THE SHOBE FINANCIAL GROUP

Planning for Your Wealth

Business Succession Planning

Developing a business succession plan involves several major decisions: whether to sell or gift the business, whether the transfer should occur during your lifetime or after death, and whether ownership should pass to family members, co-owners, employees, or outside buyers. The right strategy depends on your financial goals, family circumstances, and long-term business objectives, and should be developed with financial and legal professionals. Our office, which includes several Certified Exit Planning Advisors (CEPAs), can help evaluate these options and coordinate a customized succession strategy.

MAY 2026

In this issue:

SELLING YOUR BUSINESS

Outright Sale

One option is to sell the business outright, either immediately, at retirement, upon death, or at another chosen time. Sale proceeds can fund retirement, support heirs, or cover estate taxes and final expenses. If the sale price equals fair market value, no gift tax applies. However, selling during your lifetime may trigger capital gains taxes.

Buy-Sell Agreement

A buy-sell agreement is a legally binding contract that determines when, to whom, and at what price a business interest may be sold. Typically, the business or remaining owners have the right to purchase a departing owner's share at a predetermined price. These agreements help preserve business continuity, prevent unwanted outside ownership, and may establish the taxable value

Business Succession Planning - cont.

of the business interest for estate-tax purposes. They can also provide liquidity for taxes and expenses and promote fairness among heirs.

Private Annuity

A private annuity transfers the business in exchange for lifetime periodic payments. Because the arrangement is treated as a sale rather than a gift, the business may be removed from your taxable estate while still providing ongoing income.

Self-Canceling Installment Note (SCIN)

A SCIN transfers the business in exchange for installment payments under a promissory note that cancels any remaining balance at death. Like a private annuity, it can reduce estate and gift taxes while providing income, but it also gives the seller a security interest in the business.

GIFTING YOUR BUSINESS

Many owners prefer transferring the business to children or other family members. Lifetime gifting can provide tax advantages while allowing successors to gradually assume management responsibilities. Potential benefits include:

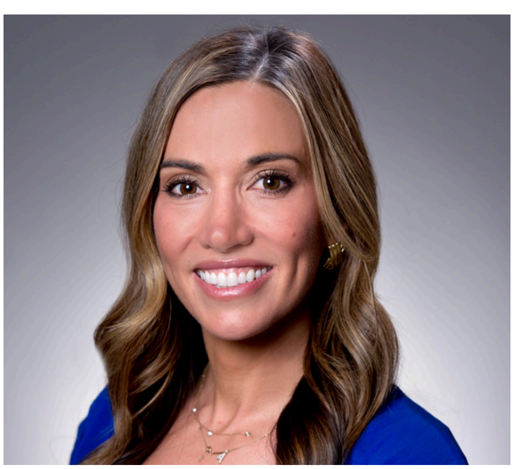
- Future appreciation is removed from your taxable estate once gifted.
- Annual gifts up to $19,000 per recipient in 2026 are gift-tax exempt.
- Lifetime tax-free gifts may total up to $15,000,000 in 2026 ($13,990,000 in 2025).
- Certain transfers using GRATs, GRUTs, or FLPs may qualify for valuation discounts.

Continued →

Shobe Happenings

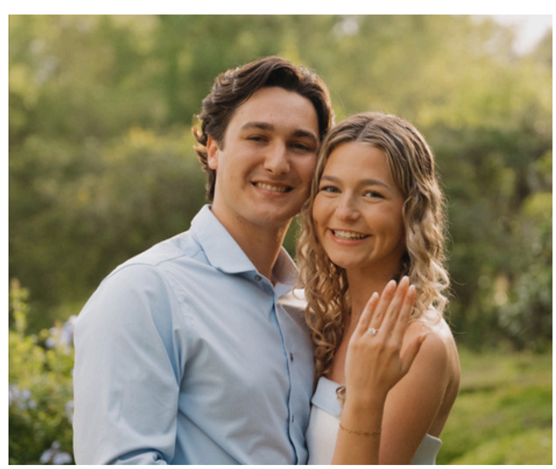
Meet Andre Stein

Andre Stein recently joined our office in the role of Client Experience Advocate. She brings with her years of experience in education, service and marketing. We are thrilled to have her join our team



Collin Popped the Question!

Collin Blanchard, Financial Services Associate, asked his girlfriend of 6 years, Sara Morgan, to marry him. She said YES and we are so excited for them!



Gifting Through Trusts

Business interests may be transferred outright or through trusts. Revocable trusts provide probate avoidance and flexibility, while irrevocable trusts such as GRATs and GRUTs can transfer the business out of your estate while potentially retaining income for a period of time.

Family Limited Partnerships (FLPs)

An FLP allows parents to retain management control as general partners while gradually transferring limited partnership interests to family members. FLPs can help centralize management, facilitate succession planning, and potentially reduce estate taxes through valuation discounts.

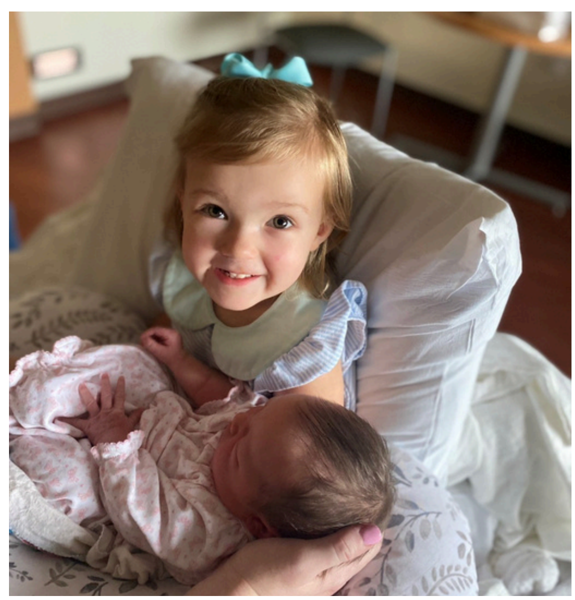
HOW CAN WE HELP?

Our office, which includes several Certified Exit Planning Advisors (CEPAs), works closely with business owners to develop and implement customized succession and exit strategies. We can help evaluate sale and gifting options, coordinate with legal and tax professionals, assess business value, structure tax-efficient transfers, and create a plan that aligns with your financial goals, family dynamics, and long-term legacy objectives. Whether your transition is years away or already approaching, we provide guidance throughout the process to help support a smooth and successful transfer of ownership.

While trusts offer numerous advantages, they incur upfront costs and often have ongoing administrative fees. The use of trusts involves a complex web of tax rules and regulations. You should consider the counsel of experienced estate planning, legal, and tax professionals before implementing trust strategies.

Corey - Girl Dad Again!

Corey Luckett, CFP®, AIF®, CEPA®,
Vice President, CERTIFIED FINANCIAL PLANNER®, is a new dad (again)! He and his wife, Kelsey, are soaking up the baby snuggles while adjusting to life with two small children. First child Olivia is a proud big sister to baby Lilley!



Shred Fest ‘26 is Here - Now a Full Week!

Shred Fest ’26 is back again and will take place June 22–26. This year we’re expanding it into a full week to better serve you. Staff will be available each day from 10:00 AM to 2:00 PM to assist with unloading your boxes, but you’re welcome to drop off documents anytime between 9:00 AM and 5:00 PM that week. All materials will be placed directly into our secure shred bins and promptly handled for safe destruction.

Tax Return : An Invaluable Planning Tool

If we provide tax planning services for you, every year we request a copy of your text return. Some have asked why this document is important to us and what we do with it. From our planning perspective, a tax return is more than a filing requirement — it's an invaluable tool that helps us aligning taxes, investments, and long-term wealth objectives more effectively. Our analysis helps us identify potential tax-saving opportunities specific to your situation.

CARSON WEALTH | THE SHOBE FINANCIAL GROUP

Dear [redacted]

Your completed tax return is a valuable tool for planning ahead. By sharing it with our team, we can identify opportunities to optimize your investments, uncover potential tax efficiencies, and help ensure every part of your financial plan is working together to support your long-term goals.

With tax law changes, our review of your tax returns has become even more valuable. Please follow the steps below to share your 2025 tax returns.

RECOMMENDED: Digital Upload: Securely upload your tax return here:

Upload Tax Return

If the link is not working or you are not able to access, we have other ways for you to share your tax return

- **In Person:** Drop them off at our office – we would love to see you, and we will make copies for you

Your tax documents are handled with the utmost confidentiality and security. Our analysis helps identify potential tax-saving opportunities specific to your situation.

If you have any questions or need assistance, please do not hesitate to email or call us.

Best regards,

Corey Luckett/ Bailey McNamara
Financial Planner
bmcnamara@carsonwealth.com

For a comprehensive review of your personal situation, always consult with a tax or legal advisor.

If we have not received your 2025 return, you will receive an email requesting it. The email will come from taxplanning@carsonwealth.com. In this email, there is a link where you can securely upload your tax return. The graphic to the left shows an example of this email:

If you have questions or concerns about this or any other topic, please contact our office. We'd be glad to assist!

We'd love to help your friends and family!

If someone you know could benefit from a second opinion or guidance on their financial journey, we'd love the opportunity to help. Referrals from clients like you are our greatest compliment. This QR code will take them to a short form to connect directly with our office. Alternatively, they can always call us at 225-763-7010.

8280 YMCA Plaza Drive | Baton Rouge, Louisiana 70810 | 225-763-7010