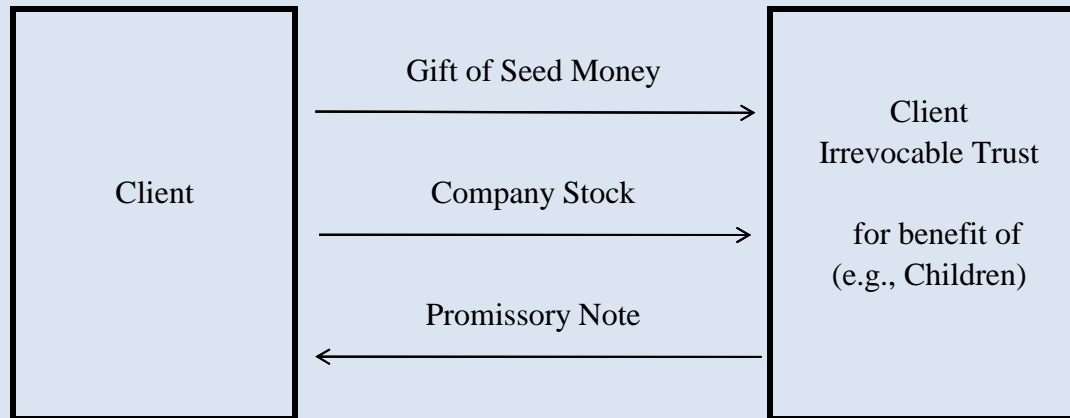


## Installment Sale to Grantor Trust Technique\*



### Common Objectives

- Transfer appreciation in value of investment assets (such as stock in a closely-held business) free of estate and gift tax to children

### Common Steps to Implement

- Client establishes an irrevocable trust naming children as beneficiaries
- Client funds the Trust with "seed" money (e.g., 10% of the value of the assets to be sold to the trust)
- Client and Trustee sign an Agreement selling selected assets to the Trust
- Trustee signs a Promissory Note agreeing to pay client for the assets over a term of years
- Client transfers title to assets to the trust
- Assets (and appreciation on assets) belong to the Trust to be used for the beneficiaries and distributed to them as provided in the Trust

*\*Not intended as legal or tax advice and cannot be relied upon to avoid any federal tax law penalty.*

**TODD A. STEWART, P.A.**

Todd A. Stewart, Attorney-at-Law and Certified Public Accountant  
Board Certified Specialist In Estate Planning and Probate Law  
SouthPark Towers • 6100 Fairview Road • Suite 510 • Charlotte, North Carolina 28210  
(704) 552-5160 • [www.tstewartlaw.com](http://www.tstewartlaw.com)