

The Family Exit Plan

Pre-planning for family exits promotes harmony and continuity.

Congratulations on doing your estate and succession planning. You have worked hard to ensure that your heirs have been treated equally. We invite you to take one more step: **The Family Exit Plan.**

Recently, a prominent family was forced to sell their company when one of the siblings decided they wanted to exit and receive their share of the multi-million firm they had inherited from their father. The other siblings, who were running the operation, were forced to sell the company since there were no rules in place for *Family Exits*. What would the option be in your company for a *Family Exit*?

We recommend to our clients who want to leave their company to family members or other beneficiaries that they develop a *Family Exit Plan* while they are still around to set the rules. Otherwise, the legacy they envision for their company may not become a reality.

For example, if there is no plan, and one of the heirs wants to exit, the remaining parties may not have the ability to facilitate the request without dire consequences. We call this *The Unplanned Exit Trap*. When you fall into this trap, it is hard to determine the value of your company to everyone's satisfaction. Your company may have to assume onerous levels of debt to finance the exit. As a result, in many cases, the only option left is to sell your company.

With a *Family Exit Plan* in place, however, the process is much smoother. Since everyone knows the rules, there are no surprises or disagreements. If a family member wants to leave your company, the value of their share has been pre-determined. The funding method has also been worked out in advance so the remaining members have the resources to continue running your company effectively. Many successful business owners have an estate and succession plan in place, however, have not dealt with *Family Exits*. They want to ensure that their business will continue and that all family members are treated fairly.

Will your business have to be sold to accommodate an Unplanned Family Exit?



Or will the business flourish after a Planned Family Exit?



If you would like to learn more about ***The Family Exit Plan***, contact Ben-Jac Capital Inc. at 514-933-8555 or pbelec@benjac.net /

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