

# Personal Business Management for the PRIVATE EQUITY MANAGER

Even as a busy executive, you can reclaim precious time.

## WHY BERDON?

### KNOWLEDGEABLE

Specialists in your business sector, understand the specific cash flow and tax issues you face on a day-to-day basis.

### INDEPENDENT

Advice with only you in mind — no commission or referral fees from other sources.

### TAX EFFICIENT

Dedicated federal, state, local, and international tax specialists leverage the nuances to find tax savings while balancing your cash flow.

### TEAM PLAYERS

Work in tandem with your other advisors to make sure that you and your family have a financial leader coordinating and implementing the various pieces of your puzzle.

### ALWAYS ON CALL

Available when you need us; flexible to meet the needs of your busy schedule.

### THE SITUATION

AS A PRIVATE EQUITY MANAGER, your focus is on your business — leaving precious little time to attend to your personal and family needs. Everyday tasks — from bill paying and managing cash flow to tactical tax strategies and effective retirement planning — often get pushed aside. You work hard for your success, and you and your family deserve to enjoy it. But success demands the time to manage it — time that's too often in short supply.

### THE SOLUTION

YOUR BERDON PERSONAL BUSINESS MANAGEMENT team relieves you from the pressure of the details so you have the time to concentrate on what you do best. We do the work, while you remain in charge. A highly trained team of accountants, bookkeepers, and support staff tailor a personal business management program to meet your specific needs. Your assigned team remains consistent and is always a phone call or an email away.

Because we're part of Berdon LLP, a premier Accounting and Advisory firm, you have support from a diverse array of expert advisors when you need them — CPAs, state and local tax professionals, wealth transfer and estate specialists, among others. You gain the personal contact of a boutique practice coupled with the deep resources of a powerhouse accounting firm.

## MEETING THE RETIREMENT CHALLENGE

A 48-year-old private equity manager wanted to retire by 58 and gave us the challenge of developing a plan to get him there. He lived off his salary and relied on substantial year-end bonuses to fuel his savings. Using this as a jumping-off point to find ways to clear away debt prior to retirement, we set up an annual prepayment schedule to help ensure that his mortgage will be paid off during his high earning years.

Since he was a New York City resident, we discussed possibly relocating at retirement to smaller living quarters in a lower taxed state of his choosing. To support this idea, we demonstrated the savings he would reap in several different states as well as the net savings from downsizing to his bottom line.

Even though his children were still in private school, he needed to gear up for the college expenses he would face. We determined what he needed to save over 10 years so that college would be fully funded by retirement. Via a combination of specific 529 plans and other accounts, we helped secure the required funds in the most tax efficient manner.

Examining both his company's and his outside retirement accounts, we confirmed that his contributions were at the maximum allowable deductible amounts. Projecting what his income streams will probably be later in life vs. anticipated cash flow, we looked at ways to help him enjoy the lifestyle he was seeking. This included factoring in planned travel, charitable giving, and even whether he intended to leave an inheritance or use the majority of his wealth in his lifetime.

For added security, we set up a supplemental savings account that drew from his bonus — adding a further boost to his retirement goal. Our planning gave the banker greater clarity and peace of mind about his future and led him to defer retirement for a few more years. This plan gave him the luxury of segueing to a more relaxed life while occasionally consulting just to keep in the game.

## Select any or all of these personal business management services.

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### BILL PAYING AND BANKING

Taking the typical bill paying to a higher level, our services also include the following:

- **MANAGE** relationships with bankers, creditors, and vendors.
- **REVIEW** vendor contracts to identify savings opportunities.
- **RESOLVE** credit and payment disputes.
- **ENSURE** appropriate financial records are maintained.

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### CASH FLOW PLANNING, BUDGETING AND LARGE PURCHASE CONSULTING

Proper cash flow planning can mean the difference between financial success and financial disaster. To help you on the path to success we:

- **DEVELOP, MONITOR,** and regularly **DISCUSS** multiyear cash flow projections incorporating short- and long-term expenditures, such as tax payments, capital contributions, new residences, children's education, etc., and establish a game plan for budgeting, given your unique cash flow situations.
- **RESEARCH** and **EVALUATE** prices to help you get the best deal available for large purchases such as homes, cars, planes, boats.

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### DEBT MANAGEMENT

Where it makes sense to use leverage, it should be considered.

- **IDENTIFY** the appropriate products and constantly monitor the changing interest rate environment to present any cost-saving opportunities that arise.

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### TAX PLANNING AND RETURN PREPARATION

You work hard for your money; we want to make sure you keep as much as possible. Our seasoned tax specialists will:

- **GUIDE** you through the intricacies unique to your industry, including capital gains realization, appropriate use of foreign tax, and charitable gifting.
- **DEVISE** and **REVISE** tax strategies to minimize current and future income and estate tax liabilities.

# We'll build a service plan that fits your needs.

- **PREPARE** personal, corporate, and fiduciary federal and state income tax filings and respond to any related government inquiries.
- **PROACTIVE** quarterly tax planning to balance out when tax payments are made relevant to when income is earned.

## INSURANCE PLANNING

Gain an extra level of security and comfort with our comprehensive service and unbiased opinions. With this service, we:

- **REVIEW** your plans — life, disability, long-term care, and property and casualty — and advise on whether appropriate dollar amounts and types of coverage are in place.
- **COORDINATE** coverage with firm-provided benefits, where applicable.
- **COMPARE** and **PRICE** out coverage with our extensive network of professionals.

## INVESTMENT AND RETIREMENT PLANNING

We help establish how much you will need, when you will need it, and where it will come from.

- **MONITOR** investments to objectively determine performance and evaluate asset allocation.
- **DEVELOP** a game plan to maximize your savings incorporating a full analysis of your firm's available pension plans and deferred compensation arrangements.
- **COORDINATE** these goals into the appropriate funding strategies and vehicles.

## ESTATE PLANNING

You make every effort to provide for your family while you are alive. Our goal is to ensure their security when you are not around.

- **CUSTOMIZE** a plan to ensure your assets pass to whom you wish, when you wish, and how you wish in the most tax saving manner.
- **INCORPORATE** the everchanging estate law and monitor for changes both from a personal perspective and, working with your attorney, from a tax perspective.

## A BUSY COUPLE PLAYING CATCH-UP

The children were now 5 and 8 and the busy private equity manager and his equally maxed-out real estate executive wife realized that they had put off financial planning too long. We reviewed their wills that were prepared before the children were born and learned there were drafts of new wills that they never signed. Together with their attorney, we helped develop an estate plan incorporating their wishes for guardians and trustees that also suggested a tax-efficient strategy for disposition of assets.

While both parents were currently healthy, we analyzed their existing and projected debt and expenses vs. savings. This enabled us to guide them on the types and amounts of disability and life insurance that would help the family keep its lifestyle should one of them have to stop working or pass away. We weighed their employers' plans as well as those they could purchase privately — isolating the options and combinations that fit their lives, budget, and estate goals.

The couple were longtime owners of a Victorian home that had appreciated in value. We saw that their dated homeowners' insurance had insufficient coverage relative to current value and low deductibles relative to their net worth. Also missing was excess liability or umbrella coverage. We worked with a trusted agent who developed a new proposal.

With a nanny helping to care for the youngsters, we made sure that they were collecting payroll tax, making the required reportings to the IRS, and covering domestic employees in their homeowner's insurance. Finding that the wife's company offered flex spending plans for medical expenses and day care, we advised on ways to take full advantage of both plans and reap tax savings. These moves, made over several months, gave the couple greater confidence that they were better protected against the uncertainties that life could throw at them.

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**MARK G. BOSSWICK CPA, J.D., LL.M.**, managing partner of Berdon LLP, with the firm for more than 30 years, oversees the firm's Personal Wealth Consulting area. Mr. Bosswick brings a practical, entrepreneurial approach to understanding each client's business, personal, and the often delicate family dynamics; and serves as a fiduciary, mediator, and advisor to many prominent individuals. With this well-rounded perspective, he considers the complex interplay between every factor when guiding clients on ways to protect, grow, and transfer wealth. Mr. Bosswick is a member of the Trust and Estate Law Section of the New York State Bar Association.



**SCOTT T. DITMAN, CPA/PFS**, a tax partner in Berdon's Personal Wealth Consulting Group, has been with the firm for more than 30 years. He specializes in trust and estate taxation and planning for those in the professional services arena and other high net worth individuals. With a keen eye on the impact of evolving tax laws and shifts in financial markets, Mr. Ditman builds flexibility into client plans and advises on ways to help individuals maintain their lifestyles. He crafts tax effective gifting programs using trusts and other creative strategies and introduces tax saving measures that incorporate life insurance and retirement plan benefits.



**KENNETH H. KRANZ, CPA, J.D.** a tax principal at Berdon LLP with more than 35 years of experience, specializes in tax planning and consulting for high net-worth individuals, with a focus on those in the financial sector. Working closely with private equity managers, investors, venture capitalists, as well as business owners, he pursues federal tax savings and deferral opportunities while helping clients stay compliant with the latest tax regulations. Mr. Kranz advises on estate and retirement planning and guides clients in reaping the tax advantages of charitable trusts, grantor retained annuity trusts, and family limited partnerships among others.



**JENNIFER L. PROSPERINO, CPA/PFS**, a principal in Berdon LLP's Personal Business Management Group, has nearly 20 years of experience helping high net-worth individuals — executives, attorneys, athletes, and entrepreneurs — manage the details of their busy lives. With an intimate understanding of the demands clients face, Jennifer helps them gain precious time to pursue what is important to them. She builds personal relationships, staying on call whenever needs and questions come up. Translating technical language into clear terms, Jennifer helps clients better understand their choices and the impact on themselves and their family.

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## ABOUT BERDON

Berdon LLP looks at each client situation in its entirety — blending business, economics, family, tax, and individual interests — nothing is considered in isolation. As needed, clients can call on a deep well of specialized expertise in such areas as state and local taxation, estate planning, crossborder taxation, and valuations to name only a few. Founded in 1917, Berdon is a full-service accounting and advisory firm, with nearly 400 professionals and staff, ranked among the nation's leading CPA firms. From individuals to privately held organizations to multinationals, our clients operate in a diverse spectrum of industries and professions.

To learn more, contact Frank Vitale at [fvitale@BERDONLLP.com](mailto:fvitale@BERDONLLP.com) or 212.331.7650.

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