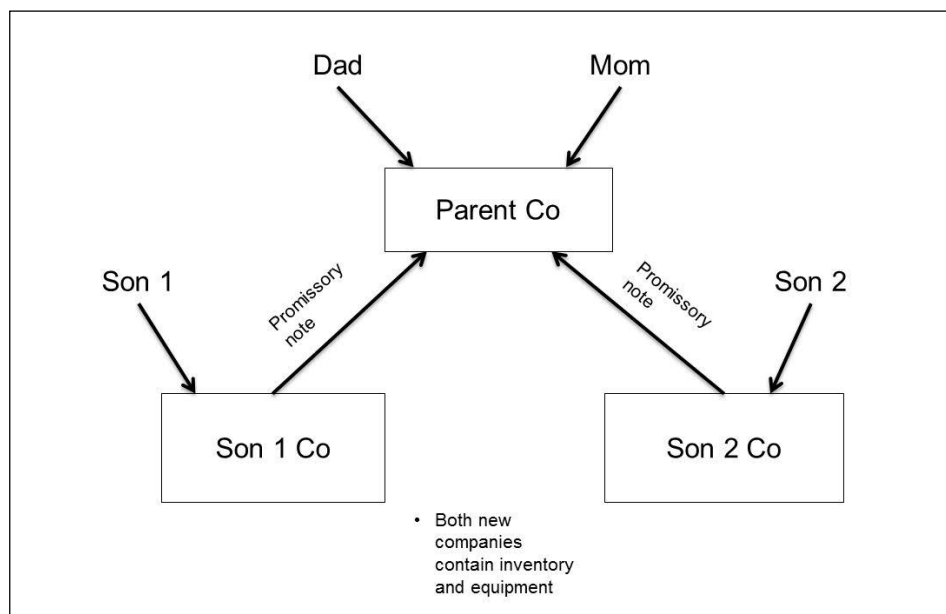


### Asset Freeze

- You may find yourself in a situation where two children want to farm
- We do not recommend having two brothers in the same company
  - o Each may want control of their own company
  - o May not be able to get along
- It is expensive to split a company with two brothers – estimate of accounting fees could be at least \$35,000.00
- We recommend setting up two new companies – one for each son
- The parents' company would transfer inventory and equipment to each company on an income tax deferred basis
  - o Receive preferred shares
- Redeem the preferred shares in exchange for promissory notes



### What have we accomplished?

- We have reduced the cost to split into two companies during the parents' lifetime
- The only assets in Parent Co. are the notes receivable. It will be easier and cheaper to split this company between the two sons on the last of the parents to die