

CYNOSURE WEALTH ADVISORS

“Innovative Solutions for
Extraordinary Wealth”

Preparing For a Successful Business Exit

An Overview of how high-net-worth
business owners navigate the complex
journey of selling their business venture.



Preparation

Selling Your Business: Three Phases of an Exit Process

Each phase integrates business, legal, personal, and financial considerations for optimal outcomes...preparation is the key to a successful outcome.



Presale

Planning and preparation phase.
Establish foundation for maximum value.



Sale

Transaction execution phase.
Navigate complex negotiations and due diligence.



Post-Sale

Wealth and legacy management phase.
Secure your future and family legacy.



The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction.

Common Themes Owners Face When Selling Their Business



Loss of Identity

The reality of selling a venture often represents a loss of identity and community. Entrepreneurs may go through several stages of recognizing and coping with this loss, and this process can sometimes take years.



Extended Transition

Coping with this life-altering transition, including emotional adjustments and finding new passions, can take several years as entrepreneurs redefine their path forward.



Professional Wealth Management

Navigating new wealth requires careful planning, unbiased advice, and intentional efforts. The qualities that make a good entrepreneur are seldom the same ones that make a good investor. The principles of successful wealth management emphasize diversification and relying on the expertise of others.



Loss of Purpose

Most entrepreneurs do not measure success in terms of financial rewards, but rather by the sense of freedom and potential legacy that these financial rewards confer. They struggle with how best to use their new freedom and how to define their legacy.



Redefining Success

True success post-exit extends beyond mere financial gain, focusing instead on newfound personal freedom, the lasting legacy left behind, and the positive impact made.



Pre-Transaction Planning

Financial analysis and planning before and immediately after a sale of a venture is crucial. In the most successful transitions, entrepreneurs sought out professional advice in a variety of financial areas, including tax, philanthropy, estate planning and wealth education for children well in advance of the sale.



Community Disconnection

The sale often leads to a disconnection from the community and professional network built around the business, including employees, partners, and clients, which can be isolating.



Finding New Direction

A key challenge is discovering the next fulfilling activity or venture and defining a new sense of purpose that aligns with their post-exit aspirations and values.

The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction.

Assemble the Right Advisory Team for Long Term Success

Investment Banker

Brings industry expertise and buyer connections to maximize valuation.



M&A Attorney/Estate Attorney

M&A attorney structures deals, negotiates terms, and handles representations and warranties. Estate attorney implements wills, trusts, and asset protection strategies to secure generational wealth.



CPA/Tax Advisor

Manages financial modeling, quality of earnings, and tax implications.

Integrated Wealth Manager

Develops pre-transaction strategies, deploys liquid wealth, manages the complexities of family wealth, and coordinates other advisors.



The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction.

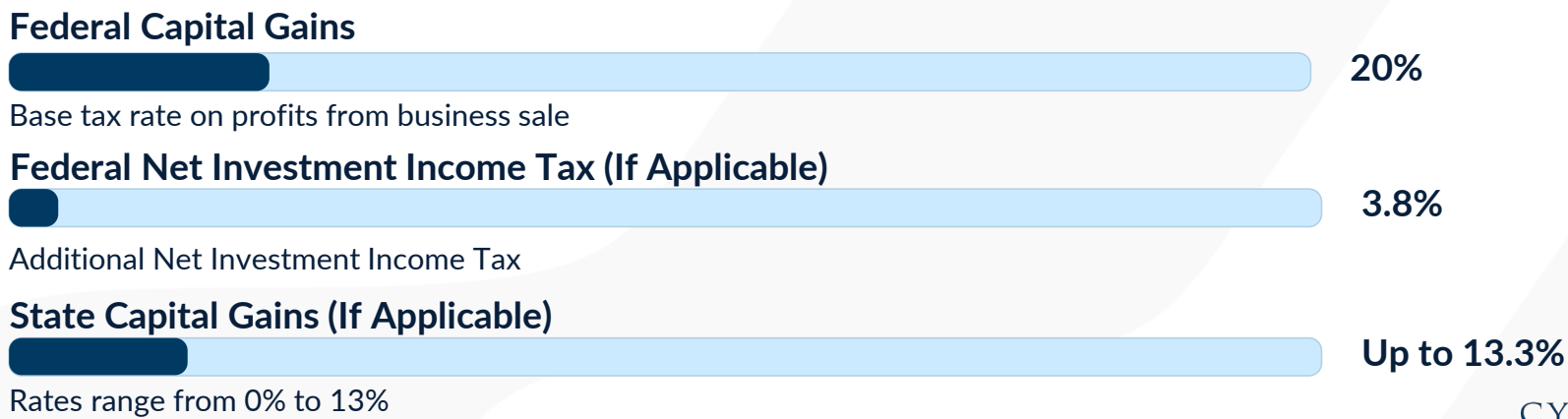
Pre-Sale Planning

Income Tax Planning for Business Sale Success

- 1 Installment Sales**
Defer federal and state capital gains strategically across multiple tax years.
- 2 QSBS Exclusion**
Exclude up to \$10M¹ in gain. Requires 5+ year holding period for qualified C-corporations. “Stacking” of multiple exclusions possible with advanced planning.
- 3 Entity Structure**
S-Corporation status impacts basis calculation and sale characterization.
- 4 State Income Tax Mitigation**
Consider moving to low/no tax states before sale completion, or transferring ownership interests to trusts subject to income taxation in low/no tax states.



¹ For QSBS stock issued after 7/4/25 the exclusion is increased to \$15M.



Wealth Planning for Business Sale Success

Pre-Sale Planning Opportunities



Transfer Strategies

Move business appreciation out of taxable estate. Apply valuation discounts for lack of marketability and control. Most effective when done well in advance of the sale. "QSBS Stacking" can multiply the number of \$10M federal income tax exemptions.



Trust Vehicles

Transfer ownership to Trusts - founders may retain access and control, without estate tax inclusion. Gifts and sales to Trusts can be structured as multi-generational wealth transfer vehicles. GRATs pass appreciation tax-free above IRS assumed interest rates.



Charitable Options

Charitable Remainder Trusts defer capital gains. Donor Advised Funds allow pre-sale deductions with post-sale grants. Most owners consider implementing charitable goals and objectives in year of transaction to minimize tax impacts.

Critical timing: Transfers significantly prior to Letter of Intent are much more effective at avoiding IRS scrutiny.



The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction. Examples shown are illustrative and may not be appropriate for all investors.

Post Sale Planning

Post Sale Wealth and Legacy Planning

Comprehensive wealth management strategies to protect and grow your business sale proceeds while creating lasting impact.

Portfolio Management

Strategically allocate proceeds across multiple asset classes to optimize returns while managing risk. Access previously unavailable asset classes in private markets. Actively manage concentrate stock positions to diversify exposure while deferring capital gains.

Family Governance

Develop family mission statement. Educate heirs on wealth stewardship. Maintain advisory team relationships for continuity.

Estate and Wealth Plan

Update documents to address new liquidity. Implement generation-skipping transfer strategies for efficient wealth transition. Structure wealth ownership to provide asset protection and public anonymity for family members.

Structured Philanthropy

Create meaningful legacy through strategic charitable giving. Establish foundations or donor-advised funds to maximize impact while optimizing tax benefits.



The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction. Private investments involve significant risk and are subject to eligibility requirements. Not all investors will qualify.

Legacy & Family Governance

Thoughtful governance structures foster family unity and preserve wealth across generations. Well-designed trusts balance beneficiary flexibility with appropriate controls.



Mission

Define family purpose and values that align with wealth objectives. Collaborative discussions help articulate shared principles and establish how wealth will benefit family members and society. A well-crafted mission statement becomes the foundation for all wealth decisions.

Education

Develop financial literacy across generations through age-appropriate learning programs, mentorship opportunities, and hands-on experience managing family assets. Regular family meetings reinforce key concepts and build confidence in handling significant wealth.

Governance

Create family constitution and decision processes that provide structure for collective wealth management. Implement family council with regular meetings to address investment strategies, philanthropic initiatives, and conflict resolution mechanisms that preserve family harmony.

Implementation

Establish trusts and policies that protect assets while empowering beneficiaries. Design distribution mechanisms that promote productive behavior while safeguarding against wealth dissipation. Incorporate flexibility while maintaining alignment with core family values.

The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction. Implementation of trust and governance structures should be done in consultation with qualified professionals.



THANK YOU

<https://cynosurewealthadvisors.com/>

Disclosures

The Cynosure Group, LLC is an SEC-registered investment adviser engaged in providing investment advisory and wealth management services, as well as providing investment advice with regard to private equity with other alternative investments. A detailed description of The Cynosure Group, LLC, is available in its Form ADV Part 1, Part 2A firm brochure, and Form CRS, which may be found at www.adviserinfo.sec.gov. The Cynosure Group, LLC is a part of The Cynosure Group (herein collectively referred to as “Cynosure”). This communication does not constitute an offer to sell or the solicitation of an offer to buy any specific investment product sponsored by or investment advisory services provided by The Cynosure Group, LLC, or any of its affiliates. SEC Registration does not imply a certain level of skill or training.

Past performance does not guarantee future results and there can be no assurance that investors will not lose any or all of their invested capital.

The information contained herein is subject to revision and no representations or warranties are made as to the accuracy or completeness of such information. Certain economic and market information contained herein has been obtained from published sources and/or prepared by third parties. While such sources are believed to be reliable, none of Cynosure or any of its affiliates, employees, and representatives assume any responsibility for the accuracy of such information.

Neither the sender of this report nor the sender's third-party vendors and data providers makes any representations or warranties of any kind with respect to the subject matter herein, whether express or implied. The foregoing parties expressly disclaim any warranties of merchantability, fitness for a particular purpose, accuracy, completeness, or non-infringement with respect to the subject matter herein.

The Cynosure Group, LLC, and its affiliates do not provide tax, legal or accounting advice. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal, or accounting advice. You should consult your tax, legal, and accounting advisors before engaging in any transaction.

This material is intended solely for sophisticated investors and is provided for educational and informational purposes. Illustrations and examples are conceptual in nature and are designed to demonstrate general planning considerations rather than specific investment outcomes. References to certain strategies, structures, or asset classes are for discussion purposes only and may not be suitable or available to all investors. Recipients should exercise independent judgment and consider their individual objectives, financial circumstances, and risk tolerance before implementing any strategy discussed.