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ESTATE OF THE UNION

A Newsletter from the team at Stanziola Estate Law

Are You Protected in the Event of Your Client's Passing?

An estate plan can provide a wealth of benefits to your client. Among those benefits are the multiple levels of protection it can create; protection of the estate from taxes, protection for heirs from outside creditors, failed marriages, etc. However, did you know that a well-drafted estate plan can also protect you, the financial advisor?

Take this scenario: You have a client, with an estate plan in place, that passes away. You had a great relationship with your client however, you have never met the successor trustee of the estate. The trustee has no allegiance to you and therefore has no reason to keep you managing the investment assets of the estate. Now, you must attempt to "sell" yourself, during a very difficult time, in order to keep those assets under management.

Instead, take the same scenario as above but, make one minor change. Talk with your client about adding custom language in their estate documents that direct you to continue managing the investment assets of the trust upon their passing. Your client has trusted you with their assets; you have worked hard to earn that trust and develop that relationship. If you can provide them further peace of mind while protecting yourself, why wouldn't you?



Stanziola Estate Law provides that custom language, for Infinitas advisors, in your client's estate planning documents as a default (unless the client objects). If you utilize outside counsel, that language may not come standard. You may have to instruct the attorney to specifically include that language and customize the document. That customization could result in additional costs to your client.

If you haven't discussed estate planning with your clients, please do. Regardless of net worth, an estate plan, to some degree, is a necessity for everyone. Stanziola Estate Law would love to help your clients while also providing a certain level of protection for you!

Do you already have an established relationship with an estate planning attorney and would prefer to continue using them? That's no problem. You should still discuss adding the language with your client and outside attorney. Attached is sample language that we utilize in our documents to help protect you.

SAMPLE DOCUMENT LANGUAGE

A. *Investment Advisor.* In the event that someone other than the Grantor is serving as successor Trustee or as sole Trustee, the Grantor specifically directs that as long as [FINANCIAL ADVISOR NAME] is living, is legally competent and is qualified to serve as an investment advisor (“Advisor”) and as long as [he/she] is willing to serve in such capacity [FINANCIAL ADVISOR NAME], or [his/her] appointees, shall direct all marketable securities of the assets held in this Trust and shall have control and custody of all funds to be invested under the terms of this Trust. Grantor specifically directs any successor Trustee serving as Trustee hereunder, to work with [FINANCIAL ADVISOR NAME], or [his/her] appointees, to allow custody of all funds under the terms of this Trust and to allow them to make investment decisions. After Grantor’s death, a majority in interest of the adult and otherwise legally competent beneficiaries to whom income is then payable, may remove any investment at any time acting hereunder by instrument in writing delivered to the advisor, not less than thirty (30) days prior to the effective date of such removal. The beneficiaries with such power of removal must designate a successor investment advisor.

B. *Trustee Indemnification.* The Grantor hereby expressly releases any successor Trustee from any and all liability in connection with the appointment of Advisor. The Trustee shall have no duty to consider the appropriateness of the Advisor’s directions regarding investment of the Trust assets, and shall have no responsibility to monitor the performance of the Trust investments or the Advisor’s management thereof. The Trustee shall have no liability for the actions or failure to act of the Advisor as to the Trust investments, or for any investment loss caused by the action or failure to act of the Advisor. The Advisor agrees to indemnify, defend and hold harmless the Trustee from the breach of any fiduciary duty by the Advisor.