With tens of thousands of clients and decades of collective experience, our Pacific Advisors team offers many strategies that can be tailored to fit your complex financial concerns and objectives. Given the wide availability of financial products in the marketplace, we are often asked how our strategies are distinct. This brochure introduces the specialized types of financial efficiency, optimization, and protection strategies we advance for our clients.

**EMERGING, TESTED, & CODIFIED:**

No one strategy fits everyone’s needs, and no strategy is without risk. To match financial strategies with each client’s situation, Pacific Advisors considers three categories to distinguish a spectrum for risk.

**CODIFIED** strategies are based on IRS interpretations via revenue rulings and/or are upheld by broadly-applicable court decisions, and thus have the *least* risk.

**TESTED** strategies employ proven tactics arranged in a way that has not yet been proven, or the strategy has been upheld, though only in a single case (e.g., private letter ruling). These strategies carry *increased* risk.

**EMERGING** strategies refer to new, speculative, or educated approaches. These strategies may provide innovative approaches for consideration. They come with a *high* level of risk.
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Many clients ask us about the difference between providing insights, sharing strategies, and offering advice.

By providing insights, we disclose observations about the gaps and opportunities our specialists notice in your financial situation. Our analyses may point out places where your current strategies meet or fail to fit your objectives.

When sharing strategies, we introduce often-overlooked methods and approaches for improving your financial position. We present relevant plans of action and discuss how and when they can be used effectively.

When offering advice, we make specific recommendations based on your particular situation, objectives, and risk tolerances.

Our Advanced Financial Strategies Team can offer big-picture insights and strategies across personal, family, or business planning concerns. In nearly all cases, professional advice is regulated and necessarily limited to those with the appropriate professional licenses (legal, accounting, investment, insurance, etc.). As a financial services firm, we are able to offer specific advice in financial planning, investments, and risk management, yet we work collaboratively with other financial professionals for tax, legal or outside investment advice.

For example, the Annual Insights™ program provides advanced tax and estate strategies for our clients. We work closely with trusted accountants, who provide specific tax advice, to verify the positive impact of a strategy on the client’s tax situation. Similarly, we design and help implement customized estate planning strategies by working with estate planning attorneys, who provide specific legal advice and verify the positive impact on the client’s plans for the future.
Get started with our

ANNUAL INSIGHTS™ PROGRAM

Our mission is to help you financially produce and support a good life for the rest of your life.

While few of us can reach our ultimate financial objectives in a single step, we can all incrementally improve by creating annual financial practices in our complex financial world. By offering the stages and practices of this program to our clients, we can help bring together personal and business insights to craft financial efficiencies and optimization.

All too often, business owners think of their business as distinct from their personal finances; yet if you are counting on your business to be a key asset for your financial future, they are inextricably linked.

• How much capital would be enough to be financially sufficient for the rest of your life?
• And how much of that capital is your business on track to provide?

When you can answer both of these questions with confidence, you’ll be on the best path forward. Our Pacific Advisors team can help you begin to build a better map.
Set up a no-obligation call or meeting with us to look at the potential impact of these insights and strategies in your life and business.
BALANCE SHEET THINKING

For Your Business and Personal Finances

For centuries, balance sheets have enabled enterprises to measure and track owners’ equity in businesses. However, it’s uncommon for business owners to give full consideration to the transfer of value from their business balance sheet to their personal balance sheet in the most efficient manner.

How does your business balance sheet impact your net worth? It’s never as simple as adding your enterprise value to your personal assets column.

If your business is a key asset that you are counting on for your retirement, then keeping all of your business equity on the business balance sheet until the very end may be more risk than necessary.

We help you coordinate three categories of balance sheets: business, personal, and protected.

What if you could take value from the business all along the way to afford you the choice to live life on your terms? What if there were a way to keep the assets protected from lawsuit, creditors, or estate transfers so they are not all at risk?

Creating a plan to move assets from a business to a protected balance sheet is an area of specialty for our team.
Confidence Begins With ORGANIZATION

At Pacific Advisors, we offer a proprietary tool called The Living Balance Sheet®. This secure online platform organizes your finances to help you make better-informed decisions and practices.

You get a wide-angle view of your business, personal, and protected finances, allowing you to adapt as your circumstances and desires change. This makes it easy to recognize the long-term potential of every dollar you earn, so you can make decisions toward achieving improved financial balance.

* The Living Balance Sheet® is Guardian’s electronic wealth organizational platform designed to help you take appropriate actions to achieve your desired results.
Optimizing Qualified Plans: Employee Benefits, 401(k)s, Carve-Outs, ESOPs, etc.

Many companies offer qualified retirement plans, such as 401(k) and profit sharing plans, to their employees. Business owners often discover that these plans fall short of allowing them and their key executives to contribute as much as they may wish. A specialized plan design is required for the leadership team to make significant personal contributions while maintaining care for employees, reducing costs, and mitigating risks. We can analyze your existing plan, share our proven strategies, and propose uniquely customized plans to produce outcomes you may not have known were possible.

There are numerous plans and strategies for added precision in meeting your leadership team’s financial objectives. Our team can help you understand the nuances of qualified plans, such as defined contribution vs. defined benefit; profit sharing vs. cash balance plans; stock bonus plans vs. Employee Stock Ownership Plans (ESOPs); and market-dependent, defined benefit plans vs. fully-insured, defined benefit plans. Several considerations help with liquidity, capitalization, tax efficiency, and ways to get capital from your business balance sheet to your personal balance sheet effectively over time.

Pacific Advisors specializes in layered qualified plan strategies that potentially allow for continued care of your employees while significantly boosting contribution limits for owners and key executives.
Advanced Charitable Strategies and Qualified Split Interests in the Tax Code

Many people are looking for opportunities to make a significant impact benefitting the causes that matter most to them - while also producing financial efficiency for their business or personal finances. In addition to Qualified Split Interest Trusts (e.g., Charitable Remainder Trusts and Charitable Lead Trusts), the tax code allows for multiple charitable strategies to redirect dollars that would otherwise be paid out as taxes, to people and causes about which you feel strongly. These Coordinated Asset Strategies® increase the opportunity for arbitrage on money not yet paid out to charity, providing the potential for greater risk-adjusted returns on your personal balance sheet.

Pacific Advisors deploys uncommon strategies that integrate the best charitable and non-charitable planning methods. We target the offset or (in some cases) elimination of income taxes, capital gain taxes, and even estate taxes. Surprisingly, some of these strategies are still under-utilized despite having been included in the tax code for decades. When we take the time to plan out our giving strategy, certain tax dollars can be redirected as financial and social capital towards our chosen causes. The net result is a recognizable impact in our communities and new opportunities for business and personal growth.

Charitable planning strategies are extremely powerful for the charitably inclined and are an effective consideration for many who are looking for ways to offset and eliminate tax obligations while creating a lasting legacy.

Create recognizable impact in your community while creating new opportunities for business growth and personal fulfillment. With a little planning, a charitable commitment for the future can produce significant tax advantages today.
As a successful business leader, you may already have a strong intuition for how your business is performing today and how it is likely to perform in the coming years. But are you armed with the same analyses and insights that private equity firms and banks use to measure your company objectively, to determine whether it is investment- or credit-worthy?

What if you could locate significant unclaimed profit sitting, unseen, on your financial statements and take action to reclaim it?

Whether your objective is to drive growth, extract value, or transition the enterprise successfully, financial performance analytics can provide unprecedented capacity to make informed, timely decisions for you and your business.

Our financial analytics program provides a series of key business metrics and actionable insights into your company’s financial and tax performance throughout the year to help you:

- Make more confident business decisions
- Directly impact business profit, cash flow, and enterprise value
- Keep more of what you earn
- Access capital at lower rates
- Better assess new initiatives
- Forecast profitability
- Make the enterprise more valuable to potential buyers
- Take action to facilitate well-informed changes

ANNUAL BUSINESS VALUATIONS:
Before You Can Get Where You Want to Go, You Need to Know Where You Stand Today

Typically, business valuations are considered useful only for one-time purposes such as a purchase or sale, a financing requirement, estate planning, divorce proceedings, tax assessments, or a liquidation event. While those are situations that require a valuation, this thinking misses the ongoing benefits of an annual valuation as a practice.

Few have considered the effectiveness of utilizing annual valuations as a way to check your progress towards your ultimate financial objectives, to create agreement with fellow business partners in advance of a crisis, and to positioning the company for the lowest costs of capital. Making a practice of running an enterprise valuation each year keeps your business in a ready state for the best offers and opportunities that come your way.
Taking Full Advantage of TEFRA/TAMRA Funded Executive Life Insurance

While many people are aware of how a death benefit can help after the loss of a family member or business partner, few know how to leverage permanent life insurance for financial efficiency throughout one’s own lifetime. Permanent life insurance, as a Promise-Based Asset™, provides surprisingly effective outcomes for protection, liquidity, stability, growth, and financial efficiency. Like many financial instruments with unique advantages, the tax code has set clear guidelines for how to optimize the cash value growth in a permanent life insurance contract through TEFRA/TAMRA laws.

Our expertise in coordinating permanent life insurance with your portfolio, including other Promise-Based Assets, Market-Based Assets®, tax efficiencies, and key-employee incentives, assures your personal, estate, and business liquidity concerns are optimally addressed. As a tier one asset class, as defined by the Office of the Comptroller of the Currency (OCC), TEFRA/TAMRA-funded life insurance allows for many methods of tax-efficient cash flow in life. This can include loans back to your business, college funding for your children, tax-free access to additional retirement income, and the ability to maintain a tax-free end-of-life benefit for your family and business.
Optimizing the limits of TEFRA/TAMRA-funded life insurance allows for many methods of tax-efficient cash flow in life, including loans back to your business, college funding for your children, and tax-free access to additional retirement income.
Executive Non-Qualified Benefits and Deferred Compensation (COLI)

Qualified Deferred Compensation Plans offer special tax considerations in the present year and come with a host of IRS and ERISA requirements, administration costs, and limits to contributions. In contrast, Non-Qualified Deferred Compensation Plans (NQDC) eliminate ERISA concerns, have less-burdensome IRS requirements, and generate intriguing benefits. NQDCs are often structured as Supplemental Executive Retirement Plans (SERP) or Elective Deferred Compensation Plans (EDC), allowing business owners to contribute greater amounts to their own financial future and the future of key employees.

We help business owners arrange protection from the catastrophic loss of a key executive or owner, as well as create incentives to attract, retain, and reward the top leaders in an organization. In concert with the Pension Protection Act of 2006, we determine optimal company structuring and maximize the tax efficiencies of immediate and deferred compensation for business owners and key employees.

A business is not required to set aside assets to pay future non-qualified retirement payments. Pacific Advisors helps business owners determine whether informally funding their benefit promise, for example through the use of a business-owned permanent life insurance policy, is financially advisable. Structured properly, the life insurance policy produces a cost recovery mechanism for the employer and creates an asset on the business balance sheet that informally offsets any unfunded, accrued liability. The life insurance policy is a Promise-Based Asset™ that produces tax benefits until constructive receipt of the compensation occurs. For employees, a NQDC plan provides tax deferrals (until constructive receipt), benefits for a spouse in the case of an untimely death, and builds trust in the company’s promise of future benefits.

Our team can guide you through the variations of non-qualified deferred compensation and build a coordinated approach to meet your specific financial objectives.
Asset Protection and Tax Efficiencies through Entity and Trust Design

Well-structured entities and trusts can optimize protection for your business, assets, and income from legal liability, creditors, and loss of value. Many owners are aware of how simple choices, such as electing as an S-Corp, can produce certain tax savings. The tax code, along with federal and state law, create countless opportunities for growing and protecting an enterprise. Because these rules can appear complicated, many of the opportunities go unrealized.

Our Pacific Advisors team specializes in:

- Assessing your current structures
- Identifying available opportunities
- Proposing strategies to optimize your position

Next, our team works with your trusted legal and accounting advisors to:

- Qualify and implement business structures that may generate additional financial tax efficiencies
- Design trusts that can move money efficiently from your business balance sheets to a protected balance sheet

Properly structured, these strategies not only care for your objectives today, but also align with longer-term objectives like business succession and estate planning. We can help you protect what you’ve built and keep more of what you earn, now and into the future.
Well-structured entities and trusts help you keep more of what you earn and protect what you've worked so hard to build.
Coordinated Asset Strategies®
to Maximize Your Risk-Adjusted Return

Are you taking more risk than necessary to achieve your desired returns?

Traditional asset allocation managers measure just those assets found on exchanges such as NASDAQ and the NYSE. For many business owners, such investments are only a small percentage of their true asset holdings. They may invest significantly in asset classes like their own business, real estate, and capital equipment/inventory, which are left out of traditional portfolio assessments. Such isolated views mean that the unconsidered, actual risk business owners take in their full asset portfolio may directly contradict their risk profile and thwart their objectives.

We adapt traditional risk assessment methodologies, such as the Efficient Frontier model, and apply them to a wide-angle view of your overall financial situation. Whether you’d rather pursue higher returns for similar risk, or similar returns for less risk, Coordinated Asset Strategies to maximize risk-adjusted returns are a specialty of Pacific Advisors.

New Distinctions for FINANCIAL BALANCE

**MARKET BASED ASSETS®**

Many people’s asset allocations are heavily concentrated in Market Based Assets, which have no guarantees and volatility risk. The purpose of these assets is to promote growth and help mitigate long-term inflation risks. Examples include:

- Stocks
- Bond funds
- Real estate
- Businesses
- ETFs & Mutual funds

**PROMISE BASED ASSETS™**

While relatively underrepresented, Promise Based Assets have contractual guarantees for return of principal and/or income. These assets can create greater financial balance and stability. Examples include:

- Certificates of Deposit (CDs)
- Cash value life insurance
- Corporate bonds held to maturity
- Treasuries held to maturity
- Certain types of Annuities

*Contract guarantees are guaranteed solely by the strength and claims-paying ability of the issuing company.*
Recapitalization and Retained Earning Strategies

There is always a next stage to financial success. Even business owners with great accomplishments and successes may recognize the need for recapitalization and structural changes to reach the next level.

*Being able to access capital quickly and efficiently can have a significant impact on your business. The best time to prepare for a capital event is in advance, by readying your business’ balance sheet for maximum capacity to act. Gaining insights on how lenders and investors assess your business can lower your cost of capital and is one of the services included in our Annual Insights program.*

Successful businesses excel at producing profits from operating capital, but are not necessarily optimized for generating the required capital for next-stage initiatives. Events such as recapitalization, acquisitions, or transitioning the business to other partners or family can be disruptive. Current business and capital structures are rarely optimized for dramatic change or rapid growth. Instead, current business and capital structures, built with all the best intentions, hinder tax-efficient cash flow and capital accumulation.

Pacific Advisors assesses your next-stage objectives and provides strategies for how to position assets and structures on business, personal, and protected balance sheets. Our assessment will analyze the structures for your business, recommending how and where to best incept entities and position ownership for increased capital, tax efficiency, and asset protection.
Uncommon Strategies
Unlocking Illiquid Assets for Capital Growth

Successful business people rarely remove capital from a business or investment that is producing steady, effective returns. Many clients come to us with significant amounts of capital committed to long-term investments that are dedicated solely to the growth of that same, isolated asset. In our experience, illiquid capital is relatively inefficient when put to just one use.

Illiquid assets - including privately-owned businesses and real estate - are typically an opportunity for higher returns over time, offset by lower marketability and longer transaction cycles. Traditional financial advisors typically handle these as isolated, inaccessible assets. In contrast, our Coordinated Asset Strategies® are designed to unlock your illiquid assets and amplify your full portfolio.

We can help you identify multiple uses for illiquid dollars, producing arbitrage profit, tax efficiencies, and/or returns that can be re-directed back into your strategic portfolio.

Learn how to get started with
ANNUAL INSIGHTS™

Have you ever found yourself wishing you could make more confident decisions for you, your business, and your family’s financial future? In your business, you likely build cross-functional teams to guide the company to its best year yet. Bring that same approach to your entire financial picture with our Annual Insights program.

This program addresses a wide array of financial concerns and opportunities that most people know they should examine every year, but in their busy schedules, rarely take the time to do so. Annual Insights are delivered by a broad team of professionals and specialists, and offered through a fiduciary consulting agreement, to provide actionable financial insights all year long.
Accelerated Depreciation Strategies, Cost Segregation and Tax Credit Analysis

Pacific Advisors coordinates numerous proven strategies for financial efficiencies, including accelerated depreciation, cost segregation, and tax credit analysis. Many business owners take advantage of straight-line depreciation of investment properties. There are strategies, such as cost segregation analysis, that can accelerate the schedule for inventory, certain types of trusts, and commercial or residential investment properties.

Our strategies move depreciation dollars into your hands sooner, rather than later, so those dollars can be redeployed into your business or personal balance sheet. Other professional advisors often overlook cost segregation, not typically being familiar with the analysis required, making cost segregation an uncommon approach for offsetting passive income. Accelerated depreciation strategies make it possible to capture significant amounts of capital: the longer one has held the investment properties, the more significant the immediate opportunity. Pacific Advisors researches Coordinated Asset Strategies® for qualifying government tax credit programs that fit your already existing practices. These credits can be substantial, depending on industry, utility incentives, size of company, and type of workforce.

Our Pacific Advisors team offers these insights and coordinated strategies as part of our comprehensive approach. We have a network of resources and professionals, including niche implementation specialists, to help select appropriate vendors for each unique business.
Some accelerated depreciation strategies allow you to retroactively capture tax deductions, even if you missed claiming the deduction in past years. For some business owners, this can be a significant tax offset strategy for the present year.
Continuity, Succession, Exit Planning, and the Sale of Your Business

Most owners are counting on the one-time sale of their business to produce their financial future. Fewer may be aware of how they can extract value all along the way, by building annual practices that leave the business in a more valuable state for an eventual or near-term sale. Some of the strategies for how to accomplish this include:

- Accessing value through debt financing and lower cost of capital
- Tax efficiencies for accessing value all along the way
- Maximizing enterprise value for a near-term sale
- Structuring your ownership, pre-sale, to keep as much as possible

Our team can help you assess the type of sale and the funding approaches that best match your objectives. You might consider a sale to a third party, an internal sale to key executives and/or employees, or a transfer to family members, which can significantly impact the strategies you would want to consider. For example, if you intend to sell to a third party, you would need to know the factors that increase or impair your company’s transferable value in the eyes of investors.

In contrast, if you intend to transfer the business to your children, you might be looking for a minimal defensible value for the business. Whether selling the business to internal employees/executives or to family members, finding ways to efficiently fund that transfer is crucial.

Special Considerations for BUSINESS PARTNERSHIPS

One thing all business partnerships have in common is that they eventually come to an end. Fundamentally, there are four interruptions to partnerships:

- Illness or Disability
- Untimely Death
- Involuntary Departure
- Voluntary Departure/Retirement

Let our team demonstrate our value by providing you with a complimentary operating agreement review. We'll provide a summary report alongside insights and recommendations regarding places where your agreement might not perform as expected.
Advanced Estate Strategies Through Wealth and Opportunity Shifts

Many successful business owners and executives readily confess that while focusing intently on their business, they have not given adequate consideration to how the business’ assets will help them fulfill future lifestyle and legacy objectives. For those with significant estates, much is at stake: the desire to maintain a good life for the rest of their life, commitments to positive community impact, guidance and support for family, and fulfilling business legacies.

There are many approaches to consider, dependent upon each person’s values and objectives. As with business exit strategies, waiting to start estate planning significantly reduces options and limits the possible outcomes. Being proactive increases your options, reduces costs, and allows you to produce a greater impact.

As a high-stakes topic, legacy discussions are full of financial complexities and personal passions. Our Pacific Advisors team brings a depth and breadth of knowledge alongside you and your family to produce outcomes you may not have known were possible. We propose opportunity shifts, strategically incepting new enterprise opportunities to make a significant impact. We synthesize Coordinated Asset Strategies® for business transitions, financial shifts, and personal evolutions that produce financial security, tax efficiency, and asset protection for generations to come.
FINANCIAL WELLNESS
AS AN EMPLOYEE BENEFIT

Financial Education in the Workplace
84% of employees surveyed consider employer-sponsored financial wellness programs as a must-have or nice-to-have benefit*. Workshops, online tools, or educational resources can help employees make better decisions about their financial needs. Our corporate financial education program has become an appealing option for many business owners as an additional benefit for their employees. We combine decades of collective experience to bring significant value to every level of an organization including leadership teams and individual employees.

Integration Into Existing Benefits
We understand the need to vet any program or benefit you consider offering to your management and employees. Our pilot assessment program is structured to allow you and your leadership team to audition the educational workshop before a wider presentation to your company.

Speaking & Workshops
We are often called upon to offer strategies in a wide range of group settings: speaking before businesses, community event participation, and localized financial workshops. Contact us for availability and more information.

Many surveys offer ample evidence of the impact of financial stress at work.

Overall, some 85% of Americans are anxious about their financial lives - and these financial struggles can impact workers across the spectrum, even high-income earners and business leaders.

Nearly 1 in 3 employees report being distracted at work by issues with personal or family finances.

On average, those workers spend at least 3 hours/week either thinking about or dealing with financial problems at work.

Employees with high financial stress are twice as likely to report poor health overall and are more than four times as likely to have headache, depression, or other ailments.

All data referenced are from 2018 Consumer Financial Protection Bureau research: https://cfsinnovation.org/research/financial-health-at-work-a-prescription-for-productivity/
HUMAN RESOURCE PROGRAMS AND EMPLOYEE BENEFITS

Companies and business owners juggle an array of concerns including offering a benefits package to employees, managers, and leadership that make your company competitive to attract and retain the best talent. There is a competitive and often confusing marketplace full of options. With decades of experience helping companies produce competitive group benefits, we can help develop and maintain a comprehensive program so that you and your team can focus on what matters most: your business.

Pacific Advisors can not only create a hassle-free group benefits program, we also have the knowledge of advanced benefit strategies that help business owners and key executives maximize opportunity and bottom-line in conjunction with our group programs.

Group Benefits
- Group Dental & Vision
- Group Life
- Multi-Life Individual Life
- Group Disability (LTD)
- Multi-Life Indiv. Disability
- Group Critical Illness
- Flexplan

Worksite Benefits
- Cancer treatments
- Stop Loss
- Accident
- Hospital Indemnity
- Supplemental Insurance

Retirement
- 401(k) products
- Profit Sharing Plan
- Employee Stock Option Plan (ESOP)
- Defined Benefit/Cash Balance Plan
- IRAs/Roth IRAs

Financial Wellness
- Group Financial Education
- Financial Organization
- Ask a Financial Specialist
- Individual Strategies

Individual Investments
- Brokerage Accounts
- Managed Accounts
- Annuities
- Mutual Funds
- Investment Advice

Individual Life
- Whole Life
- Universal Life
- Term Insurance
- Business Buy/Sell

Individual Disability
- Individual
- Small Business
- Retirement Protection