

Chapwood Consolidated Virtual Family Office Services

What is special about Chapwood?

Chapwood is a boutique-style firm with deep knowledge and expertise in a broad range of services including wealth planning and education, investment management, impact investing, and trust and estate services.

All our services and expertise are merged into a virtual family office organization so we can focus on what matters most to us: our client's complete financial picture.

What is a Virtual Family Office?

- A virtual family office (VFO) is an organization that supports the overall financial needs and objectives of a family. It centers around the growth and preservation of a family's overall wealth.
- A VFO focuses on asset protection, financial education, family philanthropy, and many other specific needs of a given family. A virtual family office can also ensure and meet the privacy and the confidentiality requirements of high-profile families. A VFO assists in the reaffirmation of the family's overall legacy and the mission of the family's wealth.
- A virtual family office also provides an array of services, including investment management services, tax and estate planning, the management of foundations and trusts, lifestyle management needs, and the coordination of other advisors in the best interest of the family.
- Chapwood will provide these customized services to effectively manage your overall financial landscape at no additional cost to our clientele.

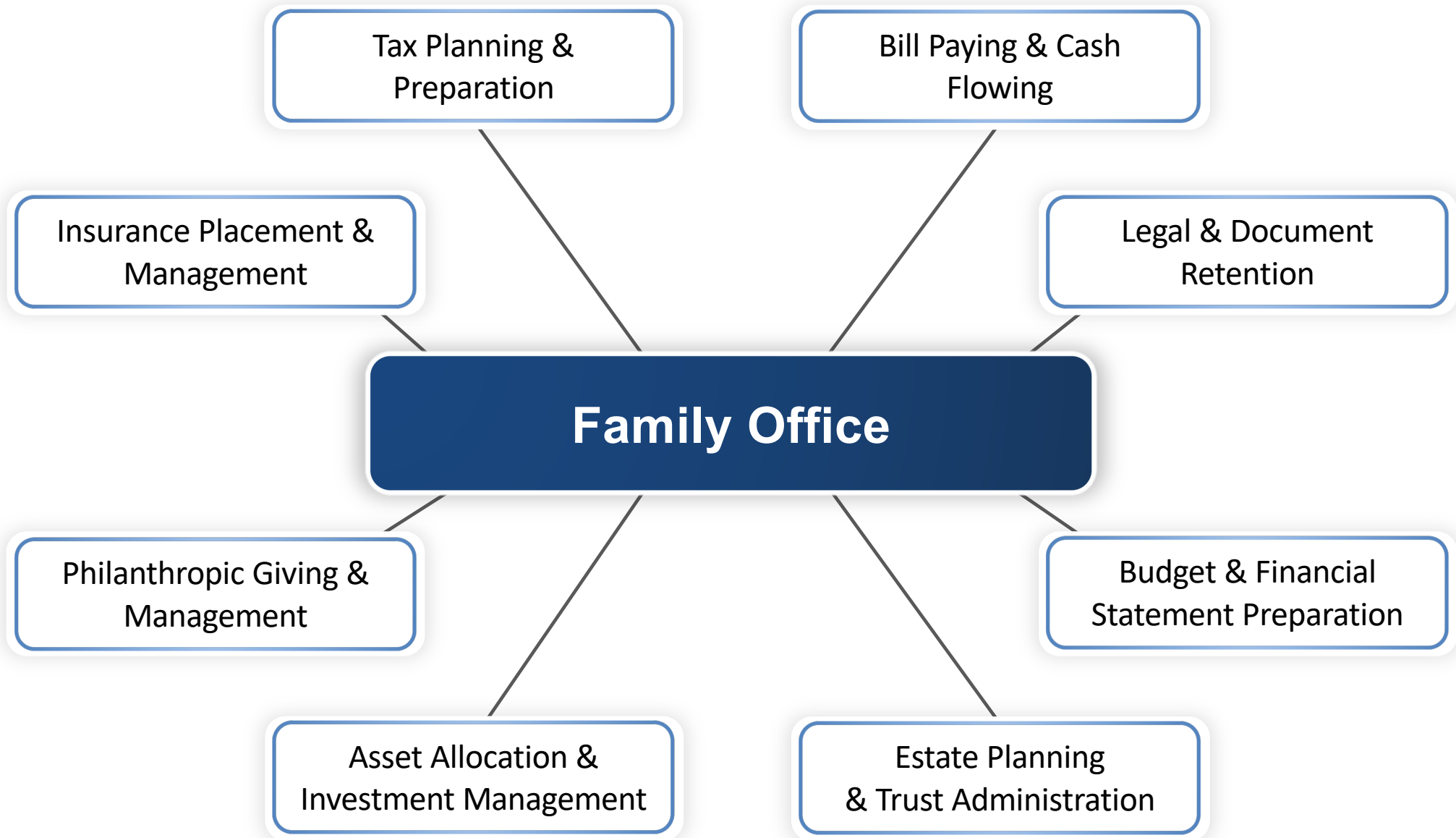
Traditional Family Office vs. Virtual Family Office

To understand a virtual family office, you must first understand what a traditional family office is. The family office became quite popular in the late 1990s and early 2000s. The principals of Chapwood Investments, Ed Butowsky and Kim Sams, were at Morgan Stanley when this new area became very popular with many of the most high-tech clients. We had a front row seat as it was growing as a cottage industry.

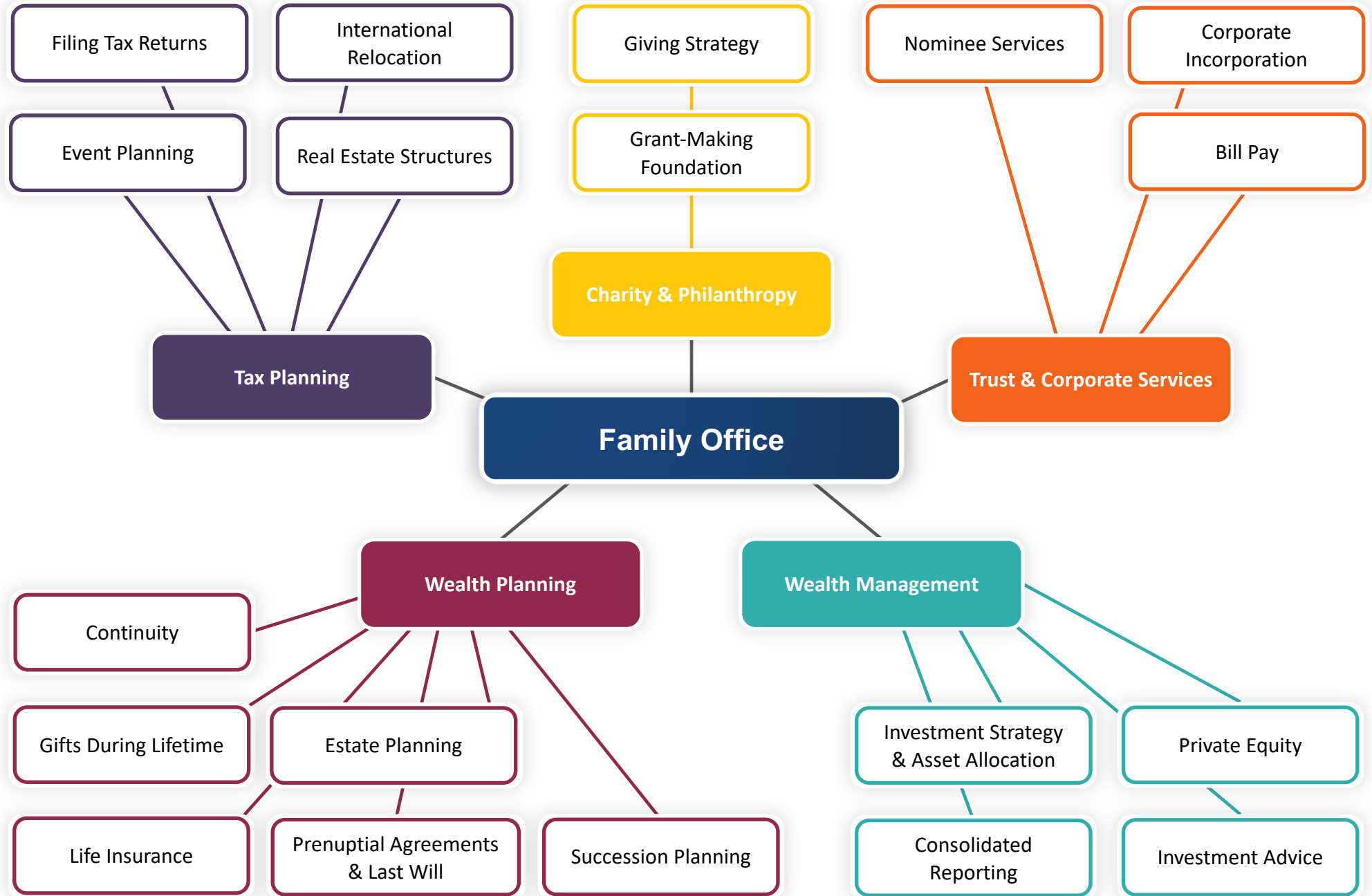
Due to regulatory limitations, broker dealers such as Morgan Stanley, UBS, Merrill Lynch, Goldman Sachs, etc. were unable to fulfill all the subcategories of a family office. This is still true today.

Chapwood Investments has evolved and continues to set ourselves apart as innovators. We have created the “Virtual Family Office”. This structure allows us to provide world-class services in the most efficient way by bringing together all services needed that complement each other in our checks and balances to a client. Instead of bringing everything in-house and charging the tremendous amount of money a traditional family office mandates, we have set up a pre-screened team of experts who are independent of each other while still delivering this promise and the functions a family desires. Family office clients can use our pre-screened independent professionals as well as use their current team of professionals.

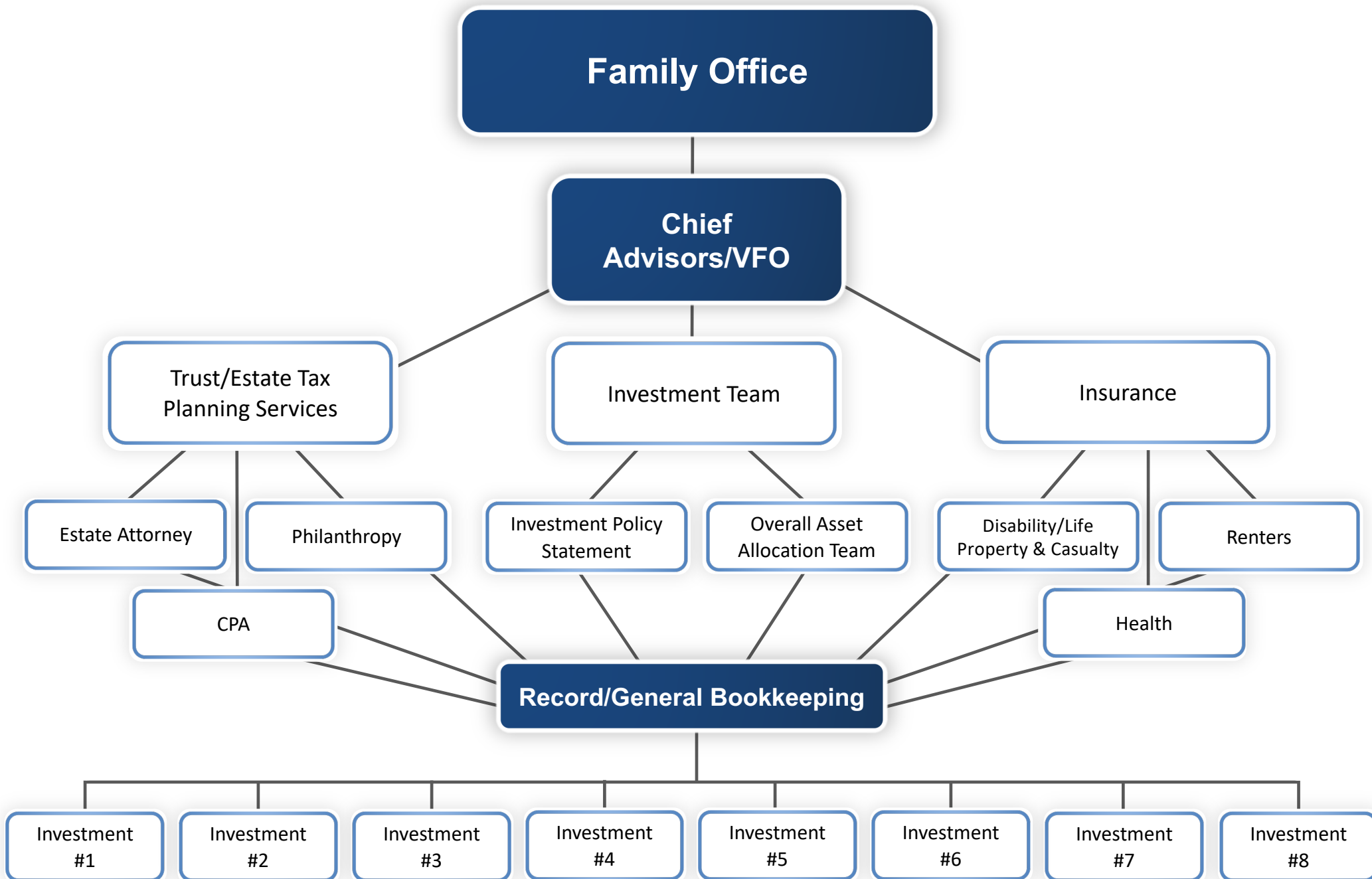
Virtual Family Office Overview



Virtual Family Office Organization



Wealth Planning & Wealth Management Organization



Ancillary & Additional Virtual Family Office Services

Traditional Family Office Services

- Investment Policy Statement
- Overall asset allocation and diversification strategies
- Tax planning and tax return preparation
- Trust & Estate planning / Insurance counseling
- Customized and consolidated reporting
- Property management

Lifestyle Management & Concierge Services

- Aircraft leasing and travel planning
- Concierge services
- Personal security services

Advisory Services

- Philanthropy consulting and management
- Family governance counseling
- Control and succession counseling
- Advice regarding major purchases of personal property
- Supplemental health care services

Consulting Services

- New family office development
- Executive searches

Virtual Family Office Service Providers

Through years of experience working with billionaires, millionaires, athletes, and celebrities, we understand the services required in a virtual family office. We understand that there are thousands of providers to choose from, and we know it can be overwhelming when searching for the best service providers. Through our previous work and relationships, we have already procured multiple team members of the very best in each field. We also know that most clients already have long standing relationships with advisors they might like to keep. For instance, you may have an estate attorney who has already done a great job setting up your estate. If this is the case, we will continue to use that attorney while also providing you with the very best in other fields; however, all professional hires will be at the discretion of the client.

Service Providers Pre-screened

- Investment Firms
- Law Firms
- Tax and Planning Preparation
- Insurance
- Real Estate
- Public Relations
- Relocation Services
- Event Planning Services
- Fine Jewelry
- Aircraft and Car Leasing
- Personal Security
- Further Education
- Travel Agencies
- Family Budget Services
- Philanthropic Giving
- Ticket Requests
- Fine and Custom Watches
- Suits and Custom Tailoring

Checks & Balances of a Virtual Family Office

- Checks and balances are procedures set in place to reduce mistakes or improper behavior. It ensure that no one person or department has absolute control over decisions, and it clearly defines the assigned duties. The existence of checks and balances within an organization prevents any one person or department from having too much power, and forces cooperation in completing tasks.
- Similar to how the judicial branch of government acts as a check and balance against the legislative branch, businesses also divide financial powers and oversights to ensure clients' money and assets are appropriately and honestly handled.
- Creating checks and balances allows you to implement an accounting system that promotes separation of duties. Implementing checks and balances is instrumental in assisting the firm and clients to identify internal and external theft.
- Checks and balances is an internal control mechanism that guards against fraud and errors due to omission. In a system with checks and balances, the authority to make a decision and the associated responsibility to verify its proper execution is distributed among different departments. These departments are kept logically and physically apart, and no one department can complete a transaction all on its own.

Due Diligence Process of a Virtual Family Office

- Due diligence involves an investigation or an audit. It serves to confirm all material facts.
- Generally, due diligence refers to the care a reasonable person should take before entering into an agreement or a transaction with another party.
- Due diligence involves the investigation of an asset, investment, or anything else to ensure that everything is as it seems. Due diligence helps a buyer or investor make sure that there are no unexpected problems with the asset or investment and that he/she does not overpay.
- Due diligence can be a complex and formalized process in the acquisition. Even when buying a house, for example, due diligence involves time consuming and at times expensive endeavors, like home inspections. However, due diligence is seen as a necessary part of doing business or buying an asset.
- All businesses involved in an acquisition, as buyers or sellers, need to ensure that the financial information they hold is as accurate as possible, not only to prevent paying too much (or in a sellers case receiving too little) but also to ensure that their governance and risk management objectives are met.