



Independent Pharmacy Consulting Group, LLC



Six Things an Independent Pharmacist Should Consider Before Preparing a Buy-Sell Agreement



Independent Pharmacy Consulting Group, LLC

28601 Chagrin Blvd., Suite 300 • Cleveland, Ohio 44122-4500

Lawrence C Barrett, CLU, ChFC, AEP®
Tele: (800) 875-0803, ext. 2392
Lawrence.Barrett@lfg.com

Thomas H. Craft, CPA*, PFS, AEP®
Tele: (800) 875-0803, ext. 7422
Thomas.Craft@lfg.com

Six Things an Independent Pharmacist Should Consider Before Preparing a Buy Sell Agreement

By Thomas H. Craft, CPA*, PFS, AEP® and Lawrence C. Barrett CLU, ChFC AEP®

This article is about maximizing the value of your closely-held pharmacy business by ensuring its transfer, whether planned or unexpected, is done under controlled circumstances to the desired successor in a timely manner while minimizing all costs on such transfer, including taxes.

Why Do Independent Pharmacists Need a Buy-Sell Agreement?

It is important to understand that a Buy-Sell Agreement is only one piece of a total business continuation plan. That plan must take into consideration not only the pharmacy itself and its survival, but also the personal needs and issues of the Independent Pharmacy owner and his or her family, defined as those they care about and feel responsible for. To ensure maximum value, a Buy-Sell Agreement must be incorporated into a comprehensive financial plan including investment, estate and charitable planning for the pharmacy owner.

What is a Buy-Sell Agreement?

A Buy-Sell Agreement (also referred to as a business continuation or shareholder's agreement) is a legally binding contract that places certain restrictions on the transfer of stock by the owners of the pharmacy and requires certain actions happen on the occurrence of certain events called triggering events.

Triggering events may include death, disability, divorce, deadlock, departure (retirement), default (insolvency or bankruptcy), or disagreement among owners. It may also include disasters like a data loss or building fire/flood.

Typically, upon the occurrence of a triggering event, a Buy-Sell Agreement requires the remaining shareholders (or corporation or combination of both) to buy and the departing shareholder to sell their ownership interest to the specified parties. For example, at the death of a shareholder, the surviving shareholders would purchase, and the estate of the deceased shareholder's stock would sell, the deceased shareholder's ownership interest represented by the stock.

Problems Addressed by a Buy-Sell Agreement

Closely-held pharmacy corporations by their nature present some issues that cannot be ignored. Pharmacist shareholders are likely to be active in the business and receive most of their income in the form of salary, bonus or fringe benefits rather than as dividends.

While shareholders enjoy limited liability to corporate creditors, many personally guarantee corporate indebtedness. Finally, the legal structure of the pharmacy remains intact if death or disability occurs to a majority shareholder, but the personal finances of that shareholder changes drastically.

These closely-held pharmacy business characteristics may have a significant impact on and generate major problems for the pharmacy, its owners, their families, and their creditors when ownership changes hands due to a triggering event. Each triggering event can be impactful, but the death or long term disability of an owner usually is the most traumatic because it is often unexpected.

Why Death and Disability?

A shareholder living and working has great flexibility. They can sell their pharmacy, give it away, or keep it. If that same shareholder dies or becomes disabled, they lose all flexibility without a Buy-Sell Agreement in place. The shareholder's stock is distributed (by trust, will or intestate) to beneficiaries who hold and vote the stock. If the decedent was a single pharmacy owner, the trustee, executor or heirs may be forced to run the business. What are the chances your pharmacy will retain its value?

Realistically, the death or disability of a shareholder in a closely-held business often signals the death or crippling of the business. What if the value of the pharmacy is expected to be an important retirement resource after being sold to generate income for retirement? How will the loss of that asset or its value impact the spouse and family?

The death or disability of a working pharmacy owner without a well-drafted Buy-Sell Agreement may spell financial disaster or chaos. No estate asset will deteriorate in value more quickly or completely than a closely-held business. Can you imagine what would happen to your pharmacy's value if it had to close for a week or month?

A Conflict of Interest Exists

The interest of surviving shareholders and decedent-shareholder's heirs are at odds. Even a sole shareholder's death or disability may bring conflict between multiple heirs with different ideas on the pharmacy resulting in an unnecessary formula that may tear a family apart.

The goals or problems of the surviving stockholders may include:

- Retaining their salaries and fringe benefits;
 - Maintaining a healthy cash flow and the ability to reinvest corporate profits and grow the pharmacy;
 - Preventing outside interference with management decisions and outside ownership;
 - Protecting against a shift in control; and
 - Avoiding the loss of an S corporation status.
-

The goals or problems of the decedent's/shareholder's family or heirs include:

- Receiving dividends as a source of income if they are not capable of earning a salary;
- Lacking a technical or operational understanding of the pharmacy or having no interest in taking an active role;
- Controlling and having a voice in all management decisions; and
- Difficulty in selling the decedent shareholder's stock or finding a buyer to buy the pharmacy at the price they want and often need.

What Type of Buy-Sell Agreement is Right for You?

Closely-held business owners usually rely on their pharmacy for a lot of things including:

- Enjoying a good standard of living for themselves and their family
- Supporting employees, their families and their communities
- Turning the business into money at retirement or death

To protect the pharmacy and pharmacy owner's family, and be certain the pharmacist's goals are met, a properly drafted and implemented Buy-Sell Agreement can act as a key tool to help achieve such goals.

Buy-Sell Structures

Buy-Sell Agreements can be structured to meet the needs of both the pharmacy and the owners, taking into consideration tax consequences and individual goals. If the pharmacy is obligated to buy the interests of the departing or deceased owner, the structure is a redemption, or entity purchase. If each owner is obligated to buy the shares of the departing or deceased owner, it is a *Cross-Purchase*. If a family member, non-owner employee or friendly competitor is in line to purchase the pharmacy from a sole ownership arrangement, it is a *Unilateral* or *One-Way Buy-Sell*. Finally, if unsure whether the pharmacy or remaining owners should buy the pharmacy, a *Wait-and-See Buy-Sell* is used.

Two critical issues in structuring Buy-Sell Agreements are the tax consequences and methods to fund the Buy-Sell. Tax ramifications based on the type of agreement and whether the pharmacy is a C corporation, S corporation, Limited Liability Company or Partnership will be covered in the sixth installment of our series. There are several ways that the company could fund this purchase including but not limited to cash, borrowing, installment sale, or life insurance. Funding mechanisms will be discussed in Part Four.

Redemption Agreement

Upon the occurrence of the specified event, the corporation is required to buy and the departing owner and the owner or owner's family are obligated to sell the agreed-upon number of shares at the price or according to a formula stated in the agreement. The seller receives cash and/or notes and the company receives the stock in the exchange.

Here's how a redemption arrangement may work:

Sam and Dave are equal 50 percent owners of Sam & Dave's Pharmacy which is valued at \$1 million. Sam and Dave enter into an agreement together with the company, where the company agrees to buy the departing owner's shares in the event of a triggering event such as death, disability or retirement.

At Dave's death, the company must purchase Dave's shares for \$500,000, and Dave's heirs must sell their inherited shares to the company for \$500,000. After the transaction is completed, Sam still holds his 500 shares, but they now comprise 100 percent of the company. The 500 shares acquired by the company are held as treasury stock and may be used for future purposes.

Cross-Purchase Agreement

This agreement is between existing shareholders or owners of the pharmacy and obligates those remaining owners to purchase the shares of the departing owner at a predetermined price or according to a predetermined valuation formula. The pharmacy and its capital structure are not involved in the transaction. If multiple owners are involved, the agreement may state that certain owners are allowed to purchase differing amounts of stock; for example, to ensure control is held by certain owners. Each owner must provide their own funding.

Here's how a Pharmacy Cross-Purchase arrangement may work:

Sam and Dave are equal 50 percent owners of Sam & Dave's Pharmacy which is valued at \$1 million. Sam and Dave enter into an agreement under which each of the owners agrees to do the buying from the other owner upon a triggering event such as death, disability or retirement.

Assuming Dave dies, Sam buys Dave's shares from his heirs for \$500,000 and Dave's heirs sell their inherited shares to Sam for \$500,000. After the transaction is completed, Sam holds his 500 shares plus Dave's 500 shares for 100 percent of the company.

One-Way Buy-Sell Agreement

Many small- and medium-sized pharmacies are owned by a single person. These owners may find Buy-Sell Agreements difficult since there is no other shareholder to buy or take over the pharmacy if the owner dies, becomes disabled or wants to sell his or her shares in the pharmacy.

However, without a Succession Plan, the pharmacy owner may lose significant value and customer goodwill developed from years of hard work and the family may stand to lose an important source of income. Faithful, long-term employees may suddenly be out of work. Business creditors may have pending claims to be handled, or may be unwilling to extend additional credit to the pharmacy absent the owner's presence. Even if the pharmacy is to be transferred to heirs according to the estate plan, heirs may not be prepared to run the pharmacy. Many small pharmacies simply do not outlast their founder, no matter how strong their market presence, due primarily to lack of Business Succession Planning.

A potential successor, ideally, may be among family members such as a child, a valued employee, or even a competitor. A simplified type of “Buy-Sell Agreement” typically used by pharmacies with multiple owners could be used to facilitate your Business Succession Plan.

The owner would contract to sell and the purchaser would contract to purchase the pharmacy ownership interest upon the occurrence of a specified event discussed in the first article. The agreement may also provide that the purchaser would not assume the debts and obligations of the business. Your executor would use cash from the purchase to payoff business obligations.

Wait-and-See Agreement

This agreement also referred to as the “*optional*” Buy-Sell Agreement is sometimes implemented as a way for the owners of a pharmacy to hedge their tax bets. It is essentially a hybrid between the Redemption Agreement and Cross-Purchase Agreement which allows owners to wait until the agreement is exercised to determine which option is best for the pharmacy and their family. The pharmacy has first rights to purchase its stock. If the pharmacy does not exercise its right, the shareholders have the right to purchase the stock. If the shareholders fail to exercise their rights, the pharmacy corporation must purchase all remaining shares. All purchases must be made at the predetermined price or according to a predetermined valuation formula. It can become complex in multiple owner situations when certain owners may not want to increase their percentage holdings in the company.

Determining the Price or Formula for Your Buy-Sell Agreement

A Buy-Sell Agreement requires establishing a set price or price-setting formula to be used when a triggering event such as the owner’s death or disability occurs. This price or formula should be determined when creating your Buy-Sell Agreement. Without an established and agreed-upon price or formula, you invite uncertainty and increase the likelihood of disagreements and litigation if a triggering event occurs.

While the method used may be simple or a combination of methods, the price or formula should be fair, reasonable, easily understood and workable. You never know which side of the calculation you or your family may be party to. There are primarily four methods that can be used to set the price of your pharmacy in your Buy-Sell Agreement – book value, agreed value, appraised value and formula value. We will touch briefly on each method. Further research is required before making a decision on the method or combination of methods to use.

Book Value

Assets less liabilities define book value in its simplest form. This method works best where a business is an asset holding company such as an investment company. It can also be beneficial for a one-person corporation if the business is worth its liquidation value or the business is highly competitive but only marginally profitable and its past earnings record is

unreliable to measure future profits. Independent pharmacies with goodwill as the largest asset can also benefit from this method.

Raw book value, however, should not be used as the stand alone formula for determining price. The following book values may not reflect fair market value and should be adjusted:

- Assets carried at cost likely bear little resemblance to actual value.
- Assets depreciated at a rate in excess of their true value decline or completely written off but still possessing value.
- Assets such as goodwill or franchises may be carried on the books at a nominal amount or not reflected at all.
- Inventory may be obsolete or understated and accounts receivable uncollectable.

Adjustments may also be necessary for a pharmacy with a poor liquidity position, experiencing a shortage of working capital, or burdened with substantial long-term indebtedness. Finally, book value does not recognize intangibles such as location or reputation.

Agreed Value

The certainty of stated price minimizes disputes between parties, eliminates accounting or appraisal fees, and allows owners to plan better for their families and heirs. However, simple and easy are not always appropriate. A per-share value of the pharmacy is pre-determined and will be paid when a triggering event occurs.

Problems such as an outdated value can arise after a number of years if the pharmacy grows or shrinks. In addition, it is difficult to anticipate future changes or situations that may occur and affect the stated price. Finally, in a family pharmacy business, such a predetermined value will not stand up to IRS scrutiny for gifting or estate purposes.

To avoid a stale price, a schedule needs to be established for periodic review and reevaluation of the price and procedures if a triggering event occurred without reevaluation occurring.

Appraised Value

Expensive and time consuming, this method requires an appraisal be made within a specified time after the valuation date by a qualified independent third-party appraiser using one of two possible methods.

Independent Appraiser Approach. One appraiser is hired by the departing owner or owner's estate and another appraiser is hired by the remaining owners or buyer. If the two independent appraisers cannot come to terms within a given period of time, they recommend that a third appraiser be hired. The price of the pharmacy becomes the average value found from all three appraisers.

Federal or State Estate Tax Valuation. If a federal or state estate tax return must be filed, this method may be used to determine value. It does, however, come with ethical and problematic conflict concerns. On one hand, an estate's executor wants to keep the value of

the pharmacy as low as possible to minimize any estate tax liability but, at the same time, wants as high a value as possible to increase the amount received by the family or estate.

Under both methods, uncertainty of outcome is another reason why neither method may be beneficial in using this method as the price setting mechanism.

Formula Valuation

There are many formula approach variations. None by itself is perfect or universally accepted. Here the approach is similar to if you were valuing your pharmacy to sell to a third party. One approach is EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) with additional adjustments for excessive salaries, rents, or other unusual operating expenses. Other approaches include capitalization of earnings, and number of scripts plus inventory.

Considerations in Setting a Price

High valuations result in the departing owner or family receiving more cash and the pharmacy or remaining owners paying more for the stock. In a Cross-Purchase Agreement, the remaining owners receive a higher income tax basis in the stock. Lower valuations result in less cash payable to the departing owner or heirs and less outlay by the pharmacy or remaining owners. Owners must always look at both sides because they can never be certain whether they will be the sellers or buyers in a Buy-Sell Agreement.

How to Fund Your Buy-Sell Agreement

Drafting a Buy-Sell Agreement and deciding on a fair and equitable price may appear simple compared to determining how you are going to fund the potential obligation.

Attributes of an effective method to provide funds to help meet certain contingencies should be at a relatively low cost, easy to understand and administer, not adversely affect the working capital or credit position of the pharmacy, and be paid in a reasonable time period.

Any well drafted Buy-Sell Agreement should consider a number of triggering events, although the most common include death, disability, retirement and departure before retirement. This article will focus primarily on unexpected contingencies - death and disability. The probability of a death or disability occurring to at least one pharmacy owner with partners or as a sole owner is higher than most people expect. Consider two partners age 40 to 45 have a 42% chance one partner will die before the age of 65. Disability odds are even greater.

While insurance is often the funding choice of most pharmacy Buy-Sell Agreements, let's look at other alternatives because sometimes a combination of one or more may be an alternative option.

Cash or Sinking Fund

While cash is the simplest option, it is also the least efficient. Since there is no tax deduction for the buyer, they must earn more than one dollar to net (after taxes) the dollar to use for the purchase. Another problem is holding cash with the unknown of when or, if ever, it will

be needed. Using a sinking fund requires establishing how much to deposit each year, a discipline to continue making deposits and restraint in not using these funds for your pharmacy in emergency situations. Because death and disability are rarely expected or anticipated, there is usually inadequate time to build up sufficient reserves.

Borrow Funds

Borrowing has the advantage of also being simple and requiring no outlay until a contingency occurs. The bigger question is how anxious is the bank or lending institution to lend the pharmacy or pharmacy owner cash immediately after losing a key employee and pharmacy owner. If the loan is made, what will the terms be and how will the new cash flow demands for loan repayment impact pharmacy operations?

Installment Payouts

The apparent advantage of an installment sale from the buyer's perspective is that it's simple with a relatively small cash outflow depending on the length of the note. The departing owner's family prefers a lump-sum payment and may not be so patient waiting for their money. In addition, the risk of forfeiture increases because they are at the mercy of the remaining owner to operate the pharmacy profitably.

Private Annuity

A private annuity is an agreement between the pharmacy or remaining owners and the departing owner's family that the buyer will pay a fixed amount each year for the remainder of the departing owner and his spouse's life. This works in situations with close family relatives or loyal employees.

A problem with a private annuity is that it cannot be secured by collateral. If secured, it loses one very important advantage – the spread of gain over the lifetime to the seller.

In essence, a private annuity can only be used when the seller has extreme trust in the personal reliability and financial management capability of remaining owners. Further, interest paid by the pharmacy is not deductible.

Leveraging Other Business Assets

Referred to as a last resort, it should be just that. If there are pharmacy assets that can be mortgaged, the debt will impact the firm's credit rating and have an impact on day-to-day operations of the pharmacy.

Insurance

Life insurance is the only option that guarantees* funding of the event for which the "needed benefit" is created to satisfy the obligation. Life insurance allows the deceased owner's family to receive value of the business interest in a lump-sum payment. It allows the pharmacy and/or the remaining owners to buy the shares without impacting daily cash flow, interrupting pharmacy operations, or negatively impact their credit rating.

*Guarantees are subject to the claims paying ability of the issuer.

Disability insurance is more complex and often more costly because there may be a need for:

- Disability income to protect the disabled owner and his or her family with income replacement;
- Disability buyout which provides the funds to the pharmacy or remaining owners to buy-out the disabled owner's business interest; or
- Disability overhead which provides funds to pay normal operating expenses to keep the pharmacy open for a set time period.

A downside to insurance is the requirement that upfront dollars are needed to fund the policies long before any potential payout may be needed.

What Type of Life Insurance to Use in a Buy-Sell Agreement?

When selecting insurance for your Buy-Sell Agreement, you will succeed if you focus on matching the "product" to the "problem. The first question that arises is "how much insurance is enough?" Once determined, the premium costs may weigh in on what type of life insurance is used – term or permanent.

Term Insurance

When the purpose of the insurance is to cover a death need only up to the shareholder's 65th or even 70th birthday, term insurance is often used. It is usually purchased for a period of 10, 15, 20 or 30 years at a level premium. Beyond that level period, the coverage will run out, no longer be renewable, or experience a significant premium increase due to the advanced age of the insured.

Term life insurance does provide two distinct advantages:

- The initial outlay (premium) will be lower than permanent insurance and
- When the after-tax earnings of the business are high enough, the time value of money may favor using term, but only provided the company invest the difference in the business and the business profitability is continuous for the long-term. (Note: it works in theory but rarely in practice.)

A disadvantage of term insurance is it only provides protection against one triggering event – death. Permanent insurance may provide greater coverage for more than one triggering event and, therefore, be more economical.

Permanent Insurance

The initial outlay of permanent life insurance is higher than the equivalent amount of term insurance however the advantages may outweigh the cost. Permanent life insurance is generally purchased to help meet the goals of a Buy-Sell Agreement where the owners will continue to work or hold their business interest in the pharmacy beyond ages for which term insurance is appropriate.

Permanent life insurance provides numerous advantages over term insurance:

- The life policy can be continued regardless of the ages or health of the shareholders and the premium may remain level indefinitely unlike term insurance which becomes prohibitively expensive at advanced ages.
- The cash values in the policy can be used to provide a low cost loan or collateral assets for a business need or fund a lifetime buyout. The reason higher premiums are paid in early years is to internally build cash value in a tax-efficient manner to keep the policy in force until the insured's actuarial death age when the cost of insurance becomes prohibitively expensive. (Withdrawals from cash values reduce death benefits and may be subject to surrender charges.)
- Cash values can be used for the retirement of a pharmacist shareholder, serve as security for both the shareholders and pharmacy or used as a source of funds to make a down payment for the acquisition of the insured's stock during life.
- Another important use of the tax-free cash value build-up inside the policy may be used to fund a disability buyout.
- In a family business where the business owner holds a significant interest in the pharmacy until death, the permanent insurance provides an estate planning advantage to non-equity family members allowing for equalization of the estate.
- Over the long run, permanent insurance is more useful in funding pharmacy business purchase agreements because of its flexibility.
- If corporate-owned life insurance has a waiver of premium provision, at the end of a six month waiting period, money previously used to pay life insurance premiums can now be used by the pharmacy to help pay for the disabled shareholder's stock and indemnify the pharmacy for the loss of a key person.

Types of Permanent Insurance

Permanent life insurance varies based on the purpose or use of the insurance which may include a level death benefit or cash value build-up. Another consideration is whether the burden of risk falls on the policy owner or insurance company. Types of permanent policies include whole life, universal life, variable universal life, and indexed universal life.

Use of Existing Life Insurance

When using an existing life insurance policy, it is critical you be aware of the "transfer-for-value rule under IRC §101(a)(2). Under the rules, if a policy or any interest in a policy is transferred for valuable consideration, the death proceeds will be exempt from income tax only up to the amount of consideration paid by the transferee and net premiums, if any, paid after the transfer. In other words, a life insurance death benefit can become fully or partially taxable.

Tax Consequences of a Buy-Sell Agreement

In the second installment of this six-part series, we discussed a Cross-Purchase Agreement where shareholders in a pharmacy are obligated to personally purchase a deceased shareholder's interest. Each shareholder owns, pays premiums for and is the beneficiary of a life insurance policy on the life of the other shareholder. We also discussed a Stock Redemption Agreement where the pharmacy, rather than the individual shareholders, is obligated to purchase the stock of a deceased shareholder. The pharmacy owns, pays premiums for and is the beneficiary of a life insurance policy on each individual shareholder's life. This article examines the tax impact of both agreements.

Are Premium Payments Tax Deductible?

In a Cross-Purchase Agreement where an individual shareholder purchases life insurance on the life of another shareholder and pays the premium, there is no deduction allowed. The premium payment is paid with after-tax dollars. The Internal Revenue Code clearly denies any tax deduction for premiums paid by a corporation on life insurance covering the life of an officer, employee or anyone financially interested in the business when the corporation is a direct or indirect beneficiary of the policy. In a Stock Redemption Agreement, the pharmacy is both the owner and beneficiary and, therefore, unable to deduct any premium payments.

Are Premiums Paid Taxable to the Insured Shareholder?

Any premiums that are paid by a co-shareholder are not treated as taxable income to the insured in a Cross-Purchase Agreement. When the pharmacy is the beneficiary or the beneficiary's right to receive proceeds is conditioned upon the transfer of stock to the pharmacy, premium payments will not be subject to taxation to the individual shareholders in a Stock Redemption Agreement.

Are Death Benefit Proceeds Taxable?

The general rule is that life insurance proceeds paid as a result of the death of the insured are excludible from the beneficiary's taxable income. This exclusion extends to all shareholders involved in a Cross-Purchase Agreement. A pharmacy that is a beneficiary receives the same tax treatment afforded individuals. In a Stock Redemption Agreement, when the intent of the pharmacy is to use the insurance proceeds to purchase the shares of the deceased shareholder from the estate or executor, the proceeds are received income tax-free.

How is Cost Basis of the Stock Affected by the Insurance?

Under a Cross-Purchase Agreement, the basis of the stock purchased by a surviving shareholder is the original basis for the shares owned before the purchase plus the consideration paid for the decedent's shares. In other words, the shareholder's basis step-ups for the newly acquired shares of the pharmacy to the purchase price in the Buy-Sell Agreement. The results are quite different in a Stock Redemption Agreement where the surviving shareholders are not personally paying any money for the deceased shareholder's stock. The pharmacy purchasing the stock is a separate tax entity, therefore, the cost basis in

the hands of the surviving shareholder remains unchanged. In other words, the purchase of the stock has no impact on the cost basis of the surviving shareholders.

The deceased shareholder's stock receives a step-up in basis to its value at the date of death under both types of Buy-Sell Agreements where the surviving shareholders only receive a step-up when a Cross-Purchase Agreement is used. The tax implications could be great for the surviving shareholders under a Stock Redemption Agreement when they sell their ownership interest as they are subject to capital gains on their portion as well as the portion of the previously deceased shareholder.

Will Premium Payments Affect Earnings and Profits of the Company?

There is no affect to earnings and profits of the pharmacy in a Cross-Purchase Agreement since the pharmacy is not a party to the agreement. All or part of the premium payments reduce the pharmacy's retained earnings where the pharmacy owns and pays for life insurance used to fund a Buy-Sell Agreement in a Stock Redemption Agreement. Term insurance and permanent insurance with cash value are treated differently in reducing earnings and profits

In Summary

A Buy-Sell Agreement is one component of a Business Succession Plan, but a very important component. You should have a better understanding of why a Buy-Sell Agreement is needed, what types of agreements exist, how to price or value your stock, ways in which you may fund your agreement, the types of life insurance and the appropriate use of each, and finally the tax issues surrounding Buy-Sell Agreements. We hope you will take the appropriate steps to protect you, your family and your business.

Lawrence C. Barrett and Thomas H. Craft are registered representatives of Lincoln Financial Advisors Corp.

Securities offered through Lincoln Financial Advisors Corp., a broker/dealer. Member SIPC. Investment advisory services offered through Sagemark Consulting, a division of Lincoln Financial Advisors, a registered investment advisor. Insurance offered through Lincoln affiliates and other fine companies. Neither Lincoln Financial Advisors nor its representatives offer legal or tax advice. You may want to consult a legal or tax advisor regarding this information as it relates to your personal circumstances. 28601 Chagrin Boulevard, Suite 300, Cleveland, OH 44122. CRN-1241773-070715

* Licensed, not practicing on behalf of Lincoln Financial Advisors Corp.

Independent Pharmacy Consulting Group, LLC is not an affiliate of Lincoln Financial Advisors Corp.



Independent Pharmacy Consulting Group, LLC

28601 Chagrin Blvd., Suite 300 • Cleveland, Ohio 44122-4500

Lawrence C Barrett, CLU, ChFC, AEP®

Tele: (800) 875-0803, ext. 2392

Lawrence.Barrett@lfg.com

Thomas H. Craft, CPA*, PFS, AEP®

Tele: (800) 875-0803, ext. 7422

Thomas.Craft@lfg.com