

**LEON BLACK** **FY 2014**  
 INCREMENTAL INCOME APPROACH  
 AGI AT HIGHEST LEVELS - ORDINARY  
 EXERCISE OF NON-QUALIFIED STOCK OPTIONS  
 STOCK SOLD IMMEDIATELY

<b>INCOME TAX</b>			REGULAR TAX	CASH
FMV STOCK VS OPTION EXERCISE PRICE			411,885.86	411,885.86
NYS	*	8.8200%	36,328.33	(36,328.33)
NYC		3.8760%	<u>15,964.70</u>	(15,964.70)
		12.6960%	52,293.03	
SE TAX DEDUCTION	11,031	50%	5,515.46	
AGI	2% LIMIT	2.0000%	8,127.41	
AGI	PEASE	3.0000%	<u>12,191.11</u>	
		NET	(37,489.97)	
		TAXABLE INCOME	374,395.89	
INCREMENTAL TAX		39.60%	148,260.77	(148,260.77)

<b>SE TAX</b>				
SE INCOME			411,885.86	
		92.35%	380,376.59	
IF SE INC > \$117,000, THEN SPLIT RATES				
	-	15.20%	-	
	380,377	2.90%	<u>11,030.92</u>	
			11,030.92	(11,030.92)

<b>MEDICARE TAX</b>				
SE INCOME			411,885.86	
		URI	399,215.00	
		SIRI	250,000.00	
MFJ			94,404.00	
WAGES - APO		EST	<u>155,596.00</u>	
			655,504.86	
EXCESS			5,899.54	
MEDICARE TAX RATE	0.90%		1,941.00	
SIRI MEDICARE TAX	0.90%		<u>(3,958.54)</u>	
		NET AFTER TAX		196,342.59