

FOX 100 Resource Center

A Roundup of Leading Industry Knowledge

Family Office Exchange (FOX) is pleased to present this year's selection of articles, reports and white papers devoted to the issues of most concern to wealth owners and family office executives globally.

To assist in locating information of particular interest, Resource Center material once again is grouped by subject area:

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All Resource Center material will be available at:

<https://www.familyoffice.com/learning-events/forums/2013-fox-fall-forum-fox-100>

soon after the conclusion of the Fall Forum unless noted as "print only."

Presented in the Grand Ballroom Foyer, 2nd Floor

Family Matters

Achieving Sustainability: The Challenges, Opportunities and Complexities of Enterprising Families

Relative Solutions

If a family wants to increase its economic capital, it must work on its human capital – its emotional, social and intellectual competencies. Although it may be challenging to keep economics from dominating emotional life and vice versa, sharing assets can provide an opportunity to develop family members who are financially and organizationally knowledgeable.

A Look at Private Company Governance

Ernst & Young

As the business and market dynamics can change rapidly, it is critically important for all boards, but especially those of early stage companies, to candidly discuss and measure everything that matters so they can anticipate issues and preemptively address them.

Building a Transgenerational Legacy

Fidelity Family Office Services

Planning discussions about wishes are often reduced to how wealth should be distributed or utilized when the principal dies. However, wealthy individuals may be better served by a much broader discussion of how to build a family legacy that generates social and economic wealth, creates family unity and transcends time.

Business Dealings with the Four Ds: Death, Divorce, Disability and Drug Dependency

Hemenway & Barnes

Giving forethought to difficult circumstances can provide important clarity that helps companies avoid worst-case scenarios. Owners can begin by being as objective as possible, treating shares and structure with respect and thinking of the next generation.

Dual Track Family Case Management & Monitoring: The Key to Recovery from Addiction and Other Behavioral Disorders

Aureus Inc.

Case management, a new concept in the addiction and behavioral health field, can significantly increase the likelihood of sustained recovery for individuals who suffer from chronic

diseases such as alcoholism, drug dependence, depression and other addictive and behavioral disorders.

Family Business Transition Planning

Harvest Capital Management

In examining the process of transitioning the ownership and management of a family business, this paper discusses pre-transition planning, considers the challenges of intergenerational ownership transfers vs. third-party sales, and proposes a framework for meeting family and business goals through the process.

Family Compounds: Legacy of Joy or Intergenerational Prison?

Ballentine Partners

Many wealthy families envision keeping a shared property in the family as a means of building family unity, harmony and legacy. A number of notable families have been successful at this, but many others find the reality creates the opposite of their intention.

Fueling the Family Enterprise: What Family Businesses Gain by Embracing Diversification

Hemenway & Barnes

Families that marry the strength of individualism with a more inclusive, long-term mindset can capture the best of both worlds. They can improve on a traditional foundation with diversified business interests and strategically populate affiliated ventures with members of the extended family.

Fundamentals of Values Based Parenting

Ascent Private Capital Management

Parents want to do what is best for their children and teach them appropriate life lessons at appropriate developmental stages. Knowing what to teach children when is an art, something at which every caring parent wants to be successful. The skill building pyramid outlined in this paper provides a means to gain clarity as to what, specifically, parents are trying to teach their children and how best to go about teaching them.

Leaving the Family Nest: A Guide for Young Adults*Ascent Private Capital Management*

This article provides pointers to younger generation family members about how to build the confidence necessary to make decisions involving being more independent from the family, such as deciding whether it's time to move out of the family home to go to college or moving into a residence of their own.

Legacy Planning: It's Not Just About the Money*Atlantic Trust Private Wealth Management*

Preserving and managing tangible wealth in a complex and uncertain world can be a challenge. However, the greatest challenge individuals and their families might face is defining, reflecting on and expressing what their wealth really means.

Leverage First: Using Family Resources as a Positive Influence for Recovery*Aureus Inc.*

Supportive and knowledgeable family members can be very influential in supporting a loved one's recovery from addiction. With the help of a trusted addiction counselor, families can become "positive enablers" by developing a long-term recovery management plan, looking for effective treatment and identifying sources of leverage for treatment compliance.

Managing Your Wealth: Guide to Tax and Wealth Management*PwC Private Company Services*

Wealthy individuals need to play an active role in their wealth management, asking advisors the right questions and reviewing their answers regularly. This requires a solid understanding of wealth management principles and how to apply them in a variety of areas, ranging from personal tax planning to the transfer of a business.

Playing Their Hand: U.S. Family Businesses Make Their Bid for the Future*PwC Private Company Services*

When surveyed two years ago, U.S. family businesses were warily eyeing their next big bet but hesitant to place it. Now, they're actively playing their hand. This report highlights the views of 100 owners, leaders and top executives of U.S. family businesses across a variety of industries.

Prenuptial Agreements and the Elephant in the Room*Warner Norcross & Judd*

Approached the right way, a prenuptial agreement can strengthen the bonds of marriage and encourage a productive, healthy discussion of finances and expectations. Many religions require a discussion of finances in premarital counseling, but talking about money is very difficult and not a topic many people are accustomed to discussing.

Pre-Transaction Wealth Planning for Business Owners*Gresham Partners*

Thoughtful planning before the sale of a business can yield many benefits to its owner, including ensuring the owner's family is financially protected if something unexpected happens to the owner or the business before a sale, reducing potential family conflicts that may arise as a result of a potential sale and minimizing the impact of future gift and estate taxes.

Raising Balanced Children: A Resource List for Parents and Grandparents*Altair Advisers*

Parents often struggle with determining when to talk with children about family finances, what information to share and how family wealth can be used to provide children with the best resources and opportunities without creating passive expectations that discourage financial independence. This sourcebook provides recommended resources categorized by type and, when appropriate, organized by age group.

The 20-Somethings: A Decade of Teachable Moments*Atlantic Trust Private Wealth Management*

A search for identity and independence in a personal journey separate from the family, a challenging of assumptions, a wrestling with questions. These are the 20-something years – critical, testing and thrilling, for both young adults and their parents.

The Art and Collectibles Market: Who Is on Your Side?*ARIS Title Insurance Corporation*

The fundamental problem with the art and collectibles market is opaqueness in transactions. This article explains how transactional standards for fine art and collectibles compare to real estate and the role of a title insurer in art transactions.

The Distribution of Family Belongings: Keeping the Peace*Glenmede*

When the time comes for assets to be dispersed among heirs, everyday objects of sentimental value can become contested belongings. Many parents admit to worrying about the sibling rivalries this process may stir up. Yet, uncertain how to confront these issues, many tend to simply hope for the best. A better course of action: proactive discussion, as a family, during a parent's lifetime.

The Family Bank: Educating & Inspiring Multi-Generational Family Members through a Shared Investment Structure*Pitcairn*

Not every family member may want to be directly involved in a family's core operating business. However, that doesn't mean they can't be part of the family's legacy. A family bank gives all family members the opportunity to be "makers" rather than simply benefiting from the hard work of those who came before them.

The Home Team Advantage: Successfully Preparing Your Family for the Future*Wilmington Trust*

Parents often spend a great deal of time preparing their money for their family, but they rarely devote much time preparing their family for the money. The result: shirtsleeves to shirtsleeves in three generations. However, families can sustain their success with education, communication, shared experiences, group decision-making and family governance.

To Reveal or Conceal: The Transparency Myth in Families of Wealth and Family Businesses*Inheriting Wisdom*

The authors propose that transparency among families of wealth is not a zero sum game. There

are shades of transparency that can help families deal with the information dissemination decision, and there are tools and resources available to families to help them in navigating that decision.

Transferring Real Estate Ownership to Multiple Recipients*The Northern Trust Company*

Despite the best of intentions, transferring an investment property or vacation home to more than one recipient – without first considering the financial and emotional repercussions – may cause disputes, confusion or unexpected responsibilities. Answering the questions posed here can help provide valuable guidance.

Turn Your Passion for Collectibles into an Asset*Wilmington Trust*

Most people collect for personal reasons rather than monetary gain. Still, if an individual has a substantial collection now – or expects to build one in the future – it's important to consider the financial side of the avocation. Here are six tips for maximizing the value of a collection.

Unlocking a Concentrated Holding*Atlantic Trust Private Wealth Management*

The word concentrated is defined as "to direct toward one point" or "to intensify." For wealth preservation, that's not necessarily a good strategy. Here's what individuals need to know about concentrated holdings and whether they should sell, hedge, exchange, donate or transfer.

Wealth: Burden or Opportunity?*GenSpring Family Offices*

Some individuals harbor deep feelings of regret, guilt and shame about their money and, as a result, may fail to enjoy it and take advantage of the opportunities it provides. However, individuals can overcome these challenging emotions by becoming aware that these feelings exist and then looking more deeply at their source.

White Paper No. 56: Being Rich*Greycourt & Company*

The obvious reason to encourage wealth in a free society is that the lure of becoming rich is what motivates many talented people to put those talents to use in the service of human betterment. The world has been infinitely enriched by people who started out poor or middle class but who became rich by building something extraordinary.

Family Office Issues**2013 U.S. Trust Insights on Wealth and Worth***U.S. Trust, Bank of America Private Wealth Management*

Wealthy investors are in a strong, positive frame of mind as the recession recedes and prospects for the economy and financial markets improve. Yet, despite this growing confidence, they face significant, unrecognized challenges in their investment and wealth strategies. This study reveals the risks wealthy individuals face as they adapt to a challenging investment climate and new tax rules.

Businesses Adapting to an Aging Workforce*Warner Norcross & Judd*

Following a survey in which 83 percent of employers reported that the average age of their workforce increased in the past decade, the author, who has practiced labor law for three decades, offers four tips for employers who are challenged by a workforce that may include as many as four different generations of workers.

Cloud Computing: What It Is and How It Works*Advent Software*

The subject of cloud computing is often clouded, so to speak, by a lot of technical terminology and marketing hype. Here, the authors explain what cloud computing is, describe the different forms in which it comes, identify how it can be useful and address the most common concerns and pitfalls of moving to the cloud.

Data Aggregation, Reconciliation and Transaction Cleansing: The Argument for a "Clean Data Hub"*Oakbrook Solutions*

Wealth management firms are beginning to understand the value of their data, the efforts required to maintain it and the importance of managing and storing data accurately. This white paper looks at why data aggregation has become so important and dives into the various risks and rewards associated with different data aggregation options.

Growing Your Wealth Management Business*Advent Software*

For wealth management organizations, the slow growth in number and assets of their target client pool is disconcerting news after a brief period of great opportunity for those firms with the proper skills and support infrastructure. The challenge going forward will be to demonstrate to existing and prospective clients that they can provide a compelling value proposition in a challenging industry environment.

It's Noisy Out There: How Families May Uncover the True Essence of a Wealth Advisor*Ascent Private Capital Management*

For families that want to get to the essence of a wealth advisory firm, some non-traditional due diligence approaches might be of help. These are intended to complement a traditional due diligence approach and uncover important aspects of a firm that might not otherwise come to light.

Lessons Learned After 25 Years of Family Office Management*GenSpring Family Offices*

Wealth management decisions carry an inherent risk for all investors but especially for ultra-wealthy families that require the services of a range of providers. Regardless of the advisory firm a family selects, it's in the family's best interest to ensure that, above all, the firm adheres to five core fiduciary principles of wealth management.

SEC Exam Survival Guide: Prepare in 12 Steps

Advent Software

The SEC can conduct an exam of a registered investment advisor at any time, for any reason, announced or unannounced. It can be a stressful experience for a firm, with significant time and labor costs and the potential for business disruption. However, much of that stress, disruption and expense can be mitigated if a firm is prepared for an exam.

Social Media in Investment Management: Think Before You Tweet

Advent Software

Technology has always outpaced regulation, and social media is no exception. This paper examines the main social media outlets, provides tips for advisors that choose to navigate these sites and lays out a best practices framework for developing a comprehensive social media policy.

Take Another Look at Wellness Programs

Warner Norcross & Judd

Many employers have implemented wellness programs to help contain health plan costs and decrease absenteeism. While many of these programs have existed for some time, new regulations issued by the Departments of Labor, Treasury and Health & Human Services require plan sponsors to modify wellness programs for plan years beginning on or after Jan. 1, 2014.

The Value of Traditional Banks in the Modern World

TriState Capital Bank

Amid the rapid development of more and increasingly sophisticated financial products and services, there is still a place in the market for what the author describes as traditional banks – those long-trusted institutions on which family offices and financial advisors count for straightforward deposit and loan services.

Investments

2013 Mid-Year Review: Still Floating

Gresham Partners

While little liquidity is making its way into the real economy, it is flowing into capital markets, leading to distorted prices and increasing risks to investors. Unfortunately, the longer accommodative central bank policies remain in place, the higher asset prices are likely to climb and the more investors will face an increasing risk of loss.

Adopting ESG Factors to Improve Returns and Reduce Risk

Federal Street Advisors

Traditional investment managers, looking for a way to boost returns and beat industry benchmarks, have begun to notice that many of the evaluation factors that socially responsible investment managers use also provide valuable insight into the overall financial health and performance of companies.

Addressing the Challenges of Currency Exposure in Internationally Invested Portfolios

Millennium Global Investments

The author discusses the evolution and function of currency markets and examines the impact of currency risk on international asset portfolios. He goes on to explore how currency risk can be managed and describes currency solutions available to institutional investors.

Defining Normal

Glenmede

Despite marked improvement, economic and market conditions have not returned to “normal.” Opinions differ, but perhaps normal is defined best by what is abnormal. By identifying and examining the issues that stand out as extraordinary, investors can understand how their reversion will impact economic growth and the markets.

Demystifying Emerging Markets

Rockefeller & Co.

Emerging markets have been left behind during the bull run of 2013 as confidence in them has waned during a period of rising interest rates. Understanding the investment opportunity, however, requires a deep dive into the substantial structural differences between emerging markets and developed markets.

Distressed Debt Investing

Denning & Company

As the deleveraging process unfolds, areas of particular interest for distressed funds exist not only in failed banks but also banks that will dispose of bad assets during the next several years. Distressed debt is not for the faint of heart. The intellect involved in mapping out such investment strategies takes a highly creative team of top pedigree managers.

From Headlines to Trendlines

Ascent Private Capital Management

The author discusses long-term investing for the wealth expansion portfolio – assets available after shorter-term needs are met – to capitalize on medium-term market dislocations and opportunities as well as longer-term economic, social and geopolitical trends and themes. Trends from the past 25 years are discussed as well as five investment themes for the decade ahead.

Going Up? Where to Find Returns if Rates Begin to Rise

Welton Investment Corporation

With interest rates at historic lows, investment strategies that worked in the past may be inadequate for the future. Although the prospects for traditional investments might seem impaired if rates reverse course, other sources of return may be available if one also considers managers versed in long/short investing across multiple asset classes.

Heading Overseas

The Northern Trust Company

While global investors have been curbing their home country biases, most remain too heavily invested in their local markets. The authors believe the lowest risk strategy to realize the global equity risk premium is through a market capitalization weighted approach, which

eliminates the risk of overweighting a poor performing region.

I-Harmony: Marrying Your Investment Portfolio with Your Financial Goals

Eton Advisors

Goals change over time, both in their definition and their priority. Financial markets also change over time, requiring investors to periodically revise their family goal matrix and re-examine their choice of ideal portfolios to fund family goals. Like all long-lasting marriages, flexibility is required to keep the investment portfolio in close compatibility with changing goals, needs and circumstances.

Investing in Volatile Times: A Dynamic Approach to Asset Allocation

NEPC

More frequent review and adjustment of asset allocation, incorporating opportunistic investing and employing flexible strategies, such as global asset allocation and global macro managers, enables investment programs to increase return and manage risk more effectively.

Investing with Style: The Case for Style Investing

AQR Capital Management

Academic and practitioner research has found four intuitive investment strategies that, when applied effectively, have delivered positive long-term returns with low correlation across a multitude of asset classes, markets and time periods using very liquid securities.

Is Your Asset Allocation Adding Value?

Vogel Consulting

By moving beyond traditional measures of investment return and applying a benchmark to gauge the performance of an allocation, investors can determine whether: the selection of various asset classes in the allocation outperformed the broad market, any allocation decisions in the portfolio need to be reviewed, and a long-term decision made in the portfolio is having a short-term effect.

Outlook*The Northern Trust Company*

Among the many factors investors weigh, monetary policy is at the forefront of market drivers. Markets are microscopically focused on the pace of change in Federal Reserve bond purchases. The recent increase in interest rates reflects this eventuality, and the incoming Fed chairman will continue an accommodating policy.

Playing the Dogleg*Hawthorn, PNC Family Wealth*

In this paper, a leading investment strategist examines whether the U.S. economy and the markets are approaching a significant secular turning point and, if so, how to play it from an investment perspective.

Preserving the Deal: Building Protections for Investments in Real Estate Development*Hemenway & Barnes*

Regardless of the project scope, knowing the parties and defining parameters are essential to a successful relationship. Investors and developers alike should do their homework, protect themselves and have confidence in the structure of the deal.

Rewards of an Infrastructure Toll Taker*Hawthorn, PNC Family Wealth*

As essential as the Internet has become, it is limited in at least one key respect. It cannot move, store or process a physical object. For that, other types of infrastructure are needed. This paper focuses on physical forms of infrastructure and the for-profit businesses that own and operate them.

Structuring Foreign Investment in United States Real Property*Cantor & Webb*

This article addresses some of the most important legal and tax issues the real property professional needs to know when representing foreign investors in the United States, as every aspect of involvement is different from those of a domestic purchaser.

Taming the Inflation Tiger*Atlantic Trust Private Wealth Management*

For the past 30 years, inflation has been a benign tiger. However, many signs point to its likely increase. And make no mistake – it can be a fearsome and stealthy force. Individuals can't prevent inflation, but they can prepare for it, defend against it and, perhaps, profit from it.

The Economics of Water*Abbott Downing*

Many, if not most, consumers of water are not aware of the inevitability of shortages, do not notice the impact of pollution on supplies and are oblivious to the fact that future prices will be dramatically influenced by these and other factors. Yet, there are realists who are well aware of their water footprint and are intent on making changes.

The Federal Reserve and Money Printing: Lessons of the 1930s and 1940s*Glenmede*

With greater frequency, investors are wondering whether, and when, the Federal Reserve's extraordinary money printing will cause rampant inflation. A review of the past century provides interesting insights, particularly between 1933 and the late 1940s when the Federal Reserve printed money at comparable levels to those of the Bernanke Fed.

The Great American Energy Boom*Ballentine Partners*

The author discusses the re-emergence of domestic energy production, illustrates the evolving opportunities and risks brought about by this re-emergence for the United States and briefly touches on potential investment opportunities. This paper has a particular focus on natural gas, the most significant source of domestic energy.

The Wealth of Nations*Abbott Downing*

The authors examine the intensifying competition from corporations domiciled in rapidly developing economies, the rise of the new global consumer and the risks that exist in an increasingly interconnected, technology-based and information-driven world.

Understanding Reinsurance

AQR Capital Management

The authors review some best practices for building and managing a reinsurance portfolio, including what it takes to do effective sourcing of reinsurance business, thoughts on pricing and underwriting the book, what it means to optimize a reinsurance portfolio, and effective risk management practices.

When Bonds Fall: How Risky Are Bonds if Interest Rates Rise?

Welton Investment Corporation

History shows a number of scenarios could lead to significant losses for bond investors. Based on an examination of fixed-income markets since 1919, researchers found that even the most gradual rate increase scenario models an annualized return expectation of 0 percent for almost six years.

White Paper No. 57: Actively Passive

Greycourt & Company

Active investment management is best rewarded in less efficient asset classes. Dispersions of returns in relatively inefficient asset classes, such as private equity, opportunistic real estate and natural resources, are significantly wider than in traditional long-only asset classes, making the rewards for success far more meaningful.

Philanthropy

5 Reasons 2013 Is a Great Year to Give

Schwab Charitable Fund

In 2012, total charitable giving rose to \$316 billion in the United States, driven by an \$8 billion increase in gifts by individuals. This year, individual donations are likely to continue growing, spurred by tax changes, the improving economy and donor-friendly IRA rules. Here are five reasons why 2013 is a great year to give.

From Best Practices to Next Practices: In Search of Long-Term and Sustained Philanthropic Impact

U.S. Trust, Bank of America Private Wealth Management

While challenges in the past caused the field to focus on practices to improve the efficiency and effectiveness of philanthropy, current challenges

require an even deeper demand of philanthropy's ability to address the most pressing problems of our time, amid smaller endowment values and continued economic uncertainty, government budget restrictions and an increase in demand for services.

Philanthropic Strategies for Entrepreneurs and Business Owners

U.S. Trust, Bank of America Private Wealth Management

Entrepreneurs are, at their core, in the business of solving problems. They identify a problem, find a solution and build a business around it. At the same time, it's hardly surprising that entrepreneurs are highly individualistic when it comes to philanthropy, applying the same creative thinking that made them successful in business.

Reinstatement of the Charitable IRA Rollover

Hemenway & Barnes

The reinstatement of the charitable IRA rollover by the American Taxpayer Relief Act of 2012 provides a window of opportunity for certain donors to make significant charitable gifts on a tax-favored basis. To take advantage of this provision, a donor must be at least 70½ years old, and distributions must be made directly from the IRA trustee/custodial administrator to a qualifying public charity.

Structured Philanthropy: Private Foundations and Selected Alternatives

Hawthorn, PNC Family Wealth

Families of means and social vision often establish independent structures to fulfill their charitable goals. While various structures can be deployed to attain these goals, achieving the desired results with the fewest complications requires careful consideration. This paper highlights questions to consider in establishing philanthropic plans and explores the advantages and disadvantages of private foundations and several alternative structures.

The Endowment Challenge

U.S. Trust, Bank of America Private Wealth Management

The investment returns of the past are unlikely to be repeated going forward, as asset classes that comprise a large portion of many nonprofit portfolios are likely nearing the end of a long bull market. This will force boards to look for additional sources of return as well as more efficient ways to make required distributions.

The New Benchmark: Fulfilling Your Mission

U.S. Trust, Bank of America Private Wealth Management

After an historic financial crisis and ensuing market volatility, many nonprofit organizations are struggling while others are thriving. This paper uncovers the difference: Some of these organizations have been far better at integrating their investment strategies with their overall missions.

Why It Might Make Sense to Donate Your Best Investments Instead of Cash

Schwab Charitable Fund

Knowing the benefits of donating various appreciated assets is an important component of an overall tax-smart financial plan. And using a donor advised fund may provide even greater tax deductions relative to other vehicles, and thus enabling individuals to give even more to charity.

Risk Management**Help Prevent Cyber Fraud**

Fidelity Family Office Services

In light of the increased cyber fraud of email accounts, firms should adopt client callout practices to confirm third-party wire requests received through email. Faxes, voice mail messages and emails should not be used to verify wire transactions. Client education makes these types of money movement controls more acceptable and encourages clients to be proactive in protecting their assets.

Institutionalize Your Life Insurance Portfolio

Nease, Lagana, Eden & Culley Inc.

A disciplined and process-oriented approach similar to one often used for investment management can help family offices in managing other family assets, such as life insurance. This paper proposes a seven-step process encompassing information gathering and analysis, product selection, carrier selection, underwriting, policy delivery, periodic reviews, and ongoing service and administration.

Is Your LLC or Trust Properly Insured?

Willis North America

Owners of LLCs or trusts that include personal assets should work with both a trusted financial advisor and an independent agent who specializes in insurance for the wealthy. Financial planners and insurance agents who collaborate on an account have more knowledge about how each discipline complements the other and can determine the limits and terms and conditions that best meet a client's needs.

Passport to Safe Travels: Practical Advice for Affluent Travelers

HUB International Personal Insurance

Whether traveling for business or pleasure, wealthy individuals need to think through everything from managing petty theft and lost passports to accessing medical care in a remote location. This white paper provides guidance on proper planning, including a checklist of safety tips to reduce the likelihood of becoming a crime victim while away from home.

Preparing for the Unexpected: Disaster Management Planning for Businesses

HUB International Personal Insurance

While the greatest tragedy is the loss of life, disasters also cause major financial damage, often leading to the temporary shutdown of companies or even putting them out of business. Preparing for the possibility of disasters is especially critical for small and mid-size companies that may not have the financial resources to recover from a devastating event.

Privacy Matters: Social Media, Risk and Reward

HUB International Personal Insurance

Social media is fun. It can create communities and even revenue streams for businesses. However, risks abound. Understanding one's personal responsibility and liability is essential to remain safe in online interactions.

Sandy Takes Art Collections by Storm: Lessons Learned from Superstorm Sandy

Willis North America

Buying ample insurance for an art collection goes without saying, but it's how collectors manage their coverage that can make the difference when disaster strikes. This paper examines the benefits of regular appraisals of collections, key questions to ask about the storage and transportation of collections and essential features of insurance coverage.

Technical Summary of the Art Market Title Risk Challenges Facing the U.S. Nonprofit Museum Community

ARIS Title Insurance Corporation

The current approach used by museums in the United States to manage art market ownership risks is problematic and should keep pace with current trends. This white paper cites the evolution of title risks involving museums, including the impact of defects in legal titles, breaches of donor-restricted gifts and donated art previously pledged to banks as loan collateral.

What Do Horse Owners Need to Know When It Comes to Insurance?

AIG Private Client Group

For many individuals, owning a horse is the realization of a lifelong passion, but it also increases their risk of financial losses or lawsuits. Regardless of whether individuals board a horse on their own property or at a professional facility, they should give special consideration to their insurance needs to ensure they're adequately protected.

Tax and Estate Planning

Art and Collectibles: The Perils of 1031 Exchanges

ARIS Title Insurance Corporation

1031 exchanges are a common way for collectors to defer payment of federal capital gains tax when they sell appreciated property and buy like-kind property of the same or greater value. However, these exchanges must be planned carefully. This article features an example of a fine art 1031 exchange gone wrong and how alternative structures can prevent failures and reduce expense.

Attention All Nonresident Aliens: This Is a Roadmap for Making Gifts of Money to Your U.S. Child

Cantor & Webb

Without a full understanding of U.S. federal gift tax and income tax issues associated with a gift of money to a U.S. child, it is easy for a nonresident alien to convert what would have been a tax-free gift to taxable income. This guide outlines the most common gift-giving mistakes and how to avoid them.

Estate Planning After ATRA: A Summary of the Heckerling Institute on Estate Planning

Hawthorn, PNC Family Wealth

The American Taxpayer Relief Act created a new environment for estate planning. This summary of the Heckerling Institute on Estate Planning examines four central points about ATRA: sense of permanence in federal transfer tax, role of income tax planning, portability as a planning consideration and timing of significant gifts.

Estate Tax Reduction Strategies for Private Equity Owners

Plante Moran

When carried interest is transferred early in a fund's life, it can have a very low value relative to its potential value at payout. It's this payout potential that makes it an ideal asset to be used in estate tax-reduction planning, especially when used in combination with a grantor trust allowing for that appreciation to compound on an income tax-free basis.

Gifts in a Changing Tax Landscape: Do Taxable Gifts Still Make Financial Sense?*Abbott Downing*

The outcomes of taxable gifts are not necessarily positive in all cases when viewed purely from a tax perspective. The most important decision is whether a large gift makes sense from a non-tax perspective.

Low Interest Rates Still Present Attractive Planning Opportunities*Wilmington Trust*

Although interest rates have edged upward recently, they still remain low for executing some beneficial estate planning strategies, including grantor retained annuity trusts, charitable lead trusts, intrafamily loans and installment sales to grantor trusts.

New Hampshire's Attractive Landscape for Trusts and Trust Companies*Perspecta Trust*

New Hampshire has a robust set of modern trust laws, which afford settlors broad flexibility and creativity in designing trusts well suited to their specific needs and wishes. Those laws facilitate the more efficient administration of trusts and, importantly, provide a high level of certainty concerning the rights, duties and powers of settlors, beneficiaries, trustees, trust advisors and trust protectors.

Planning with Retirement Assets*Atlantic Trust Private Wealth Management*

If the big picture includes ensuring a retirement income stream and passing assets to loved ones, it's crucial to understand the effects of income and estate tax laws. Integrated, long-term planning is important and should be done well in advance.

Portability of the Unused Spousal Exclusion*Abbott Downing*

Portability may have been viewed initially as the simple solution in situations in which there was the potential for loss of the applicable credit amount of the first spouse to die. While this is a valuable benefit, the impact and potential planning opportunities for portability go beyond this important but somewhat limited scope.

Powerful Trust Planning Opportunities in 2013*South Dakota Trust Company*

The American Taxpayer Relief Act of 2012 maintained the gift, estate and generation-skipping transfer taxes that were scheduled to sunset prior to 2013 and increased the exemptions for all three taxes to \$5.25 million, making new or additional gifts to trusts a more attractive option in estate planning.

South Dakota Directed Trusts, Trust Protectors and Special Purpose Entities*South Dakota Trust Company*

Nearly all states have "delegated" trust statutes, but only a few states, such as South Dakota, have "directed" trust statutes, which provide families with maximum flexibility and control regarding a trust's asset allocation, diversification, investment management and distributions.

Straying from Home: The Search for Situs*Ascent Private Capital Management*

Selecting one's home state as the situs may be a convenient or easy answer. However, the ability to implement a trust that may last forever, eliminate additional transfer taxes after funding and avoid state income taxes may provide the financial incentive to stray from home, or at least to consider it.

Tax Consequences of the EB-5 Immigrant Investor Visa*Cantor & Webb*

For foreign entrepreneurs seeking to bring their businesses to the United States, the EB-5 Immigrant Investor Visa may seem like the perfect fit. Looks, however, can be deceiving. Green card holders are subject immediately to U.S. federal income tax on their worldwide income and informational reporting requirements for their foreign interests.

The Answer to Family Office Regulatory Reform: The Private Family Trust Company*South Dakota Trust Company*

Uncertainty about the impact of financial regulatory reform on family offices is prompting families to consider establishing private family trust companies, which are exempt from SEC regulation and provide a number of other benefits. This paper considers the issues and the best states in which to establish a PFTC.

The Eroding Protection of Trusts in Divorce*Schiff Hardin*

It has always been the case that courts could consider resources available to one spouse from a trust in deciding how to divide marital property or whether to award maintenance. However, there are trends in several states to make trusts a larger part of the process of dividing assets in a divorce. Because of these trends, it is not necessarily enough just to have a trust. The type of trust can make a difference.

The Family Opportunity Trust: Leveraging the Trust*Hawthorn, PNC Family Wealth*

In addition to preserving and growing family wealth for generations to come, a family opportunity trust provides the opportunity for substantial, leveraging wealth transfer in concert with currently advantageous federal gift tax and grantor retained annuity trust exemptions.

The Meaning of the Terms Principal and Income When Used in Trust Agreements*Warner Norcross & Judd*

The allocation of receipts and disbursements between principal and interest are critical to the proper design and administration of trusts. Individuals creating trusts should have an appreciation and basic understanding of these concepts so the trusts will operate consistent with the settlors' intentions and provide the intended benefits.

What Advantages Do Directed Trusts Offer?*Altair Advisers*

Whether a grantor is struggling with ensuring that a trust fulfills the intentions for which it was established or simply wants to sleep better at night knowing the trust assets will be managed and monitored effectively, the directed trust statute provides the flexibility and incentives needed to improve the long-term outcome.

Why Do I Owe Tax on Art I Don't Own*ARIS Title Insurance Corporation*

Advisors should protect their clients who own fine art and other collectibles from financial loss with properly executed tax and estate planning. This article highlights two recent examples of how oversights, such as defective title, create marketability challenges that may result in substantial financial consequences for collectors.

With So Many Programs and So Little Time, What Is a Noncompliant U.S. Taxpayer to Do?*Cantor & Webb*

This paper examines the advantages and disadvantages of four compliance options available to U.S. taxpayers who have not reported all of their non-U.S. income or who have not complied with all of the various reporting requirements applicable to non-U.S. income and assets.