CHEAT SHEET

@fmaunlv

# The Exit Math Cheat Sheet

How sellers keep what they make. The structure, the guardrails, and the catches.

**CASH** **The tax stack: ~37.1% in California**
20% federal LTCG + 3.8% NIIT + 13.3% state. $67M becomes ~$42M.

**STOCK** **Section 368: an exchange, not a sale**
Stock-for-stock at closing = $0 tax due that day. Any cash alongside ('boot') is taxed.

**BORROW** **Loans are not income**
Post lock-up, banks lend 50 to 70% against the position.

**COLLAR** **Floor + ceiling, set carefully**
Floor 20 to 30% below price, or Section 1259 calls it a sale.

**STEP-UP** **Basis resets at death**
Deferred gain disappears. Heirs sell nearly tax-free.

**TEAM** **Every advisor talks to every other advisor**
Tax attorney, derivatives desk, estate attorney, coordinated before close.

**E.G.** *The carry is real: $35 to $45M borrowed costs $1.75 to $2.25M a year in interest.*

**It's not what you make. It's what you keep.**
How the structure works. Not advice.

He negotiated $1M off and took $66M in stock.

**Comment "EXIT"**

unlvfma.com/exit-math