NORTHSTAR
BROKERAGE OF PALM BEACH LLC.

Wealth Maximization Strategy™

How the WEALTHY acquires life insurance!

Northstar Brokerage of Palm Beach LLC.

- Founded in 2006 and headed by the former Director of Insurance of one of Wall Street's largest firms.
- Since our inception, we have offered cutting edge strategies to our high-net-worth and ultra-high-net-worth clientele throughout the country, which has resulted in the origination of life insurance death benefits of several billion dollars.
- Northstar combines life insurance expertise with a vast knowledge of and access to the capital markets. The end result is what keeps us on the cutting edge within the Life Insurance Community.

(Pictured left to right)

Dennis Van Dingenen

President

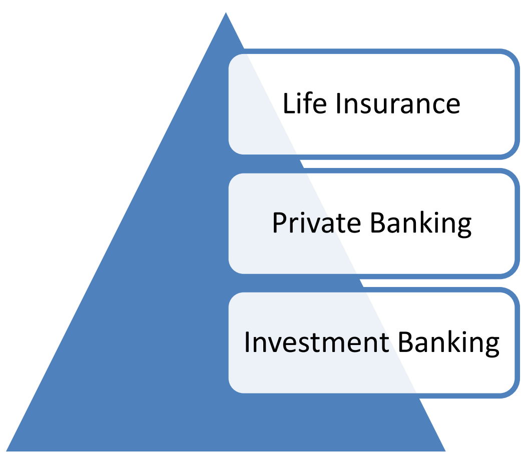
William Van Dingenen

Chief Operating Officer

What is the Wealth Maximization Strategy?

- Based on an individual's Life Insurance Capacity, which is the maximum amount of life insurance that an insurance company deems justifiable based on the applicants age, income, and net worth. Life Insurance Capacity it limited in duration, subject to health and financial constraints, and once passed by is gone forever.

- The transaction allows a wealthy client the ability to access funds as if they were a Fortune 500 company and utilize those funds to acquire large amounts of life insurance with No Out-of-Pocket Costs and maximize the total amount of wealth that is ultimately transferred to future generations. All scheduled premiums are third party paid and aggressively funded over a condensed period of time, typically 7 or 10 years, with the maximum premium allowed by the IRS. Specially designed life insurance products are utilized to build immediate, rapid-growth and principal protected cash-value allowing the death benefit to grow substantially over time. Northstar Brokerage of Palm Beach LLC. and our partners bring the following markets together:



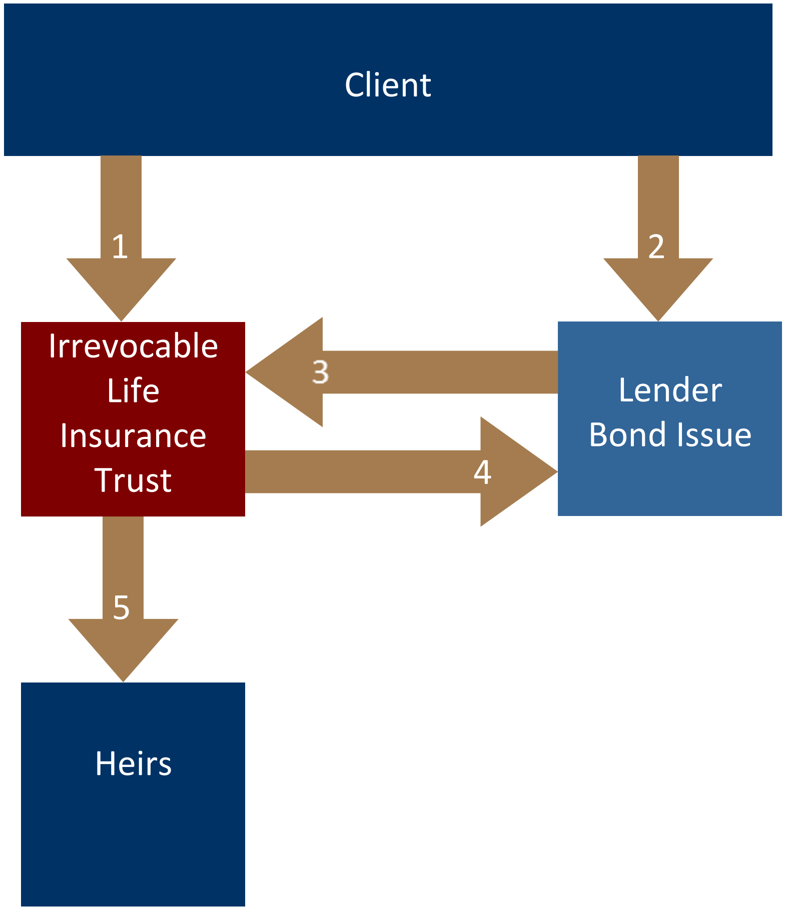
Qualifications

- Typical clients are under the age of 70.
- Must be insurable. If the client and their spouse/partner are not insurable, are over the age of 70, or have maximized their Life Insurance Capacity, a policy can typically be secured on children and/or grandchildren utilizing the client's net worth to qualify for coverage. This enables the family to have a Wealth Transfer Plan established now with No Out-of-Pocket Costs and further enables the life insurance policy's death benefit to grow dramatically over time.
- Have a net worth of $5,000,000 or more.
- Must be a "Private Bank Eligible" client.

Program Highlights

- There are currently seven top tier banks that act as a Lender that can be utilized to acquire the funds needed to secure large amounts of life insurance without a client writing a single premium payment out of pocket.
- The transaction is based on partnering with a Lender (large Private Bank) and a Investment Banker. The Lender in tandem with the Investment Banker issues a 20 year Variable Rate Debt Obligation (VRDO) Bond to Wall Street. This transaction requires that the bond issued receives an “A” rating from S&P. The total of the bond is equal to the scheduled premiums plus the investment banking fees and the initial loan interest. It is an interest only bond with the principal due in 20 years. This is referred to as “Commercial Paper” and the actual name of this type of bond is a “Lower Floater”. There are millions traded in this space daily on Wall Street. Commercial Paper is used for money markets at mutual fund companies, banks, and Fortune 500 companies. This transaction is patented and therefore is only available through select advisors.
- 100% of the scheduled premiums are received up front including an extra amount to cover investment banking fees and initial loan interest. The balance is put in a side fund managed by the Lender in conjunction with the client. The scheduled premiums and initial loan interest are paid by the side fund. Starting around year 6 or 7, the loan interest is paid by variable or participating loans from the insurance product (scheduled premiums continue to be paid by the side fund until it is exhausted). Between years 15 and 25 there is enough cash value in the policy to pay off the loan balance (client has a paid up policy with No Out-of-Pocket Costs). If the loan payoff is after year 20 it is assumed the Lender paid off the bond principal and issued another bond.
- The Lender does not require a personal guarantee from the client for the total value of the bond issued. This is due to the fact the Lender will only deal with insurance carriers that are highly rated and approved to participate in this transaction. All transactions are approved through the Advanced Market Desks of participating carriers.
- All fees are rolled into the bond issue, including any fees that may be charged by the client’s advisors (e.g. Attorney and/or CPA).

The Process



1. Client fills out a confidential "Personalized Presentation Request" form. Once received, a "Personalized Presentation" based on the information provided will be secured and made available to the client and their advisor(s) (e.g. Attorney and/or CPA). If the client wants to proceed, we secure informal offers for life insurance from participating carriers and the client supplies financial statements to qualify for the funding. The client and their attorney will establish an Irrevocable Life Insurance Trust (ILIT). The Trustee of the ILIT then formally applies for insurance on the client and/or spouse and/or children. The costs of setting up the ILIT and all advisor fees are paid via the bond issue. Once the client has a **formal** medical offer from the selected carrier, a representative from the Lender, the Investment Banker, and Northstar Brokerage of Palm Beach LLC. will meet with the client and their advisor(s) to complete final paperwork.

2. Client transfers supplemental collateral to the Lender to secure a Direct Pay Letter of Credit that it used to issue the bond. Client can retain control over investment philosophy and manager selection. The Trustee pledges the policy as primary collateral for the transaction.

3. Lender and Investment Banker funds the ILIT with enough capital that is needed to pay the scheduled premiums, all costs, and initial interest. Future interest is paid via loans from the insurance product.

4. Trustee repays principal and any outstanding interest, if applicable, to the Lender to pay off the bond from policy proceeds at the death of the insured or earlier with future cash values. At this time, any supplemental collateral would be returned.

5. Net proceeds are distributed per the terms of the ILIT.

Contact

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