THE J R BAKER GROUP
"Empowering Families through the Generations"

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By Referral Only

THE J R BAKER PROCESS

WEALTH OPTIMIZATION AND LEGACY PLANNING

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INTRODUCING THE J R BAKER GROUP

"Empowering Families through the Generations"

*The J R Baker Process focuses on preserving, protecting, empowering and perpetuating our clients' wealth for the benefit of future generations. We analyze the components of wealth and assist you in identifying what constitutes your "True Wealth." This system recognizes that wealth planning in its proper role is truly **family leadership**. It entails a step-by-step process that defines your values regarding "true wealth", helps to instill those values in your posterity, and creates a system for the values to be internalized.*

We believe traditional planning focuses first and foremost on Financial Assets and creates a system that divides, defers, and dumps wealth on ill-prepared heirs. This method often brings about one of the greatest fears of affluent individuals – having their wealth ruin their children. These results may occur because traditional planning typically transfers wealth without a system that encourages and rewards accountability and stewardship.

THE TENETS OF
THE J R BAKER
WEALTH OPTIMAZATION
AND LEGACY PROCESS

Understanding the principle of "True Wealth"

A guiding principal of The J R Baker Wealth Optimization and Legacy Process is the recognition that "True Wealth" results from the combination of Human Assets, Intellectual Assets, Social Assets and Financial Assets.

Most planners and advisors focus exclusively on Financial Asset solutions and products. The J R Baker Process focuses equally on the Human Assets, enrichment of the family and the introduction of systems that capture the family's Intellectual Assets. The J R Baker Process' distinct and advanced proprietary strategies are then employed to help optimize the family's Financial Assets, for the further enrichment of the individual health, happiness and well being of each family member.

We begin by identifying and documenting the underlying core values of the family and how those values relate to overall objectives. In our opinion, this step-by-step process facilitates the family's understanding of the role that Financial Assets, when optimized, play in the ultimate enhancement of their Human and Intellectual Asset value.

We believe "True Wealth" is the process where Intellectual Assets are captured and combined with the optimization of Financial Assets to enrich the individual health, happiness, and well being of each family member. The J R Baker Process assists families and family offices in discovering, preserving, enhancing and optimizing their "True Wealth".

HUMAN, INTELLECTUAL, SOCIAL AND FINANCIAL ASSETS

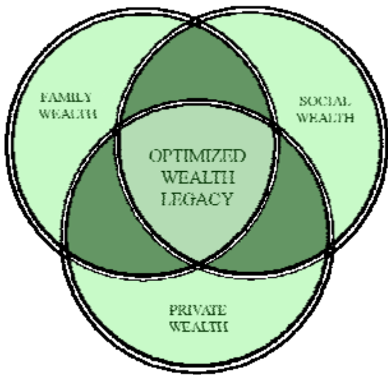
Human Assets are those personal qualities and characteristics that enhance the individual health, happiness and well-being of each family member.

Intellectual Assets consist of the capture and empowerment of life's experiences, both good and bad, and the formal education of each family member.

Social Assets are those assets placed back into society for the good of all. They include time, experience, taxes and money.

Financial Assets are those tangible assets that help ensure financial independence, provide for family legacy and enrich political and social involvement.

Understanding the principle of Optimized Financial Wealth



We employ an approach that helps optimize the relationship between Private Wealth, Family Wealth and Social Wealth to develop a consistency among your goals for financial independence, an appropriate family legacy, and the fulfillment derived from the creation of your social legacy.

It has been our longstanding experience that by addressing the issues, needs and priorities of these three main aspects of our clients' financial affairs, we are able to identify, and then act in accordance with a clear financial philosophy.

The simple diagram on the left illustrates the core of our Wealth Optimization and Legacy model. As one moves through the various life stages, the scale of, and emphasis on, each area will change. Our planning model recognizes this dynamic and is able to respond accordingly. We hope you will find it to be a unique tool for understanding your Financial Assets.

PRIVATE, SOCIAL AND FAMILY FINANCIAL WEALTH

Private Wealth is comprised of assets and earnings over which you inherently have control and use to ensure lifetime personal financial independence.

Family Wealth is the legacy you transfer to your heirs. When wealth is inherited, especially at a young age, it typically has a tremendous impact on the one who receives it. It is important to consider that the amount made available to an heir is appropriate, specific and in line with your value system.

Social Wealth is comprised of assets and earnings which will be either government-directed (through taxes) or self-directed through gifts made to your choice of philanthropic organizations. Social Wealth also encompasses the time, talent and energy expended for the benefit of others.

The J R Baker Process

The J R Baker Process brings "True Wealth" and Optimized Financial Wealth together to help maximize value for current and future generations. This process is focused on growing, protecting and perpetuating a client's wealth.

The J R Baker Process recognizes that the transfer of "True Wealth" is not focused on material assets, but is centered on family stewardship.

The J R Baker Process recognizes your values and beliefs regarding "True Wealth" and creates a system for these values to be internalized in the maintenance and availability of financial wealth for future generations

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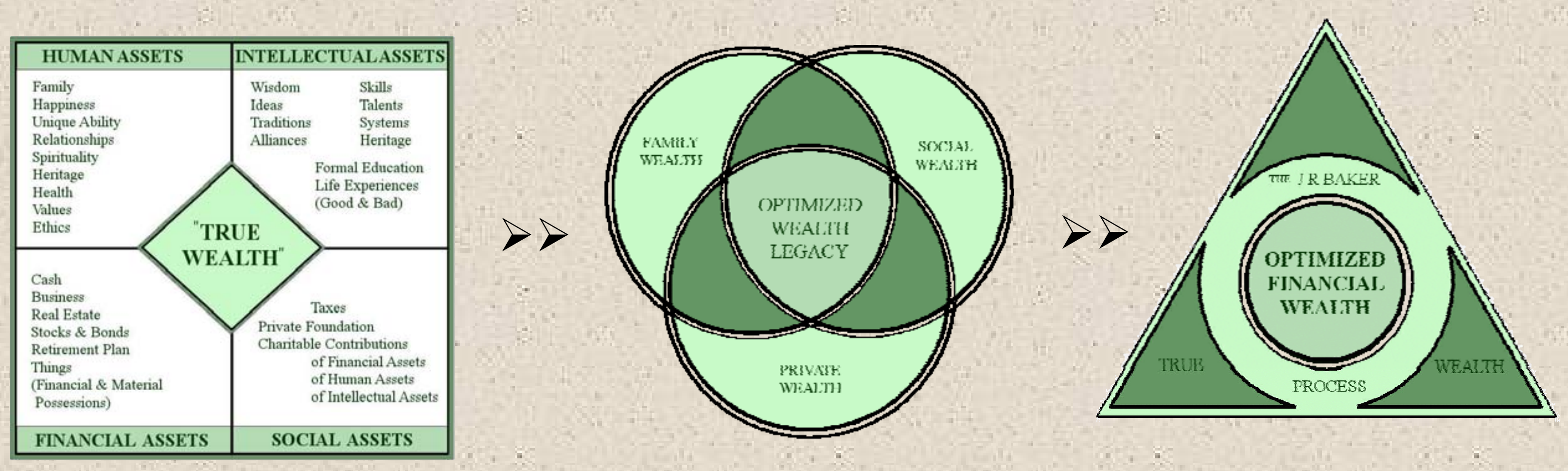
"Every affluent father wishes he knew how to give his sons the hardships that made him rich." – Robert Frost



The J R Baker Process is a step-by-step process that helps you define and express your values and objectives regarding wealth. Well-conceived objectives that are a true reflection of your values can help assure that your plan design and implementation can occur with optimal effectiveness.

Executing The J R Baker Process via the Family Legacy Bank

In this approach, enrichment of Human Assets, Capture of Intellectual Assets and Optimization of Financial Assets are perpetuated through the structure and management provided by a comprehensive concept we call the Family Legacy Bank.

The Family Legacy Bank is a structure of inter-linked entities combined with drafted documents designed to coincide with your family's "True Wealth" and Optimized Wealth and Legacy Plans. This structure provides choices and helps create an environment in which family stewardship and values transfer can be accomplished

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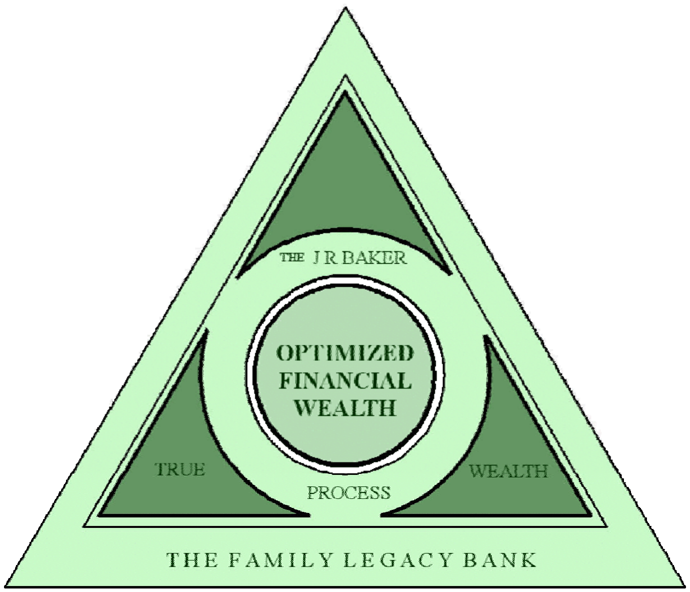

Clarity Balance Focus Confidence

The J R Baker Process is designed so that:

- Your values, virtues, and desires are passed perpetually to future generations.
- Family significance is created by teaching current and future generations the value of giving back through social and philanthropic assets.
- Social significance is created through involvement with organizations promoting your charitable causes.
- You provide for the health, education, maintenance, and support of future generations through the provision of grants.
- You allow future generations to obtain worthy wants and needs through provisions of loans.
- You provide for the continuation of the family fortune by allowing the family bank to partner in worthwhile business ventures.
- Your assets are protected from unscrupulous creditors and frivolous lawsuits.
- The Financial Assets available to future generations can be maximized rechanneling the social asset contributions.

"The J R Baker Process architecture is designed to provide the structure for the enhancement of your Human Assets, the capture and utilization of your Intellectual Assets and the optimization of your Financial Assets to help increase the individual health, happiness and well-being of every family member now and in the future."

THE J R BAKER PROCESS

DISCOVER PHASE

THE J R Baker Process
Planning Triage

- Introduction
- Discovery
  - Interview
  - Questionnaire
  - Review of Financial Resources
  - Review of Current Plan
- Defining Scope of Engagement
  - Suitability
  - Strategic vs. Tactical
  - Assign Relationship Manager

Present Engagement Letter

DESIGN PHASE

THE J R Baker Process
Understanding The Family Financial Philosophy

- Analysis & Documentation
  - The Legacy Biography
  - Planning Affirmations
  - The Legacy Goal Profile
  - Blueprint of Current Plan
- Development & Drafting of Family Financial Philosophy (FFP)
- Table of Consistencies & Inconsistencies

Data Confirmation Packet

Wealth Optimization
Strategies & Plan Design

- Wealth Strategies Design Team (Unique Abilities)
- Proprietary Strategies
- Customized Solutions Tailored to the Client
- Assembling the Strategies into a Custom Wealth Optimization and Legacy Plan

Present Preliminary Wealth Optimization and Legacy Plan

EXECUTION PHASE

Plan Delivery & Execution

- Assembling the Virtual Implementation Team
- Facilitation of Implementation
- Adjustments & Modifications
- Coordination of Legal Documents
- Customized Financial Instruments & Tools
- Family Bank / Family Office Services

Present Final Wealth Optimization and Legacy Plan

EMPOWERMENT PHASE

Intergenerational Values Transfer

- Responsibility of Wealthy Family Retreat
- Professional Stewardship
- Youth Advisory Board
- Family Charity
- Family Involvement
  - Competency
  - Self-esteem
  - Motivation
  - Discipline
  - Judgment
  - Maturity
  - Integrity

Ongoing Wealth Optimization and Maintenance
The Ultimate in Personal Virtual Services

- Review & Update Client Profile
- Plan Monitoring and Maintenance
- Monitor Vision Status
- Strategy Consulting
- Investment Consulting Services
- Insurance Monitoring and Management
- Cash Flow Management
- Tactical Social Asset Planning
- Asset Acquisition Assistance & Planning
- Asset Monetization

Client CD-ROM

INTRODUCING JOEL R BAKER

FOUNDER OF THE J R BAKER PROCESS

Joel R. Baker has been helping clients meet their specialized financial goals and objectives since 1971. Joel works with legal, accounting, and bank advisors in the design and implementation of sophisticated strategies for businesses and affluent individuals that help his clients meet their visions, goals and objectives.

"Over the years I have enjoyed close relationships with my clients, who, in many cases have been referred to me by clients, lawyers, CPAs, and other professional advisors who understand the complexities of wealth preservation. We join efforts to help ensure every aspect of the client's financial situation is addressed. I feel privileged to be trusted with my clients' visions, goals and objectives, and with shaping the process that can help those visions, goals and objectives materialize."

Qualifications and Professional Affiliations

Cofounder of Financial Planning Services, one of the first fee-based financial and estate planning firms in 1971. In 1974, teamed up with Gus Hansch, who many feel is the father of financial planning and who wrote one of the first books on the topic.

Since 1972, Joel has partnered with many of the nation's premier independent financial planning and service firms. "While I have learned a lot from these associations, I feel I have actually learned more from my clients and what is truly important to them and their families. With this client input, a special process has developed over the last fifteen years that has become known as "The J R Baker Process".

The J R Baker Group was formed to specialize exclusively in Wealth Optimization, Legacy Planning and Focused Investment Opportunity Portfolio Design and Administration Services. Our goal is to "Empower Families through the Generations".

Philanthropy

Founder, Pacific Coast Youth Polo Association. Cofounder and Director of the Mammoth Lakes Foundation. Past Director, Santa Ynez YMCA. Past Director, Solvang Theaterfest. Past Director, California Culinary Foundation. A member of Gold Cuppers and Chairman of the Endowment Fund Committee for the Vikings of Solvang. Assist my wife, Charlotte in the mentoring of local kids and kids from Compton, California through the Junior Posse of Compton. We have raised two foster sons. "We are trying to make this a better world, one kid at a time."

Personal

Married to Charlotte Bredahl-Baker, one of our country's best dressage riders, winning a team bronze at the 1992 Olympics and an international dressage judge. "My work has provided me with a fine life in the Santa Ynez Valley, north of Santa Barbara. I love the outdoors. On weekends I have been playing professional polo since 1970 and I have enjoyed raising and training many of the horses I currently play. I have been coaching United States International polo teams, winning the Silver medal in the World Snow Championships in China and the Silver medal in the World Cup in Chile. I was fortunate to attend Fort Lewis College in Durango, Colorado, on a skiing scholarship, and I still enjoy the sport immensely. These are the opportunities we all deserve in life."