

# Succession Planning for Small/Family Businesses

Bradley Minor, CPA/ABV/CFF, ASA, CVA, CMEA, CM&AA

Thomas P. Wagner, CPA/ABV, CVA

Blue & Co., LLC – Carmel, Indiana

1. Intro and conclusion total 5 Minutes
2. Valuing a closely held business for estate and gift tax purposes based on revenue ruling 59-60
  - a. Income approach
  - b. Market approach
  - c. Asset approach
  - d. Discounts
3. Succession planning utilizing various tools
  - a. ESOPs
  - b. Private Equity
  - c. Family/employee transfers
4. Buy/sell agreements for succession planning
  - a. 4 different types 4 minutes each
5. Estate tax cases involving value of small businesses

Difficulty: Moderate

Objectives:

This session will inform participants about various aspects of valuation in estate and gift tax settings. Revenue ruling 59-60, courts cases and various valuation treatises will be utilized to teach how business valuations are developed and utilized for estate and gift tax planning as well as determining the proper amounts necessary for insurance purposes. Buy/sell agreements and transitioning the business from current to future owners will also be covered.

**BRADLEY H. MINOR, CPA/ABV/CFF, ASA, CVA, CMEA, CM&AA**

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General Data

Indianapolis Address:

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**BIO**

Brad started with Blue in 1989 with a degree in business (accounting major) from Indiana University. Brad began performing business valuations in 1990. He is a Certified Valuation Analyst (CVA) and an Accredited Senior Appraiser (ASA) – Business Valuation member of the American Society of Appraisers. Additionally, he is a Certified Public Accountant (CPA) and has earned the AICPA’s specialty designations for business valuers (ABV) and forensic accountants (CFF). He is also a Certified Machinery and Equipment Appraiser (CMEA) member of the National Equipment and Business Brokers Association.

Brad was elected to Director in 2008 and has overseen the firm’s Valuation and Financial Forensics Group since 1999. He performs business valuations, assists with real estate and machinery & equipment appraisals, and has supported attorneys and clients in various areas of litigation. Brad has given presentations on various topics such as family limited partnerships, valuing construction companies, manufacturing and distribution companies, professional practices, valuing ESOPs, valuing healthcare entities, business valuation standards and general business valuation topics.

Brad served on the AICPA Business Valuation Committee (2003 through 2007) and has served as a member of the AICPA’s Ask the Experts Technical Advisory Panel and the ABV Mentor Program. He has served as chairman of the Litigation Support Group of AGN International – North America. He

also served on the Editorial Advisory Board and was a frequent contributor of articles to the publication *National Litigation Consultant's Review*. He is the co-author of the June 1997 book entitled *Valuation of a Closely Held Business* for Research Institute of America, a national business publisher.

## **EDUCATION**

Indiana University, Bloomington, IN (Graduated 1989)  
BS Business (Accounting Major)

## **PROFESSIONAL DESIGNATIONS**

- Certified Public Accountant (CPA), Indiana, 1992
- Certified Valuation Analyst (CVA), 1994 (National Association of Certified Valuators and Analysts)
- Diplomate of the American Board of Forensic Accounting 1997, Cr.FA Designation (The American College of Forensic Examiners)
- Accredited in Business Valuation (ABV), 1998 (American Institute of Certified Public Accountants)
- Accredited Senior Appraiser (ASA) in Business Valuation, 2000 (American Society of Appraisers)
- Certified in Machinery and Equipment Appraisals (CMEA), 2005 (National Equipment & Business Brokers Institute) and Certified Senior Business Analyst (CSBA) International Society of Business Analysts
- Certified in Financial Forensics (CFF), 2008 (American Institute of Certified Public Accountants)
- Fellow of the American College of Forensic Examiners (FACFEI), 2008 (The American College of Forensic Examiners)
- Certified Merger & Acquisition Advisor (CM&AA) 2019 (Alliance of Acquisition and Merger Advisors)

## **BUSINESS HISTORY**

Blue & Co., LLC, Director of Valuation and Litigation Services Department  
Indianapolis, Indiana and Evansville, Indiana

*1990 to Present*

Brad has been working in the valuation and litigation support services department since 1990 and has overseen the department for the firm since 1999. This department provides a full range of services, including business valuation, insurance loss claims, forensic accounting, budgeting, forecasting, business plans, assisting with real estate and machinery and equipment appraisals, and support to attorneys in virtually all areas of litigation, including expert testimony and consultation. The majority of Mr. Minor's time is spent in this area. Mr. Minor also consults regularly with closely held businesses in all areas of their operations and is responsible for tax consulting and planning for several corporate and individual tax clients.

**Thomas P. Wagner, CPA/ABV, CVA**

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General Data

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**EDUCATION**

Indiana University, Bloomington, IN

BS Business (Accounting and Finance Double Major)

**PROFESSIONAL DESIGNATIONS**

- Certified Public Accountant (CPA), Indiana, 2017
- Certified Valuation Analyst (CVA), 2017 (National Association of Certified Valuation Analysts)
- Accredited in Business Valuation (ABV), 2019 (American Institute of Certified Public Accountants)

**BUSINESS HISTORY**

Blue & Co., LLC, Staff Accountant

*2016 to Present*

Mr. Wagner is also a member of the Business Valuation/Forensic and Litigation Services Group providing a full range of services, including business valuation and consulting services to support client transactions and attorneys in virtually all areas of litigation. Mr. Wagner has performed valuation

services for companies in a multitude of industries ranging from Distilled Spirits to Construction and Manufacturing. Mr. Wagner has performed valuation services for litigation, transactional, ESOP, and succession planning purposes.

Katz, Sapper, and Miller, Healthcare Tax Intern

*Spring 2015*

At Katz, Sapper, and Miller, Mr. Wagner prepared tax returns for Corporations, Partnerships, and Individuals. The tax returns were prepared for businesses and individuals in the Healthcare field as a part of the Healthcare Consulting department at Katz, Sapper, and Miller. Furthermore, Mr. Wagner prepared compensation analysis reports for clients in the Healthcare field. He also went on audit engagements and performed tests for cash, accounts receivable, inventory and prepaid expenses.

### **SELECTED BUSINESS VALUATION AND LITIGATION SUPPORT COURSES AND TRAINING**

- Consultants' Training Institute
  - Business Valuation Certification and Training Center; June 2017; Chicago, IL

### **RECENT PUBLICATIONS AND PRESENTATIONS**

- "Debt/Equity Structure Issues", Blue & Co., LLC Business Valuation Summit, Indianapolis, IN, October 25, 2018.

## “Retirement, Sunsets & Dreams”

Jeff Curtis, CPA, (CDM)

Gary Lents, CPA

Watermark Group, Indianapolis, Indiana

### Program outline

- **Retirement:** The recently enacted *Setting Every Community Up for Retirement Enhancement (SECURE)* Act made some big changes to retirement savings landscape. We’ll touch on the highpoints of the Act. – 20 minutes
- **Sunsets:** Several income, gift and estate provisions of the *2017 Tax Cuts and Jobs Act* are scheduled to “sunset” after tax year 2025. We’ll revisit the key provisions set to expire and the anticipated ramification on individual income and estate tax situations. – 20 minutes
- **Dreams:** We’ll introduce the “*Dream Manager*” concept, which is a program used at Watermark to inspire and encourage staff, clients and friends of the firm to be more deliberate about the discovery, pursuit and realization of those things that matter most to them, will be introduced. What matters most to you, personally, and to your clients and are those things factored into your and your client’s plans? – 20 minutes

### Degree of difficulty - introductory-moderate

### Paragraph on why topic is important to estate planning profession

- As retirement and estate planning go hand and hand, familiarity with the scheduled expiration of various tax law provisions, coupled with an understanding of recent changes relative to retirement savings and related distribution requirements, are obviously important when considering planning recommendations. Although the overlapping aspects of retirement and estate planning can be somewhat complicated, the most meaningfully crafted plans reflect what matters most to a client. Being aware of and deliberate about pursuing your own personal aspirations can change your perspective when working with clients. That’s one of the reasons it’s important to periodically take pause to consider those dreams matter most to you.

### Speaker bios



**Jeff Curtis, CPA, (CDM)** - Jeff spent the first 18 years his professional career with a national and regional CPA firm, before venturing out in 2006 as one of the founding partners of The Watermark Group, an Indianapolis based CPA and Wealth Management firm. Although he maintains a client ledger for the delivery of individual and business tax planning and compliance services, he also focuses on ownership succession planning with the firm’s family-owned business client base. Jeff became a “Certified Dream Manager” in 2017 and is actively working with business owners interested in better employee

engagement and improved recruitment and retention experiences.



**Gary Lents, CPA – Gary Lents, CPA/ABV, CGMA** - Gary is currently a tax partner with Watermark CPA Group in Indianapolis, Indiana. He has 30 plus years of tax experience serving small to medium size businesses and individuals. Gary has a varied experience in both public accounting and industry, serving as CFO for three businesses. His core competencies include tax planning and reporting, process improvement, mergers and acquisitions, business valuation and IT selection, design implementation and utilization. Gary earned both an Bachelor of Science in Business and MBA from the Indiana University Kelly School of Business.