Corporate spin offs are complex and it is important to enter into the process with a thoughtful plan. Addressing the key issues in the four phases detailed here will help ensure a smooth transition and a successful execution.

**THE 4 PHASES OF A CORPORATE SPIN OFF**

**PLANNING**
- Identify business objectives to be met by the spin off
- Prepare and refine the spin off’s business plan
- Define the relationship the spin off company will have with the original or parent company
- Set the spin off effective date

**PREPARATION**
- Engage third-party consultants with multidisciplinary skills
- Identify key dates and tasks and assign deadlines
- Obtain a legal review of all separation documents
- Resolve any regulatory noncompliance issues
- Obtain federal regulatory approvals, if required
- Bring a well-defined proposal forward for board approval, if required
- Create financial statements and securities notifications
- Set soft/final spin off dates
- Review what records/data should be sunset or retained post-spin
- Identify systems/processes that need to be mirrored and/or replaced
- Is there any duplication of services needed?

**EXECUTION**
- Go live with soft spin off, to test structure/assignments — not every spin off will have a soft spin
- Confirm and sign legal documents, transfer stock, make payments
- Confirm final spin off date
- Submit new business filings
- Sign closing documents
- File financial statements and securities notifications

**POST-EXECUTION & ONGOING MANAGEMENT**
- Verify the final corporate structure post-spin
- Audit written documents to ensure accuracy
- Parent company sunsets records it no longer needs
- Spin off makes its data/records live
- Verify all spin off documents have been filed
- Order state-filed documents to review accuracy
- Update/verify Secretary of State filings/status
- business licenses and company records
- Monitor ongoing compliance

**WHAT DRIVES THE COMPLEXITY?**

**NO TWO SPIN OFFS ARE THE SAME**
Spin offs comprise numerous steps, often taking place in different jurisdictions and locations — this makes for a complicated process.

**TIGHT DEADLINES**
Documents have to be in on time or the entire process is jeopardized — navigating multiple people, departments, and organizations can be trying.

**STRETCHED RESOURCES**
Critical staff is drawn into the spin off process, leaving other tasks and responsibilities to potentially slip through the cracks.

For more information or help with a corporate spin off,
Please contact us at

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