

PRESENT POSITION MEETING SUMMARY

Subject: Meeting Summary

Matt & Emily,

It was great meeting with you last week. I wanted to follow-up and document a summary of our meeting as well as our action items from the meeting.

We covered a lot of ground so if I miss anything or something doesn't make sense, please be sure to let me know. I have attached your updated Present Position Model and a summary of action items/to-dos for you to review as part of this email.

Protection Component

P1-P3 Auto, Home, Umbrella Insurance:

The objective is to make sure your coverages are in alignment with your present financial circumstances. After reviewing your current liability coverages, in relation to your current assets and incomes, you determined that you were more than overdue to update your coverage levels.

As I understand, you are going to contact your P&C agent to review your coverage and address the following:

1. You are going to request a quote for a \$3M personal liability umbrella.
2. You are going to request a quote for \$1,000 deductibles on your vehicles
3. We also discussed taking video of the personal contents of your home in order to maximize your replacement cost coverage on your homeowners.

Please keep me updated with any changes you make in this area.

P4 Disability Insurance:

The maximum coverage you can have is approximately 66% of your gross income paid on a net basis (i.e., if your gross income is \$100k the maximum coverage you could obtain is about \$66k per year of benefit, after taxes).

Matt, based on the documents provided, you currently have group coverage at 60% of your income with a cap of \$5k per month. With a \$5K/month cap, your benefit only replaces roughly 42% of your income.

Emily, based on the documents provided, you currently have group coverage at 60% with a \$5K/month maximum benefit as well. The benefit cap only provides you with roughly 31% coverage as well.

At your ages, your ability to earn an income is your greatest asset. The large gaps in both of your plans leave you exposed. We will plan to supplement this coverage to bridge those gaps. This will be coordinated with your life insurance applications.

P7 Wills & Trusts:

At present you do not have wills/trusts. This is very important to implement to be sure your estate passes according to your wishes as well as establishing guardianship and trusteeship for your minor children.

You mentioned that you have an attorney that can help you get this completed. Please make sure that you provide your attorney with my contact information so that I can assist in coordinating beneficiary designations and titling so that they align with what you have drafted.

Please keep me updated with your progress in this area.

P9 Life Insurance:

The maximum coverage available to you at your present age is approximately 20 times your income. Presently there is \$500k of term insurance on Matt, and approximately \$400K of term insurance on Emily. In order to get coverage in alignment with your economic value, we initiated the application process for additional insurance for the both of you.

Keep in mind that we have not committed to a coverage amount and that no coverage will be in place until we have a chance to work through the best way to structure the coverage. Remember our first priority is the proper amount of coverage. We will work through the best long-term ways to own it as we work through financial strategies in future meetings. We are simply confirming each of your insurabilities.

Savings Components

S1-S3 Checking & Savings:

You presently have about \$42K in checking and savings. We discussed the importance of increasing your liquidity as well as building wealth on an after-tax basis moving forward. I will address this in more detail later in this email.

S8 Tax Free:

This is where we show both of your Roth IRAs at Fidelity.

S9 Tax Deductible:

This is where I show your IRA, 401K and pre-tax retirement accounts. Matt, you have approximately \$118K in your 401K. Emily, you have approximately \$179K in a combination of 401K. Our focus in this area will be to make sure we implement strategies to generate the maximum income at retirement and to make sure that we don't create a deferred tax problem down the road. Future funding in this area will be evaluated in future meetings.

Growth Components

G5 Blue Chip Stocks:

We discussed taking advantage of the Microsoft ESPP program. The plan offers a great discount of 15% below market price on the shares and does not have a required holding period once purchased. We will look at utilizing this as a buy and hold strategy as well as a pass-through strategy.

This is where I show the shares of Microsoft stock that have been acquired as a result of vested RSU. You stated that your position on Microsoft stock was more a result of not having a plan to effectively diversify these shares when the RSUs vest. I will work on helping to develop a systematic process to diversify these proceeds moving forward.

G6- Growth Securities:

We discussed the importance of diversifying your after-tax assets within a tax-managed after-tax portfolio.

Debt, Cash Flow & Miscellaneous:

We determined that you have done a good job in saving money. That stated, we also determined that there would be a benefit to have your savings flow into your plan on a more systematic basis. We also discussed the 6.2% non-deductible interest rate associated with your present car lease.

As a result, we are going to look at exercising your vested Microsoft stock options. Doing so will create approximately \$225K of net proceeds. We are looking at utilizing these proceeds to pay off your car lease, strengthen your liquidity, and give a boost to your after-tax savings portfolio. We will address how best to position this money in our next meeting.

We also discussed the possibility of moving into a different school district by the time your kids begin kindergarten. We will keep this in consideration as we move forward.

I will give you a call after you have had a chance to review this information. In the meantime, please be sure to keep me updated with any changes or things I may have missed. Our meetings going forward become a lot more fun as we look at the possibilities that will result from all your hard work.

Please let me know if you have any questions or if I missed anything. I look forward to working with you going forward.

Thanks, and have a great rest of the week.

Regards,
(Your Name)
999-999-9999