

Grantor Retained Annuity Trust

Case Name				Default Case
Client's First Name	John	Growth Rate of Principal	10.0%	
Client's Last Name	Doe	Average Estate Tax Rate	50.0%	
Date of Transfer	10/30/2002	Elect Gift Splitting?	No	
Section 7520 Rate	10.0%	Client: Post-76 Taxable Gifts	0	
Beginning Principal	200,000	Client: Used Unified Credit	0	
Annuity Payment Period	Annual	Spouse: Post-76 Taxable Gifts	0	
Annual Increase of Annuity	0.0%	Spouse: Used Unified Credit	0	
Type of Trust	Shorter Of	First Term Comparison	5	
Trust Term	5	Increment	1	
Number of Lives	One Life	First Growth Rate Comparison	10.0%	
Client's Nearest Age	65	Increment	1.0%	
Spouse's Nearest Age	0	Gift Tax Law To Apply	Sunset	
Type of Payment Rate	Zero Out			
Fixed Payment Rate	0.00000%			

Grantor Retained Annuity Trust

General Analysis

John Doe - Default Case

General

Type of Trust	Shorter Of
Date of Transfer	10/30/2002
Section 7520 Rate	10.0%
Beginning Principal	200,000
Trust Term	5
Client's Nearest Age	65
Life Status	Single
Gift Tax Law To Apply	Sunset

Annuity Information

Type of Payment Rate	Zero Out
Annuity Payment Rate	26.37965%
Annuity Payment Period	Annual
Payments Made at Beginning or End of Period?	End
Annuity Increase Percentage	0%
Annuity Factor	3.6199
Annuity Payment Per Year (First Year)	52,759
Annuity Payment Per Period (First Year)	52,759

Taxable Gift

Total Interest	200,000
Annuity Interest	190,983
Remainder Interest (Taxable Gift)	9,017

Gift Tax Payable

Elect Gift Splitting?	No
Client's Post-76 Taxable Gifts	0
Client's Used Unified Credit	0
Gift Tax Payable	0

Ending Values

Years of Client's Life Expectancy	17.2
Years of Trust Duration (Term)	5
Cumulative Annuity Payments	263,797
Average Estate Tax Rate	50.0%
Growth Rate of Principal	10.0%
Ending Principal	1
Estimated Estate Tax Savings*	(4,508)

Applicable Tests

Annuity Exhaustion Test (Rev. Rul. 77-454 & Sec.7520 Regs)	Passed
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*Average Estate Tax Rate times the difference of Ending Principal minus Taxable Gift.

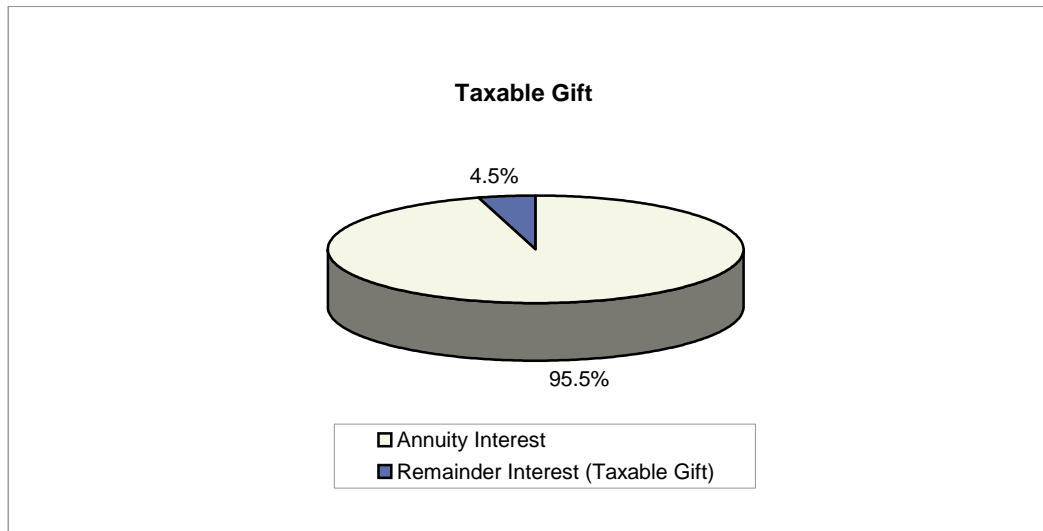
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Taxable Gift

John Doe - Default Case

Taxable Gift

Total Interest	200,000
Annuity Interest	190,983
Remainder Interest (Taxable Gift)	9,017



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Trust Term	5
Client's Nearest Age	65
Annuity Payment Rate	26.37965%
Annuity Payment Period	Annual
Payments Made at Beginning or End of Period?	End
Annuity Increase Percentage	0.0%
Gift Tax Law To Apply	Sunset

Grantor Retained Annuity Trust

Annual Cash Flow and Payments

John Doe - Default Case

General

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Annuity Payment Rate	26.37965%
Annuity Payment Period	Annual
Payments Made at Beginning or End of Period?	End
Annuity Increase Percentage	0.0%
Annuity Payment Per Period (First Year)	52,759
Years of Trust Duration (Term)	5
Cumulative Annuity Payments	263,797

Year	Beginning Principal	Annual Growth	Annual Payment	Ending Principal
1	200,000	20,000	52,759	167,241
2	167,241	16,724	52,759	131,205
3	131,205	13,121	52,759	91,567
4	91,567	9,157	52,759	47,964
5	47,964	4,796	52,759	1

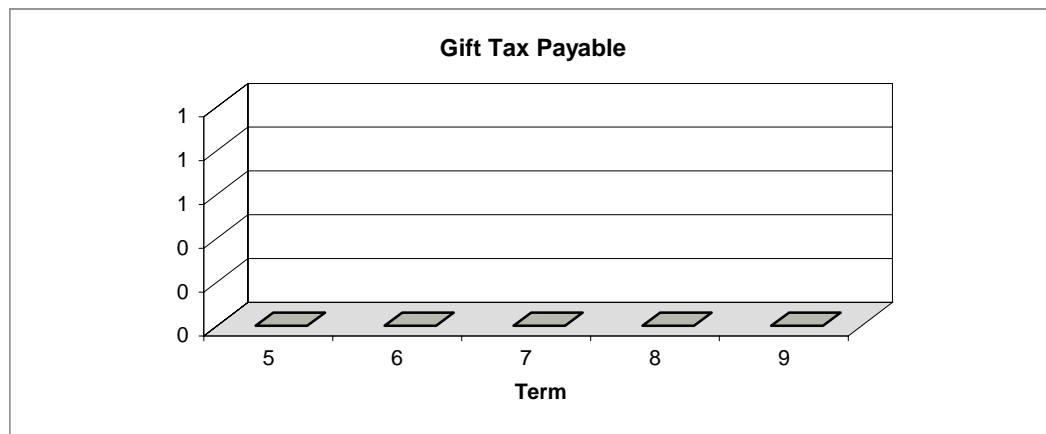
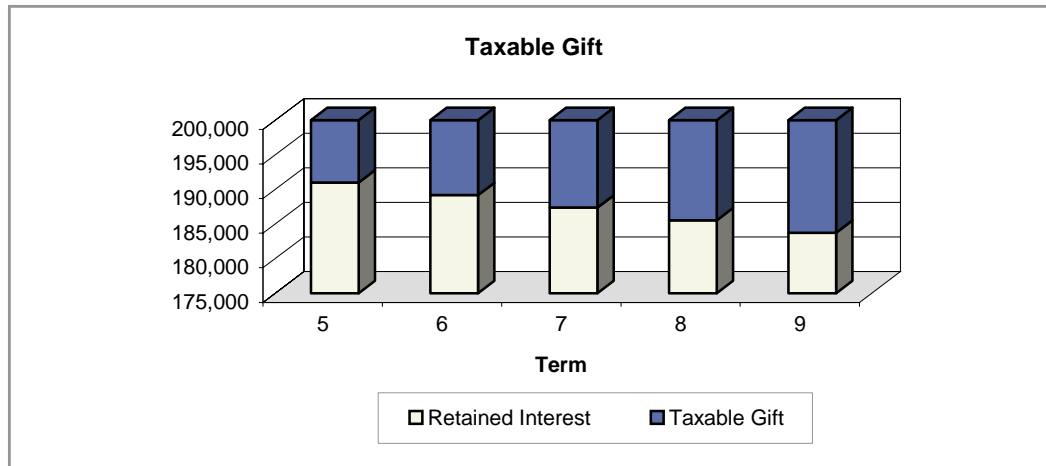
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Term Comparisons

John Doe - Default Case

Term	Annuity Payment	Retained Interest	Taxable Gift	Gift Tax Payable
5	52,759	190,983	9,017	0
6	45,921	189,172	10,828	0
7	41,081	187,363	12,637	0
8	37,489	185,548	14,452	0
9	34,728	183,740	16,260	0

Note: A "zero out" annuity payment rate is assumed for each term



General

Beginning Principal	200,000
Elect Gift Splitting?	No
Client's Post-76 Taxable Gifts	0
Client's Used Unified Credit	0
Gift Tax Law To Apply	Sunset

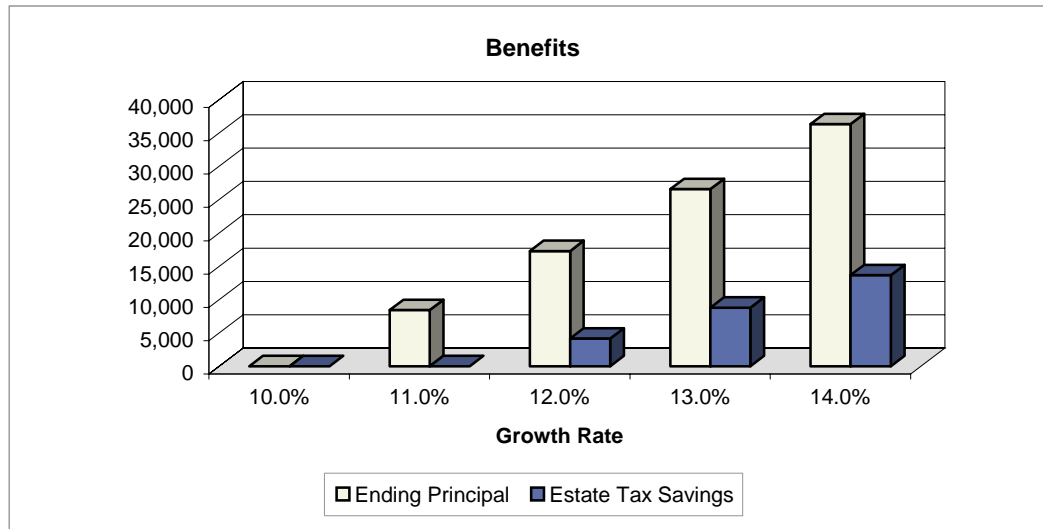
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Growth Rate Comparisons

John Doe - Default Case

Growth Rate	Ending Principal	Taxable Gift	Estate Tax Savings*
10.0%	1	9,017	0
11.0%	8,437	9,017	0
12.0%	17,296	9,017	4,140
13.0%	26,592	9,017	8,788
14.0%	36,338	9,017	13,661

*Avg Estate Tax Rate times the difference of Ending Principal minus Taxable Gift.



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Trust Term	5
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Annuity Payment Period	Annual
Payments Made at Beginning or End of Period?	End
Annuity Increase Percentage	0.0%
Taxable Gift	9,017
Gift Tax Payable	0
Gift Tax Law To Apply	Sunset