



CASE STUDY

Donating Shares of Tank Cleaning Company

Donation Type:

Private company stock

THE PROBLEM

Donating illiquid shares in a private company

Richard and Amy Wallman wanted to donate shares in Quala, a leading tank cleaning and maintenance company. The company was in preliminary conversations with several buyers, but many of the details and terms of the transaction were not firm. Their current DAF sponsor at the time was slow in moving to approve the donation.

Overview of the Transaction

The Opportunity

Richard Wallman served on the board of Quala, and he and his wife owned 137,299 shares and 100,000 options in parent company Q Superholdings LLC. The donors were facing a year-end deadline to make the donation in advance of key company board meetings early in the new year.

FJC's Approach

Staff assembled the due diligence information necessary for FJC's Gift Acceptance and Investment Committees to consider the donation. These included financial statements, information about the company's legal structure and valuation, and offering plans prepared for the company's eventual sale. Working against a tight deadline, the Committees reviewed and approved the donation within a few days. Since the assets would be illiquid for some period of time, the Wallmans agreed to provide liquidity in the account to cover FJC's administrative fees, if necessary.

Result

Thanks to FJC's speedy due diligence and approval, the shares were donated in a timely fashion. Within four months of the donation the company was indeed sold, which generated \$2.8 million in proceeds, not subject to capital gains tax, available for the Wallmans' charitable activities.





TESTIMONIAL

“Our ability to gift private company shares allowed us to increase our charitable giving. We love being a part of the FJC family. They are very client-focused, particularly when it comes to these more complicated gifts and investments.”

Richard Wallman

Donor



Many of our donors have sophisticated financial lives. At FJC we work to ensure that our donors philanthropy is as personal and unique as the rest of their wealth and estate planning experiences. What are the investment, tax and estate problems you're solving for? Let's explore what's possible.

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