



# LIVING WATER

*A Quarterly Newsletter from WaterStone*



**COVER STORY:**

Religious Freedom  
*in Peril*



## Leadership

Ken Harrison  
CHIEF EXECUTIVE OFFICER

John Mulder  
CHIEF GENEROSITY ADVISOR

Rick von Gnechten  
CHIEF OPERATING OFFICER

## About

WaterStone is a Christian foundation that comes alongside givers, advisors and ministries to provide trusted counsel and innovative giving strategies. Since 1980, we have assisted our clients in developing comprehensive plans for sharing their resources with ministries and organizations to fulfill their charitable intent.

Our expertise is working with business owners and stewards of family wealth to unlock the giving potential of their non-cash assets like real estate, business interests, oil, gas, and agricultural commodities. Through WaterStone, families can multiply their giving impact for the Kingdom, minimize taxes and heighten the joy of generosity.

## Learn More

Visit [WaterStone.org](http://WaterStone.org) or call our offices at 719.447.4620.

## By the Numbers

**\$1.2 BILLION**  
*Assets Under Advisement*

**\$1 BILLION**  
*Complex Assets Contributions*

**\$2.2 BILLION**  
*in Contributions*

**7500+**  
*Charities Supported*

**\$3 MILLION+**  
*Weekly in Grants*

**\$1 BILLION**  
*Given in Grants*



## How to Maximize the Kingdom Impact of Your Business Sale



**Whether you're on the verge of retirement or it's simply time to move on, exiting your business can be exciting—and hazardous. Many business owners don't realize that capital gains taxes can significantly cut into the proceeds of a business sale.**

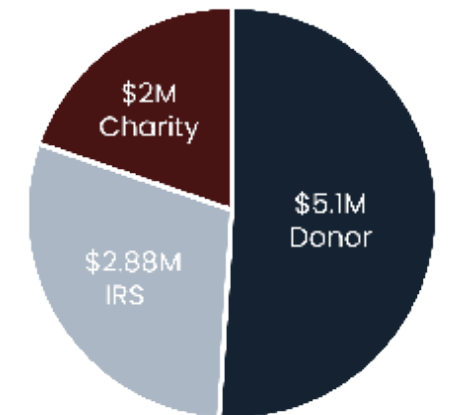
Fortunately, the IRS allows private business interests to be given to a donor advised fund prior to sale. This can reduce capital gains taxes, increase tax benefits, and support the causes you care about most.

For example, if a business owner sells a California LLC for \$10 million and donates \$2 million to charity after the sale, their capital gains tax could be as high as \$2,888,000 (factoring in federal and state tax rates) after the charitable tax deduction. However, if the business owner makes a gift pre-sale, that capital gains tax is reduced to \$2,166,000, which saves the donor over \$722,000 in taxes compared to a gift of cash.

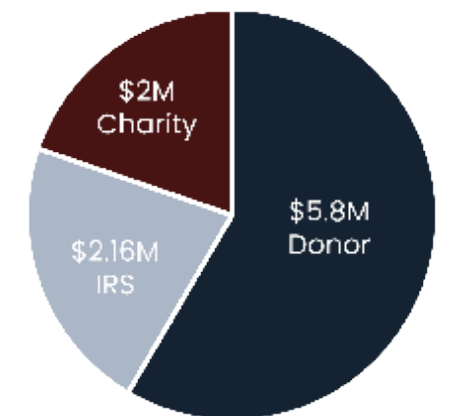
Most charities are not set up to receive private business interests, but our Giving Strategists here at WaterStone can handle all of those details. We will hold or sell the assets and invest the cash proceeds in a Giving Fund. Investments can be managed by WaterStone or a donor-selected Investment Advisor, and many kinds of business interests can be donated, including LLCs, C-Corps, S-Corps and Limited Partnerships.

Every situation is different, and some scenarios might require a different strategy. But with a little planning and help from WaterStone, you can enjoy major tax savings—and make a big difference for the charities you believe in.

**Charitable Gift Post-Sale**



**Charitable Gift Pre-Sale**



# Investing Dollars to Change the World



**Ricky Caplin is more amazed than anyone at how God has orchestrated his life, work, and ministry over the last seven years. In 2017, the entrepreneur sold one of the largest healthcare companies in the world, but he knew God required more of him.**

*ABOVE Ricky Caplin (right) with friends in the Philippines*

**“The Parable of the Talents really stuck out to me,” Caplin said. “If you can maximize your business talents, you need to make the most of it—not just sit in a self-imposed bubble.”**

Caplin and his wife had a connection to India from the sale of his previous healthcare venture, so they decided to set aside funds and wait for God’s direction. Little did they know that God wouldn’t lead them to India, but to the Philippines.

God’s first move was to introduce Caplin to two people: WaterStone CEO Ken Harrison and the founder of a staffing company in the Philippines named Brian Heiner. Heiner was running Virtual Staffing Solutions (VSS) on the island of Leyte, and it was doing well.

The more Caplin learned about the Philippines, the more he saw an opportunity to use his talents as a businessman to serve its people. The island of Leyte had been decimated by typhoon Yolanda. Millions had been displaced, and those that were left struggled to secure basic needs like food and water.

Caplin understood that the success of VSS could benefit the island’s residents, and Heiner had already started that work. He had become one of the largest employers on the island and had built cafes that were among the island’s best restaurants. VSS offered health benefits, which is rare in the Philippines, and for every six months working at VSS, employees could add a relative to the insurance policy.

Heiner had expressed interest in selling VSS to Caplin, but it would require more money than Caplin and his wife had set aside. But God had already begun working on a plan to solve that problem.

“God went beforehand and laid the groundwork for this, and it was a lot of patient endurance and prayer and waiting on God’s timing,” Caplin said. “He’s doing the heavy lifting.”

Caplin learned about WaterStone through Ken Harrison, who connected Caplin with another WaterStone donor who he thought would be interested in Caplin’s work in the Philippines. This donor was blown away by VSS and believed the real opportunity lay not only in giving but also in loving the people of the Philippines, building disciples for Christ, and instituting a God-honoring culture among VSS employees.

Caplin and his partner worked with WaterStone to structure a deal that allowed them to purchase a large stake in VSS through their Donor Advised Funds. This structure offered them tax advantages (even though the company is increasing in value), and WaterStone is set to own 100% of the company by the end of the year.

But God wasn’t done yet. Even though VSS was still relatively small, they landed two enormous clients through Ricky’s personal connections, and their EBIT-DA is set to triple in the next year.

**RIGHT**  
A view from the interior of Virtual Staffing Solutions.



Caplin and his partner are planning to use that business success to give back to the people of Leyte. They plan to partner with Harvesters International to build churches throughout the island, and they’re hiring a company chaplain to lean into VSS’s culture of faith.

They’re also hoping to build thousands of water wells. People are still dying due to a lack of clean water, but these new wells can solve that problem for a fraction of VSS’s yearly profits. The wells will offer physical water while the churches will offer Living Water.

Leyte is also, unfortunately, a source of human trafficking. Girls are sold by their relatives every year because they have no future on the island. But Caplin and his partner plan to build women’s academies to give these young women an education, work, and a way to escape their situation.

None of these projects would be possible apart from the success of VSS, and that success would not have been possible without God’s intervention.

“We serve a really, really big God who’s capable of really, really big things, so don’t limit Him with the way that the world would tell you to think,” Caplin said.

We at WaterStone have been proud to work with Caplin and other donors as they seek to follow God’s path. It is our pleasure to help make these projects financially beneficial to our clients so they can do even more work for the Kingdom.

# RELIGIOUS FREEDOM in Peril

**Are you praying for the lives of unborn children?" asked the police officer.**

Isabel Vaughan-Spruce might have been confused by the question if she hadn't been in this situation before. The UK woman had been cited twice for praying outside an abortion clinic in Birmingham, England. She wasn't blocking the clinic's doors, hadn't spoken to any of the women seeking abortions, and wasn't part of an organized protest. Yet she'd been subject to constant harassment by police for having the audacity to pray silently for unborn children

*Vaughan-Spruce had been subject to constant harassment by police for having the audacity to pray silently for unborn children and their mothers.*

“



*Pictured: Rabbi Levi Illulian; Photo Credit: First Liberty*

*Pictured: A vandalized Jewish cemetery in France.  
Photo Credit: Agence France-Press*

and their mothers. Law enforcement apologized twice for issuing improper citations, but the harassment continues.

Vaughan-Spruce's experience isn't unique. Another Christian in Birmingham was cited for the same activity, and religious people across the western world are sensing the slow erosion of their religious freedom. In fact, a 2019 study by the Pew Research Center demonstrated that between 2007 and 2017, Europe saw the greatest rate of increase in government restrictions on religious practice than any other region.

On the American side of the pond, anti-semitism has been in the news. But even prior to the war in Israel, the persecution of Jewish-Americans has been an ongoing problem. For nearly a year, officials in Beverly Hills, California, surveilled and persecuted a local rabbi named

Levi Illulian for holding religious services in his own home. A private citizen complained about the gatherings, and the city launched an investigation that included surveilling individuals and cars coming and going from the home on a daily basis and flying a drone over the home.

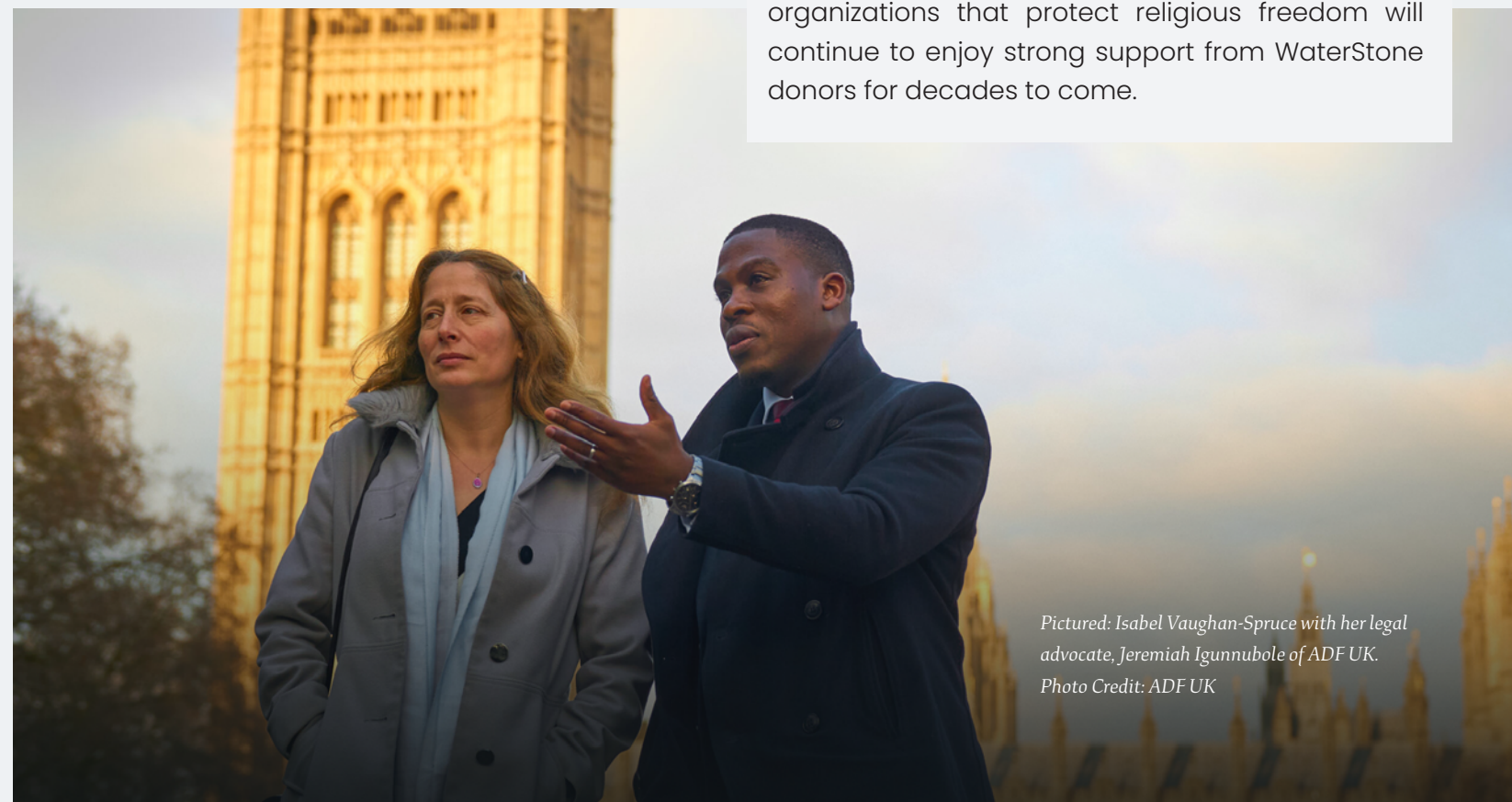
**Fortunately, Vaughan-Spruce and Rabbi Illulian don't have to fight alone.**

Helped by organizations backed by WaterStone donors, both individuals have received powerful assistance.

Vaughan-Spruce was represented by the **Alliance Defending Freedom** (ADF), which has received over \$4 million from WaterStone donors since 2008. After securing two apologies from police, the ADF's UK branch is currently fighting to clear her of the latest citation. Rabbi Illulian likewise received strong representation from the nonprofit **First Liberty**, which has received over \$3 million from WaterStone donors since 2008. They sent multiple letters to Beverly Hills city officials, who eventually backed down.

WaterStone donors understand the importance of staying vigilant as anti-Semitism rises and the rights of all religious people come under attack.

We know that both Christians and Jews are threatened by the same erosion of freedom. We've been proud to help facilitate charitable giving to both ADF and First Liberty, and we believe organizations that protect religious freedom will continue to enjoy strong support from WaterStone donors for decades to come.



*Pictured: Isabel Vaughan-Spruce with her legal advocate, Jeremiah Igannubole of ADF UK.  
Photo Credit: ADF UK*



10807 New Allegiance Drive, Suite 240  
Colorado Springs, CO 80921

## *A Letter from Ken's Desk*

**In the Parable of the Talents, Christ utters the words every Christian hopes one day to hear: "Well done, good and faithful servant. You have been faithful over a little; I will set you over much. Enter into the joy of your master."**

It is clear what we must do to earn such high praise. As the parable illustrates, those who have been blessed with earthly treasure—whether financial or otherwise—must use those talents to serve the Kingdom of God.

I'm honored to work with so many WaterStone donors who will hear the blessing of the faithful servant. Ricky Caplin's story is one example among hundreds. As you'll read in this latest edition of Living Water, Ricky is using his gifts to serve the people of the Philippines in unique and transformative ways.



We're blessed to have the chance to come alongside him as he heeds Christ's call, and we hope this newsletter inspires you to use your talents to serve His Kingdom.

Sincerely,

**KEN HARRISON**