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FINANCIAL PLAN UPDATE

Prepared for:

Jonathan and Katherine Slain

SEQUOIA
FINANCIAL GROUP

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FINANCIAL PLAN

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We have prepared the enclosed financial plan update based on our review of your financial records and the discussions at our previous meetings. In preparing this update, we have developed a financial model that provides a snapshot as to what your financial future will look like under initial and updated assumptions. As we review your plan over time, we can continue to make adjustments as your financial situation evolves.

FINANCIAL INDEPENDENCE

For purposes of our analysis, financial independence is defined as the ability to earn an income from your investment accounts and other retirement resources sufficient to maintain your current standard of living indexed for inflation throughout your joint lives.

You have indicated a desire to be financially independent at Jonathan's age 47 and Katherine's age 50 in November 2028. Our financial independence calculations have been predicated on the following assumptions:

Closely Held Entity Assumptions

Businesses

1. Entity Assumptions: We have made the following business value and growth rate assumptions based on our previous discussions and available information.

Business	Ownership	[1]Value of Interest	Basis	Growth Rate	[2]Income/ Distribution	Inc./Dist. Increase
Disaster Ventures Unlimited, LLC DBA Autobahn Consulting	Jonathan	[redacted]				
Recession.com, LLC	Jonathan	[redacted]		Please Advise	Please Advise	Please Advise

[1]We have assumed that 100% of the value of the business is tied to income produced through Jonathan's client engagements. We have assumed that the business has no resale value when Jonathan ceases work with his clients. The value reflected on the balance sheet accounts for the business checking account balance.
[2]We have assumed all taxable income is distributed monthly and available to meet your financial independence needs.
[3]These values are reflective Jonathan's share of the business bank accounts associated with these entities. These accounts are assumed to be distributed to Jonathan upon retirement.

2. W-2 Wages: In addition to the distributions noted above, we have assumed Jonathan earns a salary [redacted] Autobahn Consulting until retirement, indexed for inflation.

3. Business Sale: We have assumed no sale proceeds are received from your business interests. To be conservative in our assumptions, we have assumed no distributions are received and no growth in the value of the entity following retirement.

4. Fitness Together: We have assumed that all ownership in Fitness Together has been sold to your brother-in-law. We have assumed that you have the following contingent liabilities related to your previous ownership stake in Fitness Together:

   - [redacted]
   - [redacted]

   Because Jonathan made personal guarantees when taking these loans, he will be responsible for them in the event that Fitness Together fails to make payments. For planning purposes these liabilities have been excluded from your balance sheet with the assumption that the business will pay off these liabilities.

5. Fitness Together Note Receivable: We have assumed that you have a note receivable from Fitness Together with a current balance of approximately $25,000. We have assumed that you will receive $1,000 per month until this loan is paid off, and that there is no interest accruing on this note.

6. Future Business Interests: We are aware that you may acquire/start and sell an additional business. To be conservative we have not assumed this happens. Once there is more clarity on what this may look like, we can revise and update the planning projections to factor in a transaction.

Real Estate & Mortgages

1. Real Estate Summary: We have made the following assumptions based on our previous discussions and available information.

Property	Ownership	Value of Interest	Growth Rate	Basis
Residence – 568 Solon Rd	Joint	[redacted]		

2. Mortgages: We have assumed you have the following outstanding liabilities associated with your real estate interests:

Liability	Current Outstanding	Interest Rate	Expected Payoff Date	P&I Payment
Residence – Mortgage – 568 Solon Rd (KeyBank #4871)	[redacted]			

3. Home Equity: We have assumed the equity in your residence will not be used to fund your financial independence.

Cash Flow & Other Liabilities

1. Cash Flow Summary: Additional detail on our assumptions regarding your income and expenses is shown in the "cash flow" section of the plan.

2. Inflation: We assumed inflation will increase at an average rate of 2.01% per year.

3. Life Expectancy: We projected life expectancies for each of you through age 90.

4. Auto Expenses: We are aware that you currently have auto loan/lease payments [redacted] per month. To account for future auto purchases, we have assumed these expenses continue through plan end, indexed for inflation.

5. Salary: We have assumed [redacted] ry for Katherine for 2019 and 2020 an [redacted] salary from 2021 [redacted] retirement. We have assumed these amounts increase annually with inflation.

[redacted]

Retirement Savings: We have assumed Jonathan contributes the maximum allowable amount each year to his Autobahn Consultants 401(k) ($19,000 for 2019).

We have assumed that Katherine contributes the maximum allowable amount each year to both her UHHS 403(b) and 457 ($19,000 to each for 2018). We have assumed that UHHS matches contributions to Katherine's 403(b) up to 3% of salar [redacted]

We have assumed future employee contributions increase according to the annual cost of living adjustments as determined by the IRS, and that employer contributions remain at 3% of salary.

8. Roth Conversions: We have assumed you each contribute the maximum allowable amount annually in December to a non-deductible traditional IRA ($6,000 for 2019). We have further assumed that you convert the value of these non-deductible IRA accounts to a Roth IRA annually in December. Starting 2019

9. Social Security: We have assumed that you both begin taking Social Security benefits at age 67, your normal Social Security retirement age. We have assumed Katherine receives a monthly benefit of $2,216, and Jonathan receives a monthly benefit of $1,223. We have also assumed 0.55% annual increases in benefit amount. You can obtain an actual estimate of your Social Security benefits by accessing the Social Security website at www.ssa.gov.

10. Retirement Medical Expenses: A 2018 study by Fidelity Consulting Services predicts that a 65-year-old couple retiring today without employer-sponsored retiree health care will need $280,000 (up nearly 75% since 2002) to cover their health care costs for the rest of their lives. This estimate assumes the couple has no employer-provided retiree health care coverage but does qualify for Medicare. It does not include expenses for over-the-counter medications, dental services, or long-term care.

We assumed you have retirement medical expenses of $2,475 per month, combined, from retirement until age 65; and $1,650 per month from age 65 until plan end. This estimated amount replaces your current health care expenses (premiums and out-of-pocket) and covers the assumed cost of Medicare premiums, supplemental insurance coverage (excluding long-term care), and prescription drug costs. Based on historical averages, we assumed this expense increases 3.5% annually.

11. Child Care Expenses: We have assumed childcare expenses of $10,200 per year through Anne Penney's age 13 in January 2026. We have assumed this amount increases with inflation.

12. College Expenses: We have assumed that Caroline and Anne each attend 4 years of out of state public college at an expense of $37,430 per year. We have assumed 5.5% annual increases in this expense.

13. College Savings: We have assumed that you are saving approximately $6,120 per year in to each child's 529 savings account. We have assumed that these amounts continue through their Junior year of college. We have assumed these amounts increase annually with inflation.

14. Care for Jonathan's Parents: We have assumed that you incur expenses totaling ~~$15,000~~ $18000 per year to care for Jonathan's parents. We have assumed that this expense will continue through his mother's age 90 in 2033.

15. Portfolio Returns: We made the following rate of return assumptions for your investment accounts:

Accounts	Investment Objective (Current)	Rate of Return (Current)	Investment Objective (Retirement)	Rate of Return (Retirement)
Cash/Bank	100% Cash	2.00%	100% Cash	2.00%
[1]Nonqualified / Surplus Acct	Growth	5.90%	Balanced	5.50%
Retirement	Growth	6.05%	Balanced	5.72%
529's/UTMA's	Growth	6.05%	Growth	6.05%

[1]Assumed to use tax free municipal bond holdings

16. Surplus Savings: We assumed that earnings in excess of expense needs are reinvested. Projected surplus savings/deficit spending for the next five years are outlined in the chart below.

I thought this # was $200K?

2019*	2020	2021	2022	2023
[redacted]				

*Re[redacted]

Investment advisory services offered through Sequoia Financial Advisors, LLC, an SEC Registered Investment Advisor.

INSURANCE

1. Life Insurance: We assumed the following life insurance coverage:

Policy	Owner	Insured	Bene.	Death Benefit	Policy Date	Type	Cash Surrender Value	Premium
Axa Equitable #5815	Jonathan	Jonathan	Katherine	[redacted]	11/15/2017	20 Year Term	n/a	$1,032
Axa Equitable [1]	Katherine	Katherine	Jonathan	[redacted]	Please Provide	20 Year Term	n/a	Please Provide

[1] This policy is currently in underwriting. Policy date and premiums will be added when the policy is issued.
[2] [redacted]py of the policy lists this as [redacted]nvenience. We've left the value [redacted]

2. Disability Insurance: We are not aware of any disability insurance coverage currently in place.

3. Long Term Care Insurance: We are not aware of any long-term care insurance coverage currently in place.

ESTATE ASSUMPTIONS

1. Estate Documents: We have assumed you have wills in place and all assets are available to the survivor to meet financial independence needs. The following is a list of documents we currently have on file. If more recent versions have been executed please provide copies for our files.
   - Last Wills 3/25/2016
   - Living Wills 3/25/2016
   - HCPOAs 3/25/2016
   - DGPOAs 3/25/2016

(*) add to 2021 calendar

2. Beneficiary Designations: We have made the following assumptions regarding your beneficiary designations:

Account/Policy	Owner	Primary Beneficiary	Contingent Beneficiary	Assumed/ Confirmed
[1]401(k) – (Vanguard #1326)	Jonathan	Katherine	Estate	Assumed
Non-Deductible IRA – (Vanguard #2535)	Jonathan	Katherine	Estate	Assumed
Roth IRA - (Vanguard #8816)	Jonathan	Katherine	Estate	Assumed
Life Insurance – (Axa #5815)	Jonathan	Katherine	Estate	Assumed

[1]403(b) – (UHHS/Fidelity #8681)	Katherine	Jonathan	Estate	Assumed
[1]457(b) – (UHHS/Fidelity #3138)	Katherine	Jonathan	Estate	Assumed
Non-Deductible IRA – (Vanguard #0161)	Katherine	Jonathan	Estate	Assumed
Roth IRA – (Vanguard #6879)	Katherine	Jonathan	Estate	Assumed
Life Insurance – (Axa)	Katherine	Jonathan	Estate	Assumed

[1]We did not have confirmation of the beneficiaries for these accounts. Since these plans are covered by ERISA, your spouse is required to be named as the beneficiary unless that right is specifically waived in writing.

Alternate Scenario Assumptions

Increased Business Income

1. Higher Income for Autobahn Consulting: We have assumed that Jonathan's distributions from Autobahn remain at approximate[redacted] per year until retirement.

Delay Retirement & Maintain Higher Income

1. Delay Retirement: We have assumed that you delay retirement until Jonathan's age 60 in 2041.
2. Maintain Higher Business Income: We have assumed that business distributions from Autobahn Consulting remain at approximate[redacted] year until retirement.

Primary Residence Planning

1. Delay Retirement: We have assumed that Jonathan delays retirement until Jonathan's age 60 in 2041.
2. Maintain Higher Business Income: We have assumed that business distributions from Autobahn Consulting remain at approximate[redacted] year until retirement.
3. Pay Off Mortgage: We have assumed that you pay off your mortgage in 2021.
4. Rebuild on Current Lot: We have assumed that you knock down your current home and build a new [redacted] down and the balance financed at 4.25% resulting in a monthly principal and interest paymen[redacted] nd annual maintenance costs equal to 5% of the value of the hom[redacted]) increasing annually with inflation.

* Review w/K

CONCLUSION

Note: these projections are based on the assumptions listed above. Any change in assumptions, rates of return or inflation could have a significant impact on your financial independence. We would like to discuss your current income and expenses particularly to ensure that this portion of your financial plan is accurate, as future projections revolve around the accuracy of these details.

In the chart below, we summarized your projected financial independence given the assumptions listed above.

Straight Line Projections					Monte Carlo
Scenario	**Net Worth at Retirement** *End of Year 2028 & 2041*	**Total Portfolio Assets**	**Net Worth at Plan End** *End of Year 2071*	**Total Portfolio Assets**	**[1]Probability of Success**
Base	[redacted]	[redacted]	[redacted]	**($19,386,655)** PV = ($6,887,792)	0%
Increased Business Income	[redacted]	[redacted]	[redacted]	**$22,344,014** PV = $7,938,498	70%
Delay Retirement & Maintain Higher Income	[redacted]	[redacted]	[redacted]	**$24,245,828** PV = $7,938,498	78%
Primary Residence Planning	[redacted]	[redacted]	[redacted]	**$2,165,616** PV = $769,411	32%

[1]Monte Carlo is a statistical tool that analyzes the probability of you meeting your goals based on the risk and return of your investment allocation. The "Monte Carlo Analysis" in the Monte Carlo section of your binder elaborates on how these "Probability of Success" percentages are calculated. Because market movements are not level (returns vary randomly from high to low), we incorporate this tool to help analyze your financial independence.
*Present Value (PV) amounts shown above are based on a discount rate equal to 2.01% inflation.

Review w/ K