



PAULEY FINANCIAL SERVICES, INC.

helping people make important life choices...

Mr. and Mrs. Michael Demo

Year-End Tax Planning Package

PAULEY FINANCIAL SERVICES, INC.

Appendix B - Tax Information from PFSI

Mr. and Mrs. Michael Demo

Friday, 29 October, 2010

2009 Tax Return(s) Summary

1040 - Married Filing Jointly

Total Tax Paid \$ 138,007	Marginal Bracket 35%	Effective Tax Rate 28%	Safe(st) Safe Harbor for Next Year \$ 151,807.70
-------------------------------------	--------------------------------	----------------------------------	--

April 15th Credit (+) or Owed (-) Amount \$-1,403.00	Credit Applied to Next Year's Tax Bill? (if applicable) No
--	--

Tax Loss Carry Forward: Short-Term \$ 6,812.00 Sold shares of ABC harvesting loss to offset gains.	Tax Loss Carry Forward: Long-Term \$ 47,893.00 Aggressive tax loss harvesting during market downturn to offset future gains.	Charitable Gift Carry Forward \$ 12,000.00
---	---	--

Return Notes

We purposely do not put our clients into private investments that are mostly non-transparent, have high-fees, and generate K-1s that are often late or need to be re-stated.

2010 Required Minimum Distribution(s)

Who: Kristin Demo	State Withholding Pct: 0
RMD Calculated Amt: \$ 2,088.83	State Withholding Amt: \$ 0.00
Total IRA Distribution: \$ 2,088.83	Federal Withholding Pct: 30
Last Distribution Date: 10/29/2010	Federal Withholding Amt: \$ 626.65

Distribution Notes: This is the BIRA handed down from Kristin's great aunt.

2010 ROTH Conversion(s)

Who: Michael Demo	Conversion Date: 04/17/2010	Conversion Amount: \$ 37,000.00
--------------------------	------------------------------------	--

2010 Retirement Account Contribution(s)

Contributor: Michael Demo
Contribution Amount: \$ 5,000.00
Contribution Date: 10/29/2010
Contribution Notes: Confirm this appears on the 8606

Contribution Name: 2010 Non Deductible Contrib
Contributing to: Michael Demo Traditional IRA
Pre or Post Tax Contrib?: Post Tax

2010 Charitable Contribution(s)

Who Donated? Kristin Demo
Second Donor? (Joint)? Michael Demo
Date of Gift: 10/28/2010
Gifting Instrument: ETFs
Symbol: EEX
Number of Shares Gifted: 433
Value of Security Gift (if Applicable): \$ 12,173.80
Value of NON Security Gift (if Applicable): \$ 0.00
Gift Notes:

Charitable Organization: CCA- Lewisville
Qualified Charity? / DTC Number: Yes 65748
Charity's Account Information: Chase; 3939-00393
Charity Point of Contact: Sam Duff; 484-983-9382
Symbol Low Price Day of Transfer: \$ 27.65
Symbol High Price Day of Transfer: \$ 28.58

Who Donated? Kristin Demo
Second Donor? (Joint)? Michael Demo
Date of Gift: 10/28/2010
Gifting Instrument: ETFs
Symbol: ABC
Number of Shares Gifted: 23
Value of Security Gift (if Applicable): \$ 1,289.50
Value of NON Security Gift (if Applicable): \$ 0.00
Gift Notes:

Charitable Organization: FUMC Coppell
Qualified Charity? / DTC Number: Yes 7564
Charity's Account Information: Wells Fargo; 3993-00393-0039
Charity Point of Contact: Rachel Starke; 800-993-1563
Symbol Low Price Day of Transfer: \$ 55.24
Symbol High Price Day of Transfer: \$ 56.89

2010 Annual Gift(s)

Who Donated? Kristin Demo

Recipient: Michael Demo Jr.

Second Donor? (Joint)? Michael Demo

Gift Tax Return Required: No

Date of Gift: 10/28/2010

Cost Basis (Donor): \$ 26,000.00

Gifting Instrument: ETFs

Symbol Low Price Day of Transfer: \$ 1,005.00

Symbol: DEF

Symbol High Price Day of Transfer: \$ 995.00

Number of Shares Gifted: 26

Value of Security Gift (if Applicable): \$ 26,000.00

Value of NON Security Gift (if Applicable): \$ 0.00

Gift Notes:

2010 Schedule A Information

2010 PFSI Fees: \$ 6,702.58

These fees are paid from taxable account(s) and therefore may be deductible.

Bunching Deductions? Yes, in EVEN Numbered Years

2010 Schedule B and D Information

The remaining pages show the information we have pertaining to your non-IRA accounts for interest, dividends, and capital gains.

Account 1099 Income Summary

From 1/1/2010 Through 10/31/2010

Investment	Symbol	Cusip	Value
Dividends			
DFA Emerging Mkts Small Cap	DEMSX	23320361	\$449.82
DFA Int'l Small Cap Value I	DISVX	23320373	\$652.78
DFA Short Term Muni Bd Fd	DFSMX	23320343	\$2,244.80
Index Trust - Midcap	VIMSX	92290884	\$6.58
iShares Cohen&Steers Realty Majors Index	ICF	46428756	\$1,205.76
iShares DJ US Basic Materials Index	IYM	46428783	\$828.80
iShares DJ US Real Estate Index	IYR	46428773	\$1,933.32
iShares MSCI EAFE Index	EFA	46428746	\$828.58
iShares Russell 1000 Index	IWB	46428762	\$486.78
iShares Russell 2000 Index	IWM	46428765	\$659.92
iShares Russell Micro Cap Index	IWC	46428886	\$172.84
iShares S&P NA Natural Resources Index	IGE	46428737	\$78.78
SPDR S&P Emerging Mkts ndex	GMM	78463X50	\$520.00
TD Bank USA Fdic Insrd Deposit	IDA12		\$45.39
Vanguard IT Bd Index - Adm	VBILX	92193780	\$2,292.58
Vanguard ST Bond Index Fd	VBISX	92193720	\$690.44
Vanguard Total Stock Market Index Fund	VTSMX	92290830	\$919.17
WisdomTree DEFA Fund	DWM	97717W70	\$2,038.99
			\$16,055.33
Long-Term Capital Gains			
Vanguard ST Bond Index Fd	VBISX	92193720	\$15.79
			\$15.79
Short-Term Capital Gains			
Vanguard ST Bond Index Fd	VBISX	92193720	\$11.85
			\$11.85



Created: 11/01/2010 9:55 pm

01/01/2010 -- 11/01/2010

Entire Period			
Short Term Gain	6,923.41	Long Term Gain	0.00
Short Term Loss	0.00	Long Term Loss	0.00
Short Term Net	6,923.41	Long Term Net	0.00
Short Term Sales	22,782.16	Long Term Sales	0.00
Short Term Cost	15,858.75	Long Term Cost	0.00

Close Date	Rec type	Open Date	Security	Shares Sold	Proceeds	Cost	ST Gain/Loss	LT Gain/Loss
08/18/2010		08/20/2009	ISHARES COHEN & STEERS RLTY (ICF)	375	22,782.16	15,858.75	6,923.41	
Total:					22,782.16	15,858.75	6,923.41	