

PRIVATE CLIENT SERVICES

SERVICE HIGHLIGHTS



Recent Achievements

Estate Planning

Transferred the maximum amount of value in the client's various private equity funds to the next generation free of estate taxes. By utilizing multiple sophisticated trusts and limited liability company structures, our team enabled the client to transfer a significant portion of the client's assets free of transfer taxes in a manner that also protected the client from the claims of divorcing spouses of the beneficiaries.

Created a two-year Grantor Retained Annuity Trust ("GRAT") in 2020 and our client funded it with appreciated stock. In 2021, the price of the stock hit an all-time high. We advised the client to substitute cash for the stock and locked in the gain for the beneficiary of the trust, her adult son. She did not realize any taxable gain when she substituted the cash for the stock because a GRAT is considered a grantor trust for income tax purposes. *Postscript: when the stock price declined early in 2022, the client created a new GRAT using the same stock and will try once again to pass wealth to her son with no downside risk.* GRATs remain an excellent planning opportunity, as they can be funded with business interests as well as marketable securities with no downside risk.

Business Succession Planning

Worked with a C-Level corporate executive of a publicly-traded company on estate planning and structuring for tax-efficient planning pre-merger. Our team secured qualified small business stock treatment for additional planning and helped create and administer the family foundation.

Assisted on a succession plan for a fourth-generation family business worth over \$300 million, to secure the business for future generations. Through extensive planning over many years, our team was able to design sophisticated trust structures that seek to ensure that the family business will be retained in trust for additional generations without the payment of estate taxes at each generational level, thereby saving the family over \$120 million in estate taxes.

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Fiduciary and Probate Litigation

Worked with our clients who are fiduciaries of their aunt's trust (which contains assets valued in excess of \$15,000,000) and estate to: (1) defend a lawsuit brought by a Florida hospital in the New York Supreme Court alleging that the decedent made \$3,000,000 in charitable pledges, while our clients asserted that the decedent had only pledged \$1,000,000; (2) defend an accounting proceeding in the New York County Surrogate's Court by a sub-trust beneficiary; and (3) advise the fiduciaries in connection with the \$4,000,000 sale of real property owned by the trust.

International Private Client Services

Worked with Canadian counsel on the formation of a tax-efficient cross-border corporate structure to facilitate client's direct private equity investments in Canada. Client is a US resident and Canadian citizen. This was a highly sophisticated project that involved debt and equity issuances, utilizing US and Canadian corporate and pass-through structures, and facilitating the co-investment of client's Delaware Dynasty Trust.

Philanthropy

Successfully merged four charitable entities that are 35 and 40 years old into a new corporate, 501(c)(3) supporting organization that administers merit-based scholarship programs at three prestigious universities with the objectives of updating outdated organizational documents, preparing new administrative guidelines, and designing a self-perpetuating corporate board.

Trust and Estate Administration Services

Managed the settlement of an estate valued at over \$200 million, including over 50 parcels of commercial real estate, valuable residential properties, and liquid assets.

Assisted clients with transitioning substantial trust and foundation investment portfolios to incorporate sustainable investing, impact investing, United Nations Sustainable Development Goals (SDGs) while balancing fiduciary duties.

Acted as lead counsel in a dispute between a wife and her husband (now his estate), which has involved 5 court proceedings in 3 states: DE (to recover art that cost some €10,000,000 to purchase), FL (estate and matrimonial) and New York (postnuptial agreement dispute and divorce).

Administered the estate of a Connecticut decedent who died with a complex portfolio of highly illiquid assets in excess of \$160 million and a challenging family dynamic, yet who had engaged in very limited estate and corporate planning during his life. Estate administration presented numerous challenging valuations and complex analysis of potential discounts, in addition to extensive corporate "clean up" tasks. Of note, we advised against claiming a "6166 election," which would have deferred federal estate tax in favor of a "Graegin loan," which generated liquidity to timely pay estate tax while also generating a substantial discountable administration expense. We expect the net savings of timely paying estate tax – rather than electing to defer payment – to exceed \$10 million.

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