

— LPL Financial

# Lineage Wealth Management, Inc.



We invite you to discover Wealth Management the way it should be...

500 East Main Street  
Suite 1110  
Norfolk, VA 23510

Securities & Advisory Services offered through LPL Financial  
Member FINRA/SIPC, and a registered investment advisor

- UNDERSTANDING YOU
- WHO WE ARE
- YOUR TEAM
- WHAT WE OFFER

# Understanding You

Taking the time to understand your primary goals is the first step in ensuring your financial success and security for your family.

Our responsibility is to go beyond responsiveness to anticipation, and in doing so attain deep understanding of:

- The importance of individuals
- How wealth should serve, rather than complicate life

We are here to help you formulate and articulate your goals and thereby simplify your life in the process.

## Every Family is Unique

*“True wealth can not be measured in dollars alone, it is in the values and legacy one leaves behind.”*

## Six Dimensions of Wealth Management

- Family Continuity
- Strategic Philanthropy
- Risk Management
- Integrated Planning
- Investment Diversification
- Lifestyle Enhancement

## The Way We Do Business

### Integration of Life and Wealth

- Dedicated to serve the individual and their family

### Commitment to Objectivity

- Independent and unbiased advice brought together to support your clients needs

### Exceptional Personal Service

- Deep understanding and responsiveness to our advisors

# Who We Are



## Firm Overview - The Enabling Partner

- LPL has experienced 20 years of consecutive earnings growth, in both up and down markets
- #1 Independent Broker Dealer in the country\*
- We believe in advice for the individual investor
- We have no capital markets, trading, investment bank, or proprietary products

❖ It is not about how big we are. It is about how personal we make it feel.

❖ LPL Financial is pleased to celebrate its 40th anniversary in 2008. The last four decades have marked a period of unparalleled dedication to the success of independent financial advisors. We look forward to providing our advisors with excellence in service, technology and research to ensure their continued success and the well-being of their clients over the next 40 years.

\*Based on total revenues, Financial Planning magazine, June 1996-2007

***40 years empowering advisors to empower clients***



# Your Team

## The Essence of the Practice

### **Lineage Wealth Management, Inc.**

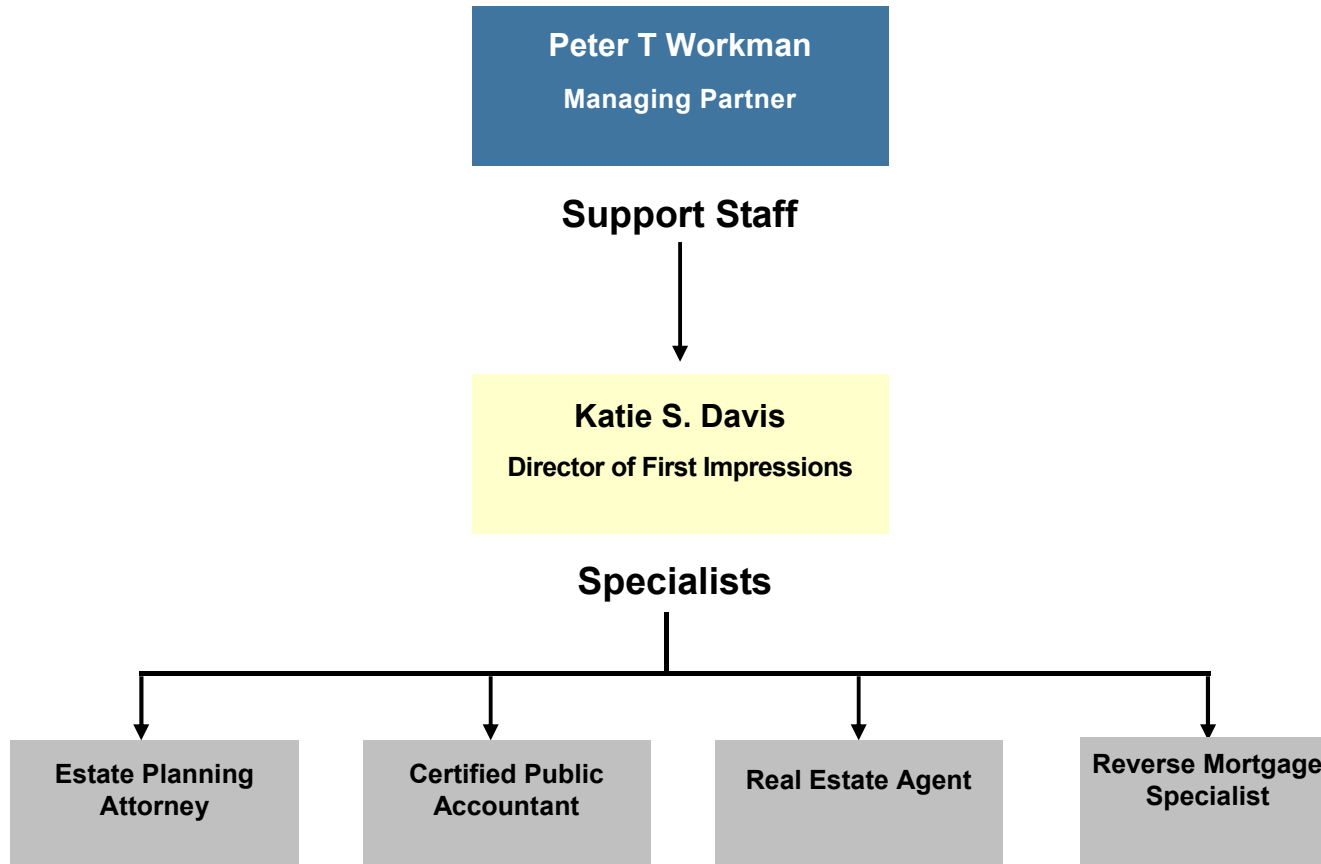
#### **Peter Workman, Founder**

Lineage Wealth Management's motto is "Serve First", and the foundation of this company comes from the value of the relationship with our clients. Our practice works with people that enjoy the peace of mind that comes with having a trusting relationship with a financial planner. Our community of clients value our relationship because by delegating all their financial matters to us, they can focus their time on those things that are most important in life to them, which cannot be delegated.

Lineage Wealth Management helps our clients determine their values, identify their goals, and implement a strategic plan to ultimately improve their quality of life. Each client receives a Financial Road Map Strategy that is tailored specifically to them, and as you progress through different stages of your life, Lineage Wealth Management is there to offer clarity and adapt to you as your needs change.

Lineage Wealth Management offers our clients the best experience possible through our passion of helping people make smart choices about their money.

# Lineage Wealth Management, Inc. Organization Chart



## What We Offer

## Wealth Management Services

### Comprehensive Wealth Planning

Integrated analysis and planning for family issues, wealth transfer, asset location and protection

### Family Advisory

Maintain family unity across generations focusing on family missions, goals and governance

### Philanthropic Services

Invest in Others is more than our motto, it is our passion

### Investment Management

Tax sensitive, asset allocation, hedge funds and private equity, concentrated positions, diversification, control and restricted security management, hedging and monetization strategies

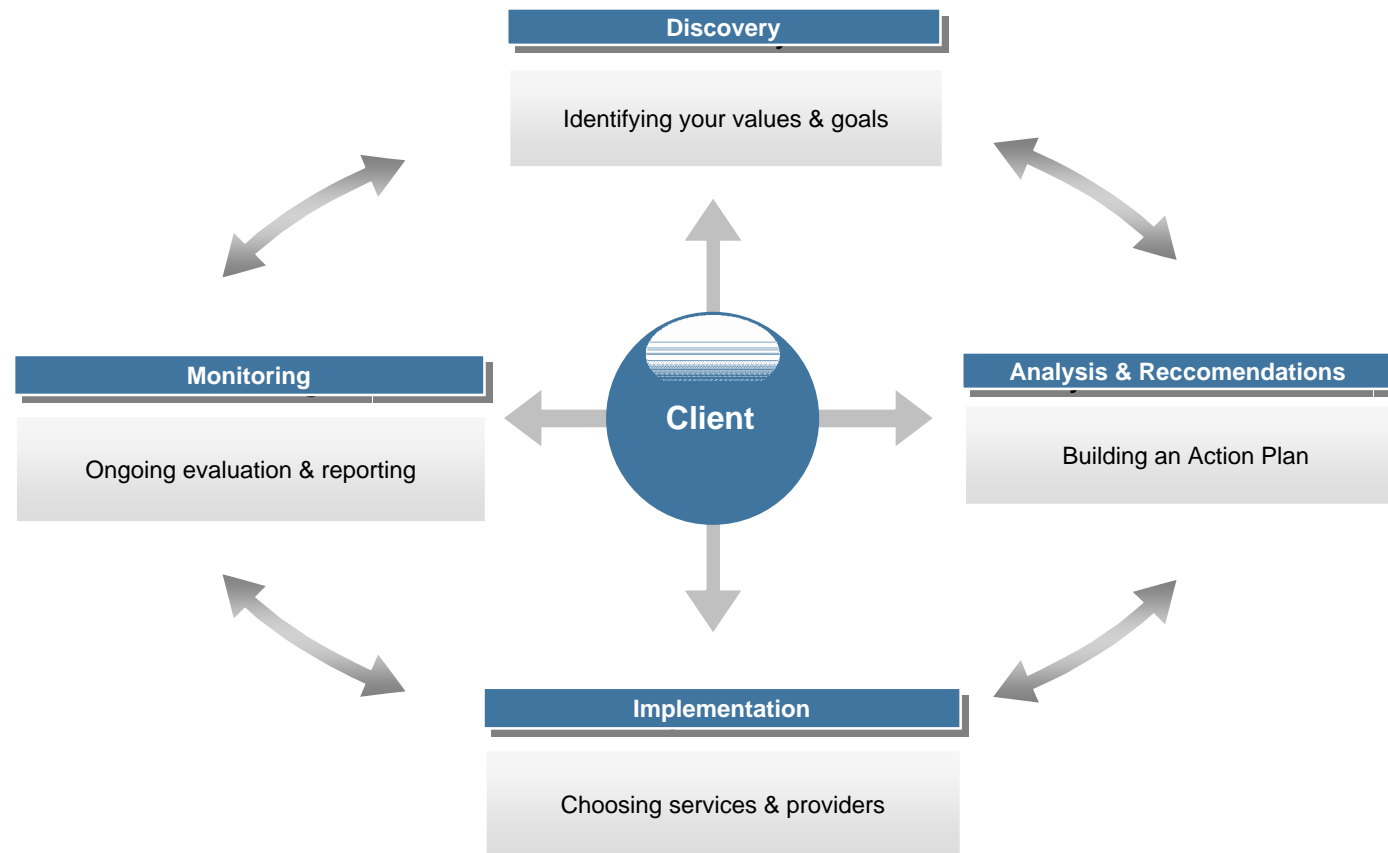
### Reporting, Monitoring, Aggregation, Access

Comprehensive view of assets and portfolio

# What We Offer

## Planning and Advisory Services

## Comprehensive Wealth Planning



### Discovery

- Family, key issues
- Goals, retirement timing, special needs
- Values
- Comprehensive view of current financial picture
- Risk tolerance, time horizon, attitude toward volatility

### Analysis, Recommendations

- Analyze personal, financial information
- Income goals, probability analysis
- Analyze liabilities
- Analysis of risks and threats
- Coordination with outside advisors
- Action plan: growth, preservation, transfer of wealth

### Implementation

- Retirement and education plans
- Estate plan, trust, philanthropic plans
- Borrowing plan
- Risk plan including diversification, hedging, insurance, tax minimization
- Family mission and bylaws
- Asset management

### Monitoring

- Track progress toward goals
- Set/follow guidelines for liquidity, asset allocation
- Notification when portfolio strays outside guidelines
- Performance reporting
- Online access



## A Complete Financial Picture

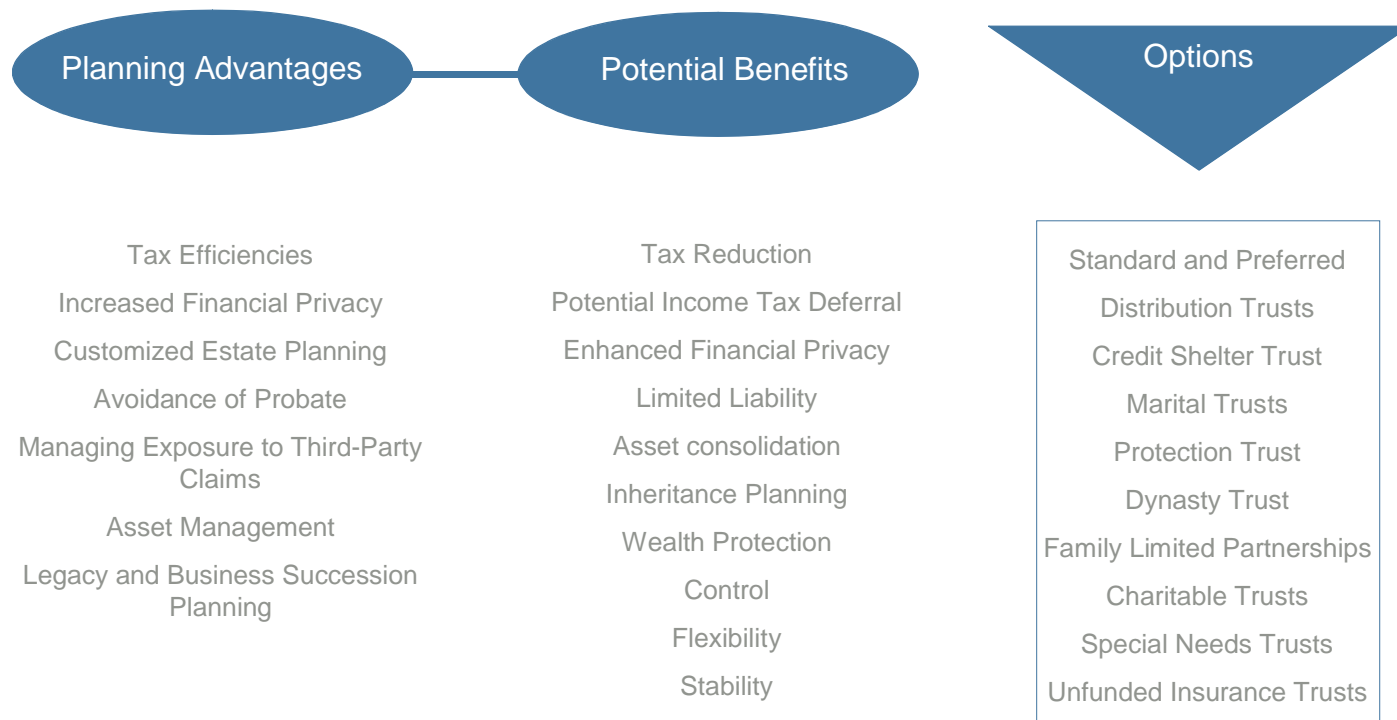
- Comprehensive planning begins with your complete financial picture and thorough discovery of the life you envision for your family.
- The result is a thorough plan for your life and your investments.

### **Key questions to answer:**

- Can my lifestyle change without undermining the work ethic of my children?
- Am I protecting what I will transfer to the next generation, and can that include values, not just assets?
- Are the pieces of my financial picture working together, or at cross-purposes?
- Can I diversify my concentrated position without appearing disloyal or signaling the market?

## Financial & Estate Planning - Wealth Structuring

Effective and long-term wealth management, preservation/enhancement and asset transfer



❖ LPL Financial offers an array of fiduciary strategies to those who seek excellence in preserving and protecting their wealth. The structures offered include trusts, Private Investment Companies (PIC), partnerships and insurance.

## Philanthropic Planning

LPL Financial Perspective:

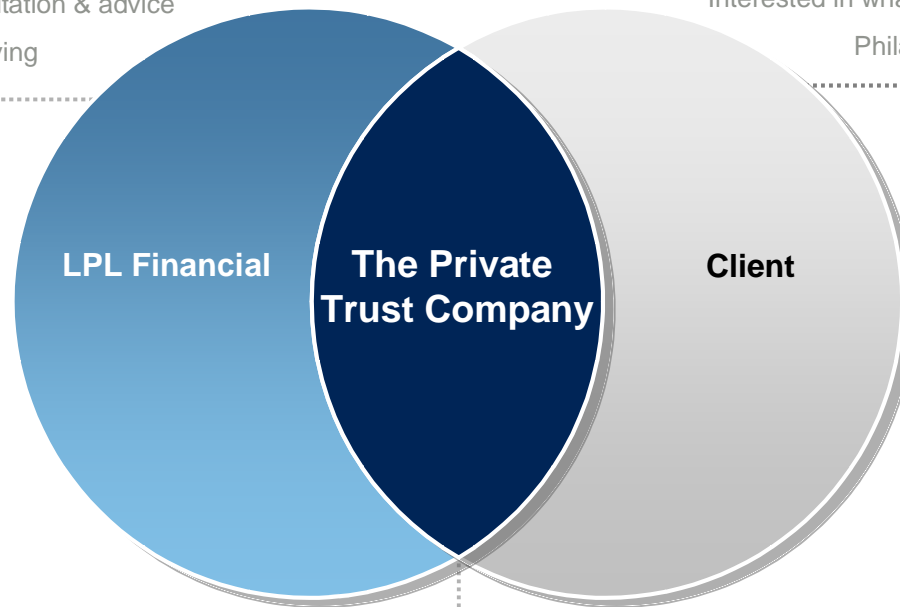
More than financial consultation & advice

Leader in philanthropic giving

Seek unique products and opportunities

Interested in what money can't buy

Philanthropic mind-set



- Endowment Funds
- Large Direct Capital Gifts
- Pooled Income Funds
- Private Family Foundations

- Charitable Bequests
- Charitable Lead Trusts
- Charitable Remainder Trusts
- Donor Advised Funds

❖ We can provide giving opportunities for you and your families that want to utilize the LPL Financial reach, the resources and the expertise of professionals to engage more effectively in philanthropy and social investments.

## Family Advisory / Education



- Client Education & Mentoring
- Family Philanthropy
- Business Succession Plans
- Advice on family offices or alternative structures
- Family Governance structures/documents
- Family Mission Statements
- Wealth Structuring, jurisdiction analysis
- Education Savings Programs
- 529 College Savings Program
- Custodial Accounts

- ❖ LPL Family Advisory Services helps clients manage the family dynamics of inter-generational wealth transfer.
- ❖ Wealth consists not just of a family's financial capital, but of their human and social capital as well.
- ❖ Our mission is to help clients maximize the value of all their family capital through the transfer and preservation of the family's shared values and the creation of an enduring family legacy.

## Trust & Estate Planning

### Trust Services can help you:

- **Consolidate and simplify** by transferring trusts from other institutions
- **Increase your control and current income** by turning unproductive, low cost basis assets into productive ones, using various trust techniques
- **Retain assets for future generations** by naming a corporate trustee as successor trustee in your living trust
- **Develop multi-generational strategies** by having Dynasty Trusts and other sophisticated wealth management strategies

❖ Your LPL Financial partners will help you access resources to help with you with stock option planning and estate planning prior to IPO date.

❖ LPL Financial provides counseling on the design and updating of all estate planning related items.

LPL Financial Representatives offer access to Trust Services through The Private Trust Company N.A., an affiliate of LPL Financial.

## Insurance Planning – An Integrated Approach

Explore the possibilities of leverage premiums

### Life Insurance strategies integrated with:

Financial Planning

Trust Services

Retirement Programs

### Can Provide Income and Estate Tax benefits for:

#### Personal Needs

Legacy planning

Estate tax liquidity

Philanthropic aspirations

Income replacement

#### Business Needs

Succession planning/key person

Deferred compensation

Buy/Sell funding

COLI

### Life Insurance may provide:

- ❖ A substantial benefit in exchange for a relatively low amount of premium dollars
- ❖ An income tax-free death benefit to your named beneficiaries
- ❖ Estate tax-free proceeds with proper planning
- ❖ Liquidity when estate taxes are due
- ❖ An opportunity to accumulate assets on a tax-advantaged basis
- ❖ A source of tax-free funds to satisfy a variety of objectives, including education funding and retirement planning

# What We Offer

## Investment Research and Strategy

## LPL Financial Investment Research

- LPL Investment Research provides macro and quantitative analysis of markets and sector trends. The core focus of the group is to help investing clients make informed decisions by providing value-added, independent, insightful analysis.
- As the industry's leading independent advisory firm, the breadth of LPL Financial research coverage reflects a focus on meeting individual investors' needs.
- LPL Financial has no proprietary products to sell, no investment banking relationships to promote, nor any other business conflicts to get in the way of providing unbiased recommendations.
- The LPL Financial analysis, advice and reports are designed to deliver independent opinions empowering LPL advisors to work solely in the interest of clients.

### **The Six "I"s of Research:**

- Integrity
- Independence
- Insight
- Innovation
- Illustration
- Illumination



## LPL Financial Investment Process

### Investment Strategy Committee

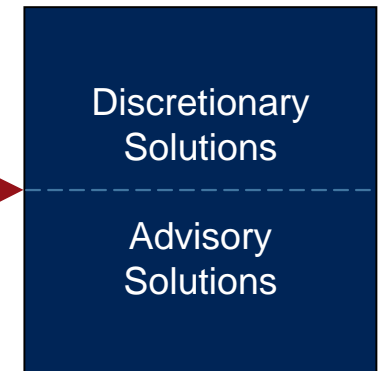
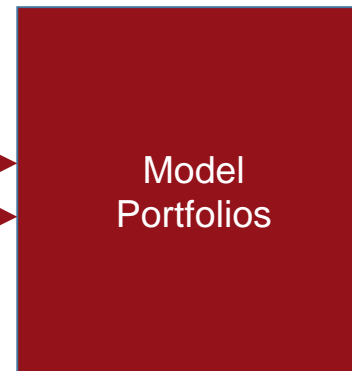
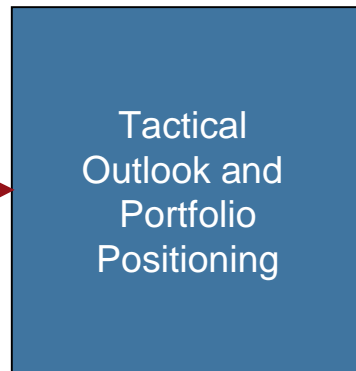
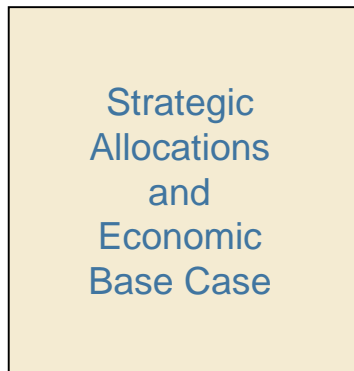
### Research Process

**STEP 1:** Gathering the Inputs to Set the Strategic Allocations

**STEP 2:** Tweaking the Mix for Tactical Benefit

**STEP 3:** Finalizing the Model Portfolios

**STEP 4:** Solutions



With the help of the Research Analytics Strategy Group which gathers market data, key economic variables as well as other fundamental information to build 10-year projections of risk and returns for a variety of asset classes, the Investment Strategy Group produces a series of strategic portfolios for a wide spectrum of risk levels.

The Investment Strategy Group formulates an economic outlook and suggests tactical positions on equity, credit, currency and alternative asset classes based on key market indicators gathered by the Economics Research team as well as the best insights from LPL Financial and top third-party analysis.

It's not always practical or cost-effective to make a change to our model portfolios every time there's a nuanced modification to the short-term view. But periodically, changes in the ISG's outlook prompt it to alter its recommendations. On these occasions, the Portfolio Strategy Group transforms the ISG's tactical positions to specific portfolio weightings using the strategic portfolios as a baseline.

LPL Financial Wealth Management uses the model portfolios in two ways: For our **discretionary** relationships, where you've given us the authority to make buy and sell decisions on your behalf, our asset-allocation products reflect the outlook on the markets; we also use the model portfolios to inform our guidance in an **advisory** capacity.

# What We Offer

## Portfolio Construction

## Equity and Fixed Income Strategies

Whether your goals include opportunistic investments, yield-enhancement instruments, or risk-averse strategies, LPL Financial specialists are responsive to the complex wealth challenges of affluent individuals and sophisticated investors.

LPL Financial research specialists are experienced problem-solvers, helping clients realize financial opportunities and manage the burdens of potential risk despite volatility in pursuit of achieving beneficial outcomes for your significant personal, trust, business, and philanthropic assets.

- Identifying Opportunity:
  - Economic perspective
  - Strategic and tactical asset allocation
  - Domestic and Global
  - Growth, Value, Core
  - Capitalization biases
  - Credit Analysis
  - Managed Portfolios
  - Mutual Funds
  - Annuities
  - UITs
- Strategies with tailored terms and risk/reward profile are designed to help clients:
  - Diversify risk
  - Reduce volatility, provide downside protection
  - Preserve and enhance expected returns
  - Laddered or “Barbell” income portfolios
  - Access liquidity from stocks
  - Provide leverage

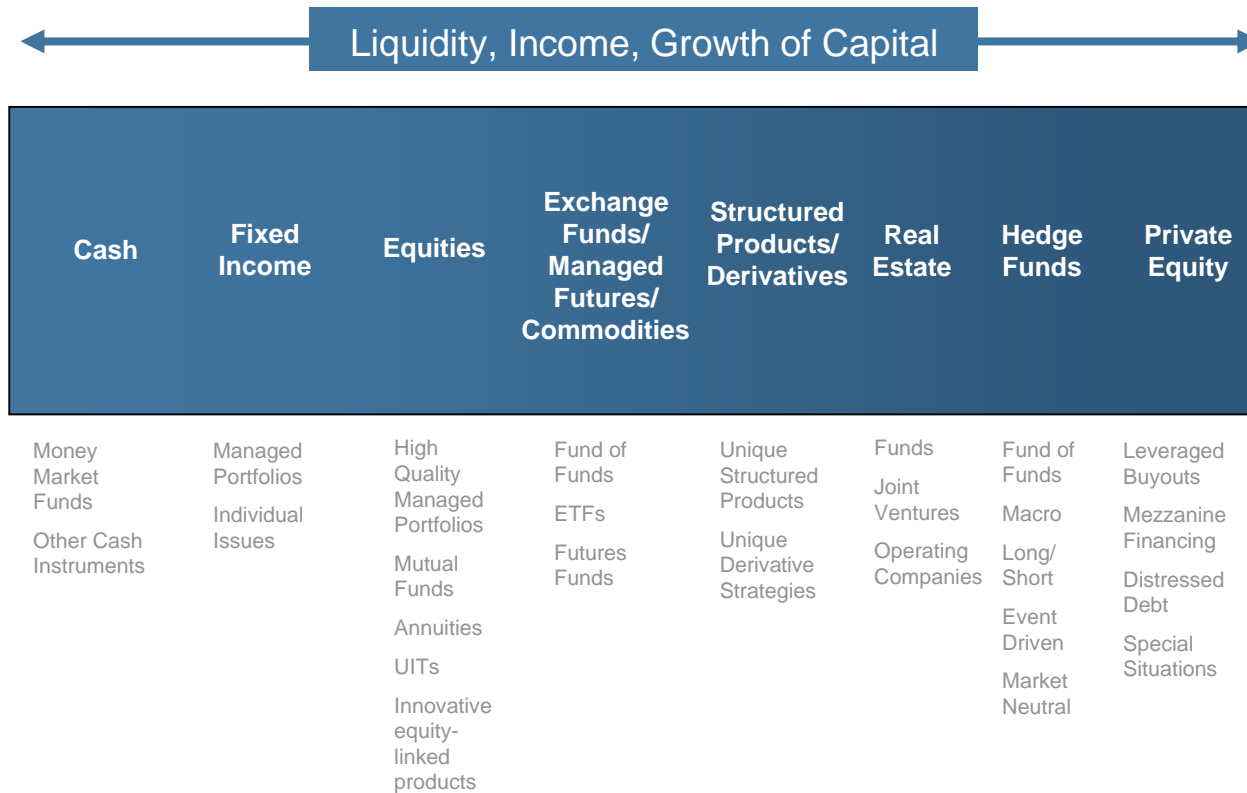
❖ Dedicated research analysts and market specialists help clients leverage the experience and benefit from transparent pricing and open architecture opportunities available through LPL Financial.

❖ Use LPL Financial Research to access to macro and quantitative analysis, market views and sector trends.

❖ Coverage includes dozens of industry groups.

❖ Research reports on subjects ranging from the status of the real estate market, to the potential economic impact of geopolitics and globalization.

## Investment Spectrum



❖ LPL Financial offers a broad selection of high quality investment vehicles suited for client's unique needs.

## Research Leadership – “Experienced, Unbiased, Actionable”

### **Burt White**, Managing Director, LPL Research

- Served as the Chairman of the Manager Strategy Group Investment Committee at Wachovia
- Responsible for all due diligence of third-party investment managers and mutual funds, including more than 1,200 company meetings and on-site reviews

### **Lincoln Anderson**, Managing Director, Chief Investment Officer

- President Reagan’s Council of Economic Advisors
- Former Economist at Bear Stearns & Co. and Director of Economic and Sector Research at Fidelity Investments

### **Jeffrey Kleintop**, CFA, Chief Market Strategist

- Former Chief Investment Strategist at PNC Wealth Management
- Recognized economic strategist
- One of “Wall Street’s Best and Brightest” – *The Wall Street Journal*

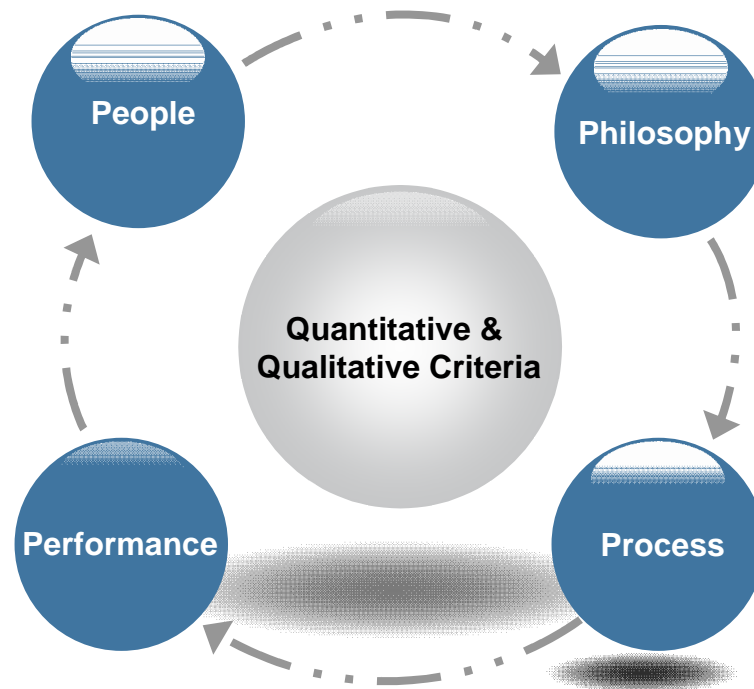
- ❖ Asset allocation
- ❖ Asset class and sector research
- ❖ Capital markets analysis
- ❖ Economic analysis
- ❖ Investment manager evaluation, recommendations
- ❖ Overlay services
- ❖ Portfolio modeling
- ❖ Equities and fixed income
- ❖ Alternative investments
- ❖ Variable Annuities
- ❖ Rebalancing

# What We Offer

## Investment Advisory Consulting

## Investment Manager Research

*“What do you look for when you evaluate managers?”*



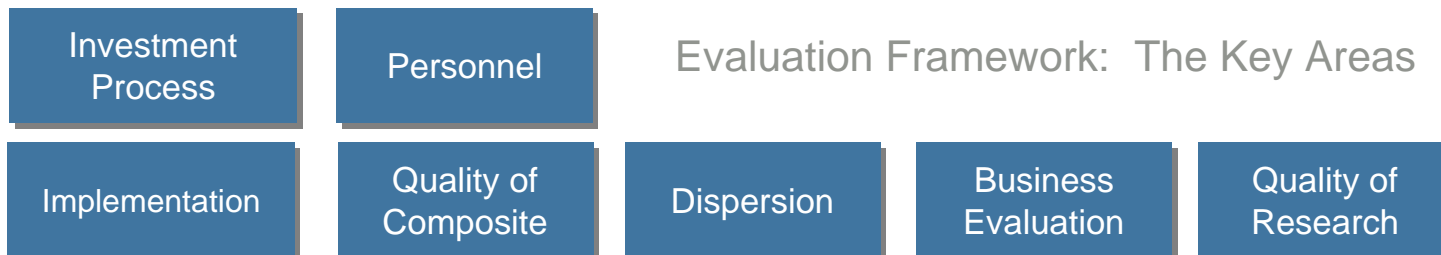
- ❖ Total Advisory and Research Analysts – approximately 60.

- ❖ The Research Team maintains a strictly-derived “short list” of strategists that have been reviewed and believed to be of enhanced quality. We do this by monitoring multiple attributes, which include managers’ performance, adherence to philosophical guidelines, low personnel turnover, consistency of assets under management, etc.

- ❖ The team is responsible for rigorous diligence on products before offering them to our clients.

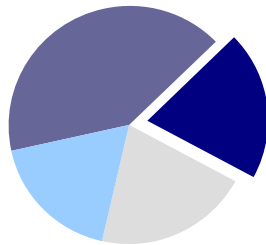
- ❖ Customized to meet your individual investment needs.

### Evaluation Framework: The Key Areas



## Asset Allocation - Dynamic Response to Changing Markets

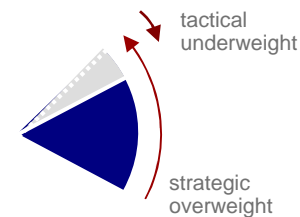
### Strategic Allocations



We build portfolios based on strategic risk and return assumptions, using a proprietary LPL Financial portfolio construction methodology.

Reviewed Annually  
Time Horizon: 10 years

### Tactical Adjustments



Further adjustments are made based on short-term insights from our Investment Strategy Committee

Reviewed Quarterly,  
or as Market Dictates  
Time Horizon: 3 - 12 Months

Asset allocation does not ensure profit or protect against loss.

When an asset class is overweighted, other asset classes are underweighted by a compensating percentage so that the total allocation remains 100%. Changes in market risk can also result in strategic and tactical changes.



## Flexible Choices

### Open Architecture

- **Strategic Asset Management** - comprehensive advisory platform offers clients broad customization from 5,900 investment options, including mutual funds, stocks, bonds, UITs, conservative options, fund of hedge funds, managed futures and no-load variable annuities
- **Manager Select** - separate account platform offering over 120 institutional managers and over 330 strategies, with research-recommended short list and the flexibility to customize portfolios to client needs

### Centrally Managed

- **Optimum Market Portfolios** - mutual fund asset allocation platform with both strategic and dynamic models, ongoing due diligence and automatic rebalancing; a turnkey small-account solution
- **Personal Wealth Portfolios** - unified managed account for high net worth clients, offering a sophisticated and efficient “one account, fee and contract” solution; invest in separate accounts or combine separate accounts with mutual funds; features automatic rebalancing and the customization benefits of overlay portfolio management
- **Model Wealth Portfolios** - discretionary research-driven platform helps clients construct portfolios based on models by LPL Financial Research; features overlay portfolio management, superior mutual fund managers, automatic allocation of deposits and withdrawals

## What We Offer Alternative Investments

Investing in alternative investments may not be suitable for all investors and involves special risks such as risk associated with leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. There is no assurance that the investment objective will be obtained.

## Why Alternative Investments?

Down market protection - the potential to lower volatility and help preserve capital through volatile markets

Diversification - into assets that have a low correlation to traditional asset classes

Absolute returns - the ability to produce returns regardless of market direction

## Alternatives as a Diversifier

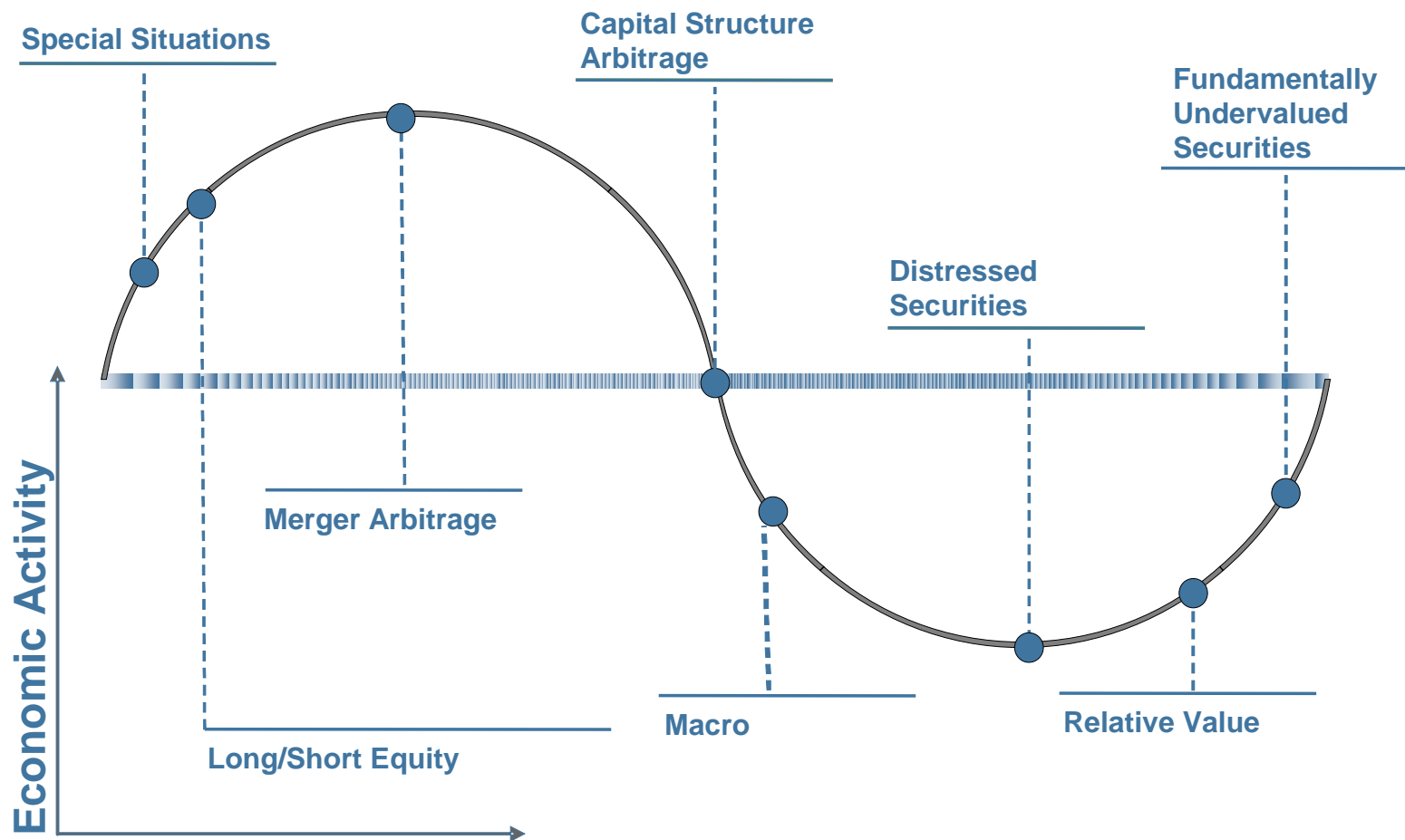
Alternatives can diversify a portfolio and be positioned as a risk reduction component or a return enhancer

## The Endowment Model

Alternative Investments represent as much as 30-40% of some leading universities' endowment funds

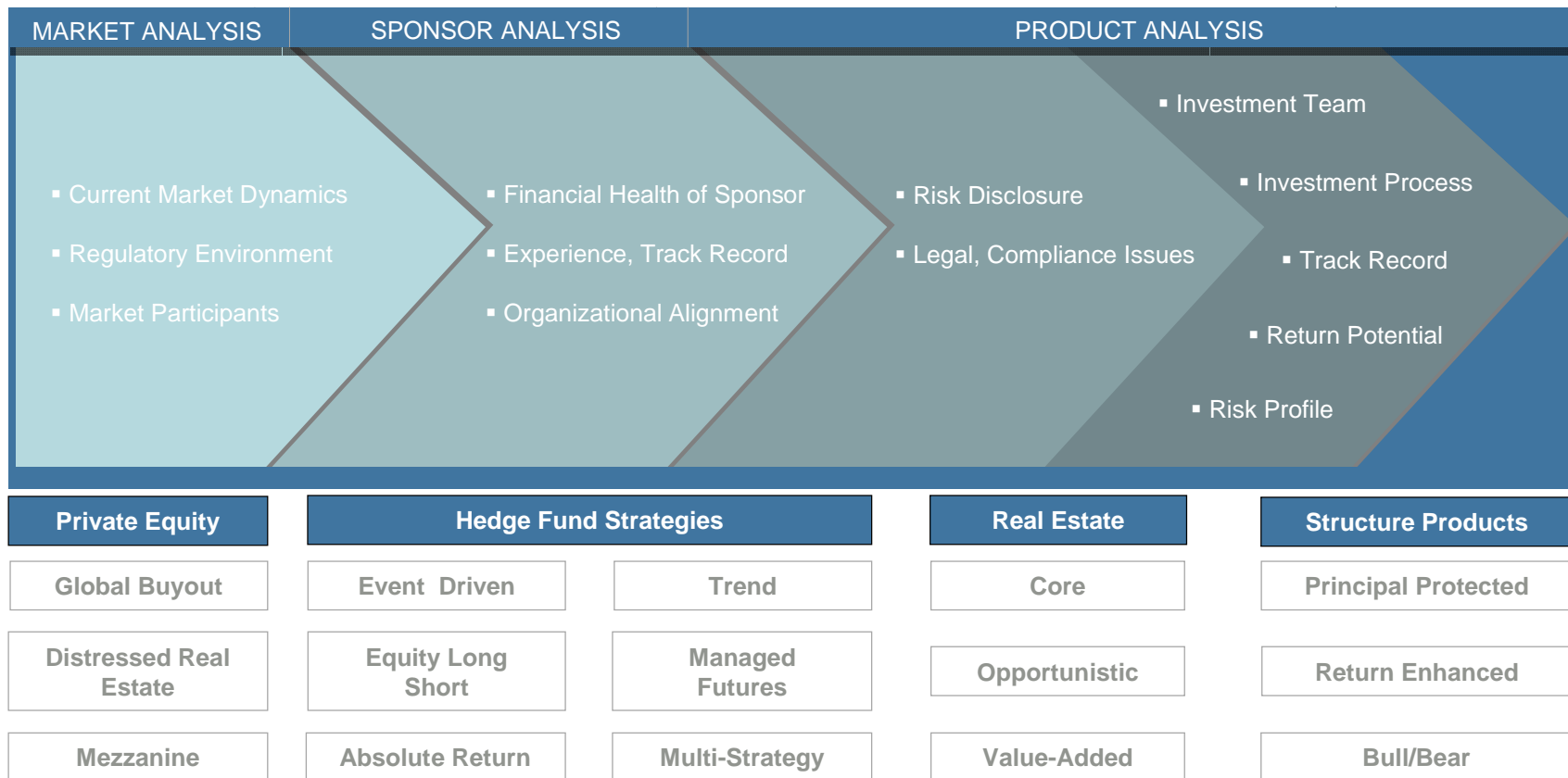
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## “Economic Seasons”



A generic business cycle is presented above. For informational purposes only. Opinions expressed represent the current opinions of Central Park Group as of March 2008. Investing in alternative investments may not be suitable for all investors and involves special risks such as risk associated with leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. There is no assurance that the investment objective will be obtained.

## Alternative Investment Research - Diligent Process and Strategies



Whenever possible our own analysis is supplemented by customized review, analysis and reports from specialized third party experts

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## Alternative Investment Research

Focused on fund of funds, hedge funds, real estate, private equity, structured products and other non-traditional assets.

### Identification

- Broad Access to Innovative Products
- High Quality - Well Researched Products
- Focus on Low Leverage – fundamental research oriented products
- Cross wealth products (Mutual funds to 3C-7)

### Diligence and Monitoring

- Market Analysis
- Sponsor Analysis – Operational Processes and Stability
- Product Analysis – Legal/Disclosure
- Product Analysis – Risk/Return

### Implementation

- Concepts for combining Alternative with Traditional assets
- Risk and Global based implementation strategies

▪ Investing in alternative investments may not be suitable for all investors and involves special risks such as risk associated with leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. There is no assurance that the investment objective will be obtained.

## Structured Investments

### LPL Financial is committed to supporting innovative and structured solutions:

Structured products are investments that offer some protection from downside risk in exchange for the investor foregoing some upside potential to achieve that protection. Structured products typically have two components: a note and a derivative, and have a fixed maturity. If the option (derivative) turns out to be valuable, investors can gain exposure to the upside of the asset class.

- Structured investments with tailored terms and risk/reward profile are designed to help clients:
  - Optimize returns, diversify portfolio holdings
  - Provide leverage
  - Derive tax efficiencies
  - Minimize volatility, provide downside protection

❖ LPL Financial understands the importance of structured products in helping to diversify portfolios.

Investing in alternative investments may not be suitable for all investors and involves special risks such as risk associated with leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. There is no assurance that the investment objective will be obtained.

## Structured Investments, cont.

- Structured product strategies:
  - Customized notes, linked to a single stock, bond, or currency, basket of stocks, bonds, currencies, or indices; or baskets of asset classes
  - Principal protected structures
  - Leverage/deleverage notes
  - Total return swaps, trigger swaps
  - Hedge fund derivatives
  - Fixed or floating rate payment instruments
  
- Investing in customized notes is not equivalent to investing in an index and the return of the notes is linked to the performance of the index which is subject to market risk.
  
- Principal protected notes are used to gain exposure to an asset class while providing protection at maturity. Principal protection varies from partial to 100%. Investing in PPN is not equivalent to investing directly in the underlying index and involves significant risk, such as risks associated with derivatives. Such note does not guarantee any return of principal and the investment is fully exposed to any decline in the underlying investments. Structured notes are intended as “buy and hold” investments. Investment value prior to the maturity will be influenced by many economic and market forces that may either offset or magnify each other. These can include interest rates, implied volatility and time remaining to maturity. No assurance can be given that the strategy will be successful.

❖ LPL Financial understands the importance of structured products in helping to diversify portfolios.

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# What We Offer

## Concentrated Stock Management

## Concentrated Stock - Sale Strategies

### MORE CONTROL

#### OBJECTIVES

1. Liquidity
2. Diversification
3. Acquire Additional Stock
4. Protection
5. Philanthropy

### LESS RESTRICTED

#### STRATEGIES

Public Sales – Rule 144, 145, Prospectus stock, option exercises, Rule 10b5-1

Public Buys – Rule 10b-18, Rule 10b5-1

Borrowing- Collateral Loans

Hedging and Monetization structures, Exchange Funds

Estate Planning, Philanthropy and Blind Trusts

❖ Your LPL Financial team, with their partners, can help you realize your financial objectives by providing regulatory guidance regarding restricted, controlled and concentrated securities positions. In addition to Rule 10b5-1 trading plans, we can provide guidance on the sale and purchase of securities by corporate officers, collateral loans, sales of Rule 144, Rule 145 and shelf-registered securities, exercise of employee stock options and corporate repurchases.

❖ We can file the required Rule 144 forms, handle clearance with the transfer agent and work with you to handle regulatory aspects of restricted and control stock and stop option transactions (including due diligence with issuer counsel).

## Hedging and Monetization Strategies

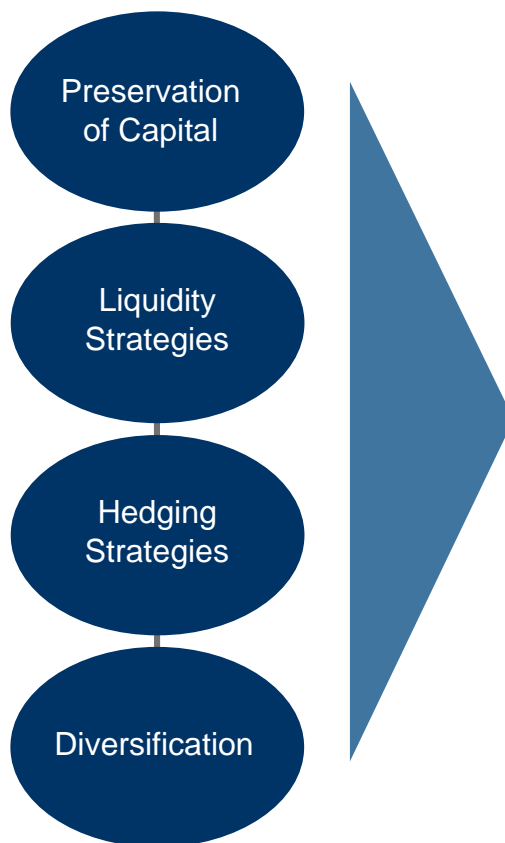


❖ LPL Financial offers solutions that meet a client's sophisticated needs.

❖ We can assist in creating customized solutions which extend beyond structuring equity derivatives. Your LPL Financial team has the expertise in developing a thoughtful decision-making framework in order to provide an optimal solution.



## Liquidity & Risk Considerations for Restricted, Control, & Concentrated Stock Positions



- Margin Loan
- Rule 144/145 sale
- Option Strategies
- Pre-Paid Forward Sale
- Exchange Fund
- Reinvestment of prepaid forward sale
- Reinvestment of margin loan proceeds
- Exchange Funds
- Loan to finance diversification strategy
- 10b5-1 Trading Plans

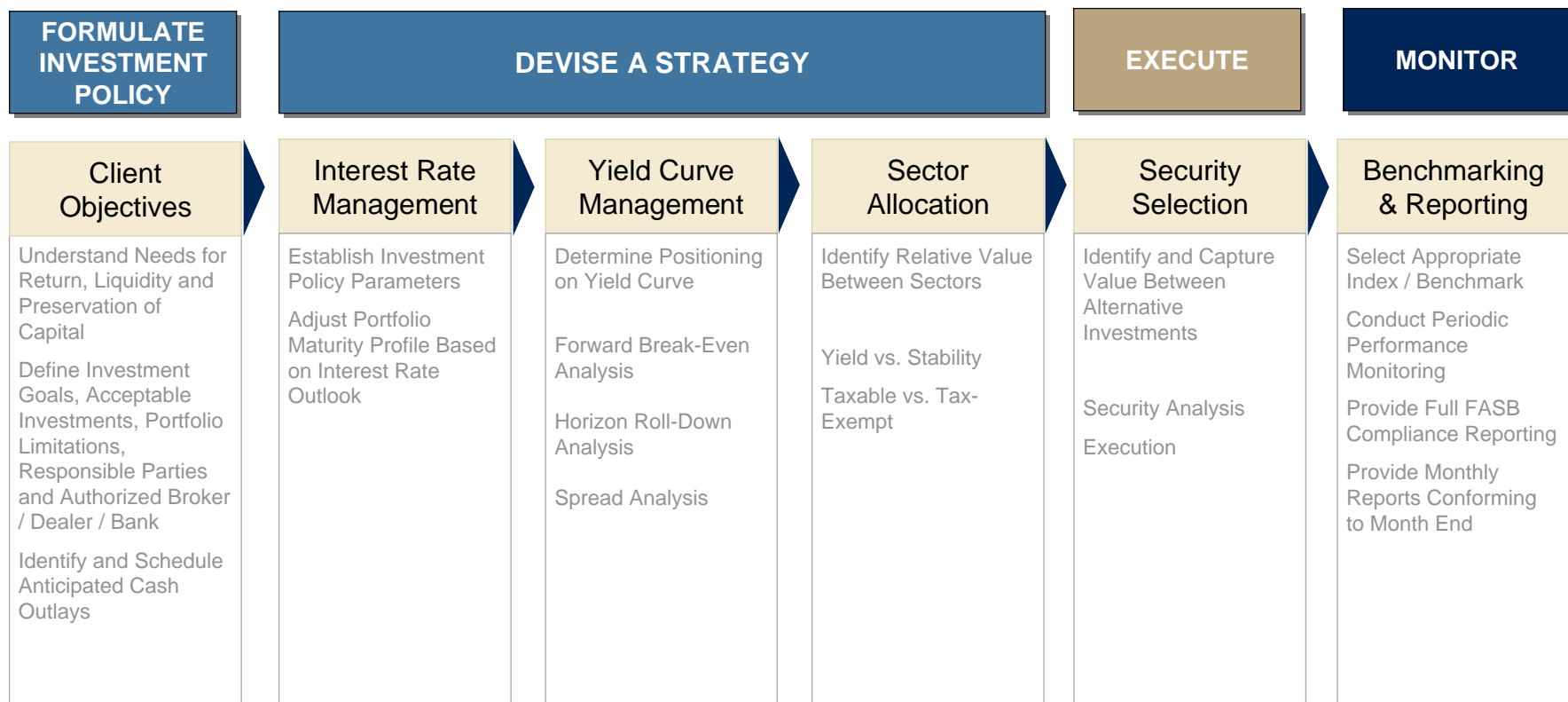
❖ Of the many forms of risk that exist, many clients face the issue of having a significant portion of their wealth in one concentrated or restricted equity position.

❖ Our highly experienced attorneys, paralegals, and other professionals provide regulatory guidance and oversight primarily to clients who are officers, directors, and other key employees of publicly traded companies or who are owners of restricted or “control” securities or who have concentrated positions.

# What We Offer

## Cash Management

## Strategic Options



# What We Offer

## Client Experience

## Account Protection

- LPL Financial investment account assets are protected up to \$100 million. LPL Financial SIPC membership provides account protection up to a maximum of \$500,000, of which \$100,000 may be in cash. For an explanatory brochure, visit [www.sipc.org](http://www.sipc.org)
- Additionally, through Lloyds of London, LPL Financial accounts have additional securities protection to cover the net equity of customer accounts up to an overall aggregate firm limit of \$750 million, subject to conditions and limitations. Please contact the legal department at LPL Financial for further information.
- The account protection applies in the event a SIPC firm fails financially and is unable to meet obligations to securities clients, but it does not protect against losses from the rise and fall in the market value of investments. This extensive coverage reflects a strong commitment to servicing clients' investment needs.
- Insured Cash Account\* - Federal Deposit Insurance Corporation (FDIC)
- The Private Trust Company, NA – a non-depository national banking association.
- Regulated and reviewed by the Office of the Controller of the Currency (OCC)

❖ We are one of the premier investment advisory providers and offer our clients a full range of services and capabilities including enhanced account protection.



## Important Disclosures

- As the Optimum Funds' investment manager, Delaware Management Company, a series of Delaware Management Business Trust, has overall responsibility for the investment management of the Funds within the Optimum Market Portfolios, which includes recommending the Funds' sub-advisors and evaluating and monitoring each Fund and sub-advisor.
- **All Optimum Funds are offered by prospectus only. Investors should consider the investment objectives, risks and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial representative. Read the prospectus carefully before investing. Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its affiliates.**
- **An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to present the value or you investment \$1.00 per share, it is possible to lose money by investing in the Fund.**
- An investment in the fund involves risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus.
- Principal Risk: An investment in Exchange Traded Fund (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks: not diversified, the risks of price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking error.
- Investing in real estate/REITs involves special risks such as potential illiquidity and may not be suitable for all investors. There is no assurance that the investment objectives of this program will be obtained.