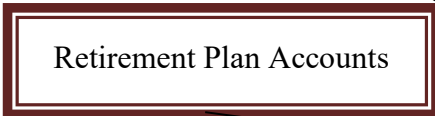
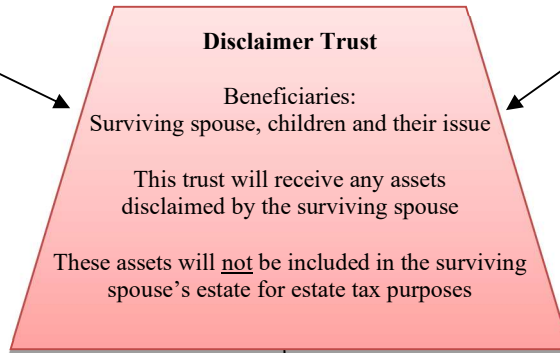
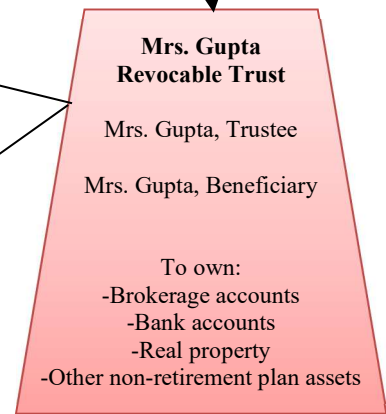
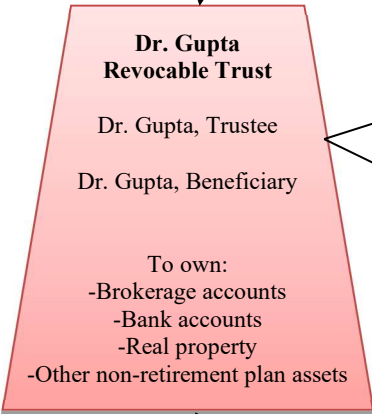
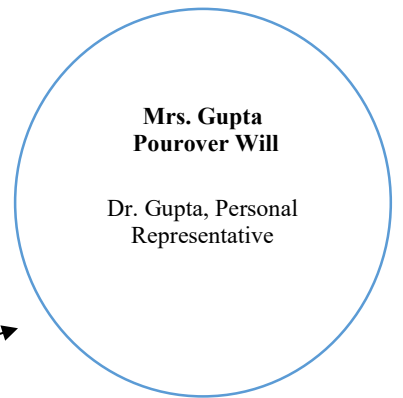
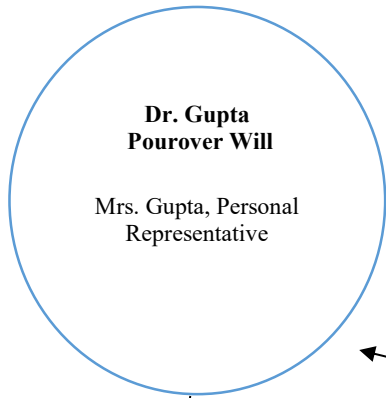
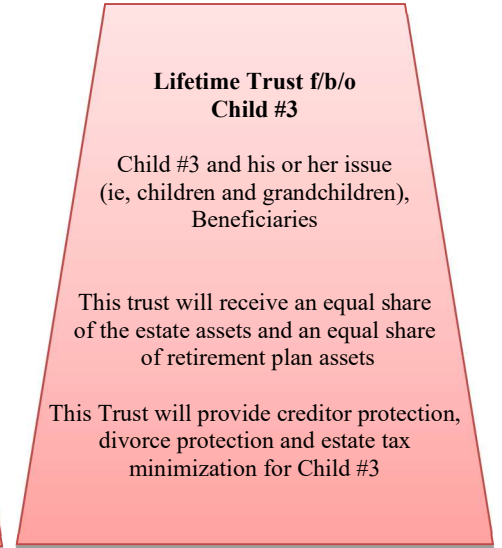
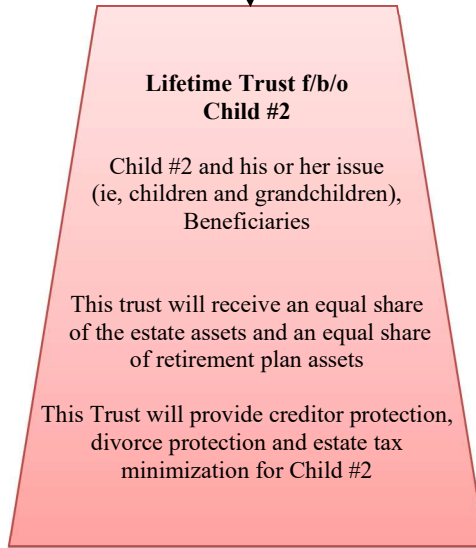
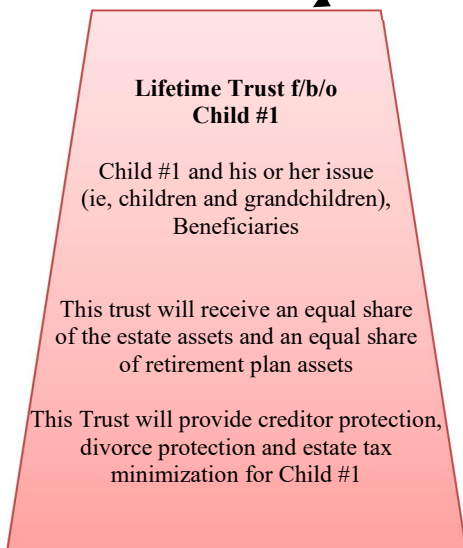


**Dr. and Mrs. Gupta**  
**General Estate Planning Diagram**



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**After Death of Surviving Spouse**

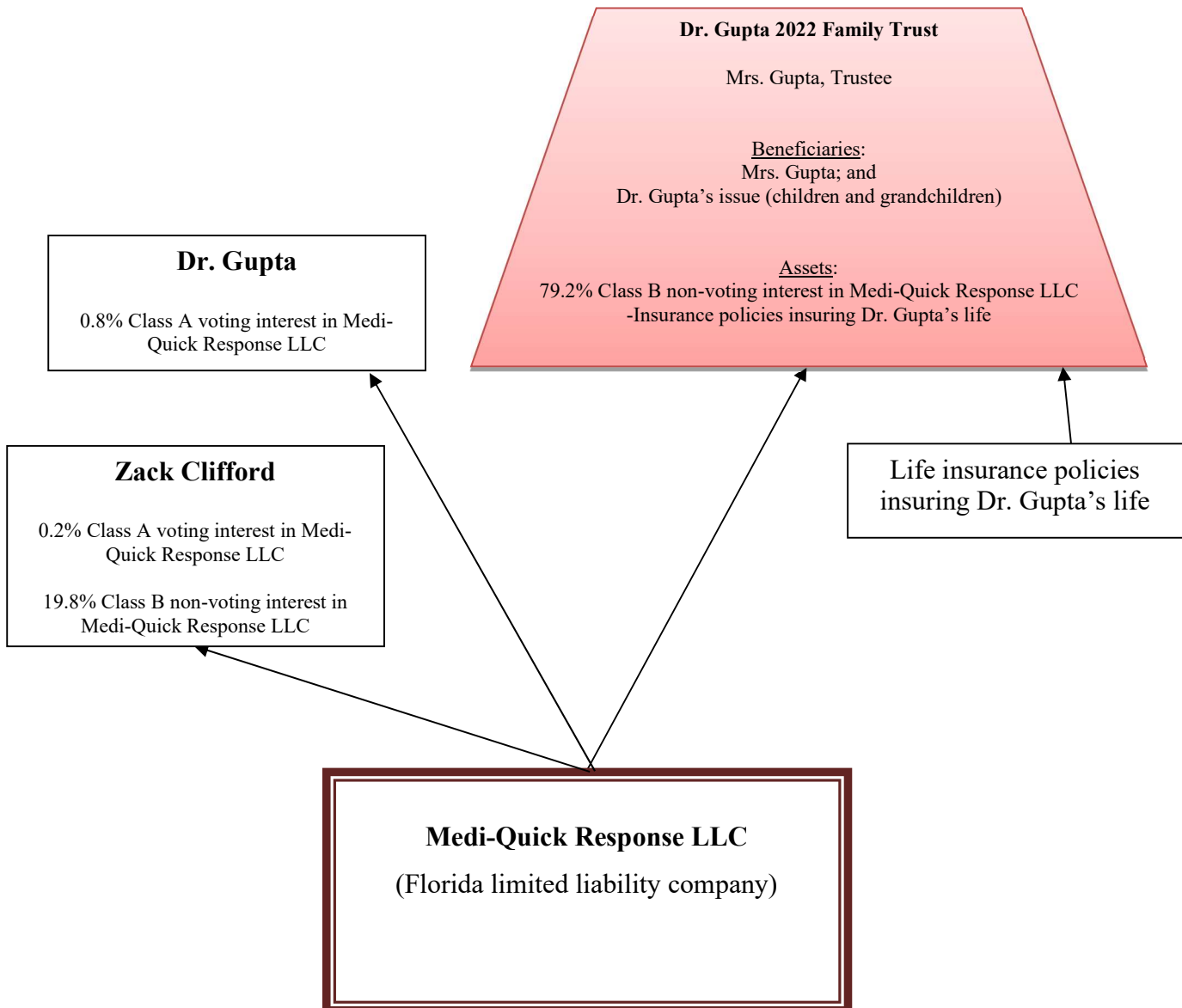


## Leveraged Gifting Transaction

### (Gift of Non-Voting Interest in Operating LLC)

Under a leveraged gifting transaction, first the LLC would be recapitalized into voting and non-voting membership interests. Dr. Gupta would retain the 0.8% Class A voting membership interest in the LLC, and he would gift all or a portion of the 79.2% Class B non-voting membership interest in the LLC to a gifting trust for the benefit of Mrs. Gupta and their children.

By gifting non-voting interests in the LLC, valuation discounts for lack of control and lack of marketability can be achieved to reduce the use of Dr. Gupta's gift and generation-skipping transfer tax exemptions. By making the gifts now, Dr. Gupta can utilize the temporarily high exemptions of \$12.06 million before they are reduced to approximately \$5.5 million as of January 1, 2026.



## Two-Trust Leveraged Gifting Transaction (Gifts of Non-Voting Interests in Operating LLC)

Under a two-trust leveraged gifting transaction, first Dr. Gupta would gift a 40% membership interest in the LLC to Mrs. Gupta. The LLC would then be recapitalized into voting and non-voting membership interests. Dr. Gupta and Mrs. Gupta would each retain a 0.4% Class A voting membership interest in the LLC, and they would each gift all or a portion of his or her respective 39.6% Class B non-voting membership interest in the LLC to a gifting trust for the benefit of the other spouse and their children. This structure will permit the exemptions of both spouses to be utilized, and it will allow each spouse continued access in the event of a divorce.

