

Endorsement Split Dollar with Optional Transfer

The Plan Description

Of all the strategies used by employers to provide unique fringe benefits for their valuable executives, this variation is one of the most efficient. With this arrangement, the policy is issued on the executive's life and owned by the employer. Policy values and benefits are allocated as follows:

The employer owns all cash values which are carried as an asset on its books. (The employer's outlay is simply a transfer from the firm's "cash account" to "cash value account".) The employer has access to cash values through the policy's withdrawal and/or loan provisions.

The employer's death benefit is equal to its cumulative premiums paid or, if greater, an amount equal to the policy cash value. Through use of a policy endorsement, the executive's beneficiaries are entitled to receive a portion of the policy death benefit.

Split dollar plans have yearly income tax ramifications for the covered executive. Unless an offsetting payment is made, an executive covered with this type of arrangement is in receipt of a taxable economic benefit to the extent relief is provided from paying premiums personally. Since any premium payment by the executive results in taxable income to the employer (Reg. Section 1.61-22(f)(2)(ii)), the accompanying illustration assumes that the executive pays no share of the premium. As a result, the executive will be in receipt of imputed income each year based on the attained age rates contained in Table 2001 (issued as part of IRS Notice 2001-10). This income consequence is illustrated in the accompanying reports including a bonus from the employer to help offset the income tax that results.

Optional Transfer of the Policy to the Executive

In order to provide continuing death protection to the executive's family in post-retirement years, this arrangement provides the employer with an option to transfer the policy to the executive at retirement, or earlier if the executive's employment terminates due to disability, or severance of employment without cause. The option to transfer does not in any way limit the employer's ownership rights, including the right to surrender, assign, or terminate the policy. The option to transfer should not be construed to keep the cash values of the policy from being used to satisfy the legally enforceable claims of the employer's general creditors, and all interests of the employer in the policy are subject to the legally enforceable claims of the employer's general creditors.

This Optional Transfer arrangement would work especially well with sole or controlling shareholders who would not have to rely solely on the good faith of the employer's management to be awarded the policy by transfer.

Employer's Tax Consequences at Transfer

If the employer transfers the policy to the executive, the employer must recognize gain to the extent that the policy's cash accumulation value exceeds its premium payments; however, provided the executive's overall compensation is reasonable, the employer is entitled to a deduction under IRC. Section 162 equal to the amount the executive includes in income on the transfer (see below).

Executive's Tax Consequences at Transfer

At the point of transfer, the Executive has taxable income to the extent the policy's fair market value (generally approximated by the policy's cash value without reduction for surrender charges) exceeds its premium payments. (See Reg. Sections 1.61-22(g)(2), 1.61-22(d)(4)(i), and IRS Rev. Proc. 2005-25.) The executive's source of funds for the resulting income tax is generally one or more of the following: 1) withdrawal or loan on the policy; 2) bonus from the employer; or 3) out-of-pocket cash.

After the transfer, the executive has unfettered access to plan cash values through the policy's loan and withdrawal provisions, and this source of continuing cash flow is often used to supplement the executive's retirement income. (The Executive's basis in the policy after transfer is the amount on which he /she paid tax, i.e., the policy's cash value without reduction for surrender charges.)

Extensive life insurance coverage for the executive coupled with the transfer option, combined with an impressive array of interim cash values for the employer, constitute a program that should be financially compelling to both employer and executive.

Note: From an ERISA perspective, this option to transfer the policy is part of a plan to provide life insurance coverage and not a plan to provide pension or retirement benefits.

Note: Specimen documents and analysis for this plan are available in InsMark's Documents On A Disk System (version 14.0 or higher).

Note: The Final Split Dollar Regulations (68 FR 54336) issued in September 2003 should have no adverse impact on this plan as illustrated; however, in all cases, the approval of a client's legal and tax advisers must be secured regarding the implementation of any form of split dollar.

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Illustration of Values of The Policy Used in the Plan

Values Page: 1

Presented By: [Licensed user's name appears here]

For: Frank Contini

Date: [Current date appears here]

Contini Brothers, Inc.

Male Age 45	Employer's Tax Bracket 34.00%	VUL Interest Rate 10.00%	Initial Payment 32,000	Initial Death Benefit 750,000
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Year	(1) Net Payment	(2) Pre-Tax Partial Withdrawal	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
1	32,000	0	32,552	22,052	782,552
2	32,000	0	67,867	46,867	817,867
3	32,000	0	106,015	83,665	856,015
4	32,000	0	147,218	124,868	897,218
5	32,000	0	191,718	169,368	941,718
6	32,000	0	239,786	218,553	989,786
7	32,000	0	291,659	271,767	1,041,659
8	32,000	0	347,642	329,315	1,097,642
9	32,000	0	408,048	391,509	1,158,048
10	32,000	0	473,215	458,687	1,223,215
11	32,000	0	543,519	531,227	1,293,519
12	32,000	0	619,362	609,528	1,369,362
13	32,000	0	701,157	694,005	1,451,157
14	32,000	0	789,375	785,128	1,539,375
15	32,000	0	884,513	884,513	1,634,513
16	32,000	0	987,088	987,088	1,737,088
17	32,000	0	1,097,685	1,097,684	1,847,685
18	32,000	0	1,216,921	1,216,921	1,966,921
19	32,000	0	1,345,448	1,345,448	2,095,448
20	32,000	0	1,483,974	1,483,974	2,233,974
	640,000	0			

20 Year Summary

Cum. Payments	640,000
Cum. Pre-Tax Withdrawals	0
Accum Value	1,483,974
Death Benefit	2,233,974

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Illustration of Values of The Policy Used in the Plan

Values Page: 2

Presented By: [Licensed user's name appears here]

For: Frank Contini

Date: [Current date appears here]

Contini Brothers, Inc.

Male Age 45	Employer's Tax Bracket 34.00%	VUL Interest Rate 10.00%	Initial Payment 32,000	Initial Death Benefit 750,000
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Year	(1) Net Payment	(2) Pre-Tax Partial Withdrawal	(3) Year End Accum Value*	(4) Year End Cash Value*	(5) Death Benefit
21	0	519,391	1,055,526	1,055,526	1,733,063
22	0	0	1,134,356	1,134,356	1,733,063
23	0	0	1,220,361	1,220,361	1,733,063
24	0	0	1,314,514	1,314,514	1,733,063
25	0	0	1,417,946	1,417,946	1,733,063
26	0	0	1,533,118	1,533,117	1,763,085
27	0	0	1,657,950	1,657,949	1,873,483
28	0	0	1,793,396	1,793,396	1,990,670
29	0	0	1,940,549	1,940,549	2,115,198
30	0	0	2,100,661	2,100,660	2,247,707
31	0	0	2,275,184	2,275,184	2,388,943
32	0	0	2,463,795	2,463,795	2,586,985
33	0	0	2,667,550	2,667,550	2,800,928
34	0	0	2,887,570	2,887,570	3,031,949
35	0	0	3,125,042	3,125,042	3,281,295
36	0	0	3,381,219	3,381,219	3,550,280
37	0	0	3,657,412	3,657,412	3,840,282
38	0	0	3,954,998	3,954,998	4,152,748
39	0	0	4,275,409	4,275,409	4,489,179
40	0	0	4,620,129	4,620,129	4,851,135
	640,000	519,391			

40 Year Summary

Cum. Payments	640,000
Cum. Pre-Tax Withdrawals	519,391
Accum Value	4,620,129
Death Benefit	4,851,135

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

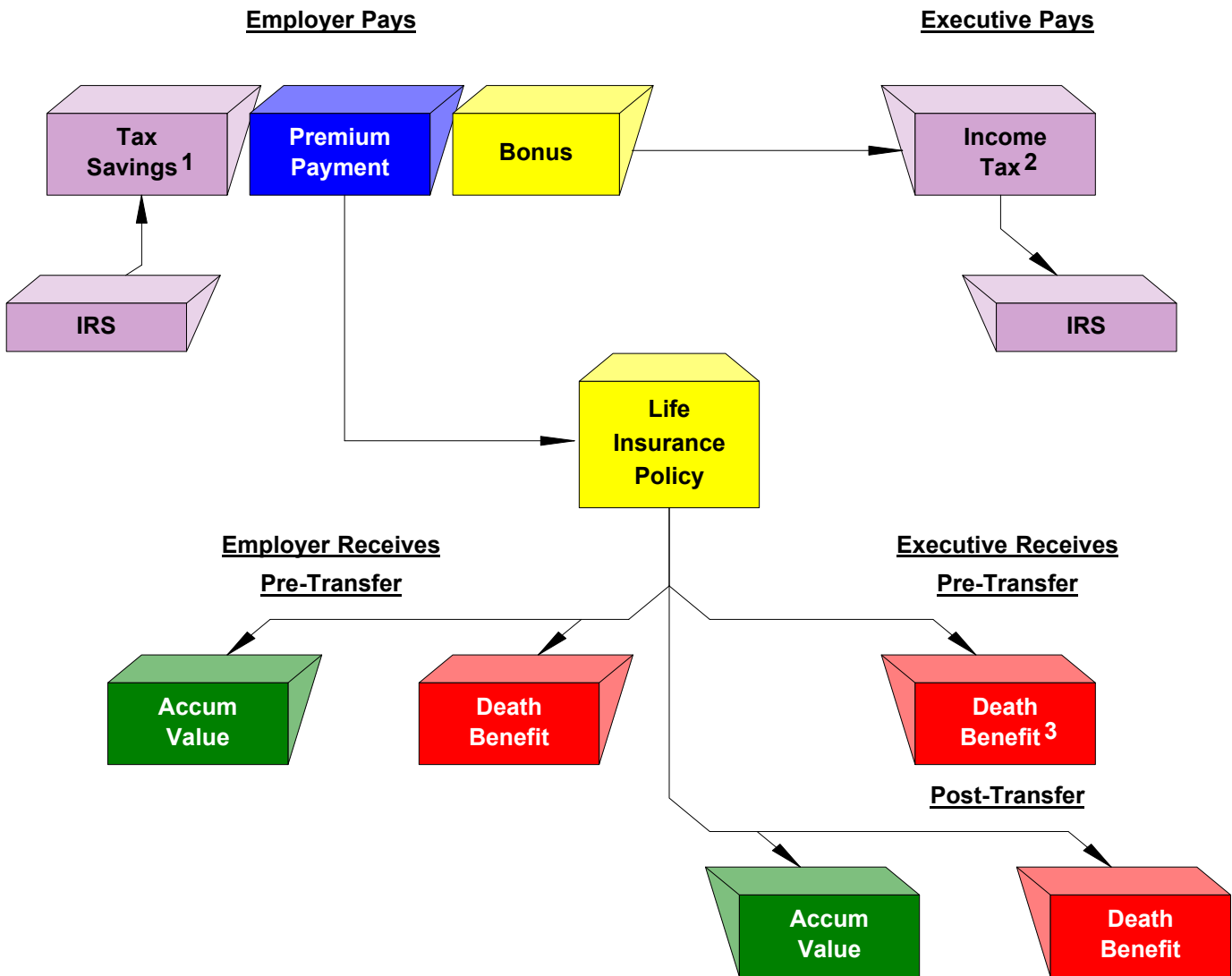
Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Who Pays What - Who Receives What

Presented By: [Licensed user's name appears here]
Date: [Current date appears here]

For: Frank Contini
Contini Brothers, Inc.

Flow Chart Analysis



(1) See Employer's Analysis page for details.
(2) See Executive's Analysis page for details.

(3) Equal to remaining balance after employer's portion is deducted.

Details of the Tax Consequences if the Optional Transfer is Elected

Details Page: 1

Presented By: [Licensed user's name appears here]

For: Frank Contini

Date: [Current date appears here]

Contini Brothers, Inc.

Male	Employer's	Executive's	Year Transfer
Age	Tax Bracket	Tax Bracket	is Illustrated
45	34.00%	35.00%	21

Transfer Details:

Accumulation value of policy in year of transfer: \$1,483,974

Employer's cumulative premiums: \$640,000

Executive's cumulative premiums: \$0

Timing of transfer: beginning of year 21

Employer's Transfer Tax Consequences:

The employer must recognize gain to the extent that the accumulation value exceeds the employer's premium payments; however, the employer is entitled to a deduction under IRC Section 162 equal to the amount the executive includes in income on the transfer -- which is generally approximated by the accumulation value without regard to any surrender charges.

Therefore, for this case:

1. The employer has a taxable gain of the difference between \$1,483,974 (accumulation value of policy) and \$640,000 (employer's cumulative premium share) which equals \$843,974 in taxable gain. $\$843,974 \times 34.00\%$ (the employer's tax bracket) = \$286,951 of income tax due.
2. In addition, the employer has an income tax deduction of the difference between \$1,483,974 (policy accumulation value) and \$0 (executive's cumulative premium share) which equals \$1,483,974 in taxable gain. $\$1,483,974 \times 34.00\%$ = \$504,551 of income tax savings.
3. \$504,551 of income tax savings less \$286,951 of income tax due = \$217,600 of net income tax savings to the employer at transfer.

Executive's Transfer Tax Consequences:

The executive has taxable income to the extent of the policy's fair market value -- which is generally approximated by the policy's accumulation value without reduction for surrender charges. (See Reg. Sections 1.61-22(g)(2), 1.61-22(d)(4)(i), and IRS Rev. Proc. 2005-25.)

Therefore, for this case:

1. The executive has a taxable income of \$1,483,974 (the policy accumulation value).
2. $\$1,483,974 \times 35.00\%$ = \$519,391 of income tax due.

Note: Any premium payments, increase in policy values, or policy activity (loans, withdrawals, etc.) in the year of transfer are presumed to occur after the transfer takes place.

Summary of Costs and Benefits

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Summary Page: 1

Presented By: [Licensed user's name appears here]

For: Frank Contini

Date: [Current date appears here]

Contini Brothers, Inc.

Male Age 45	Form of Transaction (Endorsement)	Employer's Tax Bracket 34.00%	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Year Transfer is Illustrated 21
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Year	Employer					Executive			
	(1) Net Payment	(2) Cumulative Net Payments	(3) Share of Policy Accum Value*	(4) Share of Policy Cash Value*	(5) Share of Policy Death Benefit	(6) Net Payment	(7) After Tax Withdrawal Applied to Transfer	(8) Share of Policy Accum Value*	(9) Share of Policy Death Benefit
1	32,408	32,408	32,552	22,052	32,552	0	0	0	750,000
2	32,446	64,854	67,867	46,867	67,867	0	0	0	750,000
3	32,488	97,342	106,015	83,665	106,015	0	0	0	750,000
4	32,528	129,870	147,218	124,868	147,218	0	0	0	750,000
5	32,568	162,438	191,718	169,368	191,718	0	0	0	750,000
6	32,613	195,051	239,786	218,553	239,786	0	0	0	750,000
7	32,672	227,723	291,659	271,767	291,659	0	0	0	750,000
8	32,749	260,472	347,642	329,315	347,642	0	0	0	750,000
9	32,853	293,325	408,048	391,509	408,048	0	0	0	750,000
10	32,973	326,298	473,215	458,687	473,215	0	0	0	750,000
11	33,106	359,404	543,519	531,227	543,519	0	0	0	750,000
12	33,247	392,651	619,362	609,528	619,362	0	0	0	750,000
13	33,386	426,037	701,157	694,005	701,157	0	0	0	750,000
14	33,509	459,546	789,375	785,128	789,375	0	0	0	750,000
15	33,615	493,161	884,513	884,513	884,513	0	0	0	750,000
16	33,735	526,896	987,088	987,088	987,088	0	0	0	750,000
17	33,896	560,792	1,097,685	1,097,684	1,097,685	0	0	0	750,000
18	34,122	594,914	1,216,921	1,216,921	1,216,921	0	0	0	750,000
19	34,420	629,334	1,345,448	1,345,448	1,345,448	0	0	0	750,000
20	34,775	664,109	1,483,974	1,483,974	1,483,974	0	0	0	750,000
	664,109					0	0		

Split dollar arrangement presumed terminated in year 21.

20 Year Summary

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Employer's Cum. A/T Costs	664,109
Employer's Accum Value	1,483,974
Employer's Death Benefit	1,483,974
Executive's Cum. A/T Costs	0
Executive's A/T Withdrawal Applied to Transfer	0
Executive's Accum Value	0
Executive's Death Benefit	750,000

Summary of Costs and Benefits

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Summary Page: 2
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

Male Age 45	Form of Transaction (Endorsement)	Employer's Tax Bracket 34.00%	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Year Transfer is Illustrated 21
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Year	Employer					Executive			
	(1) Net Payment	(2) Cumulative Net Payments	(3) Share of Policy Accum Value*	(4) Share of Policy Cash Value*	(5) Share of Policy Death Benefit	(6) Net Payment	(7) After Tax Withdrawal Applied to Transfer	(8) Share of Policy Accum Value*	(9) Share of Policy Death Benefit
21	-217,600	446,509	0	0	0	0	519,391	1,055,526	1,733,063
22	0	446,509	0	0	0	0	0	1,134,356	1,733,063
23	0	446,509	0	0	0	0	0	1,220,361	1,733,063
24	0	446,509	0	0	0	0	0	1,314,514	1,733,063
25	0	446,509	0	0	0	0	0	1,417,946	1,733,063
26	0	446,509	0	0	0	0	0	1,533,118	1,763,085
27	0	446,509	0	0	0	0	0	1,657,950	1,873,483
28	0	446,509	0	0	0	0	0	1,793,396	1,990,670
29	0	446,509	0	0	0	0	0	1,940,549	2,115,198
30	0	446,509	0	0	0	0	0	2,100,661	2,247,707
31	0	446,509	0	0	0	0	0	2,275,184	2,388,943
32	0	446,509	0	0	0	0	0	2,463,795	2,586,985
33	0	446,509	0	0	0	0	0	2,667,550	2,800,928
34	0	446,509	0	0	0	0	0	2,887,570	3,031,949
35	0	446,509	0	0	0	0	0	3,125,042	3,281,295
36	0	446,509	0	0	0	0	0	3,381,219	3,550,280
37	0	446,509	0	0	0	0	0	3,657,412	3,840,282
38	0	446,509	0	0	0	0	0	3,954,998	4,152,748
39	0	446,509	0	0	0	0	0	4,275,409	4,489,179
40	0	446,509	0	0	0	0	0	4,620,129	4,851,135
	446,509					0	519,391		

Split dollar arrangement presumed terminated in year 21.

40 Year Summary

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Employer's Cum. A/T Costs	446,509
Employer's Accum Value	0
Employer's Death Benefit	0
Executive's Cum. A/T Costs	0
Executive's A/T Withdrawal Applied to Transfer	519,391
Executive's Accum Value	4,620,129
Executive's Death Benefit	4,851,135

Employer's Analysis

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Employer's Analysis Page: 1
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

	Male Age 45	Form of Transaction (Endorsement)	Employer's Tax Bracket 34.00%	VUL Interest Rate 10.00%	Year Transfer is Illustrated 21		
Year	(1) Split Dollar Premium Share	(2) Cum. Split Dollar Premium Share	(3) Bonus to Executive	(4) After Tax Cost of Bonus	(5) Income Tax Savings from Transfer*	(6) Net Payment (1)+(4)-(5)	(7) Cumulative Net Payments
1	32,000	32,000	618	408	0	32,408	32,408
2	32,000	64,000	675	446	0	32,446	64,854
3	32,000	96,000	739	488	0	32,488	97,342
4	32,000	128,000	800	528	0	32,528	129,870
5	32,000	160,000	860	568	0	32,568	162,438
6	32,000	192,000	929	613	0	32,613	195,051
7	32,000	224,000	1,018	672	0	32,672	227,723
8	32,000	256,000	1,135	749	0	32,749	260,472
9	32,000	288,000	1,292	853	0	32,853	293,325
10	32,000	320,000	1,474	973	0	32,973	326,298
11	32,000	352,000	1,676	1,106	0	33,106	359,404
12	32,000	384,000	1,890	1,247	0	33,247	392,651
13	32,000	416,000	2,100	1,386	0	33,386	426,037
14	32,000	448,000	2,286	1,509	0	33,509	459,546
15	32,000	480,000	2,447	1,615	0	33,615	493,161
16	32,000	512,000	2,629	1,735	0	33,735	526,896
17	32,000	544,000	2,872	1,896	0	33,896	560,792
18	32,000	576,000	3,215	2,122	0	34,122	594,914
19	32,000	608,000	3,667	2,420	0	34,420	629,334
20	32,000	640,000	4,204	2,775	0	34,775	664,109
	640,000		36,526	24,109		664,109	

This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

*The split dollar arrangement is presumed terminated at the beginning of year 21 via an optional transfer. This produces 1) taxable income to the employer to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income.

Employer's Analysis

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Employer's Analysis Page: 2
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

Year	(1) Split Dollar Premium Share	(2) Cum. Split Dollar Premium Share	(3) Bonus to Executive	(4) After Tax Cost of Bonus	(5) Income Tax Savings from Transfer*	(6) Net Payment (1)+(4)-(5)	(7) Cumulative Net Payments
21	0	0	0	0	217,600	-217,600	446,509
22	0	0	0	0	0	0	446,509
23	0	0	0	0	0	0	446,509
24	0	0	0	0	0	0	446,509
25	0	0	0	0	0	0	446,509
26	0	0	0	0	0	0	446,509
27	0	0	0	0	0	0	446,509
28	0	0	0	0	0	0	446,509
29	0	0	0	0	0	0	446,509
30	0	0	0	0	0	0	446,509
31	0	0	0	0	0	0	446,509
32	0	0	0	0	0	0	446,509
33	0	0	0	0	0	0	446,509
34	0	0	0	0	0	0	446,509
35	0	0	0	0	0	0	446,509
36	0	0	0	0	0	0	446,509
37	0	0	0	0	0	0	446,509
38	0	0	0	0	0	0	446,509
39	0	0	0	0	0	0	446,509
40	0	0	0	0	0	0	446,509
	640,000		36,526	24,109		446,509	

This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

*The split dollar arrangement is presumed terminated at the beginning of year 21 via an optional transfer. This produces 1) taxable income to the employer to the extent its accumulation value (without regard to surrender charges) exceeds its cost basis and 2) an income tax deduction equal to the amount the executive includes in income.

Executive's Analysis

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Executive's Analysis Page: 1
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

	Male Age 45	Form of Transaction (Endorsement)	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Year Transfer is Illustrated 21					
Year	(1) Split Dollar Premium Share	(2) Taxable Value of Benefit	(3) Bonus Income Received	(4) Income from Transfer*	(5) Taxable Income (2)+(3)+(4)	(6) Income Tax Due on Col (5)	(7) After Tax Partial Withdrawal	(8) Net Payment (1)-(3)+(6)-(7)		
1	0	1,148	618	0	1,766	618	0	0		
2	0	1,253	675	0	1,928	675	0	0		
3	0	1,373	739	0	2,112	739	0	0		
4	0	1,485	800	0	2,285	800	0	0		
5	0	1,598	860	0	2,458	860	0	0		
6	0	1,725	929	0	2,654	929	0	0		
7	0	1,890	1,018	0	2,908	1,018	0	0		
8	0	2,108	1,135	0	3,243	1,135	0	0		
9	0	2,400	1,292	0	3,692	1,292	0	0		
10	0	2,738	1,474	0	4,212	1,474	0	0		
11	0	3,113	1,676	0	4,789	1,676	0	0		
12	0	3,510	1,890	0	5,400	1,890	0	0		
13	0	3,900	2,100	0	6,000	2,100	0	0		
14	0	4,245	2,286	0	6,531	2,286	0	0		
15	0	4,545	2,447	0	6,992	2,447	0	0		
16	0	4,883	2,629	0	7,512	2,629	0	0		
17	0	5,333	2,872	0	8,205	2,872	0	0		
18	0	5,970	3,215	0	9,185	3,215	0	0		
19	0	6,810	3,667	0	10,477	3,667	0	0		
20	0	7,808	4,204	0	12,012	4,204	0	0		
	0	67,835	36,526	0	104,361	36,526	0	0		

Column (2) is the imputed economic benefit in compliance with IRS Notice 2002-8. (Table 2001 rates utilized.)

This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

*The split dollar arrangement is presumed terminated at the beginning of year 21 via an optional transfer. This produces taxable income to the executive equal to the accumulation value transferred from the employer (without regard to surrender charges).

Executive's Analysis

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Executive's Analysis Page: 2
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

	Male Age 45	Form of Transaction (Endorsement)	Executive's Tax Bracket 35.00%	VUL Interest Rate 10.00%	Year Transfer is Illustrated 21			
Year	(1) Split Dollar Premium Share	(2) Taxable Value of Benefit	(3) Bonus Income Received	(4) Income from Transfer*	(5) Taxable Income (2)+(3)+(4)	(6) Income Tax Due on Col (5)	(7) After Tax Partial Withdrawal	(8) Net Payment (1)-(3)+(6)-(7)
21	0	0	0	1,483,974	1,483,974	519,391	519,391	0
22	0	0	0	0	0	0	0	0
23	0	0	0	0	0	0	0	0
24	0	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	0	0
28	0	0	0	0	0	0	0	0
29	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0
33	0	0	0	0	0	0	0	0
34	0	0	0	0	0	0	0	0
35	0	0	0	0	0	0	0	0
36	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0
39	0	0	0	0	0	0	0	0
40	0	0	0	0	0	0	0	0
	0	67,835	36,526	1,483,974	1,588,335	555,917	519,391	0

Column (2) is the imputed economic benefit in compliance with IRS Notice 2002-8. (Table 2001 rates utilized.)

This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

*The split dollar arrangement is presumed terminated at the beginning of year 21 via an optional transfer. This produces taxable income to the executive equal to the accumulation value transferred from the employer (without regard to surrender charges).

Executive's Personal Report

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Executive's Personal Report Page: 1
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

Male	Form of	Executive's	VUL
Age	Transaction	Tax Bracket	Interest Rate
45	(Endorsement)	35.00%	10.00%

Year	Executive's Costs	Executive's Values	
	(1) Net Payment	(2) Share of Policy Accum Value*	(3) Executive's Share of Death Benefit
1	0	0	750,000
2	0	0	750,000
3	0	0	750,000
4	0	0	750,000
5	0	0	750,000
6	0	0	750,000
7	0	0	750,000
8	0	0	750,000
9	0	0	750,000
10	0	0	750,000
11	0	0	750,000
12	0	0	750,000
13	0	0	750,000
14	0	0	750,000
15	0	0	750,000
16	0	0	750,000
17	0	0	750,000
18	0	0	750,000
19	0	0	750,000
20	0	0	750,000
	0		

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

Split dollar arrangement presumed terminated in year 21.

Executive's Personal Report

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Executive's Personal Report Page: 2
Date: [Current date appears here]

Presented By: [Licensed user's name appears here]

For: Frank Contini
Contini Brothers, Inc.

Male	Form of	Executive's	VUL
Age	Transaction	Tax Bracket	Interest Rate
45	(Endorsement)	35.00%	10.00%

Year	Executive's Costs	Executive's Values	
	(1) Net Payment	(2) Share of Policy Accum Value*	(3) Executive's Share of Death Benefit
21	0	1,055,526	1,733,063
22	0	1,134,356	1,733,063
23	0	1,220,361	1,733,063
24	0	1,314,514	1,733,063
25	0	1,417,946	1,733,063
26	0	1,533,118	1,763,085
27	0	1,657,950	1,873,483
28	0	1,793,396	1,990,670
29	0	1,940,549	2,115,198
30	0	2,100,661	2,247,707
31	0	2,275,184	2,388,943
32	0	2,463,795	2,586,985
33	0	2,667,550	2,800,928
34	0	2,887,570	3,031,949
35	0	3,125,042	3,281,295
36	0	3,381,219	3,550,280
37	0	3,657,412	3,840,282
38	0	3,954,998	4,152,748
39	0	4,275,409	4,489,179
40	0	4,620,129	4,851,135
	0		

*This is an example of an InsMark supplemental illustration for variable universal life insurance. In a real presentation, this footnote will refer to an accompanying "basic" illustration from a specific life insurance company and a prospectus.

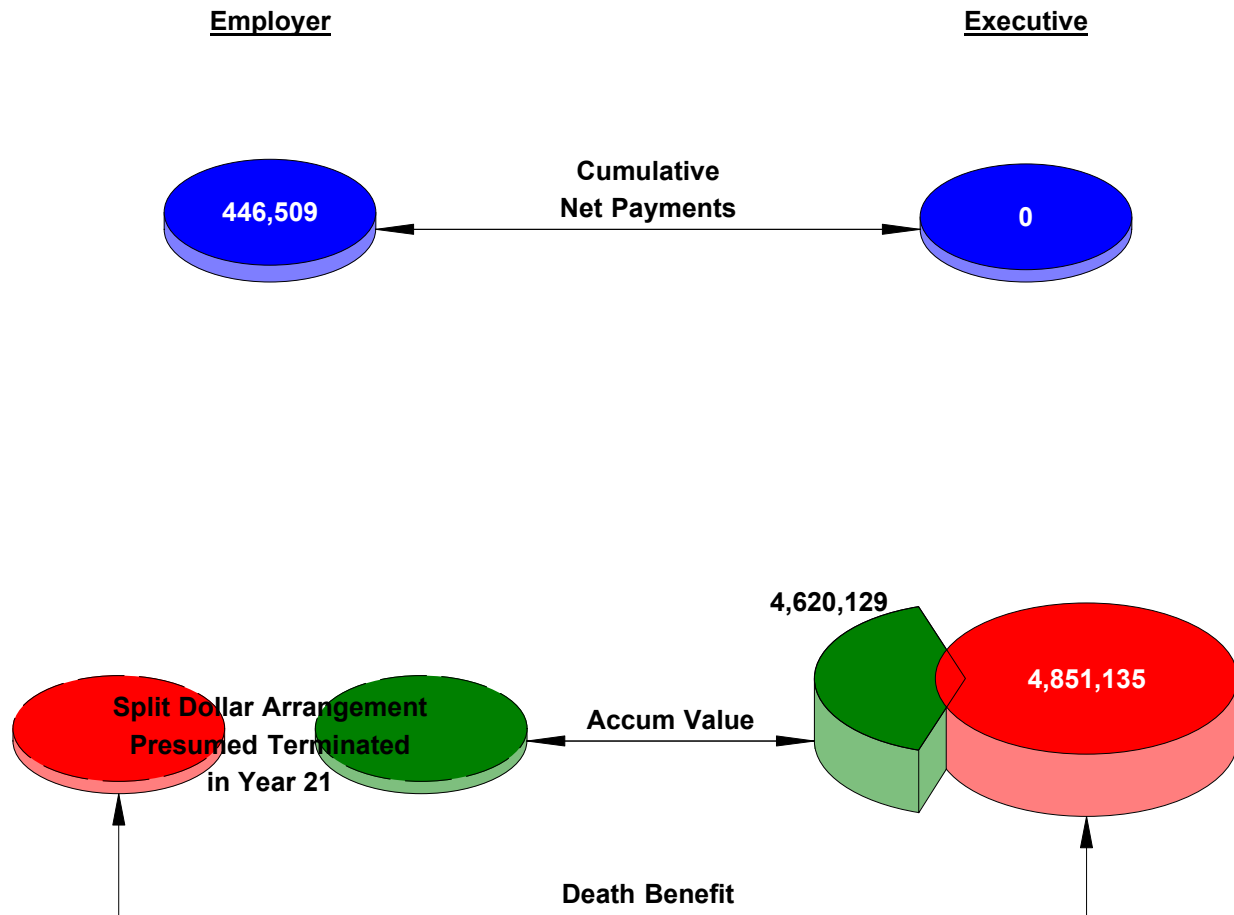
Split dollar arrangement presumed terminated in year 21.

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: [Current date appears here]

For: Frank Contini
Contini Brothers, Inc.

40th Year Summary Analysis



Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.

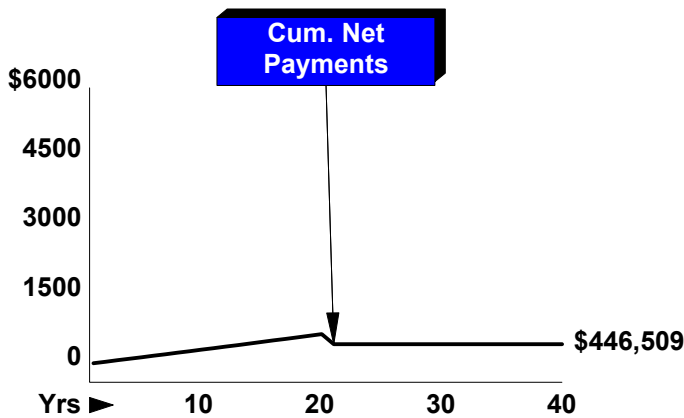
Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: [Current date appears here]

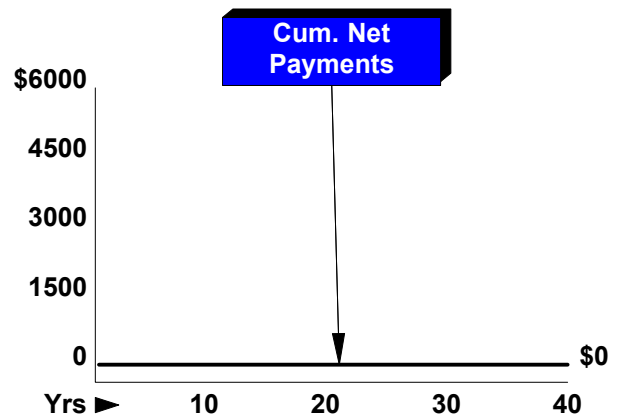
For: Frank Contini
Contini Brothers, Inc.

40 Year Graphic Analysis

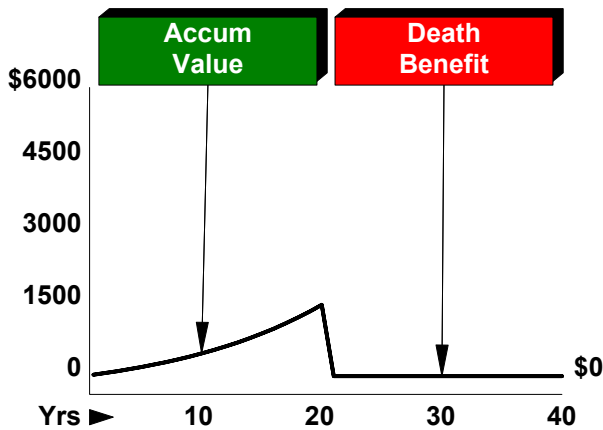
Employer's Payments



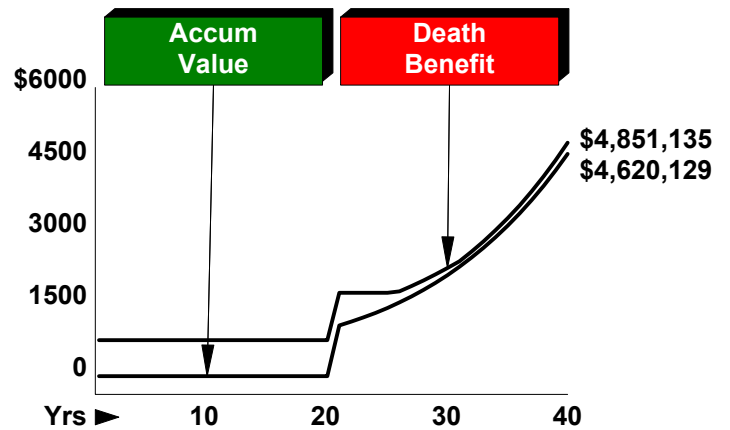
Executive's Payments



Employer's Values



Executive's Values



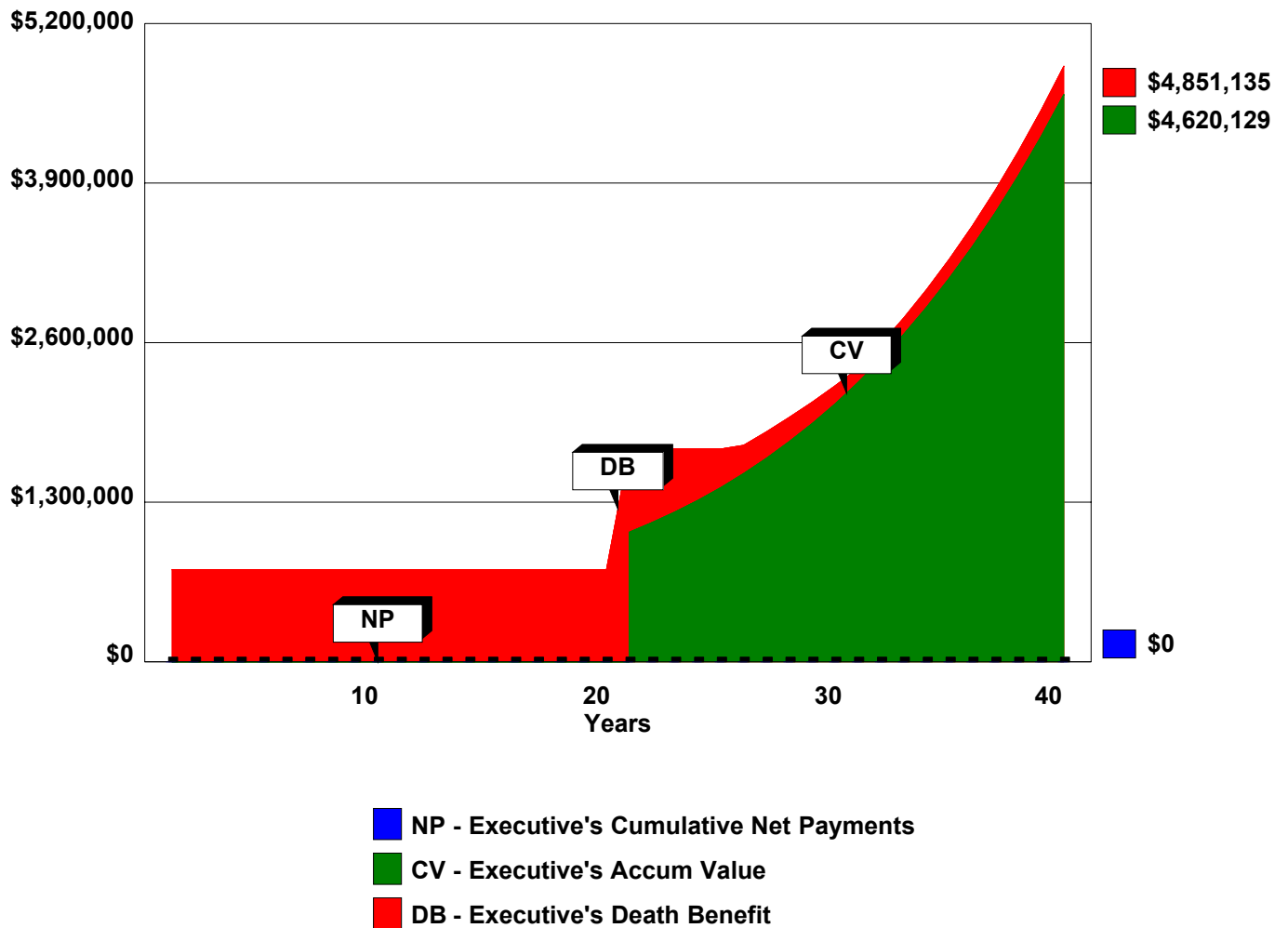
Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: [Current date appears here]

For: Frank Contini
Contini Brothers, Inc.

Executive's 40 Year Graphic Analysis



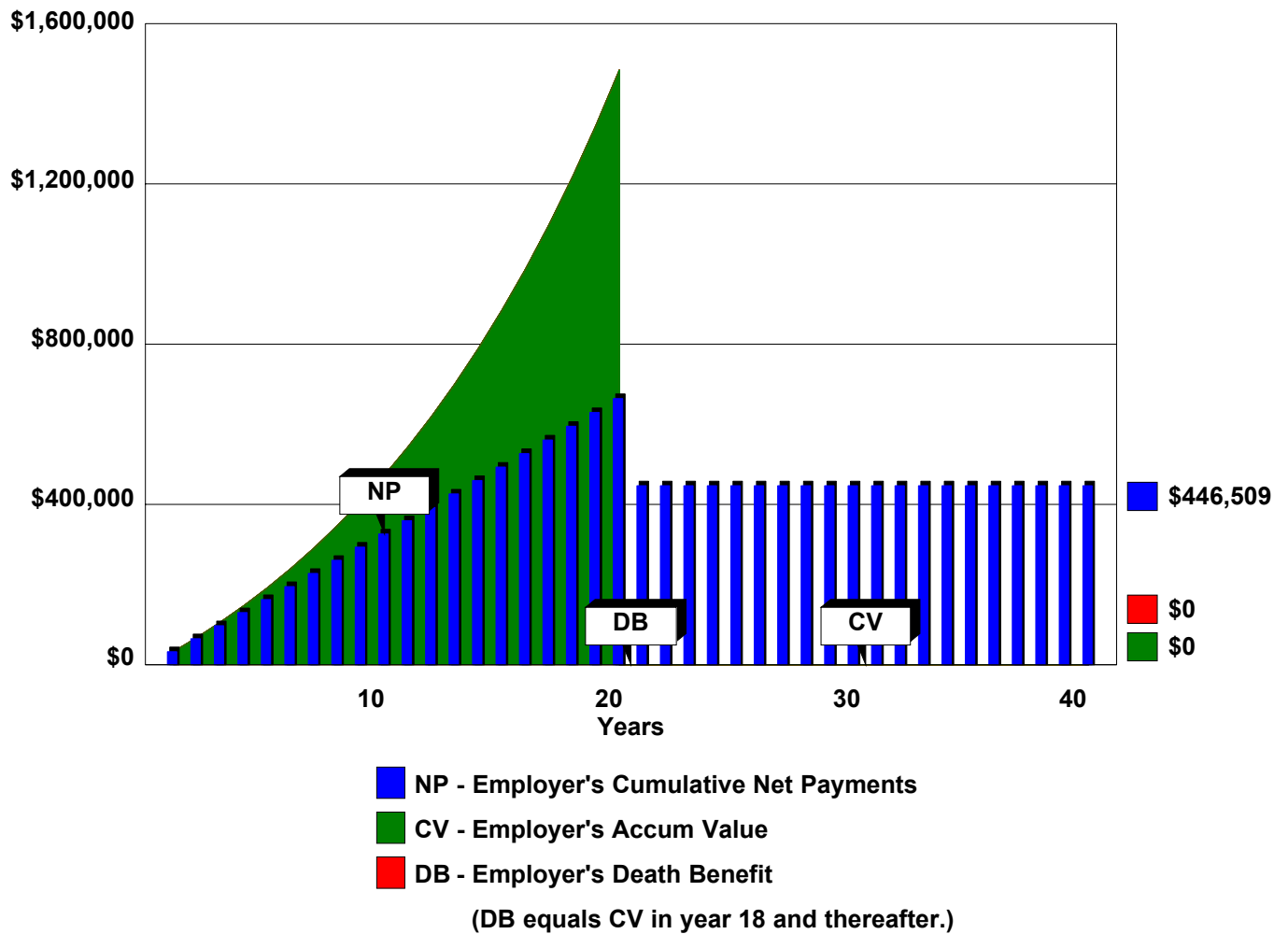
Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.

Endorsement Split Dollar with Optional Transfer Using Variable Universal Life (VUL)

Presented By: [Licensed user's name appears here]
Date: [Current date appears here]

For: Frank Contini
Contini Brothers, Inc.

Employer's 40 Year Graphic Analysis



Note: The after tax effects of bonuses are included in the cumulative net payments of both the employer and the executive.