

Case study

Maximizing a founder's **post-sale proceeds** with proper planning Private Wealth Management

The situation

We developed a relationship with our client, the founder of a digital communications company, years in advance of the sale of his company. Over this time, we introduced our client and his wife to our Entrepreneur's Total Wealth Optimization Process (ETOP).

ETOP is a process developed by our team to help provide successful entrepreneurs and their families relevant advice and solutions—both before and after an exit from their business—so they can spend more time doing what they love.

The strategy

In the years leading up to the sale of his company, we had many conversations with our client and his wife. These focused on his primary concern of having proper planning in place to address a number of issues upon exit, including:

- Minimization of taxes upon sale
- Protection of his assets from potential creditors
- Multigenerational planning to ensure future generations of his family are cared for

We advised and educated our client and his wife on a number of planning strategies which could help them achieve their desired goals. Despite their agreement on the appropriateness of these strategies, they chose not to move immediately forward.

Two weeks prior to finalizing a purchase and sale agreement to sell his company, our client called to ask if we could quickly implement the planning strategies we

had discussed. In response, we immediately formed a high-caliber team consisting of a member of the UBS Advanced Planning Group, a trust and estates attorney and an accountant focused on ultra high net worth issues, both of whom we had worked with in the past.

We quarterbacked the process with this team over an extremely short time frame to put in place a DING Trust (Delaware Incomplete Non-grantor Trust), which enabled the client to protect his assets from creditors while simultaneously eliminating state capital gains taxes, saving the client millions of dollars.

In addition to this, we took our client through our Set-for-Life Liquidity (SELL) Process to help determine how much value he would need to extract from the stake in his company to fund his family's future spending objectives. Our SELL Process leverages UBS's financial planning tools to generate various "what-if" scenarios that incorporate the client's assets, long-term financial goals and spending objectives. We review these scenarios to provide his family an estimate of the total liquid wealth needed to have the highest confidence level that they can meet their lifetime financial goals.

The result

Through the use of our ETOP and our SELL Process, we were able to help our client to position his family to maximize their economic benefit from the \$148 million sale of his company. We were able to manage the moving parts of this process to allow our client to focus on running the business, closing the sale and spending time with his family.

The Entrepreneurs Group
UBS Financial Services Inc.

Private Wealth Management
299 Park Avenue, 26th Floor
New York, NY 10171
212-821-2729
855-267-9887 fax

ubs.com/team/entrepreneursgroup

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