



# Monthly Newsletter

Website: [www.rotarygi.org](http://www.rotarygi.org)



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30th September, 2013



Prospective members  
Astrid Mondesir and  
Joseph Dolor.

## Succession Planning

*On the 17th September our speaker was prospective member Joseph Dolor, he gave a very interesting talk on Succession Planning, and area quite often overlooked. The success of any business is dependent among other things on the ability of the owner or manager and key employees to manage the day to day operations of that business effectively and efficiently. Regardless of the size of the business, the death or disability of the owner or key employee can devastate the firm. Death or disability triggers some very critical questions – Can the business survive or must it be sold or liquidated in some fashion? How can the spouse and or children of the deceased or disabled owner realize the economic benefits of the entity which generally represents the largest single estate*

asset – the business? What do you want to happen to your business at your Death or Retirement? The reality is that there are only three alternatives regarding disposition of your business at your death or retirement. **Keep it ~ Sell it ~ Liquidate it** ~ If your desire is to keep the business in your family – then; Which family member would you like to own your share of the business? Who will run the day to day operations in your place? What age is he or she? Have you talked to that person about this? What was the persons response? Does he or she want to run the business? How realistic is it for that person to run the business? Should your desire be to sell the business – then; To whom would you sell it? For how much would you sell the business? What would be the method and term of payment? Are the terms of payment legally enforceable? •Does the purchaser have all the needed money to buy the business? How much will be needed? Can the purchaser get the money? Where? At what cost? Should you desire to liquidate - sell the assets after shutting down the business. What is the going concern price of the business today? Have you calculated the likely amount of the dollar loss if the business were sold in a forced liquidation instead of as a going concern? Those questions highlight just a few of the many problems that a business owner would face at the point of disposition of his or her business. The death of business owner has an immediate and drastic impact on a business owner's heirs, the surviving business owners, the business itself and the employees. Without a well thought out business continuity plan all of those interested parties will face significant uncertainty and problems without the guidance of the newly deceased business owner. The solution. One of the most affordable and effective ways to adequately prepare for and resolve those potential problems is through an insurance funded Buy Sell Agreement. A buy sell agreement is simply a written agreement drawn up by all shareholders of a company which clearly defines what will happen at the point of disposition resulting from the death, retirement or permanent disability of a business owner. There are two types of Buy Sell agreements; There are two types of Buy Sell agreements; THE CROSS PURCHASE PLAN or STOCK REDEMPTION OR ENTITY PLAN The cross purchase plan is an agreement between individual stock holders. Each stock holder is the applicant, premium payer beneficiary and owner of the insurance on the life of each other stockholder in an amount equal to his or her share of the purchase price. •The cross purchase plan is an agreement between individual stock holders. Each stock holder is the applicant, premium payer beneficiary and owner of the insurance on the life of each other stockholder in an amount equal to his or her share of the purchase price. The stock redemption or entity plan is an agreement between the corporation and its stock holder. The plan calls for the executor of the deceased stock holder's estate to sell the deceased stock holder interest to the corporation and for the corporation to buy the stock of the deceased stock holder at a price stipulated in the contract. The corporation is the applicant, premium payer, beneficiary and owner of the insurance on the life of each stockholder. The amount is equal to the value of each stock holder interest in the company.

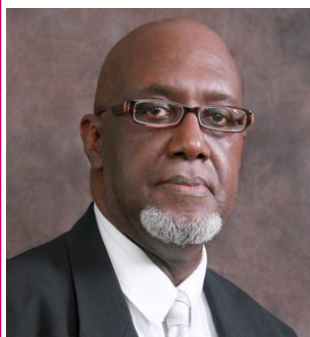


**Lunch Meetings** Past member Kerwin Jn Baptise has now retired back to St. Lucia, and has joined us for several lunch meetings. Can we temp him back? September Lunch

Meetings have been held in the open air Cockpit Bar, whilst The Edge take their summer break. This seems to have gone down well with members and guests.

A new group of Rotarians was recently appointed and trained to enhance the Foundation's major gift efforts, the Endowment/Major Gift Advisers. Although significant support in the form of planned and major gifts is received each year, the opportunity to help Rotarians and others fulfil their philanthropic goals through the Foundation's programs remains great. The advisor is a resource for the clubs during your year and can help with:

- Training club leaders on major gifts and Rotary's endowment, including giving and naming opportunities;
- Assisting clubs in establishing a structure for the identification and cultivation of potential major gifts donors;
- Working with club leadership to plan cultivation events for Foundation supporters and prospective supporters.



For our district 7030, Past President Malcolm Charles has accepted this responsibility to enhance our contributions. In few days, he will invite you to put it place the plan he established for RI year 2013-2014.

#### **NEW ROTARY WEBSITE LAUNCHED 26th AUGUST**

Visit **[www.rotary.org](http://www.rotary.org)** to experience the new Rotary website and click on **MY ROTARY** for member access and updates.

Your Rotary District Public Relations Committee led by Rtn Grayson Stedman of Dominica has stepped up social media connections for all Rotarians within District 7030. Recently a Facebook page and a LinkedIn page were set up. Please like/join by using the links below:

<https://www.facebook.com/RotaryDistrict7030?ref=ts>  
[http://www.linkedin.com/groups/Rotary-District-7030-5143519?report%2Esuccess=78SkroH7IWfMn0aJK-N\\_kyoziPc00YdXbZFFCtpAsPcT0-IXiVFFyHXG84mJlxPq4FU5\\_D](http://www.linkedin.com/groups/Rotary-District-7030-5143519?report%2Esuccess=78SkroH7IWfMn0aJK-N_kyoziPc00YdXbZFFCtpAsPcT0-IXiVFFyHXG84mJlxPq4FU5_D)

District PR Chair, PDG Lara Quentrall-Thomas, invites you to post all the updates about your Clubs' activities and share all your news, events and celebrations utilizing these 2 social media. Carol Phillips, Member District PR Committee

Age is a number, but life is your calculator.

**HAPPY BIRTHDAY for October**

**17th Lisle , 18th Indra,  
22nd Tom Alexander**