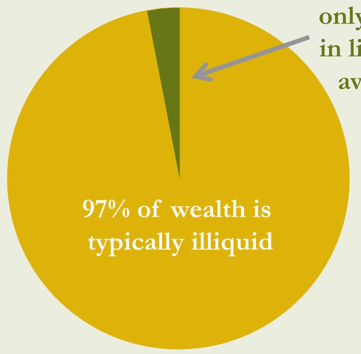
You can sometimes generate better returns by using a Simulated DGA ("SDGA"). As with the DGA, you can design an SDGA to pay more income to you than you contribute. In the following example, an appreciated asset of $100,000 is contributed to the SDGA program. One third of the value goes to charity to generate a current income tax deduction and the balance grows tax-free in a tax-efficient asset management solution ("TEAM Solution") to accumulate a retirement income. The $100,000 initial investment helps charity now but generates more than $1,935,000 of future retirement benefits.

SDGA CASH FLOW

Year	Client Age	Investment Balance	Commitment to DAF	Annuity Payout	Taxable Portion	Income Tax Due	After-Tax Retirement Inc.
1	41	$ 107,500	$ 66,667	$ -	$ -	$ -	$ -
6	46	154,330	80,333	-	-	-	-
10	50	206,103	93,258	-	-	-	-
20	60	424,785	135,412	-	-	-	-
30	70	875,496	196,622	-	-	-	-
35	75	1,256,887	236,929	-	-	-	-
36	76	1,351,154	245,933	120,989	120,989	42,346	78,643
38	78	-	-	120,989	120,989	42,346	78,643
40	80	-	-	120,989	120,989	42,346	78,643
42	82	-	-	120,989	120,989	42,346	78,643
44	84	-	-	120,989	120,989	42,346	78,643
46	86	-	-	120,989	120,989	42,346	78,643
48	88	-	-	120,989	120,989	42,346	78,643
50	90	-	-	120,989	120,989	42,346	78,643
51	91	-	-	120,989	120,989	42,346	78,643
Totals		$ 875,496		$ 1,935,817	$ 1,935,817	$ 677,536	$ 1,258,281

Of course, the returns in the above illustration may vary. You should meet with a qualified charitable planner to determine appropriate ages to contribute money to a DGA or SDGA in order to generate desired future income streams. Your planner can help you determine what rate of return is appropriate in light of your risk tolerance, tax bracket, and expected future retirement income needs. Your planner can also help you generate income tax deductions by contributing part of your initial investment to charities that best fulfill your philanthropic goals. Please contact us to have us modify the SDGA charts above to illustrate numbers that apply to your situation.

Donors and Charities Need Planned Gifts



Experience teaches that most people make monthly commitments to donate from $25 to $500 to a favorite charity. Such pledges typically fulfill less than 30% of a charity's annual budget. The biggest benefits are realized through planned gifts of appreciated assets (using tools like the CRT and DGA) and through testamentary gifts (through tools like the TCLAT). Your charitable planner can design the planned giving instruments to provide all necessary benefits to you and your family while generating the monthly gifts to charity shown on the top four colored rows of the chart below.

How a Charity Can Raise $500,000+ Annually with 70%+ from Planned Giving																						
Annually	One Donor Needs to Agree to Make the Monthly Donation Shown in Each Box Below																					How Raise $
$60,000										5,000												More than 70% ($384,000) from Planned Giving
$90,000									2,500	2,500	2,500											
$126,000							1,500	1,500	1,500	1,500	1,500	1,500	1,500									
$108,000						1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000								
$66,000					500	500	500	500	500	500	500	500	500	500	500							Less than 30% ($149,000) from Current Cash Donations
$45,000				250	250	250	250	250	250	250	250	250	250	250	250	250	250	250				
$20,400			100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100			
$11,400		50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50		
$6,300	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	
$533,100																						$533,100

Please schedule a free initial consultation if you risk paying capital gains taxes when selling appropriated assets or if you risk paying estate and gift taxes when transferring assets to your beneficiaries. There is no need to pay the 23% capital gains tax or the 45% estate tax if you use planned giving tools like those described in this brochure. Call us now to schedule a free initial consultation to discuss how we can help you generate a secure lifetime income while redirecting tax money to your family and favorite charities.

Family Office Services, Inc.

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Email: Info@vfos.com

v080610

PLANNED GIVING SOLUTIONS

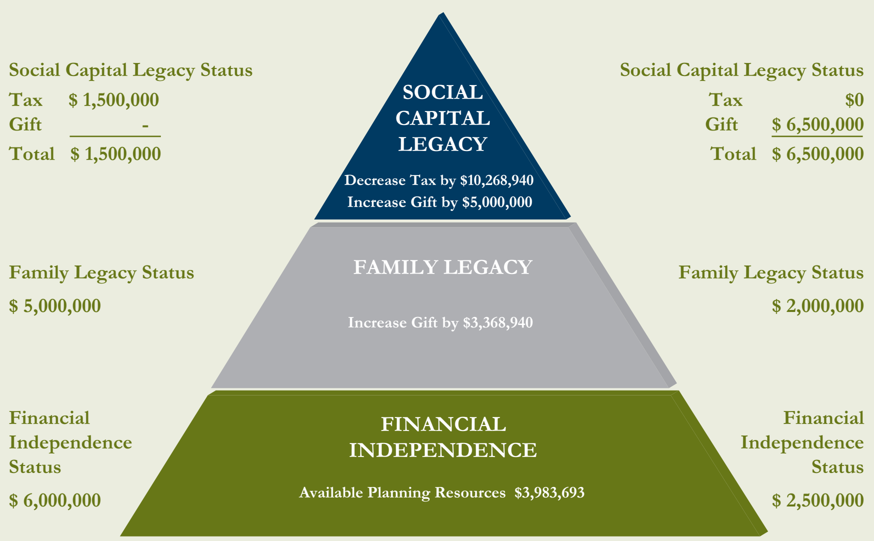
Family OFFICE SERVICES

Redirect Your Tax Money to Fund Your Retirement, Your Gifts to Family, and Donations to Your Favorite Charities SM

Planning Your Retirement Income and Tax-Efficient Gifts

We work with you to clarify how much capital you need for retirement security and financial independence. In the example below, a family had more than $6,000,000 of taxable value in their family business, retirement plan, homes, and other assets. Unnecessary estate and income tax liabilities exceeded $1,500,000. We used planed giving techniques to generate secure retirement income using just $2,500,000 of assets. We also clarified that each of the four children needed a $500,000 inheritance so that they would "have enough to do anything but not so much that they would do nothing." By reducing money set aside for retirement, family, and taxes, the family freed up more than $6,000,000 for endowing a family foundation that will give family members purpose and influence for decades into the future.

FINANCIAL INDEPENDENCE TRIANGLE



Social Capital Legacy

Family Legacy

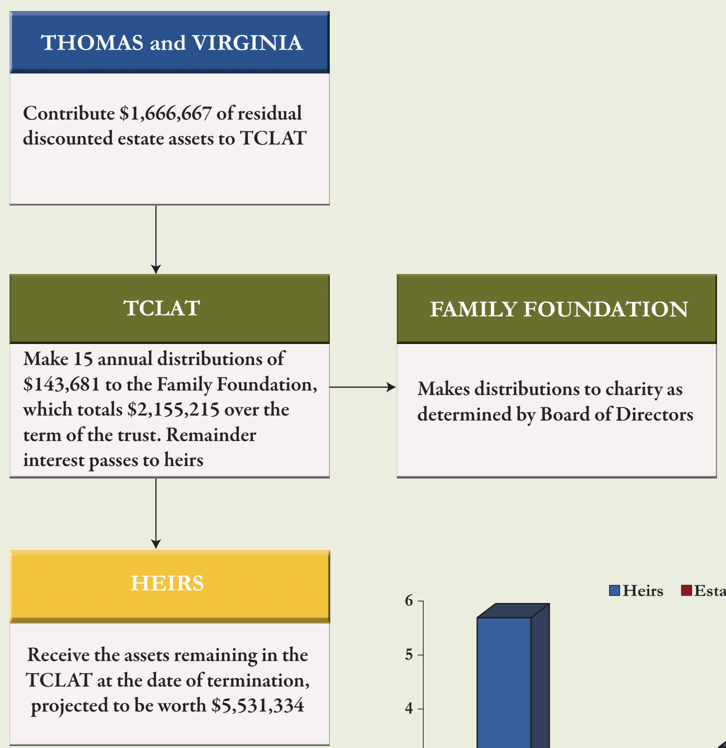
Financial Independence

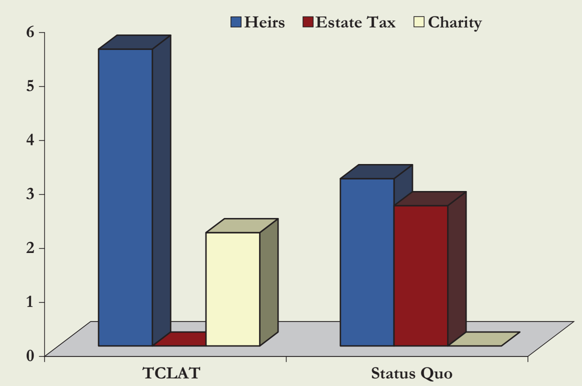
Through the wise use of planned giving instruments, like those depicted in this brochure, you can be a voluntary philanthropist instead of an involuntary philanthropist. Voluntary philanthropists use sound tax planning to control all of their wealth through non-charitable and charitable trusts. Involuntary philanthropists waste large portions of their wealth to unnecessary taxes by failing to use planning instruments like those in this brochure.

Testamentary Charitable Lead Annuity Trust ("TCLAT")

If you have an estate of more than $4,000,000, of if you want to make lifetime gifts that exceed the allowable limits, you may want to use a Charitable Lead Annuity Trust ("CLAT"). The Testamentary CLAT is possibly the most popular CLAT because it can zero-out estate taxes while increasing what is available for your family. The money that would have been paid in estate taxes can be directed by your family to your favorite charities. Your beneficiaries can receive a large financial inheritance ($5.5 million in the example below) and you can have the satisfaction of knowing that your estate taxes will be redirected to fund millions of dollars of charitable projects that your family chooses to underwrite.

THOMAS AND VIRGINIA
STRATEGY DIAGRAM





VALUE AT END OF TCLAT TERM

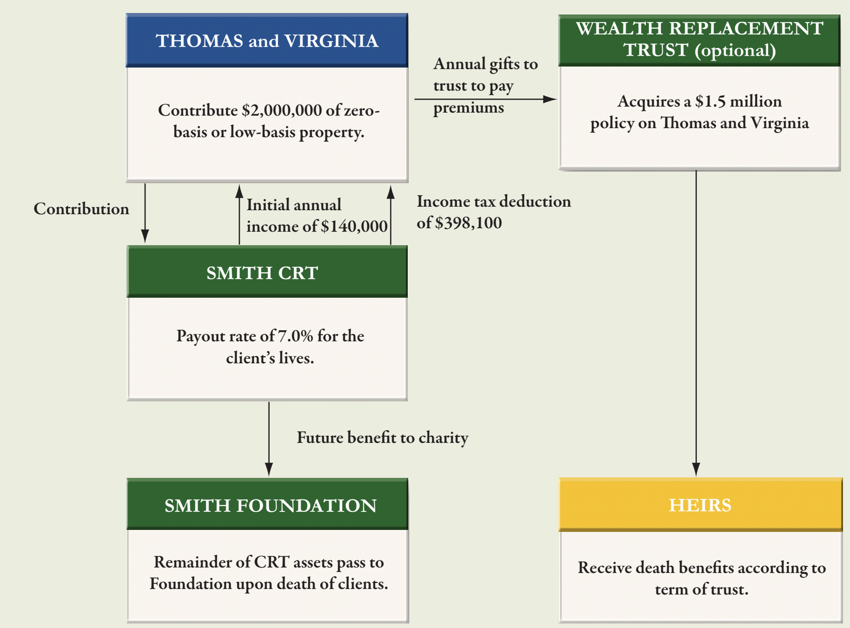
	TCLAT	Status Quo
Heirs	5.5	3.1
Estate Tax	0	2.6
Charity	2.1	0

Please contact us to have us modify the TCLAT charts above to illustrate numbers that apply to your situation. We would be happy to send you a case study, sample plan or other information to help you evaluate the benefits of a TCLAT.

Charitable Remainder Trust

A Charitable Remainder Trust can provide the list of benefits shown at the bottom of this panel. The CRT can work well for any client who wants to contribute appreciated securities, real estate, or business interests to a charity in exchange for tax deductions and lifetime income. Please contact us to have us modify the CRT charts below to illustrate numbers that apply to your situation.

CHARITABLE REMAINDER TRUST
STRATEGY DIAGRAM



	Taxable Sale	CRT	CRT with WRT
Heirs	$ 1,638,842	$ 0	$ 1,500,000
Estate Tax	1,340,871	0	0
Spendable Income	1,810,112	2,110,112	1,810,112
Charity	0	2,971,894	2,971,894

Results

As a result of implementing a Charitable Remainder Trust, the Smiths created a source of guaranteed income for their retirement while dramatically reducing their current income tax liability. They established a tax-advantaged fund for their favorite charities; created an inheritance for their children and grandchildren that will pass estate tax free; and fulfilled the following goals:

- Reduced federal estate taxes
- Funded favorite charities
- Generated an income tax deduction
- Protected assets from creditors
- Diversified their assets tax-free
- Maximized tax-free compounding
- Managed the timing of taxable income