

# **Fox-Smith Wealth Management, LLC**

## **Transition Consulting Division**



**FOX-SMITH**  
WEALTH MANAGEMENT, LLC  
Service - Integrity - Wisdom

## **Transition Services and Fees**

### **Services**

Fox-Smith Wealth Management offers comprehensive Transition Consulting Services to both buyers and sellers in a business transition. These services are offered on a fee or retainer basis and are usually provided to either the buyer or the seller individually, but we may also be engaged as a consultant by both parties together to assist in the transition process.

### **Practice Valuation Services**

Our firm provides comprehensive practice valuation services using factors that are built from real-world pricing and risk models. Most valuations done in the marketplace today are heavily seller biased and lean the risk primarily onto the buyer and they are often based upon “commonly accepted” risk factors that simply are not accurate in a real transition. Our goal is to provide valuations that take balanced risk into account in the final pricing on the practice so that both the buyer and the seller can achieve a positive result. Practice valuations are provided on a flat fee basis for \$1,500 (fee may be increased depending on complexity) or may be bundled with a retainer agreement for Transition Consulting Services if you want us to partner with you to negotiate and structure your transition with a successor.

### **Transition Consulting**

Engaging our firm as your Transition Consulting Team is done on a success contingency basis with an advance retainer. The scope of the work varies with every transition deal. We may be placed on retainer after a valuation has been completed or we can provide a valuation as a part of the services provided under the contingency agreement. During the retainer period, Fox-Smith Wealth Management will provide nearly everything a buyer or seller will need in order to execute every aspect of the transition. All our services and materials are provided under a success contingency agreement without any additional charges. In fact, all retainer fees paid will be applied as prepayment of a portion of the final contingency fee at closing.

Our offering includes the following services and materials:

- Live consultation time with Gustin D. Fox-Smith, AIF®, ChFC® as needed to guide you through the transition process (via phone conference / web meeting if you are located outside Colorado).
- All buy/sell documents, contracts and agreements necessary for both parties, customized for each agreement’s unique transition goals and commitments.\*
- A detailed written transition plan customized to suit your planning timeline to ensure transition goals are met and client retention is maximized.
- Detailed, written cash flow analysis, tax treatment allocations, and all financial execution plans from closing to the final payment.

- Guidance and transition plan adjustments throughout the transition period to help with any surprises or challenges that may arise during execution of the plan.
- Practice valuation analysis and report. *(Due to the scope of work involved, valuations are offered either as a separate flat fee service or may be bundled with consulting services for an increased retainer, however a discount is applied when the two services are bundled together\*\*.)*
- Support and templates for additional client retention activities including workshops, letters, and marketing.
- Payment structure and taxation consultation to ensure the payment plan meets the needs of both parties in terms of retention/mortality risk and meets IRS guidelines regarding characterization of payments.
- Accounting consultation to assist in setting up easily maintained systems for tracking and reporting after the close.
- General advice on anything related to the transition. *“If we know it or have it, it is yours.”*

### **Contingency details**

Engaging our firm for these services requires entering into a Success Contingency Agreement with a portion of the final contingency fee being pre-paid as a retainer. The initial retainer for services is \$3,000 and covers all services for a period of 6 months or 20 hours of firm time, whichever comes first.\*\* Typically we can provide all that is needed for a standard transition within that timeframe. However, should additional time be required, the retainer may be extended for \$1,500 for 3 months or 10 hours of billed time.

Upon closing, a Success Contingency Fee of 3% of the gross closing price will be assessed. 100% of all retainers paid will be applied against the success fee as pre-payments.\*\*\*

*\*Fox-Smith Wealth Management is not a law firm and does not provide legal advice. We recommend that you have the sample agreements we provide reviewed by an attorney prior to execution.*

*\*\*If practice valuation services are requested together with a retainer agreement and not as a separate service, the total retainer fee is \$3,750 for up to 20 hours of service in a 6 month period, which saves you \$250 when bundling services. Time spent preparing and delivering the valuation is not billed against the retainer agreement billable hours.*

*\*\*\*Should your transition not be completed during our relationship for any reason outside our control, all retainer fees paid shall be kept as payment for services rendered.*