



A CHANGE IN YOUR PLANS?



“Though one may be overpowered, two can defend themselves.”

— Ecclesiastes 4:12

Traditionally, most estate planning documents eventually give the younger generations complete control over their inherited wealth. The transition of control usually happens at a specific age, often only after both parents have passed.

The age of maturity is subjective and varies among clients. Most parents foresee the requisite level of skill and maturity occurring at or after their child turns 35.

In an increasingly litigious environment, is it wise to give even mature, adult children—or a surviving spouse—full and complete discretion over their inheritance? Even if a child or spouse has an MBA or is brilliant in their profession, does that mean they are qualified to prudently manage substantial wealth?

Many years ago, an heir boasted of doubling his substantial inheritance the first year after receiving it. The boasting ceased the following year after the inheritance was completely lost. Coupling improvidence with our courts' increasing erosion of trust protections may equal trouble.

So what might you do now to address these issues? Is there a way to protect even a mature, adult from his own poor judgment and the changing legal landscape? You could look to the airlines for guidance. Commercial airlines entrust their valuable passengers and aircraft to a pilot and a co-pilot.

Captain Chesley “Sully” Sullenberger rightfully gave praise to his co-pilot, Jeff Skiles, who helped him safely land Flight 1549 in the Hudson River.

When trouble arises, or when the Sirens sing, there is much to be said for having a co-pilot. Assigning a co-pilot to your loved ones' trusts may result in the trusts flying and landing safely.

A co-pilot in an estate plan is called a co-trustee. The benefits of a co-trustee are many. The co-trustee can:

- Provide better protection for trust assets in the event of a divorce or other lawsuit;
- Be a sanity check on trust investment decisions;
- Deflect investment pressures;
- Say “No” to imprudent trust distributions without worrying about hostility at Thanksgiving dinner;
- Encourage a trust beneficiary to have a productive work ethic, instead of relying solely on the trust; and
- Defend against requests made by business partners, spouses, or other family members to access trust assets.

Affluence does not insulate your loved ones from the human condition. We are hardwired to be loss averse, to buy high, to sell low, to trust a perfected sales pitch, and to pursue deep pockets. A co-trustee is a defense against these inclinations.



*Good Pilot + Good Co-Pilot
+ Trouble = Safe Landing*