

Solutions for Concentrated Positions

Common Ways Clients Create a Large Single-Stock Position

- Accepted different share types as payment or salary
- Exercised various types of stock options
- Received the position through inheritance
- Created the position by saving over time

Common Reasons to Divest

- Clients see their retirement ahead and know the concentrated position isn't appropriate
- Clients feel concerned about the volatility and risk of holding so much of one investment
- Clients need to use the money to create income
- Clients situation creates a tax advantage to selling all or part of the position
- Client needs immediate liquidity to meet a payment obligation

General Services Offered

- Executive Trading Plans (also known as 10(b)5-1 plans): For Section 16 Insiders, or other individuals who run the risk of trading using insider information, we analyze the client's single-stock position and create a plan to sell that is compliant with both the SEC and the client's General Counsel. As part of putting this plan in place, we offer the client specific guidance for how to manage possible media attention when shares start to sell. We properly report to all pertinent authorities any transactions that occur and help the client fit this activity into their overall individualized investment strategy.
- Debt to Diversity Tactics: On rare occasions, it makes sense to leverage the holdings in order to buy investments that greatly offset and compliment the risk profile of the single-stock position. In this approach, we use portfolio income and sales to methodically pay off the debt and ultimately create a strategically designed portfolio that caters to the client's individual needs.
- Covered Call Strategies: In certain markets, we may suggest the client sell rights to buy the stock at a higher price than currently traded. This options strategy raises money for income and assures the client a sale only occurs if the position advances to an approved level of profit.

Our Philosophy

Manske Wealth Management avoids the conflict-of-interest problems that arise from date-based trading plans. We use only market-based approaches to sell restricted, concentrated positions. Our sophisticated, individually-tailored trading plans execute sales at specific prices throughout the plan's life. We prefer this approach because no one can predict the exact time a stock will rise or fall according to specific set prices. This aligns our Section 16 clients with their shareholders and greatly protects them against accusations of improper trading. For more information, please reach Elijah Lopez who leads our team's efforts in this area using the information below.

This is intended to be informational and educational and DOES NOT constitute investment, tax or legal advice. We strongly recommend that you seek the advice of a tax, legal and financial services professional before making any investment or other financial decisions. Manske Wealth Management is not responsible for the consequences of any decisions or actions taken as a result of this information.