

## How To Create A Family Advisory Trust

by  
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### **Short Description of the Presentation:**

Many small business owners desire to pass the company onto their children. However there are usually multiple concerns not the least of which is keeping relationships intact. One way to transfer ownership, while keeping family relationship intact, is to create a Family Advisory Trust. This presentation will outline the process of creating that trust.

### **Three (3) Different Ways to Transition a Business**

#### **Definition of a Family Advisory Trust**

#### **Two Types of Business Structures**

#### **Three Steps of Implementing a Family Advisory Trust**

1. Assess how the company is currently being managed (2-3 years)
2. Assessing the companies organizational health and making sure a clear vision and strategy is in place (1-2 years)
3. Formalizing legal documents

#### **Example of the Mechanics of Creating a Family Advisory Trust**

#### **Overall Purpose of Creating a Family Advisory Trust**

- Resolve shareholder/sibling conflict
- Provide advice and guidance in important company decisions
- Provide continuity in the transition of the company for future generations

#### **Obstacles in Valuing the Business**

#### **Makeup of the Family Trust Board**

#### **Practical Example of How the Trust Would Works**

