

**To:** Ada Clapp [REDACTED]  
**From:** jeffrey E.  
**Sent:** Tue 5/20/2014 8:16:59 PM  
**Subject:** Re: Annuity Amounts in Estate Planning Overview

Good catch

On Tuesday, May 20, 2014, Ada Clapp <[REDACTED]> wrote:

Jeffrey,

As a follow up to our meeting yesterday, I spoke with UST about the annuity calculations included in the Estate Planning Overview. They had not, in fact, revised the numbers to include the passage of time since the last Overview they prepared. In addition, they used a straight present value calculation based on the life expectancies listed in IRS Table 2000CM.

The IRS mortality table they used is the correct table to use when valuing annuities for gift and estate tax purposes for dates after May 1, 1999. However, it is a "unisex" table that does not take gender into account when ascertaining life expectancy. For that reason, certain adjustments to that table are suggested to more accurately reflect sex-based mortality factors (i.e., to reduce a woman's age by 4 years and to increase a man's age by 2 years). Accordingly, Judy's age should be reduced to 62, which results in a 20-year life expectancy, and Jon's age should be increased to 63 (from age 61), which results in a 19-year life expectancy. I asked UST to re-run the calculations on that basis. The result is a very small difference in the cost of the two annuities.

I will have the bank input these revisions, as well as those we discussed at our meeting, and send you another draft. Once you approve of the draft and I get the revised values of Black Family Partners showing the AGM stock at \$25 and \$30 per share (and factoring in the TRA adjustment you discussed), I will have UST run the two additional illustrations you requested. Since the current Overview is based on a stock price of \$27.92, I assume that will suffice for your \$28/share illustration. Correct?

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please note

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