
Wealth Management Plan

John and Jane Doe

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CAPITAL DIRECTIONS
wealth management

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Introduction

Wealth management is not a one-time event, but an ongoing process that will last throughout your life. This wealth management plan will help you take deliberate actions in every important aspect of your finances. It will serve as a record of decisions made and tasks completed, as well as a checklist for decisions and tasks yet to be undertaken. At the same time, it is a living, flexible document that can change in response to changes in your and your family's life.

This is the third basic part of your key wealth management documents. This final document will look at what wealth management can accomplish and what that means for meeting your financial goals. This is where everything comes together, and you can understand the role we will play as your personal chief financial officer.

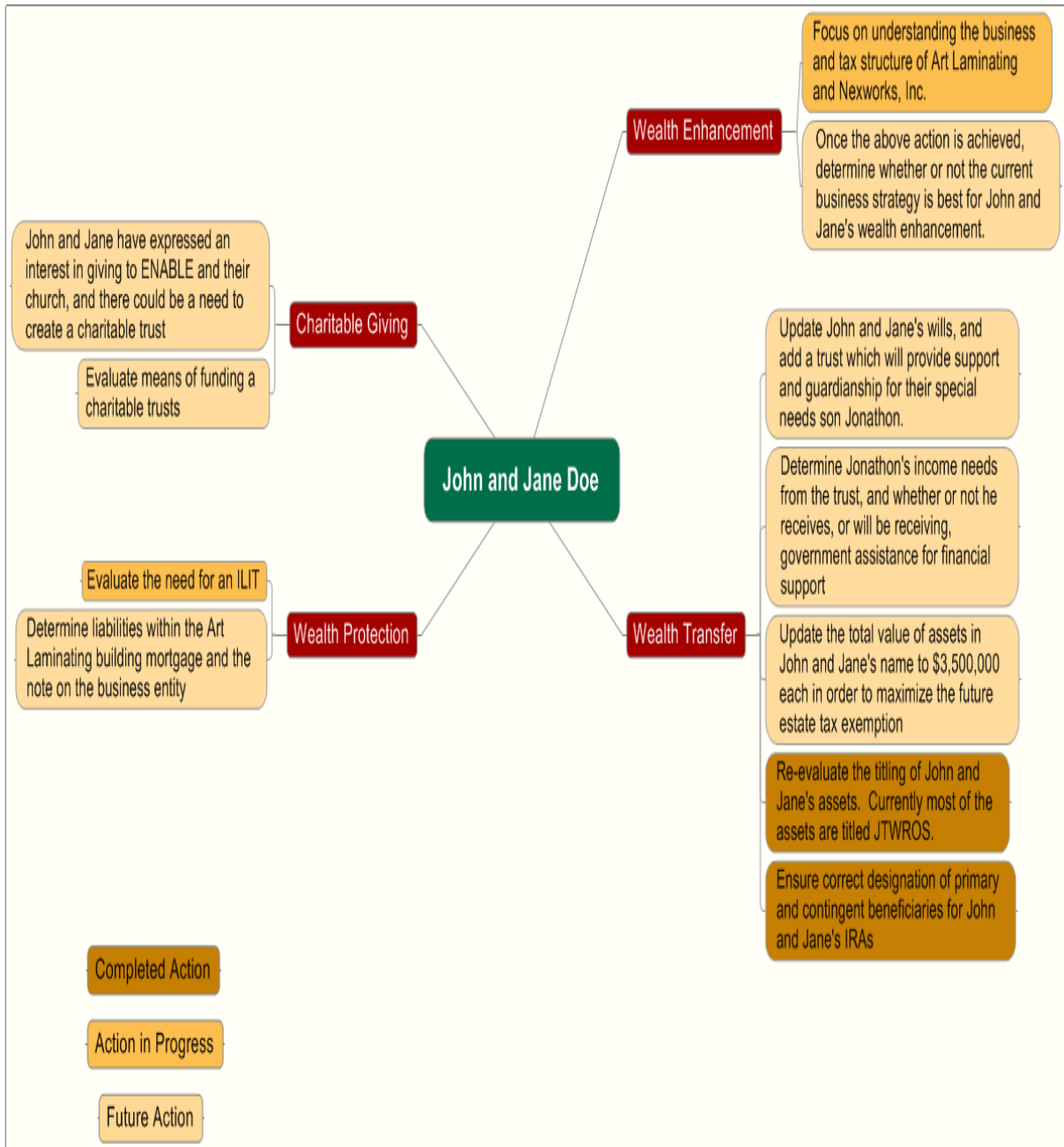
As we explained during our Investment Plan Meeting, the wealth management plan deals with four key areas of your financial life beyond your investments:

1. **Wealth enhancement** aims to produce the best possible investment returns consistent with your level of risk tolerance and to 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. **Wealth protection** is aimed at protecting your wealth against potential creditors, litigants, children's spouses and potential ex-spouses, as well as protecting you against catastrophic loss.
4. **Charitable gifting** helps fulfill your charitable goals and can often support efforts in each of the other three areas.

None of these areas stand in isolation from the rest. Wealth protection, for example, is often intertwined with wealth transfer needs. The major advantage of the wealth management plan is that it enables us to deal with each area systematically while maintaining an integrated approach to your overall financial picture.

The next page shows an advanced planning mind map that depicts this overall picture and can help you track the four activities involved with wealth management. This can be seen as a further iteration of the mind map that we created at your Discovery Meeting. This map allows us both to see the big picture: All the activities are on a single page, and can be color-coded as to whether it is already completed, is in progress, or is slated for the future. This mind map will also help out discussions stay focused at our Regular Progress Meetings.

Wealth Management Map



1. Wealth Enhancement

Definition

Wealth enhancement is the process of using strategies to maximize the tax efficiency of current assets and cash flow, while achieving both growth and preservation goals.

Goals

- To maximize a meaningful pool of monies to fund the realization of the financial goals.
- To minimize the erosion of the pool of monies from unnecessary income taxes.

Action Items

1. Determine purpose and tax structure for Nexworks, Inc and the Defined Benefit plan.
2. Create an asset protection plan to minimize risk during and after the sale of Art Laminating.

Questions

1. What is Nexworks purpose and tax structure?
2. Is there any security on the note for the Marietta St. Building and Art Laminating?

2. Wealth Transfer

Definition

Wealth transfer is the process of using strategies to legally structure the future disposition of *current and protected assets effectively*.

Goals

- Decide how assets will be distributed at death, rather than relying on intestate rules of the state of residency.
- Decide how and when heirs receive inheritance.
- Ensure that maximum amount possible is transferred to heirs while minimizing tax implications.
- Provide for liquidity needs for any illiquid estate.

Action Items

1. Review and update current estate plan:
 - Determine what Jonathan's trust will provide to him including; income and guardianship. There is also a need to determine who will be the trustee of Jonathan's trust.
2. Confirm correct titling of assets and proper funding of trusts.
 - Update titling of all assets, including Art Laminating and Nexworks, based on the recommendations Matthew Howard gave to John and Jane during their estate planning meeting.
 - Our expert team recommended having \$3.5 million in each account for future estate tax exemptions.
3. Ensure correct designation of beneficiaries (for investment accounts, pension plans, life insurance policies, etc.).
 - John and Jane's IRA
 - Review insurance beneficiaries for consistency with wishes and estate planning
4. Are your wishes regarding end-of-life issues (powers of attorney, health care declaration, and living will) consistent with current documents?

Questions

1. What will Jonathon's trust provide for income?

3. Wealth Protection

Definition

Asset protection planning is the process of employing legally acceptable concepts and strategies to ensure that a person's wealth is not unjustly taken from him or her.

Goals

- To mitigate the possibility of being sued by motivating the creditor to settle.
- In the event of a lawsuit, the objective is to minimize, or even eliminate, the financial effect of a judgment.

Action Items

1. Examine restructuring current business.
 - Once the current business structure of Art Laminating and Nexworks, Inc. is reviewed, determine if the current business structure is the most suitable for John and Jane.
2. Control avoidable risk through proper implementation of processes.
 - Look into liabilities of the Marietta St. building mortgage and the security of the note on the business entity
3. Evaluate the need for an ILIT.
 - Ash Advisors will run an audit for the current life insurance policy

Questions

1. What is the liability on the Marietta St. building mortgage and the note of the business entity?

4. Charitable Gifting

Definition

Charitable gifting is the process of using strategies to maximize the effectiveness of charitable intent.

Goal

- To enable significant charitable gifts that are exponentially greater than what would have been previously possible.

Action Items

1. Determine charitable intent.
 - John and Jane have expressed an interest in giving to ENABLE and their church, Eastminister Presbyterian.
2. Evaluate strategies to fund charitable intent while providing assets in retirement and/or wealth transfer opportunities.
 - Evaluate the options of creating a charitable remainder trust or a family foundation.
 - Determine means of funding a charitable trust or foundation.