PEARSON HALL INC

Long Term Planning Questionnaire

*Part of what makes Pearson Hall, Inc. an **effective** planning solution is our ability to look at the entirety of your financial situation and show you the correlation between your ownership of assets and how and when they are taxed. From the income tax return to the estate planning documents, what you own and how you own it will play a critical role, not only in the investment return of the asset, but also the cost of ownership and then at some future date, the sale or transfer, either by gift or the distribution through your estate. **Too often we have seen really good estate and tax planning documents that are completely undermined at death because the assets were not titled properly in life.***

Estate Planning

A. Do you have a current will in place? _________

   In what state was it signed? ____________

   When was it done? ________________

   Who was the attorney that assisted you in getting it done? ______________________

   Has your family circumstance changed since your will was completed? (We are looking for the death or birth of an intended beneficiary or you may have re-married……)
   ____
   ____

   Has your financial condition changed since your will was completed? ______________

   In what ways?____
   ____
   ____
   ____

B. Have you created, or, are you the beneficiary of any Trust? ________________________

Who is the Trustee? ____

What is the purpose of this trust? ____

Was it completed in conjunction with your will? And by the same attorney?___________
____

Do you have any "power of appointment" over the property in this trust? Or, the ability to terminate the trust, or remove the current trustee and name a new one? ____________
____
____

Does this trust file a tax return?____

Do you have or are you the beneficiary of any "qualified retirement plan" like a IRA or a company pension or profit sharing plan?_____________________________________
____
____

Who is the intended beneficiary of your retirement money? _______________________
____
____

Investment and asset allocation

To determine your risk-tolerance level, please complete the accompanying self-evaluation. This evaluation will attempt to measure your bias to market volatility, weigh the relative importance of your goals and uncover your personal investment preferences. It is not intended to provide investment parameters or direction on how your portfolio will be managed. Actual investment discipline agreed to with your investment manager may differ from responses to this questionnaire. Please circle the best answer.

1. Which of the following statements is most true about your investment objectives and the way you wish to invest?

   (A) My investment should be completely safe: I do not wish to run the risk of losing any principal at any time.
   (B) My investments should generate regular income that I can spend.
   (C) My investments should generate some current income and also grow in value over time.

(D) My investments should grow over time, but I would also like to generate some current income.
(E) My investments should grow substantially in value over time. I do not need to generate current income.

2. Depending on the kind of investments you select, the value of your assets can remain relatively stable (increasing slowly but steadily) or may rise and fall in response to market events. The degree to which the value of an investment moves up and down is referred to as its "volatility." In general, more volatile investments tend to grow faster than more stable investments but carry with them a greater risk of loss. For example, volatile investments are more risky since there is no guarantee that the "upturns" will be larger than the "downturns." With respect to your investment goal(s), how much volatility are you willing to accept?

   (A) Slight. I do not want to lose money, even if it means my returns are relatively small.
   (B) Some. I would be willing to accept the occasional loss as long as my money was in sound, high quality investments that could be expected to grow over time.
   (C) Considerable. I am willing to take substantial risk in pursuit of significantly higher returns.

3. Which statement below most accurately describes your attitude and expectations regarding the performance of your portfolio(s) in "up", "down" and "average" markets?

   (A) I would rather minimize losses in "down" markets than do well in "up" markets.
   (B) I am comfortable with "average" returns in both "up" and "down" markets.
   (C) I would rather do well in "up" markets than limit losses in "down" markets.

4. Investments in which the principal is 100% safe sometimes earn less than the current inflation rate. This means that while no money is lost, there is a loss in purchasing power. (To illustrate: If a $100 bill was locked in a vault 100 years ago and taken out today, it would be worth $100 but would buy you a great deal less today than when it was put in.) With respect to your investment goal(s), which of the following is most true?

   (A) My money should be 100% safe, even if it means my returns do not keep up with inflation.
   (B) It is important that the value of my investments keep pace with inflation. I am willing to risk an occasional loss in principal so that my investments may grow at about the same rate as inflation over time.

(C) It is important that my investments grow faster than inflation. I am willing to accept a fair amount of risk to achieve this.

5. I understand the value of my portfolio will fluctuate over time. However, I would consider revising my investment strategy if during any one-year period my portfolio ***declined*** in value by:

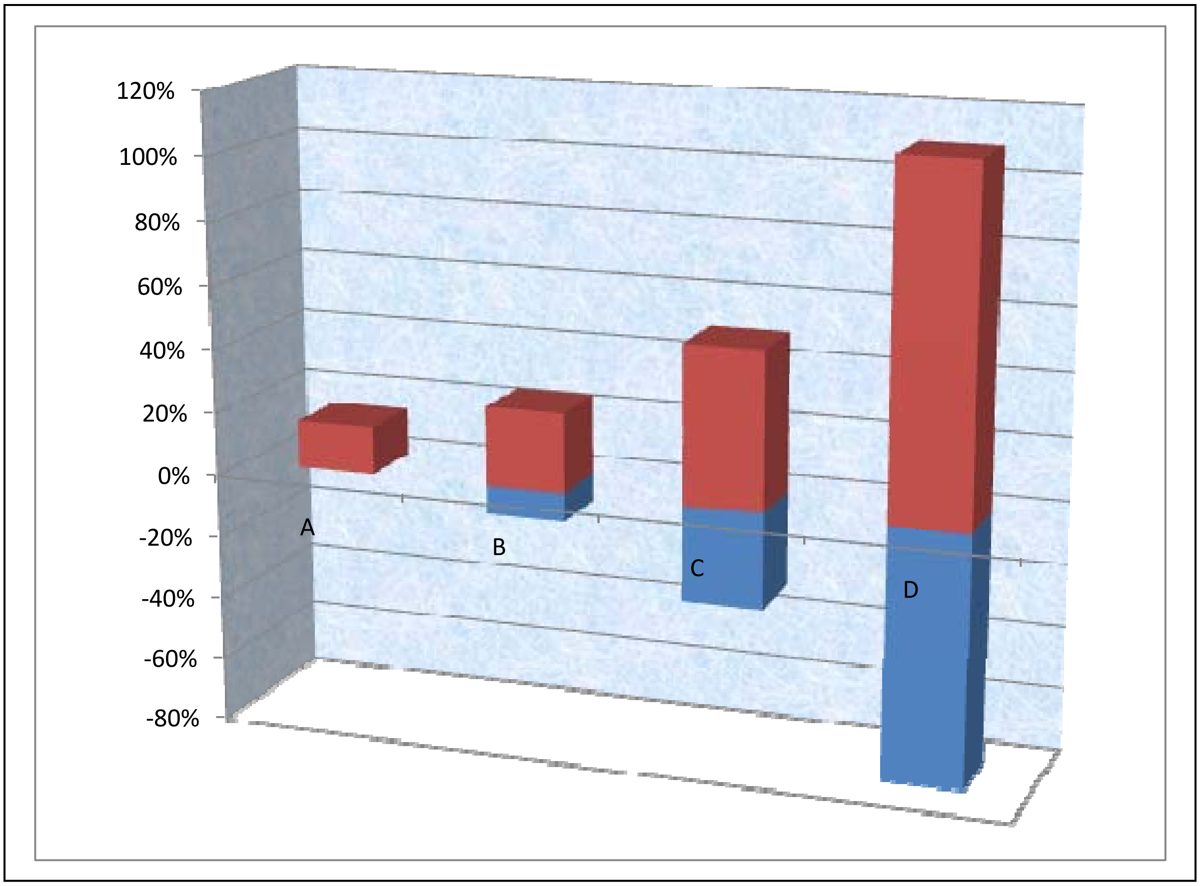
   (A) 0% to 5%
   (B) 5% to 15%
   (C) 15% to 25%
   (D) 25% to 35%
   (E) Greater than 35%

6. Consider the following two investments, A and B. Investment A provides an average annual return of 5% with minimal risk of loss of principal. Investment B provides an average annual return of 10% but carries a potential loss of principal of 20% or more in any year. If I could choose to invest between Investment A and Investment B to meet my goal(s), I would invest my money:

   (A) 100% in Investments A and 0% in Investment B
   (B) 75% in Investment A and 25% in Investment B
   (C) 50% in Investment A and 50% in Investment B
   (D) 25% in Investment A and 75% in Investment B
   (E) 0% in Investment A and 100% in Investment B

7. The data below represent historical performance of four selected investment portfolios, A, B, C and D over a 60-year period. The chart illustrates the range of annual ***calendar year*** returns for each portfolio. (For example, Portfolio C gained 50% in its best year and lost 30% in its worst year.) Among these investments, I would be most comfortable owning:

   (A) Portfolio A
   (B) Portfolio B
   (C) Portfolio C
   (D) Portfolio D



8. Do you have any concern or restrictions on your investment portfolio from an environmental, political, or social concern or consciousness that will affect the investment of the money?____

9. What portion of your current income needs over the next five years will be derived from your portfolio?

(A) Most
(B) Some
(C) None

Economic outlook

We ask that you complete the following to help us gain a sense of your general thoughts about the economy and our economic future. How should your investments fit into your outlook? We are also interested to get your feedback about our current tax policy. We believe strongly that the "tax tail should not wag the planning dog" but effective and consistent planning will include a clear understanding of the tax implications of the investment and wealth transfer decisions that you may make.

1. What is your current income tax bracket? ____________________________________
2. Are your taxes too high or too low or just about right? __________________________
3. Do you make an investment decision based on the tax effect it will have? _________
   If so, how important is the tax consequence of an investment decision to you?____
   ____
   ____
4. Are you optimistic, pessimistic or ambivalent about the world economy? __________
   Why?____
   ____
   ____
5. What about the US economy, optimistic, pessimistic or ambivalent? And why?
   ____
   ____
   ____
   ____

   Is there any additional comment you would like to make or anything you believe is relevant that we have failed to ask here?
   ____
   ____
   ____
   ____
   ____
   ____

Thank you.