Tom and Judy Smith

EIGHT OAKS FINANCIAL
WEALTH MANAGEMENT

Wealth Management / Planning

- Completed
  - 2015
    - Started working with Eight Oaks Financial
    - Began asset management and financial planning
    - Progress Report meeting
      - June
        - Established IRA for Tom- moved three 401(k)'s into IRA
        - Established IRA for Judy - moved from old broker
        - Began 529 college savings plan for Sally and Timmy - American Funds
  - 2016
    - Progress Report meeting
      - January — Began 529 college savings plan for Jill - American Funds
      - June
    - Continued asset management and financial planning
  - 2017
    - Progress Report meeting
      - January
        - Established $2 million term life policy on Tom
        - Established $2 million term life policy on Judy
      - June — Discussed estate planning. Introduced to estate planning attorney
    - Continued asset management and financial planning
  - 2018
    - Progress Report meeting
      - February
      - July
    - Continued asset management and financial planning
  - 2019
    - Progress Report meeting:
      - February — Established long term care insurance on Tom and Judy
      - August — Introduced the MindMap planning concept
    - Continued asset management and financial planning
  - 2020
    - Progress Report meeting:
      - January — Rolled over Tom's 401(k) from old employer to IRA
      - June
    - Continued asset management and financial planning
  - 2021
    - Progress Report meeting:
      - February
      - August — Made asset allocation in IRA accounts more growth oriented
    - Continued asset management and financial planning
  - 2022
    - Progress Report meeting
      - February
      - July — Fully funded annual contributions to 529 plans
    - Continued asset management and financial planning
  - 2023
    - Moved to LPL Financial
    - Progress Report meeting
      - February — Phone call about moving to LPL Financial
      - March
      - October — Established Risk Number
  - 2024
    - Progress Report meeting — August
  - 2025
    - Progress Report meeting — February — Phone call about moving to LPL Financial
    - Annual Review — August
  - 2026
    - Progress Report meeting — February
    - July - Distribution request to purchase new car.
    - Annual Review — August
- In Progress
  - For next meeting — Look at purchasing condo at Tahoe
- Planned

Interests

- Travel
  - Hawaii trip planned for this summer
  - Europe scheduled for 2029
- Kids Sports
  - Jill
    - Soccer
    - Volleyball
  - Tim
    - Volleyball
    - Waterpolo
- Charitable Interest
  - Judy's Alumni Organization - Endowment

Process

- Meet Face to Face every 6 months
- Would like Contact Every Quarter
- Started working with Eight Oaks Financial in 2014
- Referrals from Steve and Barbara Jones

Advisors

- Wealth Manager — Andy Chatham - Eight Oaks Financial
- CPA — Mary Walker, Accounting
- Attorney
  - Kim & Kim Estate Planning — Estate planning attorney
  - Big Law Firm — Business attorney
- Property Casualty Agent — Mark Knox - Hays Company

Insurance

- Life Insurance
  - Tom
    - Group Life — 3x base salary
    - MassMutual
      - 20 year level term
      - $2 million death benefit
      - Start date 1/1/2021
    - MassMutual
      - Whole Life
      - $1 million death benefit
      - Start date 1/1/2021
  - Judy
    - Group Life — 3x base salary
    - MassMutual
      - 20 year level term
      - $1 million death benefit
      - Start date 1/1/2021
    - MassMutual
      - Whole Life
      - $500K death benefit
      - Start date 1/1/2021
- Long Term Care — Need to have discussion
- Disability Insurance
  - Tom — Group LTD offered through work
    - 66 2/3 of base salary
    - Taxable benefit
  - Judy — Group LTD offered through work
    - 66 2/3 of base salary
    - Taxable benefit
- Health Insurance — Both use Tom's coverage — Tom

Values

- Family
  - Be Able to Spend Time with Grand kids
  - Continue to Stay Close to Children
- Financial Stability
- Vitality - Maintaining Active Lifestyle
- Health

Relationships

- Tom (1/5/1945)
  - Tom's mother: Wilma (86)
    - No financial needs today
    - Deteriorating health — Looking at retirement homes
    - Expecting an inheritance — Tom is the executor of her trust
    - 3 - 4 rental properties and land
    - Live in Redwood City
- Judy (10/11/1947)
  - Judy's parents
    - William (68)
    - Jill (68)
    - Good health
    - No financial needs
    - Life in Chicago
- Child: Sally (10) — Middle School — Private school
- Child: Timmy (8) — Elementary School — Consider going to private school next year.
- Child: Jill (4) — Start Kinder next year — Looking at public and private options

Goals

- If we are meeting three years from today...
  - Looking back over those three years, what has to have happened for you to feel happy with your progress?
    - 2029
      - Kids school issues worked out
      - Look at moving to Colorado
      - Be prepared to pivot to a new business
  - D.O.S.
    - **Dangers** (worries, concerns, pitfalls)
    - **Opportunities** to take advantage of
    - **Strengths** to build on
- Semi Retirement by age 62 — Income of $100K annually
- Financial Independence by age 66
- XYZ Company will be purchased by employees.
  - Goal = $5 million
  - Then provide an income stream
  - Pivot to a consulting position if this doesn't work out.

Income & Expenses

- Tom
  - XYZ Company - President
    - Previous Years 12
    - 2026
      - W2 - base $200K
      - Bonus $100K
      - RSU's $100K per year
  - Soc. Sec. — Start at 67
- Judy
  - High Tech Company - Director
    - Previous Years 15
    - 2026
      - W2 - base $200K
      - Bonus $20K
      - RSU's $10K per year — Vest 25% over the next 4 years
  - Work Pension, Starts at 65 — Not indexed for inflation
  - Soc. Sec. — Start at 67
- Household Expenses — Annual $150,000; Property taxes $14,000
- Expenses at Retirement — GOAL: Maintain current standard of living
- Future Expenses
  - Long term care of Mrs. parents
  - Children's education
  - Children's weddings
  - Helping Mr.'s sister's children with schooling

Assets

- 2026
- Personally Owned
  - Property
    - Residence - 750 Home Dr.
      - Value $2.5M (May 2023)
      - Purchase price $1.5M
      - Purchase date: 1/30/2019
      - Mortgage
        - Balance $1.1M (May 2023)
        - Starting balance $1.5M
        - Start date: May 2020
        - Interest rate 3.5%
        - Term: 30 year
    - 200 Steel Dr. - Rental
      - Value $850K (May 2023)
      - Purchase price $750K
      - Purchase date: 10/1/2016
      - Mortgage
        - Balance $510K (May 2023)
        - Starting balance $650K
        - Start date: Oct 2016
        - Interest rate 3.5%
        - Term: 30 year
    - Maui Property - Rental
      - Value $250K (May 2023)
      - Rented 6 months of the year
      - Self Sustaining - net neutral
    - Florida Beach Property
      - Mr.'s Mother's Property, Will Inherit
      - Value (approximate) $450K (April 2018)
      - Rental
        - Rented 6 months of the year
        - Self sustaining, positive income
    - Sail Boats
      - Vacation Time — Value $40K (Jan 2019)
      - Set Sail — Value $25K (Jan 2019)
  - Family Trust Account - LPL SAM Account
    - Allocation - Moderate Growth
    - Risk Number: 66
  - Tom's IRA - Brinker Capital
    - Allocation - Moderate growth
    - Risk Number: 55
  - Judy's IRA - LPL SAM Account
    - Allocation - Moderate
    - Risk Number: 51
  - Joint Investment Account - Morgan Stanley
    - Allocation - Growth
    - Risk Number: 78
  - Judy's Annuity - MassMutual
    - Allocation: Conservative
    - Risk Number: 41
- Work Related 22