

OUR PROMISE

GB Financial operates as an organization driven by our firm wide objective to charting the best financial course for our client, based exclusively on the client's stated long-term objectives. With offices in New York, Boston, Chicago, and Los Angeles, we pride ourselves in our ability to offer a bespoke service to every client by providing solutions based on a thorough understanding of our client's needs and delivered with a professional integrity that is beyond reproach. We have developed a highly sophisticated process, which facilitates and guides our client through the course of applying and being underwritten for life insurance. Our approach to each case is "hands-on," and we personally oversee every aspect from start to finish. Our understanding of insurance products, financing tools and relevant legal and tax matters, allows us to fulfill our promise to our clients to design the best possible solution for their individual needs.

Find out more at www.gbfinancial.com/preservation

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GBFGPRESERVATION®

A Tailored Financed Life Solution by the GB Financial Group

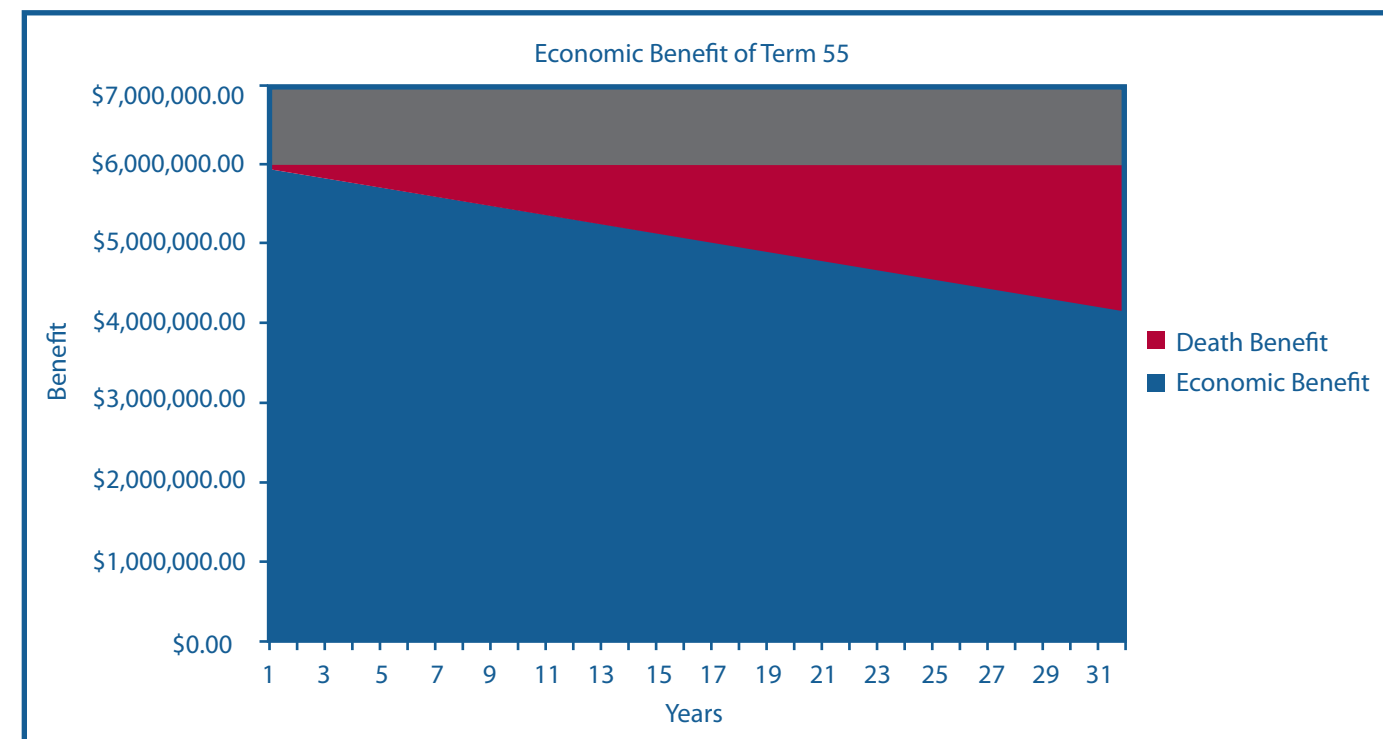


LIFE INSURANCE

Life insurance is the only asset a client will buy that is guaranteed to liquefy tax-free at death.

Life insurance has the potential to be a valuable building block in many wealth preservation and wealth transfer strategies. It can provide protection for an individual's family in the face of the unthinkable or provide the necessary liquidity to cover estate taxes or business succession needs. However, life insurance can be costly to a client, eroding the economic value of the benefits it creates. In order to create a stable net economic benefit for the our clients, GB Financial's three divisions: GBFG-Insurance Services, Windward Capital Partners, LLC and GBFG-Advisory came together to design GBFGPreservation®, a unique life insurance solution structured to protect the future of our client's wealth by utilizing the power of our sophisticated lending platform, allowing the client to acquire the needed amounts of life insurance without significantly disrupting existing cash-flows or portfolio investments.

To illustrate the reduction in net economic benefit when a client pays for a life insurance policy directly refer to the graph below. It shows a standard term policy with a \$6,000,000 death benefit and the premiums paid without the use of finance. The death benefit is the total area. Over thirty years, the owner of the policy would pay \$1,775,700 in premiums (close to \$60,000/year). That cost will reduce the net benefit down from \$6,000,000 to \$4,224,300 and if the insured were to pass away before the 30th year of the policy. In addition is the impact on one's income by paying \$60,000/per year, plus possible gift taxes.



WHAT IS GBFGPRESERVATION®?

- GBFGPreservation® is a unique wealth preservation and wealth transfer strategy, which provides the client with a needed and guaranteed liquidity event at death. This liquidity can be created through the financing of the life insurance premiums, with limited out-of-pocket expense for the insured.
- Our basic strategy design is long-term focused, illustrated by the fact that we project the results out to the client's age of 110.
- An Irrevocable Life Insurance Trust (ILIT) is established as the borrower of record, shielding the client's personal borrowing capacity. It also provides the insurance policy proceeds to be tax-free at death.
- The life insurance policy and the loan structure are designed to work in tandem which creates continued performance and long-term economic benefit.

COLLATERAL & CONTRIBUTION

- The primary collateral for the loan is the cash built up within the policy, or Cash Surrender Value (CSV).
- If required, a secondary form of collateral will need to be posted, usually in the form of a Standby Letter of Credit, marketable securities or cash.
- The Outside Collateral Needed is determined by the difference between the CSV and the amount owed.
- With a contribution from the client into the policy, the need for secondary collateral is often negated.

Below is a \$6,000,000 policy structured for the same 55 year old man as above through GBFGPreservation®. Premiums are paid over 10 years. The Economic Benefit (in blue) is the Net Death Benefit after the outstanding loan amount has been repaid from the life insurance policy's Death Benefit. The Outside Collateral Needed (OCN) is the difference between the amount owed to the lender and the cash value of the policy. Note the difference between fully borrowing the premiums versus making a contribution to the policy. By paying the first year's premium out of pocket, one can diminish or erase a need for outside collateral.

Year	Premium	OCN (Fully Borrow)	OCN w/ 1st Yr Paid	Economic Benefit
1	392,926.00	-214,069.11	+278,890.93	5,923,540.96
5	392,926.00	-342,087.37	+244,245.34	5,960,328.63
10	159,383.00	-236,601.11	+831,056.12	6,215,458.89
15	0.00	+220,064.41	+1,304,147.20	6,491,939.41
20	0.00	+943,140.15	+2,149,963.54	6,908,488.15