
Education Goals



Table of Contents

Education Goals	1
Disclaimer - Important Note	2
Asset Summary	3
Liability Summary	4
Assets & Liabilities by Type	5
Education Goals	7
Education Goals Summary	8
Education Goals Existing Plan - Melissa	9
Education Goals Existing Plan - Neal	10
College Costs by Region	11
General Education Funding Techniques	12
Cost of Education	13

Important Note...

What this material is intended to be:

This illustration is based on the information you provided with regard to your financial needs and objectives. It is intended to provide only broad hypothetical guidelines and information which may be helpful in making decisions about financial products and services available that may help meet those needs and objectives. You should understand that your actual experience will differ from this analysis.

What it is not intended to be:

It is not intended to be investment advice or a projection of future investment performance. The projections or other information generated by Profiles Professional by Emerging Information Systems (USA), Inc. (the software used to create this analysis) regarding the likelihood of various investment outcomes are hypothetical in nature. It is not a projection of future inflation rates or the state of the world or domestic economy. It is not a guarantee that your objectives will be reached. Although this illustration may contain income tax calculations and legal concepts, it does not constitute tax or legal advice. The application of some concepts may be considered practicing law and should, therefore, be handled by an attorney, while other concepts may require the guidance of a tax or accounting advisor. As tax laws change, so may conclusions reached by this report. Therefore, you should have this report reviewed and regularly updated.

Certain assumptions were made:

In creating the illustration certain assumptions were made with respect to investment returns, the economy, and your situation. The reports and graphics included are directly dependent on the quality and the accuracy of the data and assumptions furnished by you. A key group of assumptions are the rates of returns for the assets illustrated in this analysis - also furnished by you. You indicated that one or more investment assets should grow at a specified rate while other assets use a weighted average rate of return based on how they are classified across broad asset classes (e.g., Large Capital Stocks). The illustrated asset growth from all assumed returns is simply an estimate - it is not a projection and not a guarantee. The value of investments will vary. They may be worth more or less than your original investment when you begin withdrawals.

In this analysis, eligible accounts were subjected to simulated rebalancing calculations on an annual basis causing the overall asset allocation of your hypothetical portfolio to avoid the typical drift toward an ever increasing stock position. Additionally, one or more reallocations were simulated in this analysis. To accomplish the calculations, withdrawals were made and new assets purchased in one or more accounts in an attempt to align the portfolio allocation with the desired allocation. When appropriate, taxes were paid on the withdrawals. The hypothetical return for any purchased asset was calculated each year using the weighted average return of asset classes which comprise the asset's allocation. Where future rates of return and transactions are assumed, this analysis does not reflect the fees and charges associated with investments, which would reduce the results.

You are encouraged to review and consider performance information, which you can request from your investment professional, for the mutual funds and other securities that may be referenced in this material when assuming any future rates of return. Keep in mind that past performance is not a guarantee of future results. **A current prospectus must be read carefully when considering any investment in securities.**

A final word:

No liability is assumed resulting from the use of the information contained in this financial illustration. Responsibilities for financial decisions are assumed by you. You should seek the guidance of a financial or investment professional before proceeding with any investment decision.

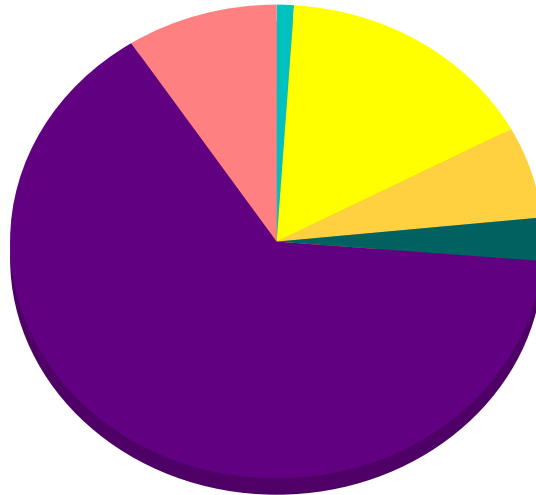
Asset Summary

by Asset Type

\$1,608,000



- Banking
- Qualified
- Annuities
- Investments
- Education
- Real Estate
- Personal
- Business



<u>Assets</u>	<u>Current Balance</u>	<u>Percent of Total Assets</u>
Bank Accounts	\$19,000	1.2%
Qualified Retirement Accounts	\$269,000	16.7%
Investment Accounts	\$91,000	5.7%
Education Investment Accounts	\$42,000	2.6%
Real Estate and Residence	\$1,025,000	63.7%
Personal Property	\$162,000	10.1%
Total Assets	\$1,608,000	100.0%

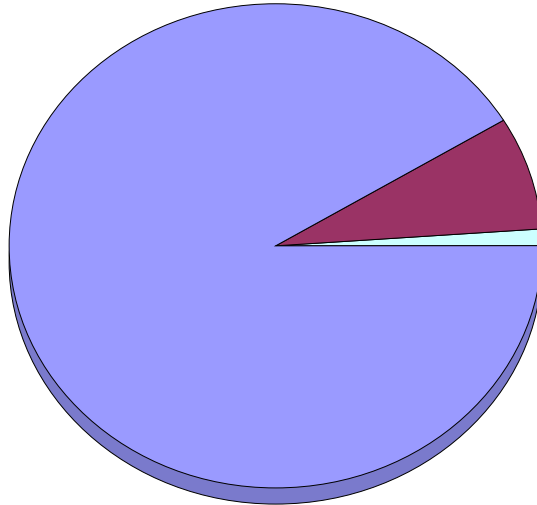
Liability Summary

by Liability Type

\$522,256



- Real Estate
- Property Loans
- Personal Loans
- Credit Cards



Liabilities	Current Liability	Percent of Total Liabilities
Real Estate	\$480,692	92%
Property Loans	\$36,064	7%
Personal Loans	\$0	0%
Credit Cards	\$5,500	1%
Total Liabilities	\$522,256	100%

Assets and Liabilities

by Type (as of 4/22/2009)

<i>Assets</i>	<i>Current Expected Rate of Return</i>	<i>Market Value</i>	<i>Total Market Value</i>
Bank Accounts			
Bank of SD Checking	0.00%	4,000	
Bank of SD Savings	3.00%	15,000	
Total Bank Accounts			19,000
Qualified Retirement Accounts			
Atlas Retirement Plan			
Fidelity Freedom Income	3.86%	45,000	
PIMCO Total Return Instl	4.04%	37,000	
Medical Center 403(b)	3.42%	75,000	
Tom's Rollover IRA			
T. Rowe Price Corporate Income	5.06%	112,000	
Total Qualified Retirement Accounts			269,000
Investment Accounts			
ABC Brokerage			
AIM Charter A	8.88%	21,000	
CA-Tax Free Muni Bond Fund	3.70%	14,000	
Money Market Fund	2.27%	6,000	
Grandparent's Savings Bonds for Kids			
Melissa's Savings Bonds	2.76%	25,000	
Neal's Savings Bonds	2.76%	25,000	
Total Investment Accounts			91,000
Education Investment Accounts			
Melissa's College Fund			
Melissa's College Fund	6.39%	24,000	
Neal's College Fund			
Neal's College Fund	7.74%	18,000	
Total Education Investment Accounts			42,000
Real Estate and Residence			
Oceanside Rental House Investment Property	4.00%	425,000	
Carlsbad Home	2.50%	600,000	
Total Real Estate and Residence			1,025,000
Personal Property			
Coin Collection	5.00%	7,000	
Tom's BMW	0.00%	60,000	
Marilyn's Jeep	0.00%	40,000	
Furnishings	0.00%	55,000	
Total Personal Property			162,000
Total Assets			\$1,608,000
<hr/>			
<i>Liabilities</i>	<i>Assumed Initial Interest Rate</i>	<i>Current Balance</i>	<i>Total Balance</i>
Real Estate Loan			
1st Mortgage for Carlsbad Home	5.50%	470,692	

Continued...

Country Club Financial Services, Inc.

Tom and Marilyn Clark
Presented by: John M. Ye

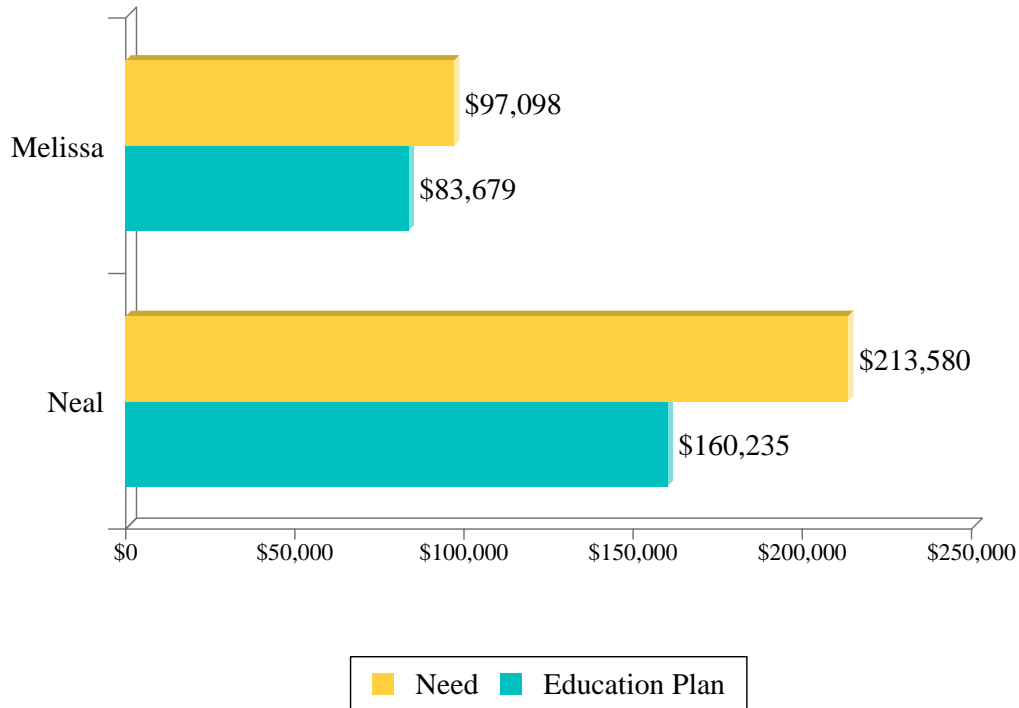


HELOC on Carlsbad Home	6.00%	10,000	
Total Real Estate Loan			480,692
<i>Property Loan</i>			
Loan for Tom's BMW	8.50%	36,064	
Total Property Loan			36,064
<i>Credit Card</i>			
Bank of San Diego Visa	12.00%	5,500	
Total Credit Card			5,500
<i>Total Loans & Liabilities</i>			<u>\$522,256</u>
<i>Assets and Liabilities</i>			<u>\$1,085,744</u>

Education Goals

Total Education Need \$310,679

Your Education Plan Provides \$243,914



This graph illustrates the projected capital needed to meet your education objectives and how your projected current savings and investments are helping meet the objectives.

<i>Name</i>	<i>Amount Needed Per Year (Today's \$)</i>	<i>Funding Alternatives¹</i>		
		<i>Additional Sum¹</i>	<i>Additional Monthly Level Savings</i>	<i>Additional Monthly Inflating Savings²</i>
Melissa	\$16,586	\$8,765	\$101	\$88
Neal	20,372	19,303	136	104
Totals	\$36,958	\$28,068	\$236	\$192

¹ Single-sum investment alternative assumes that existing savings will continue and Funding Alternatives earn an assumed rate of return of 6.00%.

² The amount shown is for the first year only; this amount must be increased annually by the assumed inflation rate of 3.50%.

These results are hypothetical and are not a promise of future performance.

Education Goals

Summary

Education Goals:

<i>Goal Number</i>	<i>Name</i>	<i>School</i>	<i>Annual Amount Needed</i>	<i>Years Until Needed</i>	<i>Years Needed</i>	<i>Inflated at</i>	<i>Amount Needed Future Dollars</i>
1	Melissa	San Diego State University	\$16,586	5	4	6.00%	\$97,098
2	Neal	University of California: San Diego	20,372	15	4	6.00%	213,580
Total amount needed - future dollars							\$310,679

Assets and Savings Available:

<i>Accounts</i>	<i>Current Market Value</i>	----- <i>Monthly Savings</i> -----			
		<i>Year Savings Amount</i>	<i>Start</i>	<i>Number of Years to Save</i>	<i>Assigned to Goal</i>
Grandparent's Savings Bonds for Kids					
Melissa's Savings Bonds	\$25,000	\$0	2009	9	1
Neal's Savings Bonds	25,000	0	2009	19	2
Melissa's College Fund					
Melissa's College Fund	\$24,000	\$150	2009	9	1
Neal's College Fund					
Neal's College Fund	<u>\$18,000</u>	\$200	2009	19	2
Total	\$92,000				

Funding Alternatives:

	<i>Amount Needed Future Dollars</i>	<i>Existing Plan Provides</i>	----- <i>Additional Amount Needed</i> ¹ -----		
			<i>Single Sum</i>	<i>Monthly Level Savings</i>	<i>Monthly Inflating Savings</i> ²
Melissa	\$97,098	\$83,679	\$8,765	\$101	\$88
Neal	<u>213,580</u>	<u>160,235</u>	<u>19,303</u>	<u>136</u>	<u>104</u>
Total	\$310,679	\$243,914	\$28,068	\$236	\$192

¹ All additional savings begin today and assume a rate of return of 6.00%.

² Inflating savings will increase annually by 3.50%.

Education Goals

Existing Plan

for Melissa

Amount needed

\$16,586 per year needed in 5 years for 4 years inflating annually at 6.00%

Needed in year 1 of goal, \$16,586 inflated by 6.00%	=	\$22,196
Needed in year 2 of goal, \$16,586 inflated by 6.00%	=	23,528
Needed in year 3 of goal, \$16,586 inflated by 6.00%	=	24,939
Needed in year 4 of goal, \$16,586 inflated by 6.00%	=	26,436

Total amount needed

\$97,098

Capital available

<i>Accounts</i>	<i>Current Market Value</i>	<i>Monthly Savings</i>	<i>Assumed Rate of Return</i>	<i>Amount Applied To Goals</i>
<i>Grandparent's Savings Bonds for Kids</i>				
Melissa's Savings Bonds	\$25,000	\$0	2.76%	\$28,824
Melissa's College Fund	\$24,000	\$150	6.39%	\$54,856
Total	\$49,000			\$83,679

Distribution Plan:

	Year 1	Year 2	Year 3	Year 4
Melissa's Savings Bonds	\$22,196	\$6,628	\$0	\$0
Melissa's College Fund	0	16,900	24,939	13,017
Total Withdrawals	22,196	23,528	24,939	13,017
Taxes and Liabilities	0	0	0	0
Net for Goal	22,196	23,528	24,939	13,017
(Shortfall)	\$0	\$0	\$0	(\$13,419)

Education Goals

Existing Plan

for Neal

Amount needed

\$20,372 per year needed in 15 years for 4 years inflating annually at 6.00%

Needed in year 1 of goal, \$20,372 inflated by 6.00%	=	\$48,823
Needed in year 2 of goal, \$20,372 inflated by 6.00%	=	51,752
Needed in year 3 of goal, \$20,372 inflated by 6.00%	=	54,857
Needed in year 4 of goal, \$20,372 inflated by 6.00%	=	<u>58,149</u>

Total amount needed **\$213,580**

Capital available

<i>Accounts</i>	<i>Current Market Value</i>	<i>Monthly Savings</i>	<i>Assumed Rate of Return</i>	<i>Amount Applied To Goals</i>
<i>Grandparent's Savings Bonds for Kids</i>				
Neal's Savings Bonds	\$25,000	\$0	2.76%	\$37,610
Neal's College Fund	<u>\$18,000</u>	\$200	7.74%	<u>\$122,625</u>
Total	<u><u>\$43,000</u></u>			<u><u>\$160,235</u></u>

Distribution Plan:

	Year 1	Year 2	Year 3	Year 4
Neal's Savings Bonds	\$37,610	\$0	\$0	\$0
Neal's College Fund	<u>11,213</u>	<u>51,752</u>	<u>54,857</u>	<u>4,803</u>
Total Withdrawals	48,823	51,752	54,857	4,803
Taxes and Liabilities	0	0	0	0
Net for Goal	<u>48,823</u>	<u>51,752</u>	<u>54,857</u>	<u>4,803</u>
(Shortfall)	\$0	\$0	\$0	(\$53,346)

College Costs - by Region

	Tuition and Fees		10 Year Change	Percentage Change
	1999-2000	2009-2010		
National				
Two-Year Public	\$1,649	\$2,544	\$895	54%
Four-Year Public	3,362	7,020	3,658	109%
Four-Year Private	15,518	26,273	10,755	69%
New England				
Two-Year Public	2,170	3,992	1,822	84%
Four-Year Public	4,677	9,391	4,714	101%
Four-Year Private	20,281	32,857	12,576	62%
Middle States				
Two-Year Public	2,619	3,733	1,114	43%
Four-Year Public	4,509	8,005	3,496	78%
Four-Year Private	16,540	27,981	11,441	69%
South				
Two-Year Public	1,267	2,560	1,293	102%
Four-Year Public	2,734	5,802	3,068	112%
Four-Year Private	13,187	22,706	9,519	72%
Midwest				
Two-Year Public	1,830	3,141	1,311	72%
Four-Year Public	3,811	8,096	4,285	112%
Four-Year Private	14,609	24,467	9,858	67%
Southwest				
Two-Year Public	1,040	1,857	817	79%
Four-Year Public	2,721	6,768	4,047	149%
Four-Year Private	11,257	22,500	11,243	100%
West				
Two-Year Public	1,007	1,475	468	46%
Four-Year Public	2,680	6,037	3,357	125%
Four-Year Private	15,097	25,698	10,601	70%

Source: 2009 Trends in College Pricing © 2009 The College Board. All rights reserved.

General Education Funding Techniques

Qualified State Tuition Programs (Section 529 Plans) - Section 529 Plans are authorized under Internal Revenue Code Section 529 and are sponsored by the individual states. These programs allow parents, grandparents and non-relatives to contribute money to an account of which the child is the beneficiary. There are two types of plans: a prepaid tuition plan and a savings plan. Prepaid tuition plans guarantee that the investment will at least keep pace with increases in college tuition. Restrictions may apply regarding who may contribute to the prepaid plan and which schools are eligible. Savings plans are managed investment funds that can be more flexible. Income inside these plans is not currently taxable. Funds withdrawn to pay for qualified education expenses are also free from federal income tax. Other, nonqualified withdrawals are subject to ordinary income tax and may be subject to an additional 10% penalty tax. The child may attend almost any accredited college, university, or trade school regardless of location. These plans, having no income restrictions, are available to almost anyone. Unlike UGMAs and UTMAs (discussed below), the donor retains control over the funds. Tax-free rollovers from one plan to another are allowed for the benefit of the same beneficiary once per year. Because contributions are considered completed gifts, the plans may offer estate planning advantages. Some plans offer preferential state tax treatment. Funds may be transferred, if necessary, to certain family members of the beneficiary without penalty. Taxable withdrawals may avoid the additional 10% penalty tax if they occur on account of death, disability or receipt of a scholarship.

The availability of the tax or other benefits mentioned above may be conditioned on meeting certain requirements.

Investors should consider the investment objectives, risks, charges and expenses associated with 529 plans carefully before investing. More information about 529 plans is available in the issuer's official statement, which should be read carefully before investing.

Coverdell Education Savings Accounts - Taxpayers may deposit up to \$2,000 per year into a Coverdell Education Savings Account (ESA) for a child under age 18. Parents, grandparents, other family members, friends, and children themselves may contribute to the Coverdell ESA, provided that the total contributions during the taxable year do not exceed the \$2,000 limit. Amounts deposited into the account grow tax-free until distributed, and the child will not owe tax on any withdrawal from the account if the child's qualified higher education expenses at an eligible educational institution for the year equal or exceed the amount of withdrawal. Eligible expenses also include elementary and secondary school (K-12) costs and the cost of computer equipment, internet services, and software. If the child does not need the money for post-secondary education, the account balance can be rolled over to the Coverdell ESA of certain family members who can use it for their education expenses. Amounts withdrawn from a Coverdell ESA that exceed the child's qualified education expenses in a taxable year are generally subject to income tax and to an additional tax of 10%.

Uniform Gift to Minors Act (UGMA) and Uniform Transfer to Minors Act (UTMA) - A donor may make an outright gift to a custodial account for the benefit of a minor child. The parent or custodian may retain responsibility of management of the assets in the account subject to the terms of the act. The standard rules regarding gift tax exclusions apply, including the annual \$13,000 limit. The donor may choose to contribute from a number of assets, such as stocks, bonds, mutual funds or real estate. The funds may be used for any purpose, including education. One possible problem with the UGMA and UTMA is that upon reaching a certain age, specified by each state's laws, the child has full discretionary control over the accumulated assets and may choose to use such assets for purposes other than college funding.

Cash Value Life Insurance - Parents, grandparents, or other family members may gift premiums, and the cash value build-up inside the policy is tax deferred during the accumulation period. When the time for college arrives, the needed cash may be withdrawn from the policy (generally on a tax-free basis up to the amount of the premiums paid), or the cash values can be borrowed from the policy. In most cases, loans or withdrawals will reduce the policy's cash value and death benefit. If the policy is surrendered or lapses, taxes may be due. If the insured dies before the child goes to school, then the life insurance proceeds can be used to fund education expenses.

U.S. Savings Bonds Interest earned by U.S. Series EE Savings Bonds is free from state income taxes. All or some of the interest may also be free from federal income taxes if the bonds are used for qualified higher education expenses. The exclusion from federal tax is subject to an income phase-out. The bonds must be registered in the parent's name and redeemed in the same year as the eligible tuition and fees are paid.

Cost of Education

Melissa

How will you meet the rising cost of education?

School	Tuition & Fees 2009-2010 ¹	Four-Year Total Cost in 2010 *
Stanford University	\$37,380	\$163,523
Princeton University	\$35,340	\$154,599
Ohio State University	\$8,706	\$38,085
Arizona State University	\$6,334	\$27,709
University of Florida	\$4,373	\$19,130
Four-year private average ²	\$26,273	\$114,934
Four-year public average ²	\$7,020	\$30,710
	\$7,500	\$32,810

Tuition and Fee Levels over Time ²					
Academic Year	Private Four-Year		Public Four-Year		Consumer Price Index ³
	Tuition & Fees	Annual % Change	Tuition & Fees	Annual % Change	
2000-01	\$16,072	3.6%	\$3,508	4.3%	3.5%
2001-02	\$17,377	8.1%	\$3,766	7.4%	2.6%
2002-03	\$18,060	3.9%	\$4,098	8.8%	1.5%
2003-04	\$18,950	4.9%	\$4,645	13.3%	2.3%
2004-05	\$20,045	5.8%	\$5,126	10.4%	2.5%
2005-06	\$20,980	4.7%	\$5,492	7.1%	4.7%
2006-07	\$22,308	6.3%	\$5,804	5.7%	2.1%
2007-08	\$23,745	6.4%	\$6,191	6.7%	2.8%
2008-09	\$25,177	6.0%	\$6,591	6.5%	4.9%
2009-10	\$26,273	4.4%	\$7,020	6.5%	-1.3%
2000-2010	--	5.4%	--	7.7%	2.6%

*Assumes college costs increase at 6.00% annually.

¹ Source: Copyright © 2009 collegeboard.com, Inc. All rights reserved. Assumes in-state tuition and fees.

² Source: 2009 Trends in College Pricing Table 4a. Copyright© 2009 The College Board. All rights reserved.

³ Source: Bureau of Labor Statistics - CPI-U based on September month-end index values..