Invest In Yourself

***A Safe, Secure Way To Build Wealth
And Avoid Banks, Wall Street & The IRS!***

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Introduction

"Cash Is King"
-- Motley Fool - 2010

CASH FLOW! It's the lifeblood of the rich and wealthy. And the lack of cash flow keeps Middle America – in the middle.

What is considered "middle income?" It depends on many factors, including where you live. I'm sure that some families who live in San Francisco, Boston and New York City would feel that $200,000 is middle income. Regardless, if you earn a decent living and you still feel financially strapped, you may classify yourself as "middle income".

Today we live in a new world – financially speaking. At times it seems as though our government and financial institutions have no control over anything – except our money. And it appears that they will go on with business as usual, making their own rules regardless of the financial effect on millions of people.

Please take the time to read this short booklet to learn how you can keep your money out of the control of Banks, Wall Street and the IRS by using the same conservative financial vehicle that built America years ago – Life Insurance. Not ordinary, standard life insurance with its high costs, but specially designed, SUPER-CHARGED life insurance.

Standard life insurance has high costs and takes years to build up cash values that you can access. Super-charged life insurance is specially designed to keep your costs to a minimum, which in turn gives you high cash values that you can access in the first few years if you need it.

Better yet, if you're older, and/or uninsurable, you can insure one, or more, of your younger children and still keep exclusive ownership of the super-charged life insurance policy. This will allow you to keep your insurance costs down, yet still have total access and control of your money.

If you're a conservative investor and want a safe, secure way to build wealth and keep your money out of the control of Banks, Wall Street and the IRS, then keep an open mind and continue reading about this unique financial vehicle that we call - SUPER-CHARGED life insurance.

Section 1

THE ENEMIES OF WEALTH

Chapter
1

Stock Market Risk

"If you have trouble imagining a 20% loss in the stock market, you shouldn't be in the stock market."
-- John Bogle, Founder of Vanguard Index Funds

If you've ever invested your hard-earned money in the stock market, then I bet you constantly checked on your investment results, daily. There can be tremendous anxiety and stress involved with stock market investing.

And if you've ever had your money in the market long enough, you probably experienced the sickening, desperate feeling of watching your money evaporate right before your eyes.

Many investment gurus would have you believe that you can't build wealth if you have your money in safe, slow growing accounts. They say you must take some risk if you ever want your nest egg to grow. Let's take a closer look at that "risk" philosophy.

Assume that you want to invest $10,000 and let it grow over a ten year period. Also assume that you have the choice of two financial vehicles to put your money into:

1) You could put your $10,000 in a financial vehicle that gives you a consistent 5% compounded annual growth over those ten years, or

2) You could put your $10,000 in the stock market and get an 8% annual growth for ten years.

Which financial vehicle would you choose to put your money in?

It doesn't take a rocket scientist to figure out that the better of the two financial vehicles would be number two (2), the 8% stock market return, right?

As you can see in **Example 1**, the 8% stock market return would more than double your money (132%) to $21,589 in ten years; whereas the 5% compound return would only grow to $16,289, or 63% over the ten year period.

EXAMPLE 1:

5% Compound Return vs. 8% Stock Market Return

Year	Starting Balance		Rate of Return	Ending Balance		Rate of Return	Ending Balance
0	$10,000						
1			5%	$10,500		8%	$10,800
2			5%	$11,025		8%	$11,664
3			5%	$11,576		8%	$12,597
4			5%	$12,155		8%	$13,605
5			5%	$12,763		8%	$14,693
6			5%	$13,400		8%	$15,868
7			5%	$14,071		8%	$17,138
8			5%	$14,775		8%	$18,509
9			5%	$15,513		8%	$19,990
10			5%	**$16,289**		**8%**	**$21,589**

However, what if you consistently earned the 8% stock market return for nine years, and then in the tenth year the stock market suffered a 20% correction?

As you can see in **Example 2**, the 5% compound return now outperforms the 8% stock market return over that ten year period.

EXAMPLE 2:

5% Compound Return vs. 8% Stock Market Return
(with a 20% Market Correction in Year 10)

Year	Starting Balance		Rate of Return	Ending Balance		Rate of Return	Ending Balance
0	$10,000						
1			5%	$10,500		8%	$10,800
2			5%	$11,025		8%	$11,664
3			5%	$11,576		8%	$12,597
4			5%	$12,155		8%	$13,605
5			5%	$12,763		8%	$14,693
6			5%	$13,400		8%	$15,868
7			5%	$14,071		8%	$17,138
8			5%	$14,775		8%	$18,509
9			5%	$15,513		8%	$19,990
10			5%	**$16,289**		**-20%**	**$15,992**

Now let's look at what would happen if that 20% market correction happened in the fifth year, instead of the tenth year?

* Examples 1-4 are referenced from preprint excerpt "*Financial Independence in the 21st Century*" by Dwayne Burnell, MBA and Suzanne Burnell, M.Sc., Publish Date June 2012

As you can see in **Example 3**, you will get the exact same result. The 5% compound return would grow from $10,000 to $16,289, and the 8% stock market return with a 20% market correction in year 5 would only grow to $15,992.

EXAMPLE 3:

5% Compound Return vs. 8% Stock Market Return
(with a 20% Market Correction in Year 5)

Year	Starting Balance	Rate of Return	Ending Balance	Rate of Return	Ending Balance
0	$10,000				
1		5%	$10,500	8%	$10,800
2		5%	$11,025	8%	$11,664
3		5%	$11,576	8%	$12,597
4		5%	$12,155	8%	$13,605
5		5%	$12,763	-20%	$10,884
6		5%	$13,400	8%	$11,754
7		5%	$14,071	8%	$12,695
8		5%	$14,775	8%	$13,711
9		5%	$15,513	8%	$14,808
10		5%	**$16,289**	8%	**$15,992**

Now what would happen if the 20% market correction happened in the first year and the investment then grew consistently at 8% in the other nine years?

As you can see in **Example 4**, it does not matter what year the 20% stock market correction occurred during the ten year period, the results are exactly the same. One bad year in the stock market can wipe out a decade of consistent growth.

EXAMPLE 4:

5% Compound Return vs. 8% Stock Market Return
(with 20% Market Correction in Year 1)

Year	Starting Balance	Rate of Return	Ending Balance	Rate of Return	Ending Balance
0	$10,000				
1		5%	$10,500	-20%	$8,000
2		5%	$11,025	8%	$8,640
3		5%	$11,576	8%	$9,331
4		5%	$12,155	8%	$10,078
5		5%	$12,763	8%	$10,884
6		5%	$13,400	8%	$11,755
7		5%	$14,071	8%	$12,695
8		5%	$14,775	8%	$13,711
9		5%	$15,513	8%	$14,808
10		5%	**$16,289**	8%	**$15,992**

It's the classic tale of the turtle and the hare. The turtle (5% compound return) moves along slowly and consistently, whereas the hare (8% stock market return) speeds along until the end of the race, when it runs out of gas (20% market correction).

What are the odds that the stock market will suffer a correction of 20% at least once during a ten year period? Past history shows that it's very likely! And as John Bogle, the famous founder of Vanguard Index Funds once said, *"If you have trouble imagining a 20% loss in the stock market, you shouldn't be in the stock market."*

The point is, we now live in a global economy in which any single world event can drive the stock market down by 20%, or more, and then take years to recover to its original value. Here's a list of some of the more notable stock market crashes and recoveries:

Past Stock Market Crashes & Recoveries

1901-1903
Total Loss: - 46.1%
Recovery Time – 2 years

1906-1907
Total Loss: - 48.5%
Recovery Time – 9 years

1916-1917
Total Loss: - 40.1%
Recovery Time – 2 years

1919-1921
Total Loss: - 46.6%
Recovery Time – 3 years

1929-1932
Total Loss: - 86.0%
Recovery Time – 22 years

1937-1938
Total Loss: - 49.1%
Recovery Time – 1 year

1939-1942
Total Loss: - 40.4%
Recovery Time – 3 years

1966-1968
Total Loss: - 24.9%
Recovery Time – 2 years

1973-1974
Total Loss: - 45.1%
Recovery Time – 8 years

1987-1988
Total Loss: - 36.7%
Recovery Time – 2 years

2000-2003
Total Loss: - 40.9%
Recovery Time – 6 years

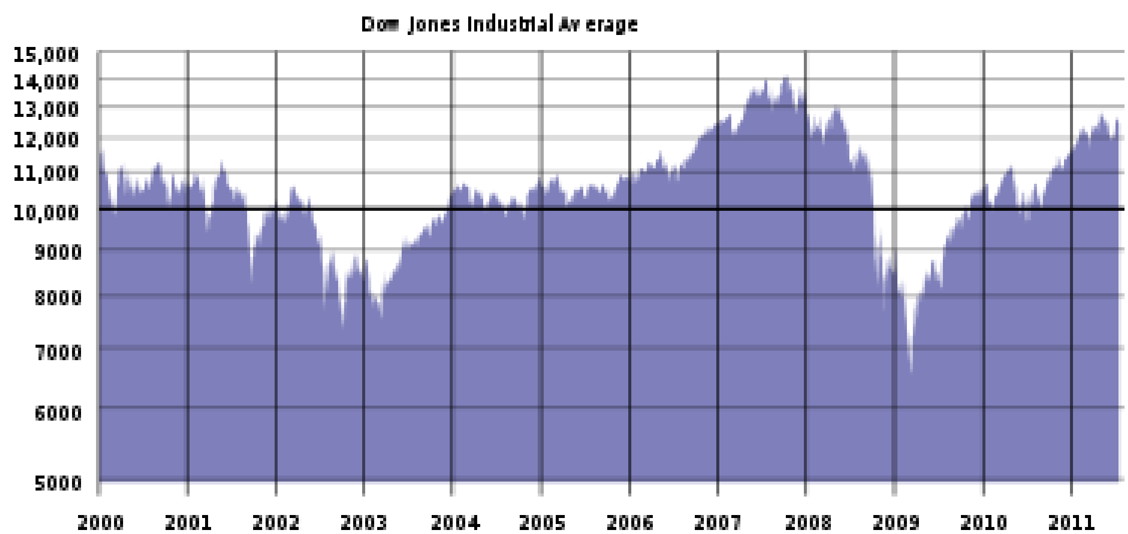
2008-2010
Total Loss: - 53.8%
Recovery Time – 3 years

The stock market gives you no guarantees. There is a real risk that you could lose a significant amount of your nest egg, if you keep your money in the market for any length of time. Nobody has control over how the market will perform.

Take for instance the year 2000. The Dow Jones Industrial Average reached a peak of 11,723. Then in 2003 we had a 30% market correction to 8,235. After that the Dow began to climb again and reached a peak of 14,164 in December of 2007. Then in 2008 we had a recession and the Dow suffered a 54% market correction and declined to a low of 6,547. Then the stock market rose again, and as of December, 2011 the Dow is back up to 12,000.

Below is a graph demonstrating the up and down swings of the stock market over the last decade. As you can see, the stock market is at nearly the same level in 2011 as it was in the year 2000.

Can you afford to lose another decade of building your wealth?



The stock market can be rewarding during certain periods and brutal in others. If you invested in the stock market in the year 2000 and held that investment for eleven years until the year 2011, your portfolio may have grown very little. If you're a conservative investor, the question you must ask yourself today is, "Can I afford to lose another decade of building my wealth?"

Chapter 2

Investment Fees & Expenses

Investors should remember that excitement
and expenses are their enemies.
– Warren Buffet

As with any business, investing in stocks, bonds, mutual funds, and other financial products, involves costs – including commissions, investment advisory fees, shareholder transaction costs, and marketing and distribution expenses. Financial product companies, banks, etc. will pass along these costs to investors by imposing transaction fees and expenses.

As you might expect, these fees and expenses will vary from company to company and from product to product. Some financial product companies impose "shareholder fees" directly on investors, whether they buy or sell shares. In addition, these companies have regular and recurring, "operating expenses they pay out of the assets they manage. In other words, investors indirectly pay these costs.

Take for instance mutual fund companies. The Security Exchange Commission requires all mutual fund companies to disclose both their shareholder fees and their operating expenses in a "fee table" near the front of a fund's prospectus. The list below will help you understand the various fees that these companies may impose:

> **Sales Charge (Load) on Purchases** – commissions you pay when you buy shares in a mutual fund. Also known as a "front-end load," this fee is typically paid to the brokers that sell the fund's shares. Front-end loads reduce the amount of your investment. For example, if you invest $1,000 into a mutual fund with a 5% front-end load, a $50 sales load is deducted from the investment first, and the remaining $950 is invested in the fund. According to FINRA rules, a front-end load cannot be higher than 8.5% of your investment.

Purchase Fee – fees that fund companies charge their shareholders when they buy shares. Unlike a front-end sales load, a purchase fee is paid to the fund company (not to a broker) and is typically imposed to defray some of the fund's costs associated with the purchase of the investment.

Redemption Fee – fees that fund companies charge their shareholders when they sell or redeem shares. A redemption fee is also paid to the fund (not to a broker) and is typically used to defray fund costs associated with a shareholder's redemption.

Exchange Fee – fees that some funds impose on shareholders if they exchange (transfer) to another fund within the same fund group or "family of funds."

Account Fee – fees that fund companies impose on investors in connection with the maintenance of their accounts. For example, some funds impose an account maintenance fee on accounts whose value is less than a certain dollar amount.

Management Fee – fees that are paid out of the mutual fund assets in order to compensate the fund's investment adviser for his or her investment portfolio management and administrative expenses.

Distribution and Service Fee ("12b-1" Fee) – fees that are paid out of mutual fund assets to cover the costs of marketing and selling fund shares. These "12b-1" fees can be considerable, depending on the particular fund.

Other Expenses – fees paid out of fund (investor) assets to cover the costs of marketing, advertising, printing and mailing of prospectuses to new investors and the printing and mailing of sales literature.

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. FINRA touches virtually every aspect of the securities business – from registering and educating industry brokers to examining securities firms; enforcing federal securities laws; and informing and educating the investing public.

FINRA publishes the FINRA Fund Analyzer™, a calculator that allows investors the ability to analyze the sales charges, fees and expenses on over 18,000 mutual funds, exchange traded funds (ETFs) and exchange traded notes (ETNs). Below are the FINRA-calculated sales charges, fees and expenses for one of the top-ranked mutual funds in the U.S.

Investments Between	And Less Than	Sales Charge (One Time)	Fees & Expenses Per Year)
$0.00	$25,000.00	5.75%	1.5%
$25,000.00	$50,000.00	5%	1.4%
$50,000.00	$100,000.00	4.5%	1.2%
$100,000.00	$250,000.00	3.5%	.95%
$250,000.00	$500,000.00	2.5%	.75%
$500,000.00	$750,000.00	2%	.55%
$750,000.00	$1,000,000.00	1.5%	.35%
$1,000,000.00	$999,999,999.00	1.0%	.25%

As you can see, regardless of the fact that this top ranked mutual fund has lower costs than most other mutual funds, these costs are still sizable and can significantly lower your overall return on investment over time.

Chapter
3

Investment Taxes

"April 15th is the deadline for filing your taxes because that's how long you have to work for the IRS before you start to make any money for yourself"
-- Will Ferrell as Ricky Bobby – "Talladega Nights"

It does not take a rocket scientist to realize that taxes can hinder your ability to build wealth. A glance at your paycheck will quickly reveal that reality.

Taxes are usually the largest expense in a family's budget. When you calculate what you pay in federal, state and local income tax, social security tax, sales tax on purchases, property tax, excise tax, and all the other taxes that you pay; there's no doubt that taxes can have a serious impact on your ability to build wealth.

In many cases, some families pay less taxes than other families, even though they earn exactly the same income.

Do you think that's fair?

It doesn't matter if it's fair, or not. What does matter is whether it's legal, or not.

If you make a contract and don't live up to it, you break the law. When the government does this, they simply… change the law.

We have a system whereby the government can promise anything, as long as they reserve the right to break that promise. We make financial decisions every day based on current laws and count on those laws to remain intact. However, when the government makes changes to those laws, fortunes can be lost.

This is what happened to the savings and loan industry in the 1980's. The government changed the deposit insurance (FDIC) limits and the real estate depreciation tax schedules. Both of these new laws contributed greatly to the Savings & Loan collapse… and fortunes were lost.

Tax laws can be just as daunting. And sometimes it can be difficult to determine if a tax law is beneficial, or detrimental, to your financial wellbeing.

Take for instance your tax-deferred retirement plan (401k). Have you ever heard the catchphrase, **"Would you rather pay tax on the seed, or the crop?"**

When Congress passed the 401k law that provided you with the ability to defer paying taxes on any contribution (the seed) that you invest in your tax-deferred retirement account, they were counting on the fact that you would have a much larger retirement account (the crop) to tax down the road.

Consider these two examples:

Example 1:

Assume that you're in the 25% tax bracket and you contribute $100,000 in pre-tax dollars into a tax-deferred (401k) plan. So you deferred $25,000 ($100,000 x 25%) in taxes by plowing that money into a tax-deferred plan. Time and appreciation work together to grow that plan to $1 million when you retire. However, when you take that money out of your account you will have to pay taxes of 25% on the $1 million, or $250,000.

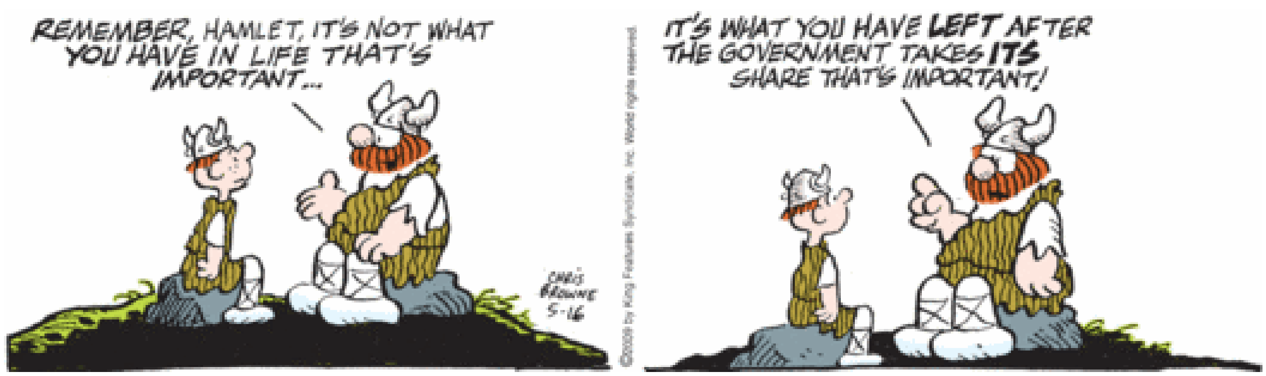
Example 2:

You contribute $100,000 of after-tax dollars into a tax-free plan, where time and appreciation worked together to grow that plan to $1 million when you retire. While it does cost you $33,333 more ($133,333 in pretax dollars) to realize the same original $100,000 contribution, when you take the money out of your plan the entire $1 million will be tax-free. No federal tax, no AMT, and no Uncle Sam with his hands in your pocket.

Which example do you consider to be your best option?

Deferring taxes on your current income is not necessarily a good way to reduce your income taxes in the long run. Inevitably, you must pay taxes on the entire amount of your 401k as you withdraw it. And the taxes that you pay on your 401k withdrawals are ordinary income taxes, not capital gains taxes.

As a result, you may want to reconsider putting all your eggs in one basket, such as your 401k, and direct some of your money into a tax-free retirement plan that can give you a "hedge" against taxes. This will keep the government out of your pocketbook at the time when you most need your nest egg to live on – during retirement.



Section 2

THE MYTHS OF INVESTING

Chapter 4

Saving vs. Investing

"Rule No.1: Never lose money.
Rule No.2: Never forget rule No.1."
– Warren Buffet

Saving and investing are two unique concepts, and it's important to understand the difference between them.

Saving, by definition, involves the protection and preservation of your money from loss. Your 'savings' are usually placed into the safest financial vehicles or products that allow you to access your money at any time.

Investing, according to Wikipedia, means to make a long-term commitment of putting money away and letting it grow. However, investing also involves risk, such as the ups and downs of the stock market.

When you 'invest,' you have a greater chance of losing your money than when you 'save', but you also have the opportunity to earn more money. It's all about the risk that you're willing to take with your money and the ability to access your money when you want it.

So why do all the financial gurus tell you that you can make more money by investing in the stock market than by saving your money in a financial vehicle that earns a consistent, compound interest on your money? The answer is… *saving isn't sexy*. The gurus will have you believe that there's no way to get a good return on your money unless you're invested in the stock market. But let's take a closer look at that philosophy.

As of June 10, 2011 the stock market was up 8 percent over the last ten years. Therefore, if you had invested $100,000 ten years ago, you'd have $108,000 today. Using the "compound return" method, that means that you earned just under a 1% return on your money, each year, over the ten-year period.

However, if you had invested that same $100,000 in a safe financial vehicle that wasn't subject to stock market risk, and earned a consistent, compounded annual growth of 5% over the same ten year period, the value of your account today would be $162,889. Your money would have increased by 62.8% over that ten year period, or an average of 6.28% per year.

Saving may not be sexy, but it's safe! And if you are financially conservative, the safe, secure build-up of your money compounded over time sure beats dealing with stock market fluctuations that could potentially cut into your hard-earned nest egg.

Chapter 5

Compound Interest vs. Stock Market Returns

COMPOUND INTEREST

"The most powerful force in the universe is compound interest."
– Albert Einstein

The definition of "compound interest" is interest which is calculated not only on the initial principal, but also on the accumulated interest of prior periods.

Question: Would you rather have a million dollars today, or a penny that doubles every day for thirty days? I hope you picked the penny! Why?

Period	Balance	Period	Balance
Day 1	$0.01	Day 16	$327.68
Day 2	$0.02	Day 17	$655.36
Day 3	$0.04	Day 18	$1,310.72
Day 4	$0.08	Day 19	$2,621.44
Day 5	$0.16	Day 20	$5,242.88
Day 6	$0.32	Day 21	$10,485.76
Day 7	$0.64	Day 22	$20,971.52
Day 8	$1.28	Day 23	$41,943.04
Day 9	$2.56	Day 24	$83,886.08
Day 10	$5.12	Day 25	$167,772.16
Day 11	$10.24	Day 26	$335,544.32
Day 12	$20.48	Day 27	$671,088.64
Day 13	$40.96	Day 28	$1,342,177.28
Day 14	$81.92	Day 29	$2,684,354.56
Day 15	$163.84	Day 30	$5,368,709.12

This is an exaggerated example of how compound interest works, because nobody can double their money on a consistent basis, but it does give you a good idea of the growth potential of interest that is compounded, consistently over time.

Now let's take a look at how stock market fluctuations can affect the growth of your money and why a safe, worry-free, consistent compound return of your money may be a better option for you, if you are a conservative investor.

STOCK MARKET RETURNS

"I'm not as concerned about the return on my money,
as I am the return of my money"
-- Mark Twain

The first step to building real wealth is to understand investment terminology, and one of the most common terms used in the financial world to determine investment results is "rate of return".

For example, assume that you put your money into the stock market for four years. In the first year you get a 100% rate of return on your money. Then in the second year the market goes down by 50%. In the third year the market goes up 100%, and finally, in the fourth year, the market goes down by another 50%.

Now let's calculate the "average annual rate of return" of your investment after four years: **100% - 50% + 100% - 50% = 100% / 4 years = 25% annual rate of return**

Year	Market Return	Starting Balance	Ending Balance
1	100%	**$10,000**	$20,000
2	**- 50%**	$20,000	$10,000
3	100%	$10,000	$20,000
4	**- 50%**	$20,000	**$10,000**

* The following chart is referenced from "A Path to Financial Peace of Mind" by Dwayne Burnell, MBA, Publish Date January 2010

In this example, the market did average a 25% rate of return, but how much additional money do you have in your account to show for this 25% return?

Zero! You have your original $10,000! So don't be fooled by the term "stock market rate of return". It's how much money you have in your account that really matters. For conservative investors, the safe, consistent compounding of money may be a more logical method to build wealth over time.

Chapter
6

“Buy Term & Invest The Rest”

*“It ain’t what you don’t know that gets you into trouble.
It’s what you do know for sure, that just ain’t so.”*
-- Mark Twain

Many of the financial “gurus” you see on TV and in the news berate permanent life insurance. They say that it’s one of the worst financial products available. They say that the cost is too high and the returns are horrible. Let’s analyze these statements.

Term insurance is less expensive than permanent life insurance because it only provides insurance protection. It pays a predetermined sum if the insured dies during a specified period of time. The inexpensive insurance coverage ends when the initial term of the policy expires. After that period, the cost to continue the same term insurance policy increases because of your age. Consider this:

> **99% of the time the “insured” outlives the term period and the premiums the insured paid into the policy are never recovered.**

Despite the higher cost, permanent life insurance really is more affordable over time because the insurance premium <u>remains constant</u> throughout your lifetime and not only do you have insurance for a lifetime (death benefit), but you also have access to the cash value in the policy (living benefit).

The Real Cost of “Buy Term & Invest the Rest” vs. Permanent Life Insurance

Everything you buy has a cost. The cost is either made up of commissions and fees, or included in business profit, but everything has a cost. Take for instance, real estate.

Whether you buy or sell your home, there are costs to absorb. If you buy a home, you have closing costs, the cost of a mortgage, and the costs of repair and maintenance to fix up your home. If you sell a home, you pay a 7% up-front commission to the salesperson, plus some closing costs. As a result of this cost, you have less to invest.

In other words, if you sell your home for $100,000, the upfront commission that you'll pay is $7,000, and the amount you'll have left to invest in a new house is $93,000.

Consequently, when the financial "gurus" tell you that the cost of permanent life insurance is too high and that you should "buy term insurance and invest the rest" in mutual funds, you need to be sure to investigate the cost of term insurance and the cost of mutual funds. When you calculate the cost of both transactions, you may be surprised that the cost of permanent life insurance may not be higher at all.

For example, compare the cost of the following three scenarios:

1) **A term life policy of $300,000 for a 45 year old non-smoking male plus investing $10,000 per year for seven years into a mutual fund**
2) **A standard permanent life policy for a 45 year old non-smoking male with the face value of $300,000 paid with seven annual premiums of $10,000.**
3) **A super-charged permanent life policy for a 45 year old non-smoking male with the face value of $300,000 paid with seven annual premiums of $10,000.**

The cost of the above term life policy of $300,000 is approximately $400 per year, for a total cost of **$2,800** over the seven year period. Now let's look at what the cost would be to invest $10,000 per year for seven years into a mutual fund.

Mutual Fund Cost

Investment	Sales Charge (One Time)	Total Sales Charge	Fees & Expenses (Per Year)	Total Fees & Expenses	Total Cost
$10,000	5.75%	$575	1.5% x $10,000	$150	$725
$10,000	5.75%	$575	1.5% x $20,000	$300	$875
$10,000	5.75%	$575	1.5% x $30,000	$450	$1,025
$10,000	5.75%	$575	1.5% x $40,000	$600	$1,175
$10,000	5.75%	$575	1.5% x $50,000	$750	$1,325
$10,000	5.75%	$575	1.5% x $60,000	$900	$1,475
$10,000	5.75%	$575	1.5% x $70,000	$1,050	$1,625
$70,000		**$4,025**		**$4,200**	**$8,225**

***Note:** Above results from FINRA Fund Analyzer at: http://apps.finra.org/fundanalyzer/1/fa.aspx

As you can see, in this case the cost of investing $10,000 per year for seven years into a mutual fund is **$8,225**. When you add the **$2,800** cost of term insurance over the same period, the total cost of buying term insurance and investing the rest would be **$11,025**.Furthermore, the cost of term insurance will more than quadruple after the insurance's "10 year term" is up.

The cost of the above $300,000 standard permanent life policy would be approximately **$14,600**.

The cost of the above $300,000 super-charged permanent life policy would be approximately **$8,500**. The lower cost of the super-charged insurance policy is due to the way it was designed (more on this later).

> **Note:** The costs of the above insurance policies are estimates and may vary significantly depending on the actual insurance policy used.

In the example above, the cost of a super-charged insurance policy is actually less than purchasing the combination of term insurance and mutual funds. Consequently, before you make assumptions about the "high cost" of permanent life insurance, you should be sure to investigate the real cost of the "buy term insurance and invest the rest" philosophy too.

Section 3

THE CASE FOR SUPER-CHARGED LIFE INSURANCE

Chapter 7

How Banks Use Life Insurance To Build Wealth

"The process by which banks create money is so simple that the mind is repelled."
-- John Kenneth Galbraith

Banks seem like a relatively simple concept. You give the bank your money to hold, and they promise to hold it for you securely. They even pay you a little bit of interest on your money, depending on the length of time that your money stays in the bank.

Banks have to make money somehow, though, in order to turn a profit. And make no mistake, banks are incredibly profitable. One little-known way that banks build their wealth lies in the way that they use a super-charged permanent life insurance policy to reduce taxes and to cut the cost of their employee benefit expenses.

Bank Owned Life Insurance (BOLI)

Bank Owned Life Insurance (BOLI) is a prominent piece of every bank's Tier I Capital. Tier One Capital is the core capital of every bank and is comprised of very safe assets, such as: cash, demand deposits, loans backed by the Federal government, precious metals (gold, etc.) and Bank Owned Life Insurance (BOLI).

The larger the Tier One Capital, the stronger the bank! And banks strive for strong Tier One Capital because it has a direct relationship to how much money the bank can loan to the public and how much profit they can make.

To create a Bank Owned Life Insurance policy, the bank will have an insurance specialist redesign a standard permanent life insurance policy. This modified policy allows the bank to maximize the amount of cash that can be put into the life insurance policy and still meet the tax-exempt standards of the IRS.

This tax-exempt status not only allows the bank to build cash value (wealth) fast and safe, but also allows the bank to cut taxes and fund the ever-increasing cost of their employee benefits (retirement plans) at a much cheaper rate.

For example, here's a comparison of retirement plan options for key bank employees:

	401k	**BOLI Account**
IRS Approved	Approved	Approved
Contribution Limit (2012)	$17,000	No Limit
Contributions	Pre-tax	After-tax
Earnings	Tax-Deferred	Tax-Deferred
Withdrawals	Taxed	Tax-Free (contributions)
Retirement Income	Taxed	Tax-Free
Beneficiary Income (at death)	Taxed	Tax-Free
Loans	$50,000 max	No Limit
Loan Repayment	Mandatory	Optional
Pre-Age 59½ Penalties	10%+	None
Mandatory Distribution Age	70 ½	None

If you were a bank employee, which plan would you choose? Don't worry! Even though you're not a bank employee, you can duplicate the Bank Owned Life Insurance (BOLI) strategy for yourself, privately, by having an insurance specialist design your own super-charged life insurance policy.

* Bank Owned Life Insurance (BOLI) concept referenced from "*Pirates of Manhatten*" by Barry James Dyke

Chapter 8

How You Can Super-Charge Life Insurance To Build Wealth

"A wise man makes his own decisions,
an ignorant man follows the public opinion."
-- Confucius

There's no doubt that banks, credit card and finance companies, automobile dealerships and department stores make fortunes loaning you money. But have you ever tried to get a loan from a bank when you really need it?

Many farmers remember when they've had to sell their crops early to get an operating loan, and many business owners remember a time when they've had to put up personal collateral just to get a short-term loan to cover their payroll.

What if you could reverse the role and put yourself in the position to control your own financial destiny, instead of the banks controlling you?

What if you could * borrow the money from yourself using a supercharged life insurance policy, and then pay yourself (your life insurance policy) back under your own terms and conditions? This would alleviate being under the bank's, or other financial institution's, terms and conditions.

Is this possible? Yes, it is! But first you would need to have an insurance specialist build a super-charged permanent life insurance policy (similar to the BOLI example) that is designed specifically for your family's needs

> ***Note**: Many use the term "borrow from yourself", but in actuality you are borrowing money from the insurance company, which in turn collateralizes the policy you own using the cash value and death benefit in your insurance policy. There are insurance specialists trained to specifically design these types of insurance policies.

Once your insurance policy is specially designed; instead of borrowing money from a bank (or other financial institution), you can borrow money from the insurance company to finance your purchases. Then you would pay off the policy loan and interest (releasing the lien against the policy) using the same principal and interest payments you would have ordinarily paid to the bank. This allows you to build your own wealth, instead of building the bank's wealth.

Building Your Wealth Using A Super-Charged Life Insurance Policy

The concept of creating your own Super-Charged Life Insurance policy is simple. You take a standard permanent insurance contract and modify it so that the maximum amount of your premium payment is allocated toward the cash value of the life insurance policy (living benefit) and still meet the tax-exempt standards of the IRS, while at the same time adequately protecting the family (death benefit).

Basically, you want to fund the life insurance policy with as much cash as you can, as fast as you can, to get the cash value as high as you can, as soon as you can. Does that make sense?

It's like having a Roth IRA that you can put an unlimited amount of money into, have that money grow tax-deferred, and then take the money out without paying taxes. The IRS allows the insurance contract to be structured this way, as long as you follow their specific guidelines.

Why Conservative Investors Should Consider Permanent Life Insurance

Permanent life insurance offers conservative investors or an alternative to stock market risk. It can give you a safe, consistent growth of compound interest where you simply pay your premiums into the policy and not worry about losing your money. You've got complete control of your money and you can access it at any time.

And yes, while the money you earn on the cash value of permanent life insurance may be less than the potential returns you can receive in the stock market, the keyword here is "potential". One bad year in the stock market can negate years of investment growth and it can take years for your portfolio to regain its original value.

Permanent life insurance is a simple and powerful financial tool that can work efficiently in both strong, and weak, economic times. When properly designed (super-charged), you can build cash value quickly.

Tax Advantages of Permanent Life Insurance

Permanent life insurance is one of the most powerful tax planning tools you can find. Proper tax planning should do two things:

1) Reduce your taxes while you are alive, and

2) Reduce your family's taxes after you die.

Permanent life insurance enables you the potential to do both.

Permanent life insurance offers you nearly the same tax benefits as a Roth IRA. The growth of the cash value in the policy is generally tax-deferred, which means that you pay no taxes on the earnings as long as the policy remains active. And similar to a Roth IRA, money can be taken out of your insurance policy tax-free using withdrawals (for your contributions) and/or policy loans (for your earnings), since policy loans are not considered taxable income.

When properly structured, there are no government restrictions on how much money you can put into a permanent life insurance policy; whereas, the maximum amount that you can put into a Roth IRA is $5,000 per year.

And that's not all. If you are collecting Social Security income, almost all income, including income from a tax-free Roth IRA, is counted when determining how much of your Social Security (up to 85%) will be taxed by the IRS. This is not the case with permanent life insurance. Earnings that grow within a life insurance policy are one of the few items that will not increase the tax on your Social Security income.

Other Advantages of Permanent Life Insurance

While term insurance and permanent life insurance both provide a death benefit, the latter can also provide impressive "living benefits". In other words, permanent life insurance provides you with a financial resource that you can use and enjoy during your lifetime. Here are just a few of the "living benefits" that permanent life insurance provides:

Living Benefits of Permanent Life Insurance

1. Total access, liquidity, and control of your money
2. Permanent life premiums never increase
3. You have insurance for life (99% never collect on term insurance)
4. Guaranteed insurability
5. Guaranteed cash accumulations (no stock market losses)
6. Predictable financial results (no stock market risk)
7. Forced systematic savings (because you don’t want to lose your coverage)
8. Creditor proof – it’s a protected asset (in most states)
9. You’re not forced to make payments on loans, if you don’t have the money
10. If you do you miss a payment, there are no penalties and it does not hurt your credit score.
11. No investment fees like other security transactions
12. No early withdrawal penalties like a bank CD or a 401k
13. Transition (estate) planning tool
14. Not considered an asset for college financial aid purposes
15. Self-completion for you & your family’s financial plans
16. No government involvement
17. You can sell your life insurance policy to get cash while still alive
18. Tax-free withdrawals (taxed similar to a Roth IRA)
19. Withdraw funds before 59 ½ without a tax penalty
20. Withdrawals do not cause your Social Security benefits to become taxable
21. Access to loans without bank restrictions and paperwork
22. Simple interest is paid on policy loans
23. Reduced interest costs when borrowing from policy
24. Can be used as collateral on a bank loan to get lower interest rates
25. Control of marketing Ag commodities – you’re not forced to sell your crop when the bank wants its loan paid off

There are many more living benefits that a super-charged life insurance policy can offer you. Too many to list! For now though, let’s take a look at a few sample cases to further demonstrate the unique benefits of using super-charged life insurance as an additional financial tool in your portfolio.

Section 4

SAMPLE CASES

SAMPLE CASES USING SUPER-CHARGED LIFE INSURANCE

The following five cases demonstrate how super-charged permanent life insurance gives you a safe, secure financial vehicle for your money, how it takes advantage of compound interest that can build your wealth over time, and how it can more than adequately protect your family from financial hardship with lifetime insurance.

Case No. 1: Standard Life Policy vs. Super-Charged Life Policy

Case No. 1 compares a standard permanent life insurance policy versus a super-charged permanent life insurance policy. In this case the owner of the policy is 45 years old and deposits $1,000 per month ($12,000 per year) for 40 years until age 85. You'll see that the standard life insurance policy has high costs and takes TWO full years to build up cash values that you can access. However, the super-charged life insurance is specially designed to keep your costs to a minimum, which immediately gives you a high cash value that you can access in the first year.

Case No. 2: Bank CD vs. Super-Charged Life Insurance

Case No. 2 compares a bank certificate of deposit versus a super-charged permanent life insurance policy. In each case the policy owner is 26 years old and deposits $5,000 per year for 20 years until age 45 and then the money accumulates in the account until age 65. At age 65 the value of the bank CD is **$153,297** and the cash value of the super-charged life insurance policy is **$397,578** and the death benefit is **$794,893**.

Case No. 3: Finance Large Purchases & Fund Retirement with Super-Charged Life Insurance

Case No. 3 demonstrates the power of using a super-charged permanent life insurance policy to fund retirement and also to finance large purchases (College, Cars, Business/Farm Equipment, etc.) rather than borrowing money from a bank, or paying cash. In this example a 31 year old policy owner deposits $10,000 per year ($833/month) in the super-charged life insurance policy <u>for only four years</u>. After that four-year period, the policy owner borrows money from his insurance policy to buy <u>a new car every five years</u>, until age 65. At age 65 the policy owner then takes out **$30,000 per year** for 20 years to supplement his retirement.

Case No. 4: Using Super-Charged Life Insurance in College Planning

Case No. 4 demonstrates how a super-charged life insurance policy can be used for college funding. In this example a 43 year old policy owner makes premium payments of $1,800 per month into the policy. At age 48 he pays off his son's $72,000 college education. He then uses the super-charged policy to fund the purchase (and pay off) a car every four years until retirement at age 65. At age 65 he takes out **$85,000 per year** for ten years to fund part of his retirement.

Case No. 5: How Business Owners Can Pay For Life Insurance Premiums Using Tax Reduction Strategies

Case No. 5 demonstrates the power of proactive tax planning and how four little-known tax strategies were used to lower a business owner's taxes by **$16,381**, which could now be used in the future to fund a super-charged life insurance policy.

CASE NO. 1:
Standard Life Policy vs. Super-Charged Life Policy

Case No. 1 compares a standard permanent life insurance policy versus a super-charged permanent life insurance policy. In this case the owner of the policy is 45 years old and deposits $1,000 per month ($12,000 per year) for 40 years until age 85.

The intent of this example is to merely demonstrate the fast build-up of cash value that you can achieve with a super-charged life insurance policy. As you can see in Table 1 below, the standard life insurance policy has high costs and takes two full years to build up cash values that you can access.

However, the super-charged life insurance is specially designed to keep your costs to a minimum, which immediately gives you a high cash value that you can access in the first year.

The following is a year to year analysis:

Year 1: The cash value of the super-charged life insurance policy is $9,307 or 78% of the initial $12,000 deposit; whereas the cash value in the standard life policy is only $205.

Year 2: The cash value of the super-charged life policy is now $19,204 or 80% of the $24,000 deposit; whereas the cash value in the standard life policy is only $881.

Year 7: The cash value of the super-charged life policy is now $86,492 and you have fully recouped the total premiums of $84,000 ($12,000 x 7 = $84,000) that you paid into the policy.

Year 10: The cash value of the super-charged life policy is $137,036, which is about $35,000 greater than the cash value of the standard life policy.

Year 20: The owner is now 65 years old. The cash value of the super-charged life policy is now $374,428, which is about $46,000 greater than the cash value of the standard life policy.

Year 40: Twenty years later, the owner is now 85 years old. The cash value of the super-charged life policy is now $1,628,254, which is about $209,000 greater than the cash value of the standard life policy.

TABLE 1

			Standard Life Policy		Super-Charged Policy	
Year	Age	Deposit	Cash Value	Death Benefit	Cash Value	Death Benefit
1	**46**	**$12,000**	**$205**	**$569,478**	**$9,307**	**$434,869**
2	47	$12,000	**$881**	$571,894	**$19,204**	$469,348
3	48	$12,000	$9,767	$575,788	$31,079	$503,451
4	49	$12,000	$19,911	$581,154	$43,742	$537,210
5	**50**	**$12,000**	**$30,880**	**$587,820**	**$57,142**	**$570,633**
6	51	$12,000	$43,197	$595,859	$71,408	$603,784
7	52	$12,000	$56,474	$605,321	**$86,492**	$636,720
8	53	$12,000	$70,746	$616,185	$102,438	$669,500
9	54	$12,000	$86,045	$628,406	$119,276	$702,172
10	**55**	**$12,000**	**$102,398**	**$642,007**	**$137,036**	**$734,819**
11	56	$12,000	$119,785	$656,805	$155,753	$467,475
12	57	$12,000	$138,326	$672,917	$175,479	$500,205
13	58	$12,000	$158,083	$690,239	$196,274	$533,023
14	59	$12,000	$179,132	$708,726	$218,192	$565,945
15	**60**	**$12,000**	**$201,381**	**$728,062**	**$241,256**	**$598,966**
16	61	$12,000	$224,724	$748,007	$265,476	$632,128
17	62	$12,000	$249,183	$768,680	$290,885	$665,547
18	63	$12,000	$274,578	$789,711	$317,484	$699,244
19	64	$12,000	$300,939	$811,152	$345,309	$733,288
20	**65**	**$12,000**	**$328,335**	**$833,026**	**$374,428**	**$767,727**
21	66	$12,000	$355,365	$855,338	$404,645	$802,591
22	67	$12,000	$383,458	$878,061	$436,273	$837,876
23	68	$12,000	$412,672	$901,190	$469,378	$873,611
24	69	$12,000	$443,054	$924,716	$504,040	$909,811
25	**70**	**$12,000**	**$474,644**	**$948,705**	**$540,308**	**$946,541**
26	71	$12,000	$507,461	$973,242	$578,230	$983,896
27	72	$12,000	$541,494	$998,478	$617,814	$1,022,035
28	73	$12,000	$576,742	$1,024,551	$659,085	$1,061,097
29	74	$12,000	$613,253	$1,051,435	$702,112	$1,101,102
30	**75**	**$12,000**	**$651,098**	**$1,079,148**	**$746,112**	**$1,142,075**
31	76	$12,000	$690,311	$1,107,705	$793,744	$1,184,067
32	77	$12,000	$730,929	$1,137,208	$842,456	$1,227,188
33	78	$12,000	$772,938	$1,167,769	$893,133	$1,271,576
34	79	$12,000	$816,309	$1,199,536	$945,766	$1,317,399
35	**80**	**$12,000**	**$861,041**	**$1,232,611**	**$1,000,361**	**$1,364,787**
36	81	$12,000	$907,138	$1,267,101	$1,056,935	$1,413,862
37	82	$12,000	$954,633	$1,303,040	$1,115,543	$1,464,711
38	83	$12,000	$1,003,597	$1,340,412	$1,176,263	$1,517,332
39	84	$12,000	$1,054,025	$1,379,245	$1,239,091	$1,571,795
40	**85**	**$12,000**	**$1,105,945**	**$1,419,655**	**$1,304,081**	**$1,628,254**

CASE NO. 2:

Bank CD vs. Super-Charged Life Insurance

Case No. 2 compares a bank certificate of deposit versus a super-charged permanent life insurance policy. In each case the owner is 26 years old and deposits $5,000 per year for 20 years until age 45. At that time the money accumulates in the account until age 65.

In this example we assume the bank CD grows at a compound rate of 2% per year, which at today's rates is high, considering the small $5,000 per year contribution. We also assume a tax rate of 30%, which is deducted each year.

Notice the numbers in the Permanent Life Insurance column of Chart 1. This is the power of compound interest at work when you specially design a standard insurance policy in order to super-charge it.

The following is a year by year analysis:

Year 1: The cash value of the super-charged life insurance policy is $4,046, or 80% of the initial $5,000 deposit. If this were a standard life policy the cash value would much smaller. The death benefit of the policy for the 26 year old is $282,515.

Year 7: The cash value of the policy is now $35,339 and you have fully recouped the total premiums of $35,000 ($5,000 x 7 = $35,000) you paid into the policy.

Year 10: The cash value of the policy ($55,636) is now greater than the value of the bank CD ($54,015). In addition, the death benefit of the policy has now increased to $541,029 from $282,515 in Year 1. This is due to the specials riders that were used in the design of the insurance policy.

Year 20: The owner is now 45 years old and discontinues the $5,000 payments. The value of the bank CD is now $116,086 and the cash value of the super-charged life insurance policy is $150,414 and the death benefit is $629,875.

Year 40: Each account was left to grow for twenty more years and the owner is now 65 years old. The value of the bank CD is now $153,297 and the cash value of the super-charged life insurance policy is $397,578 and the death benefit is $794,893.

		Bank Certificate of Deposit		Permanent Life Insurance		
Year	**Age**	**Deposits**	**Cash Value**	**Deposits**	**Cash Value**	**Death Benefit**
1	26	$5,000	$5,070	$5,000	**$4,046**	**$282,515**
2	27	$5,000	$10,211	$5,000	$8,293	
3	28	$5,000	$15,424	$5,000	$12,751	
4	29	$5,000	$20,710	$5,000	$17,931	
5	30	$5,000	$26,070	$5,000	$23,469	
6	31	$5,000	$31,505	$5,000	$29,286	
7	32	$5,000	$37,016	$5,000	**$35,339**	
8	33	$5,000	$42,604	$5,000	$41,819	
9	34	$5,000	$48,270	$5,000	$48,160	
10	35	$5,000	**$54,015**	$5,000	**$55,636**	**$541,029**
11	36	$5,000	$59,841	$5,000	$63,208	
12	37	$5,000	$65,749	$5,000	$71,159	
13	38	$5,000	$71,739	$5,000	$79,504	
14	39	$5,000	$77,813	$5,000	$88,253	
15	40	$5,000	**$83,972**	$5,000	**$97,438**	
16	41	$5,000	$90,217	$5,000	$107,066	
17	42	$5,000	$96,550	$5,000	$117,159	
18	43	$5,000	$102,972	$5,000	$127,737	
19	44	$5,000	$109,483	$5,000	$138,816	
20	45	$5,000	**$116,086**	$5,000	**$150,414**	**$629,875**
21	46		$117,711		$158,384	
22	47		$119,359		$166,717	
23	48		$121,030		$175,442	
24	49		$122,724		$184,586	
25	50		$124,442		$194,157	
26	51		$126,184		$204,180	
27	52		$127,951		$214,647	
28	53		$129,742		$225,583	
29	54		$131,558		$236,988	
30	55		**$133,400**		**$248,858**	**$699,614**
31	56		$135,268		$261,218	
32	57		$137,162		$274,079	
33	58		$139,082		$287,485	
34	59		$141,029		$301,461	
35	60		$143,003		$316,023	
36	61		$145,005		$331,167	
37	62		$147,035		$346,882	
38	63		$149,093		$363,181	
39	64		$151,180		$380,072	
40	65		**$153,297**		**$397,578**	**$794,893**
50	75				**$612,636**	**$930,293**
60	85				**$904,937**	**$1,128,086**

CASE NO. 3:

Finance Large Purchases & Fund Retirement Using Super-Charged Life Insurance

Case No. 3 demonstrates the power of using a super-charged permanent life insurance policy to fund retirement and also to finance large purchases (College, Cars, Business/Farm Equipment, etc.) rather than borrowing money from a bank, or paying cash.

In this example a 30 year old policy owner deposits $10,000 per year ($833/month) in the super-charged life insurance policy for only four years. He then discontinues the standard premium payments for the rest of his life.

After that four-year period, instead of borrowing money from a bank or credit union, the policy owner borrows money from his insurance policy to buy a new car. He does this every five years until age 65.

Each time he borrows money from his policy, the insurance company puts a lien on the policy for the total loan amount. The policy owner then pays the same monthly payment back into his policy that he would have paid to the bank or credit union for the same loan.

As he makes payments into the policy, the insurance company charges a small amount for interest and the balance of the payment is used to reduce the lien. After each five-year period, the loan is completely paid off, the lien is removed, and the policy owner then buys a new car and starts the process all over again.

The following is a year by year analysis:

Year 1: The cash value of the super-charged life insurance policy is $8,338, or 83% of the initial $10,000 deposit. If this were a standard life policy the cash value would much smaller. The death benefit of the policy for the 31 year old is $415,839.

Year 5: Policy owner borrows $25,000 for a new car.

Year 5-9: Policy owner makes monthly payments of $600 ($7,200 per year) into the policy to pay back insurance company lien. At the end of Year 9 the $25,000 loan is paid off and the lien is removed.

Year 10: Policy owner borrows $30,000 for a new car.

Year 10-14: Policy owner makes monthly payments of $700 ($8,400 per year) into the policy to pay back insurance company lien. At the end of Year 14 the $30,000 loan is paid off and the lien is removed.

Year 15: Policy owner borrows $35,000 for a new car.

Year 15-19: Policy owner makes monthly payments of $800 ($9,600 per year) into the policy to pay back insurance company lien. At the end of Year 19 the $35,000 loan is paid off and the lien is removed.

Year 20: Policy owner borrows $40,000 for a new car.

Year 20-24: Policy owner makes monthly payments of $900 ($10,800 per year) into the policy to pay back insurance company lien. At the end of Year 24 the $40,000 loan is paid off and the lien is removed.

Year 25: Policy owner borrows $45,000 for a new car.

Year 25-29: Policy owner makes monthly payments of $1,000 ($12,000 per year) into the policy to pay back insurance company lien. At the end of Year 29 the $45,000 loan is paid off and the lien is removed.

Year 30: Policy owner borrows $50,000 for a new car.

Year 30-34: Policy owner makes monthly payments of $1,100 ($13,200 per year) into the policy to pay back insurance company lien. At the end of Year 34 the $50,000 loan is paid off and the lien is removed.

Year 35: The policy owner is now **65 years old** and the cash value of the super-charged life insurance policy is **$529,506** and the death benefit is **$1,098,421**.

Year 35-55: At age 65, the policy owner takes out **$30,000 per year** from the insurance policy to supplement his retirement.

Year 55: The policy owner is now **85 years old** and the cash value of the super-charged life insurance policy is **$137,680** and the death benefit is **$451,221**.

* The following chart is referenced from a preprint excerpt of "*Financial Independence in the 21st Century*" by Dwayne Burnell, MBA and Suzanne Burnell, M.Sc., Publish Date June 2012

Financing Large Purchases & Funding Retirement Using Life Insurance

Year	Age	Beginning Premium	Car Payments into Policy	Policy (Car) Loan	Retirement Income	Life Insurance Cash Value	Life Insurance Death Benefit
1	31	$10,000				$8,338	$415,839
2	32	$10,000				$17,098	$469,926
3	33	$10,000				$26,647	$522,571
4	34	$10,000				$37,540	$573,828
5	35	$0	$600/mo.	$25,000		$19,864	$581,123
6	36	$0	$600/mo.			$31,846	$602,875
7	37	$0	$600/mo.			$44,422	$624,624
8	38	$0	$600/mo.			$57,615	$646,387
9	39	$0	$600/mo.			$71,624	$469,086
10	40	$0	$700/mo.	$30,000		$51,712	$473,119
11	41	$0	$700/mo.			$67,691	$499,446
12	42	$0	$700/mo.			$84,448	$525,846
13	43	$0	$700/mo.			$102,022	$552,375
14	44	$0	$700/mo.			$120,437	$579,101
15	45	$0	$800/mo.	$35,000		$98,769	$578,573
16	46	$0	$800/mo.			$119,228	$608,260
17	47	$0	$800/mo.			$140,670	$638,177
18	48	$0	$800/mo.			$163,163	$668,335
19	49	$0	$800/mo.			$186,767	$698,724
20	50	$0	$900/mo.	$40,000		$164,204	$693,357
21	51	$0	$900/mo.			$190,083	$725,959
22	52	$0	$900/mo.			$217,192	$758,903
23	53	$0	$900/mo.			$245,593	$792,277
24	54	$0	$900/mo.			$275,322	$826,160
25	55	$0	$1,000/mo.	$45,000		$252,739	$816,239
26	56	$0	$1,000/mo.			$284,848	$852,278
27	57	$0	$1,000/mo.			$318,424	$888,976
28	58	$0	$1,000/mo.			$353,553	$926,330
29	59	$0	$1,000/mo.			$390,305	$964,359
30	60	$0	$1,100/mo.	$50,000		$368,727	$950,600
31	61	$0	$1,100/mo.			$408,174	$990,462
32	62	$0	$1,100/mo.			$449,353	$1,031,270
33	63	$0	$1,100/mo.			$492,307	$1,073,142
34	64	$0	$1,100/mo.			$537,097	$1,116,179
35	65	$0	$0	$0	$30,000	$529,506	$1,098,421
36	66	$0	$0	$0	$30,000	$521,253	$1,079,787
37	67	$0	$0	$0	$30,000	$512,316	$1,060,126
38	68	$0	$0	$0	$30,000	$502,644	$1,039,326
39	69	$0	$0	$0	$30,000	$492,218	$1,017,273
40	70	$0	$0	$0	$30,000	$480,958	$993,911
41	71	$0	$0	$0	$30,000	$468,795	$969,238
42	72	$0	$0	$0	$30,000	$455,584	$943,278
43	73	$0	$0	$0	$30,000	$441,204	$916,027
44	74	$0	$0	$0	$30,000	$425,590	$887,344
45	75	$0	$0	$0	$30,000	$408,692	$857,100
46	76	$0	$0	$0	$30,000	$390,397	$825,164
47	77	$0	$0	$0	$30,000	$370,594	$791,479
48	78	$0	$0	$0	$30,000	$349,124	$756,008
49	79	$0	$0	$0	$30,000	$325,810	$718,750
50	80	$0	$0	$0	$30,000	$300,480	$679,612
51	81	$0	$0	$0	$30,000	$272,906	$638,516
52	82	$0	$0	$0	$30,000	$243,011	$595,326
53	83	$0	$0	$0	$30,000	$210,641	$549,806
54	84	$0	$0	$0	$30,000	$175,680	$501,811
55	85	$0	$0	$0	$30,000	$137,680	$451,221

CASE NO. 4:
Using Super-Charged Life Insurance in College Planning

STUDENT PROFILE

State: OH
College: Public
GPA: 3.5
ACT: 28
SAT: 1980

FAMILY PROFILE

Parents' Age: 43
Income: $120,000

ASSETS:
Home: $250,000
401k(s): $80,000
CD's: $40,000
Personal Savings: $15,000

DEBT:
Mortgage: $150,000

FACTS

1. Student will attend a public university for a total 4-year cost of $100,000
2. Student will absorb $40,000 ($10,000/yr.) with loans and college savings
3. Parents will use deferred PLUS loans to fund college for 4 years, then pay off the $72,000 loan off entirely at graduation
4. Parents will use a super-charged permanent life insurance policy as the funding vehicle
5. Parents will use the super-charged policy to pay off the PLUS loan for college, fund the purchase of a car every four years until retirement, and fund part of their retirement for 10 years, starting at age 65.

Super-Charged Life Insurance Policy (Funding Timeline)

Year 1-23: Insurance policy is funded with $1,800 per month premium to age 65

Year 6: $72,000 PLUS loan paid off (including deferred interest cost)

Year 7-19: Loan from policy is made to purchase auto every 4 years

Year 7-22: Additional $625/month premium is made to pay down loan (car payments)

Year 24: All insurance premiums are stopped at age 65

Year 24-33: Retirement income withdrawals of $85,000/year are taken from policy

Year 34: Total amount funded = **$616,800**, Total amount withdrawn = **$1,022,000**
Net cash value remaining = **$110,828**, Net Death Benefit at 65 = **$154,000**

NOTE: Below is the year-by-year funding schedule:

Funding Schedule

Year	Age of Parent	Annual Contribution	Withdraw From Plan	Life Insurance Cash Value	Life Insurance Death Benefit
1	43	$21,600 [1]		$16,618	$447,520
2	44	$21,600 [1]		$37,526	$502,016
3	45	$21,600 [1]		$59,725	$556,576
4	46	$21,600 [1]		$83,316	$611,268
5	47	$21,600 [1]		$108,369	$666,126
6	48	$21,600 [1]	$72,000 [3]	$58,692	$508,703
7	49	$29,100 [1]	$25,000 [4]	$63,801	$540,209
8	50	$29,100 [2]		$96,081	$398,218
9	51	$29,100 [2]		$130,330	$456,990
10	52	$29,100 [2]		$166,429	$520,678
11	53	$30,600 [2]	$30,000 [4]	$178,408	$554,728
12	54	$30,600 [2]		$217,568	$614,764
13	55	$30,600 [2]		$259,044	$675,852
14	56	$30,600 [2]		$302,765	$741,281
15	57	$32.500 [2]	$35,000 [4]	$322,651	$778,105
16	58	$32.500 [2]		$370,071	$841,122
17	59	$32.500 [2]		$420,130	$905,490
18	60	$32.500 [2]		$472,691	$973,861
19	61	$34,200 [2]	$45,000 [4]	$501,726	$1,014,730
20	62	$34,200 [2]		$558,651	$1,082,218
21	63	$34,200 [2]		$618,343	$1,151,443
22	64	$34,200 [2]		$681,058	$1,224,448
23	65	$21,600 [1]		$739,395	$1,289,353
24	66		$85,000 [5]	$691,105	$1,145,408
25	67		$85,000 [5]	$639,998	$1,035,176
26	68		$85,000 [5]	$585,932	$925,336
27	69		$85,000 [5]	$528,731	$815,767
28	70		$85,000 [5]	$468,220	$706,279
29	71		$85,000 [5]	$404,268	$596,582
30	72		$85,000 [5]	$336,724	$486,412
31	73		$85,000 [5]	$265,421	$375,531
32	74		$85,000 [5]	$190,190	$263,721
33	75		$85,000 [5]	**$110,765**	$154,506
		$656,800	**$1,057,000**	**$110,765**	**$154,506**

[1] $1,800/month Ins. Premium

[2] $1,800/month Ins. premium + additional premium for car payment

[3] College PLUS Loan Paid Off (including deferred interest cost)

[4] Purchase of car every 4 years until age 65

[5] Retirement income withdrawal of $85,000/yr.

CASE NO. 5:
How Business Owners Can Pay For Life Insurance Premiums Using Tax Reduction Strategies

You've probably heard it before - being a small business owner has some great tax advantages and as a business owner, taxes are undoubtedly one of your largest business expenses. Depending on which state you live in, taxes can cost you as much as 50% of your hard-earned business income.

So why don't business owners take advantage of every possible tax deduction allowed in the Internal Revenue Code? Moreover, why do most business owners' accountants overlook some of the business tax deductions allowed in the IRS code?

The answer is simple:

> ***The Internal Revenue Code has over 40,000 pages of mind-numbing tax laws that even the sharpest of accountants find difficult to follow in order to maximize business deductions while avoiding scrutiny by the IRS.***

As a result, most business owners go about their business as usual – they send their financial information to their accountants who only fill out their tax paperwork. Does this sound familiar?

If you're a small business owner, when was the last time your accountant actively got involved in developing strategies to reduce your taxes? If your answer to that question is, "never", then you need to think about changing accountants.

To demonstrate the power of proactive tax planning, the following are BEFORE and AFTER examples of a small business client's IRS 1040 tax schedules. All names have been removed to assure privacy. We used four little-known tax strategies to lower his taxes by **$16,381**.

> **BEFORE** = his accountant's actual tax schedule filed with the IRS.
>
> **AFTER** = our estimated results using the four tax strategies

Look at **line 60** (total taxes owed) highlighted in yellow on each schedule:

BEFORE = $27,137

AFTER = $10,756

That's **$16,381** in tax savings EACH YEAR that can be used to fund a super-charged life insurance policy to build the small business owner's wealth!

If you are a small business owner, be proactive – not reactive! You could be using the same $10,000 in tax savings, or more, each year to fund your own super-charged life insurance policy. It would help you to build additional wealth and increase the insurance protection on your family's assets. Best of all, you're using new-found money that you were previously giving to Uncle Sam.

BEFORE

Form **1040** Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return 2010 (99) IRS Use Only — Do not write or staple in this space.

Name, Address, and SSN

See separate instructions.

For the year Jan 1 - Dec 31, 2010, or other tax year beginning , 2010, ending , 20 OMB No. 1545-0074

Your first name MI Last name [redacted]		Your social security number [redacted]
If a joint return, spouse's first name MI Last name [redacted]		Spouse's social security number [redacted]
Home address (number and street). If you have a P.O. box, see instructions. [redacted]	Apartment no.	Make sure the SSN(s) above and on line 6c are correct.
City, town or post office. If you have a foreign address, see instructions. [redacted]	State ZIP code	Checking a box below will not change your tax or refund.

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund? ☐ You ☐ Spouse

Filing Status — Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above & full name here.
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a — Boxes checked on 6a and 6b: 2
b ☒ **Spouse**

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax cr (see instrs)
[redacted]	[redacted]	SON	☐
[redacted]	[redacted]	SON	☐
			☐
			☐

No. of children on 6c who: • lived with you: 2
• did not live with you due to divorce or separation (see instrs):
Dependents on 6c not entered above:

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed — Add numbers on lines above: 4

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	42,140.
8a	**Taxable** interest. Attach Schedule B if required		8a	482.
b	**Tax-exempt** interest. **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	
b	Qualified dividends	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes		10	
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	86,811.
13	Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here ☐		13	8,920.
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions 15a	b Taxable amount	15b	
16a	Pensions and annuities 16a	b Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits 20a	b Taxable amount	20b	
21	Other income		21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income**		22	138,353.

Adjusted Gross Income

23	Educator expenses	23			
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24			
25	Health savings account deduction. Attach Form 8889	25			
26	Moving expenses. Attach Form 3903	26			
27	One-half of self-employment tax. Attach Schedule SE	27	5,172.		
28	Self-employed SEP, SIMPLE, and qualified plans	28			
29	Self-employed health insurance deduction	29			
30	Penalty on early withdrawal of savings	30			
31a	Alimony paid b Recipient's SSN	31a			
32	IRA deduction	32			
33	Student loan interest deduction	33			
34	Tuition and fees. Attach Form 8917	34			
35	Domestic production activities deduction. Attach Form 8903	35			
36	Add lines 23 - 31a and 32 - 35			36	5,172.
37	Subtract line 36 from line 22. This is your **adjusted gross income**			37	133,181.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 12/22/10 Form **1040** (2010)

BEFORE

Tax and Credits

38	Amount from line 37 (adjusted gross income)		38	133,181.
39a	Check if: ☐ **You** were born before January 2, 1946, ☐ Blind. ☐ **Spouse** was born before January 2, 1946, ☐ Blind. **Total boxes checked** ► 39a ☐			
b	If your spouse itemizes on a separate return, or you were a dual-status alien, check here ► 39b ☐			
40	**Itemized deductions** (from Schedule A) **or** your **standard deduction** (see instructions)		40	17,269.
41	Subtract line 40 from line 38		41	115,912.
42	**Exemptions.** Multiply $3,650 by the number on line 6d		42	14,600.
43	**Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-		43	101,312.
44	**Tax** (see instrs). Check if any tax is from: **a** ☐ Form(s) 8814 **b** ☐ Form 4972		44	16,794.
45	**Alternative minimum tax** (see instructions). Attach Form 6251		45	0.
46	Add lines 44 and 45 ►		46	16,794.
47	Foreign tax credit. Attach Form 1116 if required	47		
48	Credit for child and dependent care expenses. Attach Form 2441	48		
49	Education credits from Form 8863, line 23	49		
50	Retirement savings contributions credit. Attach Form 8880	50		
51	Child tax credit (see instructions)	51		
52	Residential energy credits. Attach Form 5695	52		
53	Other crs from Form: **a** ☐ 3800 **b** ☐ 8801 **c** ☐	53		
54	Add lines 47 through 53. These are your **total credits**		54	
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- ►		55	16,794.

Other Taxes

56	Self-employment tax. Attach Schedule SE		56	10,343.
57	Unreported social security and Medicare tax from Form: **a** ☐ 4137 **b** ☐ 8919		57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required		58	
59a	☐ Form(s) W-2, box 9 **b** ☐ Schedule H **c** ☐ Form 5405, line 16		59	
60	Add lines 55-59. This is your **total tax** ►		60	27,137.

Payments

If you have a qualifying child, attach Schedule EIC.

61	Federal income tax withheld from Forms W-2 and 1099	61	5,180.	
62	2010 estimated tax payments and amount applied from 2009 return	62		
63	Making work pay credit. Attach Schedule M	63	800.	
64a	**Earned income credit (EIC)**	64a		
b	Nontaxable combat pay election ► 64b			
65	Additional child tax credit. Attach Form 8812	65		
66	American opportunity credit from Form 8863, line 14	66		
67	First-time homebuyer credit from Form 5405, line 10	67		
68	Amount paid with request for extension to file	68		
69	Excess social security and tier 1 RRTA tax withheld	69		
70	Credit for federal tax on fuels. Attach Form 4136	70		
71	Credits from Form: **a** ☐ 2439 **b** ☐ 8839 **c** ☐ 8801 **d** ☐ 8885	71		
72	Add lns 61-63, 64a, & 65-71. These are your **total pmts** ►		72	5,980.

Refund

Direct deposit? See instructions.

73	If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you **overpaid**		73	
74a	Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ► ☐		74a	
► b	Routing number ► **c** Type: ☐ Checking ☐ Savings			
► d	Account number			
75	Amount of line 73 you want **applied to your 2011 estimated tax** ►	75		

Amount You Owe

76	**Amount you owe.** Subtract line 72 from line 60. For details on how to pay see instructions ►		76	21,157.
77	Estimated tax penalty (see instructions)	77		

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ **Yes.** Complete below. ☐ **No**

Designee's name ► [redacted] Phone no. ► [redacted] Personal identification number (PIN) ► [redacted]

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
[redacted]	[redacted]			[redacted]

Firm's name ► [redacted]C

Firm's address ► [redacted]

Firm's EIN ► [redacted]

Phone no. [redacted]

Form **1040** (2010)

FDIA0112L 12/22/10

AFTER

Form **1040** Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return 2010

(99) IRS Use Only — Do not write or staple in this space.

For the year Jan 1 - Dec 31, 2010, or other tax year beginning , 2010, ending , 20 | OMB No. 1545-0074

Name, Address, and SSN

See separate instructions.

Your first name MI Last name		Your social security number
[redacted]		[redacted]
If a joint return, spouse's first name MI Last name		Spouse's social security number
[redacted]		[redacted]
Home address (number and street). If you have a P.O. box, see instructions.	Apartment no.	Make sure the SSN(s) above and on line 6c are correct.
[redacted]		
City, town or post office. If you have a foreign address, see instructions.	State ZIP code	Checking a box below will not change your tax or refund.
[redacted]		

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want $3 to go to this fund? ☐ **You** ☐ **Spouse**

Filing Status

Check only one box.

1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above & full name here.
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here
5 ☐ Qualifying widow(er) with dependent child

Exemptions

6a ☒ **Yourself.** If someone can claim you as a dependent, **do not** check box 6a — Boxes checked on 6a and 6b: 2
b ☒ **Spouse**

c **Dependents:**

(1) First name Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ✓ if child under age 17 qualifying for child tax cr (see instrs)
[redacted]	[redacted]	SON	☐
[redacted]	[redacted]	SON	☐
			☐
			☐

No. of children on 6c who: • lived with you: 2
• did not live with you due to divorce or separation (see instrs):
Dependents on 6c not entered above:

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed — Add numbers on lines above: 4

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use **Form 1040-V.**

7	Wages, salaries, tips, etc. Attach Form(s) W-2		7	66,140.
8a	**Taxable** interest. Attach Schedule B if required		8a	482.
b	**Tax-exempt** interest. **Do not** include on line 8a	8b		
9a	Ordinary dividends. Attach Schedule B if required		9a	
b	Qualified dividends	9b		
10	Taxable refunds, credits, or offsets of state and local income taxes		10	
11	Alimony received		11	
12	Business income or (loss). Attach Schedule C or C-EZ		12	
13	Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here ☐		13	
14	Other gains or (losses). Attach Form 4797		14	
15a	IRA distributions	15a	b Taxable amount 15b	
16a	Pensions and annuities	16a	b Taxable amount 16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E		17	32,971.
18	Farm income or (loss). Attach Schedule F		18	
19	Unemployment compensation		19	
20a	Social security benefits	20a	b Taxable amount 20b	
21	Other income		21	
22	Combine the amounts in the far right column for lines 7 through 21. This is your **total income**		22	99,593.

Adjusted Gross Income

23	Educator expenses	23		
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24		
25	Health savings account deduction. Attach Form 8889	25		
26	Moving expenses. Attach Form 3903	26		
27	One-half of self-employment tax. Attach Schedule SE	27		
28	Self-employed SEP, SIMPLE, and qualified plans	28		
29	Self-employed health insurance deduction	29		
30	Penalty on early withdrawal of savings	30		
31a	Alimony paid **b** Recipient's SSN	31a		
32	IRA deduction	32		
33	Student loan interest deduction	33		
34	Tuition and fees. Attach Form 8917	34		
35	Domestic production activities deduction. Attach Form 8903	35		
36	Add lines 23 - 31a and 32 - 35		36	0.
37	Subtract line 36 from line 22. This is your **adjusted gross income**		37	99,593.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 12/22/10 Form **1040** (2010)

AFTER

Tax and Credits	38 Amount from line 37 (adjusted gross income)	38	99,593.
	39a Check if: You were born before January 2, 1946, Blind. Spouse was born before January 2, 1946, Blind. **Total boxes checked** ► 39a		
	b If your spouse itemizes on a separate return, or you were a dual-status alien, check here ► 39b		
	40 **Itemized deductions** (from Schedule A) **or** your **standard deduction** (see instructions)	40	11,400.
	41 Subtract line 40 from line 38	41	88,193.
	42 **Exemptions.** Multiply $3,650 by the number on line 6d	42	14,600.
	43 **Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	73,593.
	44 **Tax** (see instrs). Check if any tax is from: a Form(s) 8814 b Form 4972	44	10,756.
	45 **Alternative minimum tax** (see instructions). Attach Form 6251	45	0.
	46 Add lines 44 and 45 ►	46	10,756.
	47 Foreign tax credit. Attach Form 1116 if required — 47		
	48 Credit for child and dependent care expenses. Attach Form 2441 — 48		
	49 Education credits from Form 8863, line 23 — 49		
	50 Retirement savings contributions credit. Attach Form 8880 — 50		
	51 Child tax credit (see instructions) — 51		
	52 Residential energy credits. Attach Form 5695 — 52		
	53 Other crs from Form: a 3800 b 8801 c — 53		
	54 Add lines 47 through 53. These are your **total credits**	54	
	55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- ►	55	10,756.
Other Taxes	56 Self-employment tax. Attach Schedule SE	56	
	57 Unreported social security and Medicare tax from Form: a 4137 b 8919	57	
	58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
	59a Form(s) W-2, box 9 b Schedule H c Form 5405, line 16	59	
	60 Add lines 55-59. This is your **total tax** ►	60	10,756.
Payments	61 Federal income tax withheld from Forms W-2 and 1099 — 61 — 5,180.		
	62 2010 estimated tax payments and amount applied from 2009 return — 62		
If you have a qualifying child, attach Schedule EIC.	63 Making work pay credit. Attach Schedule M — 63 — 800.		
	64a **Earned income credit (EIC)** — 64a		
	b Nontaxable combat pay election ► 64b		
	65 Additional child tax credit. Attach Form 8812 — 65		
	66 American opportunity credit from Form 8863, line 14 — 66		
	67 First-time homebuyer credit from Form 5405, line 10 — 67		
	68 Amount paid with request for extension to file — 68		
	69 Excess social security and tier 1 RRTA tax withheld — 69		
	70 Credit for federal tax on fuels. Attach Form 4136 — 70		
	71 Credits from Form: a 2439 b 8839 c 8801 d 8885 — 71		
	72 Add lns 61-63, 64a, & 65-71. These are your **total pmts** ►	72	5,980.
Refund	73 If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you **overpaid**	73	
	74a Amount of line 73 you want **refunded to you.** If Form 8888 is attached, check here ►	74a	
Direct deposit? See instructions.	► b Routing number ► c Type: Checking Savings		
	► d Account number		
	75 Amount of line 73 you want **applied to your 2011 estimated tax** ► 75		
Amount You Owe	76 **Amount you owe.** Subtract line 72 from line 60. For details on how to pay see instructions ►	76	4,776.
	77 Estimated tax penalty (see instructions) — 77		

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? [X] **Yes.** Complete below. [ ] **No**

Designee's name ► [redacted] Phone no. ► [redacted] Personal identification number (PIN) ► [redacted]

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, **both** must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
[redacted]	[redacted]			[redacted]

Firm's name ► [redacted]

Firm's address ► [redacted] Firm's EIN ► [redacted]

Phone no. [redacted]

Conclusion

"*You can't solve a problem by using the same thought process that caused the problem in the first place*."
– Albert Einstein

If you are a conservative investor who wants to build wealth that you and your family and future generations can use for a lifetime, then you should avoid the "Public Opinion" about "permanent life insurance" and take a closer look at how it may benefit you financially.

If the insurance policy is properly designed (super-charged) by an insurance specialist, the cash value buildup within the policy can be compelling and the insurance protection can more than adequately protect your family from financial hardship. Furthermore, if you are a business owner, there may even be tax-saving strategies available to you in which to fund your policy.

A properly designed (super-charged) permanent insurance policy can give you:

- ✓ Total access and control of your money
- ✓ Immediate access to your money without paying penalties
- ✓ Flexibility to fit to your personal financial needs
- ✓ Tax-deferred accumulation of your money
- ✓ Tax-free withdrawals (taxed similar to a Roth IRA)
- ✓ Ability to borrow from your policy at a low cost
- ✓ Adequately cover your life with insurance forever
- ✓ Eliminate the anxiety of the ups and downs of the stock market,

What other financial product could possibly give you all these benefits during your lifetime, plus adequately protect your family from financial hardship upon your untimely death?

Do you consider yourself financially conservative? Are you concerned about putting your money into a stock market? Then you may want to consider having an insurance specialist create your own Super-Charged Life Insurance policy!