



SHOW ME THE MONEY:

Creating Liquidity From Business Assets

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Objectives

- Expand knowledge
- Explore options for creative solutions when liquidity is an obstacle
- Build sustainable agreements

Agenda

- Privately Owned Business Issues
- Owner and Spouse Mindset
- The Liquidity Dilemma
- Property Division Process
- Creating Liquidity
 - *Methods*
 - *Considerations*



Business Owner Mindset

- Protect business
- Minimize value
 - Tax implications



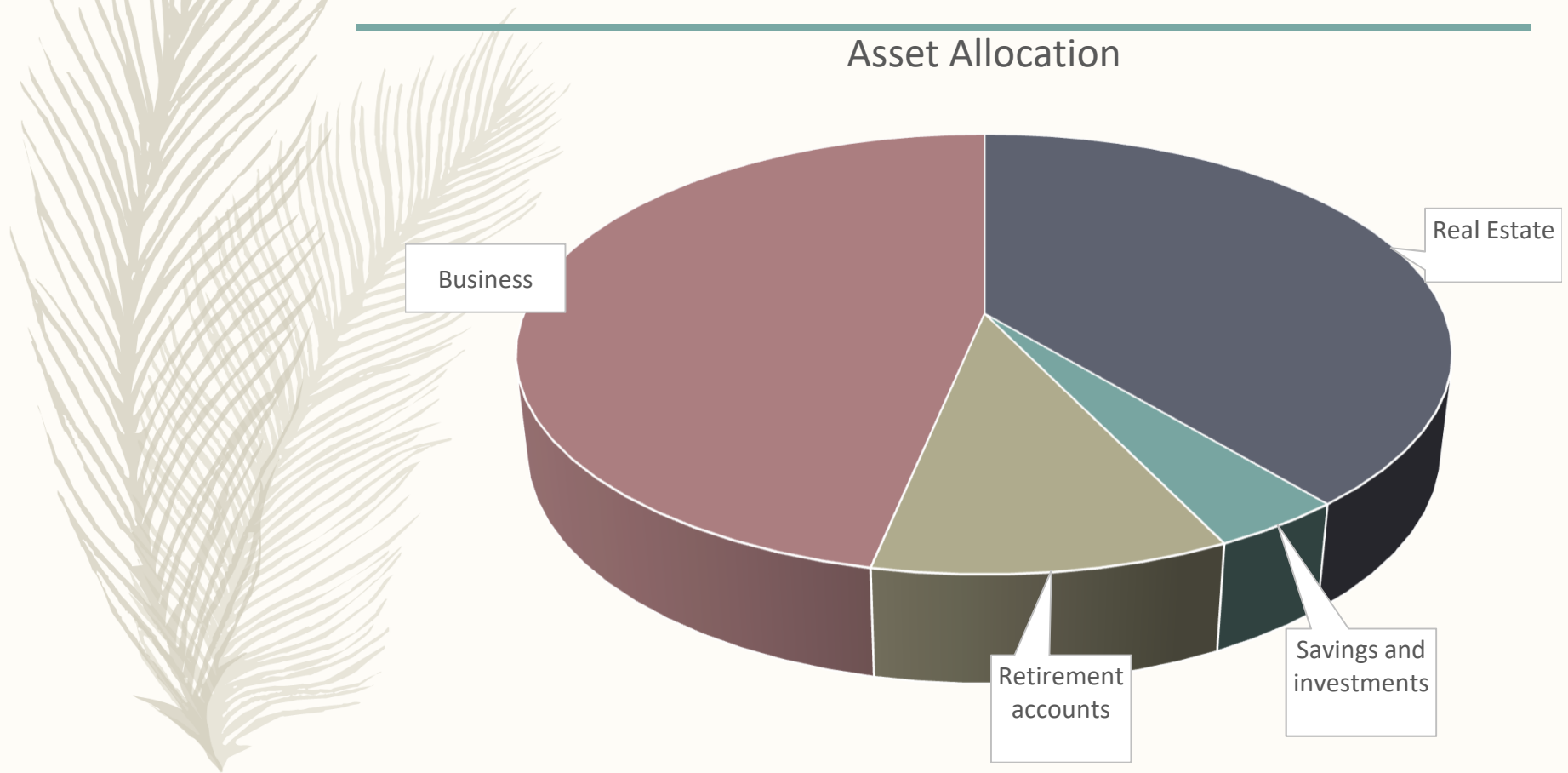
Non-Owner Spouse Mindset



- Maximize value
- Cash cow perception
- Benefits

The Illiquidity Issue

Asset Allocation



Property Division Process

- Identify/Categorize
- Value
- Distribute

Creating Liquidity From a Business

– Keep

- Sell



Keep the Business



Joint
ownership

Leverage

Assets

Real estate

Partner

Outsider(s)

Insider(s)

Secure a Loan



- Paperwork
- Personal guarantee
- Strain on cash flow
- Business profitability
- Burden on business

Secure a Loan

cont'd

WHAT TO LEVERAGE???

Asset

Real Estate

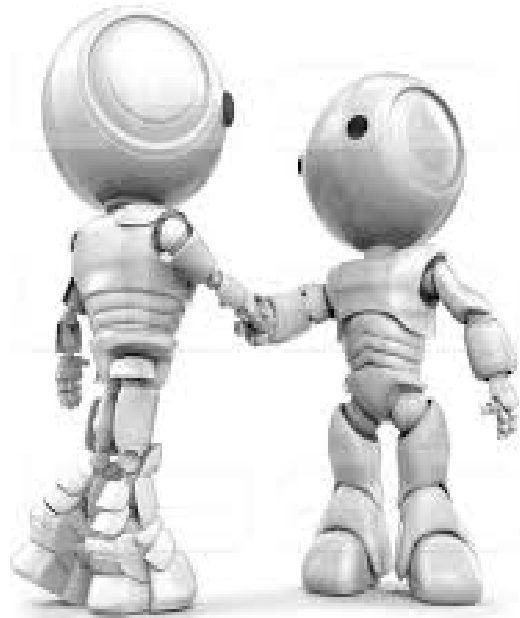




Other Business Assets

- Life insurance
- Line of credit

Bring in a Partner




- Loss of control
- Liability
- Share profits
- Taxable event

Sell the Business

- Outright sale in entirety
- Partial sale
 - Private equity
 - ESOP



Considerations of a Sale

- 
- Time consuming
 - Emotionally readiness
 - Market conditions
 - Tax ramifications

Private Equity



- Liquidity
- Investors equity
- Owner may relinquish control

Employee Stock Ownership Plan



- Liquidity
- Creates market for shares of closely held businesses
- Maintain operational control
- Tax advantages



What Is an ESOP?

An employee stock ownership plan is a company-funded defined contribution plan that holds company stock in accounts for the participants. This unique type of plan gives employees ownership in the company they work for, with the potential for the holdings to grow into substantial retirement benefits in the future while creating liquidity for the owner.



Summary

- Variety of ways to create liquidity from the business
 - Review structure and payout options
- Consider client goals, objectives and circumstances
 - Consult with specialists/don't go it alone

Questions



Biographies



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- **Michael J. Garibaldi, CPA/ABV/CFF/CGMA** is one of the industry's leading experts, and has a strong background working with individuals, businesses, and legal professionals to provide efficient and affordable solutions to many complex issues.
- A Certified Public Accountant (CPA), Michael is a Chartered Global Management Accountant (CGMA) and Accredited in Business Valuation (ABV) and Certified in Financial Forensics (CFF) by the American Institute of Certified Public Accountants (AICPA).
- A noted speaker and author, Michael brings an in-depth understanding of the business and technical aspects of valuation, finance and accounting that is required in complex cases. His areas of expertise include accounting and consulting, forensic accounting, and the valuation of businesses and professional practices. Michael qualifies as an expert in valuation matters in many Supreme Courts, and has been called upon by the courts to serve as a neutral expert.
- As an instructor of the AICPA Certificate of Achievement Program in Business Valuation, Michael teaches his specialty to other professionals.

Biographies



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- **Ivy H. Menchel** is a CERTIFIED DIVORCE FINANCIAL ANALYST™ (CDFA®) and the president and founder of Family Wealth Planning Partners. Based in New York City, Ivy focuses her practice on helping divorcing clients, along with their attorneys and mediators, make sound financial decisions as they transition into the next phase of their lives. In addition to her work as a CDFA, she is also a CERTIFIED FINANCIAL PLANNER™ (CFP®) and CERTIFIED BUSINESS EXIT CONSULTANT (CBEC®) with over 25 years of experience in financial services.
- Ivy strives to bring confidence and financial independence for individuals and couples facing life changing events. Her focus is to give each client a good understanding of the process as well as of their own financial situation, so they negotiate from a knowledgeable perspective and not an emotional one.
- Ivy is widely regarded as a thought leader in her field and regularly shares her knowledge with the broader public through her teaching, speaking and writing. Among other works, she authored the workbook *Defining Your Wealth* and co-authored the e-book *Navigating Your Divorce: Legal, Financial and Emotional Basics*. She is also a prominent member of several professional organizations such as the Association of Divorce Financial Planners, the Family Divorce and Mediation Council of Greater New York, the Financial Planning Association, and the New York Association of Collaborative Professionals, in addition to many others.