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Consider Monetized Installment Sale (“M453_{SM}”) Transactions in Any of These Situations

I. Sale or Exchange Transactions Priced at \$500,000 or More

A. When Taxes Are an Important Concern

1. The seller faces a substantial tax obligation on closing, whether from
 - capital gain,
 - cancellation of debt,
 - debt over basis,
 - depreciation recapture,
 - expected failure of an exchange, or
 - pre-payment of an existing installment debt owed to the taxpayer.
2. What is being sold is a capital asset, such as
 - a business entity (corporation, limited liability company, partnership, whatever),
 - a professional practice,
 - real estate (whether held for business or investment purposes, or as a personal residence, or a fractional interest, or mineral rights, or whatever),
 - contract rights (*e.g.*, franchise agreements, license agreements, long-term leases),
 - art or antique collections, or
 - aircraft, watercraft and classic automobiles, but
 - not including sales by someone in the ordinary course of business as a dealer.
3. The transaction will occur through any market mechanism, such as
 - by contract and transfer through ordinary closing procedures,
 - by assignment or through agent or power of attorney,
 - by auction, or
 - by deed or transfer under threat of, or in lieu of, condemnation, foreclosure or other proceeding, but
 - not including listed securities which will be sold through an exchange.
4. The seller’s estate faces a potential estate-tax liability.

B. When Something Else Is a Potential Deal-breaker

When something other than taxes is a roadblock between a seller and a buyer, or among co-owners of an asset, sometimes S.Crow Collateral Corp.’s role as a dealer between or among them can enable S.Crow Collateral Corp. to accomplish what the parties cannot accomplish in their dealing directly with each other. That may be because of personal dynamics, or it may be because the dealer role brings to bear different rules, new flexibility and additional capacity for creative resolution.

II. Sales of Capital Assets to Related Parties

When the owner of a capital asset (such as, but not limited to, a business or commercial real estate) wants to transfer the asset to adult children to establish them in business and remove the asset from the parent’s estate, often an M453_{SM} transaction may enable the children to obtain financing for the deal, it may enable post-transaction support for the parent, and it may provide the best tax outcome for each.