

KYEstates.com Estate Tax Political Risk Forecasting Grid (2011-12)

Futures market prices as of September 30, 2010

Years	Scenario Inputs	Market	Likelihood
2011-2012	Dem House	Intrade	29.9%
	GOP House	Intrade	73.0%
	Dem Senate	Intrade	59.3%
	GOP Senate	Intrade	23.0%
	Tied Senate	Intrade	20.2%

Scenario Outputs		Market	Estate Tax Exemption
Dem House, Dem Senate	Intrade	17.7%	\$ 3,500,000
	Iowa Electronic Markets	18.0%	\$ 3,500,000
<i>Average:</i>		17.9%	\$ 625,287
Dem House, GOP Senate	Intrade	6.9%	\$ 1,000,000
	Iowa Electronic Markets	1.7%	\$ 1,000,000
<i>Average:</i>		4.3%	\$ 42,885
GOP House, Dem Senate	Intrade	43.3%	\$ 1,000,000
	Iowa Electronic Markets	60.5%	\$ 1,000,000
<i>Average:</i>		51.9%	\$ 518,945
GOP House, GOP Senate	Intrade	17%	\$ 3,500,000
	Iowa Electronic Markets	20.6%	\$ 3,500,000
<i>Average:</i>		18.7%	\$ 654,325
Dem House, Tied Senate	Intrade	6.0%	\$ 1,000,000
	<i>Average:</i>		6.0%
GOP House, Tied Senate	Intrade	14.7%	\$ 1,000,000
	<i>Average:</i>		14.7%

Sum of Average Probabilities: 113.5%

Sum of Exemptions: \$ 1,945,371

Normalized Sum of Exemptions: \$ 1,713,543

Rounded to nearest \$10,000: \$ 1,710,000

Political Risk-Adjusted 2011-2012 Estate Tax Exemption \$ 1,710,000