

THE TAX WARRIOR GUIDE To Defending Your Wealth



Drucker & Scaccetti
Tax As A Business StrategySM

1600 Market Street, Suite 3300 • Philadelphia, PA 19103 • 215.665.3960

www.taxwarriors.com



GENEVA GROUP INTERNATIONAL

For high net worth individuals, managing and maintaining your wealth can be overwhelming. Navigating the complex details for your finances is hard enough when you have only yourself to consider. When family or business interests are involved, these complexities increase exponentially.

From taxes to internal family conflicts, you may feel as if your wealth is under constant attack. How do you effectively manage your investments, business and family in the face of these and other common challenges? Based on decades of experience protecting the complex economic interests of our clients, we have prepared the following guide to help you mitigate the many internal and external challenges to effective wealth management.

TAX RETURN PREPARATION

As your wealth increases, so does the intricacy of your tax return documentation. For high net worth individuals, tax preparation entails much more than just filling out a few simple forms in April. In some cases, your personal and business tax returns may end up looking more like encyclopedias or international treaties. With the complex laws of multiple jurisdictions vying for more and more tax revenue, defending your wealth requires year-round planning and advice. Therefore, it's important to partner with a firm that helps you take full advantage of available opportunities while minimizing your overall tax liability and exposure.





TAX PLANNING

As your wealth grows, it's important to partner with an advisor who has the experience and expertise necessary to effectively track, plan for and manage your constantly changing personal tax profile and business situation. A good advisor provides valuable guidance beyond the realm of taxation. By offering business and financial advice that transcends the bounds of reactive tax planning, a tax planning advisor protects your assets and helps you chart the path to continued, sustainable growth. By illuminating, expanding upon and effectively communicating the practices and procedures that helped you generate your wealth in the first place, your advisor acts as an essential safeguard against the threats and challenges facing your financial situation.

FUTURE PROOFING

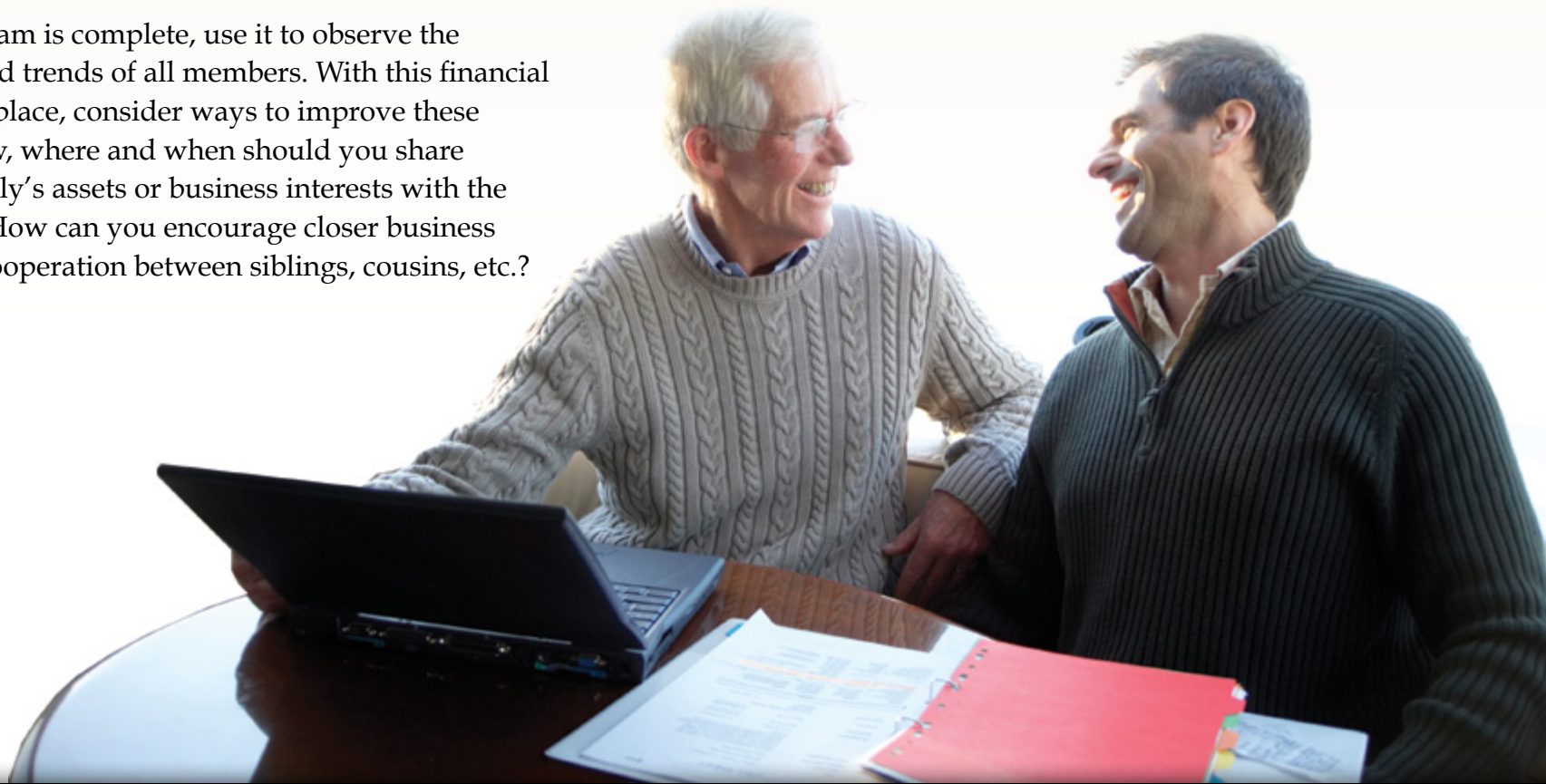
Providing for your family and loved ones is important. Protecting family assets and businesses from potentially poor choices made by your children or relatives can be difficult in today's litigious environment. Without the proper planning and safeguards in place, things like unfortunate career or marriage choices can significantly affect the overall health of your family's finances. In conjunction with strong financial coaching and guidance, the establishment of personalized trusts and estate/inheritance plans can help instill and reinforce responsible financial behaviors and motivations among all members of your family, protecting your wealth for generations to come.

GENOGRAMS

Financial genograms are extremely useful tools. A genogram is similar to a family tree but, in addition to charting the genealogical relationships between members of your family or closely held business, it also includes valuable information about the dynamic personal and financial relationships between individuals. A genogram can be as simple or elaborate as you desire. Add in as many family members and other parties as necessary to depict the overall landscape of your family's personal and financial situation.

Once your genogram is complete, use it to observe the financial habits and trends of all members. With this financial family portrait in place, consider ways to improve these relationships. How, where and when should you share control of the family's assets or business interests with the next generation? How can you encourage closer business collaboration or cooperation between siblings, cousins, etc.?

When is the right time to share the secrets of your wealth with your children? By closely identifying and mapping the financial and interpersonal behavior of every member of your family or business, you will get a better idea of how to best serve everyone's interests going forward. If you're unsure about how to get started drawing up your genogram, the financial planning experts at Drucker & Scaccetti would be happy to assist you.



PRIVATE BOARD OF DIRECTORS

There are a number of challenges faced by even the most successful family businesses. Things like ongoing disagreements between individual family members or partners, poor cross-generational communication and emotionally charged decision-making can get in the way of a company's growth and hinder healthy business and financial development.

During the first years of existence, most family businesses create a board to comply with basic legal requirements. These "paper boards" are usually limited to rubber-stamp approval of company financials, dividends and other procedures that require board review by law.

As the family business grows, however, family business leaders should consider creating a Private Board of Directors.

The basic role, structure and composition of this board varies naturally from one family business to another according to the size and complexity of the company. But in all cases, the private board of directors should play a more active role in important matters like setting company strategy and reviewing management performance. These critical tasks require frequent meetings and operational independence to effectively challenge the company's family management structure whenever necessary for the health of the business.

A strong, experienced and impartial private board of directors helps to relieve family tensions and resolve internal conflicts by expanding the audience and providing much-needed outside perspectives when it comes to making decisions with the long-term well being of the business in mind.



FAMILY BUSINESS RETREATS

Family situations and dynamics can be complicated, stressful and emotional enough on their own. Add to this the pressures of running a business and, without the right perspectives in place, the results can be disastrous. Often, it's necessary to step back from the day-to-day operations and work through the complex issues facing your family-owned business. Whether your company consists of a spouse, children, nephews, cousins, siblings or in-laws, every member of the business needs to be on the same page.

Family business retreats offer an excellent opportunity for individual members to blow off some steam, improve communication and re-focus their efforts on the long-term, big-picture goals of both the family and the business. These retreats are also an excellent opportunity to address some of the unique challenges and issues facing family-owned companies such as succession planning, responsibility delegation, family trusts and successful family office organizational management. Addressing these issues in a safe, neutral atmosphere is essential for maintaining the health of your family business and all its members.

Drucker & Scaccetti has been facilitating family retreats for decades. We can offer one-of-a-kind resources and the expertise to transform your retreat into a more productive and meaningful experience for all members.

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For more helpful tips and information designed to help you protect your wealth or family business, visit taxwarriors.com or call **215.665.3960** to speak with a highly trained and experienced professional.

