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Hancock Estabrook formalizes its family-business succession- planning practice

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SYRACUSE — The Syracuse law firm of Hancock Estabrook, LLP recently announced it has initiated a practice focusing on family-business succession planning.

Attorneys in this practice area work with closely held business entities that are planning business transitions to family members, to business partners, and new owners, the firm says.

They also work with its clients' accountants, financial planners, bankers, and other attorneys that may be involved.

The practice includes 12 attorneys from Hancock Estabrook's corporate, labor and employment, litigation, tax, and trusts and estates practices, the firm says.

"It's a natural outflow of the expertise we have in the office," Marion Hancock Fish, a partner at Hancock Estabrook, says in an interview.

Fish also focuses on practice areas that include trusts and estates, elder law and special needs, tax law, and corporate law.

"The way I view this practice group is a formalization of our team that was always in existence," says Richard (Rick) Scrimale, who is of counsel with Hancock Estabrook and also focuses on the firm's corporate law, tax law, and trust and estates practices.

Perhaps as many as half of the firm's clients have some association with a local family business, Fish says.

They might own a family business, work for one, or have family members that do, she adds.

"So it's a very natural tie-in for the law firm to try to develop a platform for having a conversation with a client about their family-business needs, whether it's for current planning or planning for their future, and particularly for planning for succession for the business," Fish says.

Family businesses are a "huge" part of the Central New York business landscape, especially with the demise of larger manufacturing companies in the area, Fish adds.

Hancock Estabrook wants to be "recognized" as an organization that could deliver "effective" services to family-business owners, she adds.

The legal services under family-business succession planning include advice on buying, selling, and cross-purchase agreements.

A cross-purchase agreement is a shareholders' agreement, says Scrimale.

"It's an agreement that's not going to constitute necessarily a purchase right now but is going to restrict the transfer of the ownership of that entity [among] the family members, the current owners," he says.

A retirement, a death, or disability may trigger a provision under that shareholder's agreement to transfer the business either back to the company or to the next generation, Scrimale says.

Cross purchase means it is an acquisi-

tion by individuals of ownership and not a redemption, which is a purchase-back by the company, he adds.

It's an example of the types of situation in which attorneys of different expertise can get involved, Scrimale says.

"The business attorney put the shareholder agreement in place, but it has to mesh with the plan of the owner of the stock ... because that has to be transferred," he says.

The estate attorneys can then help the clients decide if they want to structure the succession plan to minimize estate taxes, and provide a source of retirement income for the retiring generation, and maintain as many tax benefits and deductions for the new generation assuming ownership, Scrimale says.

Besides cross-purchase agreements, other legal services Hancock Estabrook handles under its Family Business Succession Planning practice include business-valuation analysis, entity formation and restructuring, and dealing with business real estate, according to the firm's website.

Based in Syracuse, Hancock Estabrook also operates an office in Albany. The firm employs a total of 115 people, including 56 attorneys, 48 staff members, and 11 paralegals.

The firm says 36 of the attorneys are partners. □

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