

Leveraged Deferred Compensation

Supplemental Report: Duration of Loans

The accompanying illustrations reflect loans that may remain in effect for many years. Most loans illustrated are assumed to be long-term loans (over 9 years) bearing a loan interest rate equal to or greater than the Applicable Federal Rate of 3.56% for February 2014. Other Applicable Federal Rates in effect for February 2014 are:

Mid-term loans (over 3 years but not over 9): 1.97%;

Short-term loans (3 years or less): 0.30%;

Demand loans: 0.30%.

The demand loan rate changes monthly -- an unhappy condition for a loan expected to remain in effect for many years. A so-called "blended" rate that is stable for one year at a time can be used for demand loans. The 2014 blended rate for demand loans will not be announced until late June 2014.

Stability of loan interest is an important component of any arrangement involving loans. A dramatic rise in loan interest rates at the maturity of a demand, short-term or mid-term loan may result in less-than-acceptable loan interest rates when the loan is renewed. When you are dealing with a financial arrangement of many years, long-term loans produce more stable interest rates that can be renegotiated downward should rates decline, but are capped at rates that are known as each loan is made. For an example of renegotiating loan interest downward, see the report entitled "Renegotiating the Applicable Federal Rate".

Due to the relative stability of the long-term Applicable Federal Rate coupled with the ability to renegotiate it downward, you may wish to establish your arrangement using long-term loans.

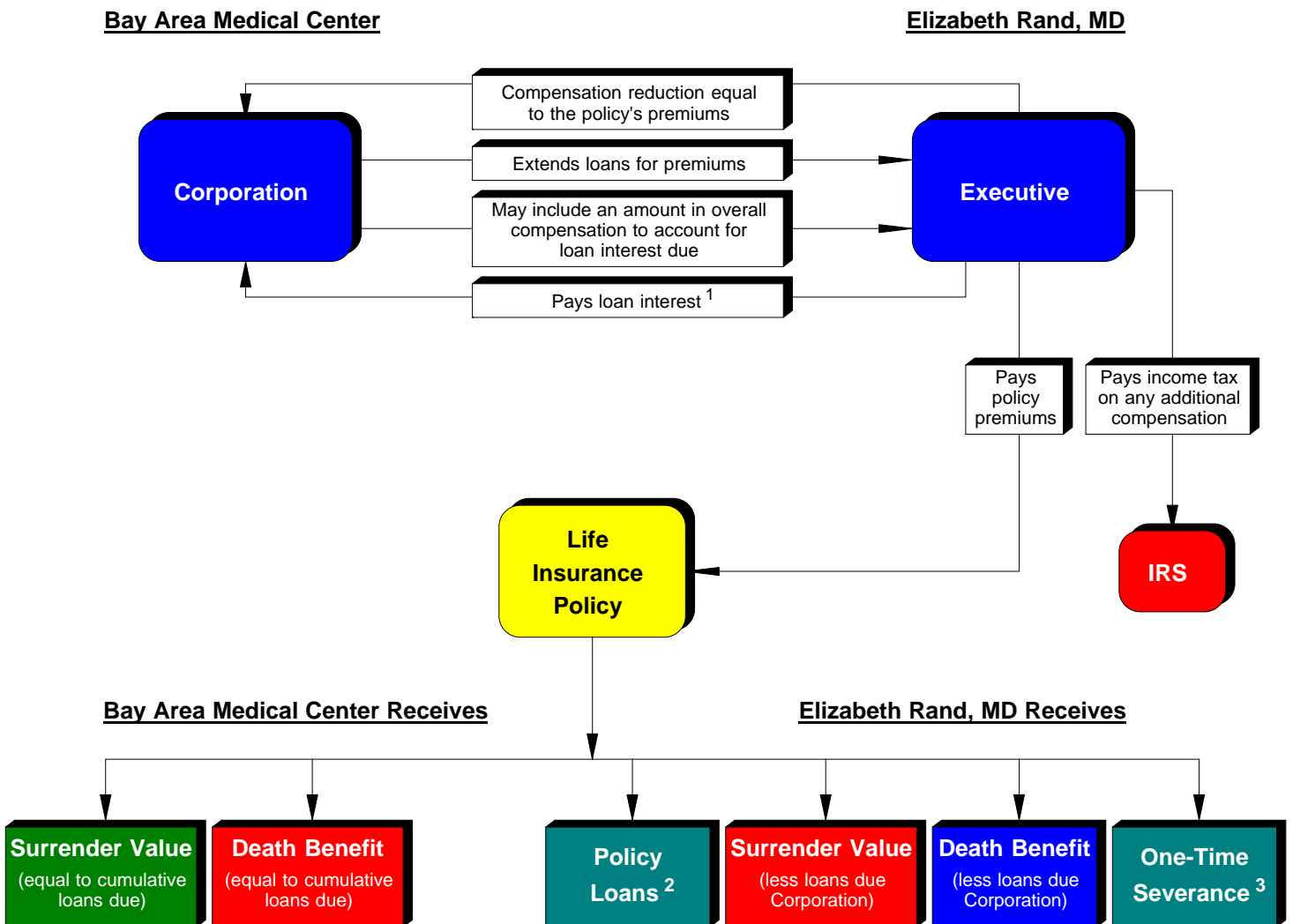
Leveraged Deferred Compensation Funded With Indexed Universal Life

Who Pays What - Who Receives What

Presented By: [Licensed user's name appears here]
Date: 02/09/2014

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Flow Chart Analysis



¹ If the loan interest paid on each loan is equal to or greater than the Applicable Federal Rate established under IRC Sections 7872(f)(2)(A) and 1274(d), then no additional loan interest will be imputed to the Executive.

³ An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

² For retirement income.

Summary

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Summary Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age	Employer's Tax Bracket	Executive's Tax Bracket	Indexed UL Interest Rate	Initial Death Benefit	Assumed Long-Term AFR for All Years Illustrated	Promissory Note Interest Rate			
40	0.00%	45.00%	7.50%	3,600,000	3.56%	3.56%			
Bay Area Medical Center				Elizabeth Rand, MD					
Year	Age	(1) Net Payment*	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive	(4) Employer's Cumulative Charge to Earnings**	(5) Net Payment*	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Surrender Value***	(8) Death Benefit
1	40	0	100,000	100,000	-100,000	56,602	0	6,978	3,600,000
2	41	0	100,000	200,000	-200,000	58,204	0	111,594	3,600,000
3	42	0	100,000	300,000	-300,000	59,806	0	223,290	3,600,000
4	43	0	100,000	400,000	-400,000	61,408	0	342,566	3,600,000
5	44	0	100,000	500,000	-500,000	63,010	0	469,969	3,600,000
6	45	0	0	500,000	-500,000	8,010	0	504,495	3,600,000
7	46	0	0	500,000	-500,000	8,010	0	541,336	3,600,000
8	47	0	0	500,000	-500,000	8,010	0	580,753	3,600,000
9	48	0	0	500,000	-500,000	8,010	0	623,070	3,600,000
10	49	0	0	500,000	-500,000	8,010	0	668,639	3,600,000
11	50	0	0	500,000	-500,000	8,010	0	725,499	3,600,000
12	51	0	0	500,000	-500,000	8,010	0	777,622	3,600,000
13	52	0	0	500,000	-500,000	8,010	0	833,501	3,600,000
14	53	0	0	500,000	-500,000	8,010	0	893,403	3,600,000
15	54	0	0	500,000	-500,000	8,010	0	957,611	3,600,000
16	55	0	0	500,000	-500,000	8,010	0	1,026,416	3,600,000
17	56	0	0	500,000	-500,000	8,010	0	1,100,162	3,600,000
18	57	0	0	500,000	-500,000	8,010	0	1,179,187	3,600,000
19	58	0	0	500,000	-500,000	8,010	0	1,263,880	3,600,000
20	59	0	0	500,000	-500,000	8,010	0	1,354,642	3,600,000
		0	500,000			419,180	0		

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

Executive's 20 Year Summary

*See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

***This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

	Living Values †	Death Benefit
Indexed Universal Life:	1,354,642	3,600,000
Less Loan Due Employer:	500,000	500,000
Equals Executive's Net Value:	854,642	3,100,000
Plus Cum. After Tax Cash Flow:	0	0
Equals Executive's Net Value:	854,642	3,100,000

†Surrender value less employer's loans plus cum. net policy loans.

Summary

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Summary Page: 2

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age	Employer's Tax Bracket	Executive's Tax Bracket	Indexed UL Interest Rate	Initial Death Benefit	Assumed Long-Term AFR for All Years Illustrated	Promissory Note Interest Rate			
40	0.00%	45.00%	7.50%	3,600,000	3.56%	3.56%			
Bay Area Medical Center				Elizabeth Rand, MD					
Year	Age	(1) Net Payment*	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive	(4) Employer's Cumulative Charge to Earnings**	(5) Net Payment*	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Surrender Value***	(8) Death Benefit
21	60	0	0	0	0	225,000	120,000	1,325,529	3,473,640
22	61	0	0	0	0	0	120,000	1,296,635	3,340,583
23	62	0	0	0	0	0	120,000	1,268,069	3,200,474
24	63	0	0	0	0	0	120,000	1,239,974	3,052,939
25	64	0	0	0	0	0	120,000	1,212,553	2,897,585
26	65	0	0	0	0	0	120,000	1,186,057	2,733,997
27	66	0	0	0	0	0	120,000	1,160,898	2,561,739
28	67	0	0	0	0	0	120,000	1,137,460	2,380,351
29	68	0	0	0	0	0	120,000	1,116,204	2,189,349
30	69	0	0	0	0	0	120,000	1,097,701	1,988,225
31	70	0	0	0	0	0	120,000	1,082,659	1,776,441
32	71	0	0	0	0	0	120,000	1,071,939	1,553,432
33	72	0	0	0	0	0	120,000	1,066,568	1,434,845
34	73	0	0	0	0	0	120,000	1,067,280	1,390,915
35	74	0	0	0	0	0	120,000	1,073,679	1,344,070
36	75	0	0	0	0	0	120,000	1,086,691	1,294,187
37	76	0	0	0	0	0	120,000	1,106,229	1,329,137
38	77	0	0	0	0	0	120,000	1,133,004	1,372,452
39	78	0	0	0	0	0	120,000	1,167,781	1,424,974
40	79	0	0	0	0	0	120,000	1,211,389	1,487,617
		0	500,000			644,180	2,400,000		

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

Executive's 40 Year Summary

*See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

***This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

	Living Values †	Death Benefit
Indexed Universal Life:	1,211,389	1,487,617
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	1,211,389	1,487,617
Plus Cum. After Tax Cash Flow:	2,400,000	2,400,000
Equals Executive's Net Value:	3,611,389	3,887,617

†Surrender value less employer's loans plus cum. net policy loans.

Summary

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Summary Page: 3

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age	Employer's Tax Bracket	Executive's Tax Bracket	Indexed UL Interest Rate	Initial Death Benefit	Assumed Long-Term AFR for All Years Illustrated	Promissory Note Interest Rate			
40	0.00%	45.00%	7.50%	3,600,000	3.56%	3.56%			
Bay Area Medical Center				Elizabeth Rand, MD					
Year	Age	(1) Net Payment*	(2) Annual Loan to Executive	(3) Cumulative Loan to Executive	(4) Employer's Cumulative Charge to Earnings**	(5) Net Payment*	(6) Net Policy Loan Proceeds Available for Retirement Income	(7) Surrender Value***	(8) Death Benefit
41	80	0	0	0	0	0	120,000	1,264,667	1,561,307
42	81	0	0	0	0	0	120,000	1,328,478	1,646,997
43	82	0	0	0	0	0	120,000	1,403,772	1,745,735
44	83	0	0	0	0	0	120,000	1,491,556	1,858,629
45	84	0	0	0	0	0	120,000	1,592,860	1,986,819
46	85	0	0	0	0	0	120,000	1,708,735	2,131,465
47	86	0	0	0	0	0	120,000	1,840,278	2,293,780
48	87	0	0	0	0	0	120,000	1,988,561	2,474,953
49	88	0	0	0	0	0	120,000	2,154,605	2,676,127
50	89	0	0	0	0	0	120,000	2,339,380	2,898,389
51	90	0	0	0	0	0	120,000	2,543,876	3,142,857
52	91	0	0	0	0	0	120,000	2,778,588	3,292,219
53	92	0	0	0	0	0	120,000	3,048,965	3,462,089
54	93	0	0	0	0	0	120,000	3,361,686	3,657,249
55	94	0	0	0	0	0	120,000	3,724,524	3,883,249
56	95	0	0	0	0	0	120,000	4,144,664	4,144,664
57	96	0	0	0	0	0	120,000	4,613,258	4,613,258
58	97	0	0	0	0	0	120,000	5,134,839	5,134,839
59	98	0	0	0	0	0	120,000	5,714,327	5,714,327
60	99	0	0	0	0	0	120,000	6,357,060	6,357,060
		0	500,000			644,180	4,800,000		

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

*See appropriate Net Payment Analysis for details.

**A negative value indicates a credit to earnings.

***This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Executive's 60 Year Summary

	Living Values †	Death Benefit
Indexed Universal Life:	6,357,060	6,357,060
Less Loan Due Employer:	0	0
Equals Executive's Net Value:	6,357,060	6,357,060
Plus Cum. After Tax Cash Flow:	4,800,000	4,800,000
Equals Executive's Net Value:	11,157,060	11,157,060

†Surrender value less employer's loans plus cum. net policy loans.

Executive's Personal Report

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Personal Report Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age 40
Executive's Tax Bracket 45.00%
Indexed UL Interest Rate 7.50%

		Elizabeth Rand, MD Costs		Elizabeth Rand, MD Values		
		(1)	(2)	(3)	(4)	
Year	Age	Executive's Net payment*	Net Policy Loan Proceeds Available for Retirement Income	Executive's Share of Surrender Value**	Executive's Share of Death Benefit	
1	40	56,602	0	0	3,500,000	
2	41	58,204	0	0	3,400,000	
3	42	59,806	0	0	3,300,000	
4	43	61,408	0	0	3,200,000	
5	44	63,010	0	0	3,100,000	
6	45	8,010	0	4,495	3,100,000	
7	46	8,010	0	41,336	3,100,000	
8	47	8,010	0	80,753	3,100,000	
9	48	8,010	0	123,070	3,100,000	
10	49	8,010	0	168,639	3,100,000	
11	50	8,010	0	225,499	3,100,000	
12	51	8,010	0	277,622	3,100,000	
13	52	8,010	0	333,501	3,100,000	
14	53	8,010	0	393,403	3,100,000	
15	54	8,010	0	457,611	3,100,000	
16	55	8,010	0	526,416	3,100,000	
17	56	8,010	0	600,162	3,100,000	
18	57	8,010	0	679,187	3,100,000	
19	58	8,010	0	763,880	3,100,000	
20	59	8,010	0	854,642	3,100,000	
		419,180	0			

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Executive's Personal Report

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Personal Report Page: 2

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age 40
Executive's Tax Bracket 45.00%
Indexed UL Interest Rate 7.50%

		Elizabeth Rand, MD Costs		Elizabeth Rand, MD Values		
		(1)	(2)	(3)	(4)	
Year	Age	Executive's Net payment*	Net Policy Loan Proceeds Available for Retirement Income	Executive's Share of Surrender Value**	Executive's Share of Death Benefit	
21	60	225,000	120,000	1,325,529	3,473,640	
22	61	0	120,000	1,296,635	3,340,583	
23	62	0	120,000	1,268,069	3,200,474	
24	63	0	120,000	1,239,974	3,052,939	
25	64	0	120,000	1,212,553	2,897,585	
26	65	0	120,000	1,186,057	2,733,997	
27	66	0	120,000	1,160,898	2,561,739	
28	67	0	120,000	1,137,460	2,380,351	
29	68	0	120,000	1,116,204	2,189,349	
30	69	0	120,000	1,097,701	1,988,225	
31	70	0	120,000	1,082,659	1,776,441	
32	71	0	120,000	1,071,939	1,553,432	
33	72	0	120,000	1,066,568	1,434,845	
34	73	0	120,000	1,067,280	1,390,915	
35	74	0	120,000	1,073,679	1,344,070	
36	75	0	120,000	1,086,691	1,294,187	
37	76	0	120,000	1,106,229	1,329,137	
38	77	0	120,000	1,133,004	1,372,452	
39	78	0	120,000	1,167,781	1,424,974	
40	79	0	120,000	1,211,389	1,487,617	
		644,180	2,400,000			

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Executive's Personal Report

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Personal Report Page: 3

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age 40
Executive's Tax Bracket 45.00%
Indexed UL Interest Rate 7.50%

		Elizabeth Rand, MD Costs		Elizabeth Rand, MD Values		
		(1)	(2)	(3)	(4)	
Year	Age	Executive's Net payment*	Net Policy Loan Proceeds Available for Retirement Income	Executive's Share of Surrender Value**	Executive's Share of Death Benefit	
41	80	0	120,000	1,264,667	1,561,307	
42	81	0	120,000	1,328,478	1,646,997	
43	82	0	120,000	1,403,772	1,745,735	
44	83	0	120,000	1,491,556	1,858,629	
45	84	0	120,000	1,592,860	1,986,819	
46	85	0	120,000	1,708,735	2,131,465	
47	86	0	120,000	1,840,278	2,293,780	
48	87	0	120,000	1,988,561	2,474,953	
49	88	0	120,000	2,154,605	2,676,127	
50	89	0	120,000	2,339,380	2,898,389	
51	90	0	120,000	2,543,876	3,142,857	
52	91	0	120,000	2,778,588	3,292,219	
53	92	0	120,000	3,048,965	3,462,089	
54	93	0	120,000	3,361,686	3,657,249	
55	94	0	120,000	3,724,524	3,883,249	
56	95	0	120,000	4,144,664	4,144,664	
57	96	0	120,000	4,613,258	4,613,258	
58	97	0	120,000	5,134,839	5,134,839	
59	98	0	120,000	5,714,327	5,714,327	
60	99	0	120,000	6,357,060	6,357,060	
		644,180	4,800,000			

*Assuming all parties follow the procedure outlined on the Executive's Net Payment Analysis page.

**This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Matching Interest Rate Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female	Executive's	Indexed UL
Age	Tax Bracket	Interest Rate
40	45.00%	7.50%

Matching Values

**Gross Interest Rate Required on
a Hypothetical Taxable Investment
to Match Indexed Universal Life Policy Values Over 60 Years
(Executive's After Tax Cost of the Plan Used as The Hypothetical Investment)**

		Hypothetical Taxable Alternative
To match Surrender Value of:	\$6,357,060	15.24%
To match Death Benefit of:	\$6,357,060	15.24%

Income Tax Considerations

1. Hypothetical Taxable Investment: Interest is taxed as earned.
2. Indexed Universal Life:
 - a. Death Benefit including available cash value component is income tax free.
 - b. Loans are income tax free as long as the policy is kept in force.
 - c. Withdrawals and other non-loan policy cash flow up to cost basis (not in violation of IRC Section 7702) are income tax free as a return of premium.
 - d. Cash values shown assume most favorable combination of b and/or c.

This is an InsMark supplemental illustration for indexed universal life. In an actual presentation, this footnote refers to an accompanying basic illustration from a specific life insurance company with important details, caveats, and guarantees.

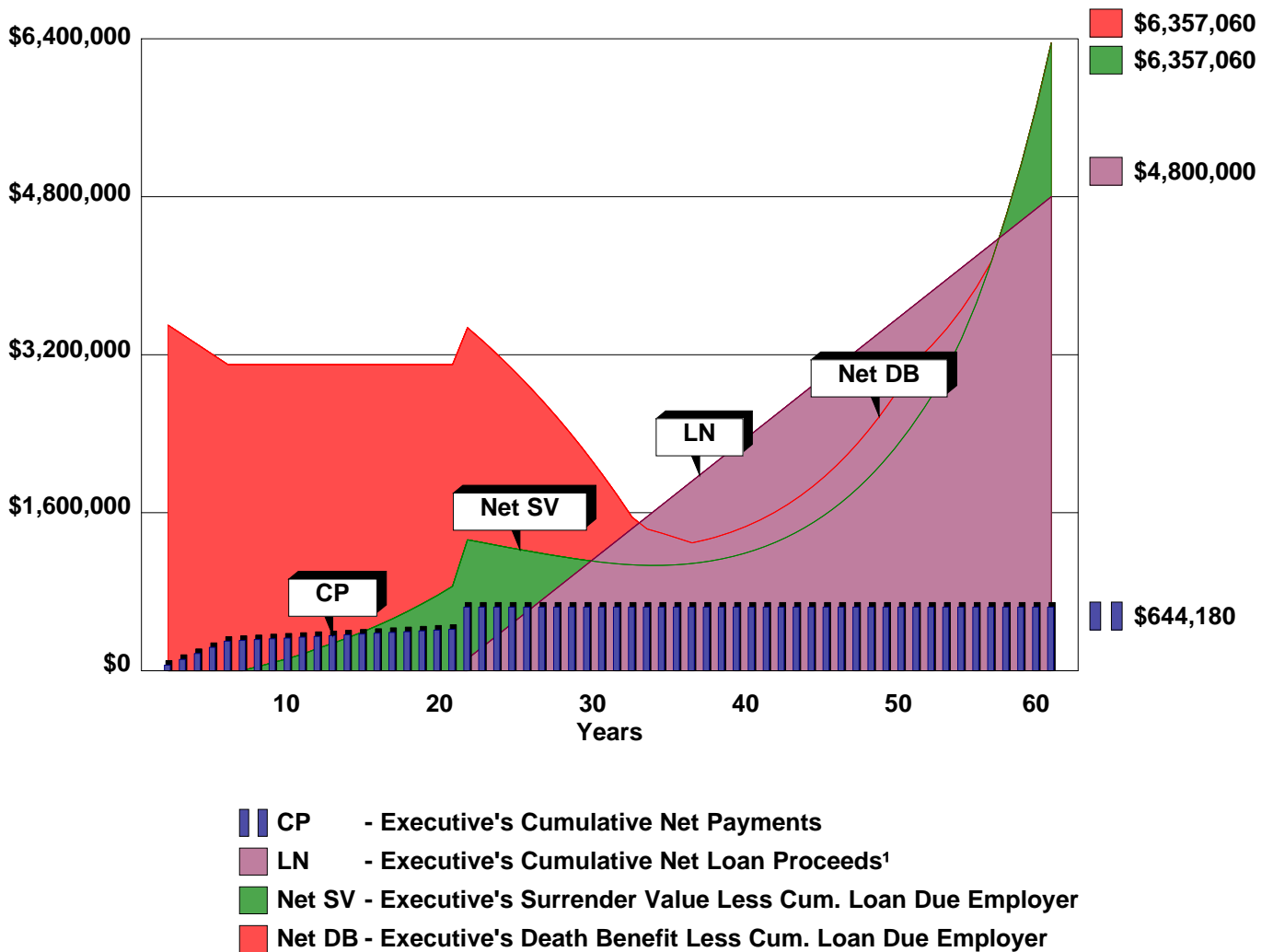
Values of the optional severance benefit illustrated with this plan are in addition to the values calculated above.

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Elizabeth Rand, MD 60 Year Analysis



¹ For retirement income.

An optional severance benefit for the executive is included in this illustration. See Employer's and Executive's Analysis of Optional Severance Benefit reports for details.

Employer's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Employer's Net Payment Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40	Employer's Tax Bracket 0.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*			Promissory Note Interest Rate 3.56%			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Compensation Adjustment by Executive	Employer's Gain from Compensation Adjustment	Loan to Executive	Loan Repayment from Executive	Loan Interest Received from Executive	Bonus Paid to Executive	Employer's Net Payment**	Employer's Annual Charge to Earnings*** (6) - (5) - (2)	Employer's Cumulative Charge to Earnings***
Yr	Age									
1	40	100,000	100,000	100,000	0	3,560	3,560	0	-100,000	-100,000
2	41	100,000	100,000	100,000	0	7,120	7,120	0	-100,000	-200,000
3	42	100,000	100,000	100,000	0	10,680	10,680	0	-100,000	-300,000
4	43	100,000	100,000	100,000	0	14,240	14,240	0	-100,000	-400,000
5	44	100,000	100,000	100,000	0	17,800	17,800	0	-100,000	-500,000
6	45	0	0	0	0	17,800	17,800	0	0	-500,000
7	46	0	0	0	0	17,800	17,800	0	0	-500,000
8	47	0	0	0	0	17,800	17,800	0	0	-500,000
9	48	0	0	0	0	17,800	17,800	0	0	-500,000
10	49	0	0	0	0	17,800	17,800	0	0	-500,000
11	50	0	0	0	0	17,800	17,800	0	0	-500,000
12	51	0	0	0	0	17,800	17,800	0	0	-500,000
13	52	0	0	0	0	17,800	17,800	0	0	-500,000
14	53	0	0	0	0	17,800	17,800	0	0	-500,000
15	54	0	0	0	0	17,800	17,800	0	0	-500,000
16	55	0	0	0	0	17,800	17,800	0	0	-500,000
17	56	0	0	0	0	17,800	17,800	0	0	-500,000
18	57	0	0	0	0	17,800	17,800	0	0	-500,000
19	58	0	0	0	0	17,800	17,800	0	0	-500,000
20	59	0	0	0	0	17,800	17,800	0	0	-500,000
		500,000	500,000	500,000	0	320,400	320,400	0	-500,000	

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

***A negative value indicates a credit to earnings.

**Column (7) = (3) - (2) - (4) - (5) + (6)

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Employer's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Employer's Net Payment Page: 2

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40	Employer's Tax Bracket 0.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*			Promissory Note Interest Rate 3.56%			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Compensation Adjustment by Executive	Employer's Gain from Compensation Adjustment	Loan to Executive	Loan Repayment from Executive	Loan Interest Received from Executive	Bonus Paid to Executive	Employer's Net Payment**	Employer's Annual Charge to Earnings*** (6) - (5) - (2)	Employer's Cumulative Charge to Earnings***
Yr	Age									
21	60	0	0	0	500,000	0	500,000	0	500,000	0
22	61	0	0	0	0	0	0	0	0	0
23	62	0	0	0	0	0	0	0	0	0
24	63	0	0	0	0	0	0	0	0	0
25	64	0	0	0	0	0	0	0	0	0
26	65	0	0	0	0	0	0	0	0	0
27	66	0	0	0	0	0	0	0	0	0
28	67	0	0	0	0	0	0	0	0	0
29	68	0	0	0	0	0	0	0	0	0
30	69	0	0	0	0	0	0	0	0	0
31	70	0	0	0	0	0	0	0	0	0
32	71	0	0	0	0	0	0	0	0	0
33	72	0	0	0	0	0	0	0	0	0
34	73	0	0	0	0	0	0	0	0	0
35	74	0	0	0	0	0	0	0	0	0
36	75	0	0	0	0	0	0	0	0	0
37	76	0	0	0	0	0	0	0	0	0
38	77	0	0	0	0	0	0	0	0	0
39	78	0	0	0	0	0	0	0	0	0
40	79	0	0	0	0	0	0	0	0	0
		500,000	500,000	500,000	500,000	320,400	820,400	0	0	

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

***A negative value indicates a credit to earnings.

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

**Column (7) = (3) - (2) - (4) - (5) + (6)

Employer's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Employer's Net Payment Page: 3

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40	Employer's Tax Bracket 0.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*			Promissory Note Interest Rate 3.56%			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Compensation Adjustment by Executive	Employer's Gain from Compensation Adjustment	Loan to Executive	Loan Repayment from Executive	Loan Interest Received from Executive	Bonus Paid to Executive	Employer's Net Payment**	Employer's Annual Charge to Earnings*** (6) - (5) - (2)	Employer's Cumulative Charge to Earnings***
Yr	Age									
41	80	0	0	0	0	0	0	0	0	0
42	81	0	0	0	0	0	0	0	0	0
43	82	0	0	0	0	0	0	0	0	0
44	83	0	0	0	0	0	0	0	0	0
45	84	0	0	0	0	0	0	0	0	0
46	85	0	0	0	0	0	0	0	0	0
47	86	0	0	0	0	0	0	0	0	0
48	87	0	0	0	0	0	0	0	0	0
49	88	0	0	0	0	0	0	0	0	0
50	89	0	0	0	0	0	0	0	0	0
51	90	0	0	0	0	0	0	0	0	0
52	91	0	0	0	0	0	0	0	0	0
53	92	0	0	0	0	0	0	0	0	0
54	93	0	0	0	0	0	0	0	0	0
55	94	0	0	0	0	0	0	0	0	0
56	95	0	0	0	0	0	0	0	0	0
57	96	0	0	0	0	0	0	0	0	0
58	97	0	0	0	0	0	0	0	0	0
59	98	0	0	0	0	0	0	0	0	0
60	99	0	0	0	0	0	0	0	0	0
		500,000	500,000	500,000	500,000	320,400	820,400	0	0	

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

***A negative value indicates a credit to earnings.

**Column (7) = (3) - (2) - (4) - (5) + (6)

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

Executive's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Net Payment Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40	Executive's Tax Bracket 45.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*		Promissory Note Interest Rate 3.56%				
Year	Age	(1) Compensation Adjustment by Executive	(2) Executive's After Tax Cost of Compensation Adjustment	(3) Policy Premium Due by Executive	(4) Beginning of Year Loan from Employer	(5) Loan Interest Paid to Employer from Non-Policy Values	(6) Principal Payments on Employer Loan(s) from Non-Policy Values	(7) Bonus Received from Employer	(8) After Tax Bonus Received from Employer	(9) Executive's Net Payment**
1	40	100,000	55,000	100,000	100,000	3,560	0	3,560	1,958	56,602
2	41	100,000	55,000	100,000	100,000	7,120	0	7,120	3,916	58,204
3	42	100,000	55,000	100,000	100,000	10,680	0	10,680	5,874	59,806
4	43	100,000	55,000	100,000	100,000	14,240	0	14,240	7,832	61,408
5	44	100,000	55,000	100,000	100,000	17,800	0	17,800	9,790	63,010
6	45	0	0	0	0	17,800	0	17,800	9,790	8,010
7	46	0	0	0	0	17,800	0	17,800	9,790	8,010
8	47	0	0	0	0	17,800	0	17,800	9,790	8,010
9	48	0	0	0	0	17,800	0	17,800	9,790	8,010
10	49	0	0	0	0	17,800	0	17,800	9,790	8,010
11	50	0	0	0	0	17,800	0	17,800	9,790	8,010
12	51	0	0	0	0	17,800	0	17,800	9,790	8,010
13	52	0	0	0	0	17,800	0	17,800	9,790	8,010
14	53	0	0	0	0	17,800	0	17,800	9,790	8,010
15	54	0	0	0	0	17,800	0	17,800	9,790	8,010
16	55	0	0	0	0	17,800	0	17,800	9,790	8,010
17	56	0	0	0	0	17,800	0	17,800	9,790	8,010
18	57	0	0	0	0	17,800	0	17,800	9,790	8,010
19	58	0	0	0	0	17,800	0	17,800	9,790	8,010
20	59	0	0	0	0	17,800	0	17,800	9,790	8,010
		500,000	275,000	500,000	500,000	320,400	0	320,400	176,220	419,180

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

**Column (9) = (2) + (3) - (4) + (5) + (6) - (8)

Executive's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Net Payment Page: 2

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40	Executive's Tax Bracket 45.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*		Promissory Note Interest Rate 3.56%					
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Year	Age	Compensation Adjustment by Executive	Executive's After Tax Cost of Compensation Adjustment	Policy Premium Due by Executive	Beginning of Year Loan from Employer	Loan Interest Paid to Employer from Non-Policy Values	Principal Payments on Employer Loan(s) from Non-Policy Values	Bonus Received from Employer	After Tax Bonus Received from Employer	Executive's Net Payment**	
21	60	0	0	0	0	0	500,000	500,000	275,000	225,000	
22	61	0	0	0	0	0	0	0	0	0	
23	62	0	0	0	0	0	0	0	0	0	
24	63	0	0	0	0	0	0	0	0	0	
25	64	0	0	0	0	0	0	0	0	0	
26	65	0	0	0	0	0	0	0	0	0	
27	66	0	0	0	0	0	0	0	0	0	
28	67	0	0	0	0	0	0	0	0	0	
29	68	0	0	0	0	0	0	0	0	0	
30	69	0	0	0	0	0	0	0	0	0	
31	70	0	0	0	0	0	0	0	0	0	
32	71	0	0	0	0	0	0	0	0	0	
33	72	0	0	0	0	0	0	0	0	0	
34	73	0	0	0	0	0	0	0	0	0	
35	74	0	0	0	0	0	0	0	0	0	
36	75	0	0	0	0	0	0	0	0	0	
37	76	0	0	0	0	0	0	0	0	0	
38	77	0	0	0	0	0	0	0	0	0	
39	78	0	0	0	0	0	0	0	0	0	
40	79	0	0	0	0	0	0	0	0	0	
		500,000	275,000	500,000	500,000	320,400	500,000	820,400	451,220	644,180	

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

**Column (9) = (2) + (3) - (4) + (5) + (6) - (8)

Executive's Net Payment Analysis

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Net Payment Page: 3

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age 40	Executive's Tax Bracket 45.00%	Assumed Long-Term AFR for All Years Illustrated 3.56%*	Promissory Note Interest Rate 3.56%
---------------------	--------------------------------------	--	---

Year	Age	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Compensation Adjustment by Executive	Executive's After Tax Cost of Compensation Adjustment	Policy Premium Due by Executive	Beginning of Year Loan from Employer	Loan Interest Paid to Employer from Non-Policy Values	Principal Payments on Employer Loan(s) from Non-Policy Values	Bonus Received from Employer	After Tax Bonus Received from Employer	Executive's Net Payment**
41	80	0	0	0	0	0	0	0	0	0
42	81	0	0	0	0	0	0	0	0	0
43	82	0	0	0	0	0	0	0	0	0
44	83	0	0	0	0	0	0	0	0	0
45	84	0	0	0	0	0	0	0	0	0
46	85	0	0	0	0	0	0	0	0	0
47	86	0	0	0	0	0	0	0	0	0
48	87	0	0	0	0	0	0	0	0	0
49	88	0	0	0	0	0	0	0	0	0
50	89	0	0	0	0	0	0	0	0	0
51	90	0	0	0	0	0	0	0	0	0
52	91	0	0	0	0	0	0	0	0	0
53	92	0	0	0	0	0	0	0	0	0
54	93	0	0	0	0	0	0	0	0	0
55	94	0	0	0	0	0	0	0	0	0
56	95	0	0	0	0	0	0	0	0	0
57	96	0	0	0	0	0	0	0	0	0
58	97	0	0	0	0	0	0	0	0	0
59	98	0	0	0	0	0	0	0	0	0
60	99	0	0	0	0	0	0	0	0	0
		500,000	275,000	500,000	500,000	320,400	500,000	820,400	451,220	644,180

*As of the date of this illustration. (See accompanying "Leveraged Deferred Compensation (Preface)" for remarks regarding loan interest rates used in this illustration.)

Loan repayment presumed completed in year 21; however, the employer's loans must be repaid no later than the date specified in the plan documentation.

**Column (9) = (2) + (3) - (4) + (5) + (6) - (8)

Employer's Analysis of Optional Severance Benefit Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Employer's Severance Analysis Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

		Female Age 40		Employer's Tax Bracket 0.00%		
Year	Age	(1) Cumulative Compensation Adjustment by Executive	(2) One-Time Severance Benefit Due to Executive or Executive's Beneficiaries*	(3) Employer's One-Time Charge to Earnings Due to Severance	(4) Employer's Cumulative Charge to Earnings** No Severance	(5) Employer's Cumulative Charge to Earnings** Incl. One-Time Severance (3) + (4)
1	40	100,000	100,000	100,000	-100,000	0
2	41	200,000	200,000	200,000	-200,000	0
3	42	300,000	300,000	300,000	-300,000	0
4	43	400,000	400,000	400,000	-400,000	0
5	44	500,000	500,000	500,000	-500,000	0
6	45	500,000	500,000	500,000	-500,000	0
7	46	500,000	500,000	500,000	-500,000	0
8	47	500,000	500,000	500,000	-500,000	0
9	48	500,000	500,000	500,000	-500,000	0
10	49	500,000	500,000	500,000	-500,000	0
11	50	500,000	500,000	500,000	-500,000	0
12	51	500,000	500,000	500,000	-500,000	0
13	52	500,000	500,000	500,000	-500,000	0
14	53	500,000	500,000	500,000	-500,000	0
15	54	500,000	500,000	500,000	-500,000	0
16	55	500,000	500,000	500,000	-500,000	0
17	56	500,000	500,000	500,000	-500,000	0
18	57	500,000	500,000	500,000	-500,000	0
19	58	500,000	500,000	500,000	-500,000	0
20	59	500,000	500,000	500,000	-500,000	0

*Severance is conditional on a formal agreement between the parties. It is illustrated in yrs 1 thru 20 in the event of involuntary termination of employment - including death. Bonuses to repay loans reduce the amount of severance.

This is an illustration and not a contract. Severance is typically conditional upon a formal agreement between the parties.

**See Employer's Net Payment Analysis for details.
(A negative value indicates a credit to earnings.)

Executive's Analysis of Optional Severance Benefit Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014
Executive's Severance Analysis Page: 1

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Female Age 40
Executive's Tax Bracket 45.00%

Year	Age	(1) Cumulative Compensation Adjustment by Executive	(2) One-Time Severance Benefit Due to Executive or Executive's Beneficiaries*	(3) After Tax Severance Benefit
1	40	100,000	100,000	55,000
2	41	200,000	200,000	110,000
3	42	300,000	300,000	165,000
4	43	400,000	400,000	220,000
5	44	500,000	500,000	275,000
6	45	500,000	500,000	275,000
7	46	500,000	500,000	275,000
8	47	500,000	500,000	275,000
9	48	500,000	500,000	275,000
10	49	500,000	500,000	275,000
11	50	500,000	500,000	275,000
12	51	500,000	500,000	275,000
13	52	500,000	500,000	275,000
14	53	500,000	500,000	275,000
15	54	500,000	500,000	275,000
16	55	500,000	500,000	275,000
17	56	500,000	500,000	275,000
18	57	500,000	500,000	275,000
19	58	500,000	500,000	275,000
20	59	500,000	500,000	275,000

*Severance is conditional on a formal agreement between the parties. It is illustrated in yrs 1 thru 20 in the event of involuntary termination of employment - including death. Bonuses to repay loans reduce the amount of severance.

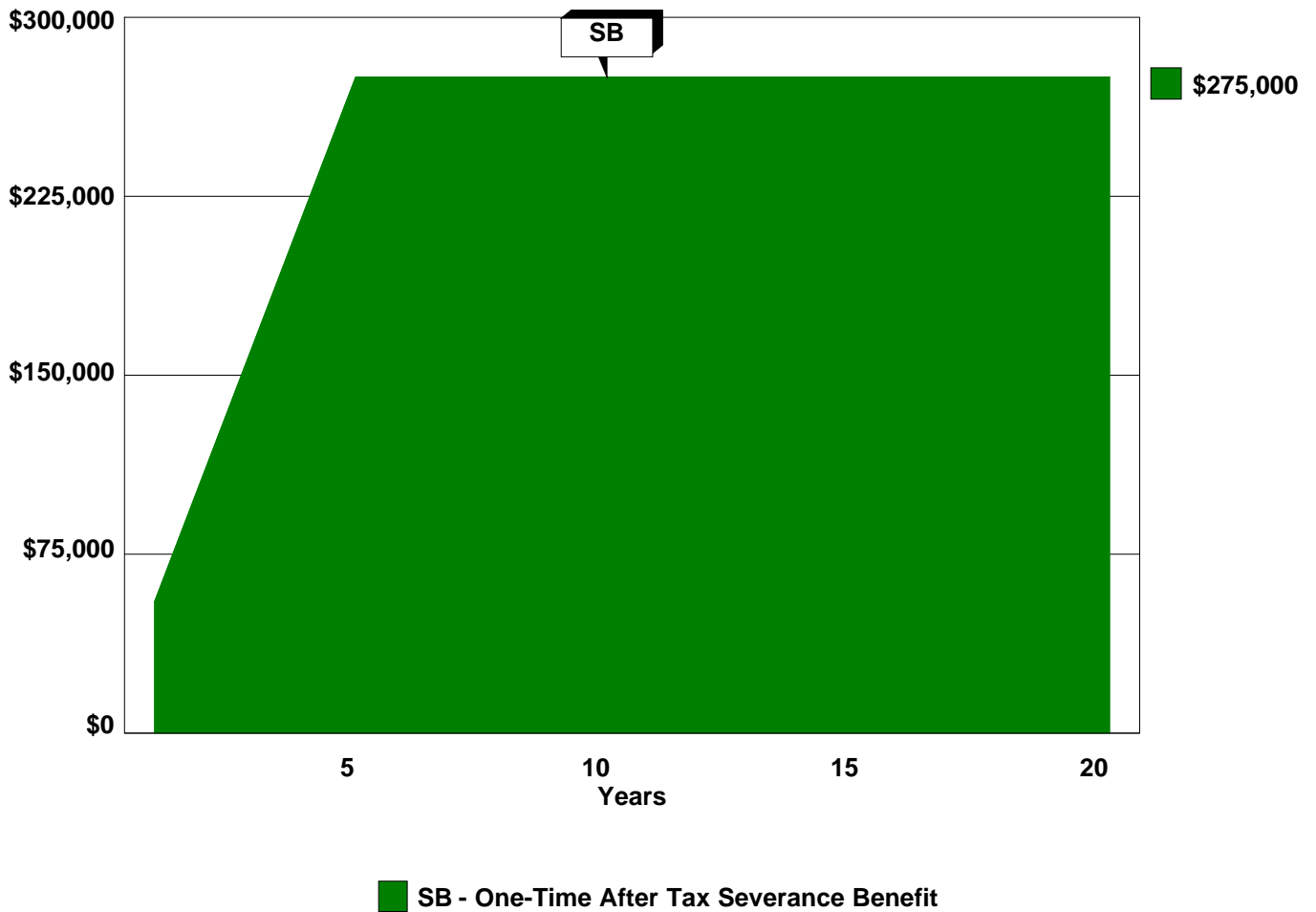
This is an illustration and not a contract. Severance is typically conditional upon a formal agreement between the parties.

Leveraged Deferred Compensation Funded With Indexed Universal Life

Presented By: [Licensed user's name appears here]
Date: 02/09/2014

Insured: Elizabeth Rand, MD
Employer: Bay Area Medical Center

Elizabeth Rand, MD Severance Analysis



Supplemental Report

Date: 02/10/2014

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

IRS Circular 230 Disclosure

This statement is required by IRS regulations (31 CFR Part 10, §10.35): Circular 230 disclaimer:

In order to comply with requirements imposed by the IRS which may apply to the accompanying documents (including any attachments, enclosures, or referred material) as distributed or as re-circulated, please be advised that the material contained herein is not intended or written to be used, and it cannot be used, by anyone for the purposes of avoiding any penalty that may be imposed by the Internal Revenue Service under the Internal Revenue Code. In the event that the accompanying material (including any attachments, enclosures, or referred material) is also considered to be a "marketed opinion" within the meaning of the IRS guidance, then, as required by the IRS, please be further advised that the material is written to support the promotions or marketing of the transactions or matters addressed, and based on the particular circumstances, you should seek advice from an independent tax advisor.

Important Note

The information in the accompanying material is for educational purposes only. In all cases, the approval of a client's legal and tax advisers must be secured regarding the implementation or modification of any planning technique as well as the applicability and consequences of new cases, rulings, or legislation upon existing or impending plans.