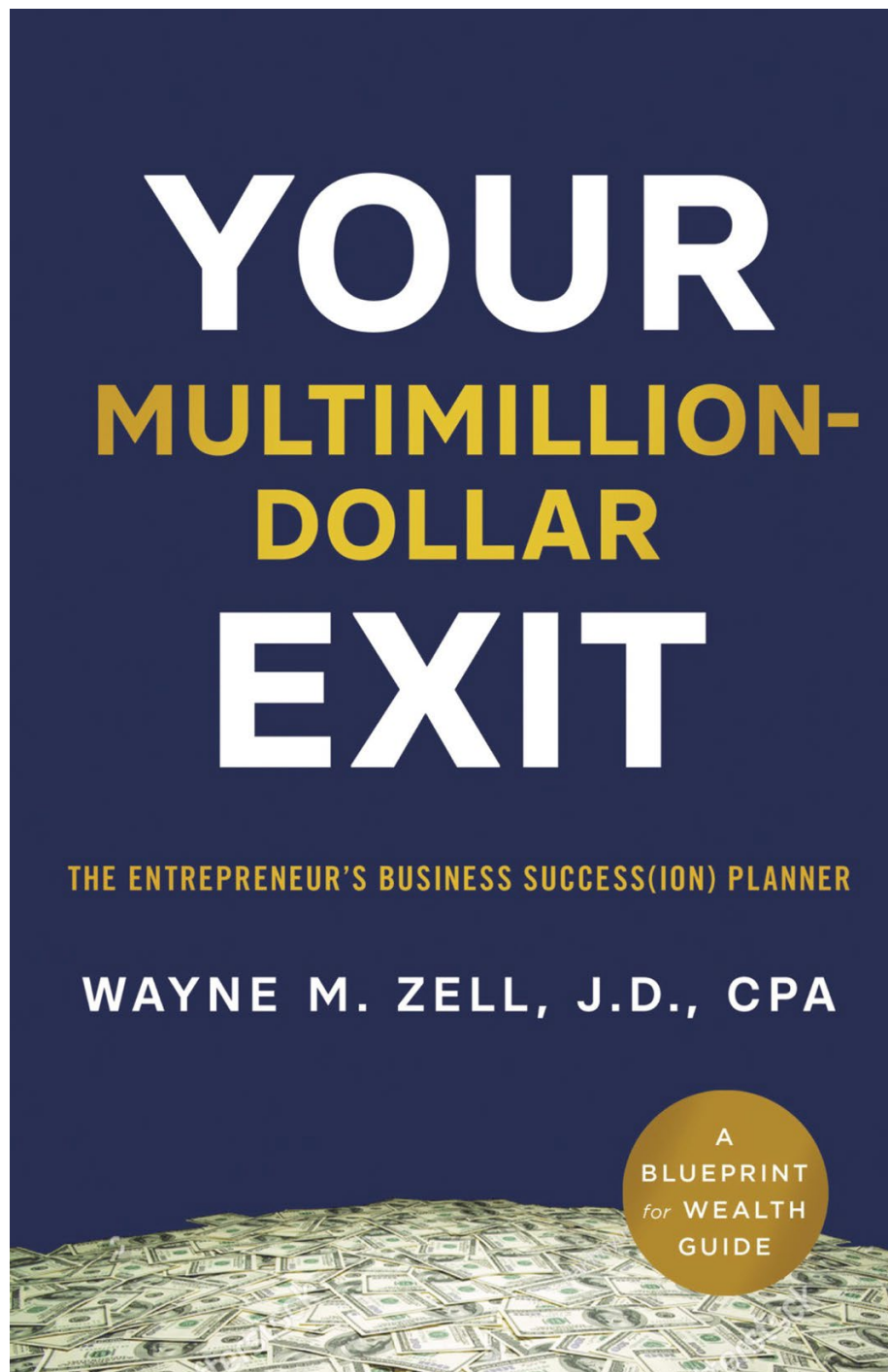
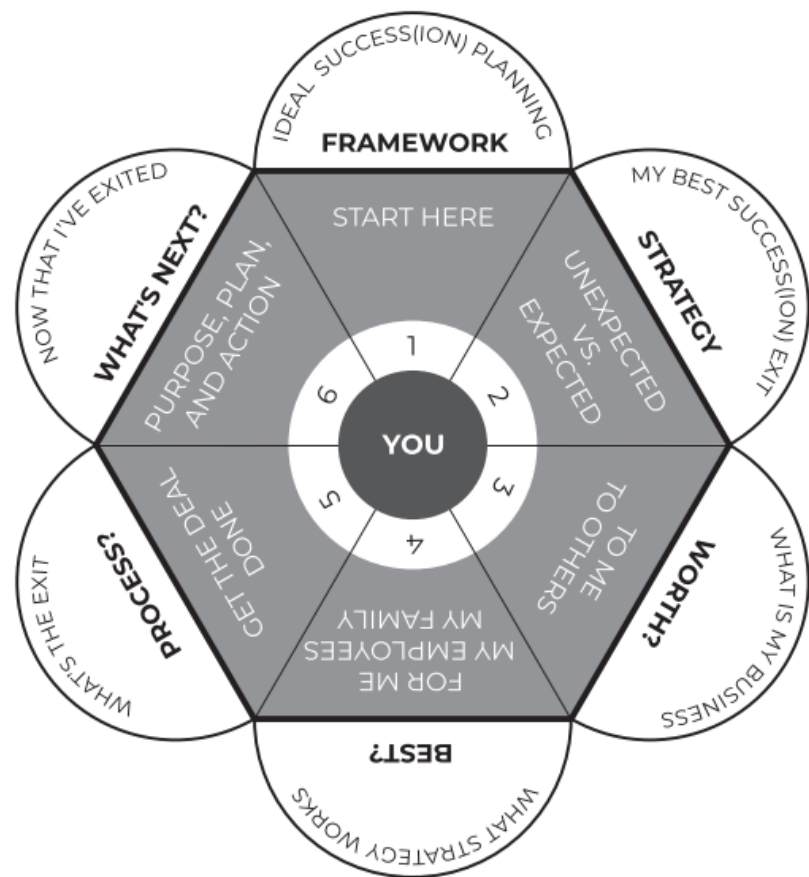


**Audiobook Graphics, Charts,
& Endnotes by Chapter**



Introduction



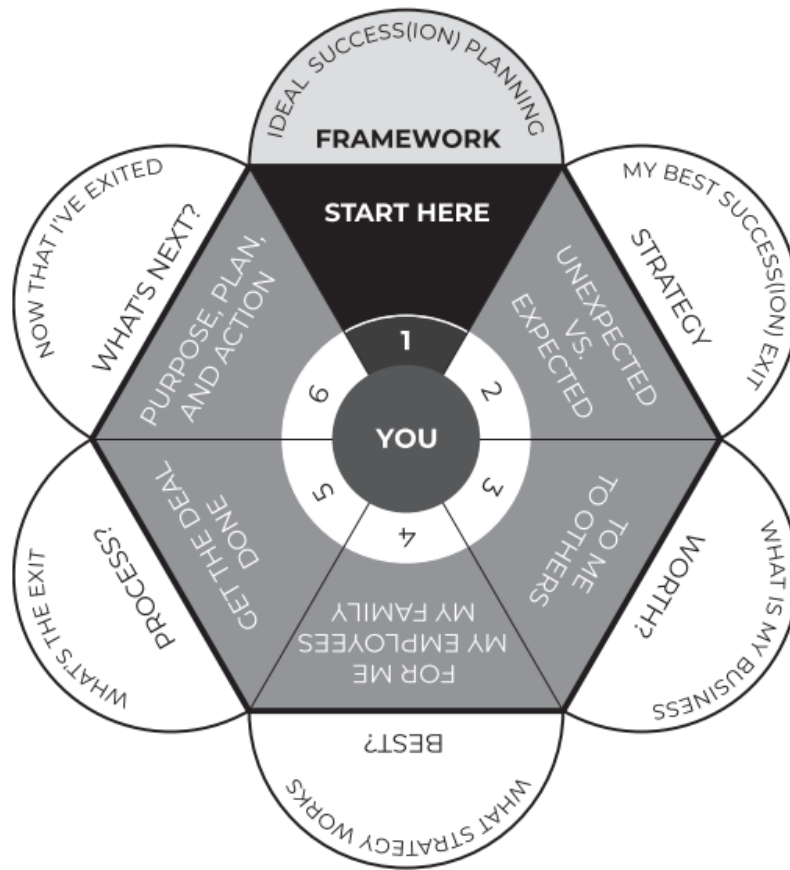
Endnotes

1 The terms “Success(ion)” and “Business Success(ion)” have been registered for trademark protection by Zell Law with the US Patent and Trademark Office.

2 “PMA” refers to a positive mental attitude. My friend Bobby Castro claims ownership of the phrase, and if you follow him on social media, you will understand why.

CHAPTER 1

THE IDEAL BUSINESS SUCCESS(ION) PLANNING FRAMEWORK



Interview with Ben Edson, entrepreneur, Founder and CEO of VariQ,
a Capgemini Government Solutions Partner

“I was 18 years old when I landed in Miami with 20 bucks in my pocket and clothes that fell out of my suitcase as they were coming off a conveyor belt because my brother and I had stuffed the only suitcase we had with duct tape. And so it’s one of those stories of welcome to America and make the best of it”



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Interview with Bobby Castro, entrepreneur, and Co-Founder of a multibillion-dollar corporation

“I’ll never forget the day I left school at the end of 9th grade. I was 14 years old. I don’t think I was a difficult kid, but I always had a lot of curiosity, a lot of questions. And I would always raise my hand in class. A lot of teachers were just frustrated by it, but I didn’t catch on to the question, so I had to ask it again and again. I think that’s what happened with the teachers. I just wanted to leave school because I felt like I wasn’t worthy. So, I told my mom, and she gave me no heartburn. She said, ‘Bob, you could be anything you want to be.’”



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Endnotes

3 See Alfred Hitchcock's film *The Man Who Knew Too Much* (1956).

4 See Carol S. Dweck's trendsetting book, *Mindset: The New Psychology of Success* (New York: Random House, 2006), for more information on the distinction between "growth-minded" people and those who are in a "fixed mindset."

5 Gary Shapiro, *Ninja Innovation: The Ten Killer Strategies of the World's Most Successful Businesses* (New York: William Morrow, 2013).

6 Chris Zook and James Allen, *The Founder's Mentality: How to Overcome the Predictable Crises of Growth* (Boston: Harvard Business Review Press, 2016).

7 Liz Kislik, "How to Prepare the Next Generation to Run the Family Business," *Harvard Business Review*, September 27, 2022, <https://hbr.org/2022/09/how-to-prepare-the-next-generation-to-run-the-family-business#:~:text=According%20to%20a%202021%20Family,on%20next%2Dgen%20involvement.%E2%80%9D>

8 Gino Wickman, *Traction: Get a Grip on Your Business* (Dallas: BenBella Books, 2011).

9 Shapiro, *Ninja Innovation*, 14–15.

10 Debra Jacobs, Garrett Sheridan, and Juan Pablo González, *Shockproof: How to Hardwire Your Business for Lasting Success* (Hoboken: Wiley, 2011).

11 Zook and Allen, *Founder's Mentality*.

12 Zook and Allen describe a business in "free fall" as one that has completely stopped growing, with a business model that is no longer viable (*Founder's Mentality*).

13 "Liquidation value" refers to the value of the business as it exists today, without considering its ability to continue to generate revenues or cash flow into the future. If you liquidate the business, you will receive the remaining cash, accounts receivable, inventory, furniture and equipment, and any other intangible assets such as trademarks, patents, and copyrights owned by the business. The value of these assets may be substantially less than if they were sold as part of a going concern.

CHAPTER 2

MY BEST BUSINESS SUCCESS(ION) EXIT STRATEGIES



Interview with Tien Wong, entrepreneur, successful business owner, and networker extraordinaire

“I think you have to work hard and never give up and focus 100% on your customer, the person who’s paying you, and make sure you don’t ever sacrifice on quality. I think that’s why we’ve grown. We’ve never looked at the bottom line. We never looked at the money. We just focused on quality. Our goal was always to be the best-run company of its size in the world.”



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Interview with David Eisner, entrepreneur, former CEO and Founder of Dataprise, Inc.

“I had a small, tight-knit group of managers that were with me for most, if not all, the journey, over 25 years, and 1 partner who was with me almost from the beginning. He and I were the yin and yang managing the business, where I focused primarily on strategy, financial aspects, and technical aspects, and he focused on sales and human resources.”



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Endnotes

14 “Membership interest” refers to the ownership of an LLC. “Stock,” on the other hand, refers to ownership in a corporation. I will use these terms interchangeably throughout the book, depending on the facts.

15 When someone has a fiduciary duty to someone else, the person with the duty must act in a way that will benefit someone else, usually financially. The person who has a fiduciary duty is called the fiduciary, and the person to whom the duty is owed is called the principal or the beneficiary. If the fiduciary were to breach the fiduciary duties, he or she would need to account for the ill-gotten profit. The beneficiaries are typically entitled to damages. “Fiduciary Duty,” Legal Information Institute, accessed December 15, 2022, www.law.cornell.edu/wex/fiduciary_duty.

16 In an LLC, the members can manage the entity, or managers can manage the entity. If more than one manager is serving, the group is typically referred to as a board of managers. This can operate essentially the same as a board of directors in a corporation.

17 As a sidenote, many of my clients ask whether the transfer of the stock into a revocable trust will create tax problems. My answer is a definitive “No!” The revocable trust is ignored for income tax purposes because it is controlled by the grantor and therefore is a grantor trust. When you transfer the stock to the trust, it’s treated as if you’re transferring the stock to yourself. Such a trust is also an eligible shareholder for S corporation purposes.

18 See Chapter 3.

19 According to McKinsey’s 2022 “Private Markets Annual Review” report, private equity funds had over \$9.8 trillion in assets under management in 2021: www.mckinsey.com/industries/private-equity-and-principal-investors/our-insights/mckinseys-private-markets-annual-review.

20 Rishi Yadav, “The Global State of Family Offices: What Family Offices Need to Do to Successfully Compete with Traditional Wealth Management Firms” (Capgemini, 2012), https://www.capgemini.com/wp-content/uploads/2017/07/The_Global_State_of_Family_Offices.pdf.

21 Yadav, “Global State of Family Offices.”

22 www.familyoffice.com.

23 Will Kenton, “Leveraged Buyout (LBO) Definition: How It Works, with Example,” Investopedia, November 14, 2022, <https://www.investopedia.com/terms/l/leveragedbuyout.asp>.

24 Non-ESOP (i.e., regular) dividends paid to stockholders are not generally deductible to the corporation.

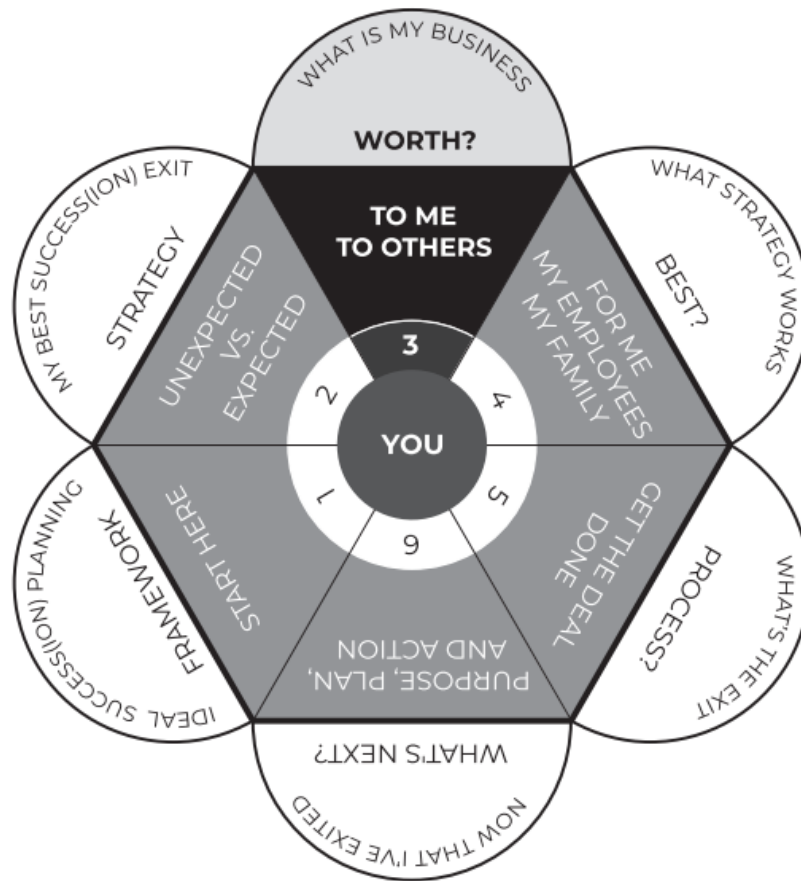
25 A “C corporation” refers to a corporation governed by Subchapter C of the IRC of 1986. C corporations currently pay tax on their taxable income at a 21% flat rate. The shareholders typically pay tax on the dividends distributed by the corporations. This is commonly referred to as “double taxation.”

26 A special benefit is available to ESOP participants if a net unrealized appreciation (NUA) election is made and certain criteria are met. If NUA is elected, the cost basis of the stock distributed is taxed immediately at the participant’s ordinary income rate. The NUA amount is taxed when the stock is sold back to the corporation. NUA is subject to tax at the long-term capital gains rate—regardless of the length of time the stock was held in the plan prior to distribution.

27 Max H. Bazerman and Paresh Patel, “SPACs: What You Need to Know,” *Harvard Business Review*, July–August 2021, <https://hbr.org/2021/07/spacswhat-you-need-to-know>.

CHAPTER 3

WHAT IS MY BUSINESS WORTH?



Interview with Matthew Dean, entrepreneur, President and CEO, Markon Solutions

“The idea of...having individuals that worked for us have the opportunity to buy in and become shareholders was really, really important to [creating an] ownership mindset. And my view is there’s no better way to create an ownership mindset than to actually make them owners. There’s no doubt it made it more complicated to sell with 24 shareholders—we had to get 24 signatures on a lot of different documents at a lot of different times.”



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Interview with Bob Kipps, investment banker

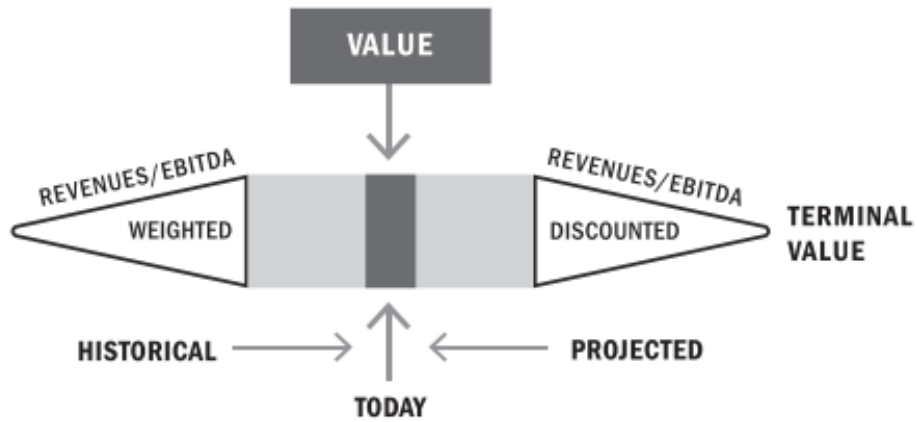
“There’s been a flood [of cash] into private capital and into alternative investments from institutional investors and from high-net-worth folks into private equity and hedge funds. So, you’ve seen private equity as an aggressive buyer in the middle market. As you continue to have low interest rates and a strong credit market and you put all those things together, you end up with a lot of buyers and a lot of sellers.”



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DISCOUNTED CASH FLOW VALUATION



ADJUSTMENTS TO EBITDA

DESCRIPTION	AMOUNT
Net income	\$4,000,000
Add back:	
Interest	90,000
Depreciation and amortization	<u>45,000</u>
EBITDA	\$4,135,000
<i>Add back nonrecurring and personal items:</i>	
Personal vehicles	100,000
Country club dues and expenses	25,000
Personal travel	75,000
Charitable contributions	50,000
Other personal expenses	10,000
Life insurance premiums	60,000
Excess bonuses	1,000,000
Relatives' salaries	150,000
Litigation and settlement	500,000
Research and experimentation	300,000
Severance	<u>35,000</u>
Adjusted EBITDA	<u>\$6,440,000</u>

Endnotes

28 The NPS is a proprietary instrument developed by Fred Reichheld, who owns the registered NPS trademark in conjunction with Bain & Company and Satmetrix. [Frederick F. Reichheld, “The One Number You Need to Grow,” Harvard Business Review, December 2003, <https://hbr.org/2003/12/the-one-number-you-need-to-grow>.]

29 Strategy Marketing Agency, “Why Is Branding Important?” accessed December 15, 2022, <https://strategynewmedia.com/why-is-branding-important/#:~:text=A%20strong%20brand%20helps%20customers,connect%20with%20your%20customers%20emotionally>

30 SWOT analysis allows a business to identify its internal strengths and weaknesses, as well as its external opportunities and threats.

31 asq.org/quality-resources/fishbone; <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/enduring-ideas-the-7-s-framework>

32 Marshall Hargrave, “Goodwill (Accounting): What It Is, How It Works, How To Calculate,” Investopedia, last updated September 28, 2022, <https://www.investopedia.com/terms/g/goodwill.asp#>.

33 For instance: *Martin Ice Cream v. Commissioner*, 110 T.C. 18 (1998); *William Norwalk et al. v. Commissioner*, TC Memo 1998-279; *Solomon v. Commissioner*, TC Memo 2008-102; *Estate of Adell v. Commissioner*, TC Memo 2014-155; *Bross Trucking, Inc. v. Commissioner*, TC Memo 2014-107; and *Kennedy v. Commissioner*, TC Memo 2010-206.

34 At the publication of this book, the highest long-term capital gains rate for individuals is 20%. NIIT tax of 3.8% also may be imposed depending upon the facts of the case.

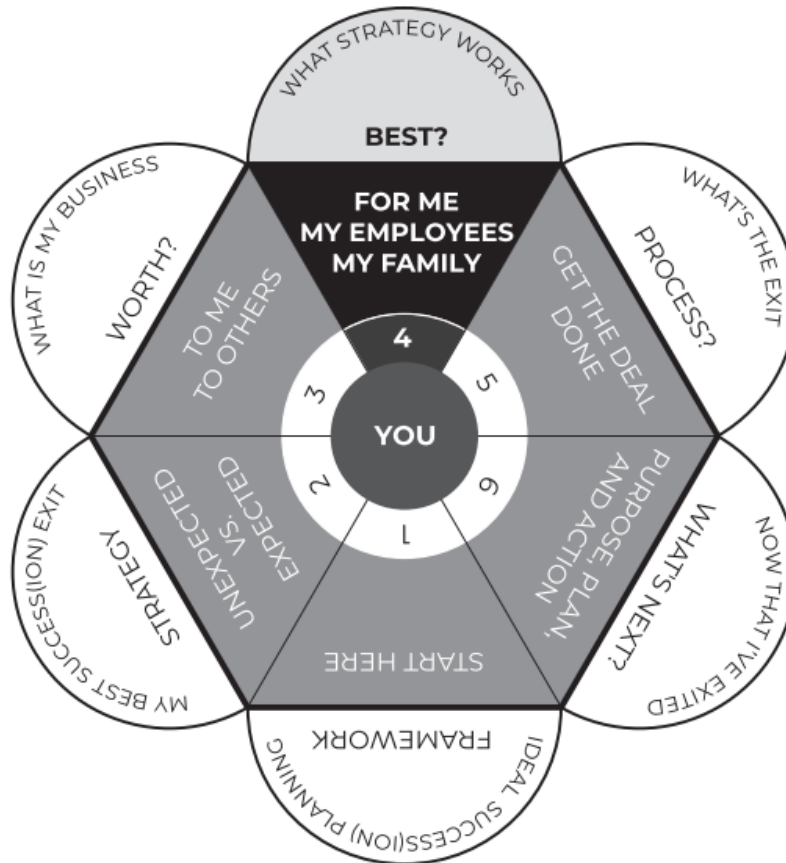
35 At the time this book was published, the highest federal individual ordinary income tax rate was 37% and was scheduled to increase to 39.6% on January 1, 2026.

36 “EBITDA” refers to earnings before interest, taxes, depreciation, and amortization.

37 Thomas Smale, “SaaS Valuations: How to Value a SaaS Business in 2022,” FE International (blog), November 3, 2022, <https://feinternational.com/blog/saas-metrics-value-saas-business/>; SDE = Revenues – Cost of Goods Sold – Operating Expenses – Owners’ Compensation.

CHAPTER 4

WHAT SUCCESS(ION) EXIT STRATEGY WORKS BEST FOR ME?



Interview with Kai-Leé Berke, entrepreneur, Founding Partner, Hana Education Partners

“When I joined the company as employee 13, early childhood education was just starting to get national attention. It had just made the cover of Time magazine. That brain development in the first 5 years was so important. So, during my 15-year tenure at the company, we saw really explosive growth as school systems started to build out public pre-K programs, and Head Start and Early Head Start got more dollars. We started to get an understanding of the importance of those early years, and that they really are the foundation for children’s future success in school and life. The company just saw explosive growth, such that when I left the CEO seat and transitioned to the board, we were at about 300 employees.”



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Interview with Matt Devost, entrepreneur and cybersecurity expert

“We were [in business for] 5 years, and we were acquired by Accenture. [Following the] acquisition, I became the head of Accenture’s global cyber defense practice, which for me was a lot of fun. I was, you know, a small to mid-size company guy, and for Accenture to say take the largest element of our security practice and go run with it, build it in your image. For me, it was great that Accenture would take that kind of risk on an entrepreneur. But for me, it was fun to see how my skills applied to a big company environment.”



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Interview with John Becker, entrepreneur and CEO

“I started as a CFO, and I had a mentor. We all love mentors and, quite honestly, they taught me the operational aspects of a business. And I quickly migrated from the financial side of the house, much more to becoming an operational executive. They sat me down, taught me about product management, product development, and operations. I think it was pretty intuitive to me.”



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Interview with Larry Johnson, entrepreneur, Founder and former CEO of Veris Consulting, a forensic accounting firm

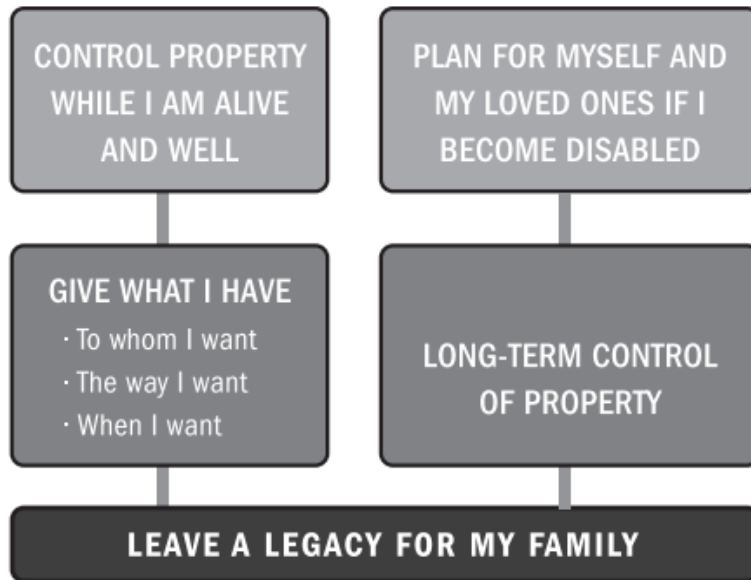
“We’ve been very fortunate to have been involved in some very high-profile matters, where we spent a significant amount of time in very complex things which would include investigations involving Enron, Bernie Madoff, and Lehman Brothers. In terms of the insurance world, I think if you were to look at probably the 10 largest insolvencies in US history, we’ve been involved doing forensic work in probably half of them. For a relatively small organization, we developed a reputation for being able to figure out particularly complex things and describe them in a way that was understandable.”



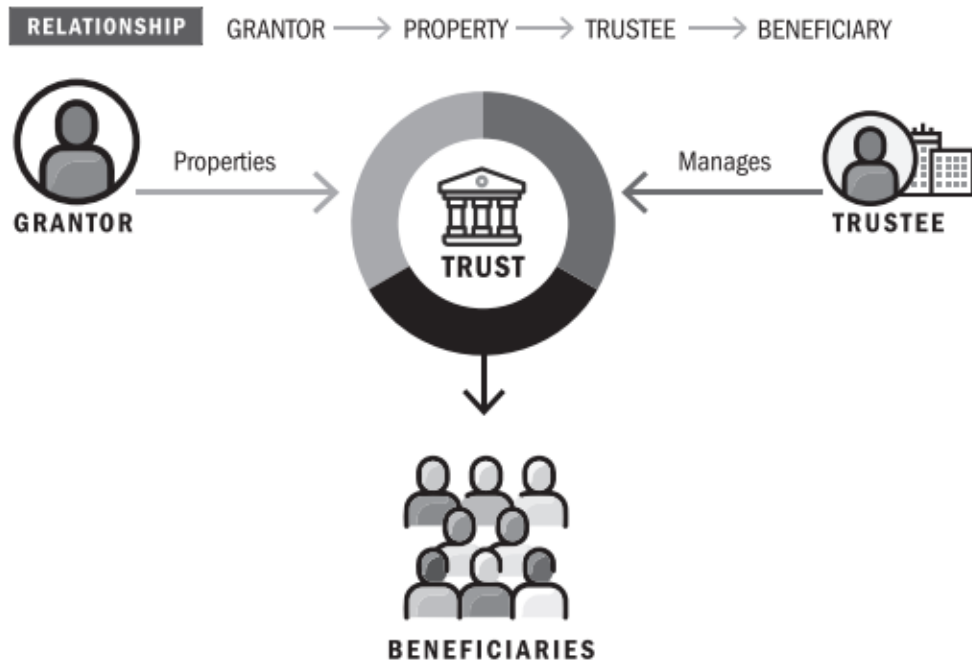
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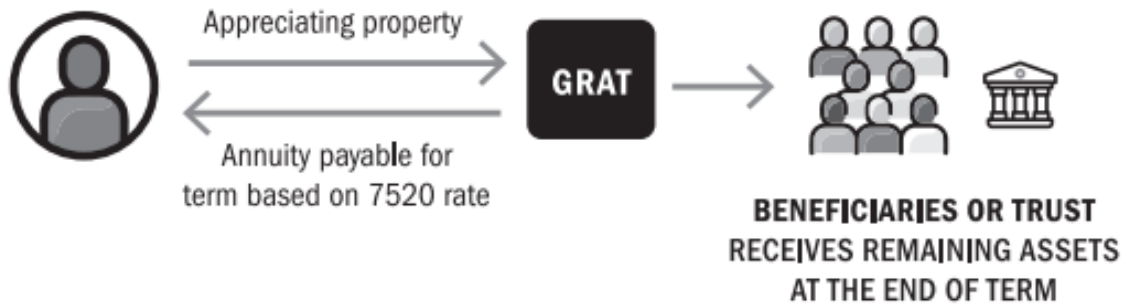
DEFINITION OF ESTATE PLANNING



WHAT'S A TRUST?



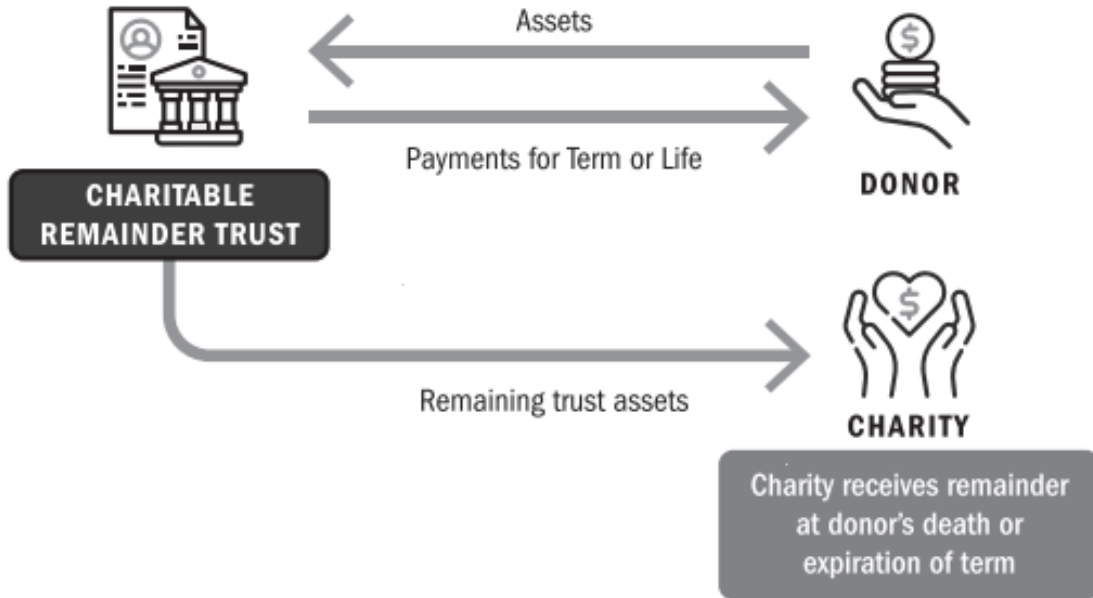
GRANTOR RETAINED ANNUITY TRUST



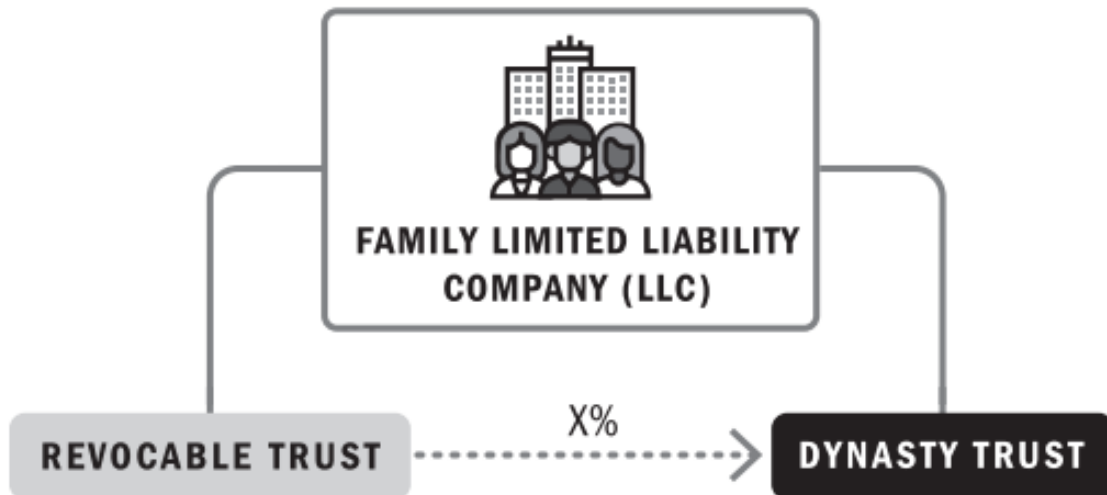
INTENTIONALLY DEFECTIVE GRANTOR TRUST



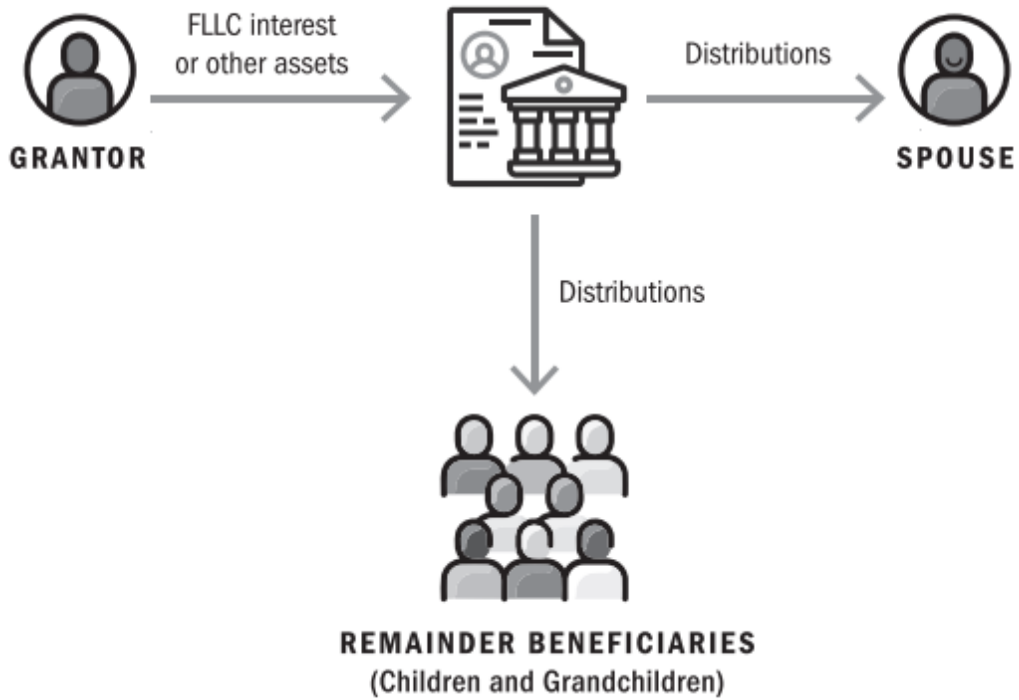
CHARITABLE REMAINDER TRUSTS



FAMILY LLC WITH DYNASTY TRUST



DYNASTY/SPOUSAL LIFETIME ACCESS TRUST (SLAT)



TOTAL PROCEEDS TO GEORGE'S FAMILY

Gross proceeds payable in cash (\$100MM × 80%)	\$80,000,000
Less: Investment banking and other transaction expenses	<u>(5,000,000)</u>
Net proceeds from the transaction	\$75,000,000
Less: Change in control bonuses (2% or \$1.5MM per employee)	(4,500,000)
Less: Retention bonuses (2% or \$1.5MM per employee)	<u>(4,500,000)</u>
<i>Remaining net proceeds</i>	<u>\$66,000,000</u>
Allocated to George (10%)	\$6,600,000
Allocated to Hannah's trust (30%)	19,800,000
Allocated to Ian's trust (30%)	19,800,000
Allocated to Jessica's trust (30%)	<u>19,800,000</u>
<i>Total to George's family (excluding bonuses above)</i>	<u>\$66,000,000</u>

ROLLOVER EQUITY TO FAMILY

Allocated to George	2%
Allocated to Hannah's trust	6%
Allocated to Ian's trust	6%
Allocated to Jessica's trust	<u>6%</u>
<i>Total Rollover Equity</i>	<u>20%</u>

Endnotes

38 “Stagflation” refers to an economy that is experiencing a simultaneous increase in inflation and stagnation of economic output. [The Investopedia Team, “What Is Stagflation, What Causes It, and Why Is It Bad?” Investopedia, last updated July 31, 2022, <https://www.investopedia.com/terms/s/stagflation.asp>.]

39 Adam Hayes, “Dotcom Bubble,” Investopedia, last updated June 25, 2019, <https://www.investopedia.com/terms/d/dotcom-bubble.asp>.

40 Anne Field, “What Caused the Great Recession? Understanding the Key Factors That Led to One of the Worst Economic Downturns in US History,” Insider, August 8, 2022, <https://www.businessinsider.com/personal-finance/what-caused-the-great-recession>.

41 The Investopedia Team, “Industries That Can Thrive during Recession,” Investopedia, last updated November 17, 2022, <https://www.investopedia.com/articles/stocks/08/industries-thrive-on-recession.asp>.

42 “The Rise of the 3D-Printed Houses,” Economist, August 18, 2021, <https://www.economist.com/science-and-technology/the-rise-of-3d-printedhouses/21803667>.

43 The maximum federal income tax rate is scheduled to increase to 39.6% on January 1, 2026. The 37% bracket applies to income of more than \$628,300 in 2022 for married couples filing joint returns and \$523,600 for single taxpayers. Graduated rates from 10–35% apply below those levels.

44 “Modified” adjusted gross income simply refers to your adjusted gross income with any tax-exempt interest income and certain deductions added back in. “Adjusted gross income” and “gross income” are defined in the glossary.

45 Under existing law, the NIIT does not apply to (1) income allocated to an S corporation shareholder (if the shareholder materially participates in the business of the S corporation, which is usually the case for entrepreneurs I represent), (2) gain from the sale of S corporation stock or an interest in a partnership or LLC (if the selling owner materially participates in the business being sold), or (3) gain from the sale of the assets of a partnership, LLC, or S corporation (if such gain is allocated to an owner who materially participates in the business being sold). The House of Representatives passed legislation in 2021, which failed to pass in the Senate, that would have subjected virtually all the gains and income described above to the NIIT.

46 See IRC Sections 338 and 338(h)(10).

47 These two-step transactions involve the creation of a new S corporation, into which the founder contributes his or her stock in exchange for the new company’s stock. The new company (Newco) then converts into an LLC that is treated as a disregarded entity. The private equity buyer purchases the membership interest in the LLC, which is treated as an asset purchase for tax purposes. [Ankit Joshi and Oak Brook, III, “Private Equity and F Reorganizations Involving S Corporations,” Tax Adviser, September 1, 2020, <https://www.thetaxadviser.com/issues/2020/sep/private-equity-freorganizations-s-corporations.html>.]

48 Some buyers are exempt from federal and state income taxes. For example, Native American–owned businesses and certain statutorily approved businesses (e.g., Mitre Corporation, LMI Corporation) are exempt from income tax. These companies may not be as concerned about writing off your goodwill as other for-profit purchasers. In addition, if the buyer has net operating losses or must carry forward losses from the past, the ability to write off the value of your assets may not be meaningful to them.

49 IRC Section 1202 contains a special exclusion for qualified small business corporations where you can exclude up to the greater of \$10 million in capital gains or 10 times the basis (i.e., purchase price) of the stock

if certain requirements are met. Those requirements include the following: (1) the company must be incorporated in the United States as a C corporation; (2) the company must have had gross assets of \$50 million or less at all times before and immediately after the stock was purchased; and (3) the company must not be on the list of excluded business types, which includes businesses in the fields of health, law, engineering, consulting, and other service areas.

50 An S corporation could be subject to corporate-level tax if it sells its assets within 5 years of converting from a C corporation to an S corporation and had built-in gain at the time of the conversion. See IRC Section 1374.

51 If a cash-basis S corporation sells assets or is treated as selling assets in a stock sale where a Section 338(h)(10) election is made or an F reorganization with a two-step structure is used per above, it will generate ordinary income on the difference between its accounts receivable and accounts payable and accrued expenses at the time of closing. Similarly, a partnership (or an LLC taxed as a partnership) will experience ordinary income on the sale of a partnership interest or partnership assets if “hot assets” are present at the time of the sale. See IRC Section 751.

52 See note 51.

53 This is known as “grossing up” the purchase price for the extra tax George must pay on the sale. It is calculated by dividing the extra tax by 1–17%, the differential tax rate, which in George’s case would be \$409,638.55 ($\$340,000 / (1-17\%)$). Buyers typically resist the seller’s request to be grossed up for the extra taxes the seller must pay in a deemed asset sale, but George’s counsel certainly should try for this result.

54 This is based on a 21% federal tax plus 8.84% California corporate income tax.

55 This equals \$30 million in net proceeds, corporate-level tax of \$8.952 million, minus \$1 million in income tax basis, multiplied by 1 minus the combined federal and state tax rate of 33.3%.

56 John Cronin and Peter Faber, “Income Taxes: Mergers and Acquisitions (Portfolio 1240),” Bloomberg Tax, accessed December 15, 2022, <https://pro.bloombergtax.com/portfolio/income-taxes-mergers-and-acquisitionsportfolio-1240/>.

57 See IRC Section 1274.

58 See IRC Section 453A. Generally, installment sales of property by nondealers may be reported under the installment method, but two special rules apply to limit the benefits of installment reporting. The first rule requires taxpayers to pay interest on the deferred tax liability attributable to obligations arising from certain installment sales (including notes arising in the sale of a business, but this does not include sales of personal use property; i.e., this is not used in a trade or business, or farming property). The second rule provides that proceeds from a pledge of an installment obligation (arising NOTES 341 from certain installment sales) to secure any indebtedness are treated as a payment on that obligation.

59 “About EDGAR,” US Securities and Exchange Commission, accessed January 13, 2023, <https://www.sec.gov/edgar/about#:~:text=EDGAR%2C%20the%20Electronic%20Data%20Gathering,Investment%20Company%20Act%20of%201940.>

60 The lifetime exemption in 2022 was \$12.06 million per person. In 2023, the exemptions increased to \$12.92 million per person and \$25.84 million per married couple. A married couple can enjoy a combined exemption of \$24,120,000 in 2022. These amounts are currently indexed for inflation annually. After December 31, 2025, the exemptions are scheduled to drop by half. So if the exemption is \$14 million at the end of 2025, half of that is \$7 million.

61 $\$3.12 \text{ million} = \$4.8 \text{ million} \times (1 - 35\%)$.

62 $\$672,000 = (\$4.8 \text{ million} - \$3.12 \text{ million}) \times 40\%$.

63 For an excellent discussion of charging orders and their enforcement, see Jay D. Adkisson, “Charging Orders: The Peculiar Mechanism,” in *Asset Protection Strategies: Planning with Domestic and Offshore Entities*, vol. 1, 2nd ed., ed. Alexander A. Bove, Jr. (Chicago: ABA Book Publishing, 2019), 339–379.

64 As of the date of publication of this book, Alaska, Delaware (partial elimination), Idaho, Kentucky, New Jersey, Pennsylvania, Rhode Island, and South Dakota have eliminated the rule against perpetuities.

65 These states are Alabama (100 years for property not in trust and 360 years for property in trust), Arizona (500 years), Colorado (1,000 years), Delaware (110 years for real property held in trust), Florida (360 years), Nevada (365 years), Tennessee (360 years), Texas (300 years), Utah (1,000 years), and Washington (150 years). Other states allow certain trusts to continue without application of the rule. These states are Arizona, District of Columbia, Hawaii, Illinois, Maine, Maryland, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Virginia, and Wyoming.

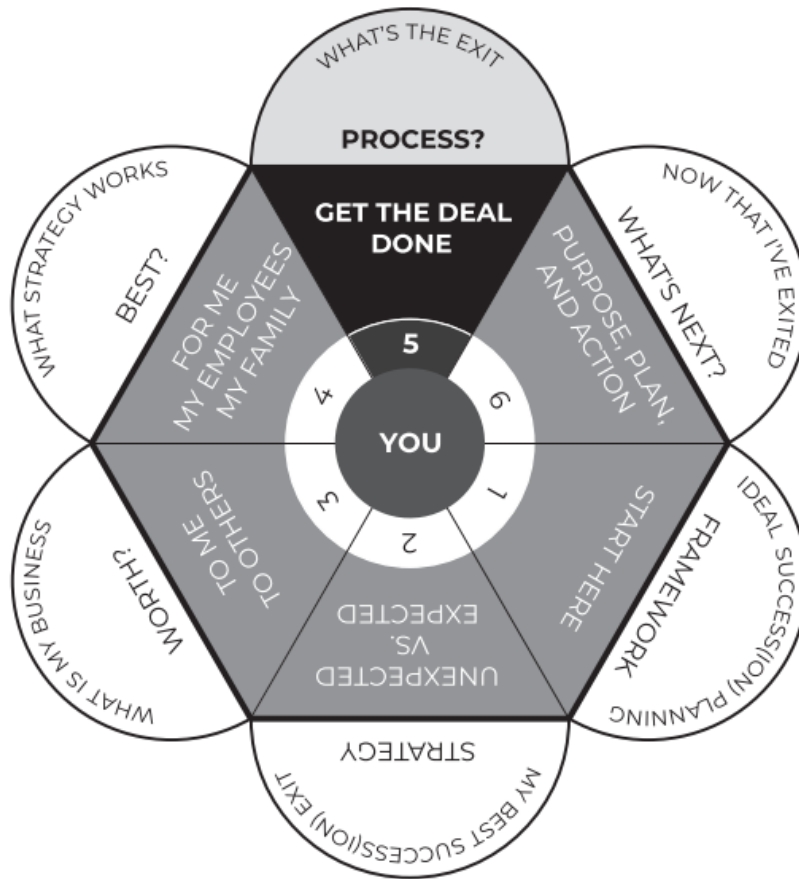
66 $\$12 \text{ million} / \$2,000 \text{ per share} = 6,000 \text{ shares}$.

67 I used Leimberg and LeClair’s NumberCruncher program to determine the annuity amounts, capital gains, and ordinary income portions of each payment. The Section 7520 rate in July 2022 was 3.6%, and George’s life expectancy was 20 years, based upon IRS single life expectancy tables.

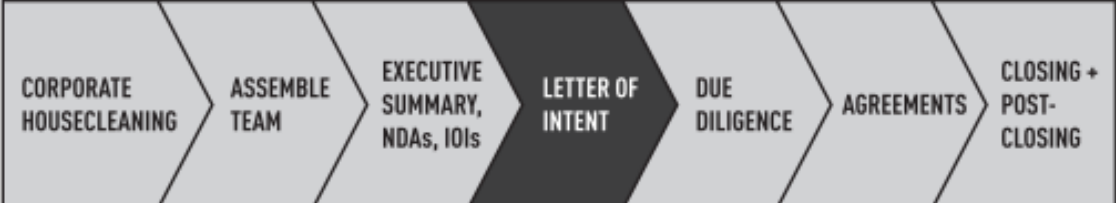
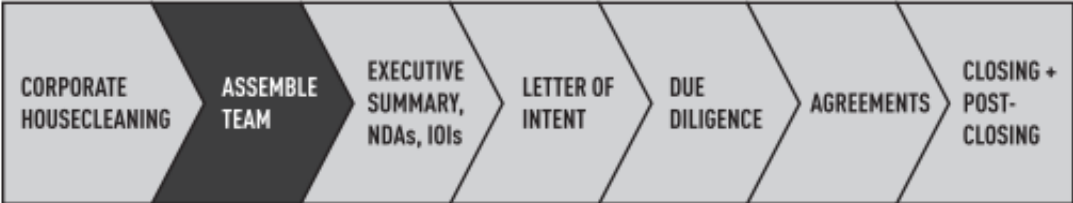
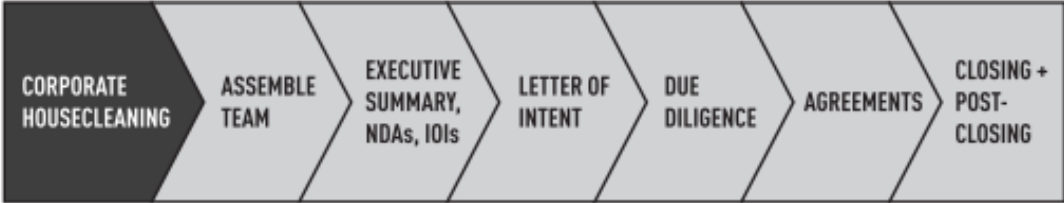
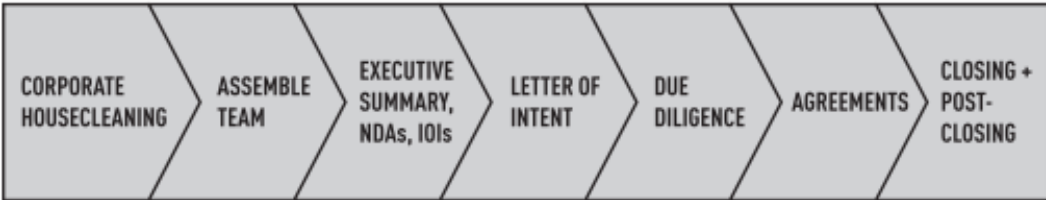
68 The income tax treatment described in the text assumes that Rev. Rul. 69-74, 1969-1 C.B. 43, still applies. This treatment would be radically different if the proposed regulations issued in 2006 apply. Under Prop. Reg. §1.72-6(e) and §1.1001-1(j), George would be subject to immediate recognition of gain on the value of the 3DP interests exchanged for a private annuity. The amount received for the property would be the current fair market value of the annuity contract, determined under §7520. Because the proposed regulations were never finalized, advisors debate whether they must be followed. Some proposed regulations do carry weight like final regulations, whereas others do not.

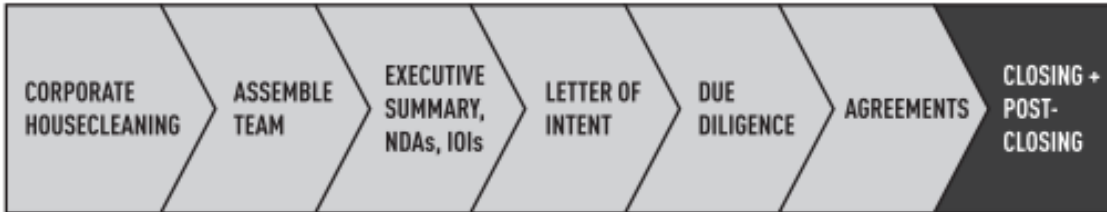
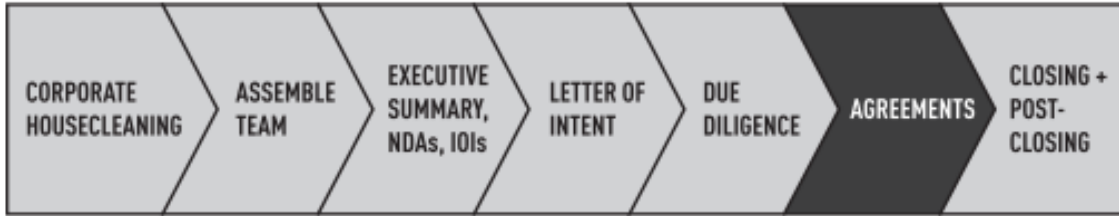
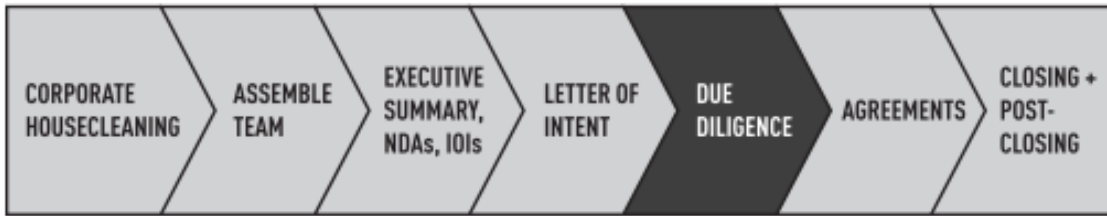
CHAPTER 5

WHAT'S THE EXIT PROCESS?



SALE/MERGER & ACQUISITION PROCESS





Endnotes

69 When an accountant prepares compiled financial statements and a compilation report for a client, they are simply taking the information provided by management and compiling it into a format that satisfies basic disclosure rules under GAAP. A compiled financial statement provides no assurance to the reader that the information contained in the financial statements is accurate or complete. A review is one step up from a compilation. In a review, the accountant requires some analytical testing of the information provided by management. However, a review does not get into detailed procedures for verifying the accuracy or completeness of the information. In an audit, the accountant examines and tests the internal controls of the client to ensure the controls are designed to minimize the possibility of fraud or misrepresentation. In addition, the auditor performs many procedures not performed in either a compilation or review to check the accuracy and completeness of the financial information provided by management. Auditors often suggest adjustments to the financial statements to correct accounting disclosures. Because audits take so much more time than reviews or compilations and therefore cost so much more, sellers usually do not engage accountants to audit their financial statements unless the company is in a regulated industry where audited financials are required, or a lender or an investor requires annual audits.

70 “What Is Open Source?” Opensource.com, accessed December 15, 2022, <https://opensource.com/resources/what-open-source>.

71 “Reverse Scaled Success Fee,” Divestopedia, last updated July 1, 2015, <https://www.divestopedia.com/definition/6495/reverse-scaled-success-fee>.

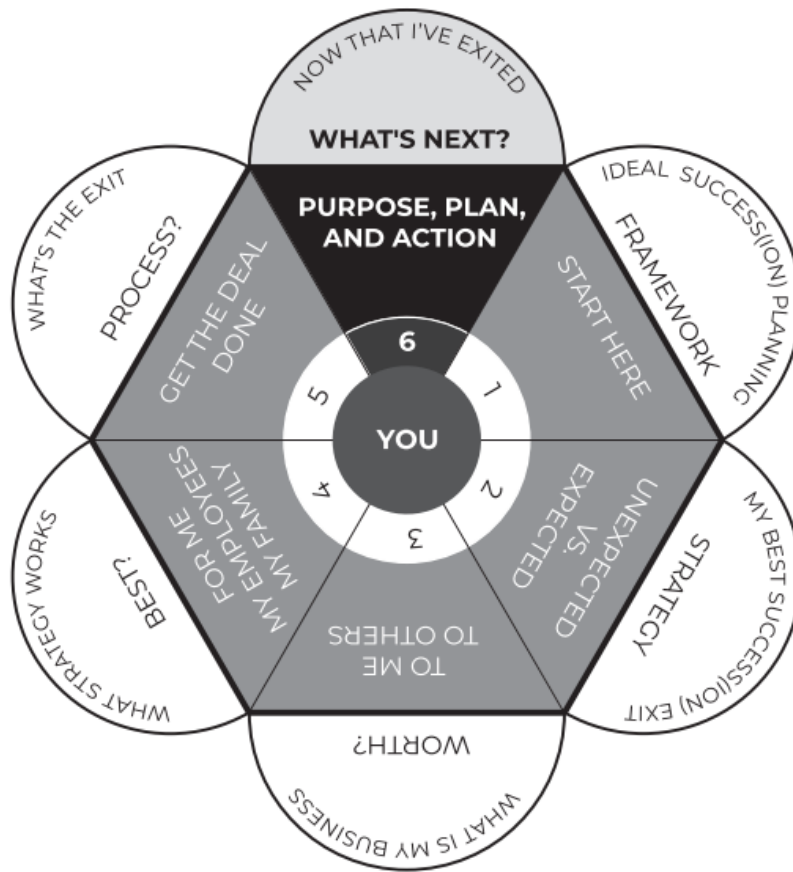
72 “M&A Deal Points Studies,” American Bar Association, accessed December 15, 2022, https://www.americanbar.org/groups/business_law/committees/ma/deal_points/.

73 The Publisher’s Editorial Staff, ed., *Black’s Law Dictionary*, 5th ed. (St. Paul, MN: West Publishing Co., 1979).

74 A “materiality scrape” is a buyer-friendly provision often contained in an M&A purchase agreement (e.g., a stock purchase agreement, a merger agreement, or an asset purchase agreement) that effectively eliminates or disregards (i.e., “scrapes”), for specified purposes, materiality qualifiers that are present in a representation and warranty. [Daniel R. Avery, “The ‘Materiality Scrape’ Provision,” *What’s Market?* (blog), Goulston & Storrs, August 2020, <https://www.goulstonstorrs.com/whats-market-blog/themateriality-scrape-provision>.]

CHAPTER 6

NOW THAT I'VE EXITED, WHAT'S NEXT?



Interview with Lewis Parker, entrepreneur and winemaker

“We actually bought a farm in 1979 in Loudoun County, southwest of Leesburg [Virginia], for my daughters who were 4-H kids, and we wanted the farm so the daughters could raise 4-H animals. It was a small, rocky farm. There was no way we can farm for profit, but I had to have a high-value crop. And people were beginning to talk about the possibility of growing European wine grapes in the eastern United States.”



**Scan the QR
code to watch
the entire
interview**

[youtube.com/
@ZellLaw/videos](https://youtube.com/@ZellLaw/videos)

NOW THAT I'VE EXITED, WHAT'S NEXT?

My core values are:

1. _____
2. _____
3. _____
4. _____
5. _____

My purpose for living is to: _____

My goals for the next year are:

1. _____
2. _____
3. _____

And for the next 3, 5, and 10 years are:

1. _____
2. _____
3. _____

My plan for achieving each of these goals broken down by quarters is:

Goal 1, Year 1, Q1: _____

Goal 1, Year 1, Q2: _____

Goal 1, Year 1, Q3: _____

Goal 1, Year 1, Q4: _____

Endnotes

75 Once again, I am adapting the values discussion and portions of this section with permission from Gino Wickman's *Traction*, available on Amazon.