

Investment Plan

John and Jane Doe

June 13, 2008



CAPITAL DIRECTIONS
w e a l t h m a n a g e m e n t

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Introduction

This document will clearly describe a range of critical factors that affect your financial decisions, including your investment goals and time horizons, your tolerance for risk, and the prudence and diversification standards you wish to maintain. Taking these critical factors into account, this document will also set forth an investment structure that details permitted asset classes and the desired allocation among those asset classes.

A well-crafted investment plan and investment philosophy statement provides a broad context for making important financial decisions and then prescribes a prudent investment philosophy and set of investment management procedures to help you achieve your long-term financial goals. Clearly articulating your critical factors and our recommendations for achieving your financial goals in an investment plan and an investment philosophy statement has a number of important benefits:

1. **It helps provide long-term discipline to your investment decision-making.** A well-conceived plan helps assure that rational analysis is the basis for your investment decisions, making you less likely to act on emotional responses to short-term events.
2. **It encourages effective communication.** Because it clarifies the issues that are most important to you and the investment approach and strategy that will be used, the plan minimizes any misunderstandings that may arise.
3. **It allows both of us to accurately review your critical factors as they change over time.** Such evaluations may indicate that corresponding changes to your investment plan are called for.

In addition, this investment plan and investment philosophy statement will provide the foundation for *wealth management*—our ability to address the range of your financial challenges beyond your investments. Having a comprehensive wealth management plan in place allows us to systematically manage each of your major financial issues, which in turn increases our ability to help you achieve your most important financial goals.

Client Profile

As wealth managers, we can meet your needs only when we know you and your unique life situation well. As we discussed during our Discovery Meeting, we believe it is important for us to deeply comprehend not only your investments and other assets, but your most important values, goals, relationships and interests.

This level of insight provides several important benefits:

1. It allows us to construct an investment plan that will increase the probability of achieving what is most important to you and your family.
2. It sets the foundation for our long-term relationship.
3. It enables us to work with you in precisely the ways which you prefer.

Summary of Your Profile

In our Discovery Meeting of February 15, 2008, you shared with us many important insights into your financial situation, the challenges you face and the goals you seek to accomplish. The summary below reflects our understanding of these issues.

Financial Values

You described the importance of money to you as follows:

1. Providing for your current needs and to maintain your desired lifestyle
2. Provides you with the opportunity to gift to your family and charitable causes of your choice.

Goals

You described your key goals (life and/or financial) as follows:

Life

1. John would like to work less and develop a plan to see this goal become a reality.
2. Continue to support Divorce Care, Single Parents in Forsyth County, and MARR with your time and donations. You would also like to financially sponsor people going on mission trips to Africa, and make future donations to the Lutheran Home for the Mercy
3. Spend more time with your family at the Reserve
4. Maintain an active and healthy lifestyle.

Financial

1. Preserve your capital and avoid significant investment loss, so that you can maintain your desired lifestyle
2. There is a desire to gift (possibly maximum annual gifting amount) to your children, and be able to watch them enjoy those gifts now.

Relationships

You described your most important relationships as follows:

1. Your children: Kari and Doug and his wife Jamie
2. Your granddaughters: MaKena and Brynne
3. John's sister, Sue

Assets

You identified the following major assets:

1. Regions Bank Accounts: \$159,000
2. CD Portfolio: John - \$496,592.08
3. Principal Financial Group Stock: John - \$54,000
4. Munder Fund - \$11,000
5. CD Portfolio: Jane - \$3,488,287.46
6. Schwab IRA Account: John - \$724,617.65
7. Schwab IRA: Jane - \$147,741.87
8. Equity in RCG Southeast - \$1,000,000
9. Life Insurance Policies Cash Value: John - \$260,891
10. Personal Residence: \$950,000
11. Lake Hartwell Property: \$390,000 FMV; \$88,000 mortgage
12. Reserve Property: \$1,000,000 FMV; \$840,000 mortgage

Advisors

You stated that you are currently working (or have worked) with the following professional advisors:

1. CPA: Ron Jones
2. Trust & Estate Attorney: Doug Samples wrote wills and Wilton Sanders for planning work

Process

You described your preferred process for working with your financial advisor as follows:

1. Want to understand the investment strategy, but are not interested in day-to-day management of your investment accounts
2. Prefer e-mail as the means of communication when we need to get in touch, and prefer all documents and reports to be sent to home address.
3. Anticipate one face-to-face meeting per year.

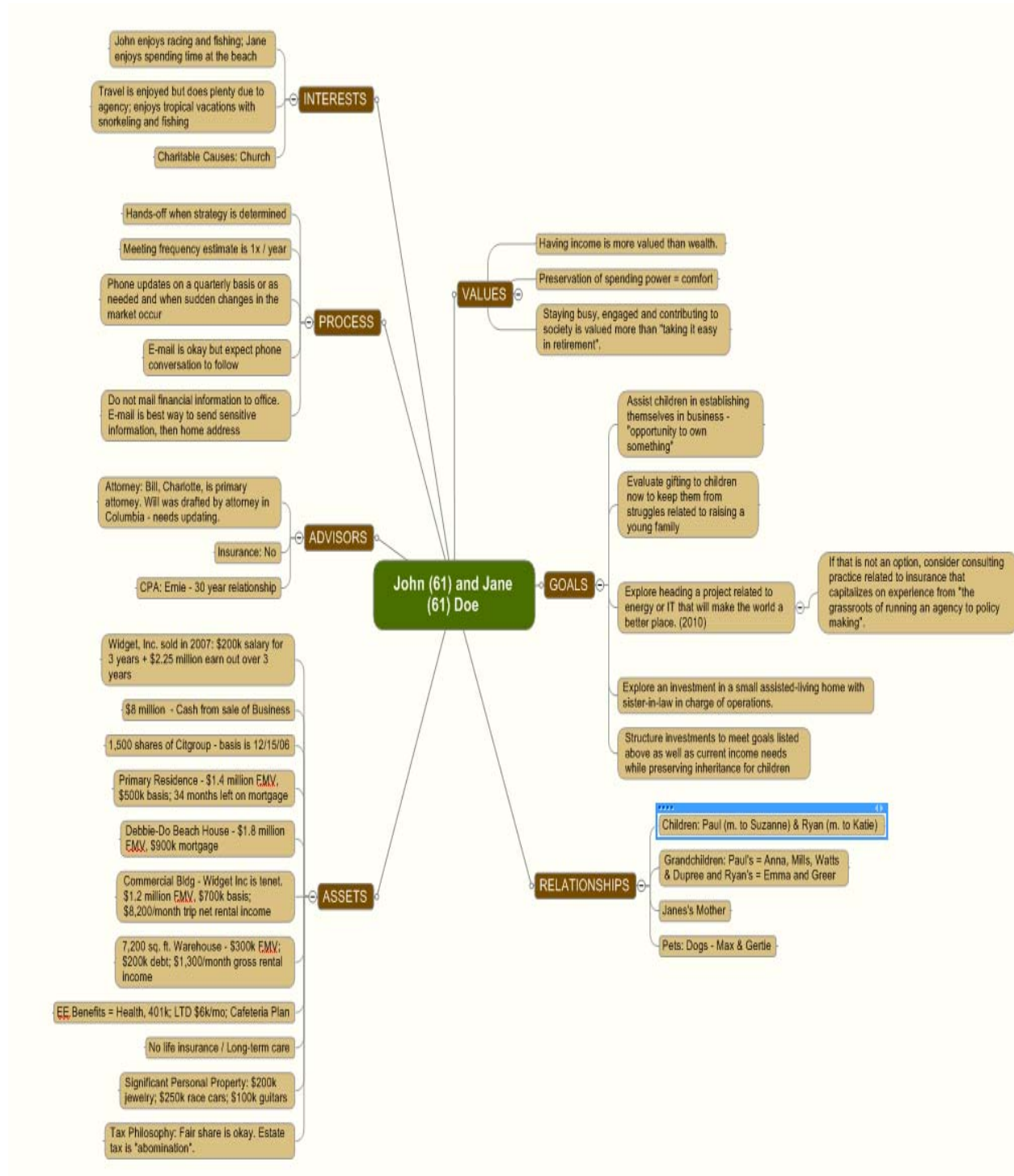
Interests

You described the following personal interests as being most important to you:

1. Spending time at the Reserve with your family.
2. Working out and continuing to maintain a healthy lifestyle.
3. Enjoy playing golf, and Jane plays tennis.

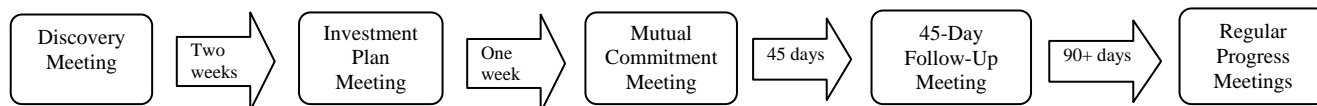
Your Total Client Profile

As you will recall, during our Discovery Meeting we discussed the things that are most important to you in seven areas of your financial life: your values, goals, relationships, assets, advisors, process and interests. From this discussion, we created a total client profile, which we have reproduced here.



Our Wealth Management Consulting Process

At Capital Directions, we use the following systematic consulting process for uncovering your most important goals and then designing and implementing appropriate solutions.



1. **Discovery Meeting.** At our initial meeting, we conduct a discovery interview. This helps us identify the challenges you face in achieving all that is important to you. We examine your current situation, the goals you would like to achieve and how we can maximize the possibility of achieving those goals.
2. **Investment Plan Meeting.** At this meeting, we present our diagnostic of your current situation and our recommendations for how we can help bridge the gaps in order for you to reach your goals. This plan forms the foundation for all of our work together.
3. **Mutual Commitment Meeting.** At this meeting, we are ready to make a mutual decision about whether our firm can add substantial value to you and whether we should proceed. Should we both choose to work together, we commit to each other to work toward achieving everything that is important to you and your family. We also execute the documents necessary to put your investment plan into motion.
4. **45-Day Follow-Up Meeting.** When you have multiple investment accounts, it's easy to become overwhelmed with the amount of paperwork you receive. At this meeting, we help you organize all that paperwork in a notebook that we provide. We also answer any questions you may have so that you understand exactly what is happening with your money.
5. **Regular Progress Meetings.** These meetings, which we schedule at intervals convenient to you, provide us with an opportunity to review any major changes in your personal or financial situation since our last meeting. If these changes mean that we need to make adjustments to your investment plan, we do so. We also review your overall progress toward your long-term financial goals. This meeting is also our opportunity to implement wealth management solutions that may be appropriate for your situation. We will present to you our wealth management plan at our first Regular Progress meeting so that we can prioritize those areas of greatest importance to you and then begin to address them systematically.

Our Role as Your Wealth Manager

This consulting process serves as our framework, but it is only the beginning. To ensure that your family's most important financial issues are addressed as needed, we serve as your wealth manager.

As your wealth manager, we set the foundation of your financial house through this investment plan. Once this is in place, we address additional components of your financial picture as needed. With your wealth management plan to guide us, we focus on four broad areas of your financial life:

1. **Wealth enhancement** aims to produce the best possible investment returns, consistent with your level of risk tolerance, and minimize the tax impact on those returns.
2. **Wealth transfer** intends to find and facilitate the most tax-efficient way to pass assets to succeeding generations, and to do so in a way that meets your wishes.
3. **Asset protection** is aimed at protecting your wealth against potential creditors or litigants.
4. **Charitable gifting** helps fulfill your charitable goals. It is most effective when coordinated with the three services above.

In accordance with your stated priorities, we will raise these issues and make our recommendations to you during our Regular Progress Meetings. Over time, this allows us to implement a complete wealth management solution with you.

Our Network of Professional Advisors

To gain the precise expertise we need to serve as your personal chief financial officer and effectively manage all aspects of your financial affairs, we work with a network of professional advisors. These carefully selected experts provide us with a high level of knowledge and skill in key aspects of your finances. As your wealth manager, we review your complete financial picture and identify any needs. As appropriate, we then turn to our network in order to evaluate your specific financial challenges and devise appropriate solutions.

The key members of our network of professional advisors are listed below.

Trusts and Estates Lawyer

Harry Morgan is a partner attorney with Smith, Gambrell, and Russell, LLP of Atlanta, GA. Mr. Morgan has extensive knowledge and experience in personal tax planning for highly compensated individuals, estate planning and administration and corporate matters for publicly and privately held companies. He received his B.A., LL.B. and LL.M. degrees in Taxation from Emory University, and was admitted to the Georgia Bar in 1964 and Florida Bar in 1965. Mr. Morgan has served as chairman of the Fiduciary Section of the State Bar of Georgia and as co-chairman of the State Bar of Georgia committee which redrafted the Georgia trust laws.

Life Insurance Specialist

John James is Senior Vice President of Retirement Capital Group's Southeast Executive Benefits Practice. John has served clients since 1972 and is co-founder of ERI Advisors, LLC. He holds the professional designations of Chartered Life Underwriter (CLU) and Chartered Financial Consultant (ChFC). John has extensive experience working with affluent clients and designing unique strategies to meet their insurance and executive benefit needs.

Accountant:

John Williams, III is the managing member of Williams Horning & Company, CPA's. He is an honors graduate of Georgia State University and has thirty years experience in public accounting. In addition to being a Certified Public Accountant, John is a Certified Financial Planner, and a Certified Specialist in Estate Planning. John specializes in income tax consulting, retirement planning, estate planning, and financial planning.

The Investment Plan

Your investment plan consists of three key parts:

1. An analysis of your current situation
2. A detailed description of your most important financial goals
3. Our recommendations for achieving those goals

Current Situation

All figures are estimates as of 06/13/08:

Cash and Cash Reserves	Ownership	FMV
Regions Bank Reserve Account	Joint	\$ 114,000.00
Regions Bank Money Market	Joint	\$ 35,000.00
Regions Bank Checking Account	Joint	\$ 10,000.00
Note Receivable from Principal	Bill	\$ 115,000.00
<u>Investments</u>		
CD Schwab IRA	Bill	\$ 724,617.65
Principal Options	Bill	\$ 10,000.00
Cd Portfolio	Bill	\$ 496,592.08
Schwab IRA	Betty Ann	\$ 147,741.87
CD Portfolio	Betty Ann	\$ 488,287.46
Munder Fund	Bill	\$ 11,000.00
Principal Financial Group Stock	Bill	\$ 65,000.00
<u>Business Interest</u>		
RCG Southeast Equity Interest	Bill	\$ 1,000,000.00
<u>Life Insurance</u>		
Bill's Personal Policies Cash Value	Bill	\$ 260,890.80
<u>Personal Property</u>		
Personal Residence	Joint	\$ 950,000.00
Lake Hartwell Property	Joint	\$ 390,000.00
Reserve Residence	Joint	\$ 1,000,000.00
Total Assets		\$ 5,818,129.86
<u>Liabilities</u>		
Lake Hartwell Mortgage		\$ 88,000.00
Reserve Mortgage		\$ 840,000.00
Loans on Life Insurance Cash Value		\$ 175,994.71
Total Liabilities		\$ 1,103,994.71
Net Worth		\$ 4,714,135.15

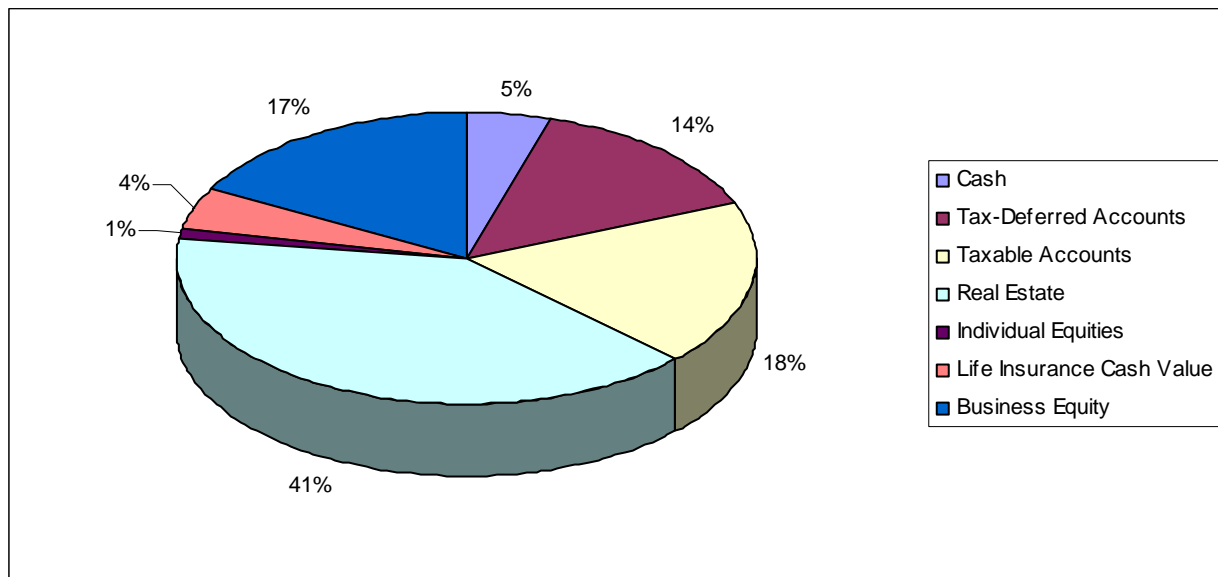
Income and Expense Analysis

Annual Income: \$389,000 (RCG = \$300k, Pension = \$65k, Net Rental Income = \$24,000)

Annual expenses, including taxes: \$270,700 (\$154,000 lifestyle expense + \$116,700 tax liability – 30% effective rate)

Asset Allocation Analysis

By Asset Type



Your Financial Goals

Short/Intermediate Term

Goal: Gift to you children, possibly maximizing the annual gifting exclusion.

Time horizon: 1 year - Lifetime

Risk Tolerance for this time horizon: moderate

Goal: Gift to charitable causes such as Divorce Care, MARR, Single Parents in Forsythe County, and sponsor people taking mission trips to Africa.

Time horizon: 1 year - Lifetime

Risk Tolerance for this time horizon: moderate

Long Term

Goal: Preserve your wealth by avoiding significant investment loss while maintaining current lifestyle.

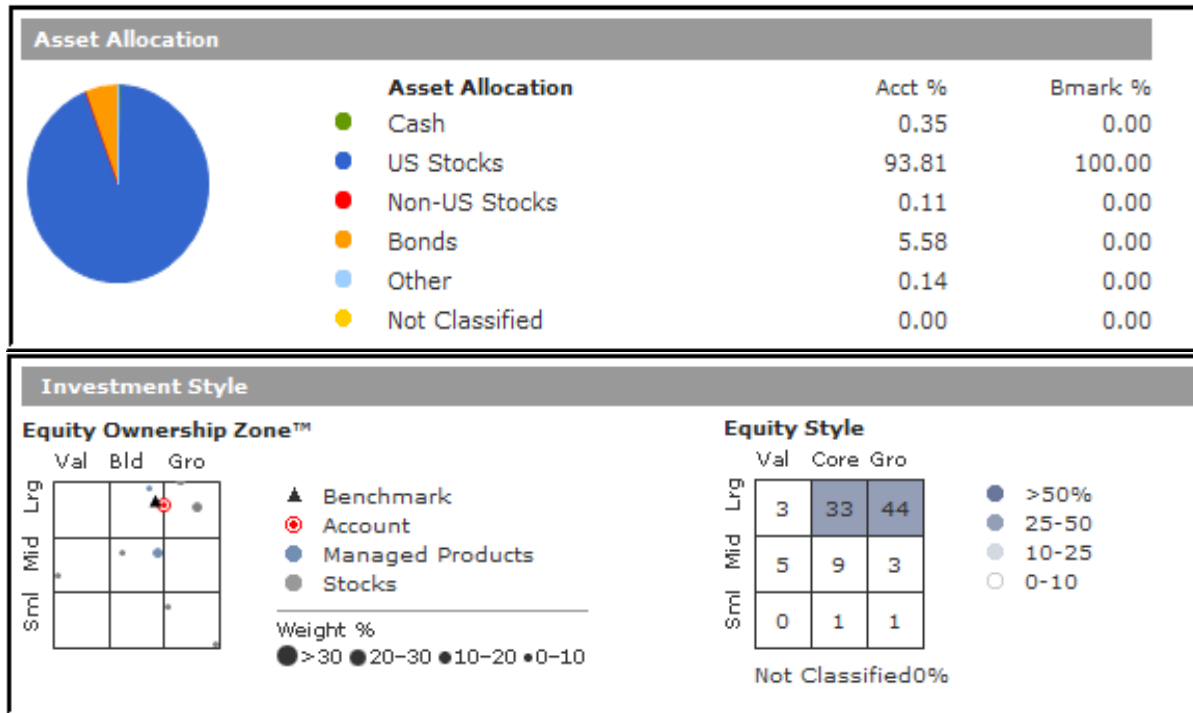
Time horizon: 10 years - Lifetime

Risk tolerance for this time horizon: moderate

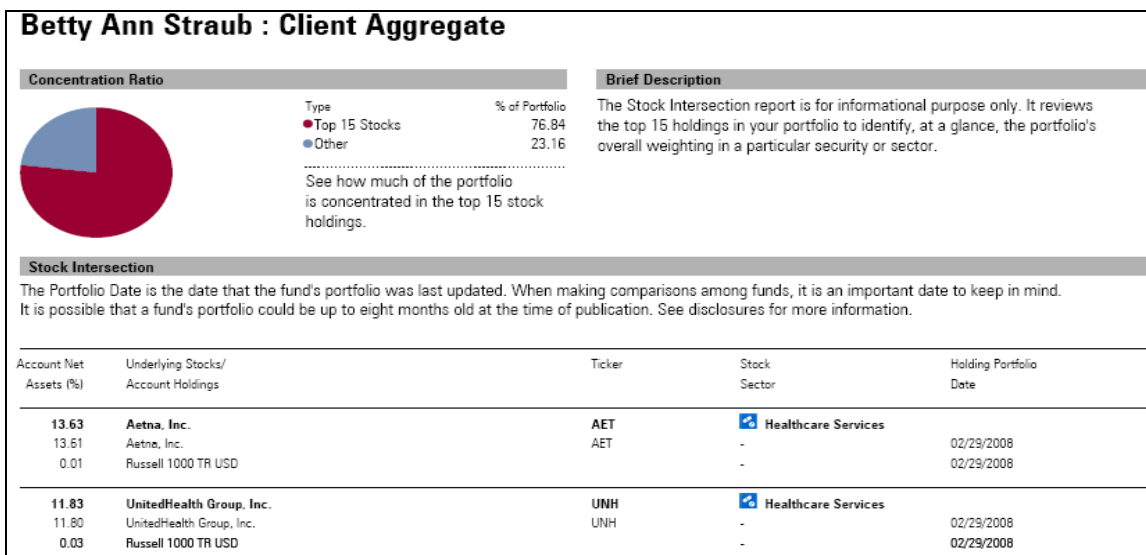
Our Recommendations

We believe your top priority is the preservation of your wealth but not at the expense of being able to fund your lifestyle in retirement. Let's begin by examining your investable assets to see if they are in alignment with this goal.

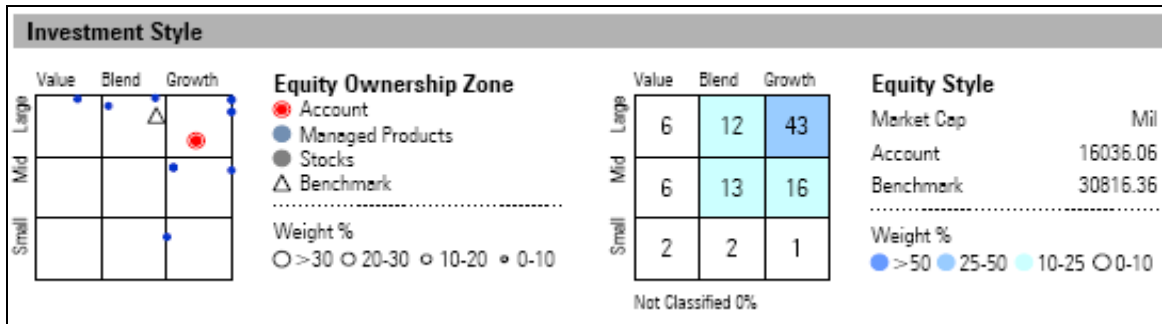
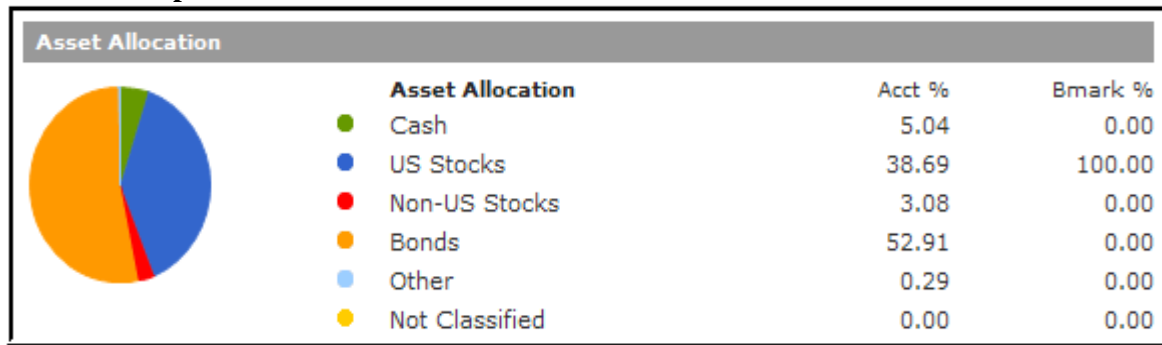
Jane's Portfolio



This portfolio is very aggressive in both its asset allocation and its structure. First, the portfolio has very little fixed income exposure which is critical when your goal is preserving wealth. Secondly, the portfolio uses very few securities in its implementation which subjects you to significant security risk. Security risk is defined as the risk that your portfolio is harmed by the failure of one stock. To put this risk in terms of a recent event, consider the impact on your portfolio if you owned Bear Stearns instead of Aetna.



John's Principal Fund Portfolio



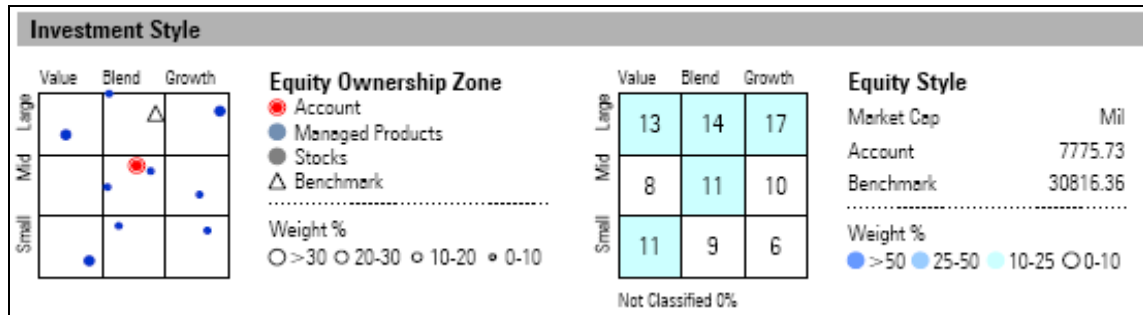
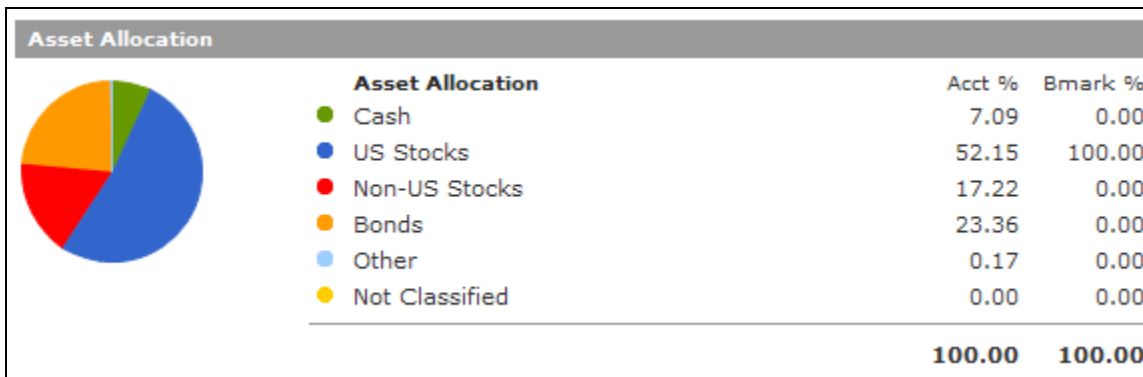
John's Principal portfolio is more conservatively allocated with a significant allocation to fixed income, but has similar concentration on the equity side of the ledger when you examine the portfolio from an investment style perspective. We would encourage greater diversification by size and utilizing an allocation with more balance between the growth and value style of investing.

Two additional points about the funds utilized in your Principal Funds account: 1) they charge retail fees; and 2) the funds invest in a lot of the same stocks which decreases the diversification benefit of owning multiple funds.

Name	Annual Report Date	Annual Report Net Expense Ratio
Summary		1.00
Morningstar US Market TR USD		
Principal Inv Intl Emerg Mkts A	10/31/2007	1.74
Principal Inv LargeCap Growth A	10/31/2007	1.18
Principal Inv LargeCap Value A	10/31/2007	0.94
Principal Inv MidCap Blend A	10/31/2007	1.02
Principal Inv Ptr Large Cap Gr I A	10/31/2007	1.59
Principal Inv Ptr LargeCp Bl I A	10/31/2007	1.11
Principal Inv Ptr MidCap Gr A	10/31/2007	1.75
Principal Inv Ptr SmallCap Bl AdvPfd	10/31/2007	1.57
Principal Inv Tax-Exempt Bond I A	10/31/2007	0.77

Account Net Assets (%)	Underlying Stocks/ Account Holdings	Ticker
0.88	Microsoft Corporation	MSFT
0.52	Principal Inv Ptr Large Cap Gr I A	PGGAX
0.33	Principal Inv LargeCap Growth A	PRGWX
0.03	Principal Inv Ptr LargeCap Bl I A	PBLCX
0.59	Google, Inc.	GOOG
0.38	Principal Inv Ptr Large Cap Gr I A	PGGAX
0.22	Principal Inv LargeCap Growth A	PRGWX
0.00	Principal Inv Ptr LargeCap Bl I A	PBLCX
0.58	American Tower Corporation A	AMT
0.34	Principal Inv Ptr Large Cap Gr I A	PGGAX
0.23	Principal Inv MidCap Blend A	FEMGX
0.56	Gilead Sciences, Inc.	GILD
0.23	Principal Inv LargeCap Growth A	PRGWX
0.32	Principal Inv Ptr Large Cap Gr I A	PGGAX
0.00	Principal Inv Ptr LargeCap Bl I A	PBLCX
0.53	Gintas Corporation	CTAS
0.53	Principal Inv MidCap Blend A	FEMGX
0.50	St. Jude Medical, Inc.	STJ
0.36	Principal Inv MidCap Blend A	FEMGX
0.14	Principal Inv Ptr Large Cap Gr I A	PGGAX
0.48	Loews Corporation	LTR
0.48	Principal Inv MidCap Blend A	FEMGX
0.48	Covanta Holding Corporation	CVA
0.45	Principal Inv MidCap Blend A	FEMGX
0.03	Principal Inv Ptr MidCap Gr A	PFMGX

John's IRA managed by CD

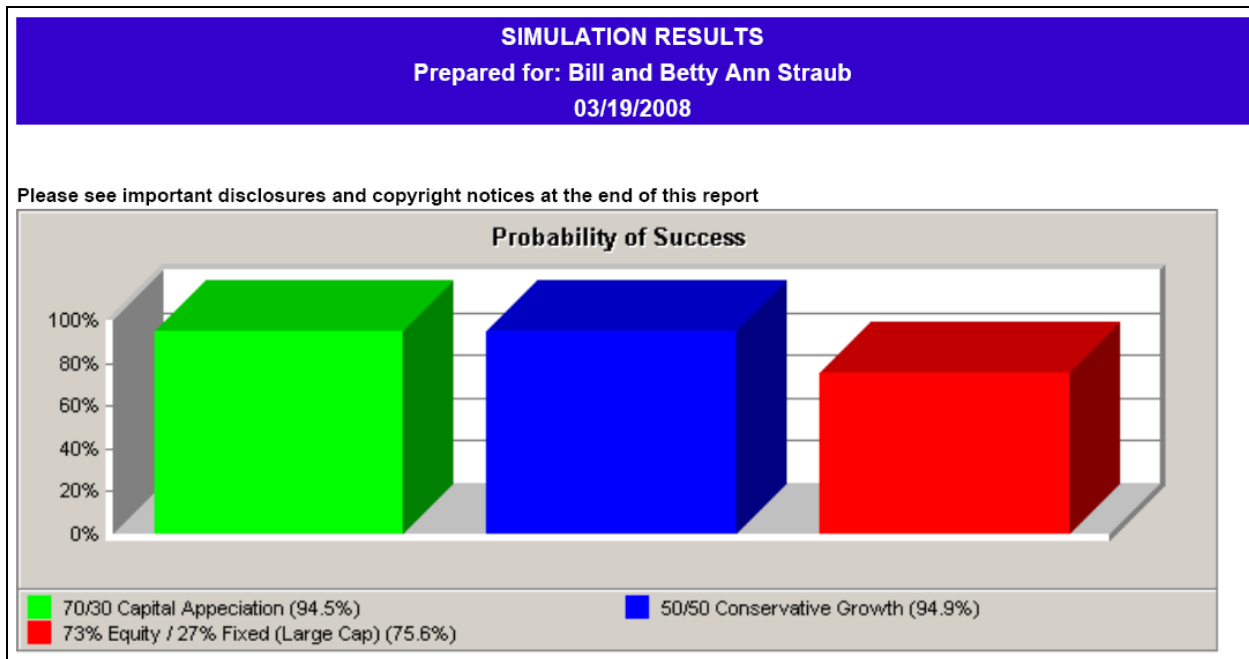


As you can see, your IRA managed by CD is much more broadly diversified. In our opinion, this strategy is much better suited for wealth preservation as it eliminates security risk and reduces the volatility that comes from being concentrated in asset classes like large cap growth.

To illustrate the impact that a broadly diversified portfolio can have on your future success in retirement we ran a distribution planning analysis using monte carlo technology to calculate the probability of success during retirement. Our assumptions for this analysis are:

- John’s salary decreases 25% annually until in full retirement at age 66
- Your pre-tax spending is \$160,000 annually now and in retirement (assumed 3% compound inflation)
- \$2.3 million of investable assets representing the above accounts plus the net proceeds from the Hartwell property, the Principal deferred compensation receivable, and the Principal stock. We ignored your equity in RCG and the homes at St. Marlo and the Reserve.

The results of the analysis were:



DISTRIBUTION TABLE AND SUMMARY
Prepared for: Bill and Betty Ann Straub
03/19/2008

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70/30 Capital Appreciation

Target Return:	8.33%
Target Risk:	10.65%
Simulated Return:	8.20%
Simulated Risk:	10.62%

Description	1 Year	5 Years	10 Years	15 Years	At Death
0% (Best)	\$3,378,532	\$5,686,376	\$10,226,718	\$12,262,346	\$91,947,397
5th %tile	\$2,927,240	\$4,121,787	\$5,146,084	\$6,829,594	\$16,151,776
25th %tile	\$2,670,388	\$3,310,454	\$3,769,611	\$4,286,928	\$7,222,414
50% (Median)	\$2,490,326	\$2,871,107	\$2,937,661	\$2,927,924	\$4,018,354
75th %tile	\$2,338,026	\$2,475,648	\$2,266,044	\$2,092,375	\$2,204,172
95th %tile	\$2,145,649	\$1,956,887	\$1,517,704	\$1,058,921	\$0
100% (Worst)	\$1,855,709	\$1,402,168	\$846,824	\$160,479	\$0
Probability of Success	100%	100%	100%	100%	95%

All values have been adjusted by the assumed rate of inflation to make them equivalent to today's dollars

In summary, your current asset allocation is not aligned with your primary goal of preserving your wealth to maintain your current lifestyle. We recommend that you diversify your portfolio in a manner similar to John's IRA managed by Capital Directions to increase the probability of achieving all that is important to you.

Lastly, we suggest a "wait and see" approach on your short-term goals of gifting to children and charitable giving. In future, regular progress meetings we can review your current situation, including employment income and market conditions, to ascertain the prudence of making those gifts.

Investment Advisory Fees

Our investment advisory fees are deducted quarterly in arrears from your account(s), as follows.

Value of All Managed Accounts with Firm	Per Quarter	Annualized
First \$2 million	0.2500%	1.00%
Next \$3 million to \$5 million	0.1875%	0.75%
Next \$5 million to \$10 million	0.1250%	0.50%
\$10 million and over	0.0750%	0.30%

Firm's Background and Philosophy

Capital Directions Investment Advisors, LLC, is an investment advisor registered with the Securities & Exchange Commission.* We manage more than \$700 million for individual and institutional clients with investable assets of \$2 million or more.

Our clients are not speculative, high-risk investors. Some are fiduciaries of corporate retirement plans, non-profit institutions, trusts or estates. Others are individuals who have already established themselves financially. All seek to grow their assets over time while avoiding the numerous risks that abound in today's investment environment.

We are successful because we understand the unique needs of our clients, and because we are ideally positioned to respond to those needs. As an independent, fee-based firm we do not represent investment or insurance providers, nor do we receive commissions for recommending investments or trading securities. As a result, we answer only to our clients, ensuring that the investments we recommend *to* them are those that we believe to be appropriate *for* them.

Our reality is a simple one: We succeed only when our clients succeed.

After working through our comprehensive wealth management process, our clients have a clearer understanding of their financial values and goals, an integrated investment strategy and a wealth management plan that tackles their most pressing advanced planning needs. As a result, their financial affairs are better organized and they have a clear and concise plan to help them achieve all that is important to them financially.

** The Commission does not certify, endorse or approve any registrant.*

Duties and Responsibilities

You, the Client, should always be cognizant that you have the ultimate responsibility for the investment of your own assets. We shall assist you to discharge this responsibility with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in such conduct with like aims.

We are responsible for assisting you in making an appropriate asset allocation decision based on your particular needs, objectives and risk profile, implementing such decisions, reporting portfolio performance and rebalancing the portfolio, as necessary.

Capital Directions Investment Advisors, LLC is a Registered Investment Advisor and shall act as your investment advisor, pursuant to the Client Agreement between you and Capital Directions Investment Advisors, LLC.

You should provide us with all relevant information on financial condition, net worth and risk tolerances and shall notify us promptly of any changes to this information. Failure to disclose all such relevant information will limit our ability to provide prudent investment advice.

Adopted this _____ day of _____, 20_____.

Client: _____

Client: _____

Advisor: _____

Comments or modifications: _____
