



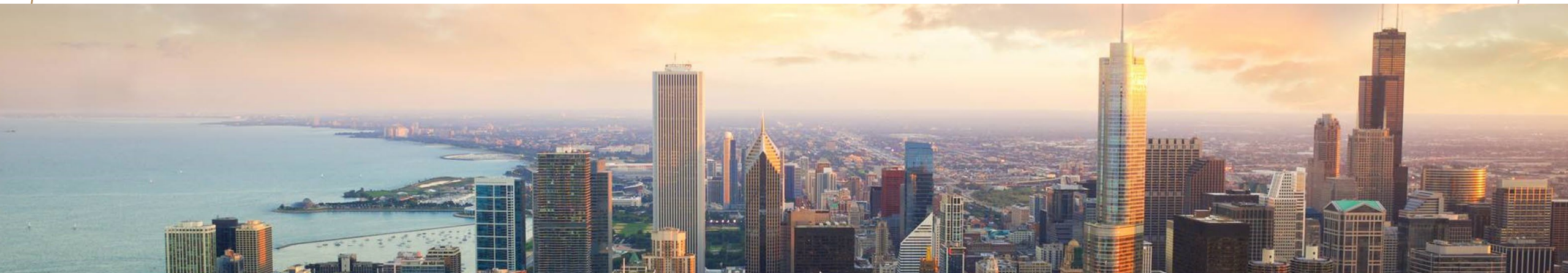
*ARCAP
PARTNERS*



STRATEGIC BUSINESS CONSULTING

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*COMPREHENSIVE FINANCIAL
PLANNING & WEALTH
MANAGEMENT*



*STRATEGIC CONSULTING
FOR PRIVATELY HELD
BUSINESSES*





PRIVATELY HELD BUSINESSES

- Expert consulting for all areas of corporate strategy except for operations
- Mergers & Acquisitions
- Restructuring
- Corporate finance
- Divestiture
- Work-outs /negotiated debt restructuring
- Litigation support
- Partnership communications
- Succession / Exit Planning
- Tax strategy- income & estate

FAMILY-OWNED BUSINESS OWNERSHIP & SUCCESSION PLANNING

According to US Census Bureau data 90% of small businesses in the US are family owned, just 42% have a written formal transition plan¹. ARCAP's expertise will empower owners to provide for optimal ownership & succession planning.

- Navigating family dynamics- it is difficult to maintain two relationships with family members, children, etc.
- Increased longevity means next generation takes over later in life
- Estate equalization is challenging, and open communication is key
- Most business owners have 90%+ of their net worth tied up in their business
- Protection from creditors, legal issues, matrimonial issues, and children's spouses need to be considered

FAMILY BUSINESS CASE STUDY

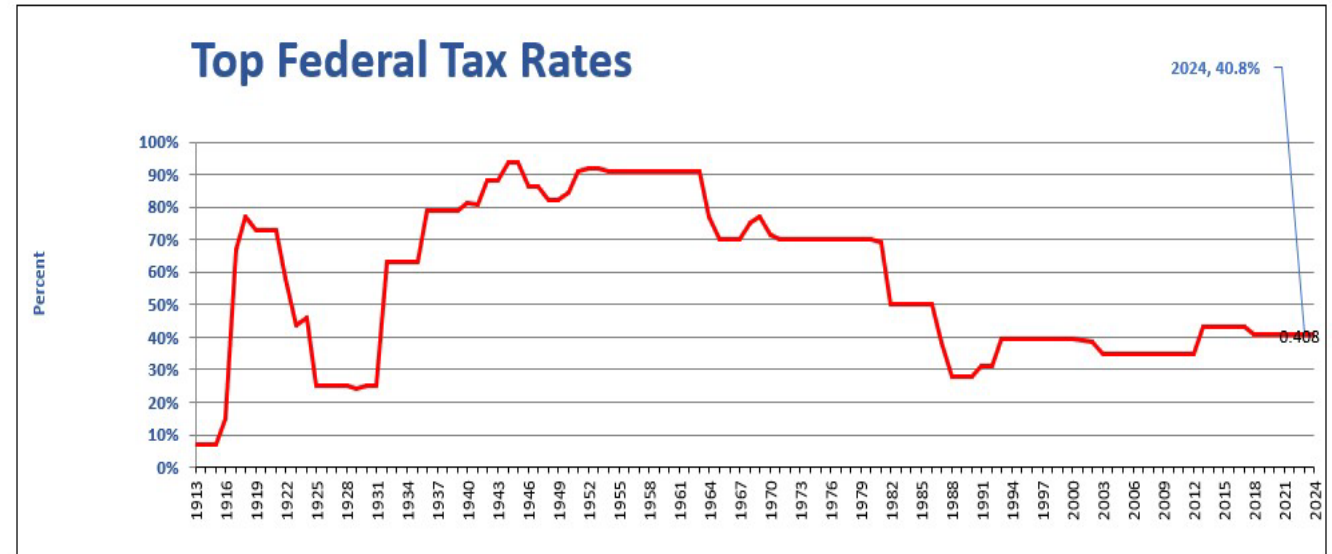
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|----|---|--|
| 1. | Family owned commercial roofing business | 4 year results |
| 2. | 4 th Gen, only one family member in business | 2022 1 st acquisition |
| 3. | Resolve family conflict | Current revenues \$60 million |
| 4. | \$25 million revenues | LOI to acquire 2 businesses in 2024 |
| 5. | Real estate development | 2025 projected revenues \$130 million |
| | | 10% dilution |
| | | 4 year plan grow to \$300 million and exit to PE |

“CONTRARIAN” TAX APPROACH

TODAY’S BUSINESS OWNERS MUST ADAPT TO THE EVER-CHANGING TAX LANDSCAPE AND BE READY TO ADJUST TO NEW PARADIGMS TO PRESERVE WEALTH.

Income tax - what is changing:

- In 2025 the current tax laws will sunset on personal income and estate tax rates.
- Current QBI Federal tax rate is 29% & 10% NYS
- 2025 federal rate jumps to 39% => 45% combined rate
- Current federal individual estate tax exclusion is \$13.61 million & NYS \$6.94 million
- Current federal estate tax rate is up to 40% & 16% NYS
- 2025 federal individual estate tax exclusion will drop to ~\$6.4 million
- Estate shrinkage of up to 56% over the exclusion (liquidity issues)

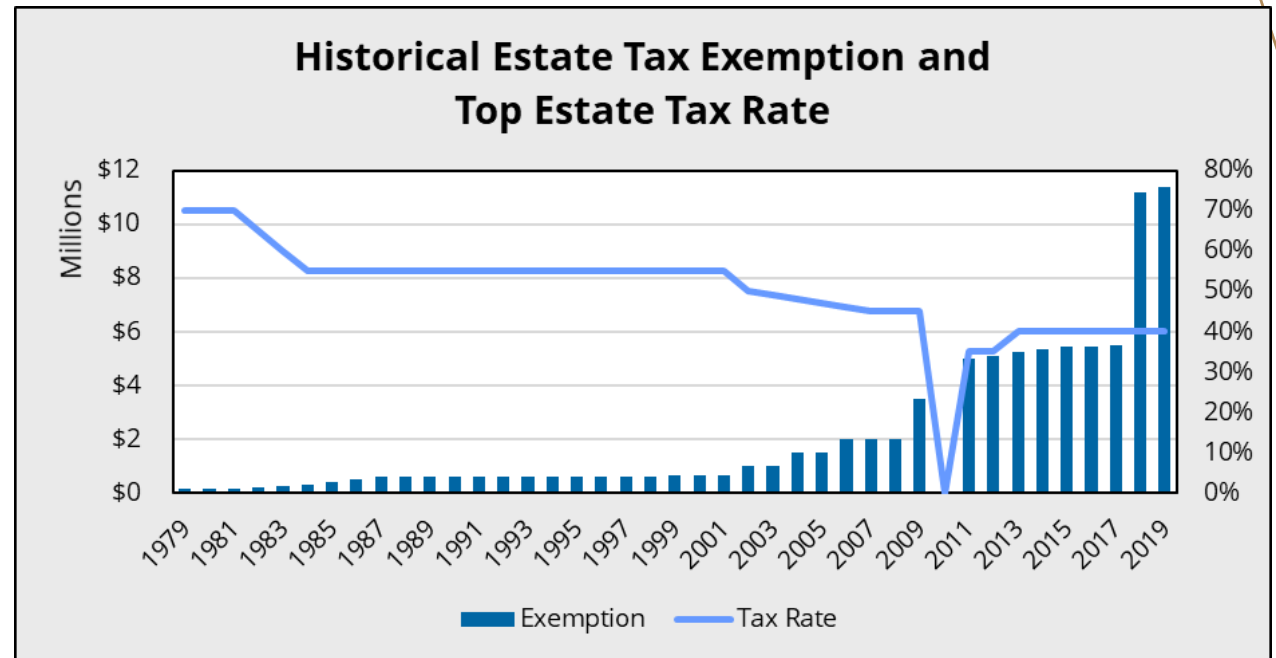


“CONTRARIAN” TAX APPROACH

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Estate Tax- what is changing:

- In 2025 the current tax laws will sunset on personal income and estate tax rates.
- Current federal individual estate tax exclusion is \$13.61 million & NYS \$6.94 million
- Current federal estate tax rate is up to 40% & 16% NYS
- 2025 federal individual estate tax exclusion will drop to ~\$6.4 million
- Estate shrinkage of up to 56% over the exclusion (*liquidity issues*)



*COMPREHENSIVE
FINANCIAL PLANNING
&
WEALTH MANAGEMENT*



COMPREHENSIVE FINANCIAL PLANNING

FOUNDATIONAL PLANNING

- Cash Flow Analysis- income vs. expenses
- Net Worth- assets minus liabilities
- Cash reserve / cash management solutions- three tier approach
- Goal planning- retirement, college savings, major purchase, lifestyle, etc.
- Tax strategies
- Protection planning- income, life, long-term care
- Legacy- estate planning

ADDITIONAL

- Retirement savings- taxable vs. tax-deferred vs. tax-free
- Social Security- filing strategies
- Pension maximization
- Charitable giving- donor advised funds, qualified charitable distributions, family foundations, gift planning
- Executive compensation: stock awards, net-unrealized appreciation (NUA), etc.
- Business owners- employee workplace financial planning/education/benefits

WEALTH MANAGEMENT

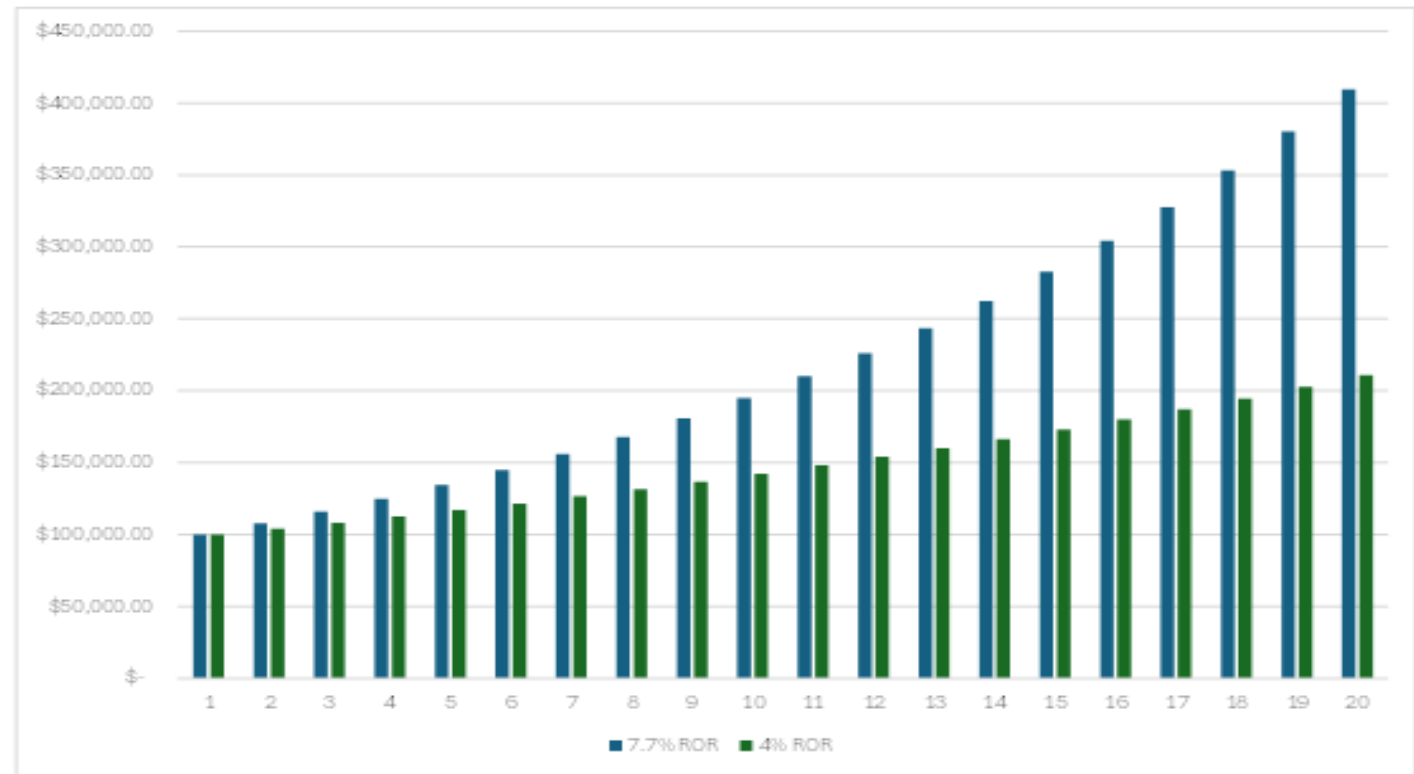
OVERALL MANAGEMENT

- Fiduciary advice
- Fee-based, award-winning investment platform
- Risk management approach
- Open platform- solution driven not product driven
- Asset allocation- diversification vs concentrated portfolio risk
- *Asset location*- tax efficiency approach
- Access to options, futures & currencies strategy
- Margin rates 49% lower than the industry
- Security lending program
- Industry leading interest rates paid on cash

“CONTRARIAN” TAX APPROACH

TODAY’S BUSINESS OWNERS MUST ADAPT TO THE EVER-CHANGING TAX LANDSCAPE AND BE READY TO ADJUST TO NEW PARADIGMS TO PRESERVE WEALTH.

Year	7.7% ROR	Year	4% ROR
1	\$ 100,000.00	1	\$ 100,000.00
2	\$ 107,700.00	2	\$ 104,000.00
3	\$ 115,992.90	3	\$ 108,160.00
4	\$ 124,924.35	4	\$ 112,486.40
5	\$ 134,543.53	5	\$ 116,985.86
6	\$ 144,903.38	6	\$ 121,665.29
7	\$ 156,060.94	7	\$ 126,531.90
8	\$ 168,077.63	8	\$ 131,593.18
9	\$ 181,019.61	9	\$ 136,856.91
10	\$ 194,958.12	10	\$ 142,331.18
11	\$ 209,969.90	11	\$ 148,024.43
12	\$ 226,137.58	12	\$ 153,945.41
13	\$ 243,550.17	13	\$ 160,103.22
14	\$ 262,303.53	14	\$ 166,507.35
15	\$ 282,500.91	15	\$ 173,167.64
16	\$ 304,253.48	16	\$ 180,094.35
17	\$ 327,680.99	17	\$ 187,298.12
18	\$ 352,912.43	18	\$ 194,790.05
19	\$ 380,086.69	19	\$ 202,581.65
20	\$ 409,353.36	20	\$ 210,684.92
After-Tax 15%	\$ 347,950.36	Tax-Free	\$ 210,684.92
Difference	\$ 137,265.44		





THANK YOU

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