



Welcome to *Trust Connection*, our monthly newsletter highlighting Trust news and information. Each month we will feature timely articles of interest.

## About Us

At Halliday Private Trust, it is our mission to assist our clients in the process of providing solutions, specifically through a wide range of financial advice.

Since 1982, we have utilized a full spectrum of financial services to help our clients navigate every major hurdle in their financial lives. Because we are an independent financial services firm, we utilize an open architecture approach to locating the most suitable investment options for our clients.

Our role is to help clients make smart decisions about their money. We understand that each client has unique needs and requires personalized solutions based on their goals, objectives and concerns.

### How to Mess Up Your Plan

In financial planning it can be beneficial to learn from the mistakes of others to avoid falling into the same traps. History is often a great teacher. This article will focus on four mistakes commonly made as exemplified by several noteworthy personalities.

#### *No Plan*

Countless celebrities and famous historical figures have died without an estate plan in place. For instance, musicians Kurt Cobain, Jimi Hendrix, Bob Marley, and Prince were successful and had large estates including future earnings, but had no will. Pablo Picasso had amassed great fame and fortune when he died, as had Howard Hughes, and both had no will. These situations lead to extensive and sometimes very long fights over estates and between heirs because the decedent never let his/her wishes be known. Martin Luther King lived for years under threat of death and yet did not legally express his wishes for the disposition of his assets. He was not a wealthy man, but his legacy and possessions have become very valuable. His bible and a Nobel prize were fought over for nearly 50 years after his death.

#### *Don't Keep It Up-to-Date*

Many people draft plans but do not always keep them up-to-date for the changes in their wealth, their residence, their specific possessions or their family. For instance, singer Barry White was separated, not divorced, from his wife when he died, which meant his girlfriend at the time had no legal relation to him, leaving his estate in accordance with what were probably his previous wishes instead of his current ones. Similarly, reporter Charles Kuralt had property he desired to be passed to his mistress after his death, but this did not happen as it was not part of his formal estate plan. As situations change and wishes change, the plan should be updated to reflect those changes to avoid years of legal fights.

#### *Have the Wrong People Draft It*

As you might imagine, the biggest culprit here is the Do-It-Yourself will. Cutting corners is often accompanied by a lack of quality.

Supreme Court Justice Warren Burger drafted his own will using all of 176 words. Author Stieg Larsson apparently left a will, but it was found to be invalid under local law, leaving *The Girl with the Dragon Tattoo* and subsequent novels going to others without direction from him.

In the estates of Marilyn Monroe and Jim Morrison, many would argue that a trust would have better fulfilled their wishes. Both expressed their wishes in their wills, but when the recipients died the interests passed to people the original decedent probably did not care to enrich,

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## A LOCAL TRUST SOLUTION

Call us today at (800) 786-1598 to learn more about working with Halliday Private Trust.

For information and assistance, please feel free to contact one of our Trust Advisors:

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whereas trusts could have created life interests and continued on to others desired by the decedent.

### *Have the Wrong People Administer It*

One's choice of Attorney-In-Fact, Executor, Trustee and similar roles is sometimes the cause of unnecessary problems due to conflicts of interest, and often self-interest. Bob Marley's wife, Rita, forged documents to increase her share of his estate and was caught.

Entertainer Michael Jackson had a well-designed estate plan in place, but apparently did not fund the trusts he had created, leaving far more of his estate in question and in the hands of family members who were not left as beneficiaries. The fighting over the estate continues and in a more public forum, since probate is subject to public scrutiny.

In the Pritzker family, a great American success story turned into a public feud in court when a family trustee in effect "demoted" some of his children of a second marriage to the financial level of a generation lower.

The other trustees resigned prior to this action, creating the impression they did not want to be involved directly in what would appear to be a breach of trust. This became public only because of the court case, since the assets were held in trust.

Former first Lady Jacqueline Onassis left a detailed and well-designed estate plan but gave her children the option to fund a CLAT (Charitable Lead Annuity Trust — an effective tool for charitable giving and reduction in the value of the taxable estate), but not funding the CLAT meant more money for them directly.

Heiress Doris Duke famously named her butler, among others, to settle the estate and manage her foundation. He is described as a less-than-trustworthy person who allegedly went on to use the foundation's assets for personal expenses.

Unfortunately, these are just a few of the many public stories that set examples of less-than-stellar results. Planning requires thought, effort, finding the right partners for the planning, drafting, funding, managing, and administration of the plan to ensure your wishes are followed through faithfully.

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