Joan M. Huber CFP®

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June 8, 2009
As of March, 2009

Mrs Anita Liebowitz
19 Eagle Lane
Roslyn, NY, 11576

Mrs. Merrie Liebowitz
13047 Salinas Point Way,
Del Ray Beach, FL, 33446-6763

Mrs. Mrs Janice Liebiwitz
7125 Fairfax Rd,
Bethsesa, MD, 20814

Ms, Robin Liebowitz
19 Eagle Lane
Roslyn, NY, 11576

Dear Anita, Merrie, Janice and Robin,

This will recap the meeting we had in early March and subsequent actions.

At the time of our meeting at which all of the addresses were present except Robin, the stock market was at what now appears to be the current low point for the current recession, approx 6600 on the Dow. While the accounts had been held at approx 66% stocks, too high for most people in their eighties, this was in accord with Anita's wishes. Since at that time the future of the market was totally unknown and expected to fall further, we decided to change the allocation which is now closer to 50% stocks and 50% cash and fixed income. The market while having recovered some 2000 points from it's low is still on shaky grounds with many predicting further losses this year it has remained at about that level.

Greater emphasis is now being placed on income stocks, stable stocks and funds," and safe" fixed income. Thus changes were made in the portfolios to provide some extra income and lower volatility equities. More work needs to be done on this.

So far the portfolios have recovered to their year end values erasing the sharp declines of January, February and Mid March . They have turned just slightly positive as of this writing.

Gifts of all kinds were discussed at great length and due to the uncertain stock market it was decided to gift only the $13,000 to each of your daughters later when and if the stock market recovered. No specific date was discussed but it was felt that later in the year would be appropriate assuming the maket holds up well. Other gifts are being temporarily suspended.

The main objectives in managing this portfolio are to provide sufficient funds to you, Anita, to live in your house in Roslyn with the kind of live in help you need and any other help you might need to allow you to remain in your current home at your currentLevel of comfort and care. This is as it has always been. Currently your requirements are at about $160,000 a year and possibly more shoulmedicalexpenses increase.This is about 6.15% of your current $2,600,000 portfolio. This does not seem overly high in normal circumstances, but in this market it is just about assured that principal will have to be invaded to provide the needed money to maintain. Interest rates are too low to provide this income and stocks can not be relied upon to generate that much in dividends.

Current cash needs are approx. $160,000/ year and rising. This would require an annual net after tax return of 6.14% which doesn't seem high but after taxes ?? With the house valued at its current depreciated amount of $900,000 this results in an estimated estate of $3,600,000 and a guesstimated decrease of $100,000/year assuming that the market remains stable. Depending on the accuracyof the projections and assuming the federal estate tax exemption remains at $3,500,000 and New York gift & estate combined at $1,000,000 this would leave taxable estates of approx. $1,000,000 Federal and $2,500,000 state with estimated tax bills of $450,000 Federal and something like $180,000 to $200,000 New York State. This takes into account the $2,000,000 already distributed from Anita's estate with taxes being paid on $1,000,000 to both the Federal and state govts. This is difficult for me to figure.In fact you should have an accountant familiar with these estate taxes figure this. I am not an accountant and probably have omitted something significant.

If any odf you have different recollections, please let me know and I will make the necessary corrections

Very sincerely ,

Joan

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