

Personal Equity Compensation Profile *Checklist*

Employee Name: _____

Co. Symbol: _____

Advisor Name: _____

Phone: _____

To create a StockOpter® Personal Equity Compensation Profile report the following information is need (***This information will be kept confidential***). For NWSI back-office service fax checklist to: 541-388-0308.

- The individual's Equity Compensation Grant Summary with vesting schedule for all grant types
 - The following assumption information (Omission of any data will result in an inaccurate profile so please approximate where necessary)
- 1) Please estimate the before-tax value of assets outside of company stock, options, and restricted stock. Do not include any company stock or options or the value of the personal residence. The default is 0.
 - 2) Please estimate the amount of money needed today to meet future financial needs. The default is \$2,000,000. Instead of providing this number, you may complete questions **a** through **d** below, and we can generate a gross estimate.
 - a. Estimate the amount of pre-tax monthly income required to support the desired lifestyle. Reduce this figure for any anticipated debt payments; anticipated annual Social Security Benefit and any anticipated annual pension benefit (do not include 401K and IRA plans). The default is 0.
 - b. Estimate any additional capital needs if retiring today. Include amounts required to pay off current (or future) debt (e.g., mortgage, car loan, etc.) and any future major expenditures (e.g., college, charitable giving, etc.). The default is 0.
 - c. Estimate the long-term pre-tax rate of return for retirement investments (aggregate). The default is 6.5%.
 - d. Estimate the long-term inflation rate. The default is 4%.
 - 3) Estimate current combined marginal federal and state ordinary income tax rate. The default is 40% (35% for Federal and 5% for State).
 - 4) Please estimate current combined federal and state capital gain tax rate. The default is 20% (15% for Federal and 5% for State).
 - 5) Please provide an estimate for the future volatility* of company stock. A good source for this is in the company's recent 10K to calculate their option expense. There is no default.
 - 6) Please provide an estimate for the risk free rate of return*. The default is 4.2%.
 - 7) Please provide the number of company shares owned outright (do not include the options or restricted shares) and estimate the total cost basis of these shares (not the per share basis). These may have come from prior exercises, vestings or purchases on the open market. The default is 0/0.
 - 8) Please provide the number of currently restricted company shares (do not include options or owned shares) and estimate the total cost basis of these shares (if any). The default is 0/0.

* For a white paper on Black-Scholes and Volatility visit www.networthstrategies.com/Support/Docs/insight.html