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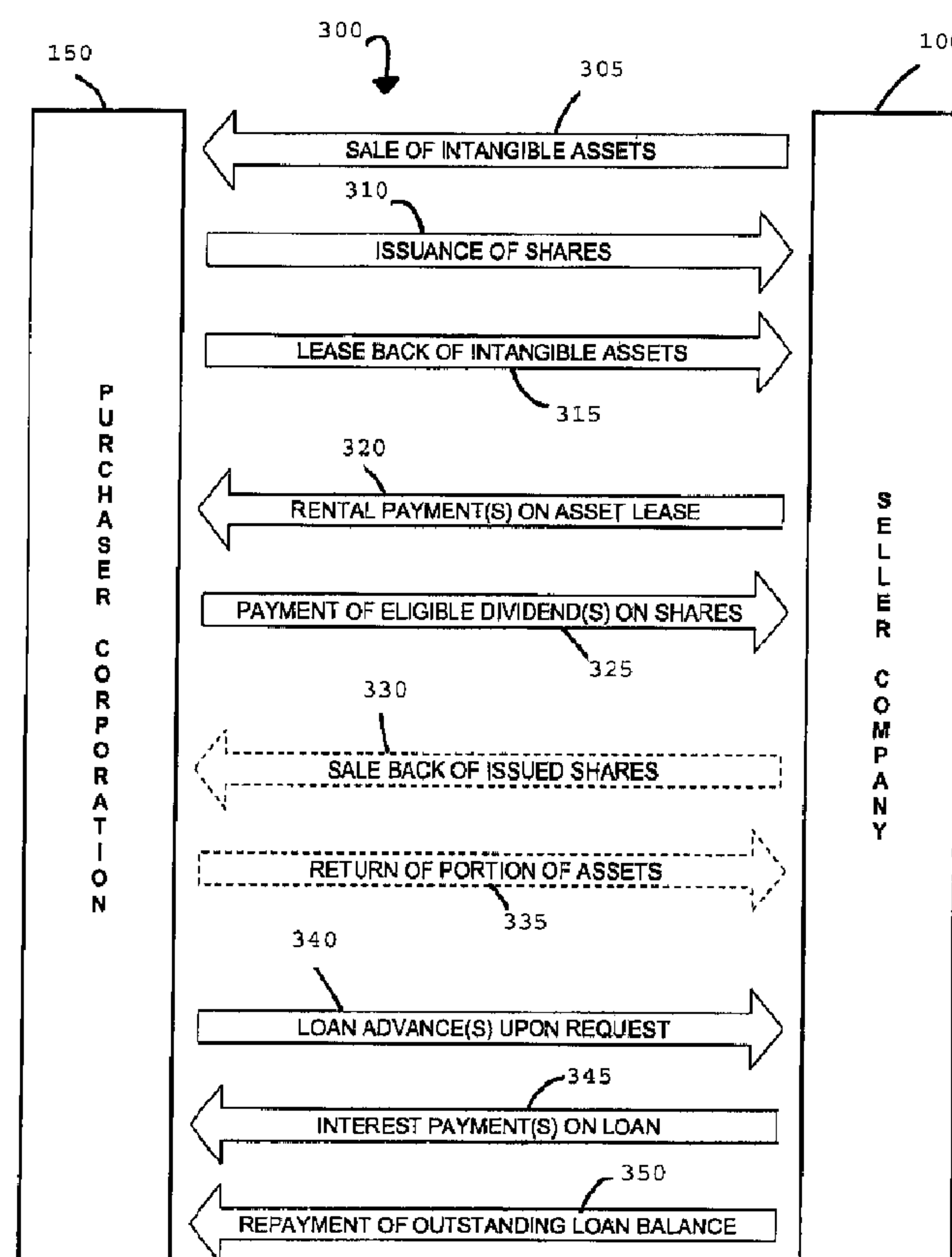
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(54) Titre : METHODE DE REDISTRIBUTION ET DE PRODUCTION DE RICHESSE FONDEE SUR LA VALEUR  
D'ACTIFS INCORPORELS OU AUTRES ACTIFS

(54) Title: METHOD OF RE-DISTRIBUTING AND REALIZING WEALTH BASED ON VALUE OF INTANGIBLE OR  
OTHER ASSETS



(57) Abrégé/Abstract:

Methods of re-distributing and realizing wealth based on the value of intangible, tangible or other assets are described. For example, one or more intangible assets, including but not limited to the company's established goodwill, may be sold to a purchaser

(57) **Abrégé(suite)/Abstract(continued):**

corporation in exchange for an issuance of shares in the purchaser corporation's capital stock. Rights in the intangible assets may then be leased back to the seller company on terms that provide for the payment of periodic rent to the purchaser corporation. With the seller company's intangible assets having been converted at least partially into tangible, recordable investment property, the purchaser corporation may extend a credit facility to the seller company secured by the acquired shares in the corporation's issued capital stock. Loan advances drawn on the credit facility may then be taken by the seller company from time to time so as to generate positive real cash flows to the seller company.

## ABSTRACT

Methods of re-distributing and realizing wealth based on the value of intangible, tangible or other assets are described. For example, one or more intangible assets, including but not limited to the company's established goodwill, may be sold to a purchaser corporation in exchange for an issuance of shares in the purchaser corporation's capital stock. Rights in the intangible assets may then be leased back to the seller company on terms that provide for the payment of periodic rent to the purchaser corporation. With the seller company's intangible assets having been converted at least partially into tangible, recordable investment property, the purchaser corporation may extend a credit facility to the seller company secured by the acquired shares in the corporation's issued capital stock. Loan advances drawn on the credit facility may then be taken by the seller company from time to time so as to generate positive real cash flows to the seller company.

**METHOD OF RE-DISTRIBUTING AND REALIZING WEALTH BASED ON VALUE  
OF INTANGIBLE OR OTHER ASSETS**

CROSS-REFERENCE TO RELATED APPLICATION

**[0001]** This application claims all benefit, including priority, of United States  
5 Provisional Patent Application Ser. No. 61/668,005, filed 4 July 2012 and entitled,  
“Method of Re-Distributing and Realizing Wealth based on Value of Intangible or  
other Assets,” the entire contents of which, including all Appendices, are  
incorporated herein by this reference.

TECHNICAL FIELD

10 **[0002]** The disclosure relates generally to the distribution of wealth and,  
more specifically, to the re-distribution and realization of wealth through disposition,  
conveyance, transfer, and/or conversion of goodwill or other intangible assets.

DISCLAIMER

**[0003]** This application contains material describing method(s) and  
15 process(es) broadly directed to, and practical applications of, financing agreements  
and other commercial transactions engaged in by businesses. Aspects of financing  
or other agreements, corporate governance and operation, commerce, and other  
spheres of private or public activity are in some cases regulated by laws or  
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## BACKGROUND

**[0005]** Lending is commonplace in business. A loan is a type of debt that entails the redistribution of financial assets over a period of time between lender and borrower. In a typical loan arrangement, the lender initially offers an amount of money (sometimes called the “principal”) to the borrower who is obligated to repay the amount borrowed at the end of the term of the loan. Loans are also generally (but not always) provided by the lender at a cost to the borrower in the form of interest owing on the principal. A requirement for the payment of interest can provide incentive for a lender to participate in a loan by, among other things, hedging some of the risk that the borrower may ultimately default on the loan.

**[0006]** Protection for lenders against default on a loan may also, or alternatively, be provided in the form of secured lending. A secured loan (in contrast to an unsecured loan) is one in which the borrower pledges some asset or assets to the lender as collateral for the loan. The debt may thereby be secured against the collateral. Should the borrower fail to make full repayment on the loan, the lender may by operation of the security interest taken be entitled to take possession of the asset (s) designated as collateral, so as to realize any outstanding amount owing on the loan. In an unsecured loan, where no collateral is offered, the lender has no commensurate remedy against default, and instead must seek redress from the borrower directly, e.g., through initiation of a court action or equivalent proceeding.

**[0007]** In general, the added protection afforded secured lenders may enable loans to be offered at interest rates lower than rates for unsecured loans, which provide lenders with few remedies in cases of default. However, borrowers must be in a position to offer up valuable assets to serve as collateral for the secured lender in order to enjoy the benefits of such lower interest rates. The value of a prospective borrower’s tangible, recordable assets therefore may place constraints, along with other such factors as credit history, ability to repay, and expected returns for the lender, on the borrower’s ability to access credit.

## SUMMARY

**[0008]** In one broad aspect, embodiments of the invention provide method(s) of re-distributing and/or realizing wealth based on the value of intangible and optionally other assets. Such method(s) may involve sale of one or more  
5 intangible assets, such as but not limited to a company's brand, business processes, know-how, customer/client base and other goodwill, to a purchaser corporation (or other entity). As payment for the intangible and/or other asset(s) acquired, the purchaser corporation may issue a plurality of shares in the purchaser corporation's capital stock (or other ownership or equity interest) to the seller  
10 company, in some cases, with the notional value of shares issued being set equal to an agreed value of the intangible and/or other asset(s) sold. Having divested ownership and possession to the purchaser corporation, the seller company may thereafter enter into an agreement to lease back such intangible or other asset(s). In some cases, as part of a leaseback agreement, the lessee may make rental or  
15 lease payments to the lessor. In addition, the purchaser corporation may pay dividends to the seller company on the transferred shares in the purchaser corporation's capital stock. With the seller company's intangible and/or other asset(s) having been converted at least partially into tangible, investment assets in the form of shares in the issued capital stock of the purchaser corporation, the seller  
20 company may be granted access to a loan facility extended by the purchaser corporation, or other entity, using the seller company's acquired shares as collateral for a security interest given for any amounts drawn on the loan facility.

**[0009]** In some embodiments, the value of a seller company's intangible or other asset(s) may be calculated as the net difference between the seller's business  
25 value (as a going concern) and the value of the seller's net tangible (i.e., booked or listed) assets, such as real estate and other property, equipment, inventory, accounts and receivables, executory contracts, cash supplies, and the like. In some cases, business value may be estimated outside of a sale context based on the seller's annual profit(s) and/or revenue(s), e.g., such estimation involving scalar  
30 multiplication or other proportionality, or otherwise based on predicted future income. The seller's business value may also be estimated in some cases through direct (as opposed to indirect) valuation of intangible assets or its goodwill.



**[0010]** In some embodiments, a seller company's goodwill may be sold to the purchaser corporation on its own, as a separate and distinct asset from the seller's other tangible or intangible assets.

**[0011]** In some embodiments, the amount or value of lease payments(s) made by a lessee for leaseback of goodwill or other intangible asset(s) may be calculated as a percentage (fixed or variable) of the lessee's gross revenue (e.g., proportional to the calculated amount of the intangible assets as percentage of business value). Such percentage may in some cases be determined based wholly or partly on a lessee's profit margins, with the effect that the amount of the lease payment(s) may be correlated, in some degree, to the lessee's profit margin(s).

**[0012]** In some embodiments, acquired shares in the purchaser corporation may be held by a seller company so as to receive, or continue to receive, dividends paid thereon. Alternatively, the entire part or else some fractional portion of acquired shares may be sold back to the purchaser corporation, either all at once or gradually over time, such that the total buyback price paid by the purchaser corporation in reacquiring the shares is equal to a total value of the intangible assets originally sold. In cases where buyback is completed gradually over time, the buyback price for respective portions of the total share allotment may be determined pro rata compared to the total value of the intangible assets sold.

**[0013]** In some embodiments, a maximum value advanced to a borrower under the loan facility may be limited by the total value of intangible or other asset(s) sold. In some embodiments, amounts drawn periodically, pursuant to the loan facility, may further be set relative to, or capped at, one or more percentages of rental payments obligated by leaseback of intangible or other asset(s). In this manner, as a borrower's business continues to grow, causing fixed percentage lease payments to increase in proportion, a capped amount of periodic withdrawals by the borrower may also grow proportionally and cause additional cash flows to be realized or other capital to be made available.

**[0014]** In some embodiments, interest payable by a borrower on amounts drawn pursuant to a loan facility may be calculated and payable annually, in either a compounding or non-compounding fashion. Optionally, interest rates charged on such interest payments may tied to one or more different economic metrics or

indices, such as inflation or a consumer or other price index. In some cases, an interest rate may be calculated according to a given metric or index, either with or without a percentage offset.

**[0015]** In some embodiments, pursuant to available provisions of law, it may be to the seller company's and purchaser corporation's agreed upon option to elect for a deferment of income tax that might otherwise be payable on the seller company's disposition of intangible or other asset(s) in exchange for acquired shares in purchaser corporation's issued stock.

**[0016]** As will be understood by those skilled in the relevant arts, sellers, purchasers, lessors, and lessees as described herein may be of any legal form(s). They may, for example, comprise individuals, sole proprietorships, companies, partnerships, and/or corporations.

**[0017]** Further details of these and other aspects of the described embodiments will be apparent from the detailed description below.

## 15 BRIEF DESCRIPTION OF THE DRAWINGS

**[0018]** Reference is now made to the accompanying drawings, in which:

**[0019]** FIG. 1 shows a schematic diagram representing an example company's financial position;

**[0020]** FIG. 2 shows an example re-distribution of various forms of wealth between a seller and purchaser corporation in accordance with the invention;

**[0021]** FIG. 3 shows an example sequence of transactions between a seller and purchaser corporation for achieving a re-distribution of wealth in accordance with the invention; and

**[0022]** FIG. 4 shows in a flow chart a method of re-distributing and realizing wealth based on the value of intangible assets in accordance with the invention.

## DETAILED DESCRIPTION OF EMBODIMENTS

**[0023]** To provide a thorough understanding of the invention, various aspects, practical applications and embodiments of methods, concepts and ideas



according to the disclosure, including at least one preferred embodiment thereof, are described with reference to FIGS. 1-4.

5       **[0024]**       In many companies and other business organizations, including both public and private companies, it may often be the case that the recorded value of the company assets does not reflect the overall value of the company, in the sense of what the company may be worth to a potential purchaser as a going concern. Typically, though not necessarily, the net value of the recorded assets will be less than a fair sale price of the company (actual or estimated) as a going concern. In private companies, which are not floated on stock exchanges or electronic trading  
10       systems, going concern business value may sometimes only be ascertained with certainty upon actual sale from current to future owners. However, for public companies whose stock is floated on a stock exchange, going concern value may in some cases be reasonably estimated based on present levels of the company's stock price.

15       **[0025]**       In either of the above two scenarios, an actual or estimated going concern sale price that is greater than the value of the company's net recorded, or otherwise perceived, assets may indicate that additional value exists within the company in one or more intangible forms that cannot easily be recorded using conventional accounting practices. Such additional value may derive from a number  
20       of different sources, and is often referred to as the company's "goodwill". For example, goodwill may include the company's know-how, business processes, brand recognition, and/or customer/client lists, each of which may be extremely valuable to a company's success as a going concern, but the value of which may not easily be quantified in monetary terms.

25       **[0026]**       Public companies that are floated on stock exchanges are generally availed of various mechanisms for raising capital. For example, stock offerings can provide such publicly traded companies with the option of raising capital by selling equity in the company to interested parties, which may include institutional as well as commercial investors, but more generally may include any member of the public.  
30       Due to factors such as brand recognition and demonstrated profitability, large public companies will very often also have the option of selling bonds and other debt instruments to raise capital by drawing upon public confidence in the company's

ability to repay the debt upon maturation.

**[0027]** In relation to large public companies, options available to private companies for raising capital may be comparatively limited and more restricted. Initial public offerings of stock may be possible if the company has reached a stage  
 5 where it is to the company's financial advantage. But not all privately held companies will be at (or perhaps ever reach) that stage. Even where possible, there may exist additional reasons (business, personal or otherwise) for not taking a company public and instead retaining private ownership. In some cases, capital can be raised by securing private investment in the company, for example, from venture  
 10 capital or other source(s) of financing by means of loans and or stock offerings. However, for many companies, there is no guarantee of attracting private investment due to the associated risks involved for potential investors. Additionally, investors in private companies tend to require various assurances on their investment to mitigate the various risks to which they will be exposed. In many  
 15 cases, investors will require (sometimes significant) rights of ownership and/or control over a company's business operations in exchange for their investment. High or preferred rates of return on their investment may also be demanded.

**[0028]** Historically, given the comparative restrictions that privately held companies may face when seeking to raise capital, goodwill has been a type of  
 20 asset which has not been leveraged as security for loans, etc.. A company's goodwill often represents a sizable, and sometimes the most valuable, asset in a company's possession. However, because goodwill is by definition an intangible asset, the value of which often cannot be known with certainty until after the company or its assets have changed ownership, it is often difficult to record goodwill  
 25 in the company's financial records or reports. Currently used and applied financial accounting systems, such as the Generally Accepted Accounting Principles (GAAP) or International Financial Reporting Standards (IFRS), often operate based on cost accounting, as opposed to value or accrual accounting methodology. While goodwill may represent actual value to the company, it may nevertheless not be recorded, or  
 30 otherwise recognized, by either GAAP or IFRS because the value of goodwill does not necessarily reflect its original cost to the Company.

**[0029]** In respect of both private and public companies, the inability to record



intangible asset(s) on the company's financial records or reports according to conventional accounting practices, as a practical matter, may make it difficult to convert that wealth into present readily-available liquidity. The absence of goodwill and other intangible asset(s) from a company's records may produce a distorted picture of the company's value and finances. For example, the inability to record very valuable intangible assets may tend to cause undervaluation of a company's actual worth, e.g., by failing to reflect the company's going concern value. Companies may thereby be less able to trade effectively due to the fact that the company is unable to reflect its true value to potential trade partners.

10 **[0030]** Embodiments of the present invention provide method(s) of re-distributing and realizing wealth between one or more companies (or other entities) based on the value of goodwill and other intangible assets. Such method(s) may operate at least partially based on the idea that companies may be in possession of wealth – sometimes considerable wealth relative to the overall value of the company  
15 – that exists in an intangible form that cannot be positively expressed in the company's financial statements or record keeping. Accordingly, through a series of structured or independent transactions between two or more entities, a present and actual re-distribution of wealth may be realized as between companies that, in a practical sense, may convert or otherwise make wealth available to such companies  
20 that previously was not directly accessible. Present, real cash flows generated by a company on the basis of abstract wealth may be the net result of such transactions.

**[0031]** As those skilled in the relevant arts will readily understand, the transfer of wealth between companies and other entities is a very real and practical result, or application, of understandings and ideas, and carries with it a very wide  
25 range of practical opportunities, of numbers and varieties that it would be difficult to explain here or in any other forum. The results of such transfers can include continued employment for individuals or for very large numbers of people, the creation and distribution of physical goods, even the opportunity for affected individuals to eat, or to enjoy shelter.

30 **[0032]** Referring initially to FIG. 1, there is shown a representative diagram of an sample balance sheet 10 depicting a company's financial state or position at a selected point in time. Balance sheet 10 is merely illustrative of one particular



approach to financial record-keeping and should not be construed as limiting the described embodiments in any way whatsoever. Balance sheet 10 generally records different sources of wealth in a company (e.g., assets, liabilities and equity) using a conventional double-entry bookkeeping system.

5 **[0033]** Accordingly, in the embodiment shown, balance sheet 10 includes entries for each of assets 20, liabilities 30, and equity 40. As shown in FIG. 1, assets 20 are depicted on one half of balance sheet 10, while liabilities 30 and equity 40 are grouped together on an opposite half of balance sheet 10 (reflecting the fundamental equation in many accounting systems that assets are equal to  
10 liabilities plus equity).

**[0034]** Intangible assets 50 are also indicated in balance sheet 10, on the same side as assets 20, as explained further below, to reflect the fact that intangible assets 50 very often have real value to a company. Intangible assets 50 are shown  
15 grayed-out, however, in recognition of the fact that there is often no entry on a balance sheet 10 for intangible assets 50, because of the associated difficulties in quantifying their exact value and, additionally, because many current accounting practices, such as IFRS and GAAP, are not premised on value accounting.

**[0035]** For illustrative purposes only, some common examples of each type of record found in a typical balance sheet 10 are shown. Assets 20 may include  
20 cash and equivalents 21, accounts receivable 22, inventories and equipment 23, pre-paid expenses 24, real estate 25, and other investment properties 26, such as stocks and bond, which may be held by a company and later exchanged for cash. Each type of asset(s) 20 may represent actual, discrete, and quantifiable assets to a company that may be transferred, sold, leased, used as collateral for a secured  
25 loan, or for any other present or future purpose generally.

**[0036]** Similarly, liabilities 30 may include, but are not limited to, accounts payable 31, promissory notes and bonds 32 that may be issued by a company, executory contracts 33 (e.g., which obligate a company to incur future expenses or to provide future performance), tax allocations 34, pension plan contributions 35,  
30 and so forth. Accordingly, each type of liability 30 shown in balance sheet 10 may represent actual, discrete, and quantifiable obligations of a company, present or future, which entail a net reduction in overall value.

**[0037]** The difference of assets 20 less liabilities 30 is recorded in balance sheet 10 as owner's equity 40, which may include capital stock 41 and retained earning 42, to name a few examples. Those skilled in the art familiar with the contents of this disclosure will understand that equity 40 may include other types of entries as well not specifically mentioned herein.

**[0038]** Referring now to FIG. 2, there is shown an example re-distribution of one or more forms of wealth between a seller company 100 and a purchaser corporation 150 in accordance with the invention. Seller company 100 can be any type of business organization or enterprise, without limitation, including a sole proprietorship, a partnership (limited or general), a corporation (private or public), a cooperative, or any other type of business organization generally. Purchaser corporation 150 may be any type of business organization, such as a corporation, from which shares in the company's capital stock may be issued to existing or prospective shareholders.

**[0039]** While only a single seller company 100 and a single purchaser corporation 150 are shown in FIG. 2, it will be understood that forms of wealth distribution and/or re-distribution described herein may apply equally to scenarios involving multiple different seller companies 100 and/or multiple different purchaser corporations 150. For example, a seller company 100 may transfer one type of wealth to one purchaser company 150 and another type of wealth to a second purchaser company 150 so as to effect an overall re-distribution. Alternatively, a seller company 100 may transfer one type of wealth to one purchaser company 150 and have transferred to them another type of wealth from a second purchaser company 150 so as to effect an overall re-distribution. In still further examples, two seller companies 100 may transfer wealth to a single purchaser company 150, either alone or in combination, with two purchaser corporations 150 transferring wealth to a single seller company 100. All such scenarios, variations and permutations are within the scope of the disclosure, and which are not intended to be excluded (unless context clearly dictates otherwise) by reference to a single seller company 100 or a single purchaser corporation 100.

**[0040]** Seller company(ies) 100 may own, or otherwise possess or have rights or interests in, a number of different assets of different types, such as the



example assets 20 listed in balance sheet 10 of FIG. 1. In particular, as shown, seller company 100 may own various intangible assets (goodwill) 110 and cash reserves 120 or equivalents. As noted above, in some cases, intangible assets 110 may represent the net value in a company that is not recordable in balance sheets and other financial records as a discrete, tangible asset (but which is nonetheless realizable, e.g., through sale or change of ownership in the company). For profitable companies, intangible assets 110 may be positively valued and represent a significant percentage of the overall value of seller company 100.

**[0041]** Intangible assets 110 may comprise any accumulated goodwill belonging to seller company 100, such as know-how, business processes, brand recognition, and customer/client lists, as noted above. In some embodiments, intangible assets 110 may include such further items as a company's intellectual property (registered or otherwise) and/or trade secrets. Accordingly, embodiments of method(s) or process(es) described herein may be either inclusive or exclusive of such forms of intangible assets 110 other than a company's goodwill. Cash reserves 120 may include all presently owned cash or equivalents within seller company 100 and may further include future, as yet unrealized, sources of cash, such as receivable accounts, unpaid performance on contracts, and the like.

**[0042]** Purchaser corporation(s) 150 may create quantities of shares in the corporation's capital stock 160 that may be sold or offered to shareholders, such as seller company(ies) 100, on various terms or conditions as explained further herein. Purchaser corporation may also be in possession of cash reserves 170 or equivalents, derived from any number of sources of capital without limitation.

**[0043]** While intangible assets 110 may represent net positive value to seller company 100, much if not all of their value may be unrecorded and, while existing in such intangible form, relatively inaccessible to seller company 100. However, so as to realize the value of intangible assets 110 outside of a sale or change of ownership, seller company(ies) 100 may participate in one or more different wealth transfers 200 with purchaser corporation(s) 150 so as to effect an overall wealth redistribution as between these various entities. As a practical matter, otherwise inaccessible intangible assets 110 may thereby be at least partially converted into present real cash flows for seller company 100, for example, which may be re-



invested and used to grow seller company 100 or for any other purpose generally. In some cases, therefore, such re-distribution of wealth effectively unlocks pre-existing value in seller company(ies) 100, in addition to providing a source of capital for purchaser corporation(s) 150.

5   **[0044]**        Examples of wealth transfers 200 that may be effected between seller company(ies) 100 and purchaser corporation(s) 150 are shown in FIG. 2. Wealth transfers 200 may take one or more of any of a wide variety of forms, and are not necessarily all of the same nature. Such forms may include, for example, asset transfers, licenses, leases and other grants of rights, issuances of shares,  
10 cash transfers and payments, and still others. The particular wealth transfers 200 shown in FIG. 2 are merely illustrative of the different types available between business entities.

**[0045]**        For example, as shown in FIG. 2, seller company(ies) 100 may effect a transfer 205 to purchaser corporation 150 of rights in or to one or more of  
15 intangible assets 110, including goodwill, which may be owned by seller company(ies) 100. Transfer 205 of rights in intangible assets 110 may represent a complete transfer of rights or, alternatively, may represent a transfer of less than full ownership (sometimes referred to as a partial transfer of rights or a "bundle of rights"). While shown as a single transfer for convenience, transfer 205 of rights  
20 from seller company(ies) 100 to purchaser corporation(s) 150 may also be effected in multiple parts, structured or independent, and in some cases involving bilateral transfers, such that the overall effect of plural wealth transfers 205 between these entities is a net acquisition by purchaser corporation(s) 150 of at least a bundle of rights in seller company's intangible assets 110.

25   **[0046]**        A second form of wealth re-distribution may be effected by purchaser corporation(s) 150 issuing shares of capital stock 160 to seller company(ies) 100. Any such shares of capital stock 160 issued to seller company 100 may thereafter be held as investment property and used for other business purposes, such as serving as collateral in secured lending. As shareholders of the purchaser  
30 corporation's capital stock 160, seller company 100 may also be entitled to receive dividends on the issues shares that may be declared and paid from time to time, depending on the terms, conditions and entitlements of such issued shares.

**[0047]** Another example form of wealth re-distribution that may take place between a seller company 100 and purchaser corporation(s) 150 are cash transfers and other payments 215. Such transfers and payments 215 may proceed bilaterally between seller company 100 or purchaser corporation(s) 150 and may arise in a number of different business contexts. For example, such transfers and payments 215 may be made subject to contractual obligation, as where a seller company 100 is providing payment for performance rendered by purchaser corporation(s) 150 or, alternatively, is making rental payments under a lease arrangement with purchaser corporation(s) 150.

10 **[0048]** In some cases, as a further example of wealth transfers 200, cash transfers and payments 215 may be made or provided between a seller company 100 and purchaser corporation(s) 150 or other parties. Cash transfers and payments 215 may be made for any purpose, such as but not limited to, pursuant to a loan or credit agreement between borrower and lender. For example, assuming  
15 that seller company 100 is also acting as borrower in a credit agreement with purchaser corporation(s) 150 as lender(s), cash transfers and payments 215 may include principal amounts extended by purchaser corporation(s) 150 to seller company 100, but also repayment of the outstanding loan balance and periodic interest payments by seller company 100 to purchaser corporation(s) 150.

20 **[0049]** Share repurchases represent a further context in which cash transfers and payments 215 may arise between a seller company 100 and purchaser corporation(s) 150. For example, seller company 100 may optionally elect to redeem at least some portion of shares in capital stock 160 that had been acquired. In redemption of such portion, purchaser corporation(s) 150 or another  
25 entity may provide payment to seller company 100 in exchange for return of the shares. While loan agreements and share redemption may represent two contexts in which cash transfers and payments 215 may arise, still other examples may be apparent to the skilled person familiar with this disclosure.

**[0050]** As between a seller company 100 and purchaser corporation(s) 150,  
30 one or more transfers 200 of wealth may be offset, either partially or completely, by one or more other transfers 200 of wealth. As a result, the overall effect of plural transfers 200 of wealth may be a net gain by one, and a corresponding net loss by



the other, of seller company 100 and purchaser corporation(s) 150. Alternatively, the overall effect of plural transfers 200 of wealth may be that no net gain or net loss is realized, notionally or otherwise, by either of seller company 100 and purchaser corporation(s) 150. Each separate entity involved in plural wealth transfers 200 may  
 5 gain as much value as is lost so as to provide no net change overall.

**[0051]** A further potential effect of plural wealth transfers 200 is that, for either or both of seller company 100 or purchaser corporation(s), wealth may be re-distributed from one asset type to another. Thus, for example, the net effect of wealth transfers 200 for seller company 100 may be to re-allocate wealth that was  
 10 initially attributable to intangible assets 110 into cash reserves 120 or, alternatively, into shares of purchaser corporation's capital stock 160. Likewise, plural wealth transfers 200 may have the practical effect for purchaser corporation(s) 150 of shifting wealth initially allocated to capital stock 160 into cash reserves 170 or, alternatively, into a bundle of rights in seller's intangible assets 110. Such practical  
 15 result(s) or effect(s) may be arrived at whether or not plural wealth transfers 200 confer an overall net change in the total wealth of seller company 100 or purchaser corporation(s) 150.

**[0052]** In some embodiments, the various plural transfers 200 of wealth between seller company(ies) 100 and purchaser corporation(s) 150 may be agreed  
 20 independently of each other. Alternatively, as explained further below, some or each of plural wealth transfers 200 may be agreed as constituent parts of an overall structured transaction or dealing between seller company(ies) 100 and purchaser corporation(s) 150, and which is designed to bring about an overall re-distribution and/or realization of wealth as between parties.

**[0053]** Referring also now to FIG. 3, there is shown an example sequence of transactions 300 between a seller company 100 and purchaser corporation(s) 150 for effecting a re-distribution and realization of wealth as between the parties to the transactions 300. The example sequence represents only one possible sequence of transactions 300, in a particular order and comprising a particular type and quantity,  
 25 which may be completed between seller company 100 and purchaser corporation(s) 150. Within the context of the disclosure, however, a wide variety of other orderings, types and/or quantities of transactions 300 are both possible and suitable for use in  
 30



implementing the invention.

**[0054]** While plural transactions 300 between a single seller company 100 and a single purchaser corporation 150 are shown in FIG. 3, it will be understood that the types and orderings of transactions and distributions described herein (and  
 5 in other places throughout the disclosure) may equally be concluded between multiple different seller companies 100 and/or multiple different purchaser corporations 150. For example, a seller company 100 may engage in one transaction (of a certain type) with one purchaser company 150 and another transaction (of the same or a different type) with a second purchaser company 150  
 10 so as to effect an overall re-distribution of wealth between these three entities. Additionally, two different, potentially related purchaser corporations 150 may engage in one or more transactions, either independently from, or as part of an overall sequence of transactions 300 with a seller company 100 (or seller companies 100). All such scenarios, variations and permutations are within the  
 15 scope of the disclosure, and which are not intended to be limited in any way (unless context clearly indicates otherwise) by reference to a single seller company 100 or a single purchaser corporation 150.

**[0055]** While not specifically illustrated, any or all of the transactions 300 shown in FIG. 3, moreover, may involve any of the various assets of seller company  
 20 100 and purchaser corporation(s) 150 shown (or not shown) in FIG. 2. Where applicable or convenient, reference to such assets shown in FIG. 2 may be made in the context of FIG. 3 as well.

**[0056]** In some embodiments, a seller company 100 may complete a sale  
 25 305 (more generally a transfer, disposition, or conveyance) of rights in intangible assets 100 to purchaser corporation(s) 150. The sale 305 may involve any or all rights to intangible assets 110 and, in some cases, may comprise an outright sale 305 of all right, title and interest in intangible assets 110. As noted above, the intangible assets 110 disposed of to purchaser corporation(s) 150 may comprise any built up goodwill in the seller company 100, either by itself or together with other  
 30 types or forms of intangible assets in the possession of seller company 100.

**[0057]** As payment for the sale 305 of intangible assets 110 by seller company 100, purchaser corporation(s) 150 may issue 310 an allotment of shares

in the capital stock 160 of purchaser corporation(s) 150. The number, type, attributes, and specific entitlements associated with or conferred by the allotment shares issued 310 to seller company 100 may vary in different embodiments of the invention. In some embodiments, the net value of the entire allotment of shares issued 310 may be notionally equal to the value of intangible assets 110 acquired by purchaser corporation(s) 150.

**[0058]** Because the value of intangible assets 110 may only be known inexactly until seller company 100 changes ownership or is sold, in some cases, an estimated value of the intangible assets 110 sold 305 may be calculated and utilized instead of an actual known value. Based on the estimated value of the intangible assets 110, a number and respective per unit price of the shares issued 310 to seller company 100 may be determined so as to provide notionally equal value as the sale price of the intangible assets 110.

**[0059]** Different approaches to estimating value(s) of intangible assets 110 are suitable for use in implementing method(s) or process(es) for distributing wealth in accordance with the disclosure, including approaches based directly or indirectly on an accepted going concern value of seller company 100. In some embodiments, for example, the accepted business value of seller company 100 as a going concern may be estimated taking into consideration annual or historic profits of seller company 100 and a valuation multiplier. Recorded net tangible assets of seller company 100 may then be subtracted from the accepted business value in order to calculate residual remaining in seller company 100, e.g., goodwill.

**[0060]** For example, seller company 100 may have \$1,500,000 in reported annual (or average annual) profits and \$900,000 in recorded net tangible assets. The accepted business value of seller company 100 may be taken as a scalar valuation multiplier of reported annual (or average annual) profits. Using a valuation multiplier of 3 (although any valuation multiplier may generally be used in various embodiments), an estimate of accepted business value may be calculated as follows:

$$\begin{array}{rcl}
 \text{Valuation Multiplier} & & 3 \\
 \text{Annual Profit} & \times & \$1,500,000 \\
 \hline
 \text{Accepted Business Value} & = & \$4,500,000
 \end{array}$$

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Given recorded net tangible assets (in this numerical example) of \$900,000, an estimate of the value of intangible assets 110 owned by seller company 100 may be calculated as follows:

Accepted Business Value	\$4,500,000
Net Tangible Assets	– \$900,000
Value of Intangible Assets	= \$3,600,000

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**[0061]** Given both the estimated value of intangible assets 110 sold 305 to purchaser corporation 150 and the number of shares issued 310 to seller company 100, the sell price of each issued share may be set at a level so that the overall value of the entire share allotment is notionally equal to the estimated value of the

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intangible assets 110. As the value of the intangible assets 110 may fluctuate over time, the corresponding share price of the purchaser corporation's capital stock 160 may also change accordingly to maintain value equivalence between the two assets.

**[0062]** While valuation multipliers represent one possible approach to estimating an accepted business value for a seller company 100, other numerical and/or statistical approaches may alternatively be utilized. For example, statistical methods based on historic or predicted future profits, as well as other economic indicators or metrics may be used in estimating a going concern value of a seller company 100.

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**[0063]** In some cases, a seller company 100 and a purchaser corporation 150 may engage in a further transaction, or transactions, by which certain of the newly acquired rights in intangible assets 110 are conveyed back to seller company 100. For example, use and possession of the intangible assets 110 may be leased back 315 to seller company 100 on any acceptable terms or conditions agreed between parties. Accordingly, from a practical standpoint, the overall effect of sale 305 and leaseback 315 as a transactional pair may be for seller company 100 to transfer legal ownership in intangible assets 110 to purchaser corporation(s) 150, while at the same time retaining certain rights of use and/or control thereof.

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**[0064]** While ownership of the full right, title and interest to intangible assets 100 would also entitle seller company 100 to such rights of control and/or use as were (re-)acquired through leaseback 310, the combination of transactions 305 and

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315 may allow seller company 110 to retain (or regain) such rights, but at the same time acquire shares in capital stock 160 and all associated rights and entitlements therewith (including the right to earn dividends on the shares). Thus, through acquisition 310 of the shares, seller company 110 is able to have the value of  
 5 intangible assets 110, which is un-recordable in a system of cost as opposed to value accounting, transferred into tangible assets of notionally equal value, i.e., shares in capital stock 160.

**[0065]** In a double-entry bookkeeping system, acquisition 310 of shares may be recorded on a balance sheet 10 (FIG. 1) as a type of asset 20, which is offset by  
 10 a corresponding entry in equity 40 of notionally equal value. So long as intangible assets 110 could not per se be recorded in balance sheet 10, no corresponding entry in equity 40 would be permissible under, e.g., GAAP, IFRS and other cost accounting systems. Thus, sale 305 of rights in intangible assets 110 combined with issuance 310 of notionally equal shares in capital stock 160 permits the value of  
 15 intangible assets 110 to be recorded as equity 40, thereby providing a truer reflection of the value or wealth accumulated in a seller company 100.

**[0066]** While the sequence of sale 305, share issuance 310 and leaseback 315 may represent one possible way of re-distributing wealth associated with intangible assets 110 between seller company 100 and purchaser corporation(s)  
 20 150, it may be apparent that other numbers, types and/or orderings of transactions 300 may bring about the same or a similar result.

**[0067]** As part of a leaseback 315 agreed between seller company 100 and purchaser corporation(s) 150 for use and possession of intangible assets 110, seller company 100 may be obligated to make lease or rental payments 320 to purchaser  
 25 corporation 150. For example, seller company 100 may draw upon cash reserves 120 for such payments, which thereafter may be added, temporarily or permanently, to cash reserves 170 of purchaser corporation(s) 150 or else allocated to some other business purpose. Rental payments 320 may be made to purchaser corporation(s) 150 on a periodic basis, such as monthly or yearly, or at some other  
 30 regular interval, but alternatively may be made aperiodically as well.

**[0068]** In some embodiments, the amount of the rental payments made 320 to purchaser corporation(s) 150 may be at least partially determined based on the

profitability of seller company 100. A further consideration in the calculated amount of the lease payments made 320 by seller company 100 may be the value of the intangible assets 110 being leased back 315, in relation to (e.g., as a proportion of) the accepted business value of the seller company 100. For example, in some cases, the amount of the lease payments as a proportion of annual revenue for the seller company's 100 may be equal or approximately equal to the value of intangible assets 110 as a proportion of the accepted business value of seller company 100. By structuring the lease payments in this manner, the amount of the payment made 320 may grow in approximate proportion to the value of intangible assets 110 over time, and may also correspond in some manner to annual profits earned by seller company 100, i.e., gross revenues less operating expenses.

**[0069]** In the numerical example above, for a seller company 110 with an accepted business value of \$4,500,000, of which \$3,600,000 is attributable to intangible assets, the seller company's goodwill as a percentage of business value may be calculated as follows:

Value of Intangible Assets	\$3,600,000
Accepted Business Value	÷ \$4,500,000
Goodwill as % of Business value	= 80%

Based on the calculated goodwill as a percentage of business value, an annual rental payment 320 to be made by seller company 100 to purchaser corporation 150, as a percentage of annual revenue, may then be calculated as follows:

Profit margin	15%
Goodwill as % of Business value	× 80%
Lease payment as % of Revenue	= 12%

By valuing lease payments in the same proportion to profitability as the goodwill of a seller company 100 is in relation to business value, the lease payments made 320 may thereby reflect the value of the intangible assets 110 that were sold 305 as related to the profits earned by seller company 100.

**[0070]** Accordingly, for an annual revenue (in this numerical example) of \$1,500,000 in a certain year, according to the above calculations, the rental payments made 320 to purchaser corporation(s) 150 for seller company's use and/or control of intangible assets 110 may be equal to \$180,000 for that year. But as annual revenue grows year by year, the dollar value of the lease payments may



grow in substantial or equal proportion, which may help to ensure sustained growth of seller company 100.

**[0071]** In some embodiments, purchaser corporation(s) 150 may collect lease payments from seller company 100 and, if and when declared, distribute 325 such capital as dividends on shares in the capital stock 160 acquired by seller company 100. Purchaser corporation(s) 150 may first set aside some portion of the lease payments received. For example, in some cases, purchaser corporation(s) 150 may set aside a portion of the lease payment for any applicable tax allowance, which is then paid to a revenue agency or the like as opposed to being distributed to seller company 100 as paid dividends. Otherwise all or substantially all of the rental payments received by purchaser corporation(s) 150 may be distributed to seller company 100 as dividends.

**[0072]** Depending on the specific entitlements associated with issued shares in capital stock 160, seller company 100 may from time to time receive payment 325 of dividends from purchaser corporation(s) 150, provided seller company 100 has retained its interest in such shares. However, seller company 100 may also be provided with an option to sell back or redeem 330 some portion of the shares that were initially issued 310. The option to redeem may be exercised once, repeatedly, or not at all, in such manner that the seller company 100 may, in effect, gradually sell back some portion or all of the held shares in the purchaser corporation's capital stock 160. As part of a share redemption agreement, purchaser corporation(s) 150 or another entity(ies) may provide payment 335 of a money equivalent to the notional value of the shares being returned (as originally agreed between seller company 100 and purchaser corporation(s) 150 during sale 305 and issuance 310).

**[0073]** Thus, for example, if seller company 100 were to redeem 330 a quantity of shares equal to 5% of the initial, total allotment, the money payment provided 335 by purchaser corporation(s) 150 or other entity(ies) may in some cases be equal to 5% of the originally estimated value of the intangible assets 110 as part of sale 305. In this manner, if the entire allotment of shares held by seller company 100 were, over time, to be sold back or redeemed 330 by purchaser corporation(s) 150 or other entity(ies), then the total payment provided 335 for such 110, even as new estimate(s) over time might reflect different value(s) of intWithin

**[0074]** Within this context, the skilled person will appreciate that the value of the shares sold back or redeemed 330 by purchaser corporation(s) 150 or other entity(ies) may change over time as the value of intangible assets 110 either appreciates or depreciates in value. For example, changing profitability of seller company 100 might influence a seller company's accepted business value, which in turn would be likely to affect the value of its goodwill in a commensurate manner. However, in some embodiments, the redemption price of shares purchased back 330 by purchaser corporation(s) 150 or other entity(ies) may nonetheless reflect the original estimate of the value of intangible assets 110, even as new estimate(s) over time might reflect different value(s) of intangible assets 110.

**[0075]** Another practical effect brought about by sale 305 and lease back 315 of intangible assets 110, in exchange for or in combination with issuance 310 of shares in the purchaser corporation's capital stock 160, is that seller company 100 is able to acquire a tangible, recordable asset, i.e., shares in capital stock 160, which may serve as collateral for loans and other credit arrangements. Such alternative state of affairs is brought into existence through at least partial conversion of intangible assets 110 into shares of capital stock 160, which are discrete assets and, having an associated cost, which are recordable in the financial records of seller company 100. As used herein throughout, terms or expressions such as "alternative state of affairs" may be used to designate factual situations or conditions that were not pre-existing and that may reasonably be attributed to or correlated with one or more actions purposefully taken, or to consequences or causal relationships associated therewith.

**[0076]** Accordingly, in some embodiments, further re-distribution and realization of wealth as between seller company 100 and purchaser corporation(s) 150 may be achieved by purchaser corporation(s) 150 (or perhaps some other lending or financial institution) extending a loan facility to seller company 100 that is secured by its held shares in capital stock 160. The loan facility may take the form of a line of credit or other similarly or equivalently structured financing arrangement whereby seller company 100 is granted access to funds not to exceed a fixed, pre-determined limit.

**[0077]** In some embodiments, a credit facility extended to seller company



100 may be limited by the estimated value of intangible assets 110 acquired by purchaser corporation(s) 150. In such cases, seller company 100 would not receive more in principal loan advances than did purchaser corporation(s) 150 acquire in the form of the intangible assets 110 (and therefore also not more than the value of the shares in capital stock 160 held by seller company 100). By taking a security interest in such held shares, the credit facility extended by purchaser corporation(s) 150 may be fully secured against default by seller company 100. Given the relative strength of such security, purchaser corporation(s) 150 may therefore be able to extend a credit facility to seller company 100 without insisting on other conventional measures noted above for protecting its investment, e.g., rights of ownership and control in seller company 100 or relatively high or preferential return on investment.

**[0078]** Seller company 100 may be able to draw 340 one or more loan advances from purchaser corporation 150 either periodically or, in some cases, upon request. For example, seller company 100 may be entitled to draw 340 advances against the loan facility monthly or at some other regular interval. However, it will be apparent that any general agreement between seller company 100 and purchaser corporation(s) 150 specifying the number and timing (as well as the respective amounts) of loan advances may be reached.

**[0079]** In some embodiments, the amount of each individual loan advance drawn 340 by seller company 100 may be limited to a prescribed maximum amount. Such maximum amount may be calculated, in some instances, as a fixed percentage of, or somehow otherwise based on, the amount of the rental payments being paid 320 by the seller company 100 to purchaser corporation(s) 150. For example, the maximum loan advance that may be drawn 340 may be fixed at a percentage, e.g., 15% of the value of the rental payments, although this number is merely exemplary and not to be limiting in any way. In this manner, as the amount of the rental payments being paid 320 is ultimately related to the profitability of seller company 100, the cash flows into seller company 100 under a credit arrangement with purchaser corporation(s) 150 may also grow roughly in proportion by automatically adjusting up or down in line with seller company's generated revenues.

**[0080]** For the duration of time that seller company 100 has an outstanding

balance under a loan facility, interest payments on the loan may also be made 345  
to purchaser corporation(s) 150. Such interest payments may become payable as  
soon as an outstanding loan balance is developed and may continue up until the full  
term of the loan. In such cases where repayment 350 of the outstanding loan  
5 balance is permitted in installments according to a re-payment plan, interest  
payments may continue beyond the full term of the loan until the entire outstanding  
balance is repaid 350 by seller company 100.

**[0081]** The amount and type of interest charged on a loan facility may vary  
in different embodiments, but in some cases may be simple interest calculated  
10 yearly and at a rate that is determined by a consumer price index (CPI) or other  
financial or economic metric. For example, the rate of interest charged may be set  
at a fixed amount, e.g., 2-5%, above the CPI. In this manner, purchaser  
corporation(s) 150 may lend to seller company 100 at a rate that is equal to or better  
than inflation, but which still may be considerably lower than interest rates offered by  
15 other commercial lending or financial institutions.

**[0082]** In some cases, a loan facility may be extended to seller company 100  
for a fixed term, such as, but not limited to, a specific number of months or years.  
Thus, seller company 100 may be entitled to draw 340 advances against the loan  
facility until the end of such fixed term, at which point whatever outstanding balance  
20 is existing would become due and payable. Repayment 350 of the outstanding loan  
may be required immediately at the end of the fixed term of the loan or,  
alternatively, according to an agreed upon re-payment plan.

**[0083]** However, at any point during the fixed term of the loan, seller  
company 100 may also be entitled, upon notice to purchaser corporation(s) 150, to  
25 prematurely terminate the loan facility through re-payment 350 of the outstanding  
loan balance. In some cases, a penalty for early termination may be enforced, the  
size of the penalty depending for example on the relative timing of the termination.  
The amount of the penalty may also generally be calculable as a percentage of the  
maximum available loan facility. For example, and for illustrative purposes only, for  
30 early termination of a 5 year loan, the termination penalty may be 10% of the loan  
balance for termination before the end of the 1<sup>st</sup> year, 8% for termination before the  
end of the 2<sup>nd</sup> year, 6% for termination before the end of the 3<sup>rd</sup> year, 4% for



termination before the end of the 4<sup>th</sup> year, and 2% for termination before the end of the 5<sup>th</sup> year. However, as the skilled person familiar with the disclosure will appreciate, other amounts and methods of calculating a termination penalty other than a linear function of time remaining on the loan may be utilized as well.

5   **[0084]**        In addition to sale 305, share issuance 310, and leaseback 315 of intangible assets 110, which in itself represents a re-distribution of wealth as between seller company 100 and purchaser corporation(s) 150, loan advances 340 and re-repayment 350 subject to payment 345 of interest represents a further re-distribution of wealth that is at least partially enabled through such initial conversion  
10    of intangible to tangible assets.

**[0085]**        Referring now to FIG. 4, there is illustrated, in a flow chart, method(s) 400 of re-distributing and realizing wealth based on the value of intangible assets. Such method(s) 400 may be performed, for example, by a seller company 100 and one or more purchaser corporations 150 (FIG. 2) engaging in one or more of  
15    transactions 300 (FIG. 3). For clarity and brevity, description of method(s) 400 may be abbreviated in places (further details to be found above with reference to FIGS. 2 and 3).

**[0086]**        At 405, one or more intangible assets of a company (such as seller company 100) are sold to a corporation (such as purchaser corporation 150) in  
20    exchange for or in combination with an allotment of shares in the purchasing corporation. Intangible assets sold at 405 may include a company's goodwill, either inclusively or exclusively or other intangible assets owned by the selling company. Moreover, the quantity and per unit price of the issued shares may be such that the overall value of the share issuance is notionally equal to the value of the intangible  
25    assets sold.

**[0087]**        At 410, rights in intangible assets acquired by the purchasing corporation may be leased back to the selling company. For example, while the purchasing corporation may retain legal ownership over the acquired intangible assets, use, possession, and other control may be leased back to the selling  
30    company. As part of the lease agreement for use and/or control of intangible assets, the selling company may be obligated to make rental payments to the purchasing corporation, a portion of which may be returned to the selling company (after due

allowance for applicable taxes) as dividends on the held shares, if and when declared by the purchasing corporation. The amount of the rental payments under the lease may optionally be fixed in relation to, and thereby made to automatically grow or shrink with, the profitability of the selling company.

- 5   **[0088]**       At 415, the selling company may have the option to sell back or redeem some portion of the held shares in the purchasing corporation for a price determined pro rata with the value of the intangible assets. Accordingly, through repeated exercise of such option, the selling company may sell back its complete allotment of shares in the purchasing corporation for a total value that is notionally
- 10   equal to the value of intangible assets as determined based on original estimates. Such option to sell back may in some cases be at the complete discretion of the selling company. Accordingly, should the option not be exercised in such cases, selling company would be entitled to continue receiving dividends on the portion of shares still owned.
- 15   **[0089]**       At 420, the purchasing corporation (or some suitably affiliated lending or financial institution) may extend a credit facility to the selling company that is secured against default by the shares in the purchasing corporation's capital stock, which the selling company acquired and still owns. The credit facility may be fixed term and interest bearing as described above.
- 20   **[0090]**       Through performance of method(s) 400, an initial distribution of wealth as between a selling company and a purchasing corporation that was not necessarily advantageous to selling company may be altered according to a re-distribution of wealth that confers one of more practical benefits onto selling company (as well as the purchasing corporation). For example, but without
- 25   limitation, selling company is able based on the value of certain intangible assets to acquire tangible, recordable assets through which to generate present real cash flows that otherwise might not have been available, and thereby to remain in business, retain its status as an employer, and provide goods and/or services to customers. In any event, the selling company is also able to perform a balance
- 30   sheet adjustment by having the previously unrecordable value of intangible assets reflected as owner's equity. In the process, a purchasing corporation is also able to generate or derive capital.



**[0091]** While the method(s) and process(es) described herein may be useful for, or have such practical effects as, collateralizing intangible assets and performing balance sheet readjustments and thereby opening wide ranges of physical and economic possibilities, still other uses and practical effects of the ideas and concepts described herein may be possible.

**[0092]** For example, referring back to FIG. 3, another practical effect of converting intangible assets 110 into shares in capital stock 160 (e.g., through sale 305 in exchange for, or in combination with, acquisition 310) is that the assets of seller company 100 may have different relative values to a given entity before and after such conversion. Thus, while goodwill or intangible assets 110 may have a certain value to some entity (e.g., a trade partner of seller company 100), shares in capital stock 160 may not have equal value and, in some cases, may have dramatically reduced or essentially no value to such other entity. Conversion of valuable intangible assets 110 to comparatively less valuable shares in capital stock 160 may therefore offer seller company 100 some measure of protection against the claims of other entities.

**[0093]** In some embodiments, the method(s), process(es) and other practical applications described herein need not be applied only to goodwill. For example, some companies, such as real estate and investment firms, tend to have relatively high proportions of assets having well-defined values, and in some cases do not to generate as much or as valuable goodwill as other companies that have relatively highly-developed developed brands, business know-how, business processes, customer/client bases, etc. In the case of such other companies, embodiments of the present invention may confer useful benefits and/or advantages by operating on other types of intangible but still valuable assets. As one example, rather than goodwill, intangible assets such as equitable rights of redemption on mortgages may provide a basis for wealth redistributions according to any of the transactions between a seller company and one or more purchaser corporation described herein.

**[0094]** In still other embodiments, the method(s), process(es) and practical applications described herein need not apply to intangible assets and instead may operated substantially as described herein based on tangible assets.

**[0095]** Further details of various examples of implementations of method(s) and process(es) in accordance with the disclosure are provided in the Appendix.

**[0096]** The above description is meant to be exemplary only, and one skilled in the art will recognize that changes or variations may be made without departing from the scope of the embodiments disclosed herein. Such modifications which fall within the scope of the described embodiments may be apparent to those skilled in the art, in light of a review of this disclosure, and such modifications are intended to fall within the appended claims. For example, except to the extent necessary or inherent in the processes themselves, no particular order to steps or stages of methods or processes described in this disclosure, including the drawings appended hereto, is intended or implied. In many cases, the order of process steps may be varied without changing the purpose, effect, or import of the method(s) and process(es) described.

**[0097]** Those skilled in the relevant arts will further understand that, in many embodiments of the invention, relations between buyers, sellers, and other parties may be governed or otherwise memorialized through the use of written contracts.

**[0098]** The scope of the invention is to be defined solely by the appended claims, giving due consideration to applicable rules and principles of construction, such as the doctrine of equivalents and related doctrines, which may be utilized so as to understand the full scope and meaning of such claims as is consistent with the intentions expressed or otherwise implied within this disclosure.



## WHAT IS CLAIMED IS:

## 1. A method of distributing wealth, comprising:

purchase of one or more assets of a seller business by a purchaser corporation, in exchange for a plurality of shares in the issued stock of the purchaser corporation, the value of the issued shares determined based on the value of the assets sold;

lease-back by the purchaser corporation to the seller business of purchased intangible assets;

payment by the purchaser corporation of at least a portion of a net income generated from the lease payments of the seller, as dividends issued in respect of the shares exchanged for the purchased intangible assets; and

holding by the purchaser corporation of the shares exchanged for the purchased intangible assets, as security for the lease-back of the purchased assets.

## 2. The method of claim 1, wherein the purchased assets include tangible assets.

## 3. The method of claim 1, wherein the payment by the purchaser corporation of at least a portion of a net income generated from the lease payments of the seller, as dividends issued in respect of the shares exchanged for the purchased intangible assets is discretionary.

## 4. The method of claim 1, wherein the value of the purchased assets is determined as a net difference between a value of the seller business as a

going concern and a value of the seller business's assets, as the case may be.

5. The method of claim 1, wherein the value of the purchased assets is determined based on an income of the seller business.

6. The method of claim 1, wherein a value of a payment made in consideration of the lease-back is determined based on an income of the seller business.

7. The method of claim 1, comprising re-purchase by the purchaser corporation of the shares exchanged for the purchased assets.

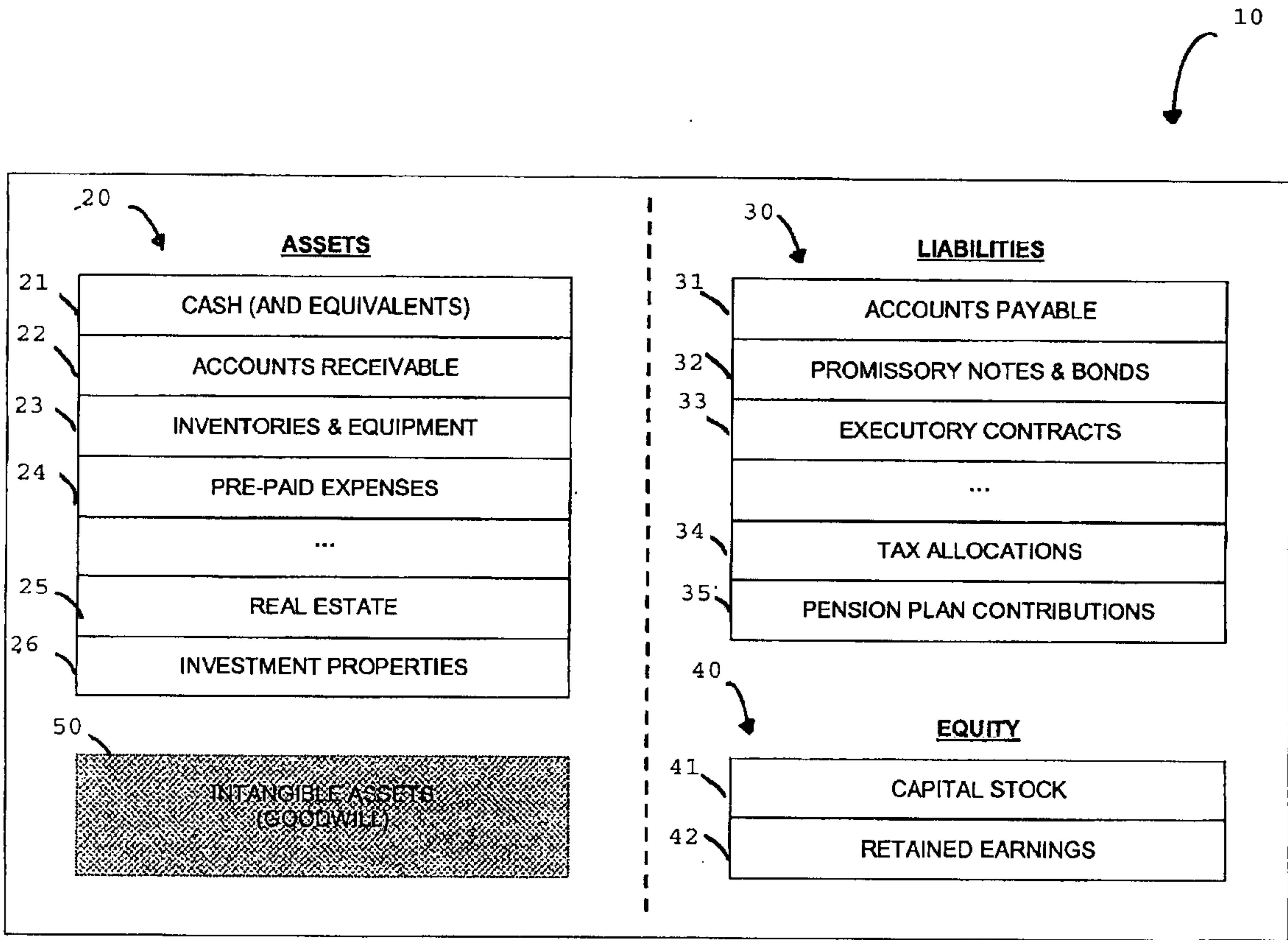
8. The method of claim 1, comprising extension by the purchaser corporation to the seller business of a loan facility secured by the shares transferred in exchange for at least one of the purchased assets.

9. The method of claim 8, wherein an amount available to the seller business pursuant to the loan facility is capped based on a period revenue generation by the seller business.

10. The method of claim 8, wherein an amount available to the seller business pursuant to the loan facility is capped based on a value of the at least one asset.

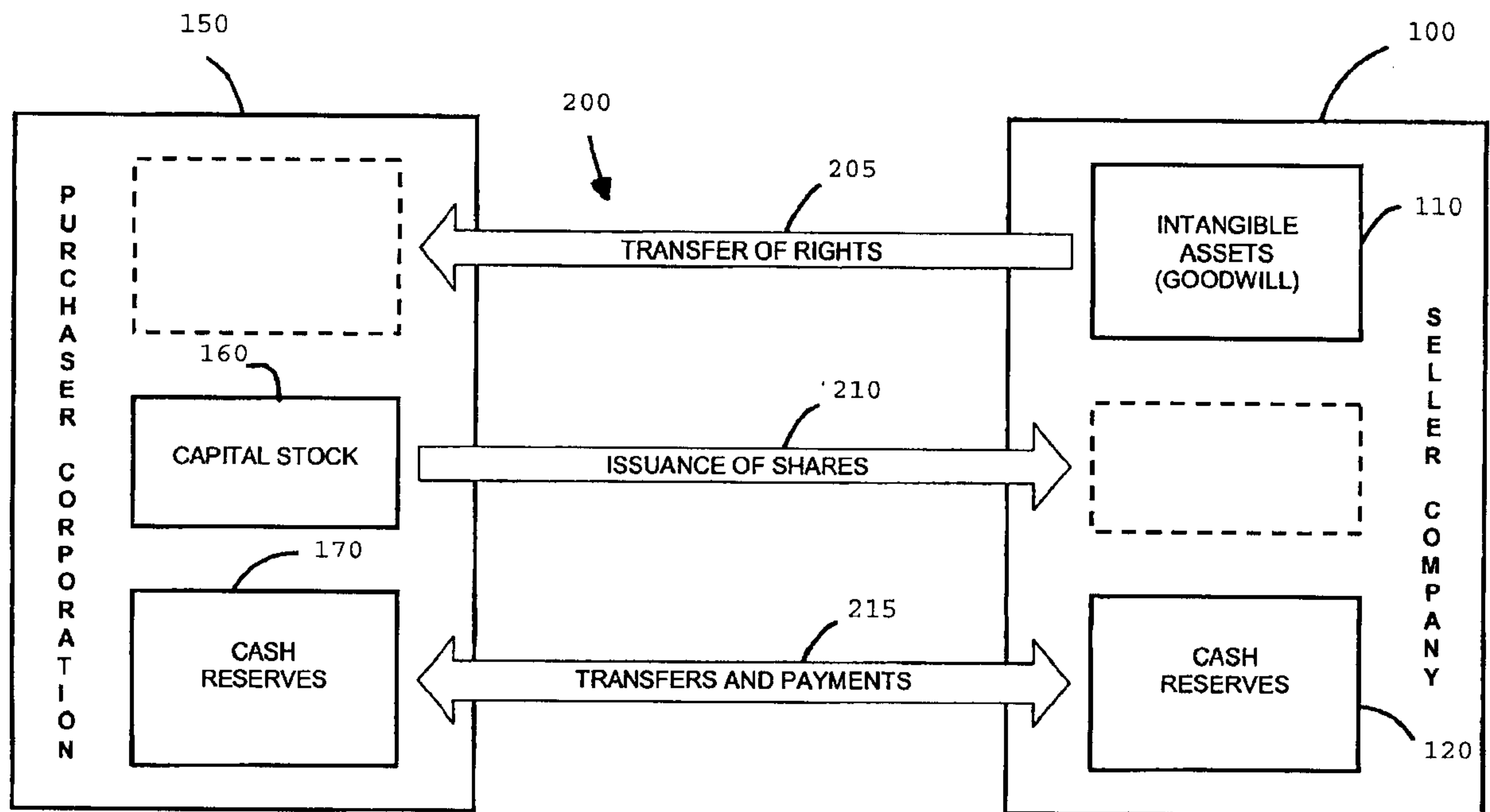


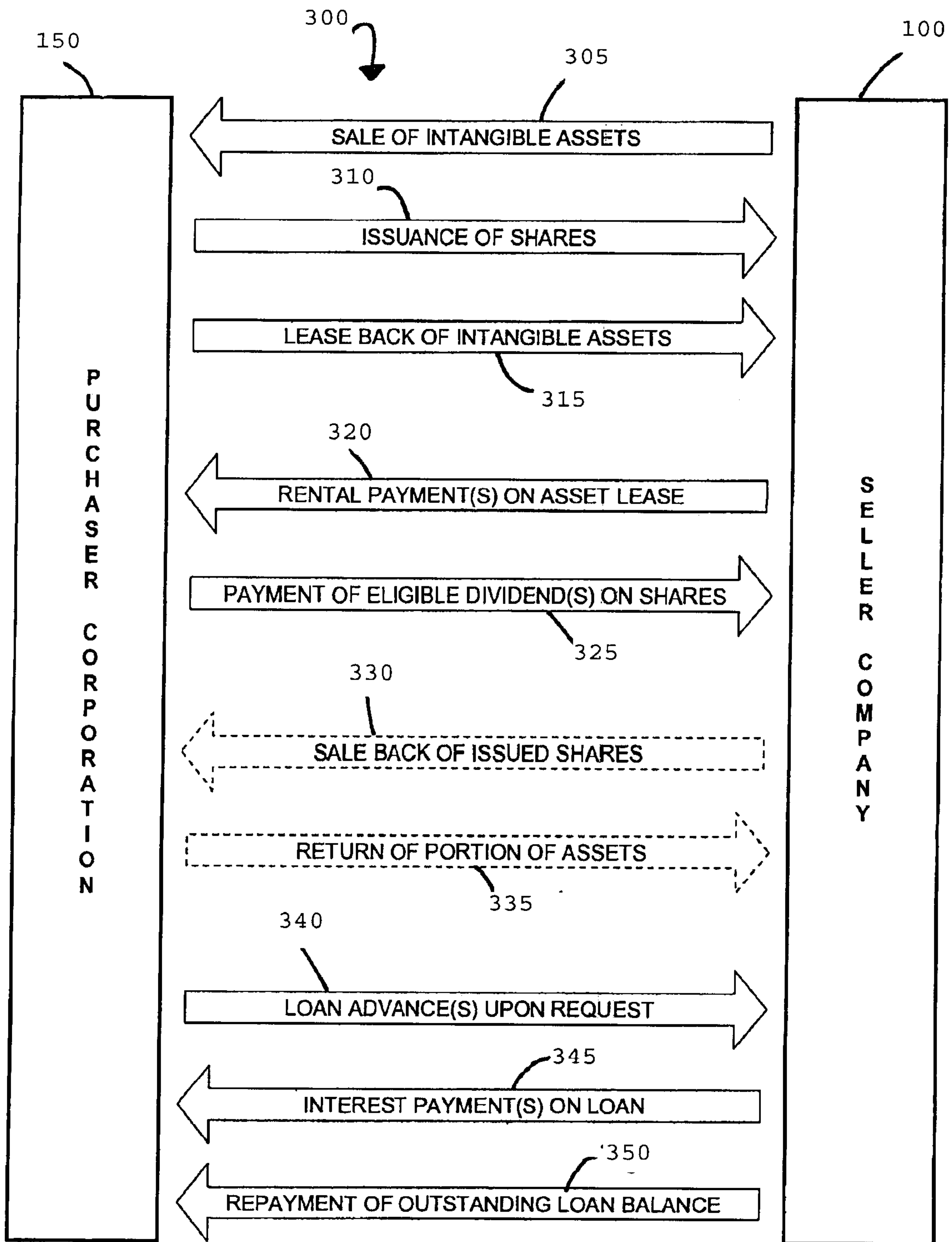
11. The method of claim 1, comprising an election to defer payment of income tax payable based on the sale of at least one of the purchased assets in exchange for the transferred shares of stock.



**FIGURE 1**



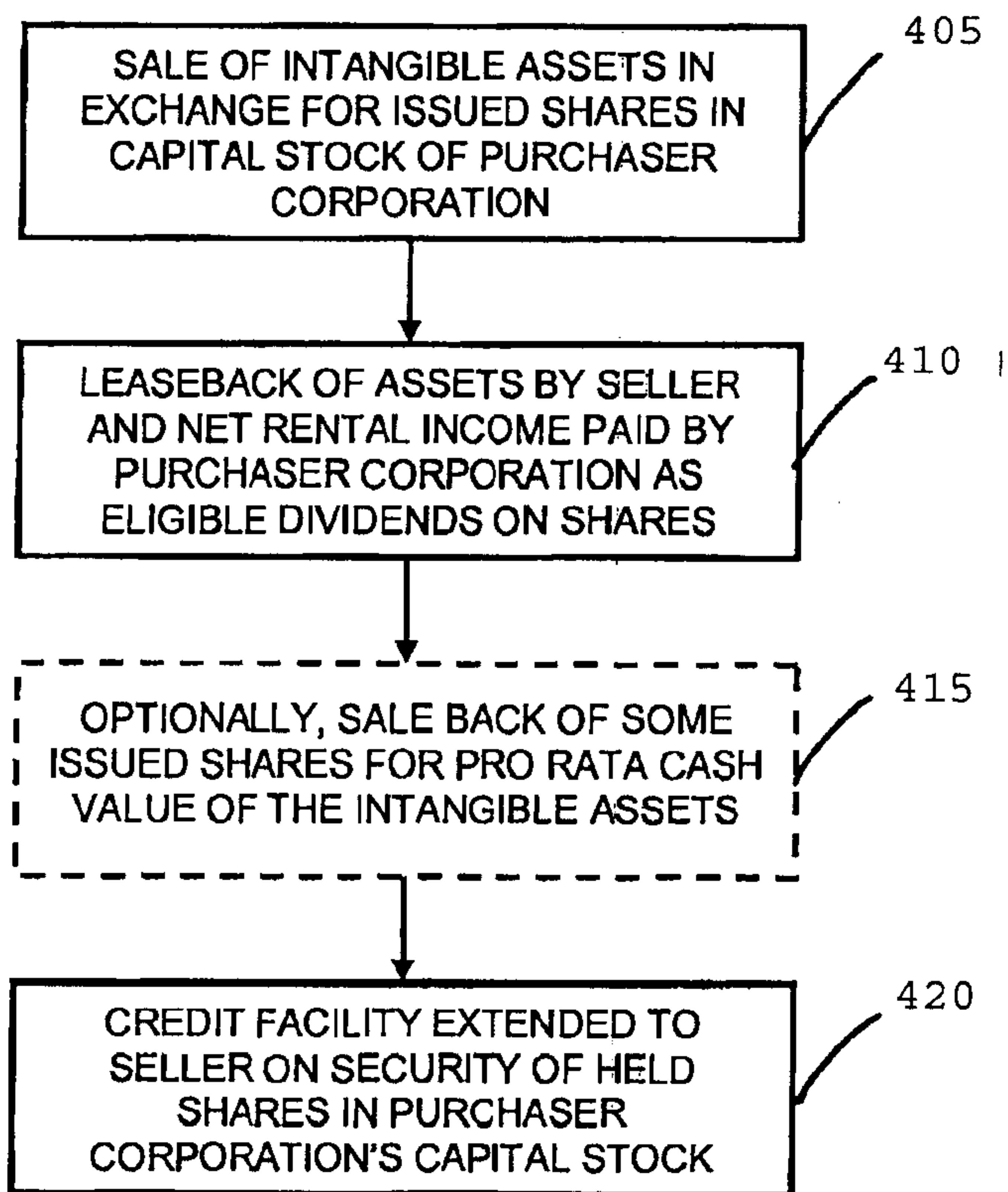
**FIGURE 2**



**FIGURE 3**



400

**FIGURE 4**

