**The Grimaldi Family**

Financial and charitable planning to help a family make the most of their resources.

**The Grimaldi Family**

Steve Grimaldi, age 67, was born in Dubuque, Iowa. He was the youngest of three children in a middle class family. He attended Iowa State University and majored in business. It was there that he met his future wife, Grace. They were married in their senior year in college. Grace, who was also born in Iowa, is the elder of two sisters from a farm family.

After they were married, Steve and Grace moved to Mahopac, New York so that Steve could take a job with a photo supplier. Their first years of married life were hectic, but happy, and Steve’s career thrived. Three children were born, Steven, Jr., Caroline and Stephanie.

Eventually, Steve grew tired of corporate life and started his own business. He acquired a reputation as a hardworking, smart and innovative business owner. He knew the supply chain well and was able to expand his business year after year, until it was the major supplier in the Northeast. He hired family friend and long-time acquaintance, Charles Wales, to become the business’ first general manager. He continued to build the business’ sales network while Charles ran the day-to-day business. Sales expanded. While Grimaldi Co. expanded and considered becoming a public company, the time was never right for such a move, and it remained a family enterprise.

In the early 1990's Steven Jr. was graduating from college. He had completed a English B.A. with a business minor. He joined Grimaldi Company as part of the sales team. Steven, Jr., is now a valuable member of the senior sales staff.

In 2000, Caroline Grimaldi married Philippe Junot. He was then working as an IT specialist and very shortly joined Grimaldi Co. Philippe’s expertise in IT helped the company expand rapidly while keeping in touch with customers and potential customers.

 In 2006, the youngest child, Stephanie graduated from college (fifth in her class of 250), with a civil engineering degree. Her real interest was in transforming the world through technology. She and her two friends, William and Catherine, spent their time in college playing computer games and were real experts on the cutting edge of interactive computer games. Working together, they invented their own game, which worked on iphones and androids, as well as laptops, called “Clean Water Quest,” where zombies and pirates fight to drill wells in the desert.

Eventually, Stephanie, William and Catherine’s computer game became the Games Division of Grimaldi Company, headed by son-in-law (and now vice president) Philippe Junot. Soon, their game became very successful and a HBO series based on the interaction between the characters was underway. Stephanie, William and Catherine were each 10% owners of the proceeds from the game and HBO series royalties. This year’s gross proceeds are expected to hit $3M. Five year projections, staring in January of this next year are for the Games Division to bring in an annual net before taxes of around $1,250,000 after Stephanie, William and Catherine’s payout.

**Grimaldi Family Members**

1. Steve Grimaldi Family Patriarch, President and 100% owner of Grimaldi Co.

2. Grace Grimaldi Steve’s wife, family matriarch, oversees the “Grimaldi Family Charitable Foundation.”

3. Steven Grimaldi, Jr. Steve & Grace’s eldest son, VP of Sales at Grimaldi

4. Caroline Grimaldi Junot Steven and Grace’s daughter, married to Philippe Junot

5. Philippe Junot VP of Games Division at Grimaldi Company, married to Caroline Grimaldi

6. Stephanie Grimaldi Steven & Grace’s youngest child

**Employees of Grimaldi Company**

There are currently 60 employees, among them are:

7. Charles Wales Steve’s younger brother’s college roommate and, also, Steve’s mother’s best friend’s son, now senior VP – General Manager of Grimaldi Co.

8. William and Catherine Friends of Stephanie Grimaldi

 **1. Steve Grimaldi, Sr.**

Grimaldi Company, 100% owner, Age 67

After college, Steve married Grace. After a brief series of sales jobs, took a sales position with a large photographic and imaging company in Carmel, New York*.* He grew tired of corporate life and struck out on his own forming Grimaldi Company.

Steve, Sr. has built Grimaldi Company from the ground up. He would like to retire, but he doesn’t see how he can. He is concerned about Charles, who is in his 50’s and not prepared to retire. Besides, he is the only other person who knows the company. He is worried about his son, Steven, Jr. and son-in-law, Philippe, who are both employees of the company and make substantial contributions to the business. There is tension between Steven, Jr. and Philippe. Steve, Jr. expects to take over the company and that makes Philippe uncomfortable because he would like an equity position, also.

**Steve, Sr.’s Concerns**

* Economic independence for himself and Grace and time for them to enjoy life. This includes "giving back to the community" by becoming more involved in Grace’s charitable interests. His own father was on the board of Ashford College, Clinton, Iowa. As his father grew older, he had been extremely engaged in and proud of supporting the college. Steve knows this added a great deal of pride—and probably a decade—to his father’s life.
* Management Succession: Steven, Jr. is not quite ready to take over the company. Grimaldi Company needs Charles and Philippe for continued success.
* Ownership Succession: Steven, Jr.’s eventual majority ownership? Plus, Philippe has children for the next generation’s ownership. At this point, Steve does not.
* Treat his three children, Steven, Jr., Caroline and Stephanie “equally.”
* Leave a harmonious team at Grimaldi Company.

**2. Grace Grimaldi**

Community Volunteer, Age 65

While Steve was building the Grimaldi Company, Grace was active as a community volunteer. First, she began with involvement in Steven, Jr., Caroline and Stephanie’s school’s parent/teacher network, eventually becoming president. In this role, she became familiar with social challenges in education and children’s health. Eventually, she served on a “Grant’s Advisory Committee” with the local community foundation and became interested in how the environment impacts children’s health (especially in Putnam, where the air quality is low.)

About fifteen years ago, she and Steve formed the “Grimaldi Family Charitable Foundation,” with herself, Steve, Steven, Jr., Caroline and Stephanie as trustees. Each year Grimaldi Company made a transfer to the foundation. However, in the last few years, the transfer has been less.

**Grace’s Concerns**

* She would like to use the foundation to pass on family values about charity, generosity and community service, but does not know how to involve Steve and the children meaningfully.
* Professional advisory and investment fees for the foundation are getting expensive. Grace wonders if there is an alternative that would allow for more dollars to go directly to the community.

**3. Steven Grimaldi, Jr.**

Steve & Grace’s Eldest Son

Steven, Jr. is the Grimaldi’s eldest son. He joined the business in 1993 on a part-time basis while he finished college and earned his degree in English with an IT minor. He is now 42, and his wife, Contessa, is 38. He knows he is the “heir apparent.” He is frustrated by not having more say about how the business is being run. He would like to be in charge of the business now, but Dad is holding back. It may be because Steven, Jr. and his brother-in-law, Philippe, don’t always get along. Steve, Sr., leans on his good friend and key employee, Charles, a lot.

Steven, Jr. is also concerned about whether his Mom and Dad have put enough aside for retirement. If not, how will they finance their retirement? Steven, Jr. has lots of questions. If Dad sells the business, am I out of a job? If he retires, who runs the company? If he dies, will I be responsible for supporting Mom…and her mother?

I don’t know what Dad and the company plan for the future.

**Steven, Jr.’s Concerns**

* At age 42, I am still a “junior.” When will this end? I don’t have children now, but I would like to.
* I sure wish Dad would let me move ahead on some of the ideas I have for the company.
* As Dad ages, where do I fit in?
* What happen to Contessa and me if Dad dies, retires or sells out?

**4. Caroline Grimaldi Junot**

Steve & Grace’s Second Child & Eldest Daughter, Age 38

Caroline, the Grimaldi’s middle child, is 38. In college, she met Philippe Junot, a brilliant student with a knack for business and considerable technical savvy. Caroline married Philippe in 2000. Steve, Sr. and Charles Wales decided he would be a great addition to the business and hired him. Philippe came to work with the Grimaldi Company in 2001. His skill and popularity with the workers and staff and his management skills have caused some tension between Steven, Jr. and Philippe. Caroline is very much aware of this, sometimes it causes difficulties between her and her parents. Recently it has begun to cause trouble between her and her brother and sister. She feels she has to “side” with Philippe. Caroline and Philippe have two children, Sarah and Seth.

Caroline was a social worker earlier in their marriage, but has been a stay-at-home mom since Seth was diagnosed several years ago with a “pervasive developmental disorder.” He is in a program at school that provides therapy for autism, but Caroline believes that Seth’s issues will take a lot of her time and attention in years to come.

**Caroline’s Concerns**

* Philippe is so good at the company and everyone knows it. I wish he could feel secure in his position and know the direction the company is going to take. He always feels that he should be looking at different career opportunities.
* I wonder if Philippe’s job security is tied to what Dad is going to do.
* I like staying at home with our children, and, now Seth’s therapy and care take so much time, I don’t know if I could work. I would not look forward to the prospect of having to find a job if Philippe leaves the family business.
* We all used to get along. No longer. What has happened between Philippe and Steven, Jr.?

**5. Philippe Junot**

Caroline’s husband—Steve & Grace’s Son-in-law

Philippe knows that he is like another son to Steve, Sr. and Grace. Steve, Sr. feels that Philippe and Steven, Jr.’s talents complement each other, but Philippe still does not know where he fits in. He has thrived with the advent of computer technology and has helped the company move smoothly into consulting, designing and implementing large and small copier systems. Competitors grew in number but the reputation and contacts of Grimaldi Company stood them in good stead. Philippe expected that his accomplishments would result in some ownership share at some point—an ownership share at least equal to Steven, Jr. As Steve, Sr. gets older his concerns have increased.

**Philippe’s Concerns**

* He really likes working at Grimaldi Company. But the way he sees it: No matter how Steve, Sr. leaves the company (retiring, selling out or dying) his job is in jeopardy.
* Steven, Jr. and Philippe used to get along well, but lately Steven, Jr. seems angry all the time.
* He doesn’t want to let Caroline’s family down, but he must consider his own family's financial security.

**6. Stephanie Grimaldi**

Steve & Grace’s Youngest Child & Younger Daughter

Stephanie, 28, is the youngest child. She’s something of a social entrepreneur and wants to save the world. She has spent time traveling in Africa and is interested in public health and environmental issues. She really has very little interest in the business (printing and copying) of the Grimaldi Company, other than having it house her gaming business.

Stephanie, William and Catherine are thinking of starting a film production company to film documentaries of new African village water technologies. They would like to make this business a “B-Corp” (a for-benefit corporation under Article 17, BCL.) Should they (can they) do this?

**Stephanie’s Concerns**

* I know the world of social entrepreneur’s is a wide ranging and variable world, I want to part of it, but I know I will have to have money first.
* I want my father and mother to become more active in the “Grimaldi Family Foundation” and carry out its mission “to provide financial support to charitable organizations in Putnam County that seek to build a stronger society by improving the health and quality of life of children, women and families facing economic, educational, social and medical challenges."

**7. Charles Wales**

Key Employee, Age 55

When Grimaldi Company was incorporated, Steve, Sr.’s first employee was family friend, Charles Wales. He has helped grow the company and has been there every step along the way, working nights and weekends when business required. He knows all of the customers, suppliers and the market in general.

Charles is trying to get Steve, Sr. to make some difficult decisions. He has said to Steve, Sr. “Are you going to do anything about the company? I know the score around here. We all figure that Steven, Jr. is going to take over eventually. When you finally decide to go, I’ve always assumed I’d have a place there. You’ve got a few years on me. Frankly, I’m not going to be ready to retire—I can’t financially—yet. I need to work ten more years. But even beyond my personal concerns, what will happen to the company when you go? What if it happens suddenly?

**Charles’ Concerns**

* Steve, Sr. is going to leave before I can retire—what then?
* I can and have run this business—for years. But, I have no authority and no ownership. If Steve, Jr and Philippe get into a battle, it could destroy the business.
* Steve is my best friend. If was fun building and focusing on Grimaldi Company, but this situation where I am trying to find a way of being here with dignity and then an exit with dignity is not fun.
* I hope some legal and financial planning can help!