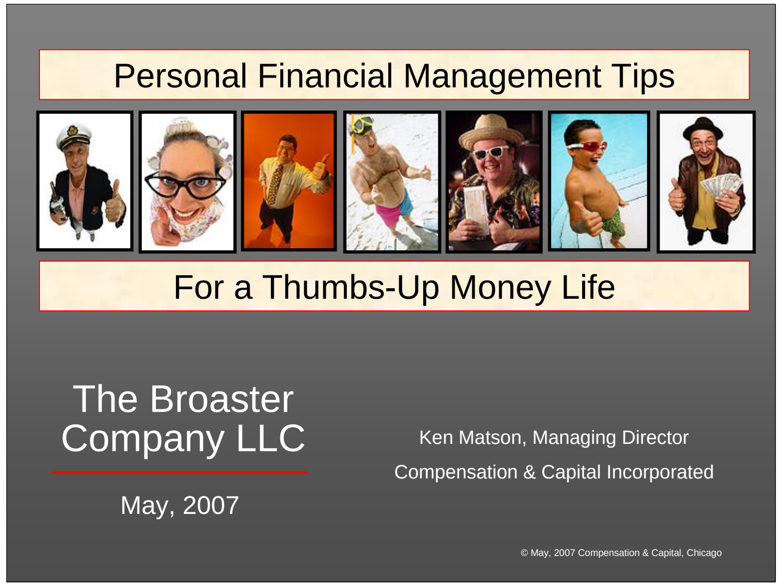
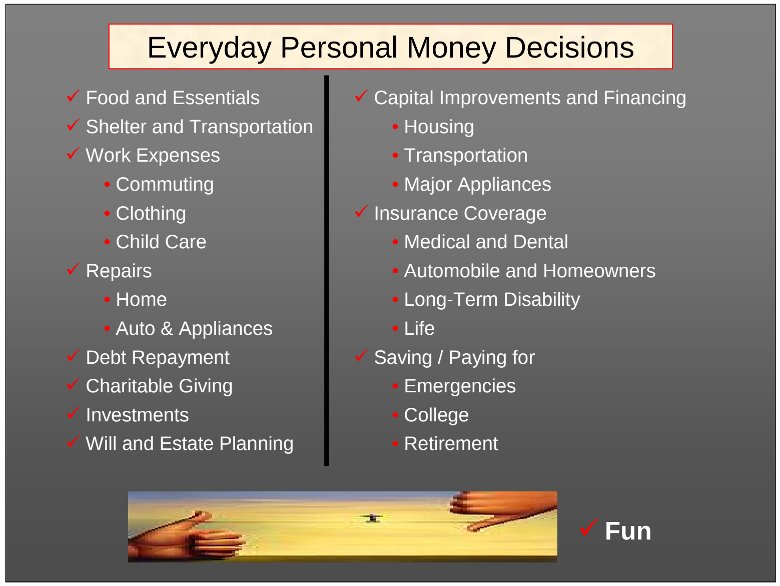
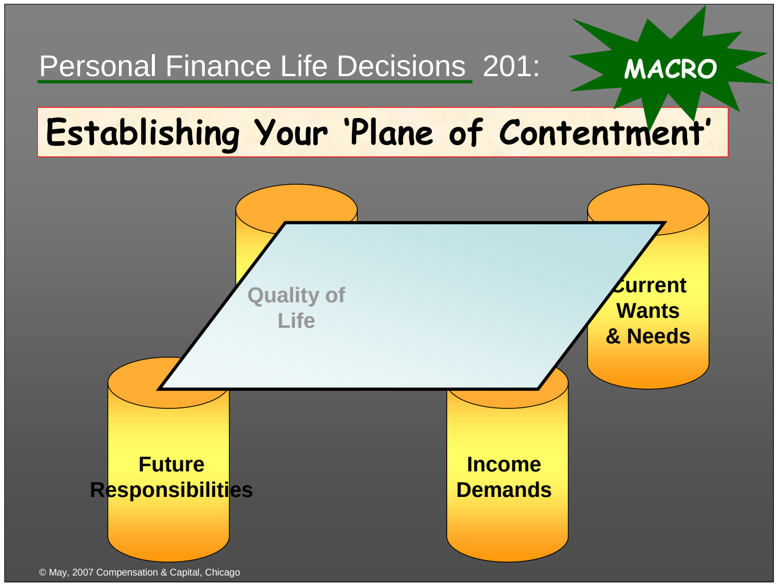


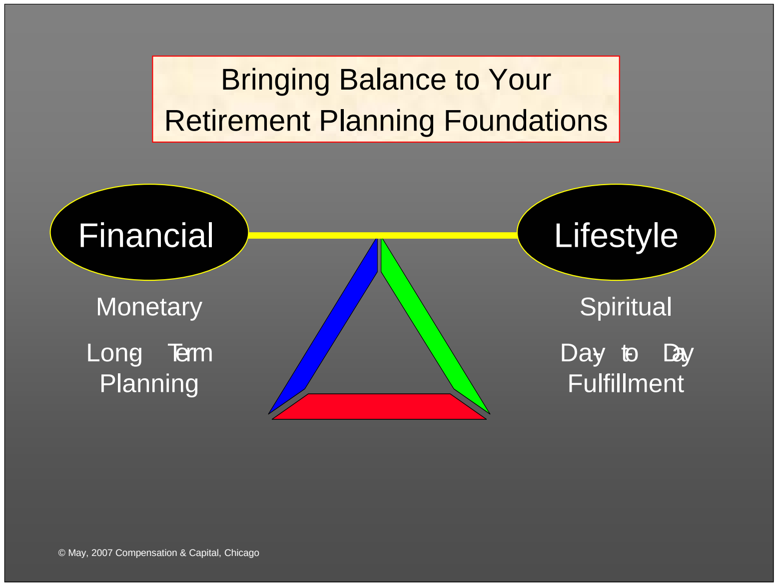
- Personal Financial Planning is an oxymoron. Your Plan will only be as good as your luck.
- That said, considering and prioritizing your alternatives and objectives increases the probability that luck will be on your side. There's a lot to the notion that quality of life is significantly dependent on the decisions we make.
- To much of financial planning has historically centered on investing. In fact, SAVING is the key to financial independence since it's impossible to be a successful investor with nothing to invest!
- Hanging your financial independence in retirement on investing success alone is delusional
- Living within your means, both during and after your working years is FAR more significant to your financial success than investing prowess.



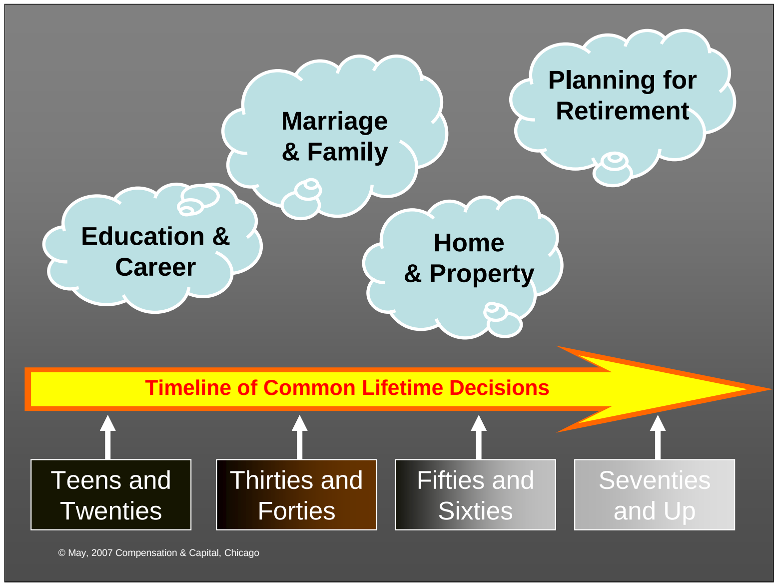
- Before you open your hearts and minds to anyone professing interest in your financial life, be sure you establish his/her trustworthiness:
  - How are they being compensated? Commissions? Fees?
  - Who pays them? The companies whose financial products you will end up using?
  - Whose best interest takes priority in your relationship?
  - If the answers to these questions don't point strongly in your favor, find counsel elsewhere.
- Neither my Firm nor myself will in any way be compensated today based upon the decisions you make as a result of my counsel through this presentation. We are paid ONLY by Broaster Company LLC to help you make the best possible decisions about your financial future. That, combined with our long relationship with Broaster Company LLC management and our personal financial and investing expertise, make this presentation about the best of all possible ways for you to expand your knowledge of personal financial management.
- So, back to that pesky financial plan:
- Just about every decision we make (or for that matter, don't make) has a financial implication
- And, as with just about everything in life, these issues are best pursued to the "Happy Medium" lest we lose sight of the important element – the FUN!



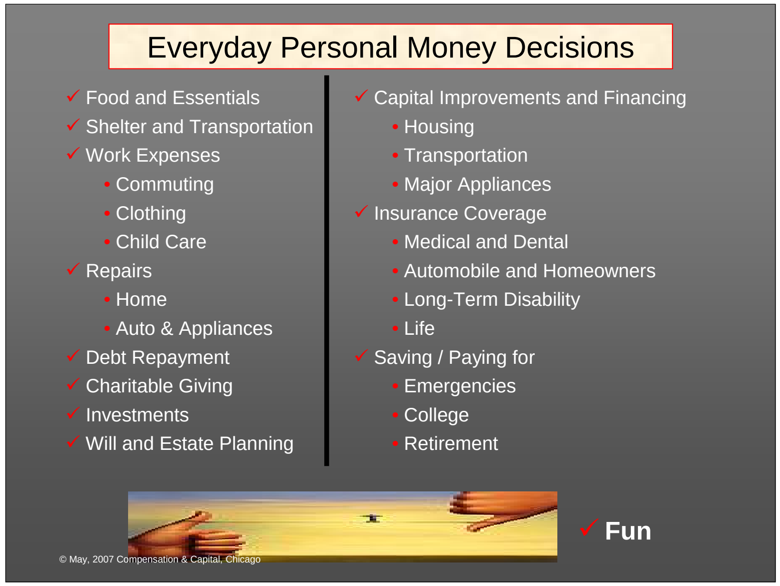
- In effect, our decisions aggregate to establish what we have come to refer to as our "Plan of Contentment".
- Keeping that plane, or the table top if you will, horizontal and all four table legs firmly on the floor is the objective.
- Put another way, we need to strive to keep our lifestyle decisions in balance with our financial objectives...



Retirement isn’t just about saving and investing. Success in retirement is dependent upon all the decisions, both financial and otherwise, that you make for your ENTIRE life. In fact, the development of your lifestyle before retirement is far more crucial to its success than the financial assets with which you enter that “post-career” phase of your life.

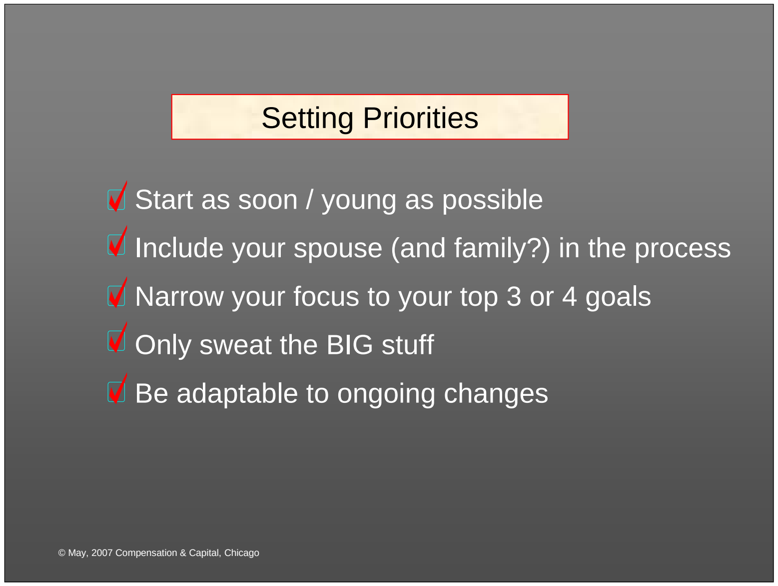


- And this whole plan needs to be *dynamic* in its focus too. Yes, all of this gets complicated quickly and we haven't even started into any details yet!
- As we move through life the major calls on our income – from education to family to housing to retirement – cycle through priority. Sometimes the prime determinate of priority is age; sometimes it's shorter-term job issues or health; sometimes it's just "life."
- So getting started with your financial plan is often times best focused on the very big picture: deciding where each of the macro items we highlight here fit into the scheme of your life – both now and in 5, 10, 15, and maybe even 20 years from now. This is a very necessary first step.
- And as with all complex problems, solutions are far easier when their issues are compartmentalized. So, back to the everyday stuff of money life...



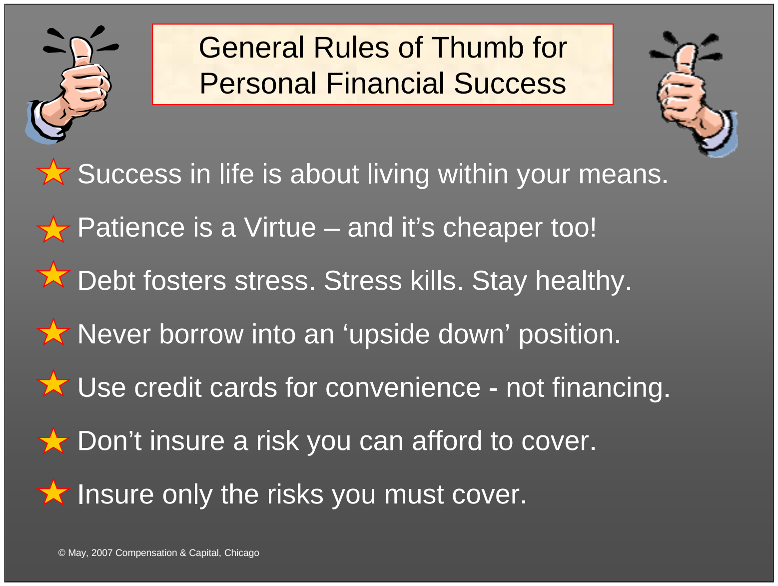
- All of these money life issues must be accounted for or at least discussed in a comprehensive personal financial plan.
- But once again, the PROCESS is key to your success. So let’s focus first on a process that seems to work for the majority of people trying to accomplish this seemingly daunting task.

- As I mentioned before, the best plan is a dynamic one. It should be broad-base, grounded in reality, with progress tracked tangibly but PATIENTLY.
- Remember, this is an evolving design that will encompass a lifetime – whether that lifetime is what you presently hope it will be, or something rather different indeed.
- All, or at least most, of these tips should increase the probability that your plan will synchronize with your life.



Other tips?

- Initial and ongoing communication with and participation by your family is imperative to the success of your efforts.
- Start as soon as possible:
    - When you are in young adulthood, this is a challenge.
    - At middle age, it’s a problem
    - At retirement time, it’s a crisis.



And some final general rules:

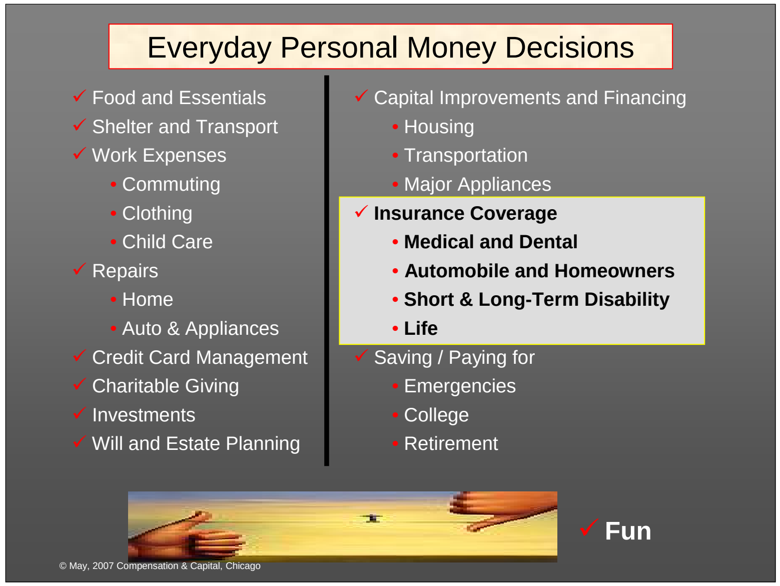
- We've talked about living well within your means – that's crucial.
- Doing what you can to stay healthy is also tantamount to financial success.
- Responsible use of credit is similarly important.
- And insurance, properly purchased and applied, fills in the cracks.

Insure risks you must cover:

- Life insurance for is only to support your dependent survivors – not for investment.

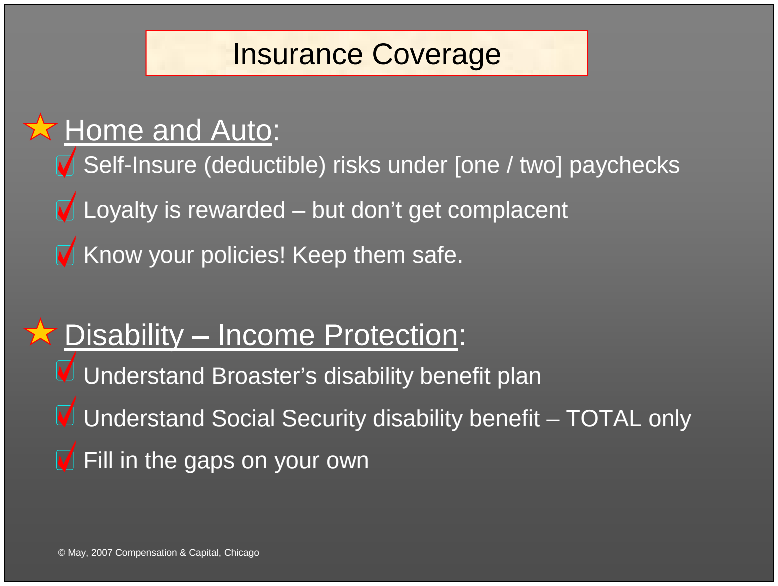
Insuring risks you can afford to cover out of pocket is a waste of money. Coordinate your various policy deductibles with your emergency cash fund to save on premiums:

- Automobile insurance deductibles based on your driving.
- Scrutinize scheduled personal property on your homeowners insurance.
- Consider raising health insurance deductibles if you are young and generally healthy and accident free.



So, let's look at various types of insurance in depth:

(Cycle through next two slides)



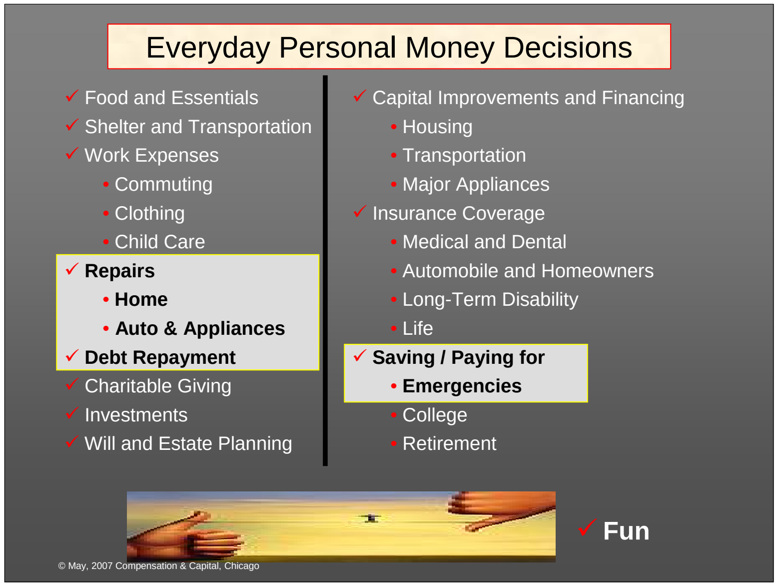
With Home and Auto:

- a good rule of thumb to follow when determining deductibles is to self-insure (that is, maintain deductible levels) equal to around one or two paychecks.
- Insurance companies want you to remain a long term customer and are interested in rewarding you for sticking around. But in many cases, you have to ask for these lower premiums, and like any other supplier relationship, it never hurts to comparison shop every two or three years.

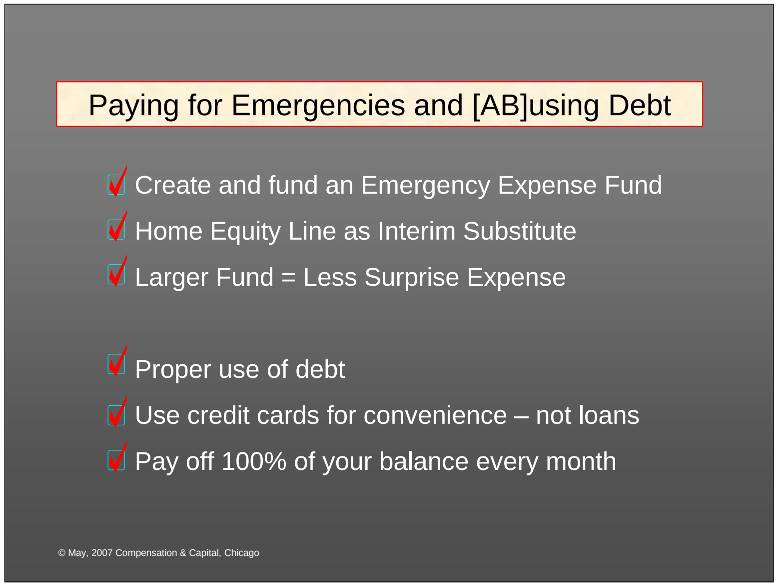
Disability (both short and long term) Income protection is as (or more) important than life insurance.

- Be sure you thoroughly understand your employer's benefit and evaluate it in terms of your family's income needs in the event you cannot work – temporarily or permanently.
- Understand the disability benefits of Social Security – go to www.ssa.gov for detailed explanation or contact your local Social Security Administration office.
- Once you understand what these programs provide, fill in the gaps on your own if necessary. Emergency funds, short-term private income replacement policies and long term disability policies are available through many reputable providers.

- Other than insuring for burial expenses, people who have no dependents generally do not need to buy life insurance. In fact, most employers' health insurance policies carry a nominal ($30,000 or so) term insurance policy that pays your beneficiary in the event of your death while employed.
- If you have dependents (children, parents, especially pampered pets...) who would need financial support in your absence, you need life insurance to cover this so-called "survivor risk". In general, if you and your family are living within your means, you should insure each family wage earner for about 7 to 10 times their annual gross pay. If your gross pay is $60,000 you should carry about $500,000 of term life coverage.
- And the policy <u>term</u> should last as long as the dependents will be dependent upon your income. Once the income requirement is gone or significantly reduced, premiums paid for life insurance are wasted. That's why survivor risk is best covered by TERM insurance – not WHOLE or UNIVERSAL life.
- "Whole" and "Universal" life insurance require far bigger premiums to buy comparable amounts of coverage than "Term" policies because the premiums include a relatively large 'savings' component that builds "cash value" in the policy. The accumulating cash value generally earns interest at about the same rate as a two-year CD. So, for long-term savers, this method of saving is very conservative and generally ineffective.
- Healthy people pay less for their life insurance premiums.



- For most people, debt and emergency funds are inextricably connected.
- Emergency funds – invested appropriately in savings accounts and CD's are a MUST. Without them, credit cards become a surrogate for savings and a cover for responsible living.
- Emergency funds need to be established for income replacement from temporary job loss and for home and auto repairs as appropriate.
- The equivalent of three to six months take-home pay is generally sufficient for job issues.
- Repair funds should be the equivalent of 1% of your house value and 5% of major appliance and car values. Obviously, the older your home, appliances, and car, the larger these funds need to be as a percentage of their value.



- Carrying credit card balances that accumulated because your car broke down or your roof had to be repaired is generally not just a sign of bad luck. More often than not, it's a wake-up call that you are living beyond your means.
- Starting emergency funds is not easy. And just like other challenges of financial life, there are ways to ease the pain.
- For instance, a home equity line used ONLY for home repairs that will maintain or increase the value of your home at resale can be an excellent way to take the heat off your budget while you build your paycheck emergency fund. Just be sure you don't use the home line for anything you that doesn't clearly add home value. And make sure you will be able to cover the monthly interest payment on the new debt.
- If you use a credit card (and try to keep the number of cards down to no more than two) be sure you pay the balance in full EVERY month. You will ALWAYS be able to come up with a reason why you couldn't – generally one that was not your fault! Don't allow this to happen even once.
- And if you have an outstanding balance now – make that your number one financial plan priority before all else.

So we have touched on lifestyle, insurance, emergency funds, and debt.

About all that's left is death! Or at least how it should be tackled in your financial plan that is.

The first three components of an estate plan are mandatory for every adult.

Your will designates who will receive your worldly possessions.

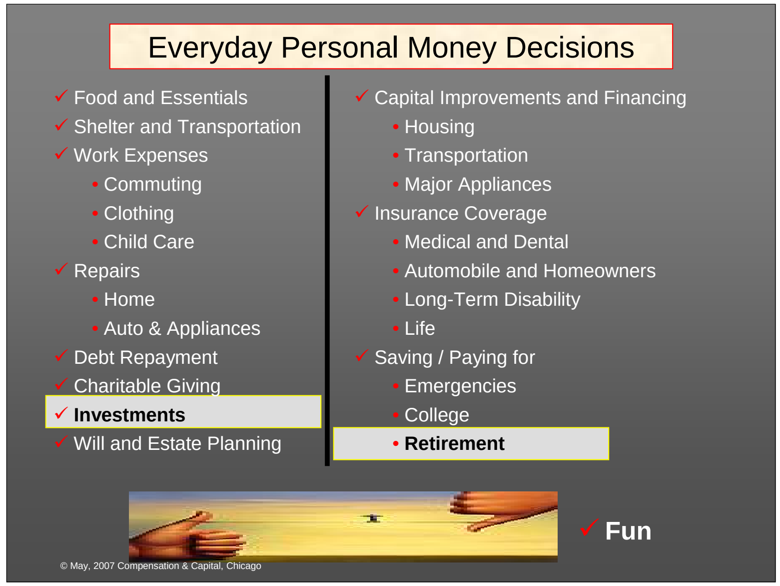
Your Power of Attorney assigns your signatory powers to another person.

And your Health Care Proxy assigns decisions about your care to another person.

A competent lawyer can draft and execute these for one person for around $300.

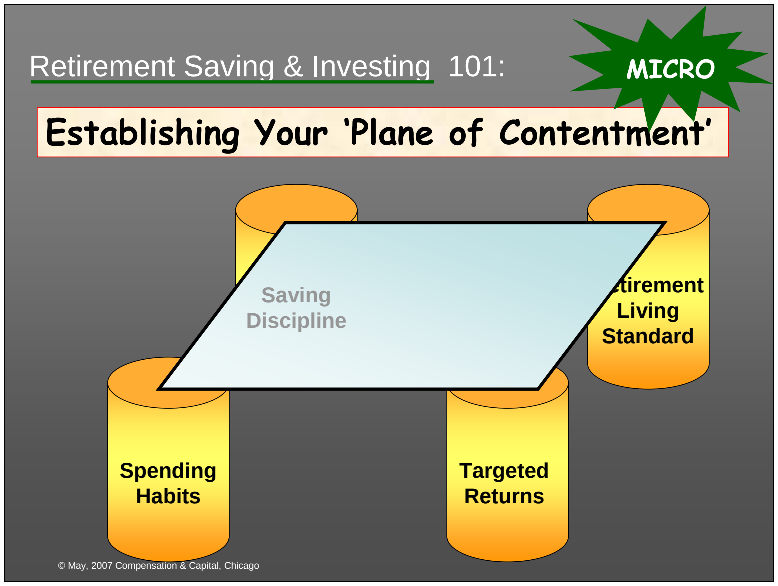
The fourth (a living trust) is used to attach “strings” to how your estate (your possessions including your minor dependents) is controlled after you are gone. A Living Trust will cost from $300 and up depending upon the complexity of your wishes and your possessions.

Finally, I always suggest that, as you consider issues of personal estate, you should take the time to jot down your wishes (funeral formats, disposal of personal possessions, notification of friends and loved ones) and file these notes with your estate papers. I call this your “When I Die” file. Your heirs will thank you for making these wishes known to them and saving them the anxiety of thinking through these issues in their time of grieving.



As I mentioned in my opening remarks, it has often struck me that the continual focus of 401(k) Plan employee education is <u>Retirement</u> Planning and Investments. As important as those two topics are, they are but a minor facet of most families' financial planning – nevertheless one that is obviously most difficult to grasp.

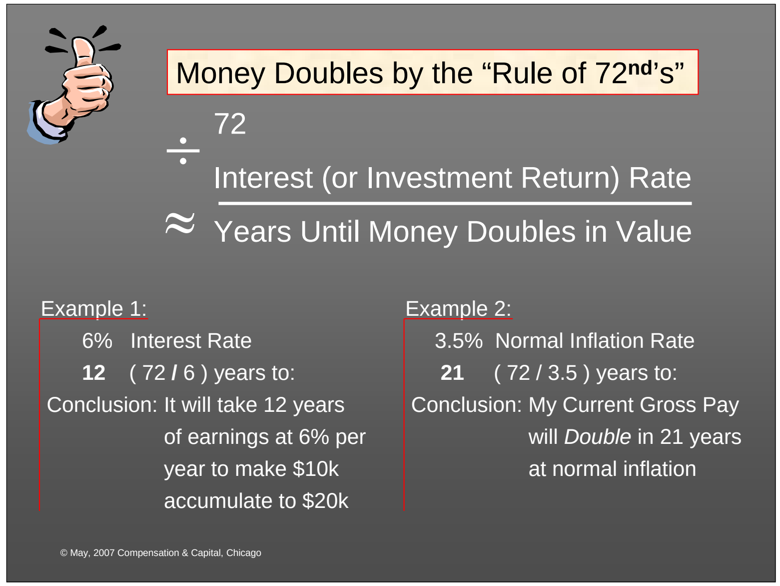
So let's hit a couple Rules of Thumb for Retirement Planning and then move into the other areas in a more structured way.



Just as a Plane of Contentment can provide a valuable conceptual illustration for lifestyle financial planning, the idea also comes in handy in considering the important components of Retirement Planning decisions.

Keeping the table top level and all four legs firmly on the floor is tantamount to success – both during the accumulation phase while you are still working, as well as during the semi- and full- retirement phases when accumulated funds and social security are your only sources of income.

So here are a couple of mathematical tricks to help you navigate the more dynamic phases of your financial plan:



This one allows you to quickly estimate the time it will take for interest compounding to produce a desired result. For instance:

Credit Card Interest at 18% doubles outstanding balance every four (72 divided by 18% = 4) years.

Health Care costs inflating at 12% per year double every 6 (72 divided by 12% = 6) years.

Investments in well-diversified (say, 60% stocks and 40% bonds) investment programs earn about 7%/year and double every (72 divided by 7% = 10+) 10+ years.

That’s the “Rule of 72^{nd}’s”.

Rule of Infinite Equivalent Withdrawals

Purchasing Power of Withdrawals is maintained INDEFINITELY only if the portion withdrawn does NOT exceed Investment Return *minus* Inflation Rate:

Investment Return- Inflation Rate ≧ Max W/D Rate

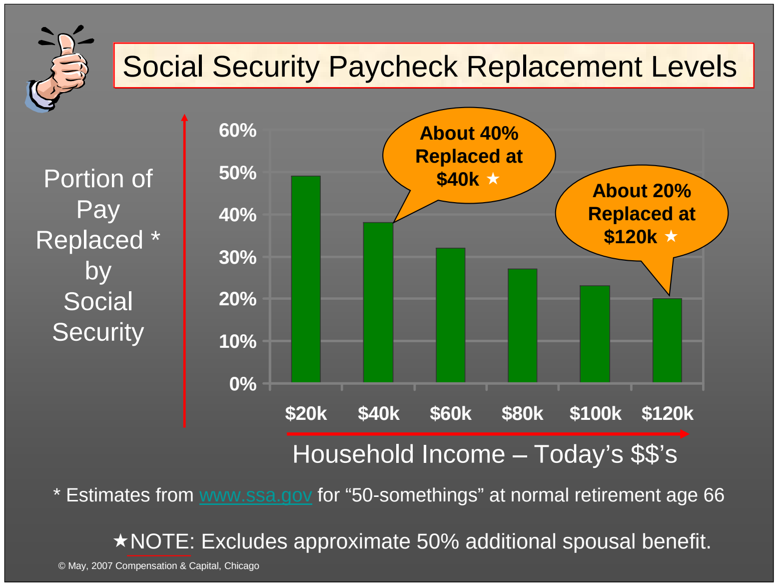
Examples:	A	B	C
Investment Return	3.5%	6.5%	8.5%
Inflation Rate	3.5%	3.5%	3.5%
Withdrawal Rate	5.0%	3.0%	5.0%
Value Maintained?	No	Probably	Probably
W/D Value Reduction in:	1yr (5%)	Extended Down Markets	
Years to 100% Depletion	20	∞	∞

NOTE: Reducing Years to Depletion from ∞ to 30 Increases W/D Rate by 1%

This one provides a quick estimate for computing what percentage of your portfolio may be withdrawn each year while maintaining purchasing power over the foreseeable future. Obviously, market fluctuations in the value of your portfolio will impact the accuracy of this projection. Therefore, most financial advisors will reduce the computed withdrawal rate by around 1% to allow for market conditions.

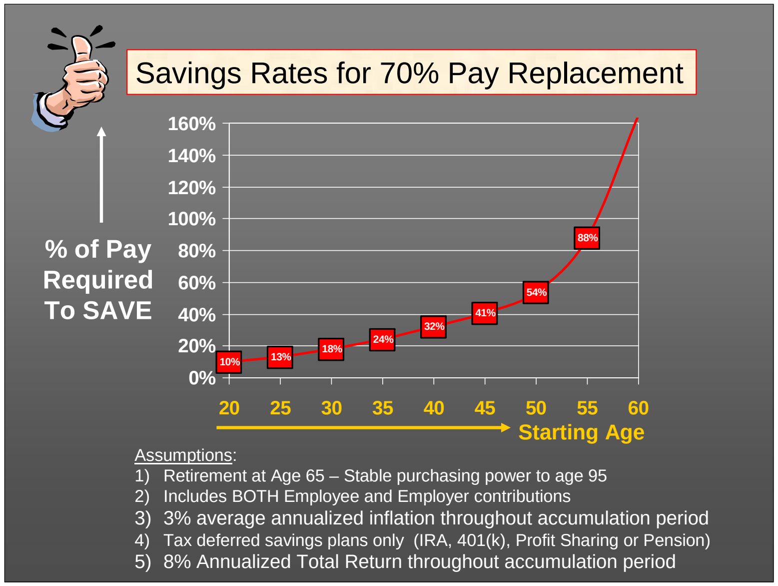
The computation's accuracy increases as the time horizon over which it is being utilized increase beyond 20+ years.

Note: The symbol " ∞ " denotes an infinite time period.



Our next math "trick" for financial plans gives a quick estimate of the replacement value (against current wage income) of your social security benefit. This chart is most accurate for persons in their 50's and early 60's; accuracy decreases for younger people due to the dynamic nature of the Social Security regulations.

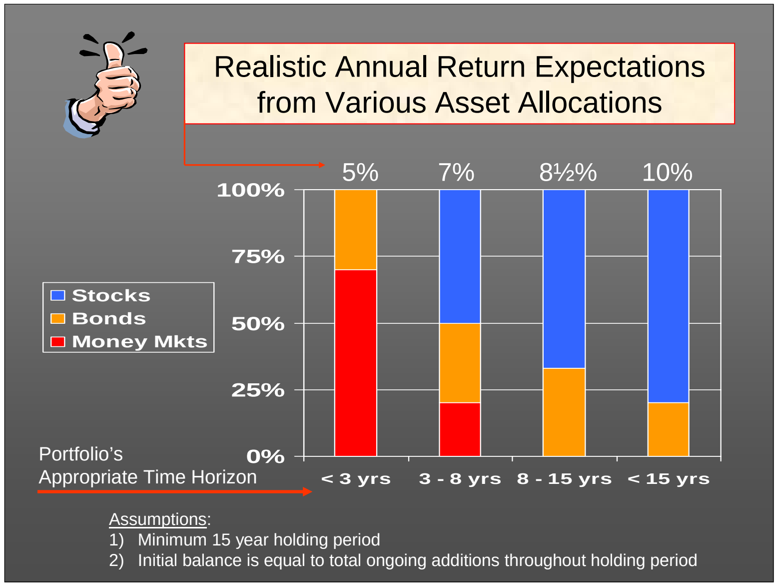
- For wage earners with pay income of around $40k (in today's dollars), Social Security initiated approximately at age 67 would replace about 40% of wage income for life. Wage earners with current pay income of $120k would replace at approximately 20%, and so on per the chart.
- Spouses (working or no-working) are compensated by Social Security at ½ of the household's larger earner's replacement rate. Therefore, two adults comprising a household with a total of $40k of pay income applying for social security benefits would replace approximately 60% of their final pay with Social Security benefits.
- For a more personalized projection of your Social Security benefit, log on to www.ssa.gov and sign up for an annual benefits statement from the Social Security Administration.



Here's a handy table that illustrates the savings rate relative to gross pay that's required at various ages to accumulate sufficient wealth, invested at 8% total annualized return, to replace 70% of that gross pay almost indefinitely and certainly until the end of your natural life.

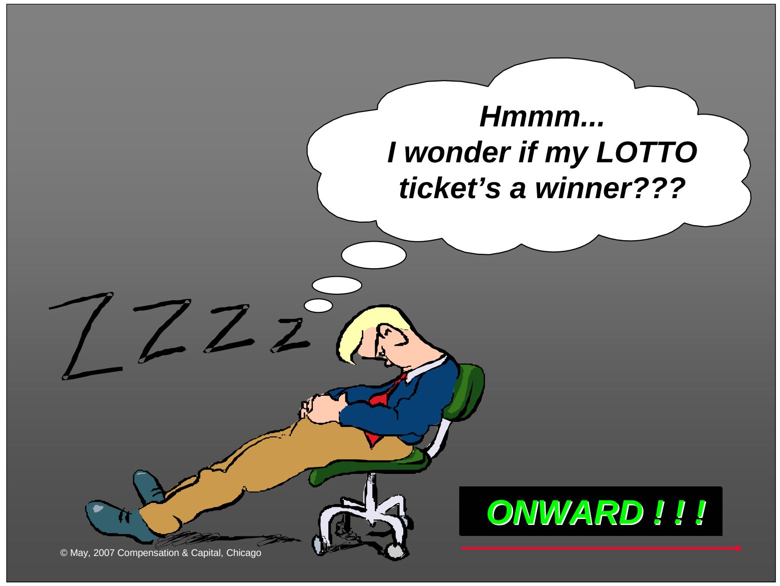
That's a mouthful to be sure. But the simple message here is: the earlier you start, the easier this goal (70% replacement of working income for the remainder of your life) is to achieve.

Note that the rates, for example 18% beginning at age 30 for the ensuing 35 years, increase dramatically and become realistically UN-attainable as we move through middle age. But starting at age 20 or 25, provided you are working for a company like Broaster that provides a maximum 4% matching contribution, makes this a realistic goal.



Our final math rule of thumb illustrates realistic expectations for investment returns using four very distinct mixes of stocks, bonds, and money market investments. These mixes are identical to the 401(k) Plan's mixes – or as they are known in the investment advisory business: "Strategic Asset Allocations" – represented in our four Sample Portfolios available on the Plan's website at www.planspecs.com/broaster

Note that these returns are far less than the returns earned over the past nine months since the Plan's investments were restructured away from your former Plan provider. The past nine months have been unusually positive for stock investing both in the U.S. and around the globe. Returns could have easily been of this magnitude but negative instead. In other words, ALWAYS be careful to remember that over time periods appropriate to long term investing, that is periods in excess of 8 to 15 years and more, individual annual periods can accrue wildly different investment returns than the average annual returns that you should expect over the "life" of the investment. So even the most aggressive of the sample portfolios that we make available to you can project long term annual total returns in the high single digits, with relatively more conservation variants producing marginally less than that result.



So with all these “rules of thumb” well in hand and the bulk of my presentation complete, you might be led to believe that contemplations of financial independence are about all that’s left!

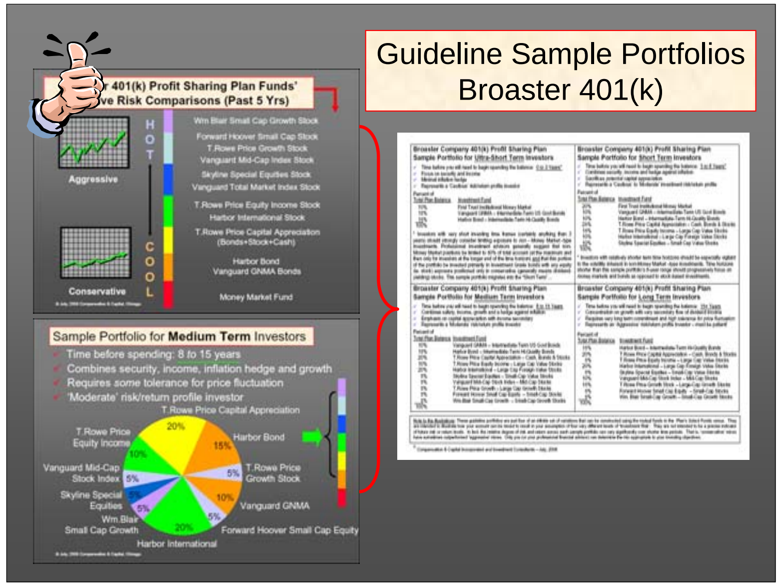
Unfortunately, that’s not quite true. Implementation of your investing choices, then monitoring of their results, and being on the alert for appropriate changes to your plan and your personal financial situation are still ahead.

In summary, your To-Do list for Plan investing issues is short but important.

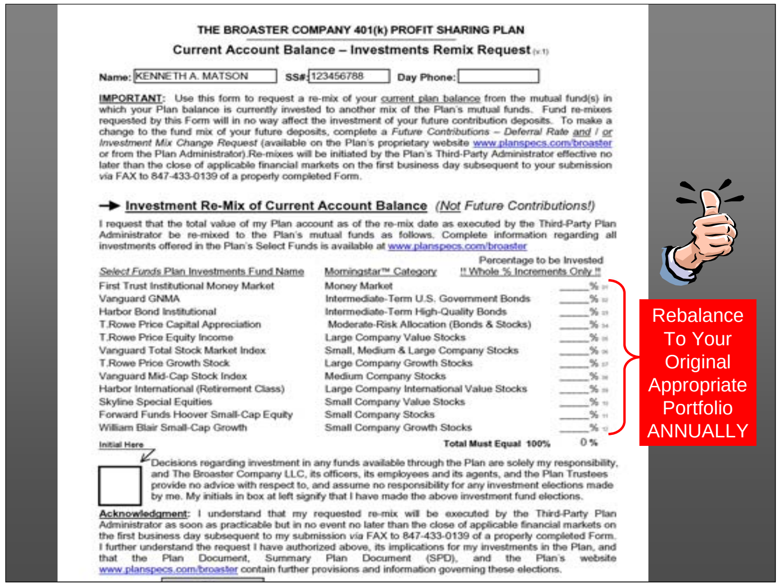
And though there's a lot to understand, the Plan's Trustees and Broaster management is committed to enlightening you to the resources available to make these decisions as easy as they can be.

Remember it is your responsibility to yourself and your family to take the appropriate amount of time to understand the issues that should dictate your choices in your world of financial management.

Together with the Trustees and Broaster management we are here to lend a helping hand – but no one can make those decisions for you.



The second-to-last To-Do Point – “Rebalance to your appropriate strategy” may be a bit nebulous such that it deserves some explanation to be sure that you all understand its strategic importance to the success of your investing strategy. We are going to assume that as a result of our participant education sessions and required investment direction of existing balances in the Plan’s former investment funds into the Plan’s new funds, each of you made a sincere effort to direct an investment mix that was appropriate to your personal situation and investment strategy. That was nine months and some pretty stellar stock market investment returns ago. However, the bond markets and to a lesser extent money markets did not share in this strong positive performance.



THE BROASTER COMPANY 401(k) PROFIT SHARING PLAN

Current Account Balance – Investments Remix Request (v.1)

Name: KENNETH A. MATSON **SS#:** 123456788 **Day Phone:**

IMPORTANT: Use this form to request a re-mix of your current plan balance from the mutual fund(s) in which your Plan balance is currently invested to another mix of the Plan's mutual funds. Fund re-mixes requested by this Form will in no way affect the investment of your future contribution deposits. To make a change to the fund mix of your future deposits, complete a *Future Contributions – Deferral Rate and / or Investment Mix Change Request* (available on the Plan's proprietary website www.planspecs.com/broaster or from the Plan Administrator).Re-mixes will be initiated by the Plan's Third-Party Administrator effective no later than the close of applicable financial markets on the first business day subsequent to your submission via FAX to 847-433-0139 of a properly completed Form.

→ **Investment Re-Mix of Current Account Balance** *(Not Future Contributions!)*

I request that the total value of my Plan account as of the re-mix date as executed by the Third-Party Plan Administrator be re-mixed to the Plan's mutual funds as follows. Complete information regarding all investments offered in the Plan's Select Funds is available at www.planspecs.com/broaster

Select Funds Plan Investments Fund Name	Morningstar™ Category	Percentage to be Invested !! Whole % Increments Only !!
First Trust Institutional Money Market	Money Market	____%
Vanguard GNMA	Intermediate-Term U.S. Government Bonds	____%
Harbor Bond Institutional	Intermediate-Term High-Quality Bonds	____%
T.Rowe Price Capital Appreciation	Moderate-Risk Allocation (Bonds & Stocks)	____%
T.Rowe Price Equity Income	Large Company Value Stocks	____%
Vanguard Total Stock Market Index	Small, Medium & Large Company Stocks	____%
T.Rowe Price Growth Stock	Large Company Growth Stocks	____%
Vanguard Mid-Cap Stock Index	Medium Company Stocks	____%
Harbor International (Retirement Class)	Large Company International Value Stocks	____%
Skyline Special Equities	Small Company Value Stocks	____%
Forward Funds Hoover Small-Cap Equity	Small Company Stocks	____%
William Blair Small-Cap Growth	Small Company Growth Stocks	____%
	Total Must Equal 100%	0 %

Initial Here

Decisions regarding investment in any funds available through the Plan are solely my responsibility, and The Broaster Company LLC, its officers, its employees and its agents, and the Plan Trustees provide no advice with respect to, and assume no responsibility for any investment elections made by me. My initials in box at left signify that I have made the above investment fund elections.

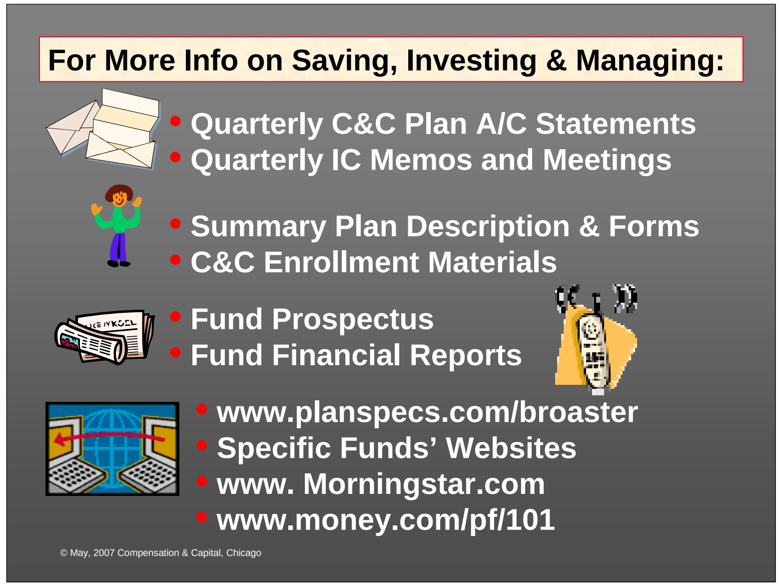
Acknowledgment: I understand that my requested re-mix will be executed by the Third-Party Plan Administrator as soon as practicable but in no event no later than the close of applicable financial markets on the first business day subsequent to my submission via FAX to 847-433-0139 of a properly completed Form. I further understand the request I have authorized above, its implications for my investments in the Plan, and that the Plan Document, Summary Plan Document (SPD), and the Plan's website www.planspecs.com/broaster contain further provisions and information governing these elections.

For that reason, If you recalculated your investment funds mix right now, you would see that the relative portions originally directed to stock-type funds have increased substantially over the percentages that you originally allocated to them. In effect, you have moved yourself into a condition of accepting more stock market risk than you originally felt appropriate.

You have heard of the old investment adage “Buy low; Sell high.” This To-Do Point executes that piece of investing wisdom. By rebalancing your portfolio back to your original fund mix, you take profits from the funds that have performed the best and move them to the funds that have been out of favor during the past year’s portion of the economic cycle. And since Investment Consultants monitors each of the funds against their peers to increase the probability that each fund will be among the best in each peer group, you can maintain a reasonable level of confidence that the lesser performing funds will play catch-up over the succeeding years as the economic cycle progresses.

We suggest that at some pre-determined date each year (you birthday, a special holiday, whatever) you drag out the last Investments Remix Request that your submitted to us, re-enter those same mix rates, sign, and fax it to us again. Then mark your calendar to perform that same task next year at the same time. Recurring rebalancing back to your appropriate strategic asset allocation is a key to long-term investing success used by all professional money managers. And it’s easy for you to employ it too.

Finally, NEVER stop improving your knowledge of personal financial management and investing. We offer so many excellent objective and independent resources to you that are pre-screened to save you time and afford you the comfort of knowing that the information is trustworthy.



Broaster makes sure that all Plan participants have multiple sources for those informational materials. As this slide shows, Plan participants receive quarterly hardcopy account statements of their account activity. The account statements are stuffed with a Plan-dedicated investor's letter complete with Plan funds performance statistics. The investor's letter is also posted to the Plan's dedicated website at www.planspecs.com/broaster. These account statements are mailed to your home by Compensation & Capital so be sure to keep us appraised of any changes to your home address by shooting us an e-mail to info@planspecs.com or faxing us a note at 847-433-0139.

The Plan's Summary Plan Description (SPD) and C&C/IC Sample portfolios are resources available directly from the Plan's dedicated website. The SPD explains the Plan's provisions with respect to eligibility, loans, distributions, etc. Fund Prospectuses and Financial Reports are available from the Plan's website or from the mutual funds themselves by calling their toll-free lines.

Finally, very comprehensive information on all of the personal financial management topics we cover during this presentation are available at www.money.com/pf/101 and more independently-published information on the Plan's mutual funds is available at www.morningstar.com

Be Happy!! With Broaster Plan's New Funds

Morningstar Fund Category	Sun-America Fund Replaced	Total Return 8/1/2006 thru 4/30/2007		New Applicable Select Fund
Multi-Sector Bond	Strategic Bond	7.00%	-	n/a
Inter Govt Bond	US Govt Secs	5.04%	5.61%	Vanguard GNMA
Moderate Allocation	Focus Balanced	12.08%	15.54%	Price Cap Appreciation
Small Value Stock	Focus Sm Cap	17.34%	20.15%	Skyline Special Equities
Large Value Stock	Focus Lg Value	12.79%	18.76%	Price Equity Income
Large Growth Stock	Focus Lg Growth	12.88%	21.11%	Price Growth Stock
Large Growth Stock	FocusGr&Inc	18.20%	21.11%	Price Growth Stock
Large Foreign Stock	Focus Int Equity	21.80%	25.76%	Harbor International
Tech Stock	Focus Tech	16.43%	-	n/a
Mid Blend Stock	n/a	-	20.64%	Vanguard Mid-Cap Index
Intermediate Bond	n/a	-	4.84%	Harbor Bond
Large Blend Stock	n/a	-	18.06%	Vanguard Tot Stock Index
Small Growth Stock	n/a	-	17.58%	Forward Hoover Sm Cap
Small Growth Stock	n/a	-	16.81%	WmBlair Small Cap Grth

And just as a quick update on the performance of you Plan's investments over the past nine months compared to the Plan's former available investment funds, we developed this slide. The details speak for themselves but we are very pleased to summarize the results by noting that of those funds directly comparable by Morningstar category, 100% of the Plan's new funds produced significantly higher returns during the period than those of the former provider.

We included this slide because we anticipated a question or two in this regard from participants. We will not however make these comparisons available to you again in the future. Suffice to say that the Plan's Trustees and Broaster management have done everything they can to bring you the best Plan investments possible for your retirement savings. Now its up to you to employ those tools in the wisest way possible to make the best of your hard-earned savings.

Considering what's at stake, it's difficult to imagine any responsible adult not taking advantage of the personal financial planning tips and resources that Broaster has afforded its current and former employees through this presentation and the 401(k) Plan. But that responsibility is your and yours alone.