



## *Sale to Grantor Trust*

An Illustration of the Use of a Sale of Appreciating  
Property to a Grantor Trust

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note*

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## Disclaimer

This financial plan is designed to provide educational and/or general information and is not intended to provide specific legal, accounting and/or tax advice. Any comparisons and projections including expected rates of return are presented for purposes of illustration only. Nevertheless, we believe that the comparisons as well as the other projections shown provide an important and valid basis for consideration when planning for your financial future.

**IMPORTANT: *The projections or other information generated by this financial plan regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results herein may vary with each use of the software tool(s) used to generate this financial plan and over time.***

The financial plan may contain ideas for your consideration concerning aspects of your life such as tax, retirement and estate planning, but these are not presented as, and must not be taken for, legal or tax advice. It is your responsibility to determine if, and how, the suggestions contained in the financial plan should be implemented or otherwise followed. You must carefully consider all relevant factors in making these types of decisions. For specific advice on these aspects of your overall financial plan, you should consult your professional tax and legal advisors. The report that follows is based upon:

- information and assumptions that you have provided or reviewed;
- current tax laws;
- appropriate financial planning concepts;
- historic asset class characteristics;
- additional assumptions and information discussed with your advisor.

The outcome of the analysis will be dependent to a significant extent upon the information and the reasonableness of the planning assumptions. It is your responsibility to provide accurate and complete information. Please contact your advisor with any changes to your information and/or planning assumptions. Inaccurate information and/or unreasonable planning assumptions can materially impact the results of this financial plan.

The simulation of returns at the individual asset, account and/or portfolio level drives the investment projections and proposed financial plan. In all cases investment projections are not to be considered definitive estimates of how the individual assets you own now or in the future will perform. Therefore, it is important that you recognize that the comparisons shown may include comparisons of two asset allocation models—the asset allocation of your current portfolio and the asset allocation projected in our proposed plan—and not comparisons of the individual securities you own. Model comparisons and the projected rates of return are based on past performance of the relevant asset classes. Past performance is not a guarantee of future results. No future rate of return can be predicted with certainty.

The report that follows does not make specific investment recommendations or analyze particular securities. Rather, the report typically contains a proposed asset allocation model based upon your stated risk tolerance, age, current asset allocation and value of your assets. The asset allocation models we use are continuously re-evaluated and are periodically changed as a result. We are under no obligation to revise any financial planning report already prepared if an allocation model is changed after it is issued to you.

Actual results are influenced by events that are both within and outside of your control. The rates actually returned by asset classes will differ from our projections. The rates actually returned by any allocation model noted within the financial plan will likely differ from those returned by any individual portfolio of securities constructed to follow a specific allocation model. Any rate of return shown or used in the financial plan is not intended to predict nor guarantee the actual results of an investment product.



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## Disclaimer

**IMPORTANT: *Investments in stocks, bonds, mutual funds, and other securities are not bank products, are not FDIC insured, and may be subject to loss of principal.***

We have read and understand the above information and disclosures. We understand the basis upon which the report that follows was prepared. We recognize the nature of the asset allocation comparisons and estimated returns as illustrations only. We acknowledge that the report may contain a recommendation for adjusting the asset allocation of our current investment portfolio(s), but it does not provide any guaranteed rates of return, advice on particular securities or any specific legal, tax or accounting advice.

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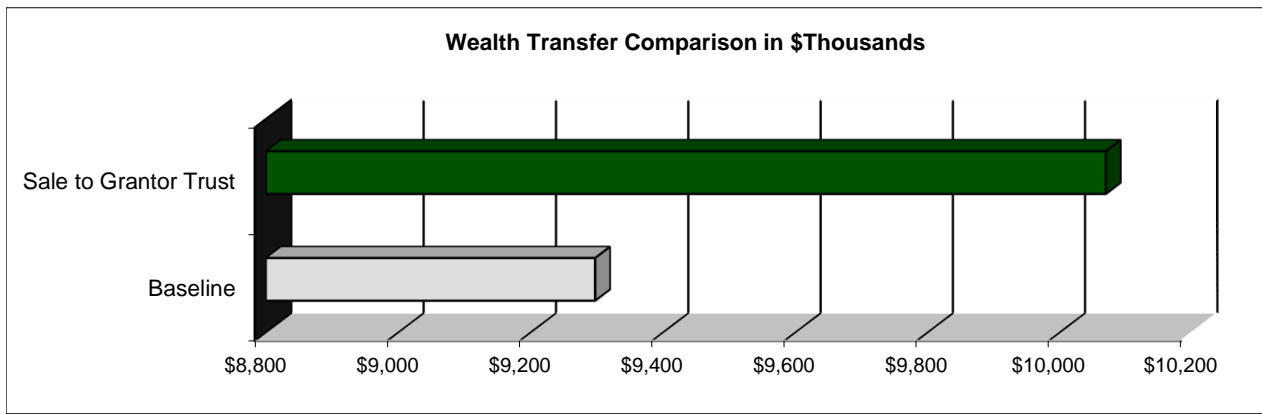
Customer Signature



## Summary

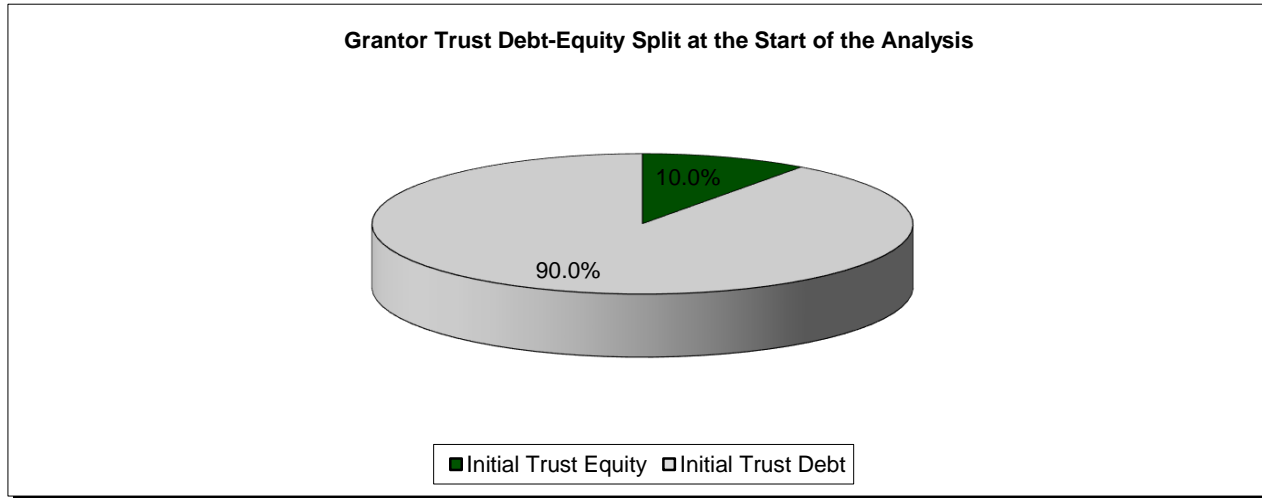
Jack & Jill Flash

In 2027	Baseline	Sale to Grantor Trust
Taxable gift	NA	325,000
<b>Value of grantor trust at the end of 9 years in 2026</b>	<b>NA</b>	<b>9,477,357</b>
Grantor's trust-related accumulations	13,200,966	2,709,552
Total transferable value in 2027	13,200,966	13,200,966
Estate taxes	-3,903,380	-1,213,821
Deferred capital gains and Medicare taxes	0	-1,917,224
<b>Net amount to 2nd generation</b>	<b>9,297,586</b>	<b>10,069,921</b>
<b>Planning advantage/-disadvantage to 2nd generation</b>		<b>772,336</b>
Present value of advantage/-disadvantage @ 3.0%		574,690



## Transaction Summary

Jack & Jill Flash



Transaction Summary	
Undiscounted value of property sold	4,500,000
Gift tax valuation discount	-1,575,000
Discounted value of property sold/face amount of note	2,925,000
Target percentage of trust equity	10.0%
<b>Target equity</b>	<b>325,000</b>
Less: Current value of existing trust property	0
<b>Total taxable gift</b>	<b>325,000</b>
<b>Undiscounted value of property used to seed the trust</b>	<b>500,000</b>



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

## Assumptions

Jack & Jill Flash

Personal	Jack	Jill
Age	55.0	52.0
Calculated life expectancy	84.6	84.3
Life expectancy override	90.0	90.0
Year of death	2052	2055

### Planning Illustration

Transfer date	01-Jan-2018
Planning term	10 years
Tax laws to apply - income taxes	TCJA provisions sunset after 2025
Tax laws to apply - estate, gift & GST	TCJA provisions sunset after 2025

#### Transfer of Property

Transferor	Jack
Gift-splitting election	Yes
If Yes, adjust estate tax for consenting spouse's share	Yes

#### Note Assumptions

Note term	9 years
Interest rate on note	2.20%
Amortization of note	Balloon
Allocation of excess trust cash flows	Investments

### Estate & Gift Tax

	Jack	Jill
DSUE amount inherited	0	0
Post-1976 adjusted taxable gifts	0	0
Unified credit used	0	0

### Property Transferred

Undiscounted value of property sold	4,500,000
Basis of property sold	1,350,000
Type of property sold	S corp
Gift tax valuation discount	35.0%
Estate tax valuation discount	35.0%
Apply estate tax valuation discount in baseline scenario	Yes
Target percentage of trust equity	10.0%
Target percentage is based on which value	Total value transferred
Face amount of note	2,925,000
Type of property used to seed trust	S corp
Value of property used to seed trust	500,000
Value of taxable gift associated with seeding the trust	325,000



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

## Assumptions

Jack & Jill Flash

### Sale of Trust Property

Trust sale during note term	No
Grantor tax reimbursement	NA
Reduce tax reimbursement by debt service payments	NA

### Tax Rates

	Jack	Transferee
Federal tax bracket	See schedule	See schedule
Federal capital gains tax rate	See schedule	See schedule
State income tax rate	5.0%	5.0%
Estate tax rate	See schedule	NA

### Investment Rates

	S corp	Other
Current cash yield	5.0%	2.0%
Inc/-dec rate of cash yield	0.0%	NA
Tax yield multiple	100.0%	NA
Qualified dividend percentage	100.0%	100.0%
Base growth rate	7.0%	6.0%
Percentage of taxable income and realized gains subject to Medicare surtax	0.0%	100.0%
Opportunity cost rate associated with payment of gift taxes	NA	5.8%
Present value discount rate	NA	3.0%

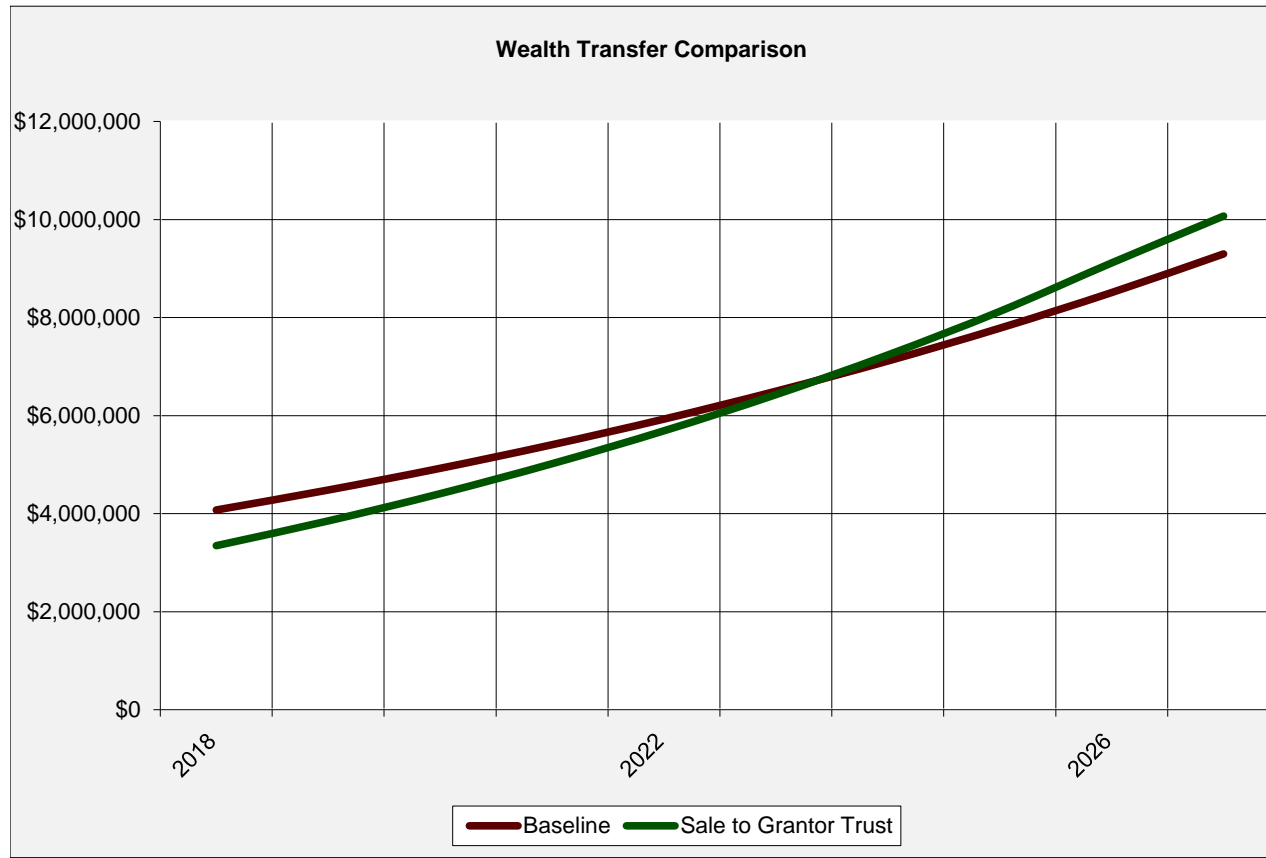
### Other

Maintain grantor trust status after note term	No
Grantor's premature death triggers taxes	Neither
Summary results are shown net of deferred capital gains and Medicare taxes	Yes
Inflation rate	3.0%



## Annual Net to Heirs Comparison

Jack & Jill Flash



The chart above compares an installment sale to a grantor trust to the baseline over the planning horizon.





Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

### Annual Net to Heirs Comparison

Jack & Jill Flash

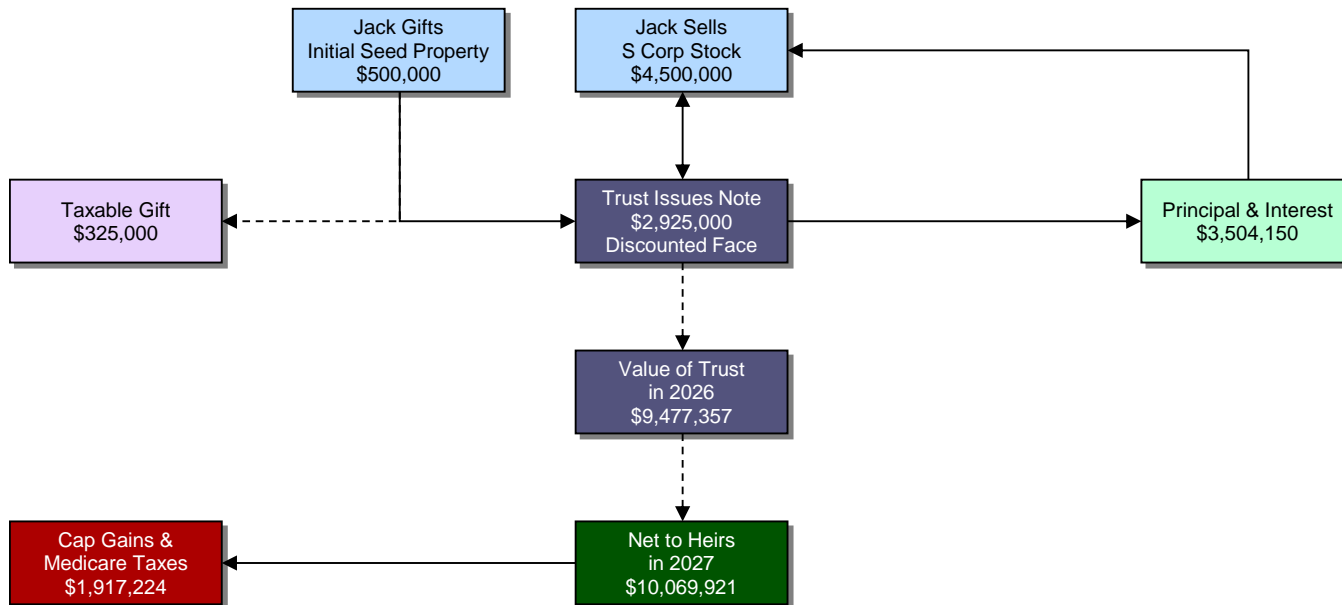
Year Ending In	Net to Heirs		Comparison	
	Baseline	Sale to Grantor Trust	Projected Sale to Grantor Trust Adv-/Disadv	Present Value Sale to Trust Adv-/Disadv 3.0%
2018	4,074,200	3,346,260	-727,940	-706,738
2019	4,481,322	3,851,068	-630,253	-594,074
2020	4,924,062	4,406,696	-517,366	-473,463
2021	5,405,332	5,017,785	-387,546	-344,330
2022	5,928,266	5,689,380	-238,886	-206,065
2023	6,496,248	6,426,963	-69,285	-58,025
2024	7,112,925	7,236,489	123,564	100,469
2025	7,782,225	8,124,425	342,200	270,136
2026	8,509,130	9,113,924	604,793	463,523
2027	9,297,586	10,069,921	772,336	574,691



## Sale to Grantor Trust Illustration - 2nd Generation Transfer

Jack & Jill Flash

Assuming a 9-Year Balloon Note and No Sale of Transferred Property during the Note Term



Assuming the transferred property is sold following Jack's death, the use of an installment sale to a grantor trust in this manner is projected to produce a net after-tax benefit of \$772,336, or \$574,690 in today's dollars.

If, however, the property is not sold, the projected benefit of an installment sale to a grantor trust would be \$2,689,560, or \$2,001,285 in today's dollars.





## *Sale to Grantor Trust*

Sensitivity Analyses

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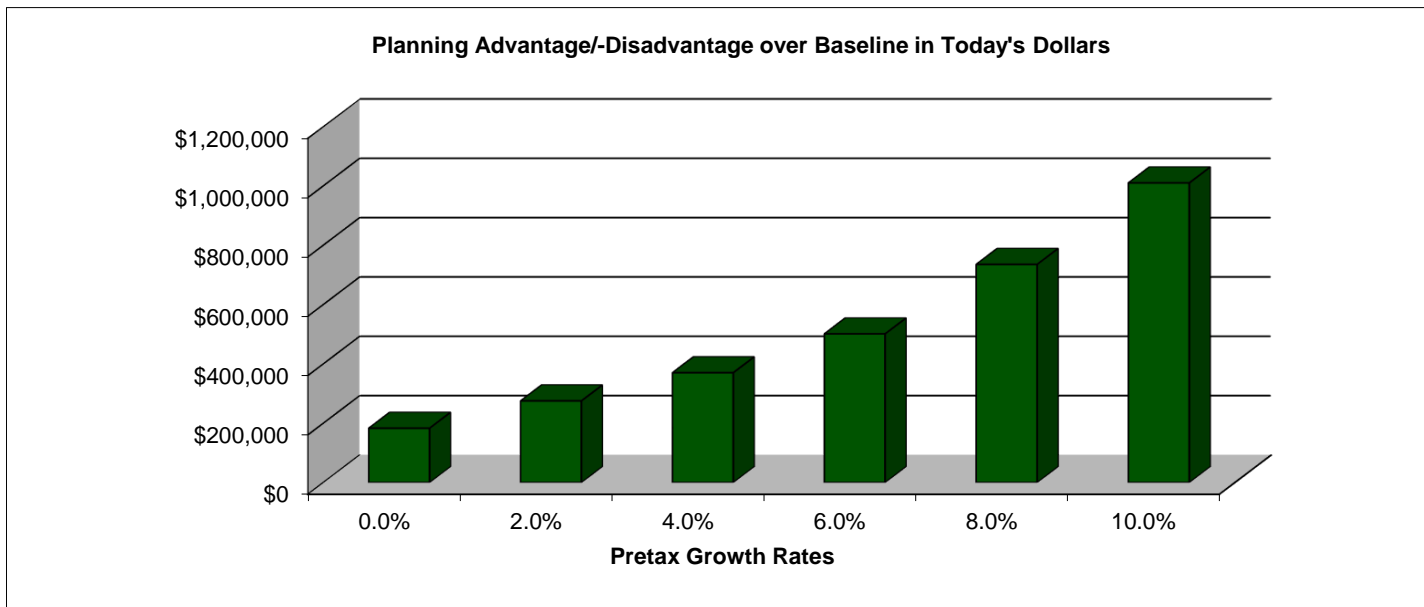
**Jack & Jill Flash**

*Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note*

## Sensitivity Analysis - Growth Rates

Jack & Jill Flash

2027 Growth	Net to Heirs		Comparison to Baseline	
	Baseline	Sale to Grantor Trust	Projected Adv/-Disadv	PV of Adv/-Disadv
0.0%	4,931,397	5,177,324	245,927	182,993
2.0%	5,945,182	6,314,837	369,655	275,058
4.0%	7,144,965	7,642,247	497,282	370,025
6.0%	8,560,759	9,233,965	673,207	500,929
8.0%	10,226,758	11,214,843	988,085	735,228
10.0%	12,181,839	13,538,937	1,357,098	1,009,809



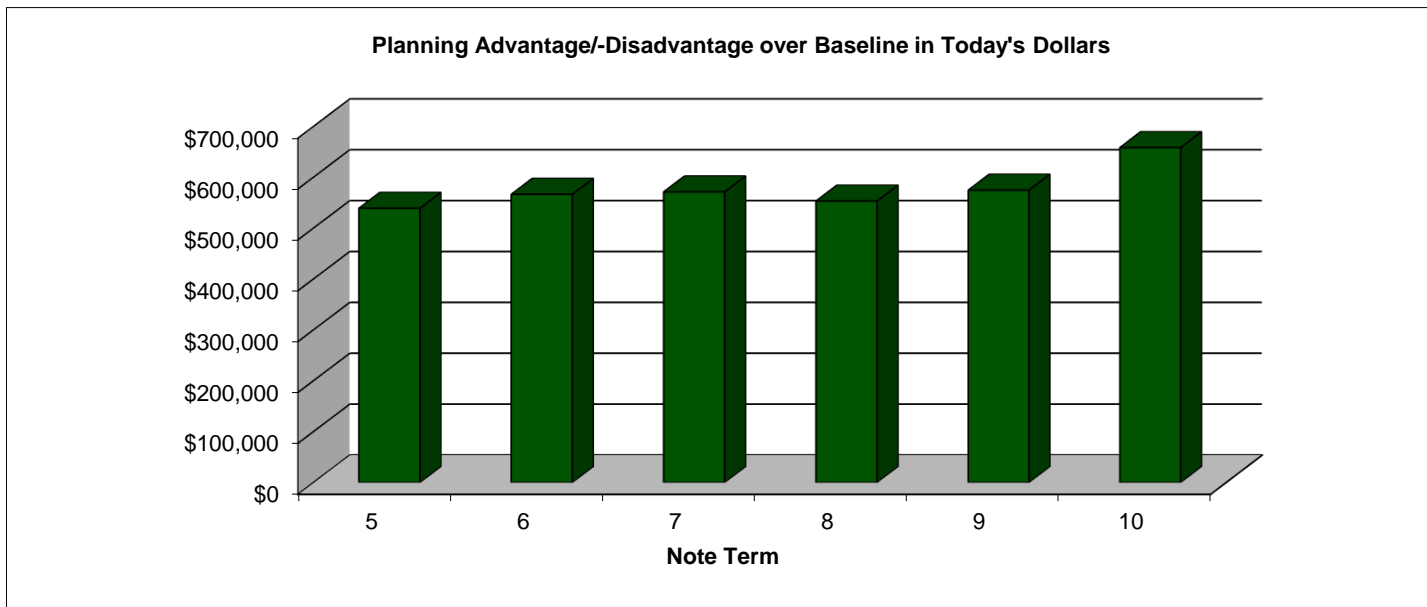
The illustration above shows the impact of pretax growth rate assumptions on the projected results. The graph shows the advantages/-disadvantages of a sale to a grantor trust, as compared to the baseline scenario in today's dollars. All other assumptions are the same as those listed on the Assumptions schedule.



## Sensitivity Analysis - Note Term

Jack & Jill Flash

Varies Note Term	Sale to Grantor Trust Summary		Comparison to Baseline	
	Total Interest	Net to Heirs	Projected Adv-/Disadv	PV of Adv-/Disadv
5	321,750	10,022,224	724,638	539,199
6	386,100	10,059,091	761,505	566,632
7	450,450	10,065,371	767,786	571,305
8	514,800	10,041,259	743,673	553,363
9	579,150	10,069,921	772,336	574,690
10	643,500	10,182,510	884,925	658,467



The illustration above shows the impact of the note term (in years) on the projected results. The graph shows the advantages/-disadvantages of a sale to a grantor trust, as compared to the baseline scenario, in today's dollars. All other assumptions are the same as those listed on the Assumptions schedule.





## *Sale to Grantor Trust*

Supporting Schedules for  
**BASELINE SCENARIO**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note*

**Baseline Illustration**

Jack & Jill Flash

Part 1 of 3

Year Ending In	S Corp Stock					Gross Estate Value 65.0%
	Beginning Property Value	Cash Yield	Growth	Unrealized Gains	Ending Property Value	
Start	5,000,000			3,500,000		
2018	5,000,000	250,000	350,000	3,850,000	5,350,000	3,477,500
2019	5,350,000	267,500	374,500	4,224,500	5,724,500	3,720,925
2020	5,724,500	286,225	400,715	4,625,215	6,125,215	3,981,390
2021	6,125,215	306,261	428,765	5,053,980	6,553,980	4,260,087
2022	6,553,980	327,699	458,779	5,512,759	7,012,759	4,558,293
2023	7,012,759	350,638	490,893	6,003,652	7,503,652	4,877,374
2024	7,503,652	375,183	525,256	6,528,907	8,028,907	5,218,790
2025	8,028,907	401,445	562,024	7,090,931	8,590,931	5,584,105
2026	8,590,931	429,547	601,365	7,692,296	9,192,296	5,974,992
2027	9,192,296	459,615	643,461	8,335,757	9,835,757	6,393,242



**Baseline Illustration**

Jack & Jill Flash

Part 2 of 3

Year Ending In	Investments							
	Beginning Investment Balance	Current Income 2.0%	Growth 6.0%	Cash from S Corp Stock	Qualified Dividends + Ordinary Income	Income & Medicare Taxes	Capital Gains Taxes	Ending Investment Balance
Start	0						0	0
2018	0	0	0	250,000	250,000	0	58,000	192,000
2019	192,000	3,840	11,520	267,500	271,340	584	65,624	408,653
2020	408,653	8,173	24,519	286,225	294,398	1,242	73,989	652,339
2021	652,339	13,047	39,140	306,261	319,308	1,983	83,160	925,644
2022	925,644	18,513	55,539	327,699	346,212	2,814	93,206	1,231,374
2023	1,231,374	24,627	73,882	350,638	375,265	3,743	104,202	1,572,576
2024	1,572,576	31,452	94,355	375,183	406,634	4,781	116,229	1,952,555
2025	1,952,555	39,051	117,153	401,445	440,496	5,936	129,375	2,374,894
2026	2,374,894	47,498	142,494	429,547	477,044	7,220	142,494	2,844,719
2027	2,844,719	56,894	170,683	459,615	516,509	8,648	158,054	3,365,209





### Baseline Illustration

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Part 3 of 3

Year Ending In	Net to Heirs		
	Gross Estate Value	Estate Taxes	Net to Heirs
Start			
2018	3,669,500	1,467,800	4,074,200
2019	4,129,578	1,651,831	4,481,322
2020	4,633,729	1,853,491	4,924,062
2021	5,185,731	2,074,292	5,405,332
2022	5,789,667	2,315,867	5,928,266
2023	6,449,950	2,579,980	6,496,248
2024	7,171,345	2,868,538	7,112,925
2025	7,958,999	3,183,600	7,782,225
2026	8,819,711	3,527,885	8,509,130
2027	9,758,451	3,903,380	9,297,586





## *Sale to Grantor Trust*

Supporting Schedules for  
**SALE TO GRANTOR TRUST SCENARIO**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note*

Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

## Sale to Grantor Trust Illustration - Wealth Transfer Summary

Jack & Jill Flash

Part 1 of 2

Year Ending In	Trust Property & Investments						Grantor Trust-Derived Accumulations		
	Trust S Corp Stock	Trust Investments	Trust Unrealized Gains	Note Face Amount	Combined Net Trust Value	Gross Estate Value	Grantor S Corp Stock	Gross Estate Value 65.0%	Grantor Investments/-Defunding
2018	5,350,000	185,650	3,850,000	2,925,000	2,610,650	2,925,000	0	0	6,350
2019	5,724,500	403,652	4,224,500	2,925,000	3,203,152	2,925,000	0	0	5,001
2020	6,125,215	657,819	4,625,215	2,925,000	3,858,034	2,925,000	0	0	-5,480
2021	6,553,980	952,355	5,053,980	2,925,000	4,581,335	2,925,000	0	0	-26,712
2022	7,012,759	1,291,893	5,512,759	2,925,000	5,379,652	2,925,000	0	0	-60,519
2023	7,503,652	1,681,532	6,003,652	2,925,000	6,260,184	2,925,000	0	0	-108,956
2024	8,028,907	2,126,887	6,528,907	2,925,000	7,230,795	2,925,000	0	0	-174,332
2025	8,590,931	2,634,134	7,090,931	2,925,000	8,300,065	2,925,000	0	0	-259,239
2026	9,192,296	285,061	7,692,296	0	9,477,357	0	0	0	2,559,658
2027	9,835,757	655,658	8,335,757	0	10,491,414	0	0	0	2,709,552



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

## Sale to Grantor Trust Illustration - Wealth Transfer Summary

Jack & Jill Flash

Part 2 of 2

Year Ending In	Transfer to Heirs							
	Total Transferable Value	Gross Estate	Trust Taxable Gift	Estate Tax Base	Estate Taxes	Present Value of Taxes Associated with Early Death	Capital Gains & Medicare Taxes on Trust Property	Net to Heirs
2018	5,542,000	2,931,350	325,000	3,256,350	1,302,540	0	893,200	3,346,260
2019	6,133,153	2,930,001	325,000	3,255,001	1,302,000	0	980,084	3,851,068
2020	6,777,554	2,919,520	325,000	3,244,520	1,297,808	0	1,073,050	4,406,696
2021	7,479,624	2,898,288	325,000	3,223,288	1,289,315	0	1,172,523	5,017,785
2022	8,244,133	2,864,481	325,000	3,189,481	1,275,793	0	1,278,960	5,689,380
2023	9,076,228	2,816,044	325,000	3,141,044	1,256,418	0	1,392,847	6,426,963
2024	9,981,462	2,750,668	325,000	3,075,668	1,230,267	0	1,514,707	7,236,489
2025	10,965,825	2,665,761	325,000	2,990,761	1,196,304	0	1,645,096	8,124,425
2026	12,037,015	2,559,658	325,000	2,884,658	1,153,863	0	1,769,228	9,113,924
2027	13,200,966	2,709,552	325,000	3,034,552	1,213,821	0	1,917,224	10,069,921



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

**Sale to Grantor Trust Illustration - Note Amortization & Debt Service**

Jack & Jill Flash

Year Ending In	Original Note Face Amount = \$2,925,000							Source of Note Payments			Present Value of Note Payments 3.0%
	Interest 2.20%	Scheduled Principal	Additional Principal	Total Principal	Total Planned Payment	Total Actual Payment	Outstanding Note Balance	Cash from S Corp Stock	Trust Investment Distribution	Trust Property Distribution	
2018	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	62,476
2019	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	60,656
2020	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	58,889
2021	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	57,174
2022	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	55,509
2023	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	53,892
2024	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	52,322
2025	64,350	0	0	0	64,350	64,350	2,925,000	64,350	0	0	50,798
2026	64,350	2,925,000	0	2,925,000	2,989,350	2,989,350	0	429,547	2,559,803	0	2,291,088



**Sale to Grantor Trust Illustration - Trust Flows**

Jack & Jill Flash

Part 1 of 2

Year Ending In	S Corp Stock						
	Beginning Property Value	Cash Yield	Growth	Unrealized Gains Distributed	Ending Unrealized Gains	Distribution to Satisfy Debt Service	Ending Property Value
Start	5,000,000				3,500,000		
2018	5,000,000	250,000	350,000	0	3,850,000	0	5,350,000
2019	5,350,000	267,500	374,500	0	4,224,500	0	5,724,500
2020	5,724,500	286,225	400,715	0	4,625,215	0	6,125,215
2021	6,125,215	306,261	428,765	0	5,053,980	0	6,553,980
2022	6,553,980	327,699	458,779	0	5,512,759	0	7,012,759
2023	7,012,759	350,638	490,893	0	6,003,652	0	7,503,652
2024	7,503,652	375,183	525,256	0	6,528,907	0	8,028,907
2025	8,028,907	401,445	562,024	0	7,090,931	0	8,590,931
2026	8,590,931	429,547	601,365	0	7,692,296	0	9,192,296
2027	9,192,296	459,615	643,461	0	8,335,757	0	9,835,757



## Sale to Grantor Trust Illustration - Trust Flows

Jack & Jill Flash

Part 2 of 2

Year Ending In	Investments									Outstanding Note Balance	Total Ending Trust Value
	Beginning Investment Balance	Current Income 2.0%	Growth 6.0%	Cash from S Corp Stock	Distribution to Satisfy Debt Service	Qualified Dividends + Ordinary Income	Income & Medicare Taxes	Capital Gains Taxes	Ending Investment Balance		
Start	0								0	2,925,000	2,075,000
2018	0	0	0	250,000	64,350	250,000	0	0	185,650	2,925,000	2,610,650
2019	185,650	3,713	11,139	267,500	64,350	271,213	0	0	403,652	2,925,000	3,203,152
2020	403,652	8,073	24,219	286,225	64,350	294,298	0	0	657,819	2,925,000	3,858,034
2021	657,819	13,156	39,469	306,261	64,350	319,417	0	0	952,355	2,925,000	4,581,335
2022	952,355	19,047	57,141	327,699	64,350	346,746	0	0	1,291,893	2,925,000	5,379,652
2023	1,291,893	25,838	77,514	350,638	64,350	376,476	0	0	1,681,532	2,925,000	6,260,184
2024	1,681,532	33,631	100,892	375,183	64,350	408,813	0	0	2,126,887	2,925,000	7,230,795
2025	2,126,887	42,538	127,613	401,445	64,350	443,983	0	0	2,634,134	2,925,000	8,300,065
2026	2,634,134	52,683	158,048	429,547	2,989,350	482,229	0	0	285,061	0	9,477,357
2027	285,061	5,701	17,104	459,615	0	465,316	867	110,957	655,658	0	10,491,414



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

### Sale to Grantor Trust Illustration - Grantor-Seller

Jack & Jill Flash

Part 1 of 2

Year Ending In	S Corp Stock						
	Beginning Property Value	Cash Yield	Growth	Gains Transferred In	Unrealized Gains	Grantor Trust Debt Service	Ending Property Value
Start	0				0		
2018	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0





**Sale to Grantor Trust Illustration - Grantor-Seller**

Jack & Jill Flash

Part 2 of 2

Year Ending In	Investments and/or Estate Defunding									Total Combined Value
	Beginning Investment Balance	Current Income 2.0%	Growth 6.0%	Cash from S Corp Stock	Grantor Trust Debt Service	Qualified Dividends + Ordinary Income	Income & Medicare Taxes	Capital Gains Taxes	Ending Investment Balance	
Start	0							0	0	0
2018	0	0	0	0	64,350	250,000	0	58,000	6,350	6,350
2019	6,350	127	381	0	64,350	271,340	584	65,624	5,001	5,001
2020	5,001	100	300	0	64,350	294,398	1,242	73,989	-5,480	-5,480
2021	-5,480	-110	-329	0	64,350	319,308	1,983	83,160	-26,712	-26,712
2022	-26,712	-534	-1,603	0	64,350	346,212	2,814	93,206	-60,519	-60,519
2023	-60,519	-1,210	-3,631	0	64,350	375,265	3,743	104,202	-108,956	-108,956
2024	-108,956	-2,179	-6,537	0	64,350	406,634	4,781	116,229	-174,332	-174,332
2025	-174,332	-3,487	-10,460	0	64,350	440,496	5,936	129,375	-259,239	-259,239
2026	-259,239	-5,185	-15,554	0	2,989,350	477,044	7,220	142,494	2,559,658	2,559,658
2027	2,559,658	51,193	153,579	0	0	51,193	7,781	47,098	2,709,552	2,709,552



Sale to Grantor Trust - Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note

## Sale to Grantor Trust Illustration - Deferred Capital Gains & Medicare Taxes

Jack & Jill Flash

Year Ending In	S Corp Stock In Trust			Grantor's Death During Note Term					Deferred Taxes	
	Trust S Corp Stock	Ending Basis	Unrealized Gains	Face Amount of Note	Gain on Deemed Sale	IRD Deduction	Heirs' Capital Gains & Medicare Taxes	Present Value of Heirs' Taxes 3.0%	Balance of Unrealized Gains	Deferred Capital Gains & Medicare Taxes
2018	5,350,000	1,500,000	3,850,000	0	0	0	0	0	3,850,000	893,200
2019	5,724,500	1,500,000	4,224,500	0	0	0	0	0	4,224,500	980,084
2020	6,125,215	1,500,000	4,625,215	0	0	0	0	0	4,625,215	1,073,050
2021	6,553,980	1,500,000	5,053,980	0	0	0	0	0	5,053,980	1,172,523
2022	7,012,759	1,500,000	5,512,759	0	0	0	0	0	5,512,759	1,278,960
2023	7,503,652	1,500,000	6,003,652	0	0	0	0	0	6,003,652	1,392,847
2024	8,028,907	1,500,000	6,528,907	0	0	0	0	0	6,528,907	1,514,707
2025	8,590,931	1,500,000	7,090,931	0	0	0	0	0	7,090,931	1,645,096
2026	9,192,296	1,500,000	7,692,296	0	0	0	0	0	7,692,296	1,769,228
2027	9,835,757	1,500,000	8,335,757	0	0	0	0	0	8,335,757	1,917,224



### Sale to Grantor Trust Illustration - Basis of Property

Jack & Jill Flash

Part 1 of 2

Year Ending In	Total Adjusted Basis of Property				
	Beginning Basis	Net Basis Adjustments	Ending Basis	Beginning Value	Ending Value
2018	1,500,000	0	1,500,000	5,000,000	5,350,000
2019	1,500,000	0	1,500,000	5,350,000	5,724,500
2020	1,500,000	0	1,500,000	5,724,500	6,125,215
2021	1,500,000	0	1,500,000	6,125,215	6,553,980
2022	1,500,000	0	1,500,000	6,553,980	7,012,759
2023	1,500,000	0	1,500,000	7,012,759	7,503,652
2024	1,500,000	0	1,500,000	7,503,652	8,028,907
2025	1,500,000	0	1,500,000	8,028,907	8,590,931
2026	1,500,000	0	1,500,000	8,590,931	9,192,296
2027	1,500,000	0	1,500,000	9,192,296	9,835,757



**Sale to Grantor Trust Illustration - Basis of Transferred Property**

Jack & Jill Flash

Part 2 of 2

Year Ending In	Adjusted Basis & Unrealized Gains Apportioned to Trust					Adjusted Basis & Unrealized Gains Apportioned to Grantor				
	Beginning Value	Beginning Basis	Ending Value	Ending Basis	Ending Unrealized Gains	Beginning Value	Beginning Basis	Ending Value	Ending Basis	Ending Unrealized Gains
2018	5,000,000	1,500,000	5,350,000	1,500,000	3,850,000	0	0	0	0	0
2019	5,350,000	1,500,000	5,724,500	1,500,000	4,224,500	0	0	0	0	0
2020	5,724,500	1,500,000	6,125,215	1,500,000	4,625,215	0	0	0	0	0
2021	6,125,215	1,500,000	6,553,980	1,500,000	5,053,980	0	0	0	0	0
2022	6,553,980	1,500,000	7,012,759	1,500,000	5,512,759	0	0	0	0	0
2023	7,012,759	1,500,000	7,503,652	1,500,000	6,003,652	0	0	0	0	0
2024	7,503,652	1,500,000	8,028,907	1,500,000	6,528,907	0	0	0	0	0
2025	8,028,907	1,500,000	8,590,931	1,500,000	7,090,931	0	0	0	0	0
2026	8,590,931	1,500,000	9,192,296	1,500,000	7,692,296	0	0	0	0	0
2027	9,192,296	1,500,000	9,835,757	1,500,000	8,335,757	0	0	0	0	0





## *Sale to Grantor Trust*

Supporting Schedules for  
**TAX RATES**

AN ANALYSIS PREPARED EXCLUSIVELY FOR

**Jack & Jill Flash**

*Gift & Sell \$5MM ShopRight, Inc. to Grantor Trust for 9-Year Note*

## Tax Rates

Jack & Jill Flash

Year Ending In	Jack						Transferee			
	Federal Ordinary Income Tax Rate	Effective State Income Tax Rate 5.0%	Combined Ordinary Income Tax Rate	Combined Capital Gains Tax Rate	Estate Tax Rate	IRD Deduction Tax Rate	Federal Ordinary Income Tax Rate	Effective State Income Tax Rate 5.0%	Combined Ordinary Income Tax Rate	Combined Capital Gains Tax Rate
2018	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2019	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2020	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2021	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2022	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2023	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2024	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2025	37.0%	3.2%	40.2%	23.2%	40.0%	40.0%	37.0%	3.2%	40.2%	23.2%
2026	39.6%	3.0%	42.6%	23.0%	40.0%	40.0%	39.6%	3.0%	42.6%	23.0%
2027	39.6%	3.0%	42.6%	23.0%	40.0%	40.0%	39.6%	3.0%	42.6%	23.0%

