

Private Wealth Management

April 22, 2009

Attorney [REDACTED]

RE: [REDACTED] proposal

Dear [REDACTED]

Enclosed please find eight copies of a proposal from our Group concerning the settlement in favor of [REDACTED]. Because Baird has the capability of providing structured settlement contracts through our insurance services division, we have included a competitive quote on a structured settlement if that is the route the families choose to pursue. It is from Prudential Life and is based on a \$700,000 settlement. I believe you said that was the amount the earlier proposal, procured by [REDACTED], was based upon. There are two scenarios and the only difference is in the rate of withdrawal.

We have laid out an analysis of what we feel are the advantages and disadvantages of a structured settlement versus a managed portfolio. Keep in mind that this is written in more of an academic sense, the way we see it, and that the dynamics of the families' situations will need to be overlaid on this to come up with a conclusion as to what is best for all concerned. Additionally, it is not an either/or question as you may decide to use a combination of both approaches within the dollars received.

Next, we have outlined how the funds would be invested by us if they are in a managed portfolio. Please note that the starting number for this is somewhat higher (\$850,000) as this is the number you and I most recently discussed would likely be the net settlement figure.

Finally, we have included an Investment Projection showing how a conservatively invested portfolio might be expected to perform, out to [REDACTED] 84th birthday, in line with the structured settlement alternatives. It includes annual (or more frequent) distributions at a 2% rate, and a college age distribution of \$30,000 per year for five years.

[REDACTED], we realize that this may be a lot of somewhat complicated material for everyone to digest in a brief period of time, but we stand ready to sit down once again with the families to explain these documents in greater detail.

Sincerely,

[REDACTED]

[REDACTED], JD

Vice President-Investments

Robert W. Baird & Co.

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