

The Business Owner's Best Buy-Out Alternative

If you are planning your retirement, looking to diversify your net worth or desire to finance capital growth with pre-tax dollars, you should have a Family Limited Partnership (FLP) with an Employee Stock Ownership Plan (ESOP). The two represent the strategic alliance of a FLP and an ESOP.

- 1) You retain control of your FLP assets and ESOP stock.
- 2) ESOP creates a TAX FREE market for your stock, you can eliminate capital gains taxes on all of your highly appreciated stock creating a lifetime income stream worth millions of dollars.
- 3) ESOP market is financed with PRE-TAX dollars from your company or can be linked to 401(k) accounts to finance a true employee buy-out.
- 4) ESOP market provides TAX DEDUCTIBLE principal payments on loans used to acquire your stock.
- 5) ESOP market provides TAX DEDUCTIBLE dividends if dividends are used to either amortize ESOP debt or if paid to employees in cash.
- 6) ESOP market can finance your company's capital investments (equipment purchase, plant expansion, acquisition, etc.) with PRE-TAX dollars and your company retains 100% of its depreciation tax benefit.
- 7) ESOP market provides your company with a well-conceived and fully funded plan of business succession.
- 8) FLP protects your ESOP rollover investments (and all of your other assets) against seizure by judgment creditors.
- 9) FLP reduces your estate tax liability on ESOP rollover investments by 40% to 50%.
- 10) FLP provides you with income shifting to your family members and income sheltering for you and your family via compensation and tax favored employee benefit plans.
- 11) This plan protects, no matter what the current tax atmosphere in the country.