Table of Contents

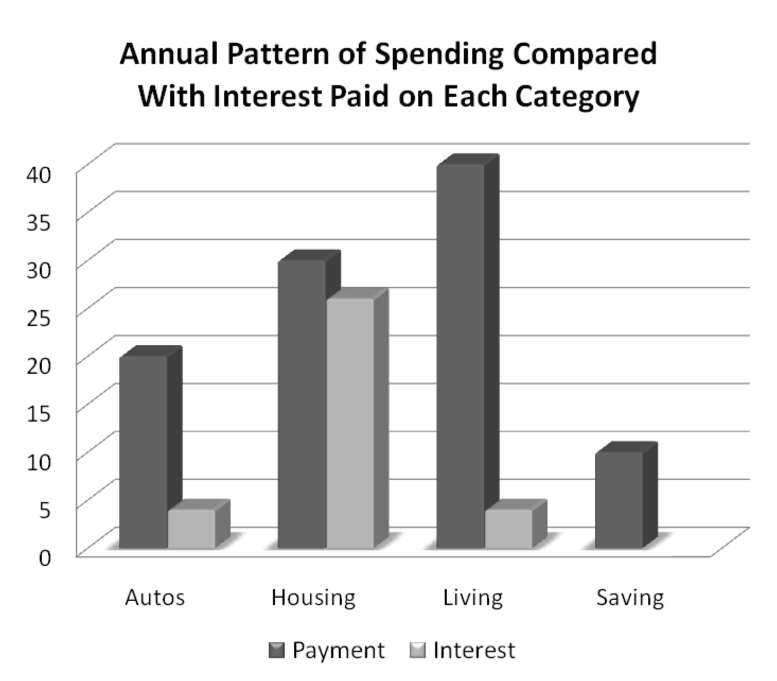
--------------------------------February 5 - Thursday----------------------------------

-------------------------------------February 6 - Friday---------------------------------

THE PROBLEM

When Jesus saw him lying there and learned that he had been in this condition for a long time, he asked him, "Do you want to get well?"
— John 5:6

Several years ago I did a good bit of study on the spending habits of American families. Since that time I have kept an eye on the figures and the proportion of income allocated to each category. This seems to be the current situation, which doesn't seem to change all that much. I build scenarios around the "All-American family" because I don't want people to think you have to be rich to create a banking system that can handle all your needs for finance. This young man is 29 years old and is making $28,500 per year after taxes. What does he do with the after-tax income?



Twenty percent is spent on transportation, thirty percent is spent on housing, forty-five percent is spent on "living" (clothes, groceries, contributions to religious and charitable causes, boat payments, casualty insurance on cars, vacations, etc. Many of these items are financed by charge cards or bank notes. The balance is *financed* by paying cash for them—and thus, giving up interest that could be earned, otherwise). He is saving less than five percent of disposable income. But, to be as generous as possible, let's assume that he is saving *ten percent* and spending only forty percent on living expenses. This is giving him every benefit of the doubt on the matter of savings. Just remember, the real situation is at least twice as bad as what will be depicted!

The problem is that all these items are *financed* by other banking organizations. An automobile financing package for this hypothetical person is $10,550 for 48 months with an interest rate of at least 8.5% with payments of $260.05 per month. But, if you will check with the sales manager of an automobile agency you will find that 95% of the cars that are traded in *are not paid for!* This means, at the end of 30 months, if the car is traded, 21% of every payment dollar is *interest.* Even if he goes the full four years, the portion of every payment made is still 20%! This means that the interest portion of every dollar spent is perpetual. It never seems to dawn that the *volume of interest* is the real issue, not the *annual percentage rate.* For a real thrill, go to see the sales manager of the high priced cars and ask him what percentage of the cars that leave their car lot are *leased.* The answer will probably be 75%, or more! This is worse than financing a car purchase.

When you go to the Doctor's office to get a shot of some kind, the criteria is not the *rate* at which the medicine is injected into you—it is the *volume!* Too little, and it won't do any good—too much and it can kill you!

Now, let's move to the housing situation. This young man can qualify for a 30 year fixed-rate mortgage in the amount of about $93,000 at a fixed interest rate of 7% APR with payments of $618.75 and closing costs of some $2,500. The problem is that within 5 years he will move to another city, across town, or refinance the mortgage. Something happens to a mortgage within 5 years. Including the closing costs and interest paid out during these 60 months he had paid $39,625, but only $5,458 has gone to reduce the loan. This means that $34,167 has gone to interest and closing costs. Divide the amount paid out into the interest and closing costs and you find that *86% of every dollar paid out goes to the cost of financing!* If he sells the house in less than 5 years, it is worse. This proportion never gets any better because he takes on a new mortgage and starts all over again. He thinks that he is "buying" a house, but all he is really doing is making the wheels of the banking business and the real estate business –in that order—turn.

In the next segment of his spending pattern—the living expenses—you will find that the interest on his boat payments, credit card interest, plus the cost of casualty insurance on the automobiles, etc. will rival in volume the interest he is paying on the two automobiles. (Later on in this book you will learn how to self-insure for comprehensive and collision insurance on automobiles).

Now, add up all the interest he is paying out and you find that 34.5 cents of every disposable dollar paid out is *interest*. For the average All-American male this proportion *never changes.* Let's assume that he is trying to save 10% of his disposable income, *which is twice the average savings rate in America*. That means that we have a 3.45 to 1 ratio of interest paid out as compared to savings. If you will get this young man together with his peers at a coffee break or some such gathering and have one of them suggest that they discuss financial matters, I can predict what they will talk about—getting a *high rate of return* on the portion they are saving! Meanwhile, every participant in the conversation is doing the above! What a tragedy! But that is how they have learned to conduct their financial affairs.

All of this reminds me of a phenomenon in the airplane world. I have been flying, as a pilot, since 1947, and I learned early on that you could not fly an airplane through a vacuum. It must go through an *environment*! We have all seen the weather maps with the "HIGHs" and the "LOWs." In the Northern Hemisphere the HIGHs turn clockwise. A large one can cover 75% or more of the U. S. So picture this situation: You are in Birmingham, AL with an airplane that can fly 100 miles per hour and your destination is Chicago. The only problem is that you have a *headwind* of 345 miles per hour! Regardless of what your airspeed indicator says, your airplane is moving toward Miami at 245 miles per hour! If you want to go to Chicago, that's a very good time to get your airplane on the ground—quickly!

Have some patience and the air mass will move on—they *always do.* When the HIGH gets directly over the top of you there is no headwind. You are now covering the ground at 100 m.p.h.. And now, the "arrival syndrome" comes into play. You conclude that "you just can't do any better than this. This is the ultimate situation." Nonsense! Have more patience and the air mass will continue to move on. Now you have a *tailwind of 345 m.p.h.!* Plus your airplane is moving at a speed of 100 m.p.h.. Your *ground speed* is 445 m.p.h.! That is *impressive,* isn't it? But, you see, it is much more impressive than most people think. *Everything you do in the financial world is compared with what everyone else is doing!* Ninety-five percent of the American public is doing the equivalent of flying with a 345 m.p.h. headwind. If you have a 345 m.p.h. tailwind, the difference between you and them is *twice the wind!* That is a difference of 690 m.p.h.!

Most people in this situation concentrate all their attention to trying to make the airplane go 105 m.p.h.! They would do well to spend their energy instead on controlling the environment in which they fly. You can't do that in the airplane world—but *you can* in the financial world. You can do it by controlling the "banking equation" as it relates to you. That's what this book is about—creating a perpetual "tailwind" to everything you do in the financial world. (There are many "financial gurus" out there who are praising the matter of "getting out of debt" but they never address this fact). This is the unique message of *The Infinite Banking Concept.*

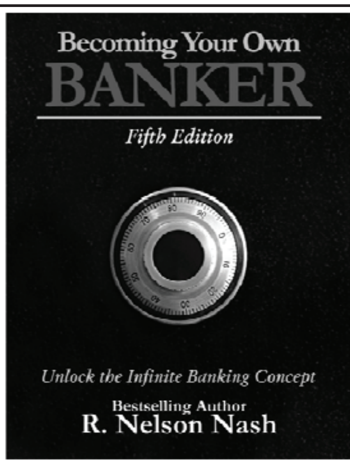
Somehow or another, it never dawns on most financial gurus that you *can* control the financial environment in which you operate. Perhaps it is caused by lack of imagination, but whatever the cause, learning to control it is *the most profitable* thing that you can do over a lifetime.

Mike Everett
Infinite Banking Coach

Infinite Banking Concepts®
Authorized Practitioner

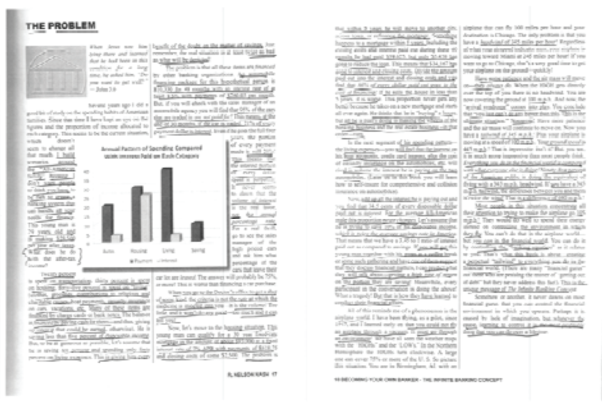
michaelkeverett@gmail.com
785.760.3189 call/text

life success & legacy



Becoming Your Own Banker
R. Nelson Nash

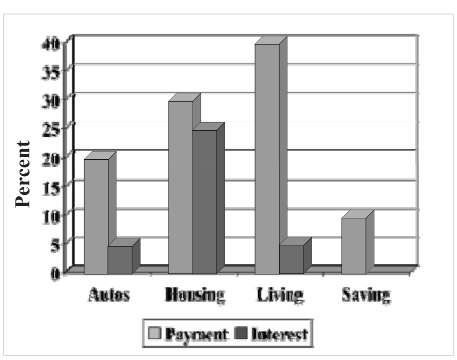
The Problem
Page 17
Headwind - Tailwind
Page 18



The Problem

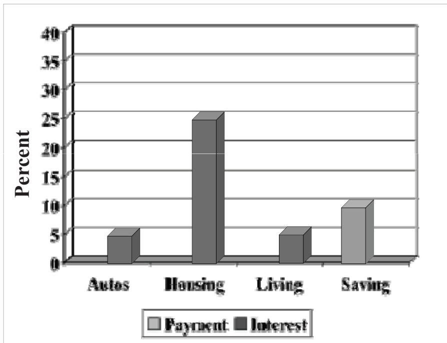
Page 17

Annual Pattern of Spending



Pg 17-18

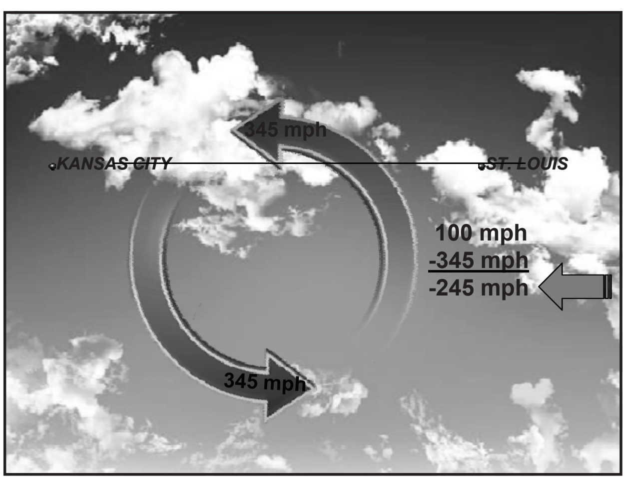
Annual Pattern of Spending

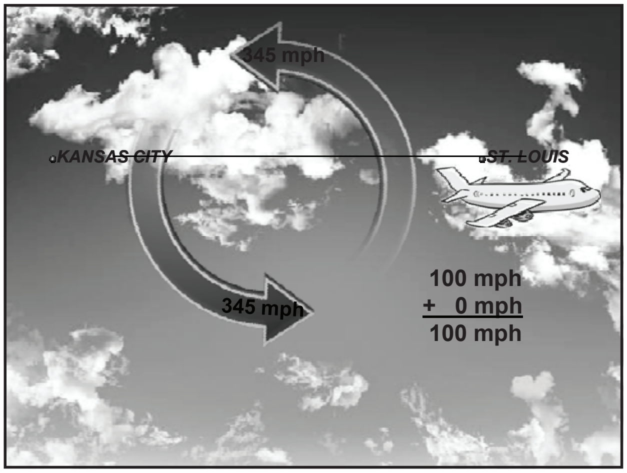


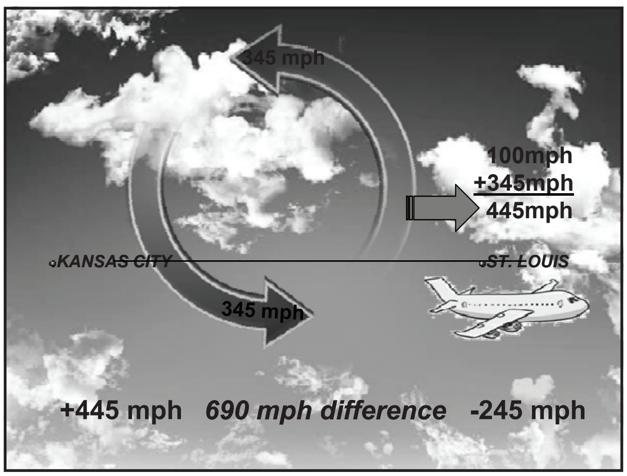
Pg 17-18

Headwind - Tailwind

Page 18







My Personal IBC Story

EXPANDING THE SYSTEM TO ACCOMMODATE ALL INCOME

It always sounds a bit strange to people when I say, "premiums and income should match." Let's start with a very basic fact—doesn't *all your money* go through someone else's bank now? When you get your paycheck, what do you do with it? Right! You deposit it in *someone else's bank*. Then you write checks against it to buy the things you want in life. While it is in the bank, the banker lends your money to someone else and makes a good living doing it!

It seems a little ridiculous, but my All-American man on page 17 is depositing *all* of his paycheck in a bank—and then writing checks for 34.5% of every dollar to *pay interest alone* back to someone else's banking system. He will never see that money again! It is gone forever. Why does he behave this way? Because no one has ever explained to him a better way of doing things! Once a pattern of life is learned in a culture it is nigh unto impossible to change. His paradigm is *fixed*! Set in concrete! The peer pressure and conventional wisdom is overwhelming. But, that doesn't mean that it can't be done. When he builds a banking system through life insurance, makes loans to himself to buy automobiles—and pays back to the policy (or policies) the same payment he would have to pay a banking institution—then he makes what the banking institution would have made off of him. And it is all done on a tax-deferred basis! The interest he pays *never* leaves his account and control. If this is done consistently throughout life it will make a tremendous difference in his financial picture.

So far, we have only looked at what will happen if we create a system that will finance just one automobile every four years. Why not expand the system by starting another policy that will finance the other automobile in the family? This will, of course, require the capitalization period of seven years at the rate of $5,000 per year, but at the end of that time we have kissed the automobile financing business good-bye forever!

In time, the total cash values in all policies are adequate enough to take the next step—self-insuring the automobiles for comprehensive and collision coverage. Please note that I did not say *liability coverage*—that is the insurance that covers you in the event of a law suit against you. Comprehensive and collision coverage is for damage done to your car in an accident. This is required coverage if you have the car financed with some other banking service, but if you are using your own banking system it is your decision to make.

Why not do it through life insurance policies? After all, what did the automobile insurance companies do to get into their business? First, they got actuarial data to determine the probabilities of a car accident and its attendant costs that are peculiar to the make and model of car. Then they got rate-makers to determine how much should be charged for the coverage. Next, they turned it all over to attorneys that made legal and binding contracts out of the foregoing information. Lastly, they had insurance agents call on you to see if you would like to insure your car with their company. (Does all this sound familiar? Go back to page 21 and review the steps in creating life insurance.)

The auto insurance company has to put the premiums to work *in the same places as the life insurance company!* They also have to pay claims and administrative costs, just like a life insurance company. And they also pay *dividends*—to whoever owns the company—just like a life insurance company. Can you see that, once you get a substantial base of cash values in life insurance, you have all the elements of an automobile insurance company, except pricing of the product? All you have to do to self-insure is to find out how much more you should put into life policies to assume that risk. That is a simple matter—just get a quote from some prominent auto insurer on your make and model of car. If the quote is $750 per year for $500 deductible, don't pay your life policies that amount—pay them $1,000 for *zero deductible!* If you had an accident, you were going to have to pay the $500 deductible first, anyway.

Next is the matter of the house mortgage. When enough money is accumulated in cash values in the foregoing policies to pay off the mortgage, then borrow from them and do so, *making sure that you pay the policies whatever would have to be paid to a mortgage company to amortize such indebtedness.* Of course, you can speed up this ability by adding new life insurance on someone (it doesn't matter who the insured is—all you want to do is *own* the policy so that you can control the cash values). This repayment of the policies should also include "closing costs" that would be associated with the refinancing of a house mortgage. Remember to *play the game*—whatever the next-door neighbor would have to do to refinance his house with a new mortgage, you do to yourself at your own banking system. The money will go to *your policies* being managed by the life insurance company.

Mark Benson-2015 Think Tank
EXPANDING YOUR (PRIVATIZED BANKING) SYSTEM TO ACCOMMODATE ALL INCOME-P.48-BECOMING YOUR OWN BANKER.

Notes:

- 21st Century Leadership-

- WE NEED TO START THINKING!

  Lara/Murphy-P.35-"Unbelievable as it may seem the overwhelming majority of people here in our United States simply do not think!"

  Dan Sullivan-Strategic Coach-"How many people think?"
  "How many think about their thinking?"

  Nelson Nash-"It's all about the way we think!"

- The Financial Services Industry (Including Us) Could Do More to Help People.

  1. Better Education

  2. Better Teamwork

  3. Slow to give advice....

(1)

The Financial Services Industry (Us Included) Could Do More….(cont.)

1. Better Education….

    - Buckminster Fuller-"If you want to teach people a new way of thinking, don't bother trying to teach them, instead give them a tool, the use of which will lead to new ways of thinking."

    - Infinite Educational Strategies (Not For Profit Foundation)

    - Workbook of Thinking Exercises for Various Focus Markets.

Is IBC really that complex? Isn't it simply an alternative to Saving and Borrowing with a bank?

Shouldn't everyone with a Positive Cash Flow and/or Growing Assets hear about Privatized Banking?

(2)

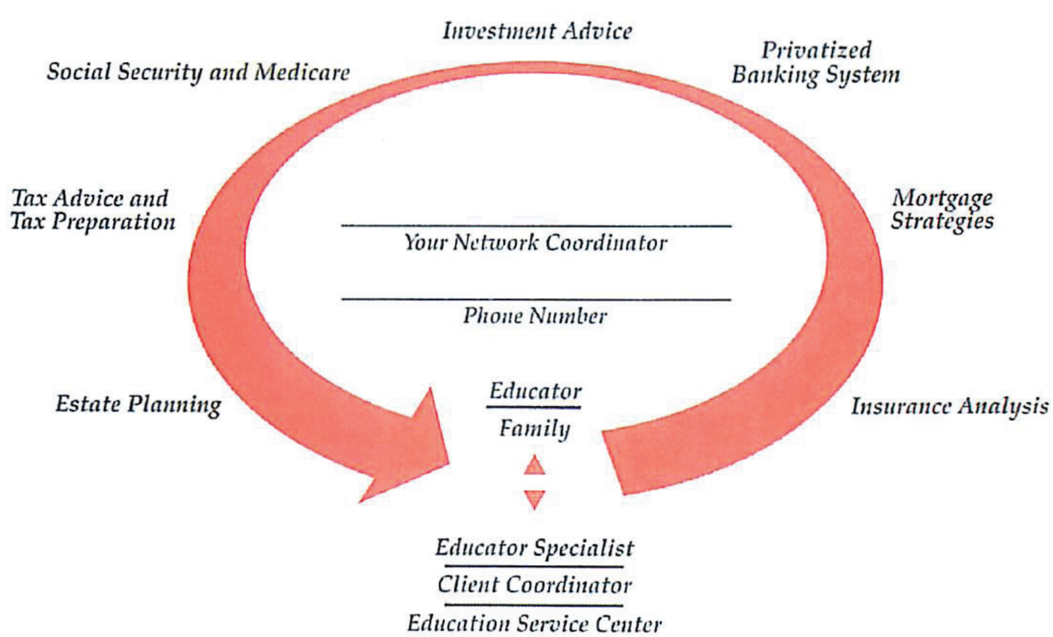
The Financial Services Industry (Us Included) Could Do More….(cont.)

2. More Teamwork--INTEGRATED RESOURCE NETWORK

Ameritime®

Educating Educators About Their Money

Educator's Resource Network



3

The Financial Services Industry (Us Included) Could Do More....(cont.)

3. Understand Complete Financial Picture Before Giving Advice

Ameritime

Educating Educators About Their Money

Name: ______________________ *Date:* / /

Taxable	Tax Deferred	Tax Free

Tax Bracket	Planned Spending		Banking
	IN	OUT	
%			
%			
	Revised		
	IN	OUT	
%			
%			
0			

Discover your money flow, Develop financial strategies, Retain and utilize your money to your advantage.

1516 Parkway West • Festus, Missouri 63028 • Fax: 866-640-2994 • Office: 800-560-0043 • www.ameritime.net

(4)

THE FINANCIAL SERVICES INDUSTRY SEEMS TO PROMOTE A MINDSET OF "SCARCITY" NOT "ABUNDANCE".

John 10:10 "I came that they may have life, and have it abundantly."

<u>SCARCITY</u>	<u>ABUNDANCE</u>
Budget	Cash Flow Awareness
Accumulation	Utilization
Conventional Estate Planning	Rags to Rags in Three Generations

Notes: Expanding the System (cont.)

- **Needed—A Workbook of Thinking Exercises Specific to Your Focus Market.**

Title: THINKING ABOUT....
CONTROLLING MORE OF YOUR MONEY.

Tagline: A Workbook Designed to Help PSRS/PEERS Members Think Differently.

Created by: Infinite Educational Strategies (Not For Profit Foundation)

Purpose: Helping Employees of Missouri Public Schools....

DISCOVER what dollars are flowing into their control & what dollars are flowing out of their control, then

STRATEGIZE so more money flows into their control.

END RESULT—there will be more money to retain & utilize for the rest of your life and future generations.

(6)

Notes: Expanding the System (cont.)

- **VERY IMPORTANT QUESTIONS (to "think" about)....**

-How do we help our "focus" markets DISCOVER the flow of their money?

-How do we help our "focus" markets STRATEGIZE to get more money to flow into their control?

- THE SUCCESS FORMULA—Bob Burg (Author of "The Go-Giver and Go-Givers Sell More")

Prelude: It All Begins With Desire....
(Match Your Desire With The Success Formula)

THE SUCCESS FORMULA:

Principle #1—Seek Out and Find the Information
(Follow "The System")

Principle #2—Apply the Information Immediately
(Knowledge w/o Action is the Same As No Knowledge)

Principle #3—Be Persistent
(Outlast the Nos)

(7)

EXPANDING THE SYSTEM TO ACCOMMODATE ALL INCOME.

(P. 48 – "Becoming Your Own Banker")

THE 10X PURPOSE QUESTION:

"What is the single focus and activity that would keep you absolutely fascinated and motivated for the rest of your life?"

OUR 10X PURPOSE:

A 10X Cash Flow Strategist.

Having multidimensional discussions with educators and business owners (and ultimately with past/next generations) about all the ways they can CONTROL more and more of their income/revenue.

-GAIN GREATER CONTROL OF THE BANKING FUNCTION. EXPAND YOUR PRIVATIZED BANKING SYSTEM TO ACCOMMODATE ALL INCOME.

Our focus is to help clients....

-DISCOVER what money is flowing into their CONTROL and what money is flowing away from their CONTROL, we then

-STRATEGIZE as to how to get more money to flow into their CONTROL,

-END RESULT, there will be more money to RETAIN & UTILIZE during their lifetime and the lives of future generations!

18

Name: Mona (4-9-57)

Name: Gary (2-12-55)

Ameritime
Educating Educators About Their Money

Date: 01 / 07 / 2015

Taxable	Tax Deferred	Tax Free
	401K-G ≅ $177,000	Home (Last Appraisal)
Checking ≅ $2,500	*In Prison	
	IRA-G ≅ $22,000	≅ $210,000 *(≅$60K equity)
Savings ≅ $26,500	*Has been in prison	
		V.U.L $200K-DB
Savings ≅ $18,000		* $136/mo. → $8,000-Cash
	Ret.Check $2971 — $0	
	$2584 — $1938 (75%)	
	* $387 cost for Survivor Benefit.	*$1,113-611 ≅ $500

Note: 42. = $4.02 per $1K ≅ $611/mo

2014 Tax Bracket	Planned Spending IN	Planned Spending OUT	Banking
$226,850	IN	OUT	Morg ≅ $149K @ 4.875% X 30yrs
28%		12mo - Reg Exp	= $865 P & I
	G ≅ $4,300	Fixed = $2,129	= $248 escrow
$148,850			$1,113
	M ≅ Varies	Vary = $1,400	
25%	$4,300	$3,529	C.C ≅ $4,000 * $60/mo.
$73,800	Surplus ≅ $771/mo.		

	Revised Spending IN	Revised Spending OUT	
15% L43-2013	IN	OUT	
$48,672	Retirement ≅ $2971		Future Financing.....
$18,150 Tax Refunds	SocSec ≅ $1900		
* ≅ $2,000-IRS	Gary @ Age 62 (2-12-17)		
10% * ≅ $1,000-State	Note: Gary will work - 2nd Income.		
$0			

Ameritime
Educating Educators About Their Money

* Money flowing away from their control.

npc
national planning corporation

(9)

Name: ____________________ Date: ____________

Cash Flow Awareness
"Thinking Exercise"

Net Income

Checking Account

REGULAR MONTHLY EXPENSES
(12 Months)

Fixed	Vary
Mortgage	Groceries
Phone	Clothing
Electric	Restaurants
Etc.	Etc.

Net Income - Regular Monthly Expenses = Surplus

Surplus

Annual Expenses	Irregular Expenses
P.P. Tax (Autos)	Vacations
Homeowner Insurance	College Tuition
Real Estate Tax	Weddings
Ect.	Ect.

Rev. 09-04-14

(10)

ITEMIZED MONTHLY INCOME

Name/Source		Amount
Gary	≈ $1,000 Per Wk Net	$ 4,300+/monthly
		$
Mona	varies – all goes into Savings.	$
		$
		$
		$
	Total:	$

MONTHLY REGULAR EXPENSES

(FIXED)

Housing:	
Mortgage	$ 1,113
R.E. Taxes	$ escrow
H.O. Insurance	$ escrow
Utilities	$ 200+
Phone/Cell	$ 97
Internet/Cable	$ 240
water	$ 23
trash	$ 15

Transportation:	
Loan #1	$ None
Loan #2	$
Loan #3	$
Loan #4	$
	$

Total: $ 2,129

Medical Costs:	
Eye	$ 20
Dental	$
Prescription	$ 5
	$
	$

Financial Obligations:	
Loan Payments	$ 0
CC Payments	$ 60
Charities	$
Health Ins.	$
Life Insurance	$ 136
Auto Insur.	$ 220
	$

(VARY)

Groceries	$ 400+
Clothing	$ 100
Restaurants	$ 400-500
Gasoline	$ 400
?	$
Miscellaneous ?	$
	$
	$
	$
	$

Total: $ 1,400 (32% of Net)

NET INCOME - REGULAR MONTHLY EXPENSES = SURPLUS

$ 4,300 - $ 2,129+1,400 = $ 771

Irregular Payments

- Dental Work
- Vacation

Quarterly, Semi-Annual, Annual Payments

- P.P. Tax
- Lot Fees – Lake

Rev. 09-04-14

(10b)

ITEMIZED MONTHLY INCOME

Name/Source	Amount
____________	$__________
____________	$__________
____________	$__________
____________	$__________
____________	$__________
____________	$__________
Total:	$__________

MONTHLY REGULAR EXPENSES

(FIXED) (VARY)

Housing:
Mortgage $__________
R.E. Taxes $__________
H.O. Insurance $__________
Utilities $__________
Phone/Cell $__________
Internet/Cable $__________
__________ $__________
__________ $__________

Transportation:
Loan #1 $__________
Loan #2 $__________
Loan #3 $__________
Loan #4 $__________
__________ $__________

Total: $__________

Medical Costs:
Eye $__________
Dental $__________
Prescription $__________
__________ $__________
__________ $__________

Financial Obligations:
Loan Payments $__________
CC Payments $__________
Charities $__________
Health Ins. $__________
Life Insurance $__________
__________ $__________
__________ $__________

Groceries $__________
Clothing $__________
Restaurants $__________
Gasoline $__________
__________ $__________
__________ $__________
__________ $__________
__________ $__________
__________ $__________
__________ $__________

Total: $__________

NET INCOME - REGULAR MONTHLY EXPENSES = SURPLUS

$__________ - $______________ = $__________

Irregular Payments

____
____
____
____
____
____

Quarterly, Semi-Annual, Annual Payments

____
____
____
____
____
____

Rev. 09-04-14

(10c)

Saving/Borrowing Strategy Common Responses...

+	Savings @ Banks	-	+	Bank Loans	-
- Safe - accessible - Traditional - Convenient - Normal		RofR - Low↓ Taxes - High↑ Loss of Gain (when spend $$$)	-Normal -Get It Now -Simple		-Have to Pay It Back. -Must Qualify -Bank's Terms -Not Flexible

+	Savings w/ Mutual Insurance Company	-	+	Insurance Policy Loans	-
-RofR-Higher -No Taxes - Uninterrupted Tax Free Growth - No Loss of Gain		- 1st Yr - 50-60% accessible. - 4-5 days to receive money. - Different Doesn't Seem Normal - Is it Safe	- You Determine When To Pay It Back. - Your Terms (Flexible) - No Qualification - Loan can be paid back at death or while living.		- Not Normal - Difficult to Think Differently - Different Strategy - Charged Int. for Loan from Insur. Co.

Potential Strategies to Increase Flow of Money into Your Control?

- "Taxable" Savings
- Tax Shelter Accounts
- Equity in Home
- Tax Refunds
- LTC Insurance
- Health Ins Strategy Higher Dedcutible/HSA
- Home & Auto Ins
- Schedule C Deductions
- Soc Security/Medicare
- Life Insurance/Survivor Benefit Stratgies
- Interest Payments to Banks

•Will/Trust? Flow of Money – Next Generation?

Name: Gary & Mona

Date: 01-07-2014

Privatized Cash Flow System

Potential Funding

Savings ≅ $26,500
Savings ≅ $18,000
Sep of E ≅ $15,000+
S.O.E.

1035 Ex. ≅ $8,000
≅ $136/mo – V.U.L
≅ $60/mo – C.C.
≅ $250/mo – IRS/mo ($3,000)

Restructure mortg. ≅ $500/mo.
Surplus ≅ $700/mo.

Probable Capitalization	Probable Financing
Apply for $30K Per Yr – MEC Life + 1035 Ex Initial DB ≅ $450K.	
Yr #1 –	Yr #1 – Dental Work ≅ $1,000 Vacation ≅ $2,000 P.P. Tax = TBD Lake Fee = TBD
Yr #2 –	RE Tax ? H.O. Insur. ? ≅ $3,000
Yr #3	
Yr #4	
Yr #5	

Banks

- 100% accessible today
- Feels normal
- Feels safe
- Inflates our Money
- Low Rate of Return
- High Taxes
- Lost Opportunity Cost

Insurance Company

- Mutual Ins Co (policy owners)
- Non Direct Recognition
- Specially Designed Par Whole Life Contract
- Better Control of your $$$
- 50-60% Accessible
- Takes 48-96 hours
- Lose money if fail to keep 5-6 yrs or longer

(12)

Name:____________________ Date:____________________

Privatized Cash Flow System

Potential Funding	
Probable Capitalization	**Probable Financing**

Banks

- 100% accessible today
- Feels normal
- Feels safe
- Inflates our Money
- Low Rate of Return
- High Taxes
- Lost Opportunity Cost

Insurance Company

- Mutual Ins Co (policy owners)
- Non Direct Recognition
- Specially Designed Par Whole Life Contract
- Better Control of your $$$
- 50-60% Accessible
- Takes 48-96 hours
- Lose money if fail to keep 5-6 yrs or longer

(12a)

Patriot 100: Level Premium Whole Life Insurance Plan
Tabular Detail

Gary [redacted]
Male Age 57 Standard/Non-smoker

Base ≅ 1/3

Initial Annual Premium: $30,000.00
Initial Face Amount: $220,500
Total Lump Sum+: $8,000.00

Div Opt: PUA
Riders: TLR LPUA ABR SPUA

LPUAR ≅ 2/3

+ $175,000 term

+ ≅ $63,000 Pd Up.

w/ 1035 Ex ≅ $8,000

		Guaranteed			Non-Guaranteed Assumptions 100% of Current Dividend Scale					
Age	Year	Contract Premium	Net Cash Value	Death Benefit	Contract Premium	Cum Premium	Annual Dividend	Increase in Net Cash Value	Net Cash Value	Death Benefit
58	1	38,000	26,344	454,030	38,000	38,000	1,810	28,154	28,154	458,077
59	2	30,000	51,188	494,131	30,000	68,000	2,323	27,222	55,376	503,220
60	3	30,000	76,696	533,052	30,000	98,000	2,839	28,473	83,849	548,125
61	4	30,000	102,840	570,843	30,000	128,000	3,383	29,738	113,587	592,841 +≅$4.
62	5	30,000	129,582	607,553	30,000	158,000	3,961	31,013	144,599	637,431
63	6	30,000	156,877	643,233	30,000	188,000	4,571	32,289	176,888	681,956
64	7	30,000	184,711	677,935	30,000	218,000	5,179	33,563	210,451 Term	726,413
65	8	29,078	213,078	536,710	29,078	247,078	5,810	34,868	245,320	595,843
66	9	29,078	241,989	569,601	29,078	276,155	6,467	36,225	281,545 dropped	640,291
67	10	29,078	271,464	601,649	29,078	305,233	7,136	37,633	319,178 or	684,770
68	11	10,000	283,296	601,649	10,000	315,233	7,532	20,577	339,754 Converted	697,565
69	12	10,000	295,279	601,649	10,000	325,233	7,933	21,331	361,085	710,712
70	13	10,000	307,400	601,649	10,000	335,233	8,355	22,099	383,183	724,226
71	14	10,000	319,625	601,649	10,000	345,233	8,813	22,871	406,055	738,144
72	15	10,000	331,873	601,649	10,000	355,233	9,341	23,628	429,682	752,556
73	16	10,000	344,082	601,649	10,000	365,233	9,877	24,320	454,002	767,455
74	17	10,000	356,285	601,649	10,000	375,233	10,383	25,023	479,025	782,778
75	18	10,000	368,503	601,649	10,000	385,233	10,856	25,722	504,747	798,459
76	19	10,000	380,749	601,649	10,000	395,233	11,333	26,438	531,185	814,493
77	20	10,000	393,007	601,649	10,000	405,233	11,840	27,161	558,346	830,910
78	21	10,000	404,686	601,649	10,000	415,233	12,409	27,336	585,682	847,785
79	22	10,000	416,226	601,649	10,000	425,233	13,036	27,980	613,663	865,185
80	23	10,000	427,614	601,649	10,000	435,233	13,685	28,612	642,274	883,130
81	24	10,000	438,856	601,649	10,000	445,233	14,356	29,254	671,528	901,639
82	25	10,000	449,985	601,649	10,000	455,233	15,020	29,905	701,433	920,697
83	26	10,000	461,110	601,649	10,000	465,233	15,634	30,620	732,053	940,234
84	27	10,000	472,314	601,649	10,000	475,233	16,213	31,368	763,421	960,203
85	28	10,000	483,691	601,649	10,000	485,233	16,761	32,147	795,568	980,567
86	29	10,000	495,373	601,649	10,000	495,233	17,254	32,956	828,524	1,001,263
87	30	10,000	507,587	601,649	10,000	505,233	17,644	33,846	862,369	1,022,176
88	31	0	513,194	601,649	0	505,233	18,563	28,089	890,458	1,043,938
89	32	0	518,392	601,649	0	505,233	19,469	28,489	918,947	1,066,535
90	33	0	523,170	601,649	0	505,233	20,392	28,860	947,808	1,089,986
91	34	0	527,610	601,649	0	505,233	21,255	29,299	977,107	1,114,223
92	35	0	531,797	601,649	0	505,233	22,039	29,794	1,006,901	1,139,157
93	36	0	535,732	601,649	0	505,233	22,829	30,279	1,037,180	1,164,795
94	37	0	539,408	601,649	0	505,233	23,634	30,751	1,067,930	1,191,156
95	38	0	542,801	601,649	0	505,233	24,466	31,184	1,099,115	1,218,274
96	39	0	545,966	601,649	0	505,233	25,243	31,651	1,130,766	1,246,091
97	40	0	548,992	601,649	0	505,233	25,944	32,211	1,162,977	1,274,523
98	41	0	551,856	601,649	0	505,233	26,663	32,730	1,195,707	1,303,592
99	42	0	554,515	601,649	0	505,233	27,428	33,189	1,228,896	1,333,351
100	43	0	556,898	601,649	0	505,233	28,254	33,534	1,262,430	1,363,875
101	44	0	559,064	601,649	0	505,233	29,051	33,960	1,296,391	1,395,139
102	45	0	561,182	601,649	0	505,233	29,661	34,572	1,330,962	1,426,938

(13)

This is an illustration only, not an offer, contract, or promise of future policy performance. Coverage is subject to the terms and conditions of the policy. This illustration is not valid without all 11 pages.

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January 7, 2015 12:38 PM
Page: 8 of 11

8.47B(09H)85
State: MO

Patriot 100: Level Premium Whole Life Insurance Plan
Tabular Detail

Gary [redacted]
Male Age 57 Standard/Non-smoker

Initial Annual Premium: $30,000.00
Initial Face Amount: $220,500
Total Lump Sum+: $8,000.00

Div Opt: PUA
Riders: TLR LPUA ABR SPUA

		Guaranteed			Non-Guaranteed Assumptions 100% of Current Dividend Scale					
Age	Year	Contract Premium	Net Cash Value	Death Benefit	Contract Premium	Cum Premium	Annual Dividend	Increase in Net Cash Value	Net Cash Value	Death Benefit
103	46	0	563,245	601,649	0	505,233	30,251	35,145	1,366,108	1,459,252
104	47	0	565,261	601,649	0	505,233	30,849	35,737	1,401,845	1,492,086
105	48	0	567,210	601,649	0	505,233	31,423	36,258	1,438,102	1,525,417
106	49	0	569,117	601,649	0	505,233	31,988	36,824	1,474,926	1,559,234
107	50	0	570,964	601,649	0	505,233	32,510	37,297	1,512,223	1,593,491
108	51	0	572,763	601,649	0	505,233	33,017	37,782	1,550,005	1,628,173
109	52	0	574,508	601,649	0	505,233	33,492	38,213	1,588,218	1,663,247
110	53	0	576,199	601,649	0	505,233	33,930	38,604	1,626,822	1,698,676
111	54	0	577,835	601,649	0	505,233	34,347	38,968	1,665,789	1,734,438
112	55	0	579,412	601,649	0	505,233	34,706	39,250	1,705,040	1,770,477
113	56	0	580,934	601,649	0	505,233	35,002	39,482	1,744,521	1,806,727
114	57	0	582,402	601,649	0	505,233	35,267	39,676	1,784,197	1,843,160
115	58	0	583,816	601,649	0	505,233	35,462	39,794	1,823,991	1,879,705
116	59	0	585,169	601,649	0	505,233	35,583	39,812	1,863,803	1,916,290
117	60	0	586,469	601,649	0	505,233	35,643	39,782	1,903,585	1,952,856
118	61	0	587,720	601,649	0	505,233	35,620	39,682	1,943,267	1,989,320
119	62	0	588,906	601,649	0	505,233	35,509	39,428	1,982,696	2,025,598
120	63	0	590,001	601,649	0	505,233	35,387	39,074	2,021,769	2,061,684
121	64	0	601,649	601,649	0	505,233	15,153	55,068	2,076,837	2,076,837

(13a)

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Patriot 100: Level Premium Whole Life Insurance Plan
Additional Information

Gary [redacted]	Initial Annual Premium: $30,000.00
Male Age 57 Standard/Non-smoker	Initial Face Amount: $220,500
	Total Lump Sum+: $8,000.00

Div Opt: PUA
Riders: TLR LPUA ABR SPUA

Total Lump Sum+

LPUA Lump Sum: $0.00 — Non-1035 Lump Sum: $0.00 — 1035 Lump Sum: $8,000.00

Life Insurance Cost Information

	Net Payment Cost Index		Surrender Cost Index	
	Guaranteed	Projected	Guaranteed	Projected
Year 10	45.35	34.96	27.26	16.87
Year 20	45.35	32.31	29.92	16.88

These indices are computed by the formulae as prescribed by the National Association of Insurance Commissioners, and reflect the time value of money at 5%. These indices do not include the cost of additional benefits.

Premium Information

Premiums in this illustration are assumed to be paid on a(n) Annual basis.

First Year Premiums

		Regularly Billed Premiums Paid Annual	+ Lump Sum Payments
Base Policy		$9,999.98	
10 Year Term Rider	$175,000	$922.25	
Accelerated Benefit Rider(ABR-92)		$0.00	
Level Premium Paid-up Additions Rider		$19,077.76	
Underwritten Annual LPUA Premium	$20,000.01		
Max LPUA Premium: Years 8+	$19,077.76		
Single Premium Paid-up Additions Rider			
1035 Lump Sum			$8,000.00 @
		$30,000.00	$8,000.00

@ Must be received within 90 days of issue

The initial 7-pay premium for the policy as illustrated is $31,776.81 per year. The policy, as illustrated, is not a MODIFIED ENDOWMENT CONTRACT (MEC).

Underwriting Requirements

Primary Insured Underwriting Requirements Level D ($543,500):

- o Paramedical examination
- o Blood profile required including a urine specimen. Recommend an 8 hour fast before blood draw. Get special state authorization signed if state requires it.
- o 12-Lead Resting EKG (without interpretation) Use company authorized M.D. if possible
- o Teleserve Inspection
- o Financial Supplement Form 1277 is required.

Additional Information

The above underwriting requirements are based solely on age and death benefit of the proposed insured. They do not take into account other factors which may affect underwriting, such as adverse medical history and/or total life insurance applied for and/or inforce with this and all other companies.

(13b)

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12-16-2014

Generational Strategic Thinking

Deceased Deceased

Siblings - N/A

Gary (2-12-55) Mona (4-9-57)

Siblings - N/A

Terry (38) Gary (37) Mandy (36) Nicki (34)
Jill (38) Sean (40) Robert (34)

Charitable Wishes!

Austin (14) Aiden (6) Grayson (5)
Andrew (11) Michael (4) Karson (7)

(14)

Generational Strategic Thinking

(14a)

*
HLV = Human Life Value (# of policies)

January, 2014

Generational Strategic Thinking

(86) Donald : (86) Dorothy

Rent $460K - Donald
Own $50K
Own $1.75m - 4 daughters,
22 grandchildren / 21 great grandchildren

(deceased) Frank : (deceased) Dorothy

owned $165K - Dorothy
6 grandchildren / 4 Great grandchildren

Frank

Don : Joan
Dan : Brenda
Becky : Paul
Jay : Vicki
Jane : Mark
JoJo : Dave
Pat : Connie
Angela

Total Cash Flowing Into IBC ≅ $850K/YR

(1-6-54) * Mark (19) ($15.2m)

(4-28-54) Debbie (3) ($1.3m)

(4-28-79) Amy * (5) $1.35m

(4-9-82) Lori (4) $720K (60%)

(4-9-82) Kim (4) $340K

(9-8-85) Ashley (4) $480K

(11-6-79) Robbie * (4) $5.6m

(12-1-80) Aaron (1) $1.3m (80%)

(8-2-85) (2) David * $293K
+$1m

$50K/YR ≅ $700K + $1m.

Favorite Charities
Mark : Debbie Foundation
- Our Ladys
- Archdiocese
- Covenant House
- Room at the Inn
- St. Vincent De Paul
- Valle Schools
- Holy Rosary School

(11-30-08) Cooper (1) $370K

(10-29-11) Izzie (2) $410K + $290K = $700K

(1-7-15) Cohen pending

(7-1-13) Hadley (1) $380K

Son - May, 2015

Mark : Debbie's Generational Totals (146)

54 Policies
≅ $1.15m - Annual Prems
≅ $31m - Life Insurance (Property)

Name: Terry (7-8-51)

Name: Janna (3-16-51)

Ameritime
Educating Educators About Their Money

Date: 3 / 20 / 2013

Taxable	Tax Deferred	Tax Free	
Checking ≅ $10K-$20K	IRA ≅ $551K	Home - Pd ≅ $150K Value	
CDs ≅ $35K			
		Policy Privatized Banking	
	PSRS - 6-30-2011	mo. / Cash	DB
	$11,771 — $0	#1 → $10,000 / $330K	$3,05M
	$10,655 — $10,655	#2 → $4,770 / $101K	$581K
		#3 → $2,500 / $29K	$448K
		$17,770 / $460K	$4,079M

—$398,350—2013

33% Tax Bracket Ln43	Planned Spending IN	Planned Spending OUT	Banking
— $223,050 — ≅ $253K+			($75K Limit)
28%	(Terry) PSRS = $9,550	(Normal Mo.) ↓	Heloc ≅ $20K @ 3.125% = $330/mo
— $146,400 —	2nd Income = $7,150	Fixed = $3,088	Will probably bank this out of their Banking System.
		Vary = $1,600	
25%	(Janna)	≅ $4,700	
— $72,500 —	SocSec ≅ $600	Reg Mo. Exp. only	
	Ret ≅ $860		
	$18,160		

	Revised Spending IN	Revised Spending OUT	
15%			
— $17,850 —	Note: Revenue will decrease by ≅ $7,150/mo, increase by ≅ $2,000/mo, whenever Terry stops @ Charter School,		Future Banking —
			Now Track — 1-2 years
10%			
$0			

Ameritime
Educating Educators About Their Money

npc
national planning corporation

(15)

[redacted]

Privileged And Confidential

For Agent Use Only; Not For Use With The General Public
All Policy Information and Values Calculated as of November 18, 2014 at 1:59 PM

Servicing Agent
Mark O Benson
1516 Parkway West
Festus, MO 63028
Phone - (314) 432-9540
Fax - 636-931-4442
Email - OSC@AMERITIME.NET
Agent Number - [redacted]

Policy Owner #1
[redacted]
Email - [redacted]

Policy Insured
Terry [redacted]
Phone - [redacted]
Email - [redacted]

Base Policy Information	
Policy Number	[redacted]
Status	Active
Primary Beneficiary	[redacted] Primary Living Trus
Policy Anniversary Date	Jun-27-2015
Date of Issue	Jun-27-2011
Policy Maturity Date	Jun-27-2073
Policy Paid Up Date	Jun-27-2041
Product Type	30 Payment Life
Plan Name	PATRIOT100
Type of Business	Personal
Qualified Plan	No
Gender	Male
Date of Birth	Jul-08-1951
Policy Issue Age	59
Rate Class	Preferred
Face Amount	$ 1,407,311.00
Current Dividend Option	Purchase Paid-up Additions
Non-Forfeiture Option	APL with Extended Term Insurance
Automatic Premium Loan Option	Yes
Policy Issue State	MO

Policy Values	
Total Death Benefit	$ 3,049,568.91
Available Loan Value	$ 305,333.32
Base Policy Value	$ 93,389.16
Base Policy Paid-up Additions	$ 42,063.44
Level Premium Paid-up Additions	$ 10,069.07
Policy Rider	$ 219,768.29
Premium Refund	$ 41,756.13
Policy Loan Plus Interest	$ -76,579.38
Net Cash Surrender Value	$ 330,466.71

Guaranteed Anniversary Cash Value Including Rider Value when Applicable

Year	Cash Value
06/27/2014	$ 295,432.81
06/27/2015	$ 340,351.59
06/27/2016	$ 385,479.26

Base Dividend Information	
2014 Annual Dividend	$ 15,399.17
2015 Annual Dividend	$ 17,385.17
Applied to Additions	$ 17,385.17
Paid Up Additions Amount	$ 33,642.64

Level Premium Paid Up Additions Rider	
Underwritten Annual LPUA	$ 131,129.40

Billing Information	
Billing Method	Direct Bill
Billing Frequency	Annual
Next Billing Date	Jun-09-2015
Premium Due Date	Jun-27-2015
Policy Annual Premium	$ 68,869.65
Gross Billed Premium	$ 68,869.65

Policy Riders

Rider	Expiration Date	Insurance Amount
ACCELERATED BENEFIT RIDER	Jun-27-2073	
SEVEN YEAR TERM RIDER	Apr-18-2021	$ 248,900.00
LEVEL PREMIUM PAID-UP ADDITIONS RIDER	Jun-27-2073	$ 432,453.00
10 YEAR TERM LIFE RIDER	Jun-27-2031	$ 885,000.00

Premium Payment History

Date of Payment	Gross Premium	Base Premium Including Other Riders	Level Premium Paid Up Addition Rider
Dec-27-2013	$ 20,188.70	$ 17,906.11	$ 2,282.59
Mar-27-2014	$ 17,906.85	$ 17,906.11	$ 0.74
Jun-27-2014	$ 0.00	$ 0.00	$ 0.00
Jul-01-2014	$ 962.56	$ 961.82	$ 0.74
Jul-01-2014	$ 5.31	$ 0.00	$ 5.31
Jul-01-2014	$ 16,944.29	$ 16,944.29	$ 0.00
Sep-27-2014	$ 51,652.24	$ 51,652.24	$ 0.00

Deposit Fund History

Date	Description	Amount
Nov-19-2013	DEPOSIT	$ 4,000.00
Dec-27-2013	APPLIED TO PREMIUM	$ -4,000.00

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[redacted] Company • [redacted]

(16)

Dec-27-2013	APPLIED TO PREMIUM	$ -4.15
Mar-04-2014	DEPOSIT	$ 4,500.00
Mar-10-2014	DEPOSIT	$ 3,250.00
Mar-10-2014	INTEREST CREDITED	$ 0.74
Mar-27-2014	DEPOSIT	$ 10,156.11
Mar-27-2014	INTEREST CREDITED	$ 3.59
Mar-27-2014	APPLIED TO PREMIUM	$ -17,906.85
Jun-04-2014	DEPOSIT	$ 8,200.00
Jun-04-2014	INTEREST CREDITED	$ 0.01
Jul-01-2014	APPLIED TO PREMIUM	$ -8,209.65

Loan History

Date	Description	Amount	Loan Interest Rate
Jun-27-2014	Interest Capitalization	$ 2,135.36	5.00%
Sep-24-2014	Policy Loan	$ 30,641.35	5.00%

Loan Repayments

Date Received	Amount
Dec-27-2013	$ 4.15

Total Outstanding Loan	$ 76,579.38

Addendum

Dates

Values are calculated as of the time the report is generated. Some processing may not occur until the end of the business day.

(17)

Name Terry [redacted]

Policy #1

Policy Number [redacted]

Issue Date 6/27/2011

Anniversary Date	Annual Premiums Received	Total Dividend Paid	DB gained by Dividend	Interest Charged to policy
6/27/2012	$199,999.00	$13,838.88	$29,162.72	$0.00
6/27/2013	$199,999.05	$17,280.35	$35,373.59	$1,693.48
6/27/2014	$80,781.91	$19,123.49	$38,048.37	$2,135.36
6/27/2015	$69,564.40	-	-	-

(18)

PART IV - EQUIPMENT FINANCING

Now that we have established the fact that a dividend-paying life insurance policy has all the characteristics of a banking system, let's refresh your memory of the steps it takes to get into the banking business and then use the system to enhance the things that you are already doing within your regular line of business.

All you have to do is select an appropriate plan of life insurance with a quality "dividend-paying life insurance company (you need to have good administrative "hired help") and put some money into it. You must build the "capitalization phase" over a period of time, such as four years minimum. You may find it necessary to accumulate the capital over a longer period of time. Indeed, additional capital makes the system more profitable. Whoever heard of a grocer complaining about having to fill the shelves on *five* gondolas in his store instead of *four?* He knows full well that the additional merchandise (capital) will improve his profitability. Neither should someone complain about additional capital (premiums) paid into a life insurance policy.

There are no licenses required and no customers to seek out. No accounting. No engineering. It has all been done beforehand by the life insurance company—your "hired help." You surely don't get those advantages when starting up any other business!

Suppose that this 30 year old man, who is in the logging business, adopts such a plan and puts $40,000 of capital per year into his "banking system" for four years. The policy he is using is a "Life Paid-Up at age 65" with a premium of $15,000 per year and a Paid-Up Insurance Rider premium in the amount of $25,000. (See illustration 1.) Notice that at the end of the first four years the total cash value ($157,363) and his cumulative outlay ($160,000) are practically identical.

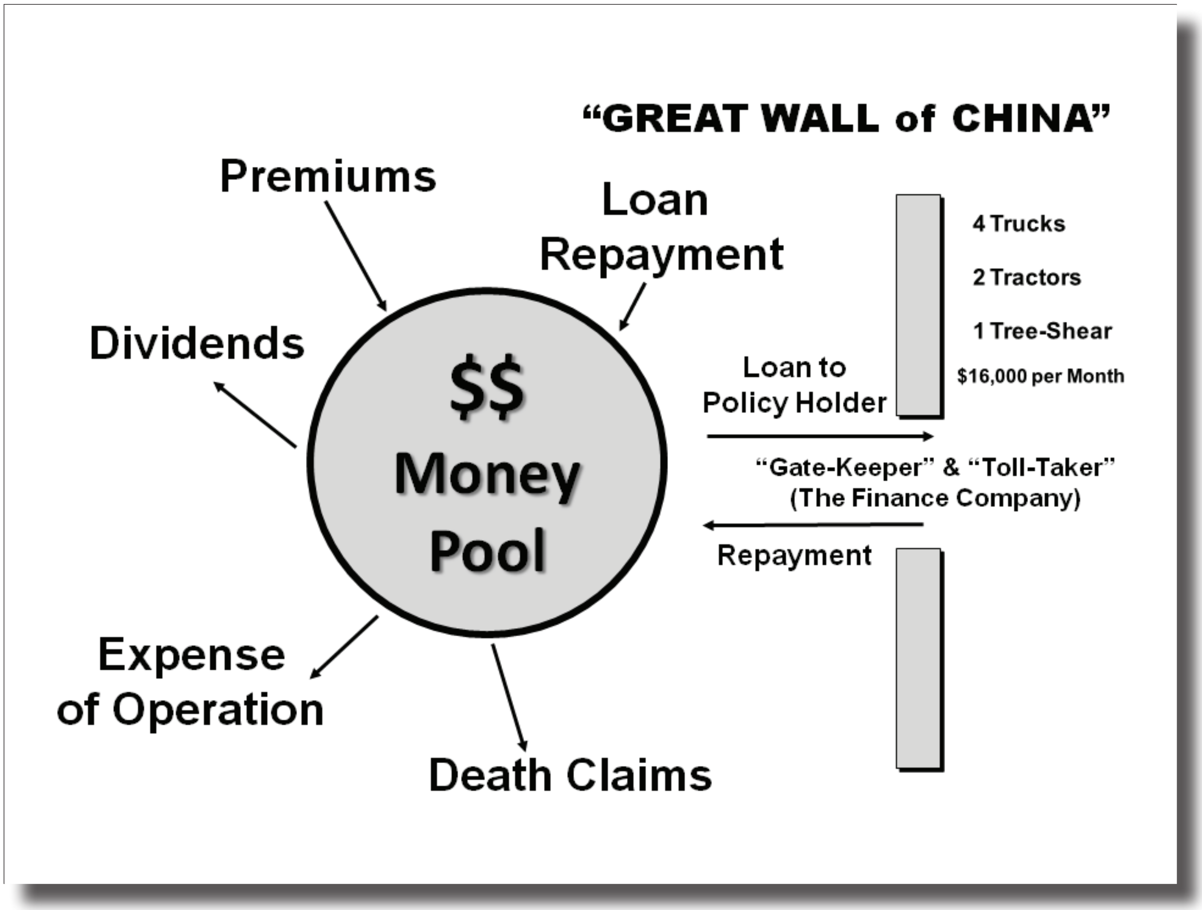
Beginning the fifth year, no further premiums are required because the current dividend ($6,339), plus surrender of some of the paid-up insurance will pay the base premium ($15,000) from that point on. Notice the death benefit at the end of the fourth year ($1,684,787), and compare it with the end of the fifth year ($1,651,077). The difference between the numbers is the amount of paid-up insurance surrendered to pay the annual $15,000 premium—resulting in no "out of pocket" outlay. His administrators, the life insurance company, lend the money out to various places and, after expenses of operation and paying out an occasional death claim, show that he has something like $1,517,320 in cash value 36 years later, which has a death benefit of $2,406,948 at that time. The death benefit has grown, over the years, because all dividends in excess of the annual premium are used to buy additional paid-up insurance. This increase is all done on a tax-free accumulation basis. Taxation does not occur until the amount withdrawn exceeds the premiums paid into the policy.

The insured is now age 66 and is considering retirement. He can begin to withdraw $92,000 per year in dividends to meet that need from that point on—no matter how long he lives! Suppose he dies at age 85. At that point he has recovered all the premiums he has paid into the policy ($160,000), plus $1,588,000—and he *still* delivers $2,407,736 in death benefit to his beneficiary.

He could decide to draw a larger income from dividend credits—but doing so would diminish the capital base and the ultimate death benefit. Conversely, he could decide to draw a smaller income from dividends, in which case, the capital base would increase and so would the residual death benefit. Under the scenario depicted thus far, the income will become *income-taxable* when the amount of income received exceeds his cost basis (premiums paid in—in this case $160,000). There is no need to dwell on this matter at length at this point, as you will see by the next series of examples.

No matter how you look at it, the above is a pretty good scenario. But, then it dawns on the young man –"I'm paying $16,000 *per month* to that pool of money for the equipment used in my logging business. The finance company (gate-keeper & toll-

FIGURE 2



Whenever a large pool of cash is accumulated, there is always a barrier of some kind to keep most folks out. Hence my explanation of "The Great Wall of China."

And there is always some other party that has privileged access to that same pool. This is the "Gate-keeper & Toll-taker."

Our Logging contractor is borrowing money to finance his equipment from the "Gate-keeper & Toll-taker' (The Finance Company)—money that the finance company (FC) borrowed, in large quantities, from the life insurance company. The FC adds an up-charge to it and retails it to the logger. The logger pays the FC $16,000 per month and the FC repays the life insurance company a lower rate. The FC lives well off the flow of cash through his hands! It is this financial energy that can be captured by the policy-owner and accrue to his benefit—all on an income tax-free basis.

The policy-owner outranks all other possible borrowers from the life insurance pool of cash values that *must* be lent to someone in order for the plan to work.

EXHIBIT 1

DESCRIPTION OF VEHICLE - COLLATERAL (for security purposes only)

Year	Make-Model	Serial Number	New or Used	Price of Vehicle
1984	Peterbilt	LXP9DF9XDEN164673	New	$65,790.00

Buyer hereby grants a security interest in the above Vehicle and any additional collateral (collectively the "Collateral"), and any Additions and Accessions (as defined on the reverse side), to seller and its assigns to secure prompt payment of the indebtedness herein and performance of buyer's other obligations, including any additional indebtedness incurred as provided by this Contract and any extensions and renewals of the obligations and future advances. The security interest extends to the proceeds of the Collateral and the proceeds of any insurance policy.

Buyer also acknowledges that Seller has offered to sell the Vehicle for the cash Price indicated, but that buyer has chosen to purchase on the terms and conditions of this Contract:

1. TOTAL CASH PRICE (including: Sales Tax $ NA :Title Fee $ NA) $ 65,790.00 (1)

2- TOTAL DOWN PAYMENT (consisting of Net Trade-in $ NA : Cash $13,190.00 $13,190.00 (2)

Description of Trade-in:

$ NA

Year Make Model Serial No. Trade-in Allowances

Payoff due to: Amount Due $ NA

3. UNPAID CASH PRICE (subtract 2 from 1) $52,600.00 (3)

4. INSURANCE

A. Required physical damage insurance

Physical damage insurance is required by this contract until the indebtedness is fully paid. Buyer has the option of furnishing such insurance either through existing policies owned or controlled by him or procuring or furnishing equivalent coverage through any insurance company authorized to do business in this state, provided, however, that with respect to dual interest insurance, Seller shall have the right to reject for reasonable cause any insurer offered by Buyer.

Insurance Company: Term NA months

(if applicable) Physical damage insurance not financed in-this contract.

$ NA Deductible Collision Premium $ NA (4A)

$ NA Deductible Comprehensive Premium $ NA (4A)

Other Premium $ NA (4A)

B. OPTIONAL Credit Insurance for the Term of this Contract.

Credit Life and Credit Accident and Health Insurance are not required by Seller, are not a factor in approval of the credit, and are included only 9 Buyer signs below.

I Do ___ I Do Not ____Desire Credit Life insurance Premium $ NA (4B)

I Do ___ I Do Not ___ Desire Credit Accident and Health insurance Premium $ NA (4B)

Insurance Company

Buyer acknowledges disclosure of Credit Insurance charge above and requests and authorizes Seller to obtain insurance coverage checked and include the cost thereafter in item 4.

Buyer: Date:

Aggregate Amount of insurance (Add 4A and 4B) $ NA (4)

5. OFFICIAL FEES (itemize)$ NA $ NA (5)

6. PRINCIPAL BALANCE (Basic Time Price) (Add 3,4 and 5) $52.600.00 (6)

7. TIME PRICE DIFFERENTIAL (Finance Charge) $19,496.00 (7)

8. TIME BALANCE (Contract Balance) (Add 6 and 7) $72,096.00 (8)

9. TOTAL TIME SALE PRICE (Add 1,4,5, and 7) $85,286.00 (9)

10. PAYMENT SCHEDULE: The Time Balance (item 8) is payable to Seller or his assignee in 48 installment(s) of $1,502.00 each, commencing December 19 8 4 followed by installments of $ NA each, commencing 19 followed by installments of $ NA each, commencing 19 and on the same day of each successive month thereafter, or as indicated below (if applicable) This Contract is not payable in installments of equal amounts.

An installment of $ NA will be due on . This will be a Balloon Payment (a payment more than twice the size of a regular installment). Larger installments will be due as follows:

11. DEFAULT CHARGE IN EVENT OF LATE PAYMENT. If any installment is not paid within 10 days after it is due, Buyer agrees to pay late charge equal to 5% of the unpaid installment not to exceed $5, or in lieu thereof, if allowed by law of the state in which this Contract is entered into, interest at the highest rate allowed, whichever is greater. Buyer represents and warrants that...

but look at the cost basis (line 36, column 7) and you see that it is now $946,184. The difference between this number and the original $160,000 of capital is the "interest"[1] he paid his policy during the entire period—and he gets it all back on a tax-free basis!!

All interest involved in these illustrations has been paid by *withdrawal* of additional dividend credits.

There can be even further improvements in the performance of the system. Just consider, at his age 66 he might sell all his equipment to someone just starting out in the logging business and make a deal with him to finance all his future needs for equipment when he has to replace each item. After all, he has over $3,500,000 that is readily available to do so. In fact, he can make a very good living during retirement just leasing equipment to any number of businesses. Try this for an exercise. Next time you are making a fairly long trip on the Interstate Highway system, keep a tally of the trucks you see and note the percentage that are leased. It will stagger your imagination. Have fun!

EQUIPMENT FINANCING ILLUSTRATIONS 1 - 5:

MALE, Age 30

Dividends to Paid-Up Additions

$1,233,439 L/65

Preferred Non-Smoker	$14,999.99
Paid-Up Additions Rider	$25,000.00
Total Premium	$40,000.00

[1] Actually, this "interest" is not really interest—it is additional premium (capital) that has been paid into the policy that *equals the interest* that was being paid to the finance company. That is the reason that it is adding to the cost basis of the policy. If you have trouble understanding this, go back to the grocery store on page 15. If you still don't understand, then contact me!

MALE, Age 30, Dividends to Paid-Up Additions $1,233,439 L/65
Preferred Non-Smoker $14,999.99
Paid-Up Additions Rider $25,000.00
Total Premium $40,000.00

EQUIPMENT FINANCING ILLUSTRATION 1

START YR	AGE	NET ANN OUTLAY	ANNUAL LOAN	GROSS INTEREST	CUMULATIVE LOAN	TOTAL DIVIDEND	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	30	$40,000	$0	$0	$0	$0	$24,029	$40,000	$1,342,420
2	31	$40,000	$0	$0	$0	$0	$65,282	$80,000	$1,448,237
3	32	$40,000	$0	$0	$0	$2,821	$109,637	$120,000	$1,565,319
4	33	$40,000	$0	$0	$0	$4,494	$157,363	$160,000	$1,684,787
5	34	$0	$0	$0	$0	$6,339	$167,182	$160,000	$1,651,077
6	35	$0	$0	$0	$0	$6,359	$177,803	$160,000	$1,617,227
7	36	$0	$0	$0	$0	$6,827	$189,303	$160,000	$1,586,373
8	37	$0	$0	$0	$0	$7,393	$201,772	$160,000	$1,558,701
9	38	$0	$0	$0	$0	$8,032	$215,294	$160,000	$1,534,303
10	39	$0	$0	$0	$0	$8,735	$229,940	$160,000	$1,513,222
11	40	$0	$0	$0	$0	$9,500	$245,790	$160,000	$1,495,466
12	41	$0	$0	$0	$0	$10,325	$262,987	$160,000	$1,481,114
13	42	$0	$0	$0	$0	$11,273	$281,585	$160,000	$1,470,253
14	43	$0	$0	$0	$0	$12,233	$301,720	$160,000	$1,462,786
15	44	$0	$0	$0	$0	$13,296	$323,507	$160,000	$1,458,790
16	45	$0	$0	$0	$0	$14,409	$347,078	$160,000	$1,458,250
17	46	$0	$0	$0	$0	$15,634	$372,555	$160,000	$1,461,233
18	47	$0	$0	$0	$0	$16,910	$400,109	$160,000	$1,467,729
19	48	$0	$0	$0	$0	$18,311	$429,894	$160,000	$1,477,823
20	49	$0	$0	$0	$0	$19,792	$462,092	$160,000	$1,491,562
21	50	$0	$0	$0	$0	$21,417	$496,851	$160,000	$1,510,003
22	51	$0	$0	$0	$0	$24,093	$534,403	$160,000	$1,533,598
23	52	$0	$0	$0	$0	$26,019	$575,015	$160,000	$1,561,290
24	53	$0	$0	$0	$0	$28,159	$618,942	$160,000	$1,593,313
25	54	$0	$0	$0	$0	$30,523	$666,427	$160,000	$1,629,892
26	55	$0	$0	$0	$0	$33,096	$717,776	$160,000	$1,671,237
27	56	$0	$0	$0	$0	$35,871	$773,220	$160,000	$1,717,463
28	57	$0	$0	$0	$0	$38,806	$833,139	$160,000	$1,768,699
29	58	$0	$0	$0	$0	$41,992	$897,818	$160,000	$1,825,120
30	59	$0	$0	$0	$0	$45,331	$967,607	$160,000	$1,886,785
31	60	$0	$0	$0	$0	$48,898	$1,042,969	$160,000	$1,953,959
32	61	$0	$0	$0	$0	$52,841	$1,124,212	$160,000	$2,026,980
33	62	$0	$0	$0	$0	$56,994	$1,211,884	$160,000	$2,106,079
34	63	$0	$0	$0	$0	$61,623	$1,306,418	$160,000	$2,191,756
35	64	$0	$0	$0	$0	$66,577	$1,408,285	$160,000	$2,284,301
36	65	$0	$0	$0	$0	$71,942	$1,517,320	$160,000	$2,406,948
37	66	-$92,000	$0	$0	$0	$76,620	$1,535,083	$68,000	$2,388,186
38	67	-$92,000	$0	$0	$0	$77,785	$1,553,719	-$24,000	$2,366,852
39	68	-$92,000	$0	$0	$0	$79,063	$1,573,317	-$116,000	$2,348,032
40	69	-$92,000	$0	$0	$0	$80,346	$1,593,760	-$208,000	$2,331,513
41	70	-$92,000	$0	$0	$0	$81,504	$1,615,244	-$300,000	$2,317,164
42	71	-$92,000	$0	$0	$0	$82,915	$1,637,846	-$392,000	$2,305,388
43	72	-$92,000	$0	$0	$0	$84,504	$1,661,661	-$484,000	$2,296,355
44	73	-$92,000	$0	$0	$0	$86,348	$1,686,737	-$576,000	$2,290,342
45	74	-$92,000	$0	$0	$0	$88,419	$1,713,164	-$668,000	$2,287,491
46	75	-$92,000	$0	$0	$0	$90,626	$1,740,933	-$760,000	$2,287,799
47	76	-$92,000	$0	$0	$0	$92,892	$1,769,997	-$852,000	$2,291,093
48	77	-$92,000	$0	$0	$0	$95,007	$1,800,385	-$944,000	$2,297,030
49	78	-$92,000	$0	$0	$0	$97,032	$1,832,206	-$1,036,000	$2,305,422
50	79	-$92,000	$0	$0	$0	$98,942	$1,865,492	-$1,128,000	$2,316,087
51	80	-$92,000	$0	$0	$0	$100,818	$1,900,340	-$1,220,000	$2,329,013
52	81	-$92,000	$0	$0	$0	$102,769	$1,936,871	-$1,312,000	$2,344,345
53	82	-$92,000	$0	$0	$0	$104,913	$1,975,174	-$1,404,000	$2,362,370
54	83	-$92,000	$0	$0	$0	$107,355	$2,015,361	-$1,496,000	$2,383,436
55	84	-$92,000	$0	$0	$0	$110,096	$2,057,446	-$1,588,000	$2,407,736

MALE, Age 30, Dividends to Paid-Up Additions $1,233,439 L/65

Preferred Non-Smoker	$14,999.99
Paid-Up Additions Rider	$25,000.00
Total Premium	$40,000.00

EQUIPMENT FINANCING ILLUSTRATION 2

START YEAR	AGE	NET ANN OUTLAY	ANNUAL LOAN	GROSS INTRST	CUM LOAN	TOTAL DIVID	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	30	$40,000	$0	$0	$0	$0	$24,029	$40,000	$1,342,420
2	31	$40,000	$0	$0	$0	$0	$65,282	$80,000	$1,448,237
3	32	$40,000	$0	$0	$0	$2,821	$109,637	$120,000	$1,565,319
4	33	$40,000	$0	$0	$0	$4,494	$157,363	$160,000	$1,684,787
5	34	-$34,600	$40,745	$2,784	$40,745	$6,339	$129,387	$125,400	$1,623,887
6	35	$18,000	-$12,551	$2,088	$28,194	$5,835	$155,945	$143,400	$1,613,616
7	36	$18,000	-$13,555	$1,084	$14,640	$6,641	$184,927	$161,400	$1,608,902
8	37	$18,000	-$14,639	$0	$1	$7,634	$216,568	$179,400	$1,609,727
9	38	-$34,600	$40,745	$2,784	$40,746	$8,750	$193,570	$144,800	$1,559,233
10	39	$18,000	-$12,550	$2,089	$28,195	$8,997	$225,539	$162,800	$1,563,333
11	40	$18,000	-$13,555	$1,084	$14,641	$10,172	$260,375	$180,800	$1,573,190
12	41	$18,000	-$14,639	$0	$2	$11,506	$298,379	$198,800	$1,588,842
13	42	-$34,600	$40,745	$2,784	$40,747	$13,022	$282,226	$164,200	$1,553,357
14	43	$18,000	-$12,550	$2,089	$28,196	$13,620	$321,600	$182,200	$1,573,180
15	44	$18,000	-$13,554	$1,085	$14,642	$15,196	$364,450	$200,200	$1,598,918
16	45	$18,000	-$14,639	$0	$3	$16,928	$411,071	$218,200	$1,630,573
17	46	-$34,600	$40,745	$2,784	$40,748	$18,838	$404,228	$183,600	$1,611,186
18	47	$18,000	-$12,550	$2,089	$28,198	$19,882	$453,637	$201,600	$1,647,702
19	48	$18,000	-$13,554	$1,085	$14,643	$21,920	$507,320	$219,600	$1,690,350
20	49	$18,000	-$14,639	$1	$5	$24,175	$565,630	$237,600	$1,739,228
21	50	-$34,600	$40,745	$2,784	$40,750	$26,643	$571,379	$203,000	$1,738,388
22	51	$18,000	-$12,550	$2,089	$28,200	$29,261	$634,365	$221,000	$1,795,515
23	52	$18,000	-$13,554	$1,085	$14,645	$32,025	$702,736	$239,000	$1,859,477
24	53	$18,000	-$14,638	$1	$7	$35,154	$776,947	$257,000	$1,930,588
25	54	-$34,600	$40,745	$2,785	$40,752	$38,604	$799,921	$222,400	$1,952,136
26	55	$18,000	-$12,550	$2,089	$28,202	$41,393	$881,561	$240,400	$2,031,725
27	56	$18,000	-$13,554	$1,085	$14,648	$45,296	$969,987	$258,400	$2,119,304
28	57	$18,000	-$14,638	$1	$10	$49,514	$1,065,819	$276,400	$2,214,986
29	58	-$34,600	$40,745	$2,785	$40,756	$54,105	$1,112,034	$241,800	$2,262,110
30	59	$18,000	-$12,550	$2,089	$28,206	$57,975	$1,218,591	$259,800	$2,368,087
31	60	$18,000	-$13,554	$1,085	$14,653	$62,989	$1,333,894	$277,200	$2,482,990
32	61	$18,000	-$14,638	$1	$15	$68,587	$1,458,494	$295,800	$2,607,224
33	62	-$34,600	$40,745	$2,785	$40,761	$74,535	$1,535,684	$261,200	$2,684,155
34	63	$18,000	-$12,549	$2,090	$28,211	$80,157	$1,675,538	$279,200	$2,821,850
35	64	$18,000	-$983	$2,017	$27,228	$87,071	$1,826,253	$297,200	$2,977,525
36	65	$18,000	-$17,262	$738	$9,966	$95,071	$1,988,254	$315,200	$3,158,537
37	66	-$100,000	-$9,966	$0	$0	$102,076	$2,035,134	$215,200	$3,164,149
38	67	-$125,000	$0	$0	$0	$104,516	$2,058,047	$90,200	$3,134,075
39	68	-$125,000	$0	$0	$0	$106,120	$2,082,100	-$34,800	$3,106,363
40	69	-$125,000	$0	$0	$0	$107,725	$2,107,133	-$159,800	$3,081,626
41	70	-$125,000	$0	$0	$0	$109,155	$2,133,392	-$284,800	$3,059,592
42	71	-$125,000	$0	$0	$0	$110,913	$2,160,972	-$409,800	$3,040,867
43	72	-$125,000	$0	$0	$0	$112,895	$2,189,983	-$534,800	$3,025,638
44	73	-$125,000	$0	$0	$0	$115,203	$2,220,485	-$659,800	$3,014,273
45	74	-$125,000	$0	$0	$0	$117,800	$2,252,578	-$784,800	$3,006,960
46	75	-$125,000	$0	$0	$0	$120,562	$2,286,240	-$909,800	$3,003,673
47	76	-$125,000	$0	$0	$0	$123,389	$2,321,397	-$1,034,800	$3,004,192
48	77	-$125,000	$0	$0	$0	$126,004	$2,358,074	-$1,159,800	$3,008,332
49	78	-$125,000	$0	$0	$0	$128,488	$2,396,400	-$1,284,800	$3,014,857
50	79	-$125,000	$0	$0	$0	$130,807	$2,436,406	$1,409,800	$3,024,486
51	80	-$125,000	$0	$0	$0	$133,068	$2,478,201	-$1,534,800	$3,036,856
52	81	-$125,000	$0	$0	$0	$135,414	$2,521,930	-$1,659,800	$3,052,142
53	82	-$125,000	$0	$0	$0	$137,995	$2,567,695	-$1,784,800	$3,070,705
54	83	-$125,000	$0	$0	$0	$140,948	$2,615,623	-$1,909,800	$3,093,000
55	84	-$125,000	$0	$0	$0	$144,273	$2,665,716	-$2,034,800	$3,119,289

MALE, Age 30, Dividends to Paid-Up Additions $1,233,439 L/65
Preferred Non-Smoker $14,999.99
Paid-Up Additions Rider $25,000.00
Total Premium $40,000.00

EQUIPMENT FINANCING ILLUSTRATION 3

START YEAR	AGE	NET ANNUAL OUTLAY	ANNUAL LOAN	GROSS INTRST	CUM LOAN	TOTAL DIVID	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	30	$40,000	$0	$0	$0	$0	$24,029	$40,000	$1,342,420
2	31	$40,000	$0	$0	$0	$0	$65,282	$80,000	$1,448,237
3	32	$40,000	$0	$0	$0	$2,821	$109,637	$120,000	$1,565,319
4	33	$40,000	$0	$0	$0	$4,494	$157,363	$160,000	$1,684,787
5	34	-$69,200	$81,490	$5,568	$81,490	$6,339	$91,595	$90,800	$1,596,709
6	35	$36,000	-$25,101	$4,177	$56,389	$5,313	$134,075	$126,800	$1,610,004
7	36	$36,000	-$27,109	$2,169	$29,279	$6,439	$180,536	$162,800	$1,631,380
8	37	$36,000	-$29,278	$0	$1	$7,873	$231,349	$198,800	$1,660,687
9	38	-$69,200	$81,490	$5,568	$81,491	$9,467	$171,834	$129,600	$1,584,168
10	39	$36,000	-$25,101	$4,177	$56,390	$9,261	$221,108	$165,600	$1,613,376
11	40	$36,000	-$27,109	$2,169	$29,281	$10,828	$274,921	$201,600	$1,650,787
12	41	$36,000	-$29,278	$0	$3	$12,680	$333,728	$237,600	$1,696,412
13	42	-$69,200	$81,490	$5,568	$81,793	$14,769	$282,831	$168,400	$1,636,439
14	43	$36,000	-$25,101	$4,177	$56,392	$15,015	$341,434	$204,400	$1,683,436
15	44	$36,000	-$27,109	$2,169	$29,284	$17,086	$405,335	$240,400	$1,738,864
16	45	$36,000	-$29,278	$0	$6	$19,437	$475,001	$276,400	$1,802,681
17	46	-$69,200	$81,490	$5,568	$81,496	$22,040	$435,842	$207,200	$1,761,096
18	47	$36,000	-$25,101	$4,177	$56,396	$22,857	$507,112	$243,200	$1,827,494
19	48	$36,000	-$27,109	$2,169	$29,287	$25,539	$584,685	$279,200	$1,902,686
20	49	$36,000	-$29,277	$1	$10	$28,551	$669,103	$315,200	$1,986,685
21	50	-$69,200	$81,490	$5,568	$81,500	$31,867	$645,844	$246,000	$1,966,756
22	51	$36,000	-$25,100	$4,178	$56,400	$34,433	$734,254	$282,000	$2,057,239
23	52	$36,000	-$27,108	$2,170	$29,291	$38,021	$830,372	$318,000	$2,157,433
24	53	$36,000	-$29,277	$1	$15	$42,139	$934,859	$354,000	$2,267,610
25	54	-$69,200	$81,491	$5,569	$81,505	$46,681	$933,323	$284,800	$2,274,318
26	55	$36,000	-$25,100	$4,178	$56,405	$49,694	$1,045,243	$320,800	$2,391,973
27	56	$36,000	-$27,108	$2,170	$29,298	$54,712	$1,166,639	$356,800	$2,520,871
28	57	$36,000	-$29,276	$2	$21	$60,214	$1,298,374	$392,800	$2,660,981
29	58	-$69,200	$81,491	$5,569	$81,512	$66,213	$1,326,108	$323,600	$2,698,970
30	59	$36,000	-$25,099	$4,179	$56,413	$70,604	$1,469,410	$359,600	$2,849,063
31	60	$36,000	-$27,107	$2,171	$29,306	$77,062	$1,624,655	$395,600	$3,011,471
32	61	$36,000	-$29,276	$2	$30	$84,338	$1,792,597	$431,600	$3,187,108
33	62	-$69,200	$81,492	$5,570	$81,522	$92,066	$1,859,294	$362,400	$3,262,028
34	63	$36,000	-$25,098	$4,180	$56,424	$98,685	$2,044,466	$398,400	$3,451,585
35	64	$36,000	-$18,166	$2,834	$38,258	$107,565	$2,244,289	$434,400	$3,661,236
36	65	$36,000	-$35,819	$181	$2,438	$117,620	$2,459,578	$470,400	$3,900,252
37	66	-$150,000	-$2,438	$0	$0	$126,929	$2,491,237	$320,400	$3,871,920
38	67	-$150,000	$0	$0	$0	$128,844	$2,522,477	$170,400	$3,840,316
39	68	-$150,000	$0	$0	$0	$131,038	$2,556,452	$20,400	$3,813,065
40	69	-$150,000	$0	$0	$0	$133,251	$2,591,986	-$129,600	$3,789,737
41	70	-$150,000	$0	$0	$0	$135,271	$2,629,408	-$279,600	$3,769,952
42	71	-$150,000	$0	$0	$0	$137,714	$2,668,859	-$429,600	$3,754,541
43	72	-$150,000	$0	$0	$0	$140,459	$2,710,504	-$579,600	$3,743,740
44	73	-$150,000	$0	$0	$0	$143,633	$2,754,446	-$729,600	$3,738,053
45	74	-$150,000	$0	$0	$0	$147,193	$2,800,838	-$879,600	$3,737,757
46	75	-$150,000	$0	$0	$0	$150,989	$2,849,686	-$1,029,600	$3,742,855
47	76	-$150,000	$0	$0	$0	$154,900	$2,900,930	-$1,179,600	$3,753,134
48	77	-$150,000	$0	$0	$0	$158,583	$2,954,635	-$1,329,600	$3,767,952
49	78	-$150,000	$0	$0	$0	$162,136	$3,010,996	-$1,479,600	$3,787,052
50	79	-$150,000	$0	$0	$0	$165,519	$3,070,088	-$1,629,600	$3,810,113
51	80	-$150,000	$0	$0	$0	$168,864	$3,132,087	-$1,779,600	$3,837,127
52	81	-$150,000	$0	$0	$0	$172,353	$3,197,214	-$1,929,600	$3,868,351
53	82	-$150,000	$0	$0	$0	$176,180	$3,265,639	-$2,079,600	$3,904,285
54	83	-$150,000	$0	$0	$0	$180,519	$3,337,566	-$2,229,600	$3,945,570
55	84	-$150,000	$0	$0	$0	$185,378	$3,413,042	-$2,379,600	$3,992,624

MALE, Age 30, Dividends to Paid-Up Additions $1,233,439 L/65
Preferred Non-Smoker $14,999.99
Paid-Up Additions Rider $25,000.00
Total Premium $40,000.00

EQUIPMENT FINANCING ILLUSTRATION 4

START YEAR	AGE	NET ANNUAL OUTLAY	ANNUAL LOAN	GROSS INTRST	CUM LOAN	TOTAL DIVID	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	30	$40,000	$0	$0	$0	$0	$24,029	$40,000	$1,342,420
2	31	$40,000	$0	$0	$0	$0	$65,282	$80,000	$1,448,237
3	32	$40,000	$0	$0	$0	$2,821	$109,637	$120,000	$1,565,319
4	33	$40,000	$0	$0	$0	$4,494	$157,363	$160,000	$1,684,787
5	34	-$103,800	$122,279	$8,354	$122,279	$6,339	$53,805	$56,200	$1,569,672
6	35	$54,000	-$37,603	$6,272	$84,677	$4,795	$112,218	$110,200	$1,606,671
7	36	$54,000	-$40,611	$3,264	$44,066	$6,251	$176,148	$164,200	$1,654,271
8	37	$54,000	-$43,860	$15	$206	$8,108	$246,132	$218,200	$1,712,150
9	38	-$103,800	$122,296	$8,371	$122,502	$10,192	$150,101	$114,400	$1,609,788
10	39	$54,000	-$37,585	$6,290	$84,917	$9,539	$216,689	$168,400	$1,664,185
11	40	$54,000	-$40,592	$3,283	$44,326	$11,507	$289,480	$222,400	$1,729,279
12	41	$54,000	-$43,839	$36	$487	$13,871	$369,090	$276,400	$1,804,989
13	42	-$103,800	$122,318	$8,393	$122,805	$16,536	$283,426	$172,600	$1,720,717
14	43	$54,000	-$37,561	$6,314	$85,244	$16,411	$361,247	$226,600	$1,794,865
15	44	$54,000	-$40,565	$3,310	$44,679	$18,995	$446,189	$280,600	$1,880,059
16	45	$54,000	-$43,811	$64	$868	$21,970	$538,881	$334,600	$1,976,116
17	46	-$103,800	$122,348	$8,423	$123,216	$25,262	$467,377	$230,800	$1,912,504
18	47	$54,000	-$37,528	$6,347	$85,689	$25,850	$560,485	$284,800	$2,008,728
19	48	$54,000	-$40,530	$3,345	$45,159	$29,184	$661,926	$338,800	$2,116,514
20	49	$54,000	-$43,772	$103	$1,387	$32,964	$772,420	$392,800	$2,235,687
21	50	-$103,800	$122,390	$8,465	$123,776	$37,128	$720,124	$289,000	$2,196,833
22	51	$54,000	-$37,483	$6,392	$86,293	$39,649	$833,918	$343,000	$2,320,607
23	52	$54,000	-$40,482	$3,393	$45,812	$44,063	$957,733	$397,000	$2,457,048
24	53	$54,000	-$43,720	$155	$2,092	$49,169	$1,092,447	$451,000	$2,606,303
25	54	-$103,800	$122,446	$8,521	$124,538	$54,814	$1,066,331	$347,200	$2,598,277
26	55	$54,000	-$37,422	$6,453	$87,116	$58,041	$1,208,468	$401,200	$2,753,884
27	56	$54,000	-$40,416	$3,459	$46,700	$64,199	$1,362,758	$455,200	$2,924,080
28	57	$54,000	-$43,649	$226	$3,051	$70,982	$1,530,302	$509,200	$3,108,575
29	58	-$103,800	$122,522	$8,597	$125,573	$78,388	$1,539,451	$405,400	$3,137,471
30	59	$54,000	-$37,339	$6,536	$88,234	$83,309	$1,719,389	$459,400	$3,331,519
31	60	$54,000	-$40,326	$3,549	$47,907	$91,225	$1,914,427	$513,400	$3,541,718
32	61	$54,000	-$43,552	$323	$4,355	$100,161	$2,125,560	$567,400	$3,768,227
33	62	-$103,800	$122,626	$8,701	$126,981	$109,689	$2,181,595	$463,600	$3,841,078
34	63	$54,000	-$37,227	$6,648	$89,754	$117,310	$2,411,884	$517,600	$4,082,237
35	64	$54,000	-$34,940	$4,060	$54,814	$128,156	$2,660,604	$571,600	$4,345,617
36	65	$54,000	-$53,935	$65	$879	$140,279	$2,928,933	$625,600	$4,642,383
37	66	-$151,559	-$879	$0	$0	$151,891	$2,995,540	$474,041	$4,655,185
38	67	-$175,000	$0	$0	$0	$155,855	$3,041,115	$299,041	$4,628,831
39	68	-$175,000	$0	$0	$0	$158,863	$3,089,318	$124,041	$4,606,778
40	69	-$175,000	$0	$0	$0	$161,926	$3,139,976	-$50,959	$4,589,881
41	70	-$175,000	$0	$0	$0	$164,787	$3,193,525	-$255,959	$4,577,658
42	71	-$175,000	$0	$0	$0	$168,196	$3,250,179	-$400,959	$4,571,206
43	72	-$175,000	$0	$0	$0	$172,009	$3,310,184	-$575,959	$4,570,839
44	73	-$175,000	$0	$0	$0	$176,386	$3,373,702	-$750,959	$4,577,235
45	74	-$175,000	$0	$0	$0	$181,281	$3,440,980	-$925,959	$4,590,797
46	75	-$175,000	$0	$0	$0	$186,515	$3,512,072	-$1,100,959	$4,611,591
47	76	-$175,000	$0	$0	$0	$191,944	$3,586,953	-$1,275,959	$4,639,438
48	77	-$175,000	$0	$0	$0	$197,148	$3,665,756	-$1,450,959	$4,673,568
49	78	-$175,000	$0	$0	$0	$202,246	$3,748,778	-$1,625,959	$4,713,737
50	79	-$175,000	$0	$0	$0	$207,188	$3,836,167	-$1,800,959	$4,759,587
51	80	-$175,000	$0	$0	$0	$212,140	$3,928,201	-$1,975,959	$4,811,160
52	81	-$175,000	$0	$0	$0	$217,327	$4,025,219	-$2,150,959	$4,868,833
53	82	-$175,000	$0	$0	$0	$222,999	$4,127,498	-$2,325,959	$4,933,303
54	83	-$175,000	$0	$0	$0	$229,384	$4,235,359	-$2,500,959	$5,005,463
55	84	-$175,000	$0	$0	$0	$236,496	$4,348,931	-$2,675,959	$5,085,958

MALE, Age 30, Dividends to Paid-Up Additions $1,233,439 L/65
Preferred Non-Smoker $14,999.99
Paid-Up Additions Rider $25,000.00
Total Premium $40,000.00

EQUIPMENT FINANCING ILLUSTRATION 5

START YEAR	AGE	NET ANNUAL OUTLAY	ANNUAL LOAN	GROSS INTRST	CUM LOAN	TOTAL DIVID	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	30	$40,000	$0	$0	$0	$0	$24,029	$40,000	$1,342,320
2	31	$40,000	$0	$0	$0	$0	$65,282	$80,000	$1,448,237
3	32	$40,000	$0	$0	$0	$2,821	$109,637	$120,000	$1,565,319
4	33	$40,000	$0	$0	$0	$4,494	$157,363	$160,000	$1,684,787
5	34	-$103,800	$127,512	$8,712	$127,512	$6,339	$53,786	$56,200	$1,584,458
6	35	$54,000	-$31,919	$7,081	$95,593	$4,969	$112,061	$110,200	$1,635,969
7	36	$54,000	-$34,473	$4,527	$61,120	$6,583	$175,757	$164,200	$1,697,575
8	37	$54,000	-$37,230	$1,770	$23,890	$8,614	$245,396	$218,200	$1,768,944
9	38	-$103,800	$129,411	$10,611	$153,301	$10,883	$148,965	$114,400	$1,679,848
10	39	$54,000	-$29,856	$9,144	$123,445	$10,455	$214,962	$168,400	$1,746,776
11	40	$54,000	-$32,244	$6,756	$91,201	$12,634	$287,000	$222,400	$1,823,933
12	41	$54,000	-$34,824	$4,176	$56,377	$15,227	$365,675	$276,400	$1,911,188
13	42	-$207,600	$243,406	$20,806	$299,783	$18,142	$165,633	$68,800	$1,725,944
14	43	$108,000	-$76,457	$16,543	$223,326	$16,402	$290,187	$176,800	$1,853,241
15	44	$108,000	-$82,574	$10,426	$140,752	$19,912	$426,404	$284,800	$1,998,637
16	45	$108,000	-$89,180	$3,820	$51,572	$24,087	$575,362	$392,800	$2,161,421
17	46	-$207,600	$243,024	$20,424	$294,597	$28,742	$392,937	$185,200	$2,000,774
18	47	$108,000	-$76,872	$16,128	$217,724	$27,868	$536,501	$293,200	$2,154,448
19	48	$108,000	-$83,022	$9,978	$134,702	$32,286	$693,275	$401,200	$2,326,852
20	49	$108,000	-$89,664	$3,336	$45,038	$37,478	$864,418	$509,200	$2,517,248
21	50	-$207,600	$242,505	$19,905	$287,546	$43,207	$705,949	$301,600	$2,385,995
22	51	$108,000	-$77,437	$15,563	$210,106	$44,501	$875,358	$409,600	$2,572,699
23	52	$108,000	-$83,632	$9,369	$126,475	$50,269	$1,060,074	$517,600	$2,779,531
24	53	$108,000	-$90,322	$2,678	$36,153	$57,066	$1,261,471	$625,600	$3,006,024
25	54	-$207,600	$241,798	$19,198	$277,951	$64,602	$1,135,701	$418,000	$2,911,996
26	55	$108,000	-$78,204	$14,796	$199,747	$66,968	$1,340,515	$526,000	$3,137,814
27	56	$108,000	-$84,460	$8,540	$115,287	$74,866	$1,563,323	$634,000	$3,386,220
28	57	$108,000	-$91,217	$1,783	$24,070	$83,735	$1,805,783	$742,000	$3,656,122
29	58	-$207,600	$240,838	$18,238	$264,908	$93,461	$1,724,127	$534,400	$3,607,674
30	59	$108,000	-$79,247	$13,753	$185,660	$97,931	$1,976,257	$642,400	$3,881,313
31	60	$108,000	-$85,587	$7,413	$100,073	$108,018	$2,250,084	$750,400	$4,179,598
32	61	$108,000	-$92,434	$566	$7,639	$119,560	$2,547,145	$858,400	$4,501,938
33	62	-$207,600	$239,531	$16,931	$247,070	$131,924	$2,524,222	$650,800	$4,508,407
34	63	$108,000	-$80,666	$12,334	$166,504	$139,732	$2,839,460	$758,800	$4,841,208
35	64	$108,000	-$87,120	$5,880	$79,384	$153,454	$3,180,713	$866,800	$5,202,649
36	65	$79,384	-$79,384	$0	$0	$168,725	$3,518,411	$946,184	$5,575,034
37	66	-$225,000	$0	$0	$0	$183,274	$3,552,951	$721,184	$5,523,083
38	67	-$225,000	$0	$0	$0	$185,651	$3,589,023	$496,184	$5,463,109
39	68	-$225,000	$0	$0	$0	$188,259	$3,626,494	$271,184	$5,408,687
40	69	-$225,000	$0	$0	$0	$190,848	$3,665,965	$46,184	$5,359,300
41	70	-$225,000	$0	$0	$0	$193,119	$3,706,946	-$178,816	$5,314,244
42	71	-$225,000	$0	$0	$0	$195,938	$3,749,876	-$403,816	$5,274,745
43	72	-$225,000	$0	$0	$0	$199,128	$3,794,929	-$628,816	$5,241,036
44	73	-$225,000	$0	$0	$0	$202,861	$3,842,172	-$853,816	$5,213,776
45	74	-$225,000	$0	$0	$0	$207,068	$3,891,762	-$1,078,816	$5,193,283
46	75	-$225,000	$0	$0	$0	$211,532	$3,943,634	-$1,303,816	$5,179,468
47	76	-$225,000	$0	$0	$0	$216,080	$3,997,631	-$1,528,816	$5,171,970
48	77	-$225,000	$0	$0	$0	$220,234	$4,053,769	-$1,753,816	$5,169,749
49	78	-$225,000	$0	$0	$0	$224,131	$4,112,242	-$1,978,816	$5,172,389
50	79	-$225,000	$0	$0	$0	$227,716	$4,173,070	$2,203,816	$5,179,346
51	80	-$225,000	$0	$0	$0	$231,171	$4,236,411	-$2,428,816	$5,190,527
52	81	-$225,000	$0	$0	$0	$234,739	$4,302,479	-$2,653,816	$5,206,199
53	82	-$225,000	$0	$0	$0	$238,677	$4,371,713	-$2,878,816	$5,226,953
54	83	-$225,000	$0	$0	$0	$243,213	$4,443,395	-$3,103,816	$5,253,566
55	84	-$225,000	$0	$0	$0	$248,340	$4,518,391	-$3,328,816	$5,286,516

ADDENDUM

Since the initial publication of this book a number of people have expressed the concern that "the figures you are using in <u>Equipment Financing</u> are for the dividend scale of the year 2000 for that particular company. They are out of date. The dividend scales of most companies are *down* and will diminish the results." This is *true*, but I am afraid that these folks have missed the main point of creating your own banking *system*. A system consists of *many* life insurance policies and the number of years that each policy is *capitalized* must increase when interest rates go down, *if you are going to expect similar results as those depicted.*

Interest rates are a function of the market (Alan Greenspan attempts to manipulate the market) – they are up and they are down. Everyone in the financial services business *knows,* that in the Bond Market, when interest rates go *up* then the price (or value) of bonds goes *down, and vice versa.* And so, to generate a certain income (yield) from bonds, if interest rates go down, I must pay *more* capital into the bond. If rates go up, then I don't have to put as much money into the bond to generate the same income.

The same principle occurs in the Equipment Financing example. When interest rates go down (*a market function that you cannot control*) then you should *expect* to have to put in *more capital* in order to achieve the same results.

Look at illustration #6 on the following page where I ran the same policy but *capitalized the policy for <u>five years</u>* using a much more recent dividend scale with the same company. Now compare the results with illustration #2 on page 59. Please notice that the results are <u>*considerably better*</u>! If the businessman now financed more of his equipment through this policy, reason and logic tells you that the results *will be better* than those depicted in this book, assuming that he paid his own banking system the interest rates as those he was paying the finance company.

I sincerely hope that this exercise calms the fears that you may have about the validity of the *Infinite Banking Concept*. As stated at the outset of a presentation – "This is an exercise in IMAGINATION, REASON, LOGIC AND PROPHECY". None of the figures you are going to see are 'set in concrete.' They will vary with interest rates – and *how you treat the system*. *Your behavior* in managing the system is the most important factor in the entire equation." Capitalizing the policy 4 ½ years would probably still produce better results than the original illustration on page 59. Please, *use* your imagination!

Of course, the results are also affected by the "administrator" of the system (the Life Insurance Company). Some do a better job than others. If the company that you use does not measure up, then you might consider getting a contract with one that does.

MALE, Age 29, Dividends to Paid-Up Additions $1,233,439 L/65
Preferred Non-Smoker $14,999.99
Paid-Up Additions Rider $25,000.00
Total Premium $40,000.00

EQUIPMENT FINANCING ILLUSTRATION 6

START YEAR	AGE	NET ANNUAL OUTLAY	ANNUAL LOAN	GROSS INTEREST	CUM LOAN	TOTAL DIVIDEND	NET CASH VALUE YR END	CUM NET OUTLAY	DEATH BENEFIT
1	29	$40,000	$0	$0	$0	$0	$24,541	$40,000	$1,403,457
2	30	$40,000	$0	$0	$0	$0	$65,620	$80,000	$1,516,989
3	31	$40,000	$0	$0	$0	$2,207	$109,396	$120,000	$1,635,990
4	32	$40,000	$0	$0	$0	$3,484	$156,096	$160,000	$1,756,876
5	33	$40,000	$0	$0	$0	$4,869	$206,137	$200,000	$1,880,115
6	34	-$34,600	$37,368	$2,768	$37,368	$6,632	$180,630	$165,400	$1,808,524
7	35	$18,000	-$24,551	$949	$12,817	$6,801	$210,176	$183,400	$1,771,204
8	36	$18,000	-$8,155	$345	$4,663	$7,293	$242,141	$201,400	$1,787,367
9	37	$18,000	-$4,663	$0	$0	$8,409	$276,653	$219,400	$1,818,463
10	38	-$34,600	$37,368	$2,768	$37,368	$9,756	$256,732	$184,800	$1,762,693
11	39	$18,000	-$24,551	$949	$12,817	$10,223	$292,242	$202,800	$1,745,264
12	40	$18,000	-$8,155	$345	$4,663	$11,001	$330,593	$220,800	$1,773,409
13	41	$18,000	-$4,663	$0	$0	$12,445	$372,341	$238,800	$1,815,364
14	42	-$34,600	$37,368	$2,768	$37,368	$14,535	$360,571	$204,200	$1,777,743
15	43	$18,000	-$24,551	$949	$12,817	$15,754	$405,213	$222,200	$1,783,177
16	44	$18,000	-$8,155	$345	$4,663	$17,306	$453,724	$240,200	$1,828,615
17	45	$18,000	-$4,663	$0	$0	$19,539	$506,330	$258,200	$1,887,254
18	46	-$34,600	$37,368	$2,768	$37,368	$22,072	$506,217	$223,600	$1,871,319
19	47	$18,000	-$24,551	$949	$12,817	$23,771	$563,337	$241,600	$1,901,374
20	48	$18,000	-$8,155	$345	$4,663	$25,806	$625,253	$259,600	$1,965,704
21	49	$18,000	-$4,663	$0	$0	$28,620	$691,217	$277,599	$2,042,166
22	50	-$34,600	$37,368	$2,768	$37,368	$31,744	$705,627	$242,999	$2,048,732
23	51	$18,000	-$24,551	$949	$12,817	$32,274	$778,213	$260,999	$2,104,251
24	52	$18,000	-$8,155	$345	$4,663	$36,975	$856,715	$278,999	$2,189,458
25	53	$18,000	-$4,663	$0	$0	$40,639	$941,458	$296,999	$2,286,518
26	54	-$34,600	$37,368	$2,768	$37,368	$44,741	$975,970	$262,399	$2,318,270
27	55	$18,000	-$24,551	$949	$12,817	$48,375	$1,070,135	$280,399	$2,402,053
28	56	$18,000	-$8,155	$345	$4,663	$52,207	$1,171,731	$298,399	$2,512,355
29	57	$18,000	-$4,663	$0	$0	$57,061	$1,281,230	$316,399	$2,634,626
30	58	-$34,600	$37,368	$2,768	$37,368	$62,355	$1,342,279	$281,799	$2,695,587
31	59	$18,000	-$24,551	$949	$12,817	$67,201	$1,464,462	$299,799	$2,810,753
32	60	$18,000	-$8,155	$345	$4,663	$71,858	$1,595,496	$317,799	$2,948,918
33	61	$18,000	-$4,663	$0	$0	$77,521	$1,736,051	$335,799	$3,098,549
34	62	-$34,600	$37,368	$2,768	$37,368	$83,910	$1,829,865	$301,199	$3,190,055
35	63	$18,000	-$24,551	$949	$12,817	$90,005	$1,987,205	$319,199	$3,338,653
36	64	$18,000	-$8,155	$345	$4,663	$96,686	$2,155,928	$337,199	$3,509,494
37	65	$18,000	-$4,663	$0	$0	$104,584	$2,206,714	$241,862	$3,515,868
38	66	-$93,337	$0	$0	$0	$98,693	$2,228,898	$116,862	$3,475,011
39	67	-$125,000	$0	$0	$0	$100,481	$2,252,210	-$8,138	$3,437,935
40	68	-$125,000	$0	$0	$0	$102,279	$2,276,353	-$133,138	$3,404,069
41	69	-$125,000	$0	$0	$0	$103,664	$2,301,672	-$258,138	$3,373,378
42	70	-$125,000	$0	$0	$0	$105,384	$2,327,945	-$383,138	$3,345,772
43	71	-$125,000	$0	$0	$0	$106,965	$2,355,526	-$508,138	$3,321,559
44	72	-$125,000	$0	$0	$0	$109,052	$2,384,133	-$633,138	$3,321,559
45	73	-$125,000	$0	$0	$0	$111,088	$2,414,122	-$758,138	$3,283,924
46	74	-$125,000	$0	$0	$0	$113,745	$2,445,259	-$883,138	$3,270,898
47	75	-$125,000	$0	$0	$0	$116,230	$2,477,806	-$1,008,138	$3,261,870
48	76	-$125,000	$0	$0	$0	$119,080	$2,511,801	-$1,133,138	$3,256,717
49	77	-$125,000	$0	$0	$0	$121,815	$2,546,929	-$1,258,138	$3,254,786
50	78	-$125,000	$0	$0	$0	$124,062	$2,583,658	-$1,383,138	$3,255,971
51	79	-$125,000	$0	$0	$0	$126,459	$2,622,025	-$1,508,138	$3,260,167
52	80	-$125,000	$0	$0	$0	$128,797	$2,662,129	-$1,633,138	$3,267,341
53	81	-$125,000	$0	$0	$0	$131,202	$2,704,101	-$1,758,138	$3,277,660
54	82	-$125,000	$0	$0	$0	$133,836	$2,747,995	-$1,883,138	$3,291,444
55	83	-$125,000	$0	$0	$0	$136,812	$2,793,475	-$2,008,138	$3,308,612
56	84	-$125,000	$0	$0	$0	$139,710	$2,840,986	-$2,133,138	$3,329,630

Typical Whole Life
Cumulative Premiums Equal Cash Value
(16-17 yrs)

38 YOA Male **Typical Whole Life Policy**

Age	YR	Guaranteed Annual Prm	Guaranteed Net Cash Value	Guaranteed Death Benefit	Non-Guaranteed Annual Prm	Non-Guaranteed Cum Prm	Non-Guaranteed Ann CV Div	Non-Guaranteed Net Cash Value	Non-Guaranteed Death Benefit
39	1	40,000	449	4,178,016	40,000	40,000	2,920	3,370	4,190,219
40	2	40,000	21,255	4,178,016	40,000	80,000	4,021	28,299	4,206,445
41	3	40,000	42,734	4,178,016	40,000	120,000	5,151	55,178	4,226,522
42	4	40,000	64,887	4,178,016	40,000	160,000	6,295	84,063	4,250,224
43	5	40,000	87,680	4,178,016	40,000	200,000	7,453	114,979	4,277,343
44	6	40,000	111,129	4,178,016	40,000	240,000	8,647	148.021	4,307,750
45	7	40,000	135,200	4,178,016	40,000	280,000	9,702	183,062	4,340,734
46	8	36,651	159,928	1,728,016	36,651	316,651	10,775	220,195	1,926,160
47	9	36,651	185,347	1,728,016	36,651	353,302	11,728	259,380	1,963,460
48	10	36,651	211,561	1,728,016	36,651	389,954	12,521	300,608	2,001,983
49	11	36,651	239,624	1,728,016	36,651	426,605	13,256	344,925	2,041,439
50	12	36,651	268,620	1,728,016	36,651	463,257	13,886	391,345	2,081,426
51	13	36,651	298,515	1,728,016	36,651	499,908	14,552	439,895	2,121,975
52	14	36,651	329,222	1,728,016	36,651	536,559	15,296	490,590	2,163,230
53	15	36,651	360,741	1,728,016	36,651	573,211	16,097	543,507	2,205,263
54	16	36,651	393,037	1,728,016	36,651	609,862	16,672	598,412	2,247,427
55	17	36,651	426,008	1,728,016	36,651	646,513	17,345	655,294	2,289,936
56	18	36,651	459,635	1,728,016	36,651	683,165	17.793	713,929	2,332,211
57	19	36,651	493,953	1.728,016	36,651	719,816	18,244	774,370	2,374,255
58	20	36,651	529,067	1;728,016	36,651	756,467	18,657	836,722	2,415,976
59	21	36,651	563,005	1,728,016	36,651	793,119	19,083	899,065	2,457,393
60	22	36,651	597,686	1,728,016	36,651	829,770	19,559	963,364	2,498,610
61	23	36,651	633,024	1,728,016	36,651	866,421	20,147	1,029,614	2,539,853
62	24	36,651	668,880	1,728,016	36,651	903,073	20,879	1,097,796	2,581,393
63	25	36,651	705,169	1,728,016	36,651	939,724	21,708	1.167,868	2,623,402
64	26	36,651	741,906	1,728,016	36,651	976,376	22,598	1,239,927	2,665,961
65	27	36,651	779,128	1,728,016	36,651	1,013,027	23,480	1,314,004	2,709,025
66	28	36,651	816,937	1,728,016	36,651	1,049,678	24,336	1,390,216	2,752,515

IBC Structure
7 years of Premium Payments
(Premium Paid From Policy Values 8th Year & Beyond)
Cumulative Premiums and Cash Value is Equal in Year 10

38 YOA Male

		Guaranteed			Non - Guaranteed					
Age	YR	Annual Prm	Net Cash Value	Death Benefit	Annual Prm	Cum Prm	Ann Div	Ann CV Inc	Net Cash Value	Death Benefit
39	1	40,000	25,912	3,003,160	40,000	0	1,000	26,911	26,911	3,007,336
40	2	40,000	57,982	3,107,251	40,000	0	1,543	33,649	60,560	3,117,655
41	3	40,000	91,164	3,207,788	40.000	0	2,110	35,384	95,943	3,226,415
42	4	40.000	125,483	3,304,903	40,000	0	2,699	37,186	133,129	3,333,694
43	5	40,000	160,941	3,398,729	40,000	0	3,313	39,037	172,166	3,439,573
44	6	40,000	197,565	3,489,399	40,000	0	3,965	40,979	213,145	3,544,186
45	7	40,000	235,353	3,577,044	40,000	0	4,603	42,925	256,070	3,647,478
46	8	9,529	238,703	1,094,647	0	9,529	4,905	8,961	265,031	1,181,209
47	9	9,529	242,077	1,063,318	0	9,529	5,173	9,437	274,469	1,166,330
48	10	9,529	245,528	1,033,013	0	9,529	5,382	9,923	284,392	1,152,583
49	11	9,529	249,340	1,003,695	0	9,529	5,566	10,686	295,078	1,139,833
50	12	9,529	253,267	975,332	0	9,529	5,727	11,191	306,269	1,127,962
51	13	9,529	257,277	947,891	0	9,529	5,905	11,687	317,957	1,116,976
52	14	9,529	261,331	921,338	0	9.529	6,116	12,184	330,141	1,106,919
53	15	9.529	265.410	895.638	0	9.529	6.343	12.682	342.823	1.097.782
54	16	9,529	269,496	870,755	0	9,529	6,522	13,123	355,946	1,089,394
55	17	9,529	273,537	846,655	0	9,529	6,731	13,535	369,481	1,081,789
56	18	9,529	277,528	823,302	0	9,529	6,885	13,894	383,376	1,074,794
57	19	9,529	281,477	800,661	0	9,529	7,034	14,262	397,638	1,068,364
58	20	9,529	285,424	778,701	0	9,529	7,164	14,666	412,304	1,062,422
59	21	9,529	288,870	757,392	0	9,529	7,287	14,577	426,881	1,056,928
60	22	9,529	292,297	736,710	0	9,529	7,426	14,984	441,865	1,051,895
61	23	9,529	295,665	716,630	0	9,529	7,601	15,373	457,237	1,047,375
62	24	9,529	298,927	697,123	0	9,529	7,822	15,748	472,985	1,043,432
63	25	9,529	302,045	678,164	0	9,529	8,077	16,095	489.080	1,040,102
64	26	9,529	305,030	659,724	0	9,529	8,343	16,472	505,552	1,037,375
65	27	9,529	307,895	641,777	0	9,529	8,597	16,847	522,399	1,035,196

EOY 7	250,000 Loan	
8.9 %	22,250	
5%	-12,500	- Ins. Co.
3.9 % =	9,750	- Your Policy

Yr 8 9,750 + 12 months = 18,917

Yr 15 9,750 + 12 months = 26,150

James C. Neathery & Assoc, Inc.
For Educational Purposes Only

38 YOA Male

3.9%

Age	YR	Guarantee Annual Prm	Guarantee Net Cash Value	Guarantee Death Benefit	Non - Guaranteed Annual Prm	Non - Guaranteed Cum Prm	Non - Guaranteed Annual Div	Non - Guaranteed Annual CV Increase	Non - Guaranteed Net Cash Value	Non - Guaranteed Death Benefit
39	1	40,000	25,912	3,003,160	40,000	40,000	1,000	26,911	26,911	3,007,336
40	2	40,000	57,982	3,107,251	40,000	80,001	1,543	33,649	60,560	3,117,655
41	3	40,000	91,164	3,207,788	40,000	120,001	2,110	35,384	95,943	3,226,415
42	4	40,000	125,483	3,304,903	40,000	160,001	2,699	37,186	133,129	3,333,694
43	5	40,000	160,941	3,398,729	40,000	200,002	3,313	39,037	172,166	3,439,573
44	6	40,000	197,565	3,489,399	40,000	240,002	3,965	40,979	213,145	3,544,186
45	7	40,000	235,353	3,577,044	40,000	280,003	4,603	42,925	256,070	3,647,478
46	8	9,720	248,556	1,127,044	9,720	289,722	5,007	18,917	274,987	1,213,940
47	9	9,720	262,115	1,127,044	9,720	299,442	5,383	19.836	294,823	1,231,061
48	10	9,720	276,091	1,127,044	9,720	309,161	5,707	20,783	315,606	1,248,618
49	11	9,720	290,781	1.127,044	9,720	318,881	6,010	22,030	337,636	1,266,507
50	12	9,720	305,950	1,127,044	9,720	328,601	6,296	23,040	360,676	1,284,637
51	13	9,720	321,570	1,127,044	9,720	338,320	6,609	24,057	384,734	1,303,052
52	14	9,720	337,602	1,127,044	9,720	348,040	6,967	25,096	409,830	1,321,842
53	15	9,720	354,029	1,127,044	9,720	357,760	7,351	26,150	435,980	1,341,038
54	16	9,720	370,833	1,127,044	9,720	367,479	7,704	27,170	463,151	1,360,523
55	17	9,720	387,947	1,127,044	9,720	377,199	8,103	28,169	491,319	1,380,383
56	18	9,720	405,366	1,127,044	9,720	386,919	8,466	29,138	520,457	1,400,497
57	19	9,720	423,101	1,127,044	9,720	396,638	8,835	30,135	550,592	1,420,858
58	20	9,720	441,203	1,127,044	9,720	406,358	9,193	31,197	581,790	1,441,415
59	21	9,720	459,187	1,127,044	9,720	416,077	9,552	31,796	613,586	1,462,147
60	22	9,720	477,526	1.127,044	9,720	425,797	9,947	32,907	646,493	1,483,109
61	23	9,720	496,157	1,127,044	9,720	435,517	10,404	34,009	680,502	1,504,406
62	24	9,720	515,010	1,127,044	9,720	445,236	10,939	35,113	715,615	1,526.170
63	25	9,720	534,008	1,127,044	9,720	454,956	11,543	36,190	751,804	1,548,508
64	26	9,720	553,163	1,127,044	9,720	464,676	12,184	37,328	789,132	1,571,455
65	27	9,720	572,477	1,127,044	9,720	474,395	12,826	38,477	827,609	1,594,978

250,000 Loan

11.9%	29,750	
5 %	- 12, 500	- Ins. Co.
6.9% =	17,250	- Your Policy

Yr 8 17,250 + 12 months = 26,198

Yr 15 17,250 + 12 months = 36,005

James C. Neathery & Assoc, Inc.
For Educational Purposes Only

38 YOA Male

6.9%

		Guaranteed			Non-Guaranteed					
Age	YR	Annual Prm	Net Cash Value	Death Benefit	Annual Prm	Cum Premium	Annual Div	Annual CV Inc	Net Cash Value	Death Benefit
39	1	40,000	25,912	3,003,160	40,000	40,000	1,000	26.911	26,911	3,007,336
40	2	40,000	57,982	3,107,251	40,000	80,001	1,543	33,649	60,560	3,117,655
41	3	40,000	91,164	3,207,788	40,000	120,001	2,110	35,384	95,943	3,226,415
42	4	40,000	125,483	3,304,903	40,000	160,001	2,699	37,186	133,129	3,333,694
43	5	40,000	160,941	3,398,729	40,000	200,002	3.313	39,037	172,166	3,439,573
44	6	40,000	197,565	3,489,399	40,000	240,002	3,965	40,979	213,145	3,544,186
45	7	40,000	235,353	3,577,044	40,000	280,003	4,603	42,925	256,070	3,647,478
46	8	17,250	255,763	1,150,738	17,250	297,252	5,082	26,198	282,268	1,237,879
47	9	17,250	276,772	1,173,654	17,250	314,502	5,538	27,442	309,710	1,278,406
48	10	17,250	298,446	1,195,823	17,250	331,751	5,944	28,728	338,438	1,318.864
49	11	17,250	321,094	1,217,269	17,250	349,001	6,335	30,329	368,767	1,359,165
50	12	17,250	344,487	1,238,018	17,250	366,251	6,712	31,707	400,474	1,399,243
51	13	17,250	368,599	1,258,094	17,250	383,500	7,123	33,107	433,581	1,439,167
52	14	17,250	393,397	1,277,522	17,250	400,750	7,589	34,543	468,124	1,479,063
53	15	17,250	418,858	1,296,329	17,250	418,000	8,089	36,005	504,129	1,518,991
54	16	17,250	444,969	1,314,540	17,250	435,249	8,569	37,450	541,579	1,558,876
55	17	17,250	471,652	1,332,183	17,250	452,499	9,108	38,879	580,459	1,598,840
56	18	17,250	498,903	1,349,283	17,250	469,749	9,622	40,297	620,755	1,638,802
57	19	17,250	526,730	1,365,865	17,250	486,998	10,153	41,755	662,511	1,678,782
58	20	17,250	555,198	1.381,952	17,250	504,248	10,678	43,302	705,813	1,718,746
59	21	17,250	583,829	1.397,563	17.250	521,497	11,210	44,405	750,217	1,758,688
60	22	17,250	613,089	1.412,717	17,250	538,747	11,793	46,033	796,251	1,798,694
61	23	17,250	642,901	1,427,435	17,250	555,997	12,455	47,658	843,909	1,838,907
62	24	17,250	673,177	1,441,735	17,250	573,246	13,220	49,298	893,207	1,879,510
63	25	17,250	703,813	1,455,638	17,250	590,496	14,081	50,912	944,118	1,920,662
64	26	17,250	734,819	1,469,165	17,250	607,746	14,995	52,610	996,729	1,962,431
65	27	17,250	766,192	1,482,334	17,250	624,995	15.921	54,328	1,051,056	2,004,800

250,000 Loan

19.7%	49,250	
5 %	-12,500	- Ins. Co
14.7% =	36,750	- Your Policy

Yr 8 36,650 + 12 months = 44,959

Yr 15 36,650 + 12 months = 61,397

James C. Neathery & Assoc, Inc.
For Educational Purposes Only

38 YOA Male IBC

14.7%

		Guaranteed			Non-Guaranteed					
Age	Yr	Ann Prm	Net Cash Value	Death Benefit	Annual Prm	Cumm Prm	Annual Div	Annual CV Inc	Net Cash Value	Death Benefit
39	1	40,000	25,912	3,003,160	40,000	40,000	1,000	26,911	26,911	3,007,336
40	2	40,000	57,982	3,107,251	40,000	80,001	1,543	33,649	60,560	3,117,655
41	3	40,000	91,164	3,207,788	40,000	120,001	2,110	35,384	95,943	3,226,415
42	4	40,000	125,483	3,304.903	40,000	160,001	2,699	37,186	133,129	3,333,694
43	5	40,000	160,941	3,398,729	40,000	200,002	3,313	39,037	172,166	3,439,573
44	6	40,000	197,565	3,489,399	40,000	240,002	3,965	40,979	213,145	3,544,186
45	7	40,000	235,353	3,577,044	40,000	280,003	4.603	42,925	256,070	3,647,478
46	8	36,652	274,333	1,211,789	36,652	316,654	5,273	44,959	301,029	1,299,561
47	9	36,652	314,535	1,293,753	36,652	353,306	5,935	47,040	348,069	1,400,398
48	10	36,652	356,047	1,373,042	36,652	389.957	6,557	49,198	397,267	1,499,860
49	11	36.652	399,200	1.449,748	36,652	426,609	7,171	51,711	448,978	1,597,911
50	12	36,652	443,783	1,523,958	36,652	463,261	7,785	54,040	503,018	1,694,538
51	13	36,652	489,778	1,595,760	36,652	499,912	8,449	56,424	559,443	1,789,883
52	14	36,652	537,157	1,665,247	36,652	536,564	9,192	58,884	618,327	1,884,161
53	15	36,652	585,899	1,732,513	36,652	573,216	9,989	61,397	679,724	1,977,511
54	16	36,652	635,990	1,797,649	36,652	609,867	10,798	63,937	743,661	2,069,958
55	17	36,652	687,329	1,860,752	36,652	646,519	11,696	66,477	810,138	2,161,724
56	18	36,652	739,911	1,921,912	36,652	683,171	12,602	69,048	879,186	2,252,827
57	19	36,652	793,745	1,981,220	36,652	719,822	13,548	71,697	950,883	2,343,357
58	20	36,652	848,920	2,038,755	36,652	756,474	14,505	74,490	1,025,373	2,433,327
59	21	36,652	904,984	2,094,590	36,652	793,125	15,483	76,892	1,102,266	2.522,765
60	22	36,652	962,386	2,148,792	36,652	829,777	16,547	79,854	1,182,120	2,611,837
61	23	36,652	1,021,005	2,201,431	36,652	866,429	17,740	82.828	1,264,948	2,700,791
62	24	36,652	1,080,714	2,252,577	36,652	903,080	19,098	85,847	1,350,795	2,789,934
63	25	36,652	1,141,336	2,302,304	36,652	939,732	20,620	88,845	1,439,640	2,879,563
64	26	36,652	1,202.880	2,350,685	36,652	976,384	22,240	91,987	1,531,627	2,969,829
65	27	36,652	1,265,323	2,397,784	36,652	1,013,035	23,898	95,170	1,626,797	3,060,759

38 YOA Male

Age	YR	Guarantee Annual Prm	Guarantee Net Cash Value	Guarantee Death Benefit	Non- Guaranteed Ann Prm	Non- Guaranteed Cumm Prm	Non- Guaranteed Ann Div	Non- Guaranteed Annual CV Increase	Non- Guaranteed Net Cash Value	Non- Guaranteed Death Benefit
39	1	110,000	93,544	3,285,761	110,000	110.000	1,647	95,190	95,190	3,292,642
40	2	40,000	128,010	3,389,852	40,000	150,001	2,222	36,747	131,937	3,405,700
41	3	40,000	163,666	3,490,389	40,000	190,001	2,824	38,618	170,556	3,517,245
42	4	40,000	200,533	3,587,504	40,000	230,001	3,452	40,562	211,118	3,627,360
43	5	40,000	238,611	3,681,330	40,000	270,002	4,109	42,556	253,673	3,736,135
44	6	40,000	277,929	3,772,001	40,000	310,002	4,810	44,650	298,324	3,843,720
45	7	40,000	318,477	3,859,645	40,000	350,003	5,498	46,747	345,071	3,950,057
46	8	36,652	360,289	1,494,391	36,652	386,654	6,223	48,941	394,012	1,605,263
47	9	36,652	403,397	1,576,354	36,652	423,306	6,941	51,188	445,200	1,709,300
48	10	36,652	447,901	1,655,643	36,652	459,957	7,613	53,526	498,726	1,812,012
49	11	36,652	494,145	1,732.349	36,652	496,609	8,276	56,231	554,957	1,913,351
50	12	36,652	541,919	1.806,559	36,652	533,261	8,942	58,759	613,716	2,013,312
51	13	36,652	591,195	1,878,362	36,652	569,912	9,666	61,343	675,059	2,112,051
52	14	36,652	641.940	1,947,848	36,652	606,564	10,481	64,010	739,069	2,209,805
53	15	36,652	694,124	2,015,114	36,652	643,216	11,354	66,728	805,797	2,306,717
54	16	36,652	747,731	2,080,251	36.652	679,867	12,250	69,485	875,281	2,402,836
55	17	36,652	802,642	2,143,353	36,652	716,519	13,244	72,232	947,513	2,498,395
56	18	36,652	858,852	2,204,513	36,652	753,171	14,255	75,024	1,022,537	2,593,426
57	19	36,652	916,371	2,263,821	36,652	789,822	15,309	77,900	1,100,437	2,688,014
58	20	36,652	975,300	2,321,356	36,652	826,474	16,373	80,935	1,181,372	2,782,162
59	21	36,652	1,035,192	2,377,191	36,652	863,125	17,457	83,594	1,264,965	2,875,885
60	22	36,652	1,096,492	2,431,393	36,652	899,777	18,638	86.814	1,351.779	2,969,362
61	23	36,652	1,159,059	2,484,032	36.652	936,429	19,960	90,043	1.441,822	3,062,860
62	24	36,652	1,222,752	2,535,179	36,652	973,080	21,466	93,321	1,535,143	3,156,715
63	25	36,652	1,287,373	2,584,906	36,652	1,009,732	23,154	96,569	1,631,712	3,251,249
64	26	36,652	1,352,933	2,633,286	36,652	1,046,384	24,950	99,978	1,731,690	3,346,618
65	27	36,652	1,419,405	2,680,385	36,652	1,083,035	26,784	103,429	1,835,119	3,442,841

My Financial Check-Up

Directions: For each "no" or "I don't know" place the number after the question in the space to the right. Leave blank for each "Yes" answer.

1

"My *Cash Flow* Fluctuates"

- Is my income on a monthly or annual basis always the same? (3) ____
- Are my bank accts, CDs, etc. that store my excess cash efficient? (2) ____
- Do I charge myself interest for the things that I buy? (4) ____
- Does my current financial plan protect me from a loss of income? (5) ____

Score #1___

2

"I am Managing My *Debt* the Most Efficient Way Possible"

- Are my investments creditor proof? (2) ____
- Can my assets be used as collateral to reduce my interest rate? (3) ____
- Do I have a plan to avoid a *new definition of necessities* when I receive a pay raise? (4) ____
- Do I know the amount of dollars I spend in interest monthly? (5) ____

Score #2__

3

"If the Market Goes Down, I have Time"

- Do I know the difference between advertised and actual returns? (2) ____
- Do I understand the inherent risk in investing in bonds? (3) ____
- Do I make financial decisions based on emotion? (5) ____
- Do I understand the impact of fees and taxes on my investments? (4) ____

Score #3__

4

"I Have *Contro*l Over That"

- I know how much money I need each year in retirement? (2) ___
- Can I access the funds in my portfolio without negatively impacting it? (3) ___
- In a job loss can I access funds to sustain my lifestyle for a year without penalty? (5) ___
- Do I save and invest money in areas that I can have a direct impact on its growth?(4) ___

Score #4__

5

"You Cannot Beat Uncle Sam"

- Will any sources of my retirement be tax *free*? (5) ____
- Will I be in a lower tax bracket during retirement? (4) ____
- I am preparing a plan to deal with changes in tax laws? (2) ____
- Do I have an exit strategy from my tax deferred plans (401(k), IRA, etc.)? (3) ____

Score #5__

Financial Category Risk Score Guide:

1-4: Low

5-7: Moderate

7-9: High

10-14: Severe

America's Only book written with farmers in mind.

Why Another Book?

- Companion to BYOB
- Speak their language and numbers
- Quick Easy Read

Why this Farmers/Ranchers?

- My background
- Niche Market

What We Should Know

What it takes to operate a farm: 3 Parts

- Operating costs – fuel, seed, fertilizer, chemical, feed, vet costs, etc.
  - $10,000 - $10 Million a year
  - Must be paid back in full each year
  - Current interest rate 4 - 4.75%

What We Should Know

What it takes to operate a farm:

- **Land Expenses** – payment/lease
  - 8.7% is rented land
  - Big farmers have about 20 agreements
  - Large farms only own 44% of the land they farm
  - Current land purchase rates 6-7%

Source: Agriview.com

FARMING WITHOUT the BANK

What We Should Know

What it takes to operate a farm:

- **Equipment Expenses** – purchase/lease
  - Combines/Tractors: Used to New are $100,000-$400,000
  - Squeeze shoots upwards of $12,000
  - Current equipment loan rates 6-7%

FARMING WITHOUT the BANK

Fun Facts

- **Interest Paid per Farm Income**
  - $100,000 - $250,000 = 53.8% in interest
  - $250,000- $500,000 = 63.2% in interest
  - $500,000 - $1 Million = 70.5% to interest

Source: USDA 2012 Census Report

- 1950

  Tractors: 3.6 Million

  Horses: 8 Million

FARMING WITHOUT the BANK

Reconditioning Their Thinking

- Put their livelihood as collateral
- "Paycheck" has the banks name on it
- Lost interest
- Lost opportunity costs with cash purchases

  Example: $15,000 Auger
  over 40 years is $72,000

- They want this NOW yet they didn't start with 5 or 10,000 acres overnight.

FARMING WITHOUT the BANK

To Set the Policy Up Know...

- WORST case scenario
- Commodity prices and future prices
- Passing the operation down
- Retirement plans

FARMING WITHOUT the BANK

IBC and Farming

Setting the policy for WORST case scenario:

Premium Information

Premiums in this illustration are assumed to be paid on a(n) Annual basis.

First Year Premiums

		Regularly Billed Premiums Paid Annual
Base Policy		$22,099.99
20 Year Term Rider	$1,000,000	$2,900.00
Accelerated Benefit Rider		$0.00
Level Premium Paid-up Additions Rider		$75,000.00
Underwritten Annual LPUA Premium	$75,000.00	
Max LPUA Premium: Years 8+	$75,000.00	
		$99,999.99

FARMING WITHOUT the BANK

IBC and Farming

Case study: Operating Loan

- 20 yr Term Rider Added to Increase Available CV
- Borrow & Payback full $500,000 each year
- NO interest added to this case study – keep it simple
- Use the Local Bank to Supplement Loan for 5 yrs
- Excess CV after year six to use for other things
- Access to 100% of cash value minus 5% for interest

FARMING WITHOUT the BANK

IBC and Farming

Other important uses for the policy:

- Tax-Free Retirement Income
- Available Money to Lend Children
- Death Benefit for Heirs Taking Over the Operation
- Key Man Policies– Father/Child/Hired man
- Start Young and Keep Them out of FSA.

FARMING WITHOUT the BANK

In Closing…

- Supplement to BYOB
- Showing how and why this process works for farmers
- Find more farm material: www.farmingwithoutthebank.com/thinktank

FARMING WITHOUT the BANK

Case Study 1A Don & Anita Financing Operating Expenses

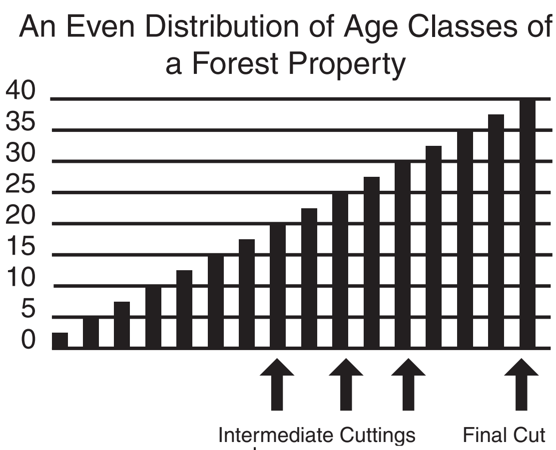
Age	Year	Premium	Cumulative Net Premium Outlay	Increase in Net Cash Value	Net Cash Value	Yearly Operating Expense	Local Bank Loan or Excess Cash Value	Net Death Benefit
46	1	100,000	100,000	74,075	74,075	500,000	-425,925	2,634,243
47	2	100,000	200,000	77,340	151,415	510,000	-358,585	2,903,486
48	3	100,000	300,000	99,206	250,621	520,200	-269,579	3,164,963
49	4	100,000	400,000	104,525	355,146	530,604	-175,458	3,418,790
50	5	100,000	500,000	108,963	464,108	541,216	-77,108	3,665,464
51	6	100,000	600,000	113,562	577,670	552,040	25,630	3,905,370
52	7	100,000	700,000	118,151	695,821	563,081	132,740	4,138,885
53	8	100,000	800,000	122,929	818,750	574,343	244,407	4,366,583
54	9	100,000	900,000	127,765	946,516	585,830	360,686	4,588,954
55	10	100,000	1,000,000	132,645	1,079,161	597,546	481,615	4,806,719
56	11	100,000	1,100,000	137,660	1,216,820	609,497	607,323	5,020,384
57	12	100,000	1,200,000	142,898	1,359,718	621,687	738,031	5,230,391
58	13	100,000	1,300,000	148,385	1,508,104	634,121	873,983	5,436,822
59	14	50,000	1,350,000	105,218	1,613,321	646,803	966,518	5,524,231
60	15	25,000	1,375,000	84,565	1,697,887	659,739	1,038,148	5,555,441
61	16	25,000	1,400,000	87,469	1,785,355	672,934	1,112,421	5,588,502
62	17	25,000	1,425,000	90,253	1,875,608	686,393	1,189,215	5,623,721
63	18	25,000	1,450,000	92,994	1,968,602	700,121	1,268,481	5,661,374
64	19	25,000	1,475,000	95,861	2,064,462	714,123	1,350,339	5,701,763
65	20	25,000	1,500,000	98,949	2,163,412	0	2,163,412	5,744,827
66	21	22,100	1,522,100	101,896	2,265,307	0	2,265,307	4,789,889
67	22	22,100	1,544,200	105,058	2,370,366	0	2,370,366	4,836,655
68	23	22,100	1,566,300	108,387	2,478,753	0	2,478,753	4,885,084
69	24	22,100	1,588,400	111,916	2,590,669	0	2,590,669	4,935,071
70	25	22,100	1,610,500	115,407	2,706,076	0	2,706,076	4,986,644
71	26	22,100	1,632,600	118,891	2,824,967	0	2,824,967	5,040,174
72	27	22,100	1,654,700	122,074	2,947,041	0	2,947,041	5,096,109
73	28	22,100	1,676,800	125,097	3,072,138	0	3,072,138	5,154,856
74	29	22,100	1,698,900	128,281	3,200,419	0	3,200,419	5,216,260
75	30	22,100	1,721,000	131,660	3,332,079	0	3,332,079	5,280,250
76	31	22,100	1,743,100	134,908	3,466,987	0	3,466,987	5,346,605
77	32	22,100	1,765,200	138,018	3,605,005	0	3,605,005	5,415,374
78	33	22,100	1,787,300	140,932	3,745,936	0	3,745,936	5,487,005
79	34	22,100	1,809,400	143,571	3,889,508	0	3,889,508	5,561,957
80	35	22,100	1,831,500	145,950	4,035,458	0	4,035,458	5,640,422

AN EVEN DISTRIBUTION OF AGE CLASSES

A good man leaves an inheritance for his children's children.
Proverbs 13:22a

Back in the days of my work as a consulting forester I used to describe to clients the ultimate design of a forest management plan. For instance, suppose that you are an owner of 4,000 acres of such property and that we plan to grow trees on a 40-year rotation. So we divide the land into 40 compartments of 100 acres each for management purposes.

Each year we plan to harvest one compartment and replant it. Next year we select another compartment and harvest and replant it, etc. It will take us 40 years to achieve "an even distribution of age classes"—we have one compartment for each year in the rotation. About 25 years into the growth of each one we plan an improvement cutting—the removal of the less desirable trees. This brings in some income and enables the land to concentrate the growth potential on the better specimens. Five years later we do the same thing on the same compartment. And five years later we do the final "improvement cutting" on it. Notice that we are gradually removing inferior trees so that growth is concentrated on the superior ones. Then we let the remaining trees grow to the ultimate age of 40 years.



When the cycle of replanting begins, we start with about 500 trees per acre and when the last improvement cutting is done, we are down to about 85 per acre that become the ultimate harvest. So, each year there is a final harvest on one compartment and three improvement cuttings on other compartments—a total of four sources of income per year while having only one expense of replanting (other than general operational expense, taxes, fire protection for the whole forest, etc.).

Once we have the whole system completely established it is a fabulous income producer, but it is going to take 40 years to get it done!

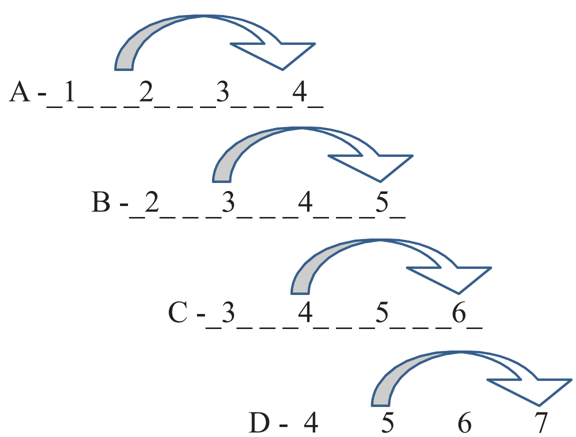
Something similar can be done with creating a "banking system" through life insurance and it can become vastly more profitable. But it is going to require a thorough knowledge of the concept. It all can work like the following example.

I know of a situation where an elderly couple (retired from business) were introduced to the idea of establishing substantial life insurance plans on their four grandchildren, two girls and two boys. The girls belonged to one of their sons and the boys belonged to the other son. The grandparents put $2,000 per year of premium into policies on each of the grandchildren, retaining ownership until their death, with ownership going to their sons at that time.

The sons are now grandparents and have a total of eight grandchildren collectively. They have diligently followed the example established by their parents, i.e. purchasing life insurance on each newborn in the amount of $2,000 annual premium. Premiums are planned for a payment period of 22 years (approximately one generation). Of course, the policies are designed according to the guidelines discussed back on page 38, that is, ones that emphasize cash accumulation and de-emphasize death benefit at the outset. So, after 22 years the "base premium" can be paid by dividends from the policy itself from that point forward. Surplus dividends buy additional paid-up insurance. The net effect of this is that the policy can be continued with no additional outlay, yet the face amount and cash values continue to grow very significantly over the years.

The mutual life insurance company that they are using illustrates the cash value at the grandson's age 22 to be $101,360. With no further outlay, the illustrated cash value at age 70 is $4,104,852. If the insured so desires, dividend withdrawals can be used for retirement purposes at this time in the amount of $225,000 per year and can be sustained at that level as long as the insured lives.

Suppose he dies at age 85. At that time he has recovered all the money that was paid into the policy ($44,000) plus $3,556,000 in income—and will still deliver $6,375,923 in death benefit to the next generation! I think that you will have to admit that this is impressive, but what you probably don't understand is this: if the insured, at age 22 will finance all his automobile purchases during lifetime from the cash values of the policy and "play the game," i.e., pay back to the policy the car payments that would have gone to a finance company, then the aforementioned cash values will be greater than depicted, and so will the retirement income figures! If he will finance his house purchases (when the cash values are adequate to do so) and pay back to the policy "closing costs" that would have had to be paid to a mortgage company, plus the monthly payments to amortize the mortgage (at the rates that they would require), then the figures cited will increase even more.



Beginning of cycle:
1- Senior Adult Generation - Age 66 - 88
2- Middle-Age Generation - Age 44 - 66
3- Child-Bearing Generation - Age 22 - 44
4- Birth to Adult Generation - Age 0 - 22

As each generation becomes grandparents, they buy life insurance on their grandchildren. If the message is passed on to each child-bearing generation—as they become grand-parents—then you can create the same effect as "the even distribution of age classes" in the growing trees, but it is far more profitable and certain as to the results. No forest fires. No plant diseases. No storms. No property taxes. You have created "perpetual motion" in your family's financial world!

There are a number of significant advantages to this plan:

- It covers multiple generations—promotes long range planning.
- Underwriting problems are minimized.
- Tax-free build-up of cash values over a long period of time.
- Outlay is very small compared with the ultimate yield.
- Generation paying the premiums can most easily afford them.
- When death benefit occurs, the system becomes self-sustaining.
- Precludes any need for Social Security.
- Passive income is assured.
- Estate planning is greatly simplified.
- Wealth "mentality" is transferred to succeeding generations over a long period of time to produce consistent understanding. They are learning a process—not buying a product.
- Promotes the understanding of what stewardship is all about.

Money won't buy happiness—but poor stewardship of money will steal happiness.

Be sure you know the condition of your flocks, give attention to your herds; for riches do not endure forever, and a crown is not secure for all generations.

-Proverbs 27:23-24

Am I too old to benefit from IBC?

Reasons people think they are too old

- Uninsurable or have an illness.
- Their time horizon is shorter than the illustrations in BYOB.
- Insurance costs are too high for me because I'm older

Let's go to the playbook

An even distribution of age classes, (Page 71-74)

1. Think long term- It will take us 40 years to achieve "an even distribution of age classes" Nelson's forestry example.
2. "Don't be afraid to capitalize the system" (Page 44)
3. Don't make policy loans without making provisions for paying them back.

"DON'T STEAL THE PEAS"

DR. K an illustration

- Dr. K
  - A very successful orthodontist in Minnesota
  - 60+ years old but still working
  - Married to a homemaker
  - Two sons who are orthodontists and work with Dr. K in the same practice
  - + $2 million of liquid assets
  - $2 million dollars of real estate loans on commercial buildings

DR. K an example

- Goals: shift liquid assets into IBC and take over real estate loans initially then finance son's equipment needs for the practice and the entire families vehicles and real estate

- Case design $500,000 annual capitalization for 4 years

DR. K an example

- Road Bump!
- Underwriting finds that Dr. K's heart murmur is getting worse.
- Underwriter orders a Echocardiogram
- We find out that Dr. K needs a new heart valve

- Now What? Page 71-74!

DR. K an example

An even distribution of age classes

– Maximum D.B/ Capitalization on wife
  - Underwriting was a challenge for the homemaker wife

– Remainder of the $500,000 capitalization on the two son's equally

DR. K Results

Page 72 cycle begins

- Senior Adult Generation- Wife/ $10,000,000+ projected DB
- Child Bearing Generation- 2 sons/ $25,000,000+ projected DB
- Birth to Adult Generation- grandchildren (twin girls) use of CV & the DB

All of the generations get the use of the cash Value! Millions of dollars saved in interest that would have been paid to other financial institutions

Advantages to this plan (page 72)

- We are covering multiple generations
- Underwriting problems were minimized
- Tax Free build-up of cash values over the next 80 years (life expectancy for the grandchildren)
- Generation paying the premiums can easily afford them
- Passive income is assured
- Estate planning is simplified
- Teaches generation 2 and beyond sustainable wealth building and eliminates possibility of failure
- *Also see page 82-84 for additional benefits and strategy*

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The Psychology of Money

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The Psychology of Money

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- Neuro-Economics
- Behavioral Finance
- Neuro Linguistic Programming (NLP)
  - Whatever you want to call it, the importance of understanding WHY, HOW and WHAT causes people to make money and finance related decisions is critical to the future success of the investment, insurance and income tax industries in the United States

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Time is of the Essence

ADVANCE & PROTECT

- The economic environment we experience over the next 20-30-40 years will be very different from the one we benefitted from in the past 20-30-40 years.
- The science behind this movement has improved our understanding of the relationship between people and money greatly in the past 20+ years
  - Technological advancements
  - Multi-disciplinary approach
    - Psychologists, Economists, Scholars, and Practitioners
    - Nobel Prizes have been awarded for studies and insights in this field (Becker-1992, Kahneman-2002, Schiller-2013)

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I know what you are thinking…

ADVANCE & PROTECT

- Why should I listen to John Moriarty?
  - It's true…I am no expert in this field and I have no advance degrees to support my comprehension of this information I will share with you today
  - In 2006, I was introduced to NLP and began integrating the techniques into my business under the direction of my business coach, Mike Lindstrom (www.mikelindstrom.com)
  - I recently attended a Behavioral Finance class at Harvard's Kennedy School of Executive Education November 19-21, 2014. This class provided me valuable insight
    - CONFIRMATION of our direction as a firm since 2006
    - Gained a better handle on "Why things are the way they are…"

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So, consider me…

ADVANCE & PROTECT

- So, consider me a "liaison" between education on this topic and application in your business
- I consider myself "an entrepreneur in the wealth management industry" and I've seen first hand what this type of knowledge can do to propel and organization towards "next level thinking"
- Our firm, e3 Consultants Group, and our affiliates embraced the study of NLP techniques in 2006
- Our business model has experienced tremendous growth due to this knowledge
  - IBC Practitioners can transform their client relationships!

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Library of Resources

ADVANCE & PROTECT

- "The Silent Value: Advice for the 21st Century"
  - July 2014 Whitepaper
- Thinking, Fast and Slow by Daniel Kahneman
- Personal Benchmark by Chuck Widger and Dr. Daniel Crosby
- NLP at Work by Sue Knight
- Understanding the Secret Language of Money by John Moriarty

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Human Beings and the Decision Making Process

- Rational (Logical) and Irrational (Emotional) thought processes exist within all of us
  - Different parts of the brain handle each of these
- The more important, complex, or stressful a decision becomes, the more our emotional part of the brain takes over (Limbic System)
  - Money and finance related decisions have these characteristics in most cases
- Most advisors want to ignore or downplay the emotional part of a financial decision to focus on facts, numbers, returns, etc.
  - A different approach with knowledge on this topic could transform the advisor-client relationship related to IBC strategies!
- Markets may be efficient but human beings have a tendency to be inefficient when making money and financially related decisions
  - What causes these counter-intuitive actions by so many people?

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Human Tendencies

- Our tendency as human beings is to THINK about the future but our ACTIONS are driven by the NOW
- Our society is structured to “tempt us” to choose the PRESENT over the FUTURE
  - Eliminating temptation from our path is essential to achieving our goals because there is a “depletion effect” in play the more we resist temptation (prone to relapses)

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Human Tendencies (continued)

- <u>Reward Substitution</u>
- Make a deal with yourself to fix your environment by connecting something you don’t want (PAIN) with something you do want (PLEASURE)
- There are things in the long term that we should care about (build savings first, eliminating debt, retirement) but because they won’t be accomplished for a long time, our actions fall short of our goal
  - Substitute a reward into your environment in the Present (NOW) in order to “stay on track”
- Personal interaction is a huge driver in people’s behavior with money
  - Financial education is NOT ENOUGH. Advisors need to be a part of their clients’ ENVIRONMENTS
  - Guide them through all of Life’s Events

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Possible Life Events

- **Clients in their 20's**
  - Importance of Saving
  - Manage Debt
  - Purchase an Automobile
  - Cash Flow Awareness
  - Get Married
- **Clients in their 30's**
  - Start a Family
  - Purchase a Home
  - Raising Children
  - Career Decisions
  - Children's Education
- **Clients in their 40's**
  - Save MORE!
  - Upgrade/Home Improvements
  - Children's Higher Education
  - Think about Retirement
- **Clients in their 50's**
  - Plan for Retirement
  - Pay Off Home?
  - Travel/2nd Home
  - Children's Finances
- **Clients in their 60's+**
  - Get TO and THROUGH Retirement
  - Social Security/Medicare
  - Healthcare/LTC
  - More Travel
  - Grandkids/Legacy
  - Wealth Transfer/Estate Planning

Possible Life Events (continued)

- How do your clients and prospects think, communicate, and behave when it comes to money and finance related decisions?
- You need to uncover what makes each of your clients and prospects "tick" when it comes to UTILIZING THEIR MONEY
  - Flexibility, Access and Controlling the flow of one's money is key to future success in our economy
  - Each client will have a different perspective of their PERSONAL ECONOMY. You need to help your clients "get out of their own way" so they can TAKE CONTROL OF THEIR FINANCIAL PICTURE

Human Behavior and Money

- No "rules for behavior" when it comes to money. Everyone is left to decide for themselves what is appropriate!
- Fairness vs. Value
  - Human beings evaluate "perceived" effort in the determination of fairness; even when the value is the same for different scenarios
    - Effective Communication is valued more than Intelligence when discussing money and finance!
  - When it comes to professional services, most people do not make decisions based on SKILLS
    - This is a major reason why some quality advisors have a difficult time engaging their clients on certain abstract topics

Human Tendencies and Money

ADVANCE & PROTECT

- Loss Aversion
- Two primary motivators of human action are PLEASURE and PAIN
  - We move "towards" things that make us happy and "away" from things that make us feel bad
  - When the action involves MONEY, avoiding loss is a far more powerful instinct than pursuing gain!
    - Averting a loss of wealth is valued 2-3X greater compared to a gain of wealth

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Human Tendencies and Money (cont.)

ADVANCE & PROTECT

- Mental Accounting
- Tendency of people to put their assets in different mental compartments that don't interact with each other
  - Why? It's difficult for most people to grasp their entire financial picture as a whole
- Another example: some people maintain multiple advisory relationships because it implies "diversification"

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Human Tendencies and Money (cont.)

ADVANCE & PROTECT

- Heuristics
- Procedures people use to limit the amount of information that is processed about a situation
- A way to manage the complexity of a situation in your mind
- Mental "rules of thumb" and a conscious decision to simplify content in order to conserve effort

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Types of Heuristics

- Deliberate Choice Heuristics
  - Process of elimination
  - This results from slower and more deliberate mental processes
- Automatic Judgmental Heuristics
  - Representativeness
    - "Compared to what?"
  - This results from cognitive processes that are rapid and not entirely controllable
  - The 'Status Quo" effect
    - The opinion one currently holds or customarily chooses is preferred over other options to a degree that is difficult to justify

Framing and Pre-Framing

- Framing relates to the predictable facet of the human mind where HOW something is communicated actually has more impact on our decision making than WHAT is communicated
- Pre-Framing is a NLP technique where you simply tell someone what you are going to tell them before you tell them!
  - Explain your desired outcome and determine shared expectations in the relationship
  - When you pre-frame, you take away uncertainty and allow people's minds to focus on developing questions and process the information you are providing them

Why the Sense of Urgency?

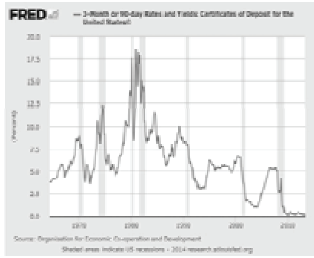
- Why is it so important to CHANGE the way advisors communicate with their clients and prospects?
- Our economy is not functioning on solid fundamentals – Interest Rate manipulation, Leverage through excessive Debt, and an overall lack of prioritizing savings
- What are true SAVERS supposed to do when their reality involves more RISK?

Why the Sense of Urgency? (cont.)

ADVANCE & PROTECT

Economic Forces are working AGAINST savers!

Borrowers



Savers

As Interest Rates went DOWN…

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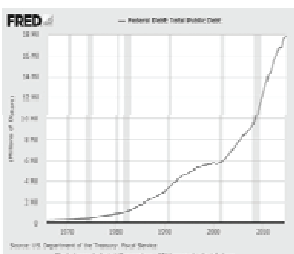
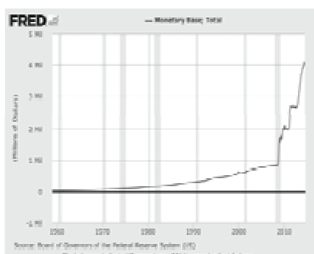
Why the Sense of Urgency? (cont.)

ADVANCE & PROTECT

The US Debt and The Fed's balance sheet surged!



The US Government



The Federal Reserve

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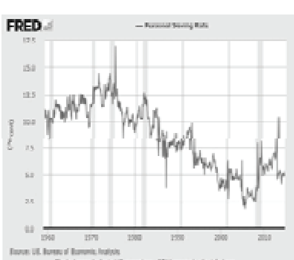
Why the Sense of Urgency? (cont.)

ADVANCE & PROTECT

Consumption and Risk Taking are ENCOURAGED!



Less people have GOOD HABITS of saving money

Who is benefitting from the stock market surge?

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What does all of this mean for the IBC Practitioner?

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In Today's Economy…

- Cash is earning virtually nothing and yet trillions of dollars are sitting in banks
- Bonds can no longer function the same way in a traditional portfolio
- Stocks appear to be the only option with long term growth potential BUT the market is at all-time highs and the economy is unstable

A SAVER's Personal Economy

- More Risk Averse than ever!
- Their Good MONEY HABITS are working against them thanks to the Status Quo (US Government, The Federal, Banks, Media etc.)
- They WANT TO UTILIZE their money but are afraid it will negatively impact their future!

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A lot has changed in a short period of time for SAVERS!

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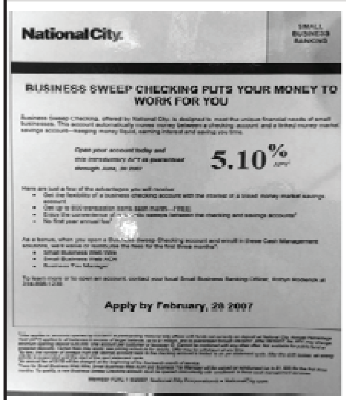

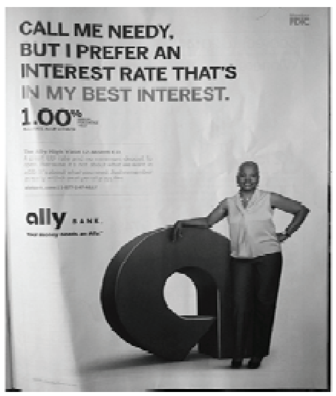

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e3 and Specially Designed Life Insurance Contracts (SDLIC)

ADVANCE & PROTECT

- e3 has taken the science of human behavior and created a business model that focuses on getting people to *think differently* about money and finance related decisions
- e3 looks to *Educate, Empower and Enlighten* the public towards ways they can <u>Take Control of their Financial Picture</u> while <u>Protecting their Personal Economy</u>
- Clients and prospects' emotions and tendencies are factored into every conversation with e3 to optimize the value we create in every household
- e3's Purpose, Process and Philosophy are one big PRE-FRAME that allows our clients and prospects to look at e3 differently than other financial firms

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E3 and SDLIC (continued)

ADVANCE & PROTECT

- So, what does this have to do with SDLIC?
  - e3 positions SDLIC as an alternative asset class
  - e3 positions SDLIC as a *Utilization Tool* for Big Ticket Items vs. the Status Quo's *Accumulation* strategies
  - e3 positions Mutual Life Insurance Companies as an alternative financial institution to a Bank
  - e3 communicates that a properly designed life insurance contract can become a core piece to your financial picture enjoying uninterrupted compound growth through proper *Cash Flow Awareness*
  - e3 believes the *Show & Tell* method of presenting is extremely powerful vs. reliance on illustrations

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Proof is in the Pudding

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- Speaking of *Show & Tell*
- Snapshot of MY PERSONAL business growth since 2006:
  - 2005 $390,000 in REVENUE (Securities & Life Insurance)
  - 2006 $544,000
  - 2007 $472,000
  - 2008 $693,000
  - 2009 $1.2 Million (75% Securities, 25% Life)
  - 2010 $1.815 Million (65% Securities, 35% Life)
  - 2011 $2.050 Million (60% Securities, 40% Life)
  - 2012 $1.847 Million (50% Securities, 50% Life)
  - 2013 $2.639 Million (48% Life, 41% Securities, 11% Tax)
- 8 Year Compound Growth Average = 27%

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Looking for 10X Multipliers

ADVANCE & PROTECT

- Our focus now is about educating the public
  - Purpose, Process and Philosophy
  - www.e3wealth.com and www.advanceandprotect.com
- How do you grow 10X? Find 10X Multipliers!
  - "Think Differently" about ways to add value for your clients, advisors and staff
- $2 Million…$20 Million…$200 Million…$2 Billion… Endless Possibilities
- Transition from Personal Growth to Organizational Growth

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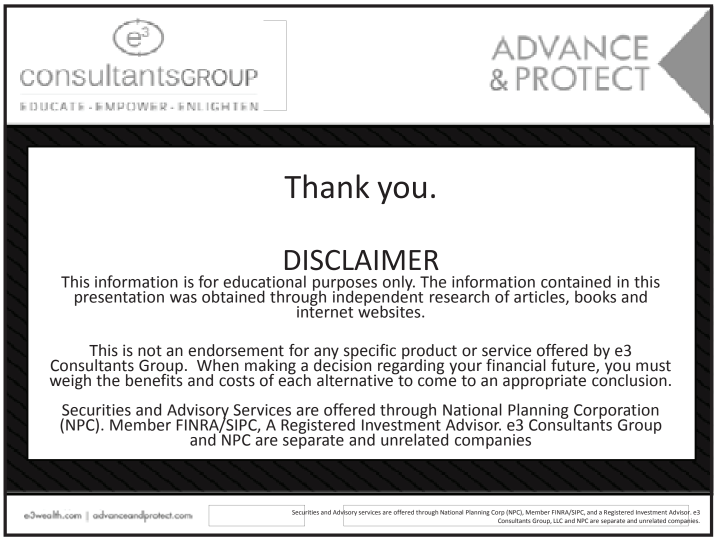
e3 consultantsGROUP
EDUCATE · EMPOWER · ENLIGHTEN
ADVANCE & PROTECT
Thank you.
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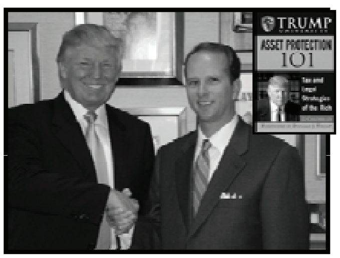
INFINITE BANKING PROTECTION PLANNING

Legal Strategies for Safeguarding Your Infinite Banking Assets

Presented By

J.J. Childers

INFINITE BANKING PROTECTION PLANNING



J.J. Childers

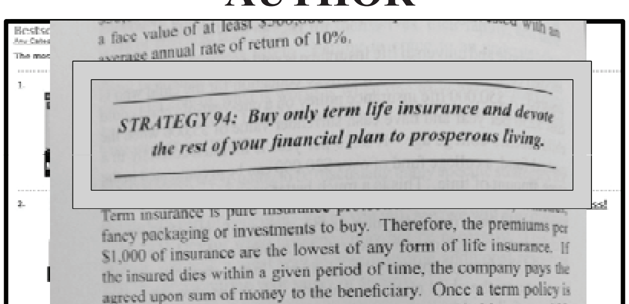
Infinite Banking Concepts®
Authorized Practitioner

THE chandler ADVISORS LLC DIFFERENCE

-Attorney
-Author

INFINITE BANKING PROTECTION PLANNING

AUTHOR



a face value of at least
average annual rate of return of 10%.

STRATEGY 94: Buy only term life insurance and devote the rest of your financial plan to prosperous living.

Term insurance is pure insurance
fancy packaging or investments to buy. Therefore, the premiums per $1,000 of insurance are the lowest of any form of life insurance. If the insured dies within a given period of time, the company pays the agreed upon sum of money to the beneficiary. Once a term policy is

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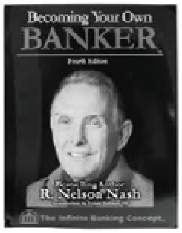
STUDENT



INFINITE BANKING PROTECTION PLANNING

CLIENT PLANNING CONCERNS*

- L AWSUITS (Asset Protection)
- I NCOME TAXES (Tax Reduction)
- D EATH TAXES (Estate Planning)

This will certainly not impact/concern ALL clients, it is more of a function of "Kafka's Maxim."

INFINITE BANKING PROTECTION PLANNING

Kafka's Maxim

"Better to have, and not need, than need, and not have."

Franz Kafka

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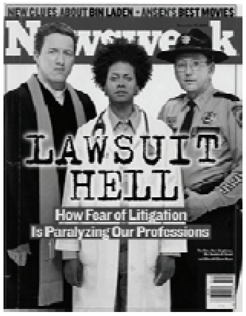


PROTECTION FROM LAWSUITS

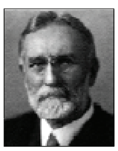
Strategy:

OWN NOTHING

DO NOTHING

INFINITE BANKING PROTECTION PLANNING

TAX REDUCTION



"The legal right of a taxpayer to decrease the amount of what otherwise would be his taxes, or altogether avoid them, by means which the law permits, cannot be doubted."

From Legal Opinion of U.S. Supreme Court, Justice George Sutherland writing

Gregory v. Helvering, 293 U.S. 465; 55 S. Ct. 266; 79 L. Ed. 596

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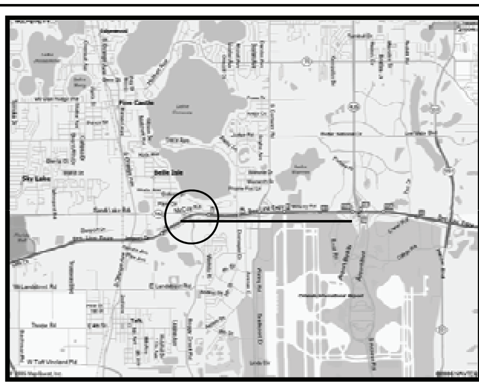
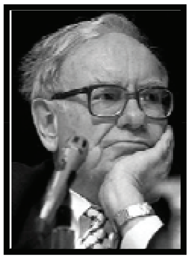


INFINITE BANKING PROTECTION PLANNING

THE IMPACT OF TAXES



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The Miracle of Compounding Growth

	$1.00	$2.00
2	$2.00	$4.00
3	$4.00	$8.00
4	$ 8.00	$16.00
5	$16.00	$32.00
6	$32.00	$64.00
7	$64.00	$128.00
8	$128.00	$256.00
9	$256.00	$512.00
10	$512.00	$1,024.00
11	$1,024.00	$2,048.00
12	$2,048.00	$4,096.00
13	$4,096.00	$8,192.00
14	$8,192.00	$16,384.00
15	$16,384.00	$32,768.00
16	$32,768.00	$65,536.00
17	$65,536.00	$131,072.00
18	$131,072.00	$262,144.00
19	$262,144.00	$524,288.00
20	$524,288.00	***$1,048,576.00***

INFINITE BANKING PROTECTION PLANNING

The Impact of Taxes

1	$1.00	$2.00	Tax 30%	*$1.70*
2	$1.70	$3.40	Tax 30%	*$2.89*
3	$2.89	$5.78	Tax 30%	*$4.91*
4	$4.91	$9.83	Tax 30%	*$8.35*
5	$8.35	$16.70	Tax 30%	*$14.20*
6	$14.20	$28.40	Tax 30%	*$24.14*
7	$24.14	$48.28	Tax 30%	*$41.03*
8	$41.03	$82.07	Tax 30%	*$69.76*
9	$69.76	$139.52	Tax 30%	*$118.59*
10	$118.59	$237.18	Tax 30%	*$201.60*
11	$201.60	$403.20	Tax 30%	*$342.72*
12	$342.72	$685.44	Tax 30%	*$582.62*
13	$582.62	$1,165.24	Tax 30%	*$990.46*
14	$990.46	$1,980.92	Tax 30%	*$1,683.78*
15	$1,683.78	$3,367.56	Tax 30%	*$2,862.42*
16	$2,862.42	$5,724.85	Tax 30%	*$4,866.12*
17	$4,866.12	$9,732.24	Tax 30%	*$8,272.40*
18	$8,272.40	$16,544.81	Tax 30%	*$14,063.08*
19	$14,063.08	$28,126.17	Tax 30%	*$23,907.24*
20	$23,907.24	$47,814.49	Tax 30%	***$40,642.31***

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ESTATE PLANNING

THINK OUTSIDE THE BOX

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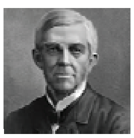
SOLUTIONS



"Put not your trust in money, but put your money in trust."

Oliver Wendell Holmes, Sr.

"Put not your trust in insurance, but put your insurance in trust."

John V. Childers, Jr.

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TRUST PLANNING

- CREDITOR PROTECTION
- CONCEPT OPERATION
- CONTINUITY
- CONTROL

INFINITE BANKING PROTECTION PLANNING

TRUST PLANNING
(Example)

Successful Business Owner
- Real Estate Deal
- Development Process (Delayed)
- Economy

INFINITE BANKING PROTECTION PLANNING

TRUST PLANNING
(Examples

Doctor Client (Mother-in-Law)
- Husband Deceased
- Beginning IBC Activities
- Family Concerns

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TRUST PLANNING

- I.L.I.T.
- S.P.A. TRUST
- B.D.I.T.
- CHARITABLE TRUSTS
- OTHER OPTIONS
- Think Tank

INFINITE BANKING PROTECTION PLANNING

J.J. Childers, Attorney/IBC Authorized Practitioner

Three Legal Pitfalls

	Client Concerns	*Advisor Focus*
1)	____________________	( )
2)	____________________	( )
3)	____________________	( )

Kafka's Maxim: ____

Examples Nelson Nash: __________________ J.J. Childers: _________________

Lawsuits **Notes**

Newsweek Cover

Statistics

Strategy

Tax Reduction **Notes**

U.S. Supreme Court

Legality of Alternatives

Warren Buffett Example

Compounding

Impact of Taxes

Estate Planning **Notes**

Think Outside the Box

Trust Planning

Benefits

Examples

Options

-
-
-
-

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Points of Interest:

- Total # of IBC Authorized Practitioners = **22**
- Population as at 2014 is estimated at **35,540,000**
- There is **1** Practitioner for every **1,615,454** People in Canada **(plenty of opportunity to drive to 10%)**

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Life Carriers with Par Dividend Paying Whole Life:

- **Equitable Life of Canada** – A mutual life company www.equitablelife.ca
- **Canada Life** – a demutualized life company www.canadalife.com
- **Sun Life** – a demutualized life company www.sunlife.ca

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MEC Vs MTAR:

- In the US, there is a MEC line or **Modified Endowment Contract**. In Canada, there is an MTAR line or **Maximum Tax Accrual Reserve**. This refers to the tax-exempt value of a policy at any point in time. Maximum accelerated deposit (or PUA) amounts are established by the Life Company on policy illustrations

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Canadian Par Dividend Paying Policy:

- Policy values grow tax advantaged
- Accessibility to Cash Values – 90% - 100% dependent upon the Life Carrier
- Policy loans can be income taxable (dispositions above the ACB)

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Continued:

- If an income taxable event is triggered by a policy loan, the policy owner receives a direct income deduction for policy loan repayments
- Death Benefits are paid to a named beneficiary income tax free
- Canadian Life Company's currently deal in 100 year lifespans Vs 120 in the US

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Nelson's Book "Becoming Your Own Banker:

- How your understanding of the book impacts your level of success as a Practitioner
- Leading a prospect from reading Nelson's book to implementation to ongoing coaching – the importance and benefits of a predictable, repeatable process

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IBC in Action

- **Objective:** to have the use of 10 cars over a lifetime
- **The Goal:** Recapture the entire cost of all 10 cars
- **Golden Rule # 1 – Don't be afraid to capitalize** (Are you worth $2.50 per hour)?
- Understanding the Characters in the Play (The **Depositor**, The **Banker**, The **Bank Owner**, The **Borrower**)

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Example - Disclaimer:

- The following example compares the activity and characters in a conventional bank and that of a life insurance company
- Similar to the example of the Twin Sisters on Page 45 of Becoming Your Own Banker, the term Deposits means Premium Outlay
- $10,000 per year for the first 7 years is the "capitalization phase."
- Cash value available represents the balance of accessible cash value minus outstanding policy loans
- One purpose of the example is to isolate loans. A Life Carrier may not allow Policy Loans if the Policy Owner specifically instructs the Life Carrier to offset a Policy. In this example, the Policy Owner would instruct the Life Carrier one time annually to surrender Paid Up Death Benefit, Dividends or a combination thereof in order to satisfy the minimum premiums required, thereby enabling the Policy Owner to continue accessing Policy Loans
- Dividends are not guaranteed until they are declared. All total cash values and death benefit values in the example assume that annual dividends have been declared
- The following example is a fictional, designed to review a process. It is a hypothetical illustration that does not represent a specific product available for sale. Every policy design and Life Carrier are unique

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Year | Age	Deposits	Car Loan Payments	Car Purchases	Cash Value Available	Total Death Benefit		Value of 2% GIC (1.4% after 30% Tax)
1 | 26	$ 10,000			$ 7,812	$ 529,325		$ 10,140
2 | 27	$ 10,000			$ 16,370	$ 577,289		$ 20,282
3 | 28	$ 10,000	$ 6,000	$ 25,000	$ 4,653	$ 625,162		$ 30,566
4 | 29	$ 10,000	$ 6,000		$ 18,753	$ 672,875		$ 40,994
5 | 30	$ 10,000	$ 6,000		$ 33,601	$ 720,397		$ 51,568
6 | 31	$ 10,000	$ 6,000		$ 49,433	$ 768,055		$ 62,290
7 | 32	$ 10,000	$ 6,000		$ 65,541	$ 815,957		$ 73,162
Total Deposits and Loans Repaid		**$ 100,000**	**Cash Value Growth**	**$ 65,541**		GIC Growth	**$ 73,162**
8 | 33		$ 6,000	$ 25,000	$ 47,588	$ 792,287		$ 74,186
9 | 34		$ 6,000		$ 55,567	$ 770,589		$ 75,225
10 | 35		$ 6,000		$ 63,275	$ 750,395		$ 76,278
11 | 36		$ 6,000		$ 71,562	$ 731,767		$ 77,346
12 | 37		$ 6,000		$ 80,527	$ 714,272		$ 78,428
Total Loan Repaid		**$ 30,000**	**Cash Value Growth**	**$ 14,986**		GIC Growth	**$ 5,267**
13 | 38		$ 6,000	$ 25,000	$ 63,203	$ 698,049		$ 79,526
14 | 39		$ 6,000		$ 71,938	$ 683,453		$ 80,640
15 | 40		$ 6,000		$ 80,814	$ 670,191		$ 81,769
16 | 41		$ 6,000		$ 89,702	$ 658,360		$ 82,914
17 | 42		$ 6,000		$ 98,283	$ 647,867		$ 84,074
Total Loan Repaid		**$ 30,000**	**Cash Value Growth**	**$ 17,756**		GIC Growth	**$ 5,646**
18 | 43		$ 6,000	$ 25,000	$ 80,908	$ 638,634		$ 85,251
19 | 44		$ 6,000		$ 89,508	$ 630,481		$ 86,445
20 | 45		$ 6,000		$ 95,019	$ 623,728		$ 87,655
21 | 46		$ 6,000		$ 104,985	$ 617,146		$ 88,882
22 | 47		$ 6,000		$ 114,547	$ 611,569		$ 90,127
Total Loan Repaid		**$ 30,000**	**Cash Value Growth**	**$ 16,264**		GIC Growth	**$ 6,052**
23 | 48		$ 6,000	$ 25,000	$ 98,673	$ 606,702		$ 91,388
24 | 49		$ 6,000		$ 107,804	$ 602,694		$ 92,668
25 | 50		$ 6,000		$ 117,821	$ 599,438		$ 93,965
26 | 51		$ 6,000		$ 129,282	$ 596,835		$ 95,281
27 | 52		$ 6,000		$ 140,952	$ 595,089		$ 96,615
Total Loan Repaid		**$ 30,000**	**Cash Value Growth**	**$ 26,405**		GIC Growth	**$ 6,488**
28 | 53		$ 6,000	$ 25,000	$ 126,774	$ 594,257		$ 97,967
29 | 54		$ 6,000		$ 138,255	$ 594,349		$ 99,339
30 | 55		$ 6,000		$ 150,357	$ 595,420		$ 100,730
31 | 56		$ 6,000		$ 163,120	$ 597,423		$ 102,140
32 | 57		$ 6,000		$ 176,636	$ 600,229		$ 103,570
Total Loan Repaid		**$ 30,000**	**Cash Value Growth**	**$ 35,684**		GIC Growth	**$ 6,955**

Details:

Life Pay to age 100
Female 25 - Non Smoker
$6135 base; $3865 PUA
Start D.B $481,028
Repaid Loans
Offset Year 8 and on

Auto Cost:

$25,000 every 5 yr
Years 3-48
Loan: 7% for 5 years
Monthly Payment $500

GIC Details

Earns 2% Annual
30% tax Bracket
Net Annual 1.4%

This is for illustration purposes only and does not represent a specific product for sale. All values listed assume that annual dividends have been declared

33 | 58	$ 6,000	$ 25,000	$ 164,478	$ 603,724		$ 105,020
34 | 59	$ 6,000		$ 177,587	$ 607,813		$ 106,490
35 | 60	$ 6,000		$ 191,661	$ 612,533		$ 107,981
36 | 61	$ 6,000		$ 206,533	$ 617,848		$ 109,493
37 | 62	$ 6,000		$ 222,378	$ 623,862		$ 111,025
Total Loan Repaid	**$ 30,000**	**Cash Value Growth**	**$ 45,743**		GIC Growth	**$ 7,456**
38 | 63	$ 6,000	$ 25,000	$ 212,101	$ 630,810		$ 112,580
39 | 64	$ 6,000		$ 227,773	$ 638,608		$ 114,156
40 | 65	$ 6,000		$ 244,322	$ 647,255		$ 115,754
41 | 66	$ 6,000		$ 261,473	$ 656,617		$ 117,375
42 | 67	$ 6,000		$ 279,607	$ 666,594		$ 119,018
Total Loan Repaid	**$ 30,000**	**Cash Value Growth**	**$ 57,228**		GIC Growth	**$ 7,992**
43 | 68	$ 6,000	$ 25,000	$ 272,209	$ 677,153		$ 120,684
44 | 69	$ 6,000		$ 290,400	$ 688,227		$ 122,374
45 | 70	$ 6,000		$ 309,783	$ 699,932		$ 124,087
46 | 71	$ 6,000		$ 330,361	$ 712,273		$ 125,824
47 | 72	$ 6,000		$ 350,843	$ 725,378		$ 127,586
Total Loan Repaid	**$ 30,000**	**Cash Value Growth**	**$ 71,237**		GIC Growth	**$ 8,568**
48 | 73	$ 6,000	$ 25,000	$ 346,657	$ 739,160		$ 129,372
49 | 74	$ 6,000		$ 368,597	$ 753,678		$ 131,183
50 | 75	$ 6,000		$ 391,437	$ 768,883		$ 133,020
51 | 76	$ 6,000		$ 415,250	$ 784,685		$ 134,882
52 | 77	$ 6,000		$ 440,625	$ 801,048		$ 136,770
Total Loan Repaid	**$ 30,000**	**Cash Value Growth**	**$ 89,781**		GIC Growth	**$ 9,185**
53 | 78			$ 460,382	$ 818,205		$ 138,685
54 | 79			$ 481,996	$ 836,133		$ 140,627
55 | 80			$ 504,599	$ 854,930		$ 142,596
56 | 81			$ 528,926	$ 874,796		$ 144,592
57 | 82			$ 554,377	$ 895,400		$ 146,616
58 | 83			$ 578,939	$ 916,669		$ 148,669
59 | 84			$ 604,450	$ 938,516		$ 150,750
60 | 85			**$ 629,956**	**$ 960,870**		**$ 152,861**

	Total Premiums + Car Loan Payments	Minus (-)	Total Car Purchases	Net Cost
Totals:	**$370,000**		**-$250,000**	**$120,000**

Taking control of the banking function

Year | Age	Deposits	Car Loan Payments	Car Purchases	Cash Value Available	Total Death Benefit		Value of 2% GIC (1.4% after 30% Tax)	Details:
1 | 26	$ 10,000			$ 7,812	$ 529,325		$ 10,140	Life Pay to age 100
2 | 27	$ 10,000			$ 16,370	$ 577,289		$ 20,282	Female 25 - Non Smoker
3 | 28	$ 10,000	$ 6,000	$ 25,000	$ 4,653	$ 625,162		$ 30,566	$6135 base; $3865 PUA
4 | 29	$ 10,000	$ 6,000		$ 18,753	$ 672,876		$ 40,994	Start D.B $481,028
5 | 30	$ 10,000	$ 6,000		$ 33,601	$ 720,397		$ 51,568	Repaid Loans
6 | 31	$ 10,000	$ 6,000		$ 49,433	$ 768,055		$ 62,290	Offset Year 8 and on
7 | 32	$ 10,000	$ 6,000		$ 65,541	$ 815,957		$ 73,162	
Total Deposits and Loans Repaid		$ 100,000	Cash Value Growth	$ 65,541		GIC Growth	$ 73,162	Auto Cost:

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Isolating Loans

Total Deposits and Loans Repaid	$ 100,000	Cash Value Growth	$ 65,541		GIC Growth	$ 73,162	Auto Cost:
8 | 33	$ 6,000	$ 25,000	$ 47,588	$ 792,287		$ 74,186	$25,000 every 5 yr
9 | 34	$ 6,000		$ 55,567	$ 770,589		$ 75,225	Years 3-48
10 | 35	$ 6,000		$ 63,275	$ 750,395		$ 76,278	Loan: 7% for 5 years
11 | 36	$ 6,000		$ 71,562	$ 731,787		$ 77,346	Monthly Payment $500
12 | 37	$ 6,000		$ 80,527	$ 714,272		$ 78,428	
Total Loan Repaid	$ 30,000	Cash Value Growth	$ 14,986		GIC Growth	$ 5,287	GIC Details

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Understanding the Characters in the Play

Total Loan Repaid	$ 30,000	Cash Value Growth	$ 89,781		GIC Growth	$ 9,185
53 | 78			$ 460,382	$ 818,205		$ 138,585
54 | 79			$ 481,996	$ 836,133		$ 140,627
55 | 80			$ 504,659	$ 854,930		$ 142,596
56 | 81			$ 528,926	$ 874,796		$ 144,592
57 | 82			$ 554,377	$ 895,400		$ 146,616
58 | 83			$ 578,939	$ 916,669		$ 148,669
59 | 84			$ 604,450	$ 938,516		$ 150,750
60 | 85			$ 629,956	$ 960,870		$ 152,861

	Total Premiums + Car Loan Payments	Minus (-)	Total Car Purchases	Net Cost
Totals:	$370,000		-$250,000	$120,000

What did you put in?

What are you getting out?

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"Why stop capitalizing? Why would you ever want to put less money into your Banking Business"?

- **R. Nelson Nash**

What would the financial impact be if we continued to capitalize our Banking System beyond 7 years?

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		Guaranteed Values			Current Dividend Scale Non Guaranteed Values			
Age	Year	Required Annual Premium	Cash Value	Death Benefit	Cash Premiums	Annual Dividend	Total Cash Value	Total Death Benefit
26	1	$6,135.00	$3,367	$481,028	$10,000.00	$1,656	$8,680	$529,325
27	2	$6,135.00	$7,215	$481,028	$10,000.00	$1,819	$18,189	$577,289
28	3	$6,135.00	$11,064	$481,028	$10,000.00	$2,009	$28,071	$625,162
29	4	$6,135.00	$14,912	$481,028	$10,000.00	$2,206	$38,509	$672,875
30	5	$6,135.00	$18,760	$481,028	$10,000.00	$2,431	$49,399	$720,397
31	6	$6,135.00	$23,089	$481,028	$10,000.00	$2,677	$60,977	$768,055
32	7	$6,135.00	$26,938	$481,028	$10,000.00	$2,931	$72,823	$815,957
33	8	$6,135.00	$31,267	$481,028	$6,135.00	$3,124	$82,223	$837,364
34	9	$6,135.00	$36,558	$481,028	$6,135.00	$3,357	$92,585	$859,590
35	10	$6,135.00	$40,887	$481,028	$6,135.00	$3,606	$102,719	$882,534
36	11	$6,135.00	$45,698	$481,028	$6,135.00	$3,828	$113,289	$906,131
37	12	$6,135.00	$50,989	$481,028	$6,135.00	$4,058	$125,108	$930,236
38	13	$6,135.00	$55,799	$481,028	$6,135.00	$4,312	$137,289	$954,805
39	14	$6,135.00	$61,572	$481,028	$6,135.00	$4,611	$150,423	$980,192
40	15	$6,135.00	$66,863	$481,028	$6,135.00	$4,928	$164,038	$1,006,299
41	16	$6,135.00	$71,673	$481,028	$6,135.00	$5,268	$177,688	$1,033,186
42	17	$6,135.00	$76,002	$481,028	$6,135.00	$5,619	$191,388	$1,060,855
43	18	$6,135.00	$80,332	$481,028	$6,135.00	$5,979	$205,636	$1,089,301
44	19	$6,135.00	$85,142	$481,028	$6,135.00	$6,337	$221,523	$1,118,322
45	20	$6,135.00	$86,104	$481,028	$6,135.00	$6,770	$233,580	$1,148,342
46	21	$6,135.00	$91,395	$481,028	$6,135.00	$6,974	$251,712	$1,178,056
47	22	$6,135.00	$96,206	$481,028	$6,135.00	$7,368	$269,319	$1,208,395
48	23	$6,135.00	$101,497	$481,028	$6,135.00	$7,729	$288,731	$1,239,059
49	24	$6,135.00	$106,307	$481,028	$6,135.00	$8,142	$308,342	$1,270,226
50	25	$6,135.00	$111,598	$481,028	$6,135.00	$8,555	$329,120	$1,301,864
51	26	$6,135.00	$117,852	$481,028	$6,135.00	$8,978	$352,380	$1,333,858
52	27	$6,135.00	$124,105	$481,028	$6,135.00	$9,482	$376,454	$1,366,461
53	28	$6,135.00	$130,359	$481,028	$6,135.00	$10,033	$401,394	$1,399,792

$10,362 Increase!

$12,057 Increase & Dividend Exceeds $6,135!

Infinite Banking Concepts®
Authorized Practitioner

		Guaranteed Values			Current Dividend Scale Non Guaranteed Values			
Age	Year	Required Annual Premium	Cash Value	Death Benefit	Cash Premiums	Annual Dividend	Total Cash Value	Total Death Benefit
54	29	$6,135.00	$136,612	$481,028	$6,135.00	$10,625	$428,167	$1,433,821
55	30	$6,135.00	$142,865	$481,028	$6,135.00	$11,274	$455,949	$1,468,673
56	31	$6,135.00	$149,119	$481,028	$6,135.00	$11,940	$484,767	$1,504,346
57	32	$6,135.00	$155,853	$481,028	$6,135.00	$12,595	$515,101	$1,540,756
58	33	$6,135.00	$162,587	$481,028	$6,135.00	$13,240	$547,527	$1,577,723
59	34	$6,135.00	$168,841	$481,028	$6,135.00	$13,892	$581,652	$1,615,125
60	35	$6,135.00	$175,575	$481,028	$6,135.00	$14,603	$616,307	$1,653,187
61	36	$6,135.00	$182,310	$481,028	$6,135.00	$15,314	$653,287	$1,691,767
62	37	$6,135.00	$189,525	$481,028	$6,135.00	$16,113	$693,244	$1,730,951
63	38	$6,135.00	$196,259	$481,028	$6,135.00	$17,069	$732,955	$1,771,161
64	39	$6,135.00	$202,994	$481,028	$6,135.00	$17,997	$775,388	$1,812,177
65	40	$6,135.00	$209,728	$481,028	$6,135.00	$18,979	$819,358	$1,854,068
66	41	$6,135.00	$215,982	$481,028	$6,135.00	$19,955	$865,763	$1,896,673
67	42	$6,135.00	$222,716	$481,028	$6,135.00	$20,974	$914,287	$1,940,038
68	43	$6,135.00	$229,450	$481,028	$6,135.00	$22,022	$964,488	$1,984,172
69	44	$6,135.00	$235,704	$481,028	$6,135.00	$23,126	$1,017,455	$2,029,050
70	45	$6,135.00	$242,438	$481,028	$6,135.00	$24,401	$1,071,323	$2,075,037
71	46	$6,135.00	$249,173	$481,028	$6,135.00	$25,743	$1,128,789	$2,122,104
72	47	$6,135.00	$254,945	$481,028	$6,135.00	$27,303	$1,187,576	$2,170,577
73	48	$6,135.00	$261,198	$481,028	$6,135.00	$28,930	$1,250,903	$2,220,404
74	49	$6,135.00	$267,452	$481,028	$6,135.00	$30,771	$1,316,882	$2,271,865
75	50	$6,135.00	$273,705	$481,028	$6,135.00	$32,732	$1,383,866	$2,325,150
76	51	$6,135.00	$279,477	$481,028	$6,135.00	$34,742	$1,455,036	$2,380,153
77	52	$6,135.00	$285,731	$481,028	$6,135.00	$36,921	$1,531,656	$2,436,955
78	53	$6,135.00	$291,022	$481,028	$6,135.00	$39,475	$1,608,884	$2,496,107
79	54	$6,135.00	$297,275	$481,028	$6,135.00	$42,160	$1,690,709	$2,557,681
80	55	$6,135.00	$303,048	$481,028	$6,135.00	$45,061	$1,778,021	$2,621,773
81	56	$6,135.00	$309,301	$481,028	$6,135.00	$48,349	$1,870,189	$2,688,791
82	57	$6,135.00	$315,554	$481,028	$6,135.00	$50,731	$1,965,899	$2,757,366
83	58	$6,135.00	$321,327	$481,028	$6,135.00	$52,666	$2,055,153	$2,827,207
84	59	$6,135.00	$327,580	$481,028	$6,135.00	$54,314	$2,145,135	$2,897,989
85	60	$6,135.00	$332,871	$481,028	$6,135.00	$55,530	$2,236,266	$2,969,126
86	61	$6,135.00	$338,644	$481,028	$6,135.00	$56,375	$2,327,144	$3,040,230
87	62	$6,135.00	$343,935	$481,028	$6,135.00	$56,704	$2,421,274	$3,110,571
88	63	$6,135.00	$348,745	$481,028	$6,135.00	$57,086	$2,513,583	$3,180,327

What did you put in for 60 years?

$645,155

=

($395,155 Premium. The extra interest on policy loan payments is premium

+

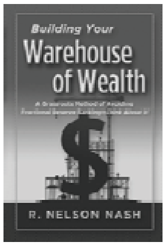
$250,000 Policy Loan Payments)

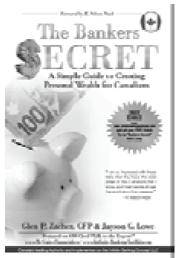
What did you get out?

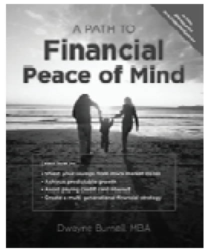
$2,236,266

$1,606,310 MORE than the one who stopped capitalizing after year 7

Suggested Reading:







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5 Success Tips

1. Embrace *Becoming Your Own Banker, The Infinite Banking Concept* (Avoid rebranding)

2. Set up your own policy and implement IBC in your own Life (benefits of practicing what you teach)

3. Find a good Mentor and nurture the relationship (Advantages of being coachable)

4. Keep it simple … this is all about taking control of the banking function in your life through the use of participating dividend paying whole life insurance

5. Sponsor Nelson to conduct his seminar and meet your Prospects / Existing Clients