



DATE

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Resources to Advance the Field of Gift and Estate Planning

MIPGC Conference

CREATED BY:

NCP & Eubank Capital

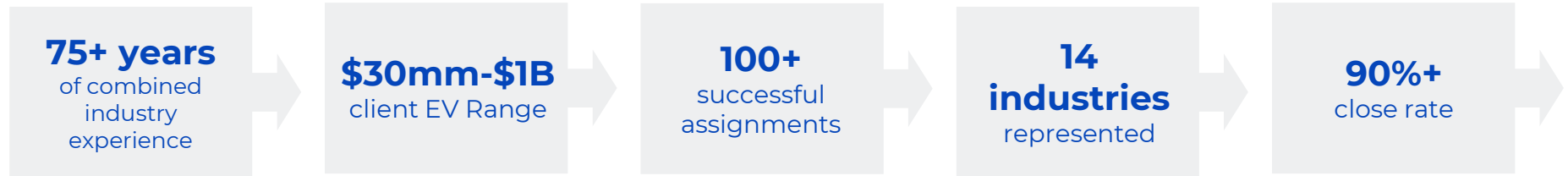
ncpinonline.com
eubankcapital.com



Who We Are



Since 2005, our team has been developing experience and expertise in the M&A market both regionally and globally. Our goal is to mitigate execution risk, maintain transaction timelines, and manage the process all the way through closing. We maintain professional integrity and give our clients a veil of confidentiality throughout the process.



DIFFERENTIATORS



Culture

Deal team committed to delivering big-bank sophistication and infrastructure that align with Midwest values.



Expertise

Our professionals have an extensive track record of success in buy- and sell-side transactions spanning multiple industries, combining creative and effective structuring with middle-market experience.



Commitment

Our compensation is tied directly to the success of client transactions, and we prefer sourcing new clients through our referral network.



Strategy

Our negotiating strategy and communication style with counterparties is nuanced and agile, with the goal of maximizing economic value and minimizing go-forward risk for our clients.



Structure

We are an independent investment bank and partner with select middle-market clients on a limited basis, and never serve overlapping buy- and sell-side mandates.

What We Do



When it comes to M&A, there is no substitute for an advisor with both a proven track record and the strategic insight to execute on all sides of a deal.

Sell-Side M&A

NCP brings a tailored approach to all sell-side M&A transactions. From the first meeting to the final, our team of experienced professionals customizes your sell-side process to fit your business needs. We help business owners sell majority or minority stakes in their company.

Services Include:

- Valuation Analysis
- Buyer Identification
- Due Diligence Coordination
- Negotiation & Closing Support
- Offer Materials & Marketing
- Deal Structuring
- Transaction Management

Buy-Side M&A

NCP can help clients develop and execute on a sustainable buy-side acquisition strategy. We pair decades of transaction expertise with client-led sourcing to find successful outcomes.

Services Include:

- Strategic Planning & Target Identification
- Opportunity Evaluation
- Due Diligence Coordination
- Integration Support
- Market Research & Analysis
- Deal Structuring
- Negotiation & Closing Support

Capital Solutions

We work directly with business owners and boards to identify goals and create actionable plans through expert capital advisory services.

Services Include:

- Succession & Transition Planning
- Strategic Value Enhancement
- Advisor Coordination
- Debt Management & Planning
- Estate & Gift Planning Valuations
- Readiness & Pre-Transaction Planning
- Direct Investment
- Corporate Finance Advisory

Eubank Capital



ZACH EUBANK

President &
Founder

Eubank Capital is a financial consulting firm located in Des Moines, Iowa. The firm was founded in 2018 to serve as a resource for business owners and shareholders, chief financial officers and attorneys and today provides business valuation, business appraisal services, litigation support and expert witness services.

Zach Eubank is currently licensed by the American Society of Appraisers as an Accredited Senior Appraiser (ASA), the National Association of Certified Valuation Analysts (NACVA) as a Certified Valuation Analyst, and as an attorney in the State of Iowa. He received a bachelor's degree in finance from Marquette University in 2003, a Juris Doctor from Drake University Law School in 2006, and a Masters of Business Administration from Drake University in 2008.



Estate & Gift Tax Appraisal

Fair market value appraisals for a decedent's estate, charitable contributions, intrafamily gifting and other tax valuation assignments.



Intangible Asset Valuation

Valuation consulting for customer relationships/lists, trademarks and trade names, software, technology, know-how, patents and other intellectual property.



Valuation Consulting

Business valuation and calculation services for company management to determine an indication of fair market value for closely held companies.



Business Valuation (Disputes)

Valuation and appraisal services and testimony concerning oppressed shareholder actions, buy-sell deadlock, divorce proceedings, and IRS challenges.



Financial Reporting Valuation

Valuation services for companies subject to audit, including purchase price allocations, impairment testing, and other financial reporting valuation needs.



Expert Witness

Expert testimony and litigation support services for legal counsel and their clients in litigation cases concerning lost profits, commercial litigation damages, patent infringement, and others.

Valuation Approaches

Valuation professionals use three core approaches to estimate enterprise value, each providing a different lens on the company's financial and operational performance.



Income Approach

- Value determined by discounting expected future cash flow to present value
- Captures the company's ability to generate cash flow on a going-concern basis
- Two primary methods: Discounted Cash Flow (DCF) and Capitalization of Cash Flow (CCF)
- Each method has its strengths and weaknesses



Market Approach

- Value derived from observable market data – comparable company or transaction multiples (revenue, EBITDA)
- Two primary methods: Guideline Public Company Method and Guideline Transaction Method
- Reflects real-world investor expectations and benchmarks against peer performance



Asset Approach

- Value determined by analyzing the fair market value of a company's assets minus its liabilities
- Two primary methods: Adjusted Net Asset Method and Liquidation Value Method
- Appropriate for asset-intensive or holding companies, or when earnings are inconsistent

Standard of Value

The standard of value defines the perspective from which a business is measured — whether through an objective market lens or a strategic buyer's lens



Fair Market Value

- “The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts.”
- Defined by IRS Revenue Ruling 59-60; commonly used for estate, gift, and tax valuations
- Factors considered: nature of business, economic outlook, earning capacity, dividend paying capacity, goodwill or intangible value, sales of the stock, market price of similar securities
- Used in: Estate planning, buy-sell agreements, shareholder redemptions



Strategic or Synergistic Value

- Reflects the value to a specific buyer who can extract synergies — cost savings, market access, or IP integration
- Typically higher than FMV because it incorporates strategic benefits unique to that buyer
- This is the value you capture when timing and positioning align in a sale
- Used in: M&A transactions, consolidation strategies, or private equity platform builds



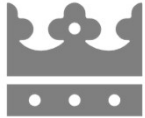
Fair Value

- Often defined by state statutes or accounting standards (ASC 805, financial reporting)
- Seeks an equitable value to shareholders, excluding discounts for lack of control or marketability
- Represents fairness between parties — not necessarily a market-based price.
- Used in: Shareholder disputes, dissenting shareholder actions, or financial reporting contexts

Level of Value



The level of value reflects the relationship between ownership control and marketability — key drivers that bridge enterprise value and shareholder value



Control, Marketable

- Represents the value of a controlling ownership interest with liquidity — the highest level of value.
- Reflects the ability to set strategy, influence cash flows, and control distributions or sale timing.
- Commonly associated with enterprise-level valuations (entire company sales)



Minority, Marketable

- Value of a non-controlling interest assuming shares are freely tradable (e.g., public stock).
- Market reflects price for small ownership stakes without control, but with liquidity.
- Typically benchmarked using public company trading multiples

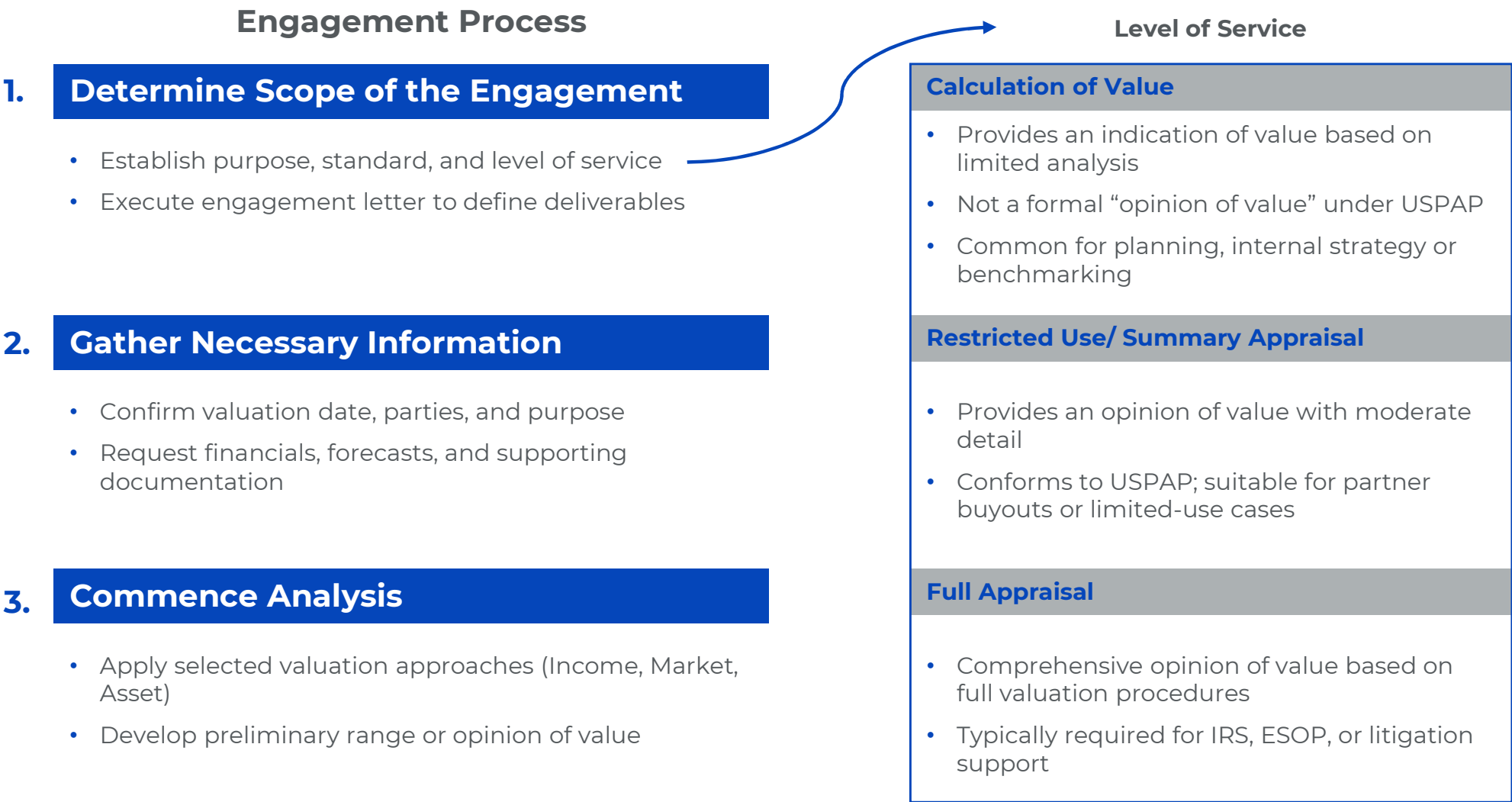


Minority, Non-Marketable

- Represents the value of a non-controlling interest in a privately held company without a ready market.
- Subject to discounts for lack of control (DLOC) and lack of marketability (DLOM).
- Often the lowest level of value — common in estate and gift valuations

Valuation Engagement Process

Every valuation begins with defining scope, service level, and purpose — ensuring the analysis fits the client’s needs and regulatory requirements



Value Considerations



Scalability

- Systems and processes that allow for growth without proportional cost increases
- Evidence of capacity for expansion (people, systems, facilities) supports higher valuation multiples



Strategic Relationships

- Long-term customer, supplier, and industry partnerships provide durability and strategic positioning
- Demonstrated stickiness in relationships translates to stability in future cash flows



Administrative Infrastructure

- Documented processes, formal governance, and defined roles increase transferability
- Reduces key-person risk and supports operational continuity post-transition



Management Depth

- A strong, empowered leadership team reduces owner dependency
- Depth across finance, operations, and sales is a core EV driver in any succession scenario



Cash Flow Profile

- Consistent, predictable cash generation demonstrates stability
- Margin improvement and recurring revenue increase quality of earnings and buyer confidence



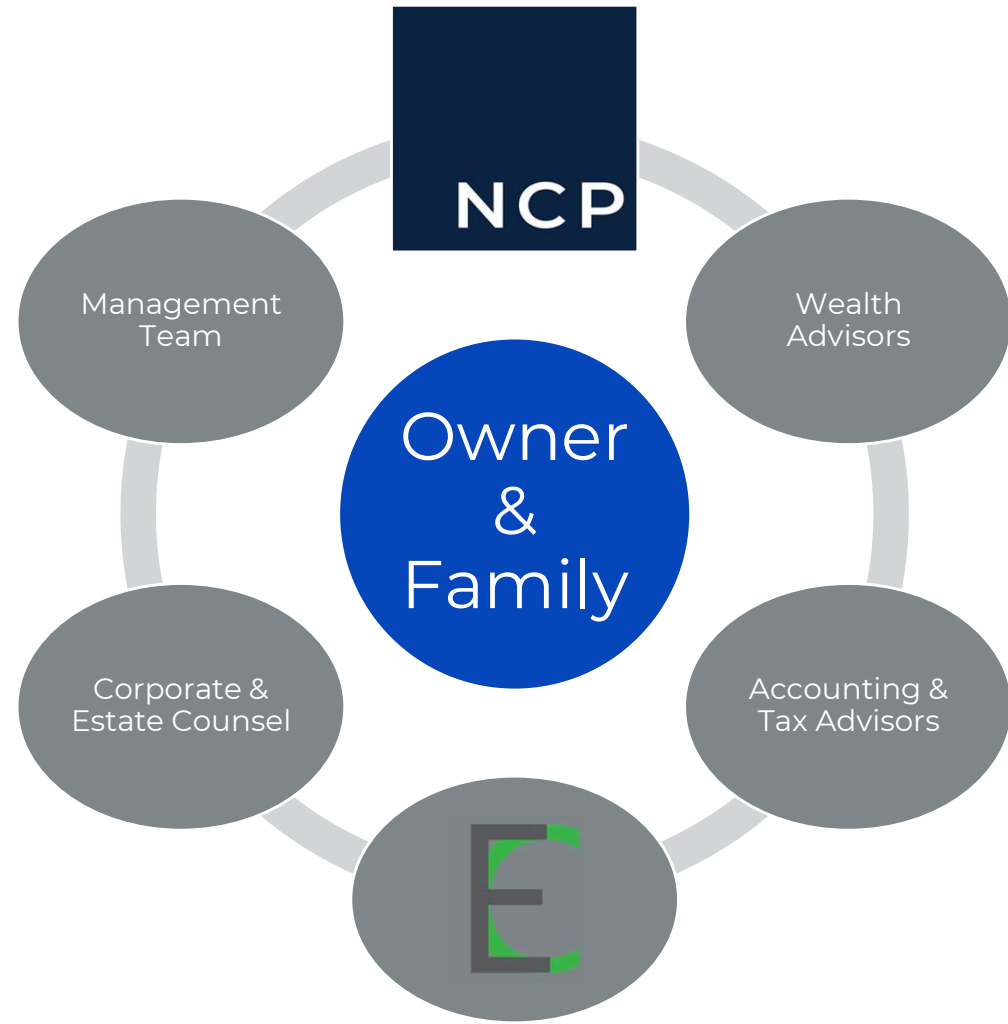
Operational Efficiency

- Lean cost structure and optimized working capital signal maturity
- Efficiency gains expand EBITDA and free cash flow, directly improving enterprise value

Succession Planning Ecosystem

Up to 50% of business exits aren't planned - with the right team in place to support you through each phase of life and business, you can avoid surprises and realize the personal and financial benefits from the enterprise you've built.

- Many owners begin planning only when they're ready to retire
- Unplanned sales often result in:
 - Lower valuations (limited buyer pool, rushed diligence)
 - Poor tax outcomes (reactive structuring)
 - Misalignment with family, management, or legacy goals
 - High stress and reduced negotiating leverage
 - Early engagement allows time to *fix* rather than *disclose* issues



Succession Planning Process

Typical Succession Timeline

Most owners underestimate how long true readiness takes. A comprehensive plan allows time to:

- Conduct valuations and identify value drivers early.
- Implement tax, estate, and corporate structuring strategies.
- Develop and empower next-generation leadership.
- Optimize financial reporting and deal readiness ahead of a transaction.

Owners who begin this process three to five years before exit consistently realize stronger valuations, smoother transitions, and greater control over timing and outcomes.



Succession planning is less about timing the market and more about creating options.

Readiness today builds enterprise value for tomorrow.

Estate Planning - Trust Structures



Grantor Retained Annuity Trust (GRAT)

- An irrevocable trust into which the grantor transfers assets and retains an annuity for a set term.
- If the assets appreciate above a specified hurdle rate, the excess passes to the beneficiaries with reduced gift and estate taxes.



Irrevocable Life Insurance Trust (ILIT)

- An irrevocable trust that owns a life insurance policy (or becomes the owner of a newly issued policy) on the life of the grantor.
- The death benefit is then excluded from the grantor's estate.



Spousal Lifetime Access Trust (SLAT)

- An irrevocable trust funded by one spouse for the benefit of the other spouse and other beneficiaries.
- The grantor spouse transfers assets into the SLAT and those assets are excluded from the donor's estate, but the beneficiary spouse retains access to trust distributions.



Charitable Remainder Trusts

- Private foundation endowments funded with privately-held business interests.
- Use of liquidation vehicles or business exit proceeds timing for philanthropic giving.
- Essentially directs sales proceeds to selected charitable endowment.

Charitable Contributions



Privately Held Stock

- If a business owner/donor holds appreciated shares/units and sells them there is potential for capital gains on the sale.
- Instead, if the owner donates the shares/units to charity there are tax saving benefits.
- Avoidance or reduction of the donor's capital gains tax (if the charity sells the asset, the donor does not trigger the gain).
- If the shares/units are held for more than one year, a deduction of the fair market value of the donated interest from the donor's income tax is possible.
- The donated interest must be appraised by a qualified appraisal as a non-cash gift.
- Some charities may not accept privately held interests but are increasingly doing so.

Donor Advised Funds (DAF)

- A Donor-Advised Fund is a public charity that accepts the owner's gift while allowing the donor or family to recommend future grants.
- Effective for pre-liquidity gifting of privately held stock or LLC interests — several national and community foundations now accept these assets.
- Owners anticipating a sale can donate shares pre-exit; the DAF then sells the stock tax-free, avoiding the donor's capital gain.
- The donor receives a charitable deduction based on the fair market value of the gifted interest, coordinated with the owner and advisors.
- Requires a qualified appraisal for non-cash gifts over \$5,000, completed within 60 days of the donation and before tax filing.
- Deductibility limit: 30% of adjusted gross income (AGI).
- Engage valuation, tax, and legal advisors early to ensure compliance and optimize tax benefits.

DAF Example

An owner has an appraised \$10 million business and donates 20% or \$2 million to the Donor Advised Fund prior to an anticipated sale.



The Donor Advised Fund then sells the shares with no capital gains for the owner and the owner claims a \$2 million charitable deduction.



The owner then uses the Donor Advised Fund to make multi-year grants to favored charities.

Exit Strategies



	Ownership Sold	Sale Premium	Transition Timing & Burden	Liquidity
Liquidation	100%	Low	N/A	Cash at Close
Family Succession	0-100% (often gradual)	Low	2-10 years / Flexible Seller	Bank / Seller
Management buyout	0-100%	Mid	Flexible Seller	Bank / Seller
ESOP	20-100%	Mid*	Flexible Seller	Bank / Seller
Financial Sponsor	51-90%	Mid	4-7 years / Flexible Buyer	Cash at Close
Strategic	70-100%	High	0-2 years Buyer	Cash at Close

* Can be maximum value in certain industries

OBBB Legislative Update



Exemptions Made Permanent (Effective 2026)

- \$15 million per individual / \$30 million per married couple
- Indexed annually for inflation
- The feared “sunset” and potential halving of exemptions at the end of 2025 will not occur

Charitable Planning

- Donor-Advised Funds (DAFs) remain a top tool for pre-sale business gifts
- Qualified appraisals still required for non-cash gifts > \$5k
- Charitable giving remains tax-efficient and philanthropic

Reduced Urgency, Not Reduced Opportunity

- No more “use it or lose it” rush before year-end
- Early transfers (GRATs, SLATs, ILITs, DAFs) still optimize growth outside the estate
- Early gifting of business interests – especially before liquidity events – still drives tax efficiency and long-term estate alignment

Valuation & Coordination

- Quality appraisals and well-timed transfers still drive tax efficiency and defensibility
- Appraisers, CPAs, and attorneys should align on valuation methodology, discount application, and IRS reporting compliance
- Focus shifts from deadline-driven to **value-driven** planning

The Bottom Line

The OBBB has simplified the tax landscape — but not eliminated the need for thoughtful estate planning. For business owners, the opportunity now lies in **timing, structure, and valuation precision** - not urgency.



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