

Insights

BUILDING
AND PRESERVING
YOUR WEALTH



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An illustration of four golfers on a green. A dashed line path starts from the top left, goes down, then curves around to the right, then down again, and finally curves around to the right to end at a hole. A golf ball is on the path just before the hole. The golfers are positioned along the path: one at the top left, one in the middle left, one in the middle right, and one at the bottom right near the hole.

2022 Is Here. What's Your Plan?

Positioning your portfolio and
financial needs in a global context.

Planning for 2022

Throughout the past 22 months, I have continued to remind myself, my family and my colleagues to remain focused on the things we can control. As the world faces the long tail of the pandemic and the uncertainty it continues to bring, there are steps you can take now to keep your wealth plan on track. This issue of *Insights* aims to help you



focus on the things within your control to help guide you for the year ahead.

In “2022 Is Here. What’s Your Plan?” (page 6), we focus on positioning your portfolio and financial needs in a global context by providing key lessons that may benefit both your portfolio and overall wealth plan. For investors who have watched inflation skyrocket, “Hedging Against Inflation” (page 1) and “Should You Diversify With Investor Real Estate?” (page 4) provide

insights on investments such as timber, real estate and other assets that could help you manage—and benefit from—the risks of higher prices.

The new year may also have you thinking about your family, including their needs and your legacy. In “Giving as a Family” (page 13), we look at three ways to share your love of philanthropy with your loved ones. In “Apples to Apples” (page 10), we look at legacy planning for the family business through a case study of an apple orchard spanning multiple generations.

As 2022 begins, there is no better time than now to focus on achieving your life goals and aspirations. We are happy to talk further about the articles in the magazine—or any of your wealth planning needs. I wish you a happy, healthy and fulfilling new year!

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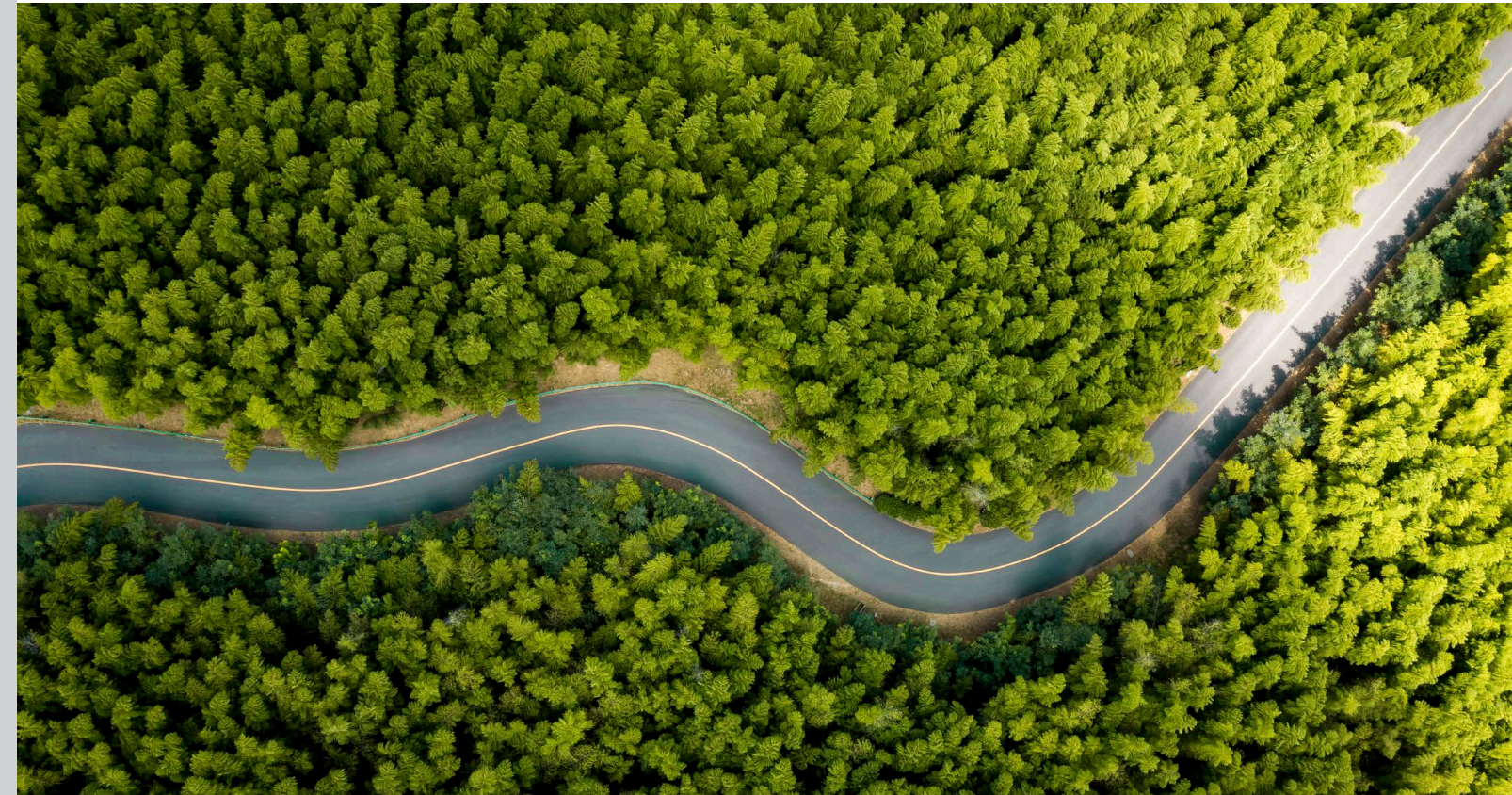
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Hedging Against Inflation

Rising prices can require active investment strategies.

Prices are rising, and so, understandably, are investor concerns.

Over the 12 months ending in July 2021, consumer prices jumped 5.4%—the biggest increase in the past 10 years, according to the Bureau of Labor Statistics’ consumer price index, which tracks the cost of retail goods and services.

Maintaining the value of an investment portfolio in the face of inflation—and the decreased buying power of the dollar—is a challenge, says Brandon Thurber, Director of Investment Research at Regions. Fortunately, strategic investments can help.

“Investors have a number of assets or asset classes at their disposal to hedge or insulate portfolios from the negative impacts stemming from inflation,” says Thurber. “But all ‘hedges’ aren’t created equally, and

selectivity matters.”

For equity investors, real estate investment trusts (REITs), energy, and infrastructure tied to the industrials and materials sectors offer potential ways to protect against higher prices, says Thurber. Treasury Inflation-Protected Securities (TIPS) offer similar protection for fixed-income investors as long as they have an exit plan if inflation slows.

One material sector that offers a reliably flexible hedge is timber, says Frank Walburn, Head of Natural Resources and Real Estate Management at Regions.

“Historically, timber performs well in inflationary times because tree growth continues regardless of economic conditions. Timberland investment intrinsically offers a good deal of diversification with a relatively

small allocation,” says Walburn, noting that unlike seasonal crops, there is no need to harvest every year and there are no storage costs until the market is ready for the resource. “If demand is high, we can cut. If it is low, we hold, grow and increase value.”

The sector’s track record is impressive: The National Council of Real Estate Investment Fiduciaries timber index has seen negative returns in only four years since 1987, says Jim Bates, Timber Fund Manager at Regions.

Being attentive and active is key to protecting holdings, reiterates Thurber. “In an inflationary environment, an active approach to investing and allocating is imperative.” ▲



MORE ONLINE See additional insights at regions.com/wealthinsights.

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The LIBOR Transition: What You Need to Know

A benchmark is being phased out, and it could affect your portfolio.

The London Interbank Offered Rate (LIBOR) has long served as a benchmark rate index. “It’s referenced in everything from adjustable-rate mortgages to commercial bilaterals and hedging instruments,” says Irina Pritchett, Risk Initiative Management and Integration Manager at Regions.

To make way for more robust and reliable benchmark indexes, LIBOR is being retired. But it’s still an important part of the financial landscape. “Even as we’re approaching the end of LIBOR, there’s about \$200 trillion in financial instruments still tied to it,” says Pritchett.

You may have items in your portfolio that are tied to LIBOR, so here’s what you’ll need to know about the transition.

How the LIBOR Transition Works

In the United States, there are two phases to the LIBOR transition: cutoff and cessation.

As of December 31, 2021, LIBOR is no longer used in any loan originations or

renewals. Regions discontinued offering new loans with the benchmark as of September 2021. This was phase one.

The second phase, which leads up to the LIBOR cessation, is in place to accommodate contracts that originated or renewed before the cutoff date but mature after that date. This phase lasts until June 30, 2023. During this time, LIBOR will continue to be quoted so that it can be used as a benchmark, meaning contracts based on LIBOR that mature before June 30, 2023, don’t need to be changed.

This second phase also provides time to address legacy LIBOR loans that need to transition to an alternative benchmark by June 30, 2023. For contracts that mature after cessation, Regions Wealth Advisors will contact clients well before that date.

What the LIBOR Transition Means for You

Several new benchmark rate indexes are emerging as replacements for LIBOR.

The Federal Reserve has proposed one replacement: the Secured Overnight Financing Rate (SOFR), while the industry has introduced other alternatives including the Bloomberg Short Term Bank Yield Index (BSBY) and AMERIBOR, developed by the American Financial Exchange.

Navigating away from LIBOR has its complexities, but Regions is committed to working together with clients to minimize the impacts of the transition. “Your team at Regions is prepared to discuss the nuances of benchmark alternatives as they impact you,” says Pritchett. “We will communicate directly to customers impacted by the changes and provide notice prior to transitioning them to a new rate.”

Your Regions Wealth Advisor will reach out to you to discuss how the LIBOR transition affects you and to discuss your options. Regions is also producing multiple resources, including podcasts, to help answer your questions. ▲



MORE ONLINE For information on the LIBOR transition, visit regions.com/libor.

4 Essential Charts About Bitcoin

Big ups, big downs and lots of risk.

Over the past decade, Bitcoin has taken the financial world by storm. Unlike traditional currencies, Bitcoin and other cryptocurrencies are decentralized, allowing for transactions without the oversight of governments and banks. Beyond its use as a currency, investors have started flocking to Bitcoin as an asset.

“It’s easy to see why, as it has been on an impressive trajectory since 2012,” says Michael Moorefield, Asset Management Strategy Analyst at Regions Bank. That includes a market capitalization of more than \$840 billion and 62% growth this year alone.

However, Bitcoin is not for everyone, particularly investors who have lower tolerances for risk. “It’s just as easy for Bitcoin to fall by 50% or more as it is to double,” says Moorefield. “Many in the space are starting to ask how much gas is left in the tank.”

Potential regulation looms, adding further uncertainty. Before jumping on the Bitcoin trend, consider these four charts and have a conversation with your Regions Private Wealth Advisor.

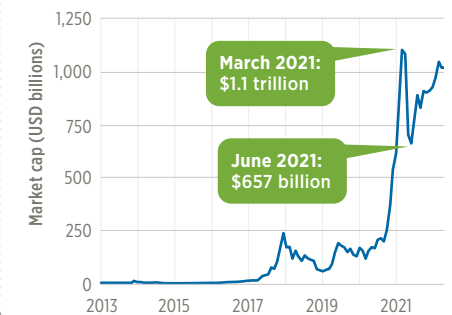
Gains

Bitcoin has achieved an average annualized return of 230%—ten times greater than the second best performing asset class.



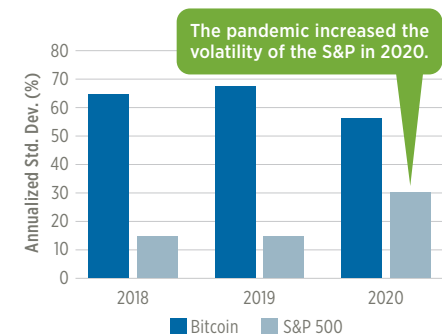
Valuation

Since its inception, Bitcoin’s market valuation has shown impressive increases. However, its valuation has occasionally sputtered with huge dips, including this one in early 2021.



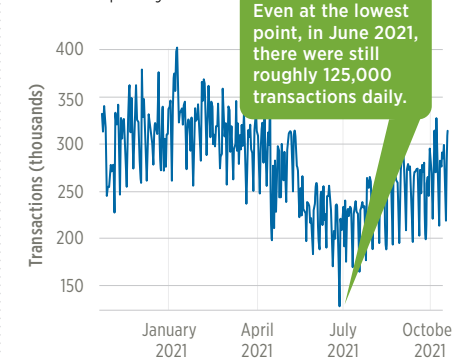
Volatility

One of the hallmarks of Bitcoin has been its spectacular volatility. Here is Bitcoin’s annualized volatility compared with the same for the S&P 500 Index.



Transactions

More and more people are using Bitcoin, with close to 300,000 daily transactions over the past year.



How to Safely Aggregate Your Accounts via Apps

Apps that allow you to aggregate financial information might seem like a no-brainer. But there are privacy concerns you should be aware of when you use any type of third-party app to manage your money. Here are some best practices to consider to help your financial information stay secure.

Read the terms. Before sharing your financial data with a third party, read the fine print. What is the benefit for the third party?

Review privacy and security measures. Make sure the aggregator doesn’t share your information with any additional parties.

Do your research. Read reviews of the service and see if there have been any past data breaches.

Terminate the service if you no longer use it. If you try an aggregator and discover it’s not for you, be sure to cancel the service immediately.

Password management. Strong, unique passwords are always important, but especially when all of your information is in one place.

If you’re considering using an aggregator app, make sure to carefully weigh the benefits of convenience against the costs of feeling less secure. Regions Bank takes the following steps to protect your data and privacy.

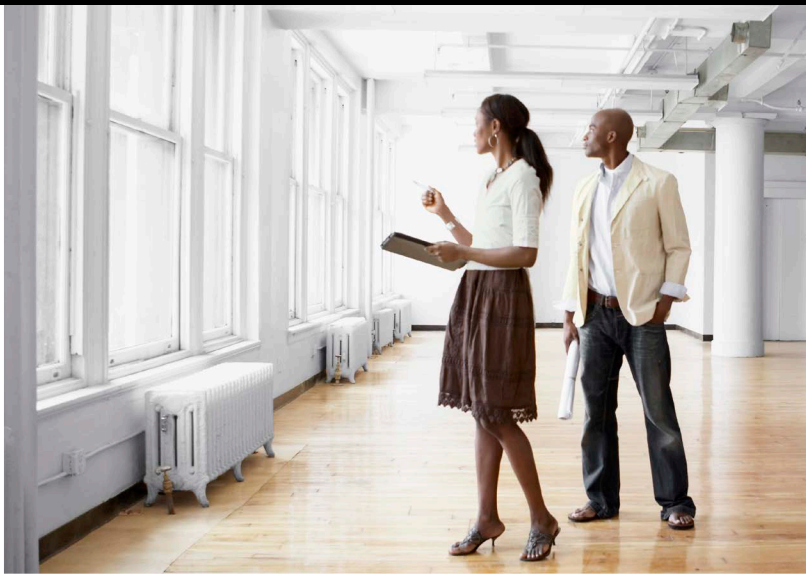
Firewalls. Regions creates a barrier between your financial data and the wide-open internet.

Intrusion detection. The network is monitored for intrusion attempts 24 hours a day, seven days a week.

Audits and inspections. Security infrastructure is regularly inspected to ensure its tools are up to date.

Two-factor authentication. Regions requires you to provide additional authentication if you’re logging in from an unfamiliar device. ▲

Data sources, clockwise from top left: TradingView.com, Statista, Blockchain.com, Regions Asset Management.



Should You Diversify With Investor Real Estate?

If you're interested in commercial real estate, you first need to know your goals, time horizon and risk tolerance.

Inflation was one of the top consumer concerns during the summer and fall of 2021. While economists vigorously debated whether inflation was a short-term phenomenon due to COVID-19 supply chain disruptions or a more long-term challenge, plenty of investors investigated ways to manage the risk of higher prices—including real estate.

In periods of inflation, rents tend to increase, real estate prices appreciate and fixed-rate mortgages increase in value. "Depending upon the property type and terms of the leases, rents tend to increase in inflationary periods," says Frank Caley, Jr., a Lending Advisor for

Regions Private Wealth Management in Birmingham, Alabama. "But you've already locked in your cash outflow for the debt repayments, so if your rent increases, that is going to benefit your cash inflow."

Investor Real Estate Comes in Many Shapes and Sizes

When Caley is talking about real estate, he really means so-called investor real estate, which means commercial properties of varying types. He puts investor real estate into distinct categories, each of which has its own dynamics and risks. The five main

categories, in the order that Caley sees as most active right now, are industrial, multifamily, retail, hospitality and office.

Industrial real estate includes large warehouses but could also include retail stores. When it comes to these properties, "unless you have an anchor facility like a large grocery store or Home Depot, sometimes those leases aren't as secure as long-term single-tenant leases," says Caley.

Hospitality—usually hotels—can be more challenging, says Caley, because they require both an investment of capital and skill in operations. Put another way, it requires the sales and marketing chops necessary to fill hotel rooms every night.

The ongoing impact of the pandemic and how it will change work has injected a lot of question marks into investor appetite for office space—and in some cases, multifamily properties. "How many people are going to come back to work?" asks Caley. "Will it be back to the office all of the time or some form of hybrid work? What is the new desire among employers and employees?"

Evaluating Investment Opportunities

Caley has worked with many clients interested in incorporating real estate into their portfolios as a hedge against inflation—specifically helping them decide how to fund such investments and evaluating how they fit into clients' overall portfolios. One big potential benefit is diversification, because investor real estate generally does not correlate closely with the stock market.

To really determine whether investor real estate is a good addition to someone's portfolio, Caley walks clients through an analysis that includes answering the following questions.

What is your purpose and time horizon? There are many perfectly good reasons for someone to consider adding investor real estate to their portfolio, including diversification, hedging against inflation, tax strategies and maximizing cash flow. Clarifying exactly why a client wants to invest is an essential step in analyzing real estate options because the answer helps guide the type of investment that can best achieve that objective. Similarly, being clear on the timeline for the investment provides clarity.

For example, someone seeking diversification through real estate will need to have a longer-term commitment. "It's an illiquid asset in your portfolio," says Caley. "Depending on the investment, it can be many years before you can get your money

out. You may risk loss of returns or even your initial investment by taking it out too early."

Investors who want exposure to real estate while keeping a more hands-off approach may consider real estate investment trusts (REITs), which are publicly or privately traded companies that own and operate real estate properties.

What is your realistic commitment? Successfully incorporating real estate into an investment portfolio is about much more than writing a check. Caley devotes a lot of time to making sure his clients understand everything that is involved with maximizing the potential of their investment. "What is your level of capital, personal time and expertise in this?" says Caley. "If you're going to purchase a property for leasing to third parties—have you ever been a landlord before?"

The answers to these questions inevitably lead to more questions. If you're not going to manage the property yourself, will you hire a professional management firm to do it? How will you choose an accounting and legal team to help navigate the purchase and operations of a property? "There's more due diligence considerations with commercial real estate than there is with a family residence," says Caley. "You need a legal team that understands title risks, environmental risks and more."

"What is your level of capital, personal time and expertise in this? If you're going to purchase a property for leasing to third parties—have you ever been a landlord before?"

—FRANK CALEY, JR., LENDING ADVISOR, REGIONS PRIVATE WEALTH MANAGEMENT

How will you fund your acquisition?

There are multiple options to pay for investor real estate—and the choice of how to do it can have a significant impact on your return and the risks. Do you have funds from a previous investment that may be used in a 1031 exchange, which is an IRS provision that may help defer capital gains taxes? Will you pay cash for a property? Or finance it? Or have a combination of cash and bank financing?

Caley helps clients select the option that can help achieve their investment objective.

For example, if an investor wants to produce as much cash flow as possible, Caley will talk to them about their cash-on-cash return. "If you put \$200,000 into a property as your equity and borrow \$800,000, the cash-on-cash return is the net cash flow you receive off of that \$200,000 cash investment," he says. "This metric coupled with other aspects of the investment help drive the right level of equity to debt. We talk through different options for funding and how it aligns with their risk tolerance and what they want to achieve." ▲

Talk to your Regions Wealth Advisor about:

- Types of investor real estate that might fit your portfolio strategy.
- Which real estate investments might work with your time horizon.
- What REITs are and whether they might fit your needs.

2022 Is Here. What's Your Plan?

Positioning your portfolio and financial needs in a global context.

The country and the world have been through a lot in the past couple of years—and so, too, has every individual and every family. Just as nations take time to reflect on where they stand and where they're headed, this new year is the perfect time for a personal "state of the union" review, says Curtis Fessler, Wealth Strategist for Regions Private Wealth Management.

A thorough review entails more than portfolio rebalancing (though that's important). It means considering where the economy and markets may be headed over the next year and beyond as the first step in a careful, point-by-point review of your personal wealth plan. While the specifics of a plan will vary from one individual or family to the next, "you're getting to the heart of a few basic questions," says Fessler. "Where am I right now? Does my current plan align with my needs? If not, what do I need to change?"

The Big Picture: Markets and the Economy

For many investors, 2021 was a year of paradox. "The market has been extremely resilient in light of a multitude of risks," says Wil Dedmon, Investment Research Analyst for Regions Asset Management. Amid higher inflation, rising international tensions and a surge of new COVID-19 cases related to variants, "many people are wondering when the next shoe is going to drop," he adds.

Yet while volatility, as witnessed periodically in the latter half of 2021, is inevitable, the economy shows signs of underlying strength that could help sustain generally stronger markets over the next several years, Dedmon says. "If you look at the health of U.S. consumers, corporate financial results, and at the growth we've seen over the last year, those should support stock prices," he says. "A lot of larger companies have very strong balance sheets."

The outlook for stocks. Among U.S. equities, cyclical stocks—those that tend to rise or decline with broader economic trends—show special promise. “Rising economies and demand should help sectors such as consumer discretionary, energy and financials,” Dedmon says. Technology stocks, too, offer long-term potential, though they are unlikely to maintain the torrid growth they experienced as the world went remote during the pandemic, he says.

Investors might also look to diversify abroad. “In 2022 and beyond, we believe international equities look compelling, given their valuations,” he says. “European economies in particular have been slower than the United States to reopen from their lockdown measures,” Dedmon adds. Thus, businesses across Europe are likely to benefit as that process unfolds. Yet geopolitical tensions and other risks argue in favor of a diversified approach, he notes.

Inflation, interest rates and bonds. Inflation, which spiked in 2021, could decline to lower levels in 2022, Dedmon believes, though risks remain. Supply

chains, disrupted by the pandemic, are driving up prices on goods ranging from autos to food to paper products. While rising prices could erode earnings and hurt companies within some sectors, such as consumer staples, businesses in general have strong momentum and can pass along higher costs, he says.

As for interest rates, “most economists and market participants expect we will have a couple of rate hikes late this year, though the Fed will have to weigh those against getting the job market back to full capacity,” Dedmon says. The Federal Reserve is poised to taper the bond purchasing program enacted to help stabilize the economy during the onset of the pandemic—thus adding to upward momentum for rates. Inflation and rising rates could make 2022 a tough year for bond investors, he adds. “Inflation could erode bonds’ real return, while interest rate hikes could negatively impact their price.”

Making the Global Personal

Once you’ve considered the broad landscape of economic and market forces for 2022 and beyond, use those

insights to help inform a careful review of your personal financial plans, covering everything from your investment allocation to tax exposure to your retirement, legacy and health care needs, Fessler suggests. Your Regions Private Wealth Advisor can help you understand how your life and needs may have changed in the past year or two and whether your finances are positioned to meet those needs.

Regarding your investments—while your portfolio may be diversified between different types of assets, are they well diversified within each asset class? Do your equities contain the right allocations to promising industries as well as U.S. and international stocks, and are those investments diversified to capture growth potential while mitigating risk? If your goals require investment income and bonds are struggling, are there bond alternatives that could help provide that needed cash flow?

Could ESG strengthen your portfolio?

As you position your portfolio for long-term growth and stability, consider whether an environmental, social and governance (ESG) focus could help,

Dedmon suggests. While ESG, or socially responsible investing, was once considered a “feel-good” gesture that added risk by limiting investments in profitable companies, that view is changing. “We now have data that suggests investing in this manner could potentially be additive to one’s portfolio,” Dedmon says. And with intensified focus on climate change and other challenges, renewable energy and other industries may have long-term growth potential.

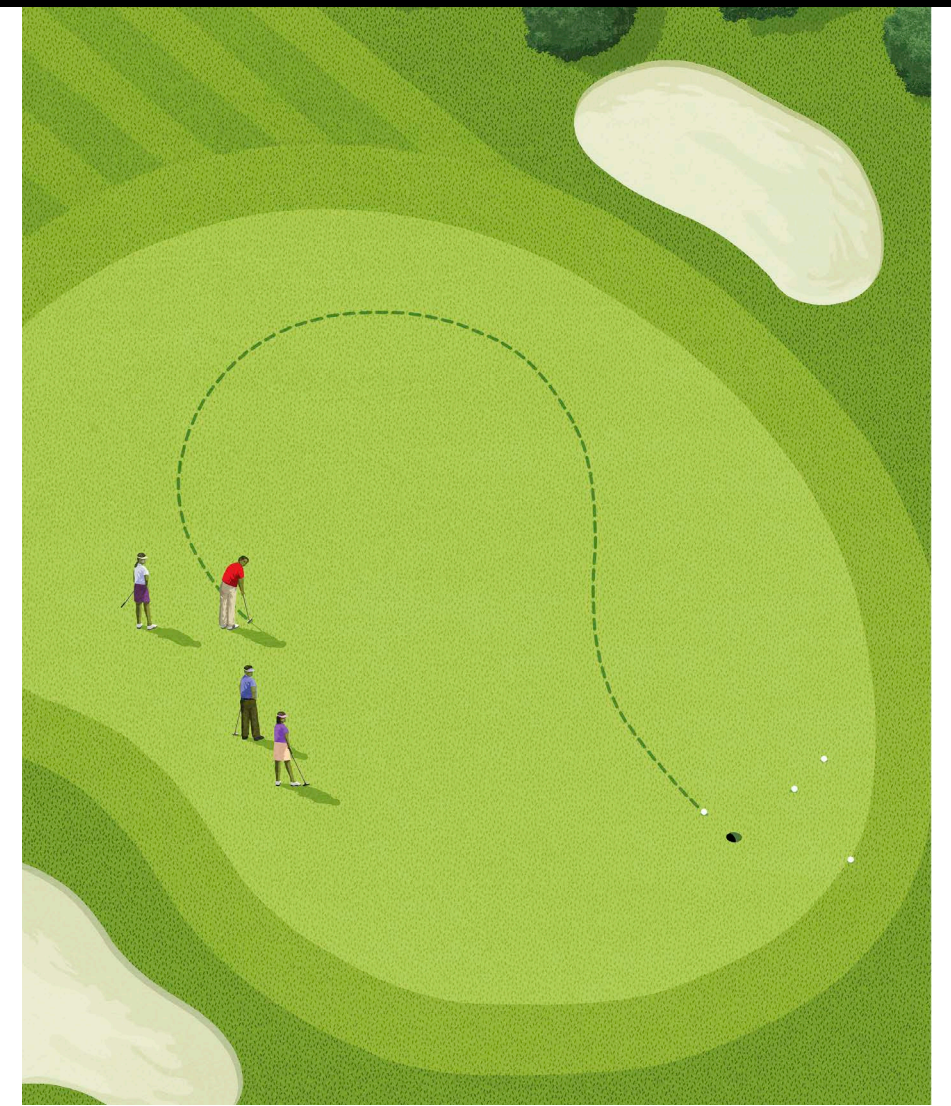
Managing taxes and income. For many taxpayers, 2021 was a year of uncertainty, with the federal government proposing various increases in income and capital gains taxes, especially for affluent Americans. You can’t control or even predict with certainty where tax laws may be headed next, Fessler says, nor should your investment and wealth strategies be guided solely by taxes. Still, it makes sense to review your portfolio and income sources with tax efficiency in mind, he says.

Questions may be as simple as whether you’re saving enough through an employer-sponsored retirement plan to earn the full company match, or they may involve more complex allocation questions, such as whether investments with high gains potential should be in your taxable investment accounts or tax-advantaged retirement accounts.

Real Estate and Other Assets

Assets such as real estate, which has risen dramatically in value in many parts of the country, deserve a careful review as well. “Any time you’re seeing historical highs is a good time to take a step back and ask what the purpose of this investment is,” Fessler says. If assets have appreciated to the point that they now represent an outsize share of your portfolio, could now be the time for an adjustment to mitigate long-term risk?

For Regions clients looking to change a residential or commercial real estate investment, an IRS provision known as a 1031 exchange may be a useful way to



sell one property and purchase a similar one while deferring capital gains taxes, Fessler says. While a 1031 comes with restrictions, “the prospect of deferring taxes while making a transaction can be extremely appealing,” he says.

Legacy, Estate and Health Care

While you’re reviewing your financial strategy, don’t forget other key areas of your financial life, such as your future health care needs and your estate and legacy plans, Fessler suggests. Review your estate plans to ensure that your will, powers of attorney and other documents are fully up to date. Make sure that your gifting plans reflect your latest wishes with regard to your family and charities and that they are as efficient as possible with regard to estate taxes.

As health care costs and long-term care costs continue to escalate, an emergency could require selling assets you need for

future growth, Fessler warns. As part of a thorough review, “often, we look to mitigate those risks through various insurance techniques, with a client’s specific needs in mind,” he adds.

Answering these and other questions can help give you the peace of mind to sleep soundly, regardless of what 2022 and beyond hold in store for the economy, markets and your own life. “Without a game plan in place, people may be more inclined to make emotional decisions,” Fessler says. “With a good, sound financial plan in place, times of disruption represent opportunity.” ▲

Talk to your Regions Wealth Advisor about:

- How your life and needs have changed in the past year or two.
- Rebalancing your portfolio and reviewing your wealth plan for 2022.
- Whether ESG investments might be right for your portfolio.

Getting Started With ESG Investing

These three considerations could help focus your interests and decide if this approach is right for your portfolio.



While environmental, social and governance (ESG) investing has gained popularity, like any type of investing, it takes some time to familiarize yourself with the landscape. “ESG and sustainable investing are still in their infancy,” says Wil Dedmon, Investment Research Analyst for Regions Asset Management. Start with these three steps.

STEP 1:

Define Your Mission

Your Regions Private Wealth Advisor can help you determine the issues or causes that matter most to you, from climate change to economic or social justice or a combination of causes.

STEP 2:

Keep Your Financial Needs Top of Mind

It’s important to remember that ESG investing is not philanthropy. A successful ESG strategy should always start with a focus on achieving your financial goals.

STEP 3:

Do Your Due Diligence

While the universe of ESG investments has expanded, not all are created equal. Your Regions Wealth Advisor can help you review the options, consider ones that may suit both your values and your financial needs, and determine whether and how much of your portfolio you might devote to an ESG approach.

ZHONGQIU/GETTY IMAGES

MICHAEL GLENWOOD GIBBS/THEISLOT



Apples to Apples

What a company's evolution from a family orchard to a large juice manufacturing operation can teach us about keeping a company—and a legacy—in the family.

As the third-generation owner of Red Jacket Orchards in Geneva, New York, Brian Nicholson laughs when he recounts the vow he made in college: He would never work in the family business.

Today, Nicholson sits at the helm of the company his grandparents founded in 1958. It began as a humble orchard and roadside fruit stand before gradually evolving over 63 years. Brian's father, Joe Nicholson, was an innovative fruit grower and entrepreneur who pioneered a wholesale operation during his 50-year tenure running the business. Not only did Brian change in the years between his vow as a young adult and becoming CEO and owner, the company he inherited from his father changed over

time as well. The most notable change in the business was an expansion to juice manufacturing that Brian and his brother Mark envisioned as third-generation owners. The Nicholsons put this vision into motion, growing the business seven-fold in subsequent years. "Today, Red Jacket Orchards is 100% a juice business," says Brian.

As the company has grown and shifted focus, the business and the Nicholson family have both evolved. Despite Mark deciding to exit the business to pursue his own interests in 2019 and their father, Joe, deciding to become a minority owner in the business in order to focus on growing fruit, the Nicholsons have retained strong relationships.

So how did Red Jacket succeed where

many others fail in passing down a company to the next generation, and how can a family business help preserve wealth for generations?

Training in and out of the Company

Brian recounts how his father, Joe, would tell his sons to go off and "learn on someone else's dime"—the implication being that the family business would be waiting for them and would benefit from their outside expertise. When Brian did return, it was with valuable experience from a marketing degree and an advertising career in New York City. His return, however, was when the internal training began. "I had learned in corporate America that making my bosses successful would make me

successful, so I just asked my dad where he needed me," he says of his first years with Red Jacket.

"On-the-ground immersion into the business, combined with requisite education, is essential for a family business looking to transfer control to the next generation," says Brett N. Bond, a Managing Director in Regions Securities M&A Group, who specializes in helping family businesses. He adds, "The successor needs to be trained and gain trust from the management team and the employees. They need to be involved with the business along the way versus being parachuted in."

Structuring a Transition

Since a family business is just as much family as business, making sure that the company serves the family's needs—financial and otherwise—is paramount. Imagine a family business owner who is retiring and needs money to fund their golden years. The kids inheriting the business might be able to buy the owner out outright—or they might not. "You might need outside capital to help transfer the business—you might need to borrow the money, you might sell part of the business," says Bond. "Every situation is unique."

What isn't unique is the necessity of having a plan and the right team to ensure a smooth transition.

Developing the plan for the company's succession was critical for Brian Nicholson in 2019. After two decades of working with his father and brother, Brian had to fully reimagine the future of the business as a solo act. "I realized the extent of capital needed to continue in farming," Brian says—and he didn't see Red Jacket's future there. "It was a fork in the road." Joe's passion for agriculture and growing fruit was no longer aligned with what Brian felt should be company's core mission, so Brian put together a plan to buy his brother out and allow their father to return to growing fruit while remaining a minority partner.

"You might need outside capital to help transfer the business—you might need to borrow the money, you might sell part of the business. Every situation is unique."

—BRETT N. BOND, MANAGING DIRECTOR, REGIONS SECURITIES M&A GROUP

The Right Tools

Having the right paperwork in place was an essential element in making the process of divvying up Red Jacket between the owners end well, both personally and for the company, says Brian Nicholson. "One thing we had done well over the years was to create business entities [within the company] with very clear ownership agreements," he says. The ownership levels and legal structure of the pieces of the company varied, but it was clear who owned what—and Nicholson says the documents served as guardrails as the company changed.

Governance is another key tool, says Bond when it comes to moving the company between generations. "You have to have the ground rules in the form of corporate governance—who sits on the board, how does the stock transfer from person to person in the

family, what happens when someone in the family passes away—you have to agree and set rules." Such rules, for example, could disallow a family member from selling outside the family to a competitor. "That methodology helps maintain control," Bond explains. It can also allow graceful and clear-cut "exit ramps" for family members.

A Path for Each Generation

Ultimately, understanding and accepting that each family member will have a different level of interest and ability to work in the company can help you create legal structures and governance that streamline operations and distribute wealth appropriately. "Each legal structure has different purposes and outcomes," says Bond, "and having the right structure in place can help you transfer wealth and not leave money on the table."

"This is a family business," Brian Nicholson says. "It's not about balance sheets. They're important, but we are not about balance sheets and returns. We are really good at doing something we love to do." ▲



Brian Nicholson

Talk to your Regions Wealth Advisor about:

- Reviewing your succession plan against your needs.
- How ownership documents can benefit your multiple generations.
- Tips for training your successor.



CONNIE A. ROGERS
Private Wealth Management Leader | Senior Vice President
Regions Private Wealth Management

Managing Your Finances in the Wake of a Loss

Leverage the professionals whom you trust.

For Americans who are mourning loved ones lost to the COVID-19 pandemic, these are difficult days. Unfortunately, dealing with the emotional pain of losing a family member is often compounded by having to make financial decisions related to the loss.

Give yourself time to grieve before making any key financial decisions. Don't feel pressured, and remember to lean on the people you trust.

Keep a Team Mentality

By leaning on experts who know you and whom you can trust, you can allow yourself the time to process the loss and to adjust. Your team should include financial professionals, quarterbacked by your Regions Private Wealth Advisor. The rest of the team would typically include a CPA, a trust officer and an estate attorney.

If you are having a tough time adjusting, consider also seeing a therapist or grief counselor. Receiving that emotional support is just as important as getting support from financial experts.

“

Know where all financial documents are, including hard copies as well as scanned electronic records.

”

Stick to Your Plan

Whether the death of a family member comes suddenly or after a long illness, do what you can to plan properly for the eventual day when a loved one passes away. This should include making sure your estate plan and that of your spouse or partner is up to date, including named beneficiaries. Know where all financial documents are, including hard copies as well as scanned electronic records.

It's particularly important to have an up-to-date will, allowing you to avoid potential delays and other inconveniences related to probate, including the value of assets

being reduced, potential family conflicts and the chance that the deceased's wishes aren't honored.

Equally important is for you and your spouse to share financial information and financial decision-making. Typically, one person might be the key financial decision-maker, but that may monopolize the knowledge, leaving the surviving spouse in a vulnerable position. Avoid that by integrating one another into your financial routines.

Accomplish Financial To-Dos

The specifics of your situation may be different from others, but there are a few tasks that anyone who loses a loved one might want to handle soon after.

- **Notify your CPA**, as there could be tax implications related to your family member's passing.
- **Contact each major credit bureau** to prevent identity theft.
- If the deceased family member owned a business, **consult with an estate planning attorney** who specializes in business succession. Ideally, this is something to include in your estate plan well ahead of time.

Plan for the Long Term

Once the immediate details related to the death of your loved one are taken care of and you have allowed yourself time to grieve, you should have a thoughtful review of your personal finances.

Review your budget and consider your short- and long-term goals. Be ready to adapt to a new financial reality, especially if you lost a high-earning spouse. Perhaps this new reality will include downsizing or other changes. Again, take your time before making any major changes.

Be open to what you feel. Many people struggle with deciding whether to remain in the same home. Take your time and work with a supportive team around you. ▲

+ **FOR MORE SUPPORT** reach out to your Private Wealth Advisor.

Giving as a Family

Three options to help your family do good together.

If you want future generations to carry on your love of philanthropy, how do you plan to pass on that vision? “Family giving makes your children see more of what's going on in the world, outside of their own world,” says Carla B. Gale, Trust Advisor at Regions Private Wealth Management. “Learning about people in need and groups trying to help them can sometimes make your children more caring and empathetic.”

Parents can encourage children of any age to research their own causes and explore nonprofits that capture their attention. When it comes to the actual mechanics of giving, families have many options.

Fund Now, Donate Later

Families are increasingly turning to donor-advised funds, which can be funded with a tax-beneficial lump sum and then dispersed to charities over time. The funds also make it easier to donate non-cash items, such as shares of stock, and bring more



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financial benefits to both your family and the recipients.

These can be perfect for family giving, because families then get together a few times a year to connect and talk through what specific nonprofits to support with the fund.

Establish a Trust

For families owning stocks, land or other assets that have appreciated or are likely to appreciate a great deal, a charitable remainder trust (CRT) is a unique, interesting way to give, Gale says. Donors typically fund the CRT with low basis stocks or real estate, and avoid paying capital gains tax on those assets because they eventually go to a charity. Donors receive annuity payments from the CRT for life in addition to getting a big charitable deduction up front when they make the gift.

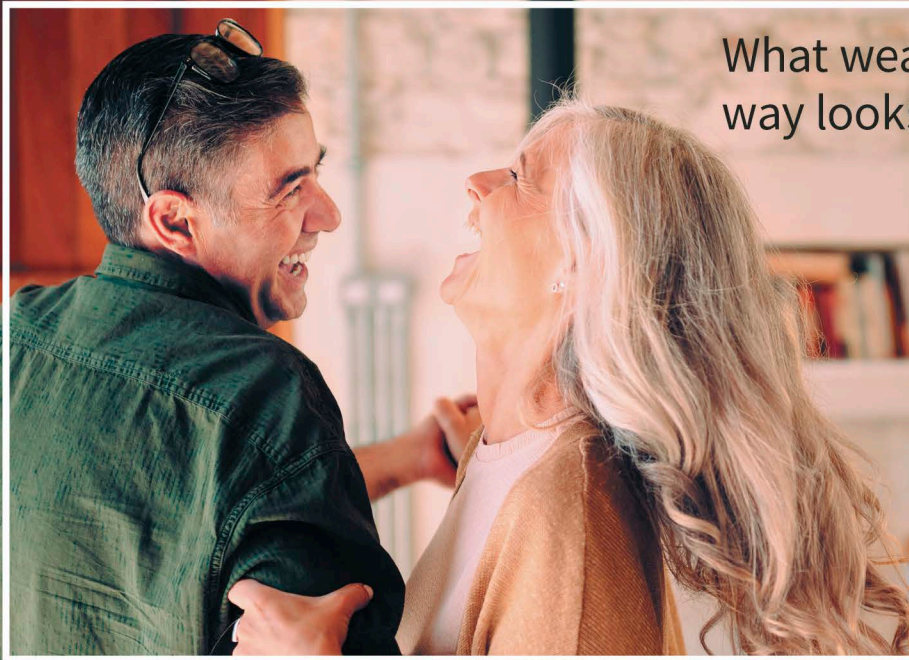
Another option is a charitable lead trust (CLT), where a charity receives the annuity for a certain number of years, and the trust's beneficiaries—your next generation—eventually receive the assets.

Start a Foundation

Family foundations are another option for giving, but they can be quite involved. You'll need to file tax returns and tackle other government paperwork. They include rules about conflicts of interest. Plus, you'll need to establish a board of directors and officers—some of whom may be paid. You also have to give away a certain amount of assets per year.

“Families that endow a private foundation are typically in it for the long haul,” Gale says. If you establish one for your family, make sure everyone is on board with the decision, because someone will need to keep the foundation functioning either inside or outside the family. ▲

▶ **LISTEN** to our podcast episode “Planning for Charitable Giving” at regions.com/wealthpodcast.



What wealth planning your way looks like.

With the right guidance, every step you take can move your finances forward. Our experienced Wealth Advisors are ready to help you enjoy the moment and plan ahead. Gain a personalized plan that can adapt to your changing needs and help you build sustainable wealth. Your Regions team will provide the foresight and comprehensive solutions to support you every step of the way.

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