

BUY-SELL TRUST

I need to find an exit for my shares when I am not around.

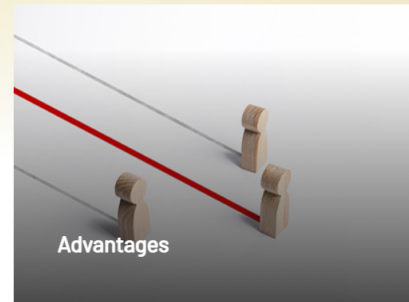
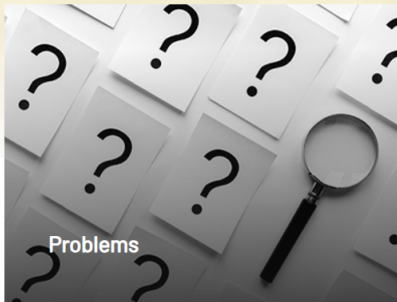
A well-constructed plan is essential to protect the value of the business and provide cash for the family in the event there is a major disruption in the business due to a co-owner's death, disability, retirement or serious major illness or any other event that jeopardizes the continuity of the business.

Why do I need a Will?

Without a Will, your assets could be more burdensome than beneficial to your family at a time when they are most vulnerable. The distribution involved can be a long legal process especially if there is a dispute. You should never assume that your assets would automatically go to the person you want to benefit. Given them security by making a Will and the law will protect your wishes.

Ask yourself:-

- > If a co-owner dies today, can you work with his family to run the business?
- > Will the co-owner's family members know how to run the business with you?
- > Can they work well with you?
- > Would your beneficiaries be able to get a fair price if they wanted to sell the shares?
- > Do you have the funds to buy out the deceased co-owner's shares/interests from the family members when there is no pre-agreed price in a written agreement?
- > Can the shares/interests you are purchasing be transferred quickly to you?



[Problem](#) [Solution](#) [Advantages](#)

Problems without Business Protection Plan

Often these are:-



Inheritance of the Shares

A new partnership is created due to the inheritance of the shares/interest by inexperienced heirs. Chances are this new partnership may fail.



No pre-agreed price

There is no pre-agreed price for any sale to take place when the heirs decide to sell to the other co-owners. As a result, it may take years to settle a transaction price.



Unqualified Heirs

Some of the unqualified heirs may insist on being directors of the company and be active in running the business. This may lead to serious disruptions and disputes within management.



Abandon the Business

It is possible that the co-owners may decide to abandon the business and start their own due to disputes with the heirs.

Inexperienced Heirs

Where inexperienced heirs get involved in the business, there tends to be loss of profits and uncertainty about the business future success.

The Solution – Buy-Sell Trust

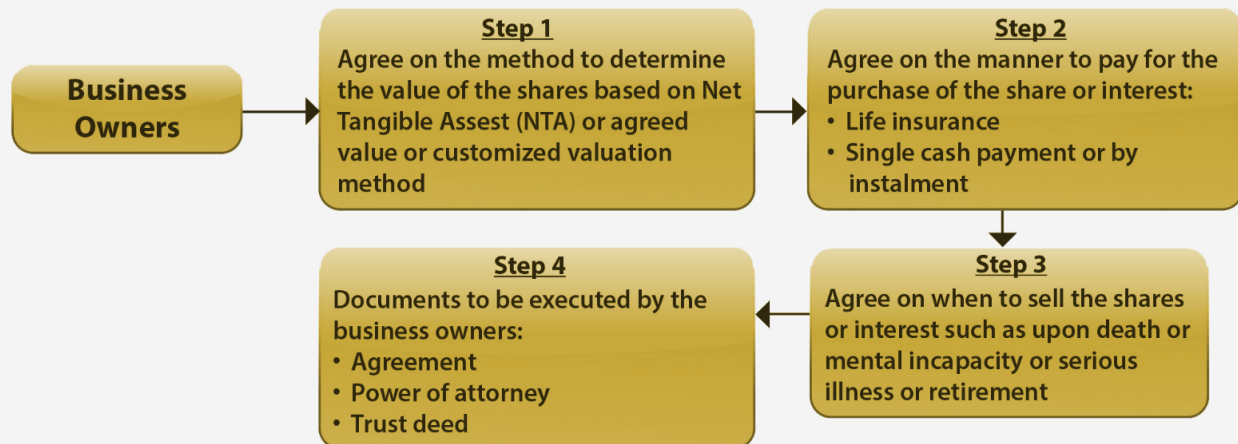
Our Buy-Sell Trust ensures a smooth transition of the business to the other co-owner(s) and the value of your share of the business is protected against an event such as:-



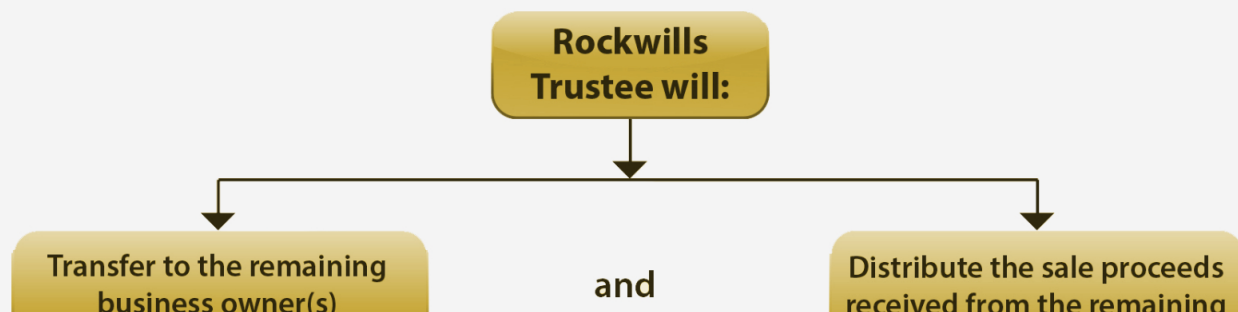
Our Buy-Sell Trust consists of:-

- > A Buy-Sell or Cross Option Agreement: covering the terms of the sale and purchase including the agreed value or formula, events triggering a sale, funding and mode of payment.
- > Power of Attorney: authorizing us, Rockwills Trustee, to transfer the shares/interests to the other co-owner(s) upon the occurrence of the agreed events that trigger a sale.
- > Trust Deed by the co-owners: instructions to Rockwills Trustee regarding the periodical distribution of the sale proceeds to prevent these being misspent by the beneficiaries.
- > Life insurance policy: as the main funding mechanism to purchase the shares/interest of the outgoing co-owner.

How to setup?



When an event to sell occurs for a sale:



the shares/interests of the outgoing business owner

business owner(s) to the outgoing business owner or trust beneficiary

Advantages of Buy-Sell Trust

Guarantees the sale of shares/interest at a full and fair value that was agreed by co-owners.

Shares/interests are easily converted to cash.

Smooth transfer of ownership to the co-owners is ensured by the Trustee.

By using life insurance, the purchase of the shares/interest becomes very affordable, minimizing the need to borrow or strain family finances for the purchase. More importantly, it ensures that the other co-owner(s) have the necessary funds to pay for the shares/interest.

Rockwills Trustee acts as the Trustee for Buy-Sell Trust protecting the interests of your beneficiaries and that of the co-owners.

Prevents inexperienced and unqualified heirs from being involved in the business or the selling of the deceased's shares to outsiders.

Before you set up a trust,
you need to be aware of anti-money laundering regulations.

