



Somebody Please Tell Me Why?

By Paul Katz, LifeAuditorsSM, Inc.

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Do we just assume that the advisers our parents used are good enough for us? Personally, I don't really know. So many times we run across the child of a successful person who just wants "business as usual." Hello, are there people that naïve who assume the advisers their parents used will just spew forth the knowledge learned over the years from conversations held, in some cases, long ago?

The old way of doing business was verbal and many deals were sealed with a handshake. In some respects it's unfortunate that times have changed so much. In today's society, there is an attitude of "CYA" and one should no longer assume that someone's word is their bond.

Some elderly heads of families feel there is plenty of time to hand over the proverbial reins of the family fortune. Control is an issue, but a stroke, critical illness and death create a whole host of issues easily avoidable in advance.

Here's another interesting problem. What do you do when there is a lifelong associate (or even an employee) who has played a major role in building a business that brought success to your parents over the years? The surviving family members know this individual and realize that there may have been significant contributions but never heard of, knew of, or saw any documents that support what they are now being told during the "changing of the guard" -- everything was done verbally with Mom or Dad. Perhaps there are issues concerning succession and day-to-day administration by the family offspring and possible spouses. What was my parents' intent?

You want to honor your family's agreements so you contact business advisers (accountants, lawyers, etc.) and yet no one has a verifiable record of any agreements. Maybe there's a hand-scribbled note somewhere that mentions something, but nothing totally specific.

Who Knew?

The scenarios outlined here are not uncommon. Continuity can't be maintained solely by a law firm, CPA, Insurance agent, etc., that represented the family over the years. People leave, get old and eventually fade away (to put it mildly). As mentioned in many of our other articles, people tend to tell each of their advisors bits and pieces but never the whole story with all the facts. So how can anyone understand the entire process? Who is available to summarize what the rationalization may have been? Who has been given the whole story so those little loose ends can be tied together? This is a job for LifeAuditors.

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