Financial Strategy Action Plan

Prepared for:
Jane and John Sample

Prepared by:
Trusted Advisor
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Date:
June 2011
The Financial Strategy Action Plan is an important written document that is used to complement your Envision Plan. Envision provides you with a road map that clearly defines your financial and life goals within a relevant, explicitly stated time horizon. The Financial Strategy Action Plan will be used to outline specific implementation strategies and monitor their completion.

Together, Envision and the Financial Strategy Action Plan allow you to address concerns including: retirement, investment strategy, cash flow, liability management, education funding and estate planning. They are designed to encompass multiple aspects of your personal financial situation, enabling you to follow a carefully considered and disciplined approach. Many people – and their financial advisors – are tempted to make ad hoc decisions about their financial situation – decisions that are often based on panic or overconfidence. Envision and the Financial Strategy Action Plan will assist us in evaluating the long-term and evolutionary nature of your financial picture. They will clearly and concisely identify the constraints and opportunities of your current financial situation while also focusing on your goals and objectives.

As a result, we can attend to your short-term needs without losing sight of your long-term goals. Using Envision and the Financial Strategy Action Plan, we can work together to establish guidelines that we believe are appropriate to your situation, given the strategies available and the realities of the marketplace.

You are responsible for your own personal financial policy. I will, however, guide you through this process. Once you have established your policy, I will work to follow that policy. We will, of course, regularly re-evaluate and update your plan. Personal financial strategy evolves in response to personal and family changes, and your plan should adapt to these changes.

A professionally prepared Envision and Financial Strategy Action Plan will track your progress and provide continuity from one year to the next. They will also help to prevent misunderstandings, because they clearly explain the nature of our relationship and the strategies we have agreed to implement. Finally, the Financial Strategy Action Plan will be used to coordinate the efforts of other professionals (for example: accountants, lawyers) that we choose to consult as part of the investment planning process. Keep in mind that Wells Fargo Advisors is not a tax or legal advisor.

This document is not a contract of any kind. It is a summary of the financial-management strategies, techniques, goals and objectives that we have agreed are most appropriate for your particular situation.
Financial Strategy Action Plan

Your personal profile

Personal Information
Address: 111 Main St, Richmond, VA 23322
Phone: 804-555-1212
E-mail: jane.sample@embarqmail.com
Birth Date(s): June 2, 1969 (Jane) May 23, 1969 (John)

Dependent children
Name: Elizabeth Kate Sample  Birth Date: 09/14/88
Name: James Michael Sample  Birth Date: 05/09/02
Name:  
Name:  
Name:  

Other children/grandchildren
Name:  Birth Date:
Name:  Birth Date:
Name:  Birth Date:
Name:  Birth Date:
Name:  Birth Date:
Financial Strategy Action Plan

Your client advisory support team

**Accountant:** Ed Jorgenson  
Address: 777 First St., Ste. 100, Richmond, VA 23322  
Phone: 804-555-3333  
E-mail: edward.jorgenson@taxslawsrus.com

**Lawyer:** Marcie Wall  
Address: 888 Second St., Richmond, VA 23322  
Phone: 804-555-4445  
E-mail: Marcia.wall@walllaw.com

**Notary:** Devin DeStefano  
Address: 626 Third St., Richmond, VA 23322  
Phone: 804-555-4444  
E-mail: devin.destefano@wachoviasec.com

**Banker:** Cindy Snyder  
Address: 555 Fourth St., Richmond, VA 23322  
Phone: 804-555-2222  
E-mail: cindy.synder@wachovia.com

**Insurance:** Gayle O. Kessler  
Address: 999 Fifth St., Richmond, VA 23322  
Phone: 804-555-7777  
E-mail: gayle.o.kessler@statefarm.com

**Other:**

**Other:**

**Other:**

**Other:**

**Other:**
Financial Strategy Action Plan

Your retirement strategy

Employer retirement plans
Strategy:
$670,000 in John’s company 401(k), contribute 2010 maximum of $16,500
Date last reviewed: November 3, 2009
Next action:
John to provide updated investment options of plan for review prior to next review meeting in May 2010

IRA
Strategy:
Contribute $5,000 for John and Jane by April 15, 2010 for 2009 tax year
Date last reviewed: November 3, 2009
Next action:
Jane to verify with accountant what amount may be deductible

Inherited IRA
Strategy:
Jane’s deceased father’s IRA – review asset allocation and take RMD prior to year-end 2010
Date last reviewed: November 3, 2009
Next action:
November 2010; take RMD and determine how to reinvest

Variable life/annuity
Strategy:
Date last reviewed:
Next action:

Your investment strategy

Determining your risk tolerance
Strategy:
Maintain Moderate Growth allocation per Envision plan
Date last reviewed: November 3, 2009
Next action:
Review in May 2010

Long-term perspective /On-going management
Strategy:
Reviewed performance and diversification of Masters and Fundsourcer accounts – no current changes
Date last reviewed: November 3, 2009
Next action:
Review performance and style diversification in May 2010

Other strategies
Strategy:
Date last reviewed:
Next action:
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Your cash flow strategy

Cash flow analysis
Strategy:
Maintain monthly spending budget of $10,000
Date last reviewed:
November 3, 2009
Next action:
Review budget and plan for private school tuition payment for Elizabeth in fall of 2010

Emergency funds
Strategy:
Maintain $50,000 cash in Resource Account
Date last reviewed:
November 3, 2009
Next action:
Review in May 2010

Your liability management

Mortgage considerations
Strategy:
Referred to Wells Fargo Mortgage to pursue refinance. Reduced interest rate from 6.5% to 5.5% for 30-year fixed.
Date last reviewed:
May 12, 2009
Next action:
Review in May 2010

Debt analysis
Strategy:
Eliminate small outstanding credit card balance immediately using savings
Date last reviewed:
November 3, 2009
Next action:
Review in May 2010

Securities-backed line of credit
Strategy:
Open Asset Advantage Line of Credit for $50,000 to cover unexpected circumstances
Date last reviewed:
November 3, 2009
Next action:
Advisor and John to confirm completion by December 31, 2009

Please see disclaimer at the end of this document.

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Your education savings

529 plans
Strategy:
Continue making monthly automatic contributions of $300 to both Elizabeth’s and James’ Virginia 529s.

Date last reviewed:
November 3, 2009

Next action:

Custodial accounts
Strategy:

Date last reviewed:

Next action:

Other strategies
Strategy:
Discussed potential formation of trusts for each child funded by John’s father.

Date last reviewed:
Via phone on December 10, 2009

Next action:
Advisor to set up follow up phone call with John, Jane, and John’s father to discuss next steps – scheduled for February 27, 2010

Your family security

Life insurance
Strategy:
Maintain current term coverage for John of $2,000,000 and Jane of $1,000,000. 15 years remaining on policies.

Date last reviewed:
May 12, 2009

Next action:
Review coverage in May 2010 for potential cost savings.

Disability insurance
Strategy:
John to maintain enrollment in company offered basic and supplemental disability insurance coverage. Coverage now stands at 75% of pre-tax earnings.

Date last reviewed:
May 12, 2009

Next action:
Review in May 2010 to ensure coverage matches current income.

Long-term care insurance
Strategy:
No LTC in place currently per decision by John and Jane.

Date last reviewed:
November 3, 2009

Next action:
Advisor to set up meeting for John and Jane with John Hancock representative to discuss LifeCare policy – scheduled for March 15 at Sample’s house.
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**Asset protection and creditor proofing**

**Strategy:**
Ensure titling of assets is consistent with estate plan; review beneficiary designations annually.

**Date last Reviewed:**
May 12, 2009

**Next action:**
Review in May 2010 for any changes in family situation; update "Your Financial Information" record keeper annually.

**General Insurance**

**Strategy:**
Keep Umbrella policy at appropriate level – currently $2,000,000

**Date last reviewed:**
May 12, 2009

**Next action:**
Review in May 2010
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Your estate strategy – (Personal)

Your will(s)
Strategy: Have updated wills on file with attorney and executors.
Date last reviewed: August 17, 2009
Next action: Review annually or if personal circumstances change.

Durable power of attorney
Strategy: Assigned to Jane’s sister, Judy Doe to handle for both John and Jane.
Date last reviewed: August 17, 2009
Next action: Review annually; discuss with children at appropriate age

Health care power of attorney
Strategy: Assigned John’s brother, Jim Sample to handle for both John and Jane.
Date last reviewed: August 17, 2009
Next action: Review annually; discuss with children at appropriate age

Living wills
Strategy: Have living will completed and on file with primary physician’s office.
Date last reviewed: August 17, 2009
Next action: John and Jane confirmed this had occurred on October 15, 2009.

Trusts
Strategy: Ensure Living Trusts are funded appropriately for John and Jane; ensure assets are title appropriately.
Date last reviewed: August 17, 2009
Next action: John and Jane to review with Advisor and attorney annually

Inheritances
Strategy:
Date last reviewed:
Next action:

Transfer-on-death accounts
Strategy:
Date last reviewed:
Next action:

Principal residence
Strategy: Ensure titling is consistent with trust provisions.
Date last reviewed: August 17, 2009
Next action: Review annually or if personal circumstances change.
Charitable donations
Strategy:
Primary charity: American Cancer Society – 2009 contribution of $5,000
Date last reviewed: November 12, 2009
Next action:
Review annually in conjunction with year-end tax strategies to manage tax liability and meet philanthropic goals. Include Accountant.

Gifting techniques
Strategy:
Date last reviewed:
Next action:

Second properties
Strategy:
Keep rental property at 4510 Leonard Parkway as source of supplemental income.
Date last reviewed: November 17, 2009
Next action:
Review in May 2010; review mortgage interest rate environment and consider refinancing if beneficial
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Tax-related topics

Roth IRA conversion
Strategy:
Explore whether or not to convert IRAs to Roth in 2010
Date last reviewed:
November 12, 2009
Next action:
Review early in 2010 with John and accountant based on tax law changes

Capital gains
Strategy:
Manage annual gains by harvesting tax losses
Date last reviewed:
Via phone with John and Accountant on December 7, 2009
Next action:
Review annually prior to year-end.
Advisor to consult with John and accountant.

Company stock benefits
(Stock options, restricted stock, etc.)
Strategy:
Date last reviewed:
Next action:

Alternative minimum tax exposure
Strategy:
Project potential AMT issues. No action needed in 2009.
Date last reviewed:
Via phone with John and Accountant on December 7, 2009
Next action: Review annually prior to year-end.
Advisor to consult with John and accountant.

For your business

Qualified retirement plan
Strategy:
Date last reviewed:
Next action:

Buy-sell agreements and life insurance
Strategy:
Date last reviewed:
Next action:

Succession/exit strategies
Strategy:
Date last reviewed:
Next action:
Financial Strategy Action Plan

Availability
A qualified staff member will generally be available to you at your convenience. If not, we will follow up with you promptly. We will also strive to return all messages by the end of the business day.

Your commitment
You must have a genuine interest in your financial well-being and the process of planning to achieve your personal goals and objectives.

You also will make an effort to be as thorough as possible when disclosing your current financial situation with the realization that my recommendations as an advisor are only as accurate as the information provided to me.

Recommendations
Envision and the Financial Strategy Action Plan are intended to be reviewed and revised. They should evolve as your life evolves. We will plan to review, modify and update these documents on a regular basis to ensure that they remain consistent with your current situation, goals, risk tolerance and objectives. We will make any new and appropriate recommendations at these regular meetings.

Service-level commitments:
Personal Meeting – Frequency: Semi Annual
Reporting – Frequency and Types: Quarterly

Investment and insurance products:

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<th>NOT FDIC-Insured</th>
<th>NO Bank Guarantee</th>
<th>MAY Lose Value</th>
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The proceeds from asset backed loan may not be used to purchase additional securities.