

You Never See a Hearse Pulling a U-Haul.....

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We all know there are two things certain in life, death and taxes.

The fact is that we are only here for a limited time and we cannot take our beloved treasures with us. As my Dad used to say, "You never see a hearse pulling a u-haul!"

Picassos or Pink Poodles



Unfortunately, when it comes to collections of art or any other type of collection, professional advisors often ignore succession planning. In fact, many do not even ask their clients about the art, antiques, and collectibles they own. Usually this comes from a mistaken belief that collections are not assets that require savvy planning. Clients fail to mention their collection to advisors because they do not consider their tangible property a long-term asset worth discussing. Worse still is that many do not realize the true value of their "stuff," thinking that the antique toy collection, family jewelry, or painting passed down by grandpa has no significant worth for which succession planning is needed.

How will I know my collection is in good hands after I'm gone?



The investment of time and money we make during our lives piecing together whatever collection we have, alone, warrants special consideration for what happens to it once we are gone. So regardless of whether you have been collecting Picassos or pink poodles, whether your collection is big or small, in mint condition or in tatters, here are some things to consider in planning your estate:

1. How much does your collection really mean to you? Some collectors simply do not care. It is just a hobby to occupy time and when that time is up, where or with whom the collection ends up is not worth fretting about.

2. Leave Instructions. If your collection has either monetary or sentimental value, it is essential to leave specific instructions regarding how you want your collection handled – whether it should be gifted, donated, divided, etc. The last thing you want is for your prized collection to be a source of contention between surviving family members.

3. Employ an Appraiser. If leaving money to your heirs is the motivating reason for putting your collection affairs in order, there is not a cookie-cutter solution. Collectors need to evaluate for themselves the best means of maximizing the dollars yielded from the collection, while at the same time making it as easy as possible on surviving family members. Employing a professional appraiser is always a good idea.

Make it as easy as possible on surviving family members.

4. Have a Succession Plan. Failure to plan for your collection during your lifetime could be costly. Not having a proper succession plan could leave your heirs facing hefty tax liabilities. Lack of inventory and up-to-date appraisals may result in a grossly unfair allocation of your valuable collection among your loved ones. Moreover, without a proper succession plan in place, your heirs may be compelled to dispose of your valuable collection at a “fire-sale” auction and end up losing a large percentage of your collection's value after taxes, transaction fees, and litigation expenses have taken their toll.

5. Contact Auction Houses. Collectors of high-end vintage art or valuable artifacts may want to think about contacting one of the industry's auction houses and asking them if they would help surviving heirs liquidate the collection. Documenting those specifics helps the beneficiary by providing clear instructions and contact information of the auction house.

6. Is Your Collection an Heirloom? Many collectors plan to pass their treasures on to a loved one as an heirloom. Have a conversation with your children (heirs) to see if they want specific pieces in your collection or if they are more interested in converting these assets to cash. Collectors often think they can just pass their pieces on as heirlooms, but in reality, the kids often do not want the collection - they just want the money. The value could be greatly diminished by breaking up the collection and dividing it among the heirs. If a dollar figure is all important you may realize a greater return selling the collection as one piece. Plan for the future of your collection by taking your wishes and your heirs' preferences into consideration. Failure to properly plan for the inevitable leaves an unnecessary burden on your loved ones.

***Remember you can't take it with you,
but at least you'll know it's in good hands!***