Your options. Your life. One coordinated plan.

Prepared for: Client A (60), Client B (58), Joint household
Business: Cedar Lantern Service Co. (fictional)
Prepared by: Fictional Review Professional
Report date: November 1, 2026 | **Return year:** Not supplied
Source: Matched fictional intake. All facts and assumptions are synthetic.

Inside and outside exit options

$1.40m / $1.80m

What could you actually keep? A bigger headline price is not the same as spendable money. These are alternative 100% cash-close illustrations, not offers.

Math: inside $2.0m / outside $2.5m gross enterprise price minus $200k debt and an assumed 20% of gross for combined taxes/fees. Joint owns 100%. CPA must replace that assumption.

PROFESSIONAL REVIEW NEEDED

Lifestyle and wealth gap

$0.10m-$0.77m

Could the inside option support your next chapter? $120k yearly spending less $40k dependable income leaves $80k to fund. At a hypothetical 3%-4% draw, plus $100k reserves, capital needed is $2.10m-$2.77m.

Less $600k outside assets and $1.40m inside proceeds leaves about **$100k-$767k**. Outside proceeds leave **$0-$367k**. These alternatives are not added. No lifetime-income assurance.

PROFESSIONAL REVIEW NEEDED

Value gap: a goal, not an appraisal

$2.13m-$2.96m

How much gross value would meet that capital target? Required EV = (target minus $600k assets plus $200k debt) / 80% net retention. This is a goal-derived threshold, not market value.

At $500k normalized EBITDA, that implies **4.25x-5.92x**. The owner-selected 4x-5x illustration gives $2.0m-$2.5m; the shortfall could be $0-$958k. Multiples are assumptions, not market benchmarks.

PROFESSIONAL REVIEW NEEDED

Second Offer: what cash flow might support.

Business-supported debt capacity **$1.63m-$1.92m**

Could the business help fund an inside path? $500k EBITDA already includes market replacement pay. Subtract $70k cash taxes, $50k maintenance investment and $30k working capital: **$350k cash before debt**.

$350k / 1.25 coverage minus $0 continuing debt service = **$280k/year**. Monthly amortization over 10 years at hypothetical 8%-12% gives the range. No interest quote or approval.

PROFESSIONAL REVIEW NEEDED

Buyer and transaction funding gap **$77k-$374k**

Cash flow does not replace the buyer. Illustrative uses are $2.0m price + $100k buyer transaction costs + $100k new working capital = **$2.20m**. Buyer cash of $200k is assumed, not verified.

Uses minus buyer cash minus modeled debt leaves this gap. Seller debt is not assumed; any required payments would consume capacity. Buyer costs differ from seller taxes/fees. Sources must not be counted twice.

PROFESSIONAL REVIEW NEEDED

Contingency: two separate obligations **$1.00m / $200k**

Would an unexpected event force a rushed decision? Hypothetical agreed death buyout $1.60m less $600k dedicated, same-trigger funding leaves **$1.00m**. Attorney/insurer must verify terms, ownership and availability.

Separate key-person disruption $250k less $50k continuity reserves leaves **$200k**. Do not reuse buyout insurance. Disability coverage, premiums and alternative funding remain unquantified.

PROFESSIONAL REVIEW NEEDED

The lender must verify transaction classification, valuation, cash flow, borrower capability, equity, collateral and guarantees. Business support is not borrower qualification or a zero-down entitlement.

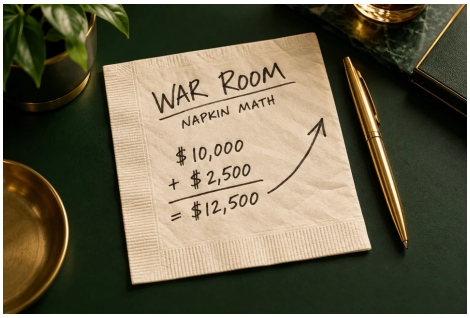
Good advice works better when it connects.

The coordination gap



Your CPA may focus on taxes, your attorney on agreements and your lender on repayment. Your family still needs a workable income plan. Compare the same sale perimeter, closing costs, cash-flow definition and protection obligations together before deciding.

Why napkin math first?



These illustrations make the next question visible, not the answer certain. A range tells you what deserves verification. Exit proceeds already feed the wealth gap; funding gaps use the same business cash. Do not add the figures into one opportunity total.

Image example only: its $12,500 is not this case's result.

What the assumptions leave out

All amounts are present-day dollars. No growth, future savings, inflation, investment returns, tax-law projection, partial sale, earnout or seller-note valuation is modeled. The three-year goal is a preference, not a forecasted closing. No-change remains an option while evidence is gathered.

Current SBA source and lender conditions

SBA SOP 50 10 8.1 Technical Updates, Appendix 15: 7(a) changes of ownership. Notice 5000-882227 was published September 25, 2026, effective October 1 for applications received by SBA on/after that date. Rechecked November 1, 2026. Lender verifies applicable classification and rules; no equity exception is assumed here.

Official source:
legacy.sba.gov/document/sop-50-10-lender-development-company-loan-programs
Technical notice: legacy.sba.gov/document/information-notice-5000-882227-issuance-technical-updates-sop-50-10-81

Next steps: verify the pieces before choosing.

A coordinated, evidence-first action plan

NEXT 30 DAYS

Week 1 - CPA + owner: reconcile three years, owner replacement pay, debt, cash taxes, maintenance and working capital. Verify personal assets and spending without double counting.

Weeks 2-3 - valuation + lender: test business value and buyer funding; verify credit, equity sources, guarantees and transaction classification. No financing application is implied.

Weeks 3-4 - attorney + insurance + advisor: confirm buy-sell triggers/funding, beneficiaries and household gaps; compare inside, outside and wait options. TPA must verify existing retirement-plan obligations before any change.

PROFESSIONAL REVIEW NEEDED

Strongly consider a comprehensive financial review. If you have an advisor, bring this intake and summary to a coordinated CEPA/exit-planning, CPA, legal, lender and insurance team.

If you do not have a financial advisor, or feel your current planning is not as comprehensive and coordinated as it should be, consider a conversation with Chris Cahill. You may choose any qualified professional. This is an educational discussion, not a product recommendation.

No valuation, loan approval, tax/legal advice or investment/insurance recommendation is provided. Do not sign or fund a transaction on this illustration alone.



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*(Any illustrations that have been provided up to this point have not been made by nor endorsed by Chris Cahill. Speak with your professional advisors for tailored advice.)