

Most people tend to avoid or lose focus on events that aren't imminent, such as death. Nobody expects tomorrow to be their last day, and thus, estate planning languishes at the bottom of their to-do list. Planners and attorneys can speak about the importance of estate planning until they're blue in the face, but sometimes it takes a concrete example to drive the point home. 2017 was a year of several high-profile cases where a lack of planning created nightmares for the remaining family resulting in litigation, fines, taxes, court costs and, most importantly, tattered relationships with potential permanent estrangement.

The first example coming to mind is the artist, Prince. He died in 2016 without a will, leaving his \$300 million estate in total disarray. Ever since, the purported beneficiaries and trustees have been fighting over control of what will be left after the lion's share will go to taxes and legal fees. As of the end of 2017, who has control and who receives what are still up in the air.

<https://www.usnews.com/news/us/articles/2017-09-05/five-would-be-heirs-of-prince-lose-minnesota-court-appeal>

Then, there is the Max Hopper estate where the husband also died without a will and the court had to appoint JP Morgan to collect the assets, pay outstanding debts, and release the assets to the beneficiaries – in this case, Mrs. Hopper and her stepchildren. In the ensuing melee between the heirs and the bank, things got so out of hand that the court ordered JP Morgan to pay \$4 Billion (with a "B") in punitive damages on a "paltry" \$19 million estate for breach of fiduciary duty.

<https://www.bloomberg.com/news/articles/2017-09-27/jpmorgan-ordered-to-pay-more-than-4-billion-by-dallas-jury>

In contrast, there was one celebrity case where prior planning overcame the typical traps that can arise in circumstances where settling an estate can be difficult. Hugh Hefner, on his third marriage when he died, left an estimated estate of roughly \$100 million to children from different marriages, a newer, younger wife, and about half to charity. He even planned out where he would be buried, all in a tidy package that makes it unlikely that any inheritance fight will be forthcoming.

<http://www.probatelawyerblog.com/2017/10/hugh-hefner-was-a-role-model-when-it-came-to-estate-planning.html#more>

In light of these, and many other cases where proper planning paid off and lack of planning resulted in horror stories, Vaughn Wealth will have a renewed focus on estate planning in 2018. We hope to review our clients' plans to determine if establishing or revising their trusts, wills, and powers-of-attorney may help them:

- Pass their legacy on to the heirs they choose with the timing and structure they intend,
- Ensure they have minimized, if not eliminated their estate, income and any other tax exposure,
- Avoid the potential litigation and fees/costs that come with it, and
- Spend their final years in comfort supported by loved ones.

If you have procrastinated on your estate plan, we can help.