

You identify a potential purchaser interested in able to take over your business. In the event of your death, your estate will sell your business interest to this person. This person will be obligated to by your business interest should you die.

The potential buyer will purchase a life insurance policy on your life, pay for that policy and be the beneficiary of that policy. At your death they will receive the proceeds from this policy and use these proceeds to purchase your business interests from your estate.

This arrangement fixes a value for your business. The value can be determined several ways: a price that both you and the buyer agree on, book value at date of death, or a predetermined formula.

You will enter into a unilateral agreement with the buyer to buy your business in the event of your death. The buyer purchases life insurance on your life. At your death the life insurance is paid to the buyer. Your business interest passes pass to your heirs. The buyer buys your interest from your heirs with the life insurance proceeds.

There are several advantages to this arrangement:

1. Your family is guaranteed a certain amount of money upon your death for your business interest.
2. Your employees know that the business will continue even if you do not.
3. The purchaser might very well be a key employee and is now going to stay with you for the long run

There are considerations that need to be

About Our Company

Blueprints For Tomorrow is a nationally recognized company that specializes in contingency, succession, and transition planning with a focus on growing businesses and improving cash flow.

We work directly with closely held businesses to create customized strategies and solutions that ensure the future of their organizations. As a third-generation company with over 40 years in the industry, we have the pleasure of serving thousands of clients and their families across the country.

BlueprintsForTomorrow.com
9332 E. Raintree Dr., Suite 110
Scottsdale, Arizona 85260

info@blueprintsfortomorrow.com
Local: (480) 596 – 1525
Toll-free: (800) 845 – 9091

addressed:

1. If the buyer is a child active in the business, inactive children may feel that they did not get their share of the business when you died. There are ways to equalize the estate for all of your children involved.
2. When it comes to buying the life insurance on your life you might actually find yourself having to pay for the premium for the buyer. This could very well be handled through a bonus arrangement.
3. The situation where a lifetime sale occurs if you do not die needs to be addressed. You will need to structure some kind of installment sale with the buyer.

The unilateral buy/sell agreement or as it is also known the One Way Buy/Sell agreement is often used with business owners who want to sell their business in the event of their death and or retirement but do not have a co-owner or partner to sell it to. We tell our business owners on regular basis that a properly

designed exit/contingency plan is of the utmost importance. At times you can make the same money you are making today, working for someone else. You own your business and you working as hard as you are working for the money that you will receive when you sell your business. Even if that sale occurs upon your death, your family/heirs deserve to see the fruit of your labors.

We Prepare Business Owners for the Unexpected

It takes a lifetime to build a business and it takes a moment for it to fall apart. All it takes is an unexpected death, an unforeseen illness, or a key personnel departure. Business owners must understand the possibilities, prepare for the risks, and plan for their continuity and succession. Protecting the business means protecting the families that depend on it. The financial stability is interconnected. We understand this because we live it ourselves. **-Founder & CEO Nathan S. Sachs, CLU, ChFC, CFBS, CTP**