

IN THIS Issue

Alperin Law is Proud to
Support: Small Businesses
with our Business Protection
Plans

Strategies For Protecting a
Business After an Owner's
Death

Meet Lindsay Frederick: Real
Estate & Estate Planning
Attorney at Alperin Law

Brain Teaser –

RECIPE – Crock-Pot Brown
Sugar Glazed Ham

Free Webinar & Seminar
Schedule

Contact Us

OFFICE LOCATIONS

Multiple office locations for your convenience.

Virginia Beach (Main Office)

500 Viking Drive, Suite 202

Norfolk Office

319 W. 21st St., Suite B

Chesapeake Office

1545 Crossways Blvd. Suite 250

Suffolk Office

3345 Bridge Road, Suite 916

Newport News Office

11815 Fountain Way, Suite 300

Phone: 757-530-7011

Fax: 757-233-3600

FREE WEBINAR/SEMINAR SCHEDULE

WHY WILLS ARE OBSOLETE

LEARN HOW TO PROTECT YOUR HOME, FAMILY, AND ASSETS THE RIGHT WAY

One of the biggest fears that many people have today is having their life savings wiped out if they end up in a nursing home.

- ✓ Learn how to protect your home and assets from the costs of long-term care.
- ✓ Discover costly misconceptions about planning for your senior years.
- ✓ Learn how new laws restrict protection of assets and the steps you should take now.
- ✓ Discover alternative ways to plan for long term care, other than Medicaid.
- ✓ Learn about veteran's benefits that most people know nothing about.
- ✓ Discover how to plan your estate if you become physically or mentally incapacitated.

If you cannot attend, please call our office at (757) 530-7011 to request your free copy of "Don't Go Broke in a Nursing Home."

ONLINE WEBINAR

**MONDAY,
December 6th**
at 2:00 p.m.

ONLINE WEBINAR

**THURSDAY,
December 16th**
at 10:00 a.m.



Call us today to register at
(757) 530-7011
or register online at
www.alperinlaw.com



DECEMBER 2021

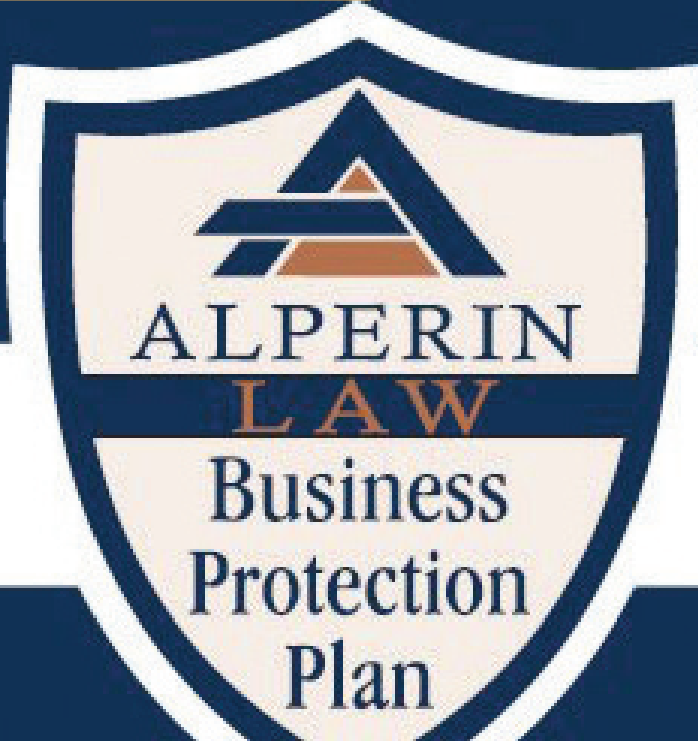
Give us a call!

757-530-7011

www.alperinlaw.com | Hours: 8:30-5:00 M-F

Your Alperin Law Monthly Newsletter

FROM SCOTT'S DESK



Alperin Law is Proud to Support: Small Businesses with our Business Protection Plans

BY SCOTT ALPERIN

Our Business Law department wants to help you and your small business with our Business Protection Plan! Our Plans help your business stay legally compliant, update you with important and relevant information, keep you as an owner or shareholder organized, and protect your individual assets! Our plan is flexible and aims to get you the most value for your business, keeping your business planning current and effective.

Businesses fail and individuals lose their personal assets because the business entity is not properly maintained, thereby eliminating the limited liability of the entity. The Alperin Law Business Protection Plan is a proactive strategy specifically designed to minimize

that risk. Services included in an Alperin Law Protection Plan include (but are not limited to): an annual "legal checkup" meeting, filing of periodic reports required by VA law, preparation of Annual unanimous written consents, minutes of meetings, notices, etc., sending you periodic checklists and questionnaires to assist your business with tax planning, annual updates, end of year planning, and other matters, help with titling your company's assets, and more! Additional add-on services include: preparation of IRS/ tax forms, legal fees associated with litigation, audits, arbitration, etc., company appraisal fees, retitling and transfer of assets into company & applicable conveyance fees, and more! The cost of the Alperin Law Business Protection Plan is just \$895 a year (or \$75 a

month) and includes payment of the annual VA State Corporation Commission registration fee for your company, up to \$100 annually.

In addition, Alperin Law will act as your registered agent in Virginia. In other states, we can coordinate the hiring of an agent for you, as well as act as a conduit for payment of registered agent fees in other states to transfer some of the burden off of you!

An Alperin Law Business Protection Plan will help keep your small business in compliance with the law, while helping to protect your personal assets. Give us a call today to find out if our Plan is right for you!

- By Scott Alperin

STRATEGIES FOR PROTECTING A BUSINESS AFTER AN OWNER'S DEATH

Pre-Mortem Strategies

For a small business owner, estate planning is incomplete without business succession planning. We recommend all our business owner clients have a conversation with their business partners sooner, rather than later, about critical transition issues should one of them predecease the other. We encourage our clients to then document their consensus in a shareholder agreement or a buy-sell agreement.

A buy-sell agreement is a contract between the owners of a company to prospectively address a number of future potential conflicts. Most often, a buy-sell agreement will contain buy-sell provisions specifying certain triggering events that require an owner to sell her equity to the company or its other owners. Triggering events can include an owner's desire to sell her equity to a third party, an owner's bankruptcy or divorce, an owner's lack of participation in the day-to-day operations of the company, or an owner's death. The idea is to prevent the remaining owners from inadvertently becoming business partners with someone with whom they had no intention of entering into a business relationship, whether that be a third-party acquirer of the shares, an owner's ex-spouse or creditors, an owner who is no longer meaningfully contributing to the company's success, or an owner's heirs.

Buyout rights are often elective, whereby upon a triggering event the company or other owners may purchase the exiting owner's shares. If they decline to do so, the shares may pass to the proposed new owner. However, if the triggering event is the death of an owner, it is not uncommon to require the company to repurchase the shares from the decedent's estate. The purchase is often funded by life insurance held by the company on the life of each owner, or by each owner on the lives of the other owners. Not only might the remaining owners not wish to be in business with the decedent's heirs, they may not have any interest in retaining ownership of the shares. An agreement requiring the company to repurchase a deceased owner's shares satisfies both interests, allowing the beneficiaries to receive cash in lieu of the shares.

A properly drafted buy-sell agreement can also pre-emptively address any dispute which may arise around the proper value of the company in the event of a buyout triggered by the agreement. Such an agreement will dictate a system for determining the value of the repurchased shares.

A buy-sell agreement may also address the operation of the business after the death of



an owner. For instance, a provision might direct that after the death or incapacity of a partner, everything not considered normal business activity must be frozen for a specified amount of time—a certain number of days, for example, or until the appointment of a personal representative. Such a provision might prohibit a company from hiring or firing key employees, selling assets, or entering into material contracts other than in the ordinary course of business. This will ensure that the nature of the business does not materially change before a personal representative can be appointed. Once the appointment occurs, all business activity may resume, as the personal representative can then vote the decedent's shares.

While a buy-sell agreement can go a long way in resolving potential conflicts that may arise after the death of an owner, they rarely address situations where an owner is still alive but is incapacitated, and therefore unable to effectively exercise his rights as an owner. To that end, we recommend our business owner clients execute a **business power of attorney** that clearly identifies who is empowered to take what actions with respect to the owner's business interest during periods of incapacity. Sometimes the appointed agent is the owner's business partner; sometimes it is a trusted family member or professional advisor.

We strongly recommend that our clients keep copies of all business agreements with their estate planning documents. Buy-sell agreements, business powers of attorney, and similar documents are part of a well-drafted estate plan for a business owner client. They should be stored with other estate planning documents so the entire plan can be viewed and considered as a whole.

Post-Mortem Strategies

After an owner's death, two steps should be taken as soon as practicable by the attorney probating the estate or administering the trust. First, early in the process the family members should understand their rights to the business assets and that they likely do not have the authority to enter the business premises and take business records. With luck, this conversation can occur before they have already done so.

Second, the administrative trustee or personal representative should carefully consider what documents and information relating to the company they may need to meet their fiduciary duties regarding that asset. The trustee or personal representative should write a letter to the president of the company to either request copies of all such documents, or to schedule a time to visit the company premises and review them.

Conclusion

The death of an owner can be messy, especially if the business interest is not passing to his family or if there is a surviving business partner. If not handled properly, this situation can be difficult and expensive for trustees or personal representatives, family members, heirs, and surviving business partners alike. Many potential issues can be resolved in advance, prior to death, through a properly drafted owner agreement. It's also important to promptly address certain issues after an owner's death to both minimize the likelihood of a family member or business partner acting inappropriately, and to enable trustees and personal representatives to comply with their obligations.

Meet Lindsay Frederick:

Real Estate & Estate Planning Attorney at Alperin Law

As a long-time Hampton Roads resident, my love for my community and my family runs deep. Though I was born in Punxsutawney, Pennsylvania (where the famous groundhog lives!), I have lived in Virginia for most of my life, I also spent a few years in South Florida. I attended Old Dominion University where I received my Bachelor's Degree and went on to Regent University School of Law for my Juris Doctor. During law school, I completed several internships in varying legal specialties but spent the majority of my time with the Office of the Commonwealth's Attorney in the City of Virginia Beach.

Throughout my career, I have practiced in the areas of Estate Planning, as well as Assisted Reproductive Technology and Business/Real Estate. I am happy to have found myself at home at Alperin Law where my passion for helping my community can flow through my work.

I am very attached to my dog, Gracie, and working out at least 5 days a week. I love the outdoors and being active outside.... As long as the weather is warm enough! Summer is my favorite time of year, although I'll never say no to going skiing with my extended family.



Brain Teaser

BUSINESS LAW WORD SEARCH



AGREEMENT
ACQUISITION
TAXES
MERGER
BUYSELL

PLANNING
SHAREHOLDER
SALE
BUSINESS
CORPORATE

Last Month's Puzzle Answers:

Real Estate *House* *Property* *Investment* *Mortgage*
Closing *Documents*



Recipe:

Crock-Pot Brown Sugar Glazed Ham

If your holidays are anything like ours, we know you will be busy! Try this crockpot recipe for a "set it and forget it" meal the whole family will enjoy.

INGREDIENTS

- 1 cup packed brown sugar
- 1/3 cup honey
- 1 cup apple cider
- 1/4 cup Dijon mustard
- 1/2 tsp. smoked paprika
- 1/2 tsp. garlic powder
- Kosher salt
- Freshly ground black pepper
- 1 (4-6 lb.) spiral cut ham

INSTRUCTIONS

1. Combine sugar, honey, cider, mustard, paprika and garlic powder in a medium sauce pan and season with salt and pepper. Whisk ingredients together and bring to a simmer. Cook until reduced slightly, about 5-7 minutes.
2. Place ham in slow cooker and separate slices slightly. Pour glaze over ham and place lid on slow cooker. Basting every hour, cook on low for 4-6 hours depending on size of the ham. Serve with the glaze on the side.

Recipe inspired by bbcgoodfood.com