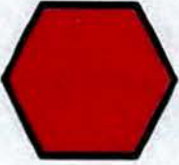


Entity and Tax Impact Explanations and Benefits for Julie & Michael Thomas

Entity	Explanation/Benefits
S- or C-Corp (for Practice) 	Explanation: These taxation structures are recommended for most people owning their own business for the tax savings opportunities they provide. Benefits: Taxation as an S-Corp can save you approximately 2.9% off any income over a "reasonable" salary each year in FICA taxes, plus an additional .9% each year off any income over \$200,000 (if you are single) or \$250,000 (if you are married filing jointly). Additional savings may also apply. A C-Corp provides different, sometimes greater tax advantages, such as health plan deductions and deductions for section 79 plans, among other tax-deductible "fringe benefits."
Asset Management LLC 	Explanation: This entity is the focal point for asset protection. It is filed in Ohio because Ohio (like Delaware or Alaska) has among the strongest, most stable asset protection provisions in the country. As the owner of several other types of entities (e.g., entities that are designed to hold 1) Real Estate, 2) bank and brokerage accounts, 3) equipment, 4) recreational vehicles, 5) firearms, etc.) this management entity acts as a solid buffer between you and your assets. Benefits: Superlative asset protection for all real and personal property, financial investments, and liquid assets. Potential tax savings of approximately \$5,200 per year (based on annual deductions of \$14,000¹ at a 37% tax bracket) through using tax provision 280A(g) (through this and/or other entities). Additionally, the cost of our services is deductible. This would result in approximately \$2,200 of tax savings in the first year (based on a \$6,000 deduction at a 37% tax bracket).
Safe Asset FLP 	Explanation: This Entity is used to protect bank accounts, brokerage accounts, valuable "safe" personal property, and any other "safe" assets (i.e., assets that are unlikely to cause any sort of tangible harm to a third party). The Asset Management LLC serves as the 2% owner and General Partner (GP) of this entity so that all control and liability are taken out of your personal names. The limited partners may include you, your spouse, your children, or any other close friends or family members to whom you provide any kind of financial assistance (e.g., cash, tuition payments, travel expenses, housing costs, etc.). All of these types of financial assistance can be part of a tax savings strategy called "income shifting." Benefits: Superlative asset protection for all bank and investment accounts and valuable personal property (jewelry, artwork, etc.). Up to \$7,400 per year in tax savings through income shifting (based on shifting \$20,000 per year from an individual at a 37% tax bracket to an individual at a 0% tax bracket).

¹ This number is the average reasonable amount that can be charged for home rental for fourteen annual meetings or events. Actual rental amounts could be higher or lower depending on the use of the home and the location.

Possible Equipment, FLP 	Explanation: This entity is used to protect business equipment from exposure in a lawsuit against the business or the business owner. For tax purposes, usually only equipment that is more than five years old should be placed in this entity. Benefits: Superlative asset protection for business equipment. This entity can also participate in the income shifting amount mentioned in your safe asset FLP section.
Primary Residence LLC (Single Member Disregarded LLC) 	Explanation: The purpose of this entity is to isolate and protect your primary residence without adding any increased tax filing burdens. The single-member LLC is entirely owned by the living trust. Benefits: Separates your home from other assets to prevent any potential lawsuits from affecting your primary residence. This structure allows you to keep homestead exemptions and capital gains exemptions and still allows you to take advantage of 280A (renting your home to your Mgmt LLC or other business entity).
SMLLC (Single Member Disregarded LLC), LLC 	Explanation: The purpose of these entities is to isolate and protect each of your real properties without adding any increased tax filing burdens. Benefits: Separates real properties from one another to prevent any potential lawsuits from affecting more than one LLC at a time.
Carepoint Group Purchasing Organization	Explanation: Carepoint GPO is a part of your Premium Plus service, bringing additional savings directly to your practice, giving you access to group purchasing rates and contracts to over 2,000 national vendors and distributors. Benefits: Without changing the brands or volume you use, we estimate an annual savings of \$1,200 on your office and medical supplies (based on an average savings of \$100 a month per provider in the office). Includes practice cost analysis and contract management.

Entity Establishment Costs

Entity	Cost with Legally Mine
Asset Management LLC	\$1,200.00
Safe Asset FLP	\$1,200.00
Primary Residence LLC	\$1,200.00
Possible Equipment FLP	\$1,200.00
Rental Property LLC	\$1,200.00
Additional Entities ²	\$0
Total³	\$6,000.00

Estimated Year One Tax Savings⁴	\$14,800.00
Estimated Year One Carepoint Savings⁵	\$1,200.00
Estimated Year One Total Savings⁶	\$16,000.00

² Once you have paid the Entity Establishment Costs cap (usually \$6,000.00) there are no additional charges for the creation of subsequent entities; however, only active Premium Plus members have full access to all Legally Mine services, consulting, and resources.

³ This number does not include the cost of the Premium Plus (Maintenance) program or any state filing fees. That information will be provided for you after your blueprint review. Any potential property or title transfer fees or taxes charged by your home state or county will not be provided since they are very locally specific and usually minimal. We will provide you with any existing entity amendment fees on an as-needed basis. Other local fees may also apply. All of these additional fees are usually minimal, but every state, county, and bank differs. It is always a good idea to have your blueprint reviewed by a local legal and/or tax professional to make sure you are fully aware of any local peculiarities or unanticipated consequences of creating business entities and/or transferring assets.

^{4,5,6} This number is only a basic estimate and is not to be construed as any sort of fixed amount or guarantee. It is derived from adding together the estimated amount of savings listed in the entity information portion of this document and is subject to change based on your personal preferences and changes in entities, laws, and/or individual circumstances.