

Date: June 27, 2007
To: Sun Life Financial Wholesale
From: Advisor
Re: Application number and client name

I met with Mr. and Mrs. Thomas in advance of this application for \$10,000,000 joint-last-to-die Universal Life insurance. I have known the family for many years and together we reviewed strategies that will meet their personal and business needs.

Their business, a very successful local nursery, was established in 1975. Both clients are active in the day-to-day operations. They have two sons, Tom and Dave. Tom is involved in the business, while Dave has business interests of his own and does not participate in the operations of the nursery.

Now that Mr. and Mrs. Thomas are in their mid-50s, they want to complete an estate plan. They each have \$1,000,000 of insurance coverage, in force since 1990, for key-person purposes. In addition, there is \$1,000,000 of business insurance in force to cover the business line-of-credit. The beneficiary is their estate.

Mr. and Mrs. Thomas want to reward Tom for his participation in the business by leaving him the shares of the business on their last death. At the same time, they want to make sure that Dave is left a fair amount of the overall estate value.

As part of the estate planning process, we have recommended a corporate reorganization to provide for Tom receiving shares of the business. This rewards him today and gives him incentive to grow the business. Mr. and Mrs. Thomas will enter into a shareholder's agreement with Tom that provides for the redemption of Mr. and Mrs. Thomas's shares on the death of the survivor. The intention is to fund this redemption with the aforementioned \$10,000,000 UL.

The proceeds of the insurance, once paid out to the estate by the business, will help take care of the capital gain taxes on Mr. and Mrs. Thomas's shares. At the same time, it will provide for an estate equalization payment for Dave, who was not left any interest in the business.

Estate value:

Personal assets:

Investment holdings	\$ 3,000,000
Residence	\$ 1,000,000
Personal effects	\$ 500,000

Liabilities:

Line-of-credit and other personal debts	\$ 500,000
Mortgage	\$ 0

Net Worth excluding residence: \$3,000,000

Business Value:

Fair market value of the business has been based mainly on capitalization of adjusted earnings of \$500,000, on average, over the past three years. Based on sustainable earnings and growth, plus the value of land, buildings and equipment, and goodwill, the fair market value of the business is \$6,000,000.

(Please see the balance sheet and income statement, attached with the accountant's summary of the estate and taxation analysis.)

I hope this information will assist you in underwriting this application. I will be happy to answer any questions you have.