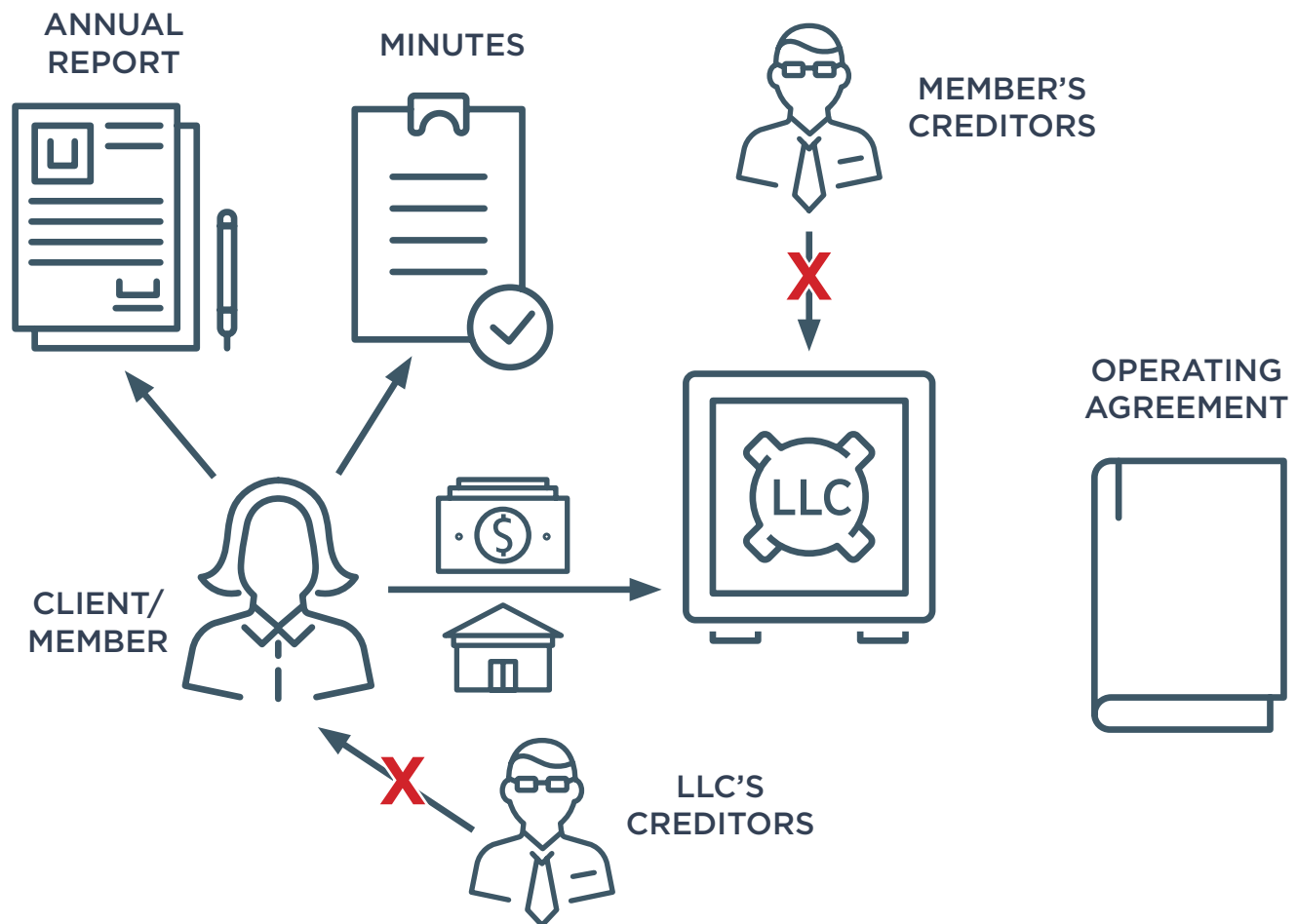


HOW A LIMITED LIABILITY COMPANY (LLC) WORKS



STEP 1: Accounts and property are transferred to the LLC during the client's lifetime or at death, or property is purchased in the name of the LLC. The client then becomes a member of the LLC.

STEP 2: Client/member ensures compliance with all of the corporate formalities.

STEP 3: If client/member has a personal creditor claim, the accounts and property in the LLC are protected (except possibly for single-member LLCs). The LLC's creditors will also have a difficult time going after the member's personal accounts and property.

STEP 4: When a member dies, the operating agreement should state what happens to the membership interest and the LLC.