

Case Study

A Family Building Their Dream Home

Some clients work countless hours building their family-run business to create a comfortable, well-balanced lifestyle for their family and future generations. A dedicated financial advisor can be instrumental when the family chooses to sell their business, plan for retirement, and make their dreams come true.

Background

Our client is a family who owned and operated a chain of funeral homes. Recently, the family sold a majority interest in all holdings for \$8 million dollars.

The Client's Goals and Our Solutions

The family sought guidance from us in the establishment of a diversified portfolio to plan and secure a lifetime income stream. This included help coordinating all aspects of their tax, financial, investment, estate and retirement planning. The family was also looking to utilize their assets and build a dream home at the Jersey Shore without compromising their cash flow needs in retirement.

Client's Goals	Our Solutions
Retirement Income The family wanted a financial plan that satisfied their retirement income goals and preserved money for future generations.	We completed a customized financial plan outlining a step-by-step approach to secure the family's income and principal preservation based upon their required lifestyle goals. The portfolio satisfied income goals of \$200,000 per year and allowed the family to gift \$40,000 per year to grandchildren.
Dream Shore Home After many years of running their business, the family finally wanted to build their dream home at the beach.	In the customized financial plan, we utilized the remaining interest and dividends worth approximately \$80,000 to service a Liquidity Access Line (LAL) . The LAL was utilized to construct and then permanently finance the family's \$1.5 million house at the Jersey Shore.
Loan Pay Off The family wanted to be able to pay off the LAL loan within 10 years.	The family borrowed \$1 million of which \$500,000 was fixed rate and \$500,000 was variable rate. We utilized both fixed rate term and variable rate term LAL financing on a 1-5 year basis with portions of the income payments, roughly \$80,000 per year, servicing the debt. With this plan, we helped the family barbell the interest rate risk and our strategy accomplished their goal to payoff the loan within 10 years.

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