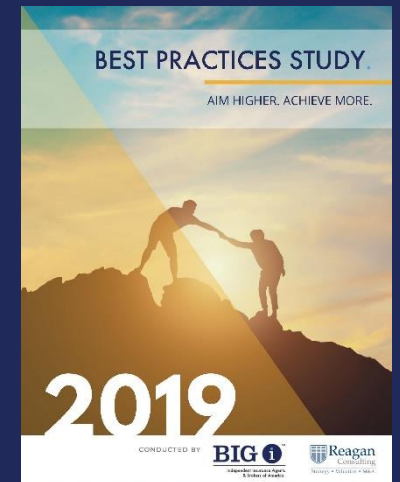


Best Practices for Agency Operations Webinar Series

Responding to COVID-19

August 2020



August 2020 Top 4 Issues

THE DAILY NEWS

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Perpetuation model at the breaking point



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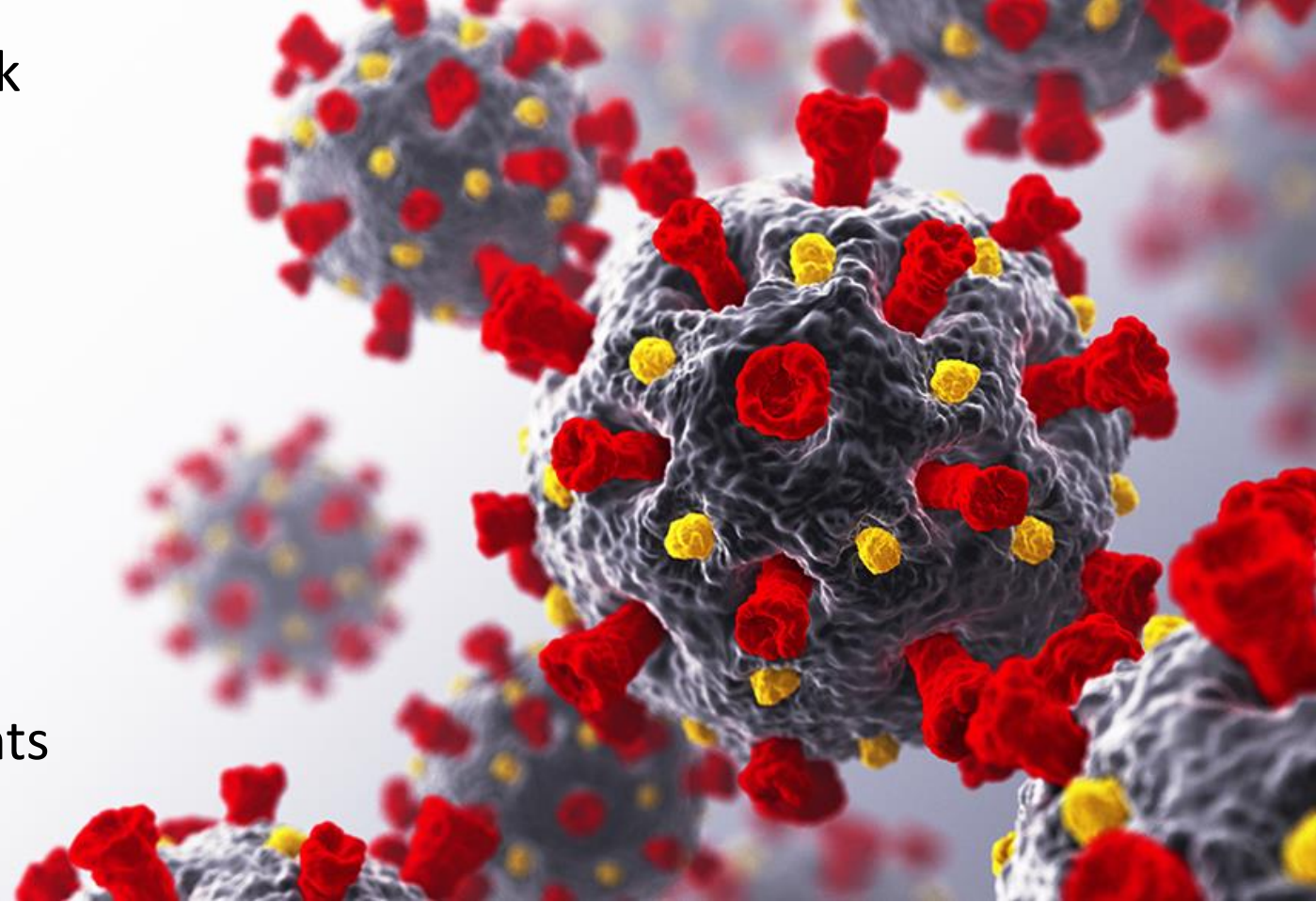
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The Yellow-Flag



Top COVID Questions

- 1) What will our “back-to-work” plan look like?
- 2) How can we build a new business pipeline without face-to-face contact?
- 3) What can we be doing while under a yellow-flag to ensure we win once racing resumes or during another yellow-flag?
- 4) How will traditional office arrangements change going forward?



What are Practical Steps to Embrace Diversity?



Political Uncertainty



Biden Tax Position

- 1) Restore top individual tax rate to 39.6% from 37%
 - Limit itemized deductions for higher wage earners
 - Eliminate caps on portions of SS for high income taxpayers
- 2) Capital gains taxed at 39.6% (ordinary income) vs. 20%
- 3) Increase corporate tax rate from 21% to 28%



Perpetuation Model at the Breaking Point

- 1) Largest “Temptation Zone” in history
- 2) Anxious millennials are conserving cash
- 3) Many brokers are stuck in a “Distribution Trap” despite realization that growth is becoming more capital-intensive as they get larger

Market leaders are recognizing they must integrate:

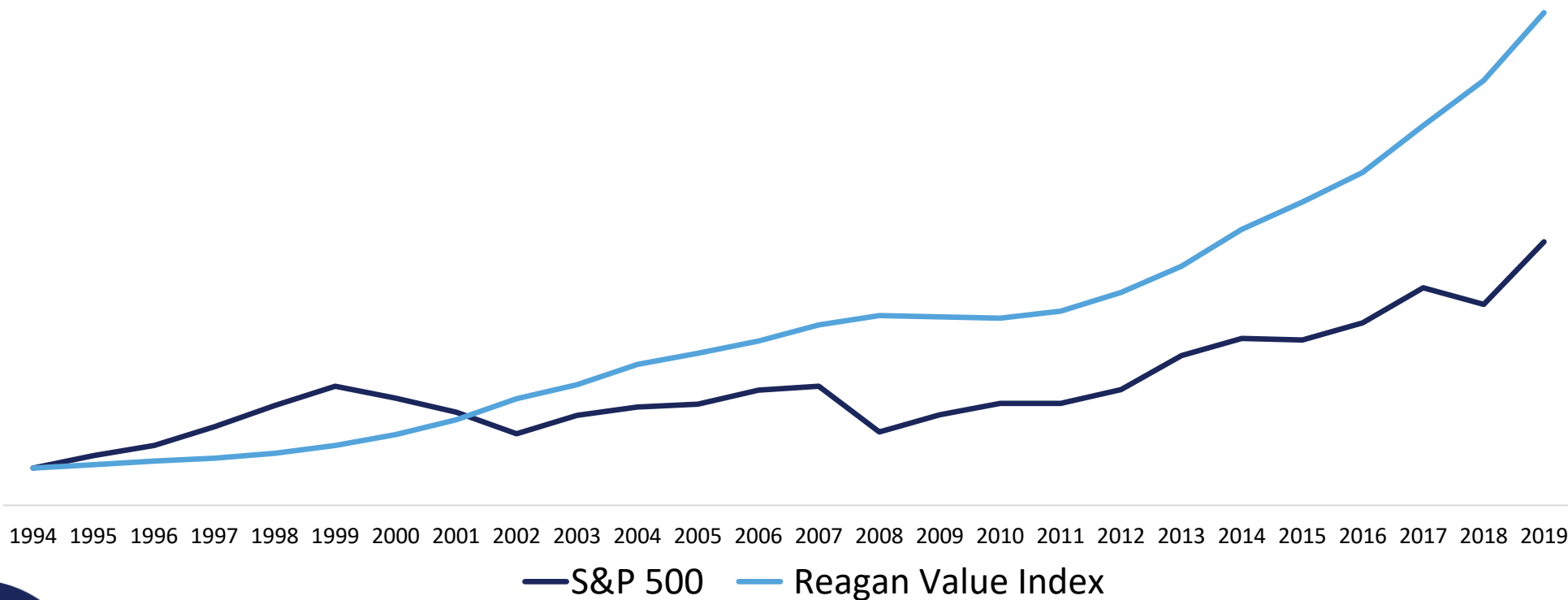
- 1) Business goals
- 2) Perpetuation model
- 3) Capital structure

Brokerage Stock: Is there a Better Place to Accumulate Wealth?

Share Price Appreciation

25-Yr CAGR:
10.9%

25-Yr CAGR:
8.1%



Source: Reagan Value Index; S&P 500 online



Known Outcomes

- 1) Industry is resilient
- 2) There will be positive outcomes
- 3) Agencies who relentlessly focus on serving clients while also creating a uniquely positive employee experience will continue to adapt and thrive



Harrison Brooks

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Harrison Brooks joined Reagan Consulting in 2015 and is a partner of the firm. Harrison primarily works with clients on mergers & acquisitions, agency valuation and strategic consulting projects.

Prior to joining Reagan, Harrison spent two years at the private equity firm, Carousel Capital, acquiring business and consumer services companies. He was responsible for leading valuation exercises and executing due diligence processes. He also worked closely with management teams on strategic planning and value creation initiatives. Harrison began his career in investment banking with Edgeview Partners (now Piper Jaffray). During his tenure in mergers and acquisitions, he completed numerous buy and sell side transactions.

Harrison is a Certified Valuation Analyst (CVA) and he graduated from the University of North Carolina at Chapel Hill with a Business Administration degree from the Kenan-Flagler Business School. He currently maintains the Series 63 and 79 FINRA Registrations through Reagan Securities, Inc., the affiliated FINRA-registered Broker/Dealer of Reagan Consulting, Inc.