



Roth Conversion Analysis

Prepared For :

Stretch Smith
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Prepared By :

Financial Consultant
Clarity Software, LLC.

This information is hypothetical and is provided for informational purposes only. It is not intended to represent any specific return, yield, or investment, nor is it indicative of future results. Information provided by you has not been verified by our firm.

Contents & Disclosure

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Important Disclosure Regarding Illustration of the "Roth Conversion"

The following are illustrations comparing the conversion of a deductible Traditional IRA into a Roth IRA. They provide only broad, general guidelines, that which may be helpful in shaping your thinking about whether to maintain a deductible Traditional IRA or convert all or a portion of a deductible Traditional IRA into a Roth IRA. The usefulness of this report depends upon the accuracy of data furnished by you. No legal or accounting advice is being rendered by this report or through any other oral or written communications. This report provides estimates based on our general understanding of current tax laws. Payment of income taxes due upon conversions to a Roth IRA may not be appropriate for all investors. Since our firm is not a tax or legal advisor please discuss legal and accounting matters directly with your tax and legal counselors in each of those areas and in light of your investment objectives, age, tax bracket, etc. This material has been prepared for informational purposes only and is not a solicitation or an offer to buy a security or instrument or to participate in any trading/investment strategy. Investors need to make their own decision based on their specific investment objectives, financial circumstances and tolerance for risk. Please contact your financial professional and/or tax advisor for more information on planning for retirement and to find out if a Roth Conversion may be suitable for your specific situation.

All rates of return are hypothetical and are not a guarantee of the future performance of any financial product. Income and capital projections assume investment returns net of fees and other expenses and are not product specific. In addition, income and capital projections reflect the impact of estimated federal and state income taxes when applicable. Many, but not all, states follow the federal rules regarding the deductibility of contributions and the taxability of distributions from IRAs. You must consult with your tax advisor regarding the specific rules applicable to your state of residence.

Please note that the results depicted in the illustrations are based on the specific assumptions you have provided. Any variation in the assumptions used, particularly with respect to the applicable tax rates during the accumulation and distribution periods, will cause significant variations in the illustrated results, and could materially impact the value of the illustration for comparative purposes.

Securities and Insurance Products:

- Not Insured by FDIC or any Federal Government Agency.
- May Lose Value
- Not a deposit of or guaranteed by a bank or any bank affiliate.

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Initial Information

Analysis - Initial Data, Assumptions & Options

Analysis Info

Illustration Date : 02/11/2010
2010 Conversion Date : 02/10/2010
Account Balance : \$100,000

Client Info

Name : Stretch Smith
DOB/Age : 02/10/1960 / 50
Retirement Age : 65
Illustrate To Age/Yr. : 84 / 2044

Spouse Info

Name : Susan Smith
DOB/Age : 02/10/1965 / 45
Illustrate To Age/Yr. : 83 / 2048

Pre-Retirement

Conversion Income Tax Rate : 25.00%
Conversion Income Tax Rate '11 / '12 : 20.00% / 20.00%
Traditional IRA & Roth IRA ROI : 6.00%
Savings ROI : 5.00%

Post-Retirement

Income Tax Rate : 20.00%
Traditional IRA & Roth IRA ROI : 5.00%
Savings ROI : 4.00%

Conversion Options

Option 1 - No Conversion

Traditional IRA : \$100,000 Savings : \$23,935

Option 2 - Immediate Conversion Using Savings as source of income taxes

Roth IRA : \$100,000 Savings : \$23,935
Net PV of '10 Conversion Tax of \$25,000 : \$23,935
Balance Savings : \$0

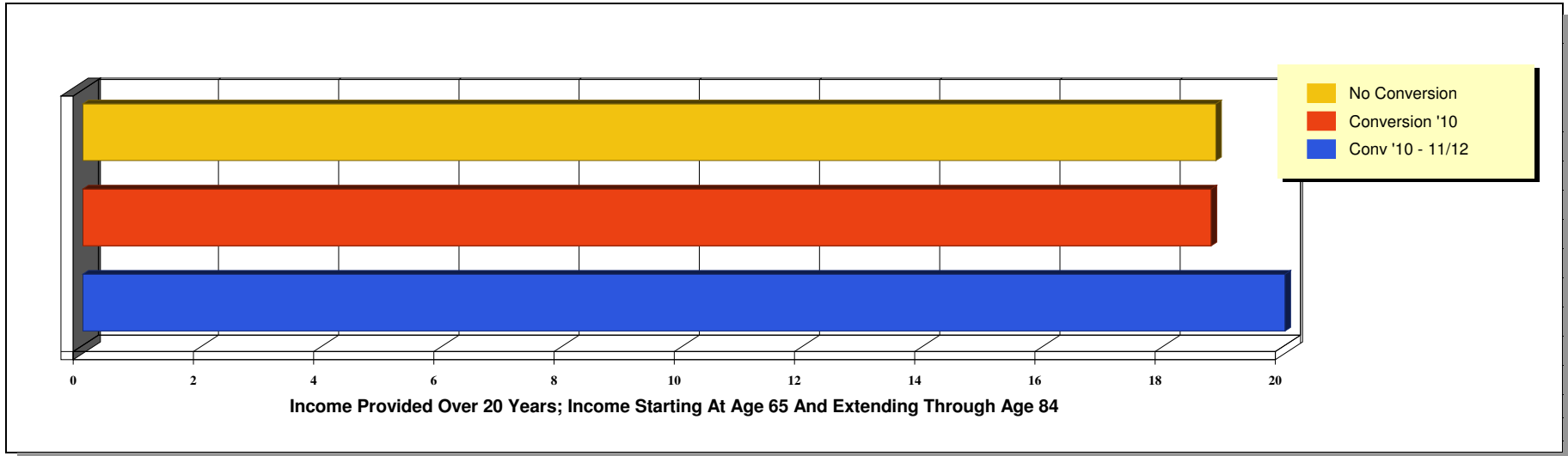
Option 3 - Conversion on 02/10/2010 Using Savings as source of income taxes

Roth IRA : \$100,000 Savings : \$23,935
Net PV of 10-11/12 Conv. Taxes of \$20,000 : \$17,802
Balance Savings : \$6,133

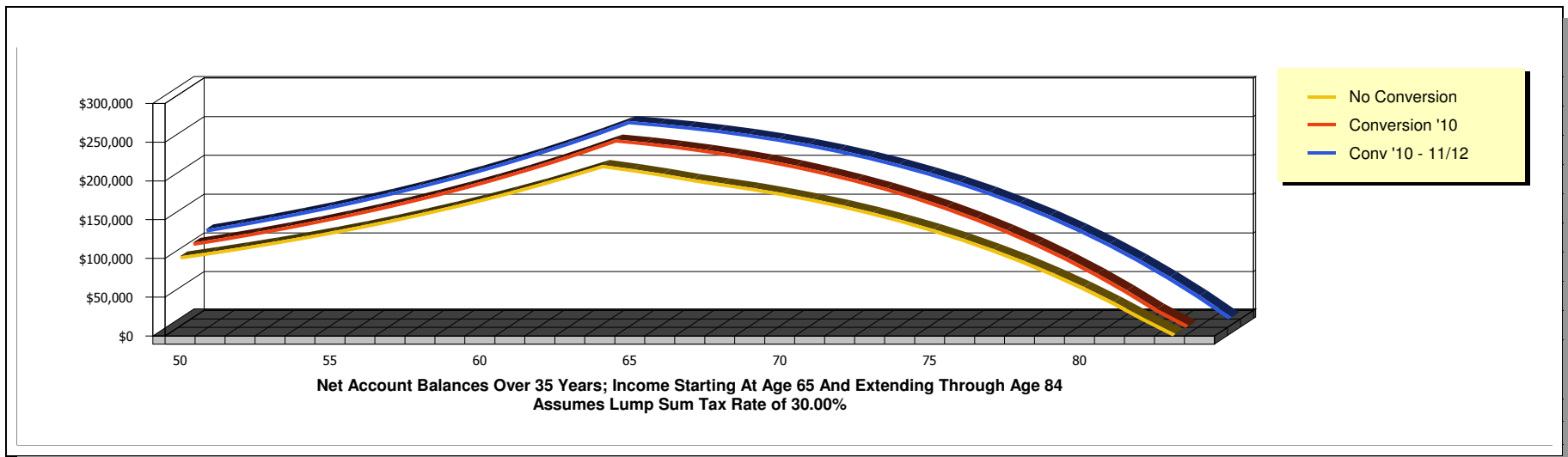
Note: Taxes are assumed to be paid on 12/31 of the conversion taxable year.

Comparison Of Traditional IRA vs Roth Conversion Options

Income Durations



Net Account Balances



Comparative Summary Income Ledger

Net Income Ledger (No Conversion vs Taxes From Savings vs 2010(11/12) Conversion Taxes From Savings)

Client Age / LX	No Conversion		2010 Taxes From Savings		2010 Taxes ('11/'12) From Savings	
	Net Income	IRA & Savings Balance	Net Income	Roth IRA & Savings Balance	Net Income	Roth IRA & Savings Balance
02/10/2010		\$123,935		\$100,000		\$106,133
Conversion				\$23,935		\$17,802
50	0	130,323	0	105,326	0	111,731
10 RC Tax			25,000	0	0	18,594
51	0	137,893	0	111,646	0	118,371
11 RC Tax					10,000	9,524
52	0	145,904	0	118,344	0	125,406
12 RC Tax					10,000	0
53	0	154,382	0	125,445	0	132,860
54	0	163,356	0	132,972	0	140,757
55	0	172,853	0	140,950	0	149,125
56	0	182,906	0	149,407	0	157,991
57	0	193,545	0	158,371	0	167,384
58	0	204,806	0	167,874	0	177,337
59	0	216,725	0	177,946	0	187,883
60	0	229,341	0	188,623	0	199,056
61	0	242,694	0	199,940	0	210,895
62	0	256,828	0	211,937	0	223,439
63	0	271,789	0	224,653	0	236,731
64	0	287,625	0	238,132	0	250,814
65	15,703	285,808	15,703	234,336	15,703	247,525
66	16,174	283,567	16,174	229,879	16,174	243,727
67	16,659	280,876	16,659	224,713	16,659	239,254
68	17,159	274,773	17,159	218,790	17,159	234,058
69	17,674	266,420	17,674	212,056	17,674	228,087
70 / 27.4	18,204	256,986	18,204	204,455	18,204	221,288
71 / 26.5	18,750	246,397	18,750	195,927	18,750	213,602

Comparative Summary Income Ledger Continued

Net Income Ledger (No Conversion vs Taxes From Savings vs 2010(11/12) Conversion Taxes From Savings)

Client Age / LX	No Conversion		2010 Taxes From Savings		2010 Taxes ('11/'12) From Savings	
	Net Income	IRA & Savings Balance	Net Income	Roth IRA & Savings Balance	Net Income	Roth IRA & Savings Balance
72 / 25.6	19,313	234,576	19,313	186,411	19,313	204,970
73 / 24.7	19,892	221,440	19,892	175,840	19,892	195,326
74 / 23.8	20,489	206,902	20,489	164,143	20,489	184,604
75 / 22.9	21,103	190,867	21,103	151,247	21,103	172,730
76 / 22.0	21,736	173,240	21,736	137,073	21,736	159,631
77 / 21.2	22,389	153,917	22,389	121,538	22,389	145,224
78 / 20.3	23,060	132,787	23,060	104,554	23,060	129,424
79 / 19.5	23,752	109,736	23,752	86,030	23,752	112,144
80 / 18.7	24,465	84,643	24,465	65,867	24,465	93,286
81 / 17.9	25,199	57,376	25,199	43,962	25,199	72,752
82 / 17.1	25,954	27,802	25,954	20,206	25,954	50,435
83 / 16.3	23,354	0	21,216	0	26,733	26,224
84 / 15.5	0	0	0	0	27,535	0
	391,028		388,890		421,942	

Appendix: No Conversion Detail Ledger

Option 1 - No Conversion Detailed Ledger

Client Age / LX	Savings Account			Traditional IRA Account				Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Net Income	IRA Balance	Withdrawals & Net Income	Account Balance
02/10/2010			23,935				100,000		123,935
Conversion									
50	1,062	0	24,997	5,326	0	0	105,326	0	130,323
10 RC Tax									
51	1,250	0	26,247	6,320	0	0	111,646	0	137,893
11 RC Tax									
52	1,312	0	27,559	6,699	0	0	118,344	0	145,904
12 RC Tax									
53	1,378	0	28,937	7,101	0	0	125,445	0	154,382
54	1,447	0	30,384	7,527	0	0	132,972	0	163,356
55	1,519	0	31,903	7,978	0	0	140,950	0	172,853
56	1,595	0	33,499	8,457	0	0	149,407	0	182,906
57	1,675	0	35,174	8,964	0	0	158,371	0	193,545
58	1,759	0	36,932	9,502	0	0	167,874	0	204,806
59	1,847	0	38,779	10,072	0	0	177,946	0	216,725
60	1,939	0	40,718	10,677	0	0	188,623	0	229,341
61	2,036	0	42,754	11,317	0	0	199,940	0	242,694
62	2,138	0	44,891	11,996	0	0	211,937	0	256,828
63	2,245	0	47,136	12,716	0	0	224,653	0	271,789
64	2,357	0	49,493	13,479	0	0	238,132	0	287,625
65	1,980	15,703	35,770	11,907	0	0	250,039	15,703	285,808
66	1,431	16,174	21,026	12,502	0	0	262,541	16,174	283,567
67	841	16,659	5,208	13,127	0	0	275,668	16,659	280,876
68	208	5,417	0	13,783	14,678	11,742	274,773	17,159	274,773
69	0	0	0	13,739	22,092	17,674	266,420	17,674	266,420
70 / 27.4	0	0	0	13,321	22,755	18,204	256,986	18,204	256,986
71 / 26.5	0	0	0	12,849	23,438	18,750	246,397	18,750	246,397

Appendix: No Conversion Detail Ledger Continued

Option 1 - No Conversion Detailed Ledger Continued

Client Age / LX	Savings Account			Traditional IRA Account				Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Net Income	IRA Balance	Withdrawals & Net Income	Account Balance
72 / 25.6	0	0	0	12,320	24,141	19,313	234,576	19,313	234,576
73 / 24.7	0	0	0	11,729	24,865	19,892	221,440	19,892	221,440
74 / 23.8	0	0	0	11,072	25,611	20,489	206,902	20,489	206,902
75 / 22.9	0	0	0	10,345	26,379	21,103	190,867	21,103	190,867
76 / 22.0	0	0	0	9,543	27,171	21,736	173,240	21,736	173,240
77 / 21.2	0	0	0	8,662	27,986	22,389	153,917	22,389	153,917
78 / 20.3	0	0	0	7,696	28,825	23,060	132,787	23,060	132,787
79 / 19.5	0	0	0	6,639	29,690	23,752	109,736	23,752	109,736
80 / 18.7	0	0	0	5,487	30,581	24,465	84,643	24,465	84,643
81 / 17.9	0	0	0	4,232	31,498	25,199	57,376	25,199	57,376
82 / 17.1	0	0	0	2,869	32,443	25,954	27,802	25,954	27,802
83 / 16.3	0	0	0	1,390	29,192	23,354	0	23,354	0
84 / 15.5	0	0	0	0	0	0	0	0	0
	30,018	53,953		321,344	421,344	337,075		391,028	

Appendix: 2010 Conversion Detail Ledger

Option 2 - Immediate Conversion Using Savings								
Client Age / LX	Savings Account			Roth IRA Account			Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Roth IRA Balance	Distributions & Withdrawals	Account Balances
02/10/2010			\$0			\$100,000		\$100,000
Conversion			\$23,935					\$23,935
50	0	0	0	5,326	0	105,326	0	105,326
10 RC Tax	1,065	25,000	0				25,000	0
51	0	0	0	6,320	0	111,646	0	111,646
11 RC Tax								
52	0	0	0	6,699	0	118,344	0	118,344
12 RC Tax								
53	0	0	0	7,101	0	125,445	0	125,445
54	0	0	0	7,527	0	132,972	0	132,972
55	0	0	0	7,978	0	140,950	0	140,950
56	0	0	0	8,457	0	149,407	0	149,407
57	0	0	0	8,964	0	158,371	0	158,371
58	0	0	0	9,502	0	167,874	0	167,874
59	0	0	0	10,072	0	177,946	0	177,946
60	0	0	0	10,677	0	188,623	0	188,623
61	0	0	0	11,317	0	199,940	0	199,940
62	0	0	0	11,996	0	211,937	0	211,937
63	0	0	0	12,716	0	224,653	0	224,653
64	0	0	0	13,479	0	238,132	0	238,132
65	0	0	0	11,907	15,703	234,336	15,703	234,336
66	0	0	0	11,717	16,174	229,879	16,174	229,879
67	0	0	0	11,494	16,659	224,713	16,659	224,713
68	0	0	0	11,236	17,159	218,790	17,159	218,790
69	0	0	0	10,940	17,674	212,056	17,674	212,056
70 / 27.4	0	0	0	10,603	18,204	204,455	18,204	204,455
71 / 26.5	0	0	0	10,223	18,750	195,927	18,750	195,927

Appendix: 2010 Conversion Detail Ledger Continued

Option 2 - Immediate Conversion Using Savings Continued

Client Age / LX	Savings Account			Roth IRA Account			Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Roth IRA Balance	Distributions & Withdrawals	Account Balances
72	0	0	0	9,796	19,313	186,411	19,313	186,411
73	0	0	0	9,321	19,892	175,840	19,892	175,840
74	0	0	0	8,792	20,489	164,143	20,489	164,143
75	0	0	0	8,207	21,103	151,247	21,103	151,247
76	0	0	0	7,562	21,736	137,073	21,736	137,073
77	0	0	0	6,854	22,389	121,538	22,389	121,538
78	0	0	0	6,077	23,060	104,554	23,060	104,554
79	0	0	0	5,228	23,752	86,030	23,752	86,030
80	0	0	0	4,302	24,465	65,867	24,465	65,867
81	0	0	0	3,293	25,199	43,962	25,199	43,962
82	0	0	0	2,198	25,954	20,206	25,954	20,206
83	0	0	0	1,010	21,216	0	21,216	0
84	0	0	0	0	0	0	0	0
	0	0		288,890	388,890		388,890	

Appendix: 2010 (11/12) Conversion Detail Ledger

Option 3 - Conversion on 02/10/2010 Using Savings								
Client Age / LX	Savings Account			Roth IRA Account			Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Roth IRA Balance	Distributions & Withdrawals	Account Balances
02/10/2010			\$6,133			\$100,000		\$106,133
Conversion			\$17,802					\$17,802
50	272	0	6,405	5,326	0	105,326	0	111,731
10 RC Tax	792	0	18,594				0	18,594
51	320	0	6,725	6,320	0	111,646	0	118,371
11 RC Tax	930	10,000	9,524				10,000	9,524
52	336	0	7,062	6,699	0	118,344	0	125,406
12 RC Tax	476	10,000	0				10,000	0
53	353	0	7,415	7,101	0	125,445	0	132,860
54	371	0	7,786	7,527	0	132,972	0	140,757
55	389	0	8,175	7,978	0	140,950	0	149,125
56	409	0	8,584	8,457	0	149,407	0	157,991
57	429	0	9,013	8,964	0	158,371	0	167,384
58	451	0	9,463	9,502	0	167,874	0	177,337
59	473	0	9,937	10,072	0	177,946	0	187,883
60	497	0	10,433	10,677	0	188,623	0	199,056
61	522	0	10,955	11,317	0	199,940	0	210,895
62	548	0	11,503	11,996	0	211,937	0	223,439
63	575	0	12,078	12,716	0	224,653	0	236,731
64	604	0	12,682	13,479	0	238,132	0	250,814
65	507	13,189	0	11,907	2,514	247,525	15,703	247,525
66	0	0	0	12,376	16,174	243,727	16,174	243,727
67	0	0	0	12,186	16,659	239,254	16,659	239,254
68	0	0	0	11,963	17,159	234,058	17,159	234,058
69	0	0	0	11,703	17,674	228,087	17,674	228,087
70 / 27.4	0	0	0	11,404	18,204	221,288	18,204	221,288
71 / 26.5	0	0	0	11,064	18,750	213,602	18,750	213,602

Appendix: 2010 (11/12) Conversion Detail Ledger Continued

Option 3 - Conversion on 02/10/2010 Using Savings Continued

Client Age / LX	Savings Account			Roth IRA Account			Totals	
	ROI	Withdrawals	Savings Balance	ROI	Distributions	Roth IRA Balance	Distributions & Withdrawals	Account Balances
72	0	0	0	10,680	19,313	204,970	19,313	204,970
73	0	0	0	10,248	19,892	195,326	19,892	195,326
74	0	0	0	9,766	20,489	184,604	20,489	184,604
75	0	0	0	9,230	21,103	172,730	21,103	172,730
76	0	0	0	8,637	21,736	159,631	21,736	159,631
77	0	0	0	7,982	22,389	145,224	22,389	145,224
78	0	0	0	7,261	23,060	129,424	23,060	129,424
79	0	0	0	6,471	23,752	112,144	23,752	112,144
80	0	0	0	5,607	24,465	93,286	24,465	93,286
81	0	0	0	4,664	25,199	72,752	25,199	72,752
82	0	0	0	3,638	25,954	50,435	25,954	50,435
83	0	0	0	2,522	26,733	26,224	26,733	26,224
84	0	0	0	1,311	27,535	0	27,535	0
	7,056	13,189		308,753	408,753		421,942	