

New Plan Descriptions

Plan 1 - Cash Plan

You may elect to place \$75,000 cash into your trust held with Pacific Financial.

Benefit: **no annual administrative fee for the life of your account**

Plan 2 - External Letter of Credit

You can arrange with your bank or credit union to issue an Irrevocable Standby Letter of Credit naming Pacific Financial as the beneficiary in the amount of \$75,000 *or* place some funds in trust with the balance backed by an LOC. If your bank requires the funds to be held with them in a secured instrument, you may find it more cost effective to place the funds directly into the trust with Pacific Financial to avoid any annual administrative fee as a "Cash Plan". (A sample LOC can be provided upon request.)

	Quarterly Payment		Annual Payment
\$75,000 LOC	\$400	<i>or</i>	\$1,500
\$65,000 LOC & \$10,000 in trust	\$275	<i>or</i>	\$1,000

Plan 3 - Internal Letter of Credit

This option was expressly created to comply with the new legislation. Pacific Financial will obtain a Letter of Credit from a third party Financial Institution on your behalf. You will be obligated by an indemnity agreement to reimburse the third party if the LOC is ever drawn upon by the beneficiary. As an added benefit within this option, you may decide to add additional funds toward your own dedicated trust fund to offset your annual fee.

Funds in trust:	Quarterly Payment		Annual Payment
\$0 - \$9,999	\$995	<i>or</i>	\$3,500
\$10,000 - \$24,999	\$695	<i>or</i>	\$2,500*
\$25,000 - \$74,999	\$495	<i>or</i>	\$1,500

*** Notice - Having funds in trust gives you a 28% discount on the annual fee! You would have to earn a \$1,000 in interest on those same funds to break even. You can't beat that with any bank or CD! As of May 6, 2013, the FDIC reports that the current National Rate for a 12-month CD is only 0.21%!**

Feel free to by email at dyeschenko@pac-fin.com or call us at 800-595-2615 if you would like to discuss these options in further detail.