

ST. LOUIS TRUST
& Family Office

Executive Summary: Sale of a Family Business Case Study

There is a great deal of opportunity and complexity associated with selling a family business, and it is a life-changing event for the owners. The transformation of business assets into cash is exciting, but also a challenge both financially and emotionally. St. Louis Trust & Family Office has drafted a detailed case study that exhibits the primary challenges involved in planning for the sale of a family business as well as how to address the myriad of issues as the result of the sale.

In the case study, the “Smith” family is nearing the close on a deal to sell its business to a private equity firm. The family has done little planning leading up to the potential transaction, but with timely, sound advice, the family engages in a number of best practices both before and after the sale.

The first and most important part of the process is for the Smith family to develop a strategic vision for their wealth. This vision is the cornerstone for all planning strategies that follow. In order to achieve their goals, the Smith family and its advisory team choose to undertake the following pre-sale planning techniques: (1) Installment Sale to Intentionally Defective Grantor Trust and (2) Transfer of Stock to a Donor Advised Fund. The rationale for selecting these strategies as well as the potential benefits of each strategy are examined in detail in the case study.

In addition, the case study also details post-sale strategies that focus on investment planning, charitable planning, and cash flow planning for the patriarch and matriarch, as well as their grown children and young grandchildren. The study concludes with descriptions of important ongoing administration such as cash management, trust administration and next generation education. Ultimately these strategies and activities provide a framework to help guide the Smith family on their journey to achieve their vision for their wealth.

For access to the full version of the case study, please contact [John Jennings](#).

St. Louis Trust & Family Office is an independent, multi-family office and trust company that advises clients on more than \$10 billion of investment assets and more than \$12 billion of total wealth. Founded in 2002, St. Louis Trust & Family Office provides holistic, high-touch client service including customized, independent investment management and a full range of family office and fiduciary services. The firm serves a limited number of clients with substantial wealth in order to maintain very low client-to-employee ratios. Visit stlouistrust.com to explore how the firm manages complexity with unmatched expertise and focuses on Family, Always.