

Williams

**Summary of Current Assets
&
Planning Considerations and Recommendations**

Summary of Current Assets

<u>Assets</u>	<u>Values</u>
Cash	\$2,160,000.00
Cryptocurrency	\$92,376.00
Brokerage Acct	\$184,935.00
John's IRA	\$101,240.00
John's IRA	\$70,178.00
John's SEP IRA	\$212,921.00
Johns Roth IRA	\$18,138.00
#1 LLC	\$1,873,124.00
#2 LLC	\$337,587.00
#3 LLC	\$50,000.00
#4 LLC	\$2,000,000.00
#5 LLC	\$160,000.00
#6 LLC	\$971,676.00
#7 LLC	\$5,000.00
#8 LLC	\$50,000.00
#9 LLC	\$500,000.00
#10 LLC	\$7,704,974.00
#11 LLC	\$4,859,829.00
#12 LLC	\$935,400.00
#13 LLC	\$121,761.00
#14 LLC	\$3,750,000.00
#15 LLC	\$1,000,000.00
Real Estate #1	\$1,300,000.00
Real Estate #2	\$550,000.00
Real Estate #3	\$245,000.00
Real Estate #4	\$1,150,000.00
Personal Assets	<u>\$165,000.00</u>
	\$30,569,139.00
<u>Liabilities</u>	<u>\$(1,655,368.00)</u>
Total Net Worth	\$28,913,771.00

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Summary of Estimated Federal Estate Tax Liability

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FEDERAL ESTATE TAX
TAXABLE ESTATE
FET APPLICABLE EXEMPTION
AMOUNT ("A.E.A.")

FET RATE
FET LIABILITY

2022	2026
\$28,913,771.00*	\$28,913,771.00*
\$(12,920,000.00)	\$(7,000,000.00)
\$(12,920,000.00)	\$(7,000,000.00)
\$3,073,771.00	\$14,913,771.00
40%*	40%*
\$1,229,508.40	\$5,965,508.40

Current Net Worth

\$28,913,771.00

Annual Appreciation

4%

Years of Growth

18

36 (Eric's L/E = 31 years / Jennifer's L/E = 38 years)

Net Worth

\$58,573,995.00

\$118,660,166.00

A.E.A.

~~\$(7,000,000.00)*~~

~~\$(7,000,000.00)*~~

~~\$(7,000,000.00)*~~

~~\$(7,000,000.00)*~~

Taxable Estate

\$44,573,995.00

\$104,660,166.00

Federal Estate Tax ("FET") Rate

40%*

40%*

Estimated FET Liability

\$17,829,598.00

\$41,864,066.00

***Assumes No Change in
A.E.A. and No Change in
Rate**

Current Net Worth

\$28,913,771.00

Annual Appreciation

6%

8%

10%

Years of Growth

36

Net Worth

\$235,567,779

\$461,700,064

\$893,802,166

A.E.A.

~~\$(7,000,000)*~~

~~\$(7,000,000)*~~

~~\$(7,000,000)*~~

~~\$(7,000,000)*~~

~~\$(7,000,000)*~~

~~\$(7,000,000)*~~

Taxable Estate

\$221,567,779

\$447,700,064

\$879,802,166

Federal Estate Tax ("FET") Rate

40%*

40%*

40%

Estimated FET Liability

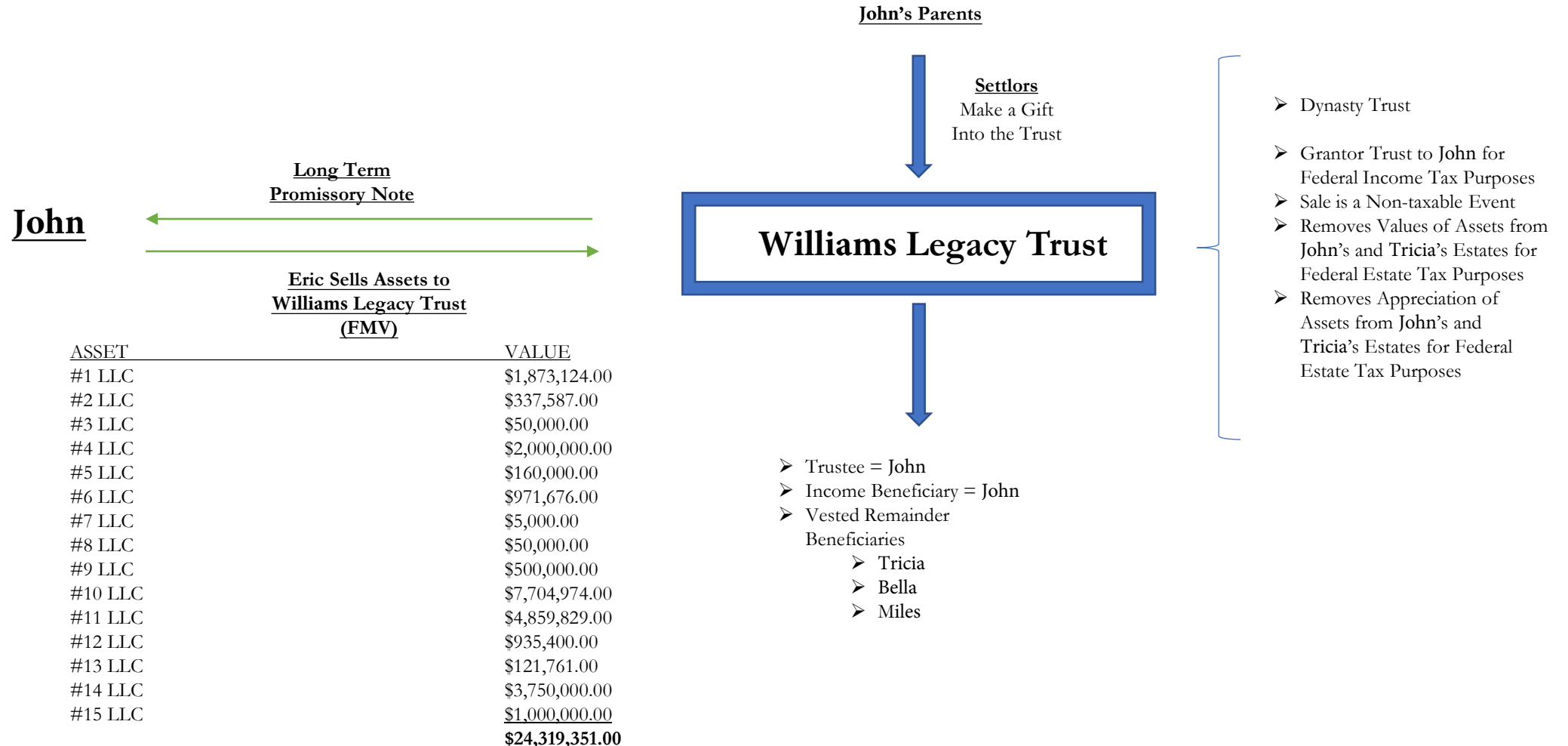
\$88,627,112

\$179,080,026

\$351,920,866

RECOMMENDATION I:
BENEFICIARY DEFECTIVE
INHERITOR'S TRUST
“BDIT”

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RECOMMENDATION I:
BENEFICIARY DEFECTIVE
INHERITOR'S TRUST
“BDIT”

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John & Tricia

Balance Sheet after BDIT Strategy

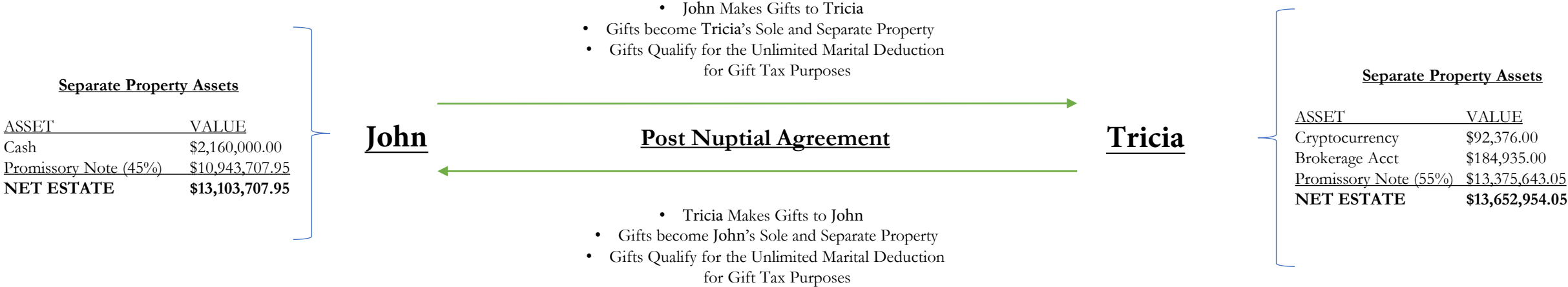
<u>ASSET</u>	<u>VALUE</u>	
Cash	\$2,160,000.00	
Cryptocurrency	\$92,376.00	
Brokerage Acct	\$184,935.00	
John's IRA	\$101,240.00	
John's IRA	\$70,178.00	
John's SEP IRA	\$212,921.00	
John's Roth IRA	\$18,138.00	
Real Estate #1	\$1,300,000.00	
Real Estate #2	\$550,000.00	
Real Estate #3	\$245,000.00	
Real Estate #4	\$1,150,000.00	
Personal Assets	\$165,000.00	
Promissory Note	<u>\$24,319,351.00</u>	
	\$30,569,139.00	
Liabilities	<u>\$(1,655,368.00)</u>	
Total Net Worth	\$28,913,771.00	

Long Term
Promissory Note

- Long Term AFR = 3.86%
- 20 Year Term
- Interest Only + Balloon
- Annual Payment = \$938,726.95

RECOMMENDATION IIA:
SPOUSAL LIFETIME ACCESS TRUSTS

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RECOMMENDATION IIA: SPOUSAL LIFETIME ACCESS TRUSTS

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John

John Makes Gifts of
His Separate Property
to the
SLAT for the Benefit of Tricia

Tricia

Tricia Makes Gifts of Her
Separate Property
to the
SLAT for the Benefit of John

Gifts into SLATS use Remaining
Applicable Exemption Amounts
Available to John and Tricia

SLAT FOR THE BENEFIT OF ERIC

- ❖ SLAT is Irrevocable
- ❖ SLAT is a Dynasty Trust
- ❖ SLAT = Grantor Trust for Federal Income Tax
 - ❖ Disregarded Entity
- ❖ Tricia is the Settlor
- ❖ John is the Trustee
- ❖ John is the Current Income Beneficiary
- ❖ John has Limited Power of Appointment
- ❖ Bella and Miles are Vested Remainder Beneficiaries
- ❖ Grandchildren are Contingent Remainder Beneficiaries
- ❖ Provides Estate Tax Planning & Asset Protection

SLAT FOR THE BENEFIT OF Tricia

- ❖ SLAT is Irrevocable
- ❖ SLAT is a Dynasty Trust
- ❖ SLAT = Grantor Trust for Federal Income Tax
 - ❖ Disregarded Entity
- ❖ John is the Settlor
- ❖ Tricia is the Trustee
- ❖ Tricia, Bella, and Miles are Current Income Beneficiaries
- ❖ Bella and Miles are Vested Remainder Beneficiaries
- ❖ Grandchildren are Contingent Remainder Beneficiaries
- ❖ Provides Estate Tax Planning & Asset Protection

RECOMMENDATION IIA:
SPOUSAL LIFETIME ACCESS TRUSTS

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John

John Makes Gifts of
His Separate Property
to the
SLAT for the Benefit of Tricia

Tricia

Tricia Makes Gifts of Her
Separate Property
to the
SLAT for the Benefit of John

Gifts into SLATS use Remaining
Applicable Exemption Amounts
Available to John and Tricia

**SLAT FOR THE BENEFIT
OF John**

<u>ASSET</u>	<u>VALUE</u>
Cryptocurrency	\$92,376.00
Brokerage Acct	\$184,935.00
Promissory Note (55%)	\$13,375,643.05
NET ESTATE	\$13,652,954.05*

**SLAT FOR THE BENEFIT
OF Tricia**

<u>ASSET</u>	<u>VALUE</u>
Cash	\$2,160,000.00
Promissory Note (45%)	\$10,943,707.95
NET ESTATE	\$13,103,707.95*

*For Federal Gift Tax Purposes, the Fair Market Value
of the Promissory Notes Should Be Discounted From
Face Value
*Discounted Value < Applicable Exemption Amount
of \$12,920,000
*Promissory Notes Need To Be Formally Appraised

RECOMMENDATION IIB: IRA LIQUIDATIONS & SPOUSAL LIFETIME ACCESS TRUST

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IRA LIQUIDATION

❖ John's IRA	\$101,240.00
❖ John's IRA	\$70,178.00
❖ John's SEP IRA	\$212,921.00
❖ John's Roth IRA	<u>\$18,138.00</u>
❖ IRAs – Cash Out	\$402,477.00
❖ Income Tax Rate	47.00% (37% + 10%)
❖ Tax Liability	<u>\$(189,164.19)</u>
❖ Net Cash	\$213,312.81

❖ Gift to SLAT FBO TRICIA



John

\$213,312.81

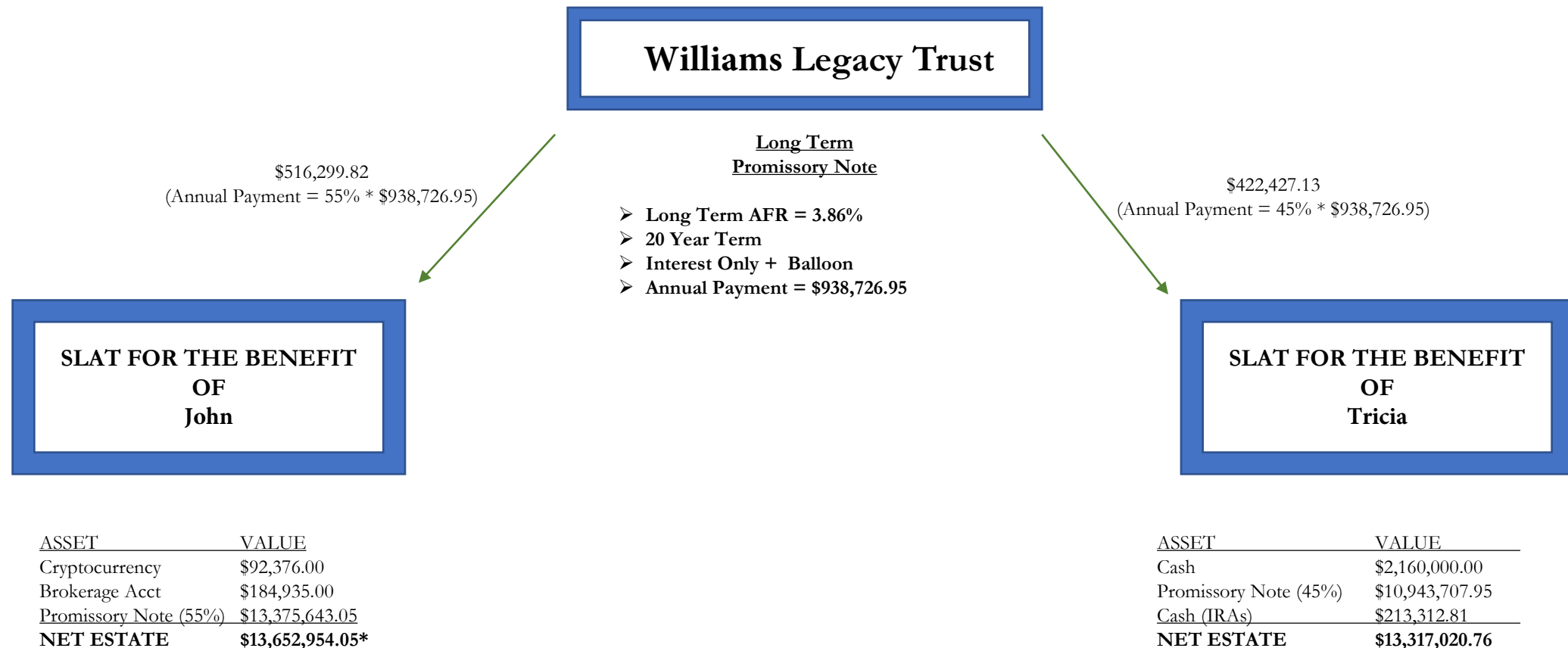
Gift into SLAT FBO Tricia
Uses Remaining Applicable
Exemption Amounts Available to John

SLAT FOR THE BENEFIT
OF
Tricia

<u>ASSET</u>	<u>VALUE</u>
Cash	\$2,160,000.00
Promissory Note (45%)	\$10,943,707.95
<u>Cash (IRAs)</u>	<u>\$213,312.81</u>
NET ESTATE	\$13,317,020.76

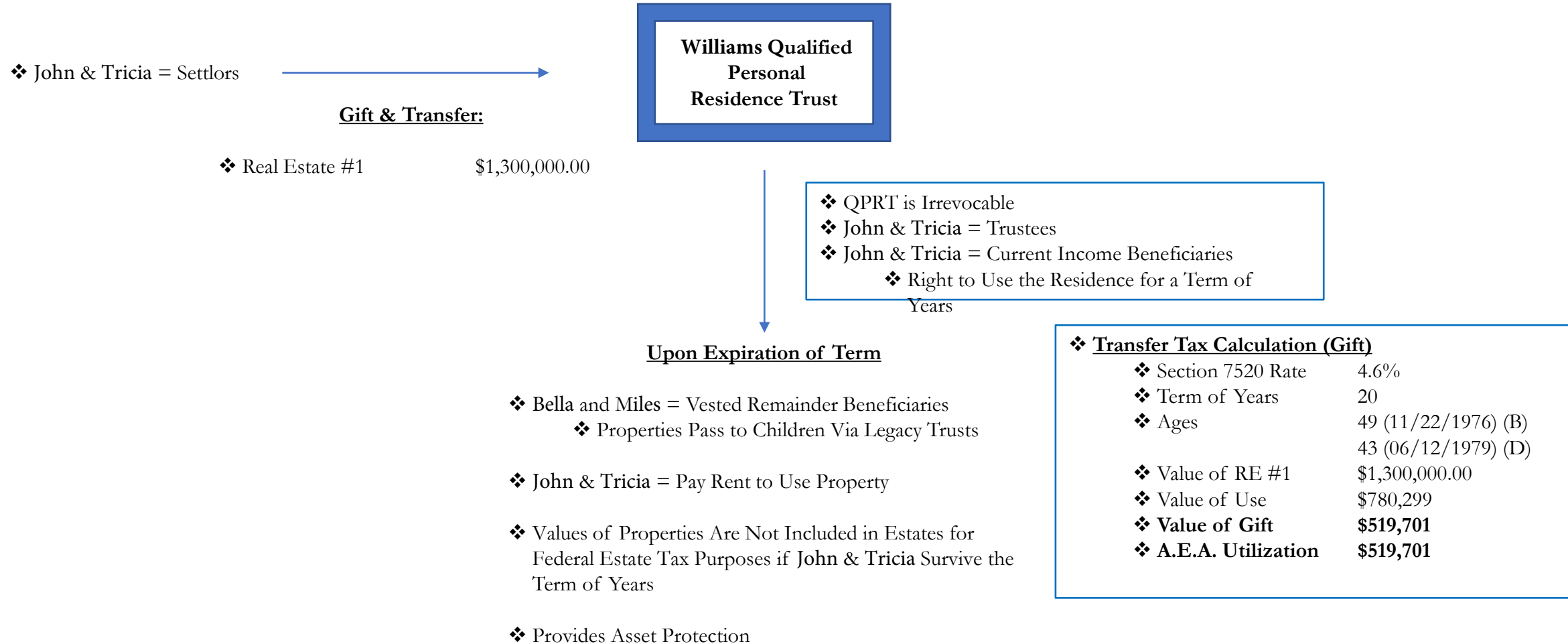
RECOMMENDATION IIA & IIB:
Annual Cash Flow

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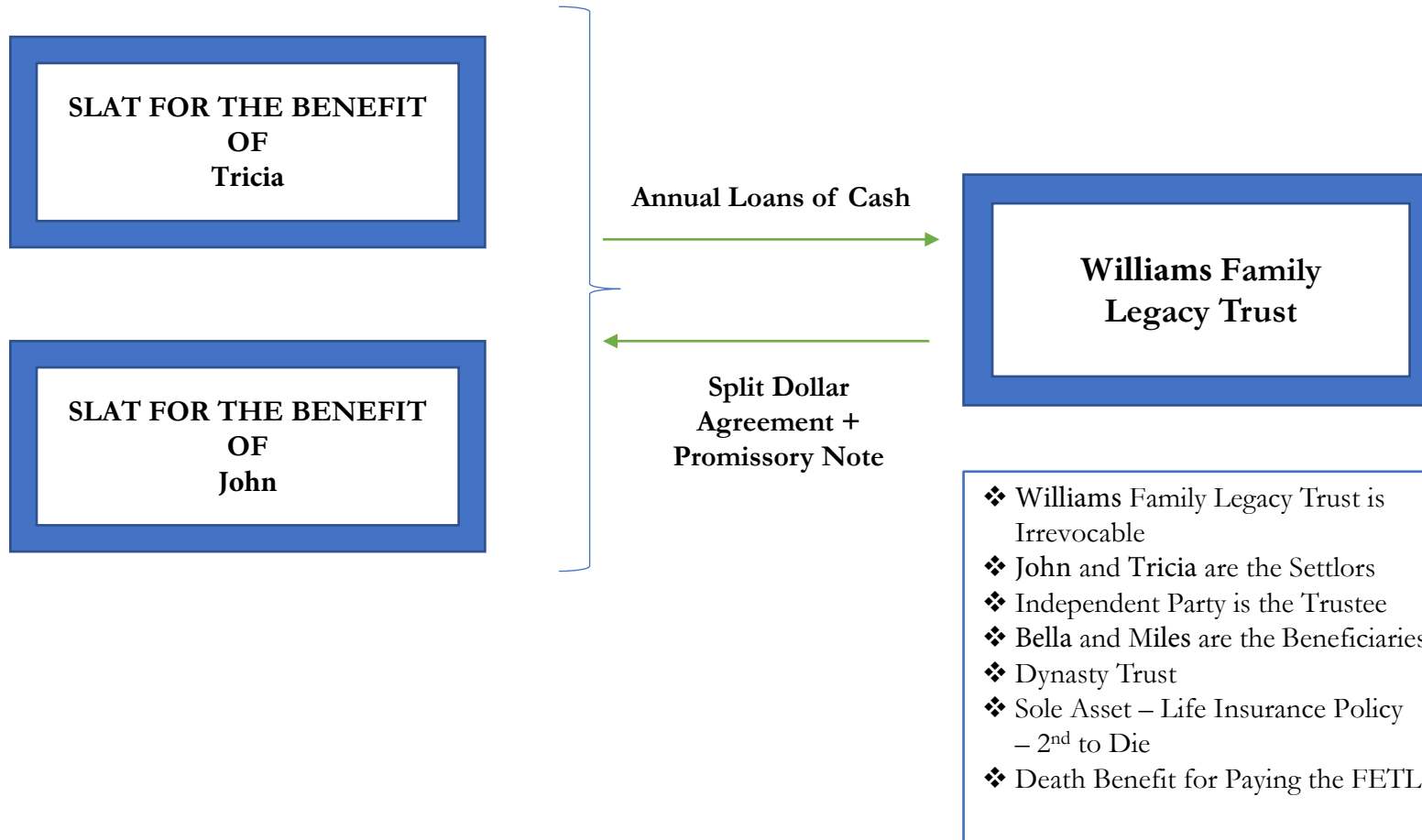
RECOMMENDATION III: QUALIFIED PERSONAL RESIDENCE TRUST

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RECOMMENDATION IV:
SECTION 7702 PLAN

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- ❖ Insured = John Williams & Tricia Williams
- ❖ Death Benefit = **\$26,090,302**
- ❖ Death Benefit is not subject to FET

RECOMMENDATION VI:
REVISE CURRENT ESTATE PLAN

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**FOUNDATION
ESTATE PLAN**

- ❖ Revocable Trust
- ❖ Coordinate Estate Plan with
Foregoing Proposed Plan
- ❖ Coordinate Dispositive Terms and
Trustee Nominations with Terms
of Other Trusts Implemented
- ❖ Last Wills and Testaments
- ❖ Powers of Attorney
- ❖ Healthcare Powers of Attorney

SUMMARY OF ASSET ALLOCATION POST PLANNING

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Assets	Values	John's SLAT	Tricia's SLAT	QPRT	IRA / SLAT	RLT
Cash	\$2,160,000.00		\$2,160,000.00			
Cryptocurrency	\$92,376.00	\$92,376.00				
Brokerage Acct	\$184,935.00	\$184,935.00				
John's IRA	\$101,240.00				\$101,240.00	
John's IRA	\$70,178.00				\$70,178.00	
John's SEP IRA	212,921.00				\$212,921.00	
John's Roth IRA	\$18,138.00	\$2,839,788.00			\$18,138.00	
#1 LLC	\$1,873,124.00					
#2 LLC	\$337,587.00					
#3 LLC	\$50,000.00					
#4 LLC	\$2,000,000.00					
#5 LLC	\$160,000.00					
#6 LLC	\$971,676.00					
#7 LLC	\$5,000.00					
#8 LLC	\$50,000.00					
#9 LLC	\$500,000.00					
#10 LLC	\$7,704,974.00					
#11 LLC	\$4,859,829.00					
#12 LLC	\$935,400.00					
#12 LLC	\$121,761.00					
#13 LLC	\$3,750,000.00					
#14 LLC	\$1,000,000.00					
Promissory Note (BDIT)	\$-	\$24,319,351.00	\$13,375,643.05	\$10,943,707.95		
Real Estate #1	\$1,300,000.00			\$1,300,000.00		
Real Estate #2	\$550,000.00					\$550,000.00
Real Estate #3	\$245,000.00					\$245,000.00
Real Estate #4	\$1,150,000.00					\$1,150,000.00
Personal Assets	\$165,000.00	\$3,410,000.00				\$165,000.00
	\$30,569,139.00	\$30,569,139.00	\$13,652,954.05	\$13,103,707.95	\$1,300,000.00	\$402,477.00
Liabilities	\$(1,655,368.00)	\$(1,655,368.00)				
Total Net Worth	\$28,913,771.00	\$28,913,771.00				\$30,569,139.00
						\$-

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**Summary of
Estimated
Federal Estate Tax
Liability
Post Planning**

<u>FEDERAL ESTATE TAX</u>	<u>2026</u>		
CURRENT NET WORTH	\$28,913,771.00		
MINUS SLAT FBO John	\$(13,652,954.05)		
MINUS SLAT FBO Tricia MINUS QPRT	<u>\$(13,103,707.95)</u>		
MINUS IRAS / SLAT FBO Tricia	<u>\$0.00</u>		
TAXABLE ESTATE	<u>\$(213,312.81)</u>		
FET APPLICABLE EXEMPTION AMT.	\$1,943,796.19		
	<u>\$(0.00)</u>		
	<u>\$(0.00)</u>		
	\$1,943,796.19		
FET RATE	40%		
FET LIABILITY	\$777,518.48	vs.	\$5,965,508.40
Estimated FET Savings	\$5,187,989.92		
Assets Subject to FET Post Planning	\$2,110,000 (Assets of Rev Trust)		
Annual Appreciation	4%		
Years of Growth	36		
Net Worth	<u>\$8,659,298.00</u>		
A.E.A.	<u>\$(0.00)</u>		
	<u>\$(0.00)</u>		
Taxable Estate	<u>\$8,659,298.00</u>		
FET Rate	40%		
Estate Tax Liability	<u>\$3,463,719.00</u>		
Versus Current	\$41,864,066.00		
Estimated FET Savings	\$38,400,347.00		
Resulting From Recommendations & Additional Dollars to Bella and Miles			

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Summary of Estimated Federal Estate Tax Liability Post Planning

Assets Subject to FET Post Planning	\$2,110,000 (Assets of Rev Trust)		
Annual Appreciation	6%	8%	10%
Years of Growth	36	36	36
Net Worth	\$17,190,702	\$33,692,843	\$65,225,756
A.E.A.	\$(0.00)	\$(0.00)	\$(0.00)
	\$(0.00)	\$(0.00)	\$(0.00)
Taxable Estate	\$17,190,702	\$33,692,843	\$65,225,756
FET Rate	40%	40%	40%
Estimated Estate Tax Liability	\$6,876,281	\$13,477,137	\$26,090,302
Versus Current Estimated	\$88,627,112	\$179,080,026	\$351,920,866
Estimated FET Savings	\$81,750,831	\$165,602,889	\$325,830,564
Resulting From Recommendations & Additional Dollars to Bella and Miles			