

Estate Planning Considerations for the Small Business Owner

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is brought to you by**

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As estate planning professionals, a common mistake we often see clients make is failing to consider what would happen to their small business entities upon their death or incapacity. Setting up an LLC in Virginia, for example, requires the filing of minimal paperwork with the State Corporation Commission. Because it is so easy to create an LLC, many LLC owners fail to consider what would happen to the entity should they become incapacitated or die. As with all estate planning, it is better to address these issues now, while you are able to do so, rather than later, in response to an emergency or when you may no longer be able to communicate your wishes. Developing a clear business succession plan should be an integral part of every small business owner's estate planning.

To better plan for your death or incapacity, we recommend that you consider each of the following questions:

- Who would you want to run your business in the event of your incapacity?
- Should your business continue after your death, or should it be wound up? When?
- Who would you want to run your business after your death? Is this different from who you would want to benefit financially from the business?
- If there are two or more owners of your business, would you want to give the other owner(s) the option of buying out your share? At what price and on what terms?

For licensed professionals such as doctors and attorneys, it is important that you identify another licensed professional or professionals who would be able to run your business on your behalf should you become incapacitated or die, as simply leaving your interest to a non-licensed family member would be inadequate. A person who is not a licensed attorney, for example, cannot legally wrap up the business of a law firm. We recommend that you identify such a person or persons and discuss with them your business goals and related wishes, to ensure that they would serve in your absence as you would want them to.

Estate Planning Considerations for the Small Business Owner – Cont'd

In many situations, it may be advisable to bring this individual onto your team long before your death or incapacity, in order to provide adequate hands-on training.

After you have considered each of these questions, give Hook Law Center a call to set up an appointment. We can work with you to put into place the documentation necessary to ensure that your wishes will be carried out, that your business succession plan and estate planning documents work together, and that any related tax implications are minimized.



Like Light for Blind Cows

Hook Law Center: Kit Kat, tell us about the 2 blind cows.

Kit Kat: Well, I'd be happy to. This is a story that crosses international borders. A cow from Canada named Sweetie, who was 8 years old, was blind and had a hoof infection. She was about to be disposed of in a slaughter house. Fortunately, a rescue agency in Canada heard about her, and started efforts to find her another place to live. What they found was a shelter in Watkins Glen, NY who also had a blind cow. This cow named Tricia, a 12-year-old, was lonely, because she had lost her stall mate to cancer about a year earlier. Cows love to have companions, and she was the only one without a stall mate. So the 2 were brought together in Watkins Glen, and they've been fast friends ever since. Sweetie and Tricia are inseparable--they eat together, walk around the farm together, and lean against each other to keep warm at night.

I think these animal rights' people are terrific! They see value in all living things, even those who are hurt and may not be able to continue to provide, in this case, milk or whatever they were bred to do. For these 2 bovines, even though they are blind, it is like light and happiness has returned to their lives. Now that's quite a story!

(Sue Manning-The Associated Press, "Love is blind, especially for this bovine pair," [The Virginian-Pilot](#), p.2, 2-15-14)

Upcoming Events

- Shannon Laymon-Pecoraro will be speaking on Estate Planning at The Talbot on Granby, 6311 Granby Street, Norfolk, VA on **March 26, 2014 at 12:00 PM**. For more information, please contact The Talbot on Granby at (757) 451-5100 or Hook Law Center.
- Andrew Hook will be presenting a live webinar on POAs, AMDs and the Ethics of It All in Charlottesville, VA on **April 10, 2014**. This webinar will be hosted by Virginia Continuing Legal Education.

- Shannon Laymon-Pecoraro, an attorney at Hook Law Center, is a member of the advisory board of the Hampton Roads Chapter of the American Parkinson Disease Association. Please visit our website if you have any questions about this event on **April 12, 2014**.
- Andrew Hook will be speaking at Westminster Canterbury, 3100 Shore Drive, Virginia Beach, VA on **April 16, 2014 at 10:00 AM**. For more information, please contact Westminster Canterbury at (757) 496-1100 or Hook Law Center at (757) 399-7506.
- Andrew Hook will be speaking at the newly renovated Parsons Residential Care Center, 1005 Deep Creek Blvd., Chesapeake, VA on **April 24, 2014 at 6:00 PM**. For more information, please contact Parsons Residential Care Center at (757) 487-0487 or Hook Law Center at (757) 399-7506.
- Shannon Laymon-Pecoraro will be attending the National Association for Medicare Set Aside (NAMSAP) Conference in Las Vegas, NV on **May 8-9, 2014**.
- Andrew Hook will be speaking at the Virginia Benefits Program Organization (BPRO) Spring Conference on **May 8, 2014** in Williamsburg, VA. Mr. Hook, Natalie Hale, CECC and Jennifer Woods-Pagano, CECC will be attending the three-day conference.
- Andrew Hook will be speaking on Financial Services Long-Term Care Insurance at the National Academy of Elder Law Attorneys (NAELA) Conference on **May 16, 2014** in Scottsdale, AZ. Mr. Hook will be attending the two-day conference.

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