

Premium Financed Installment Sale

**Presented By:
Diverse Financial**

Diverse Financial Corporation

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Business Ownership



Installment Note



Interest & Principal



Family Trust

Insurance Policy



Promissory Note

Collateral (Insurance Policy)

Insurance Premiums

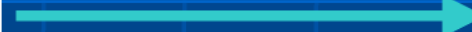


Profit Distributions



Family LLC

Collateral



Real Estate



Securities



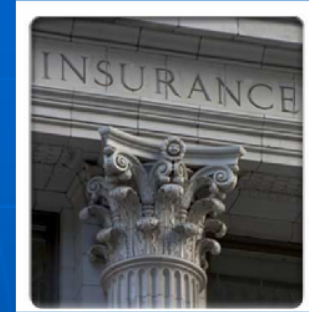
Oil Business/
Assets



Loan Repayment



Death Benefit



Loan Repayment



Family Trust



Profit Distributions

Family LLC



Real Estate



Securities



Oil Business/ Assets

Insured #1

Summary of Options (Financing Projections)

Insurance Benefit:

\$30,000,000

Classification:

Male (SNS)

Female (SNS)

Annual Savings:

\$450,000 per year

Annual Savings Account:

8%

Product Type	Total Premium	Cumulative Loan	Projected Collateral Required	Annual Savings @ 8.00%	Benefits for Beneficiaries
Index Universal Life (6.5%)					
Year 1	710,261	744,709	730,025	486,000	29,741,291
Year 5	2,744,813	3,193,535	1,491,864	2,851,168	29,657,633
Year 10	5,288,003	6,984,861	3,058,917	7,040,469	30,055,609
Year 15	7,831,193	11,789,195	5,775,574	13,195,927	31,406,733
Index Universal Life (3%)					
Year 1	710,261	744,709	744,709	486,000	29,741,291
Year 5	3,268,781	1,782,491	1,782,491	2,851,168	29,066,977
Year 10	6,466,931	4,108,143	4,108,143	7,040,469	28,550,487
Year 15	9,665,081	8,150,648	8,150,648	13,195,927	28,742,808
Universal Life (NLG)					
Year 1	710,261	744,709	744,709	486,000	29,741,291
Year 5	2,170,261	2,545,857	2,545,857	2,851,168	30,305,311
Year 10	3,995,261	5,334,434	3,668,893	7,040,469	31,706,035
Year 15	5,820,261	8,868,094	7,022,190	13,195,927	34,327,833
Universal Life (Minimum Premium)					
Year 1	710,261	744,709	744,709	486,000	29,741,291
Year 5	1,155,261	1,377,298	1,377,298	2,851,168	31,473,870
Year 10	2,400,261	3,181,715	3,181,715	7,040,469	33,858,754
Year 15	4,559,261	6,459,456	6,458,990	13,195,927	36,736,471

Insured #1

Inputs	
Business Value	\$30,000,000.00
Discount Rate	30.00%
Discounted Value	\$21,000,000.00
Business Rate of Growth	6.00%
Business Annual Cash Flow	3.00%
Life Expectancy (Years)	19.00
Exemption Available	\$0.00
Estate Tax Rate	45.00%
Applicable Federal Rate	3.67%

	Do Nothing	Installment Sale - Accrue Interest	Installment Sale - Pay Interest (1.5%)
Business Value at Death	\$90,767,985.06	\$90,767,985.06	\$90,767,985.06
Promissory Note at Death	\$0.00	\$41,651,262.21	\$29,792,484.43
Business Cash Flow*	\$2,723,039.55	\$1,361,519.78	\$1,361,519.78
Life Insurance	\$0.00	\$30,000,000.00	\$30,000,000.00
Net Taxable Estate	\$93,491,024.61	\$41,651,262.21	\$31,154,004.21
Estate Tax	(\$42,070,961.08)	(\$18,743,067.99)	(\$14,019,301.89)
Net to Family	\$51,420,063.54	\$103,386,436.84	\$108,110,202.95
Estate Tax Savings	0	\$37,440,576.98	\$42,164,343.08

* If insurance is purchased, 1 1/2% of the business cash flow will be used for premium payments. If remaining cash flow is used to pay the installment note, the amount not consumed during lifetime will be subject to estate tax.

** Estate Tax Savings includes tax savings on Life Insurance and Business Cash Flow that will not be subject to estate taxation.

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Actual interest rate and other conditions will vary from the time of this proposal and completed transaction.

This illustration is not approved for use in recommending life insurance or any other financial services products.

The benefits and values shown above are not guaranteed. The assumptions on which they are based are subject to change.

Actual results may be more or less favorable than those illustrated.