

N



**THE  
PROTECTED  
SECURITIES  
PLAN<sup>SM</sup>**

A Secured, Non-Recourse Stock Loan



**Strategic Direction  
for the Preservation  
of Wealth and Income**



# THE PROTECTED SECURITIES PLAN<sup>SM</sup>

## A Secured, Non-Recourse Stock Loan

Are you concerned about the volatility in the stock market?

Do you understand the value and need for fixed and equity-indexed life insurance and annuities in your portfolio?

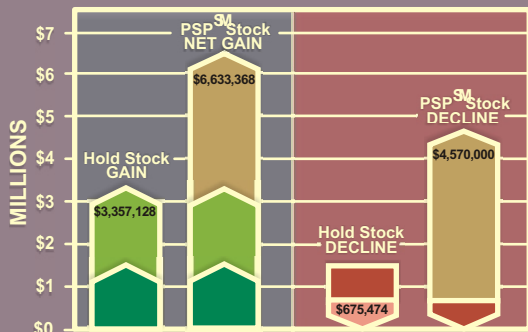
Would you like to find the premium dollars for a life insurance policy or annuity without using your liquid assets?

The Protected Securities Plan<sup>SM</sup> (PSP<sup>SM</sup>) represents a distinctive financial tool that turns paper profits into useful liquidity to help manage your overall long-term financial objectives.

The PSP<sup>SM</sup> is a simple and flexible technique. It is an invaluable tool for individuals who hold large or non-diversified stock portfolios with a low cost basis. The plan allows you to gain liquidity and lock in your current values without triggering a Capital Gains Tax. This non-recourse, non-margin call loan is a valuable option for those who have a focus on safe money, and who understand the need for fixed and equity-indexed products in their financial plan.

The Compass Agency's Protected Securities Plan<sup>SM</sup> is redefining the industry. We currently offer the only loan of its kind that is non-recourse, has no margin calls, maintains a low, 3-5% interest rate, offers a high loan-to-value ratio (up to 80%), and is over-collateralized to ensure the prompt return of the securities upon loan repayment.

## PROTECTED SECURITIES PLAN<sup>SM</sup> LOAN WITH LIFE INSURANCE



Initial portfolio value of \$1,555,000

+

10 years growing @ +8%

+

\$4,570,000 Life insurance death benefit purchased with loan principal

-

\$1,293,760 Loan balance at maturity.

Initial portfolio value of \$1,555,000

+

10 years declining @ -8%

=

WALK AWAY from the loan and retain \$4,570,000 in Life insurance death benefit purchased with loan principal\*

-

\* Final interest payment of \$49,760 to be paid upon default of loan.

Capital Gains tax may be due upon default. Illustration completed for this example showed cash value in policy at year 10 to be \$1,127,690. Interest rate on this loan was illustrated as 4%.

Loan interest can range from 2.99%-4%. 80% LTV used for this illustration.

The key to successful investing is managing risk. The PSP<sup>SM</sup> loan literally insures against downside risk. Each security is over-collateralized and each transaction is secured so you can feel confident about the return of your portfolio upon maturity and repayment of the transaction. ●



**IT TAKES A  
DISTINCTIVE INDIVIDUAL  
TO CREATE WEALTH...**

**...AND A DISTINCTIVE STRATEGY  
TO PRESERVE IT.**

This information is written in connection with the promotion or marketing of the matter(s) addressed in this material.

The information cannot be used or relied upon for the purpose of avoiding IRS penalties. These materials are not intended to provide tax, accounting or legal advice.

As with all matters of a tax or legal nature, you should consult your own tax or legal counsel for advice.

**C O M P A S S A G E N C Y . C O M**

Copyright 2005 The Compass Agency USA, LLC.  
All rights reserved.

Disclaimer: The Compass Agency USA, LLC does not give tax or legal advice. This presentation reflects current understanding of the tax rules, property laws, and regulations. Clients and other interested parties must rely solely on their own independent advisors regarding their particular situation and the concepts presented here. The Compass Agency USA, LLC is affiliated with BrookStreet Securities, Inc. The Protected Securities Plan (PSP) is a proprietary program, and a service mark of The Compass Agency USA, LLC. All rights reserved.