

# The “Daily Plan-It™”

ESTATE & BUSINESS LAW GROUP, P.C.

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## ***Ailing Tycoon’s After-Death Wishes Bungled by Poor Estate Planning***

Real estate developer Max Farash is a generous man. His charitable foundation has given away millions to worthy causes over the last ten years.

Long before dementia ravaged the 95-year-old’s once sharp business mind, Farash drew up plans to transfer most of his wealth – valued somewhere between \$200 to \$500 million – to his charitable foundation upon his death.

The Rochester millionaire had also written a will which indicated that several residential properties in New York and Florida should go to his daughter, Lynn Farash, upon his death. For Lynn, these “heirloom assets” hold cherished memories of time with her family.

But Farash’s plans didn’t take into account that a third party would intervene and force the millionaire’s charitable wishes to deprive his only child of an inheritance he wanted her to have.

This case is a great example of failing to plan for disability. A well-structured Living Trust with disability provisions could have accomplished Farash’s goal, kept his disability private and saved his family money.

## **Guardian Collects Millions in Fees**

After Farash was declared legally incapacitated two years ago, a court appointed attorney James Gocker as the ailing man’s guardian instead of his daughter.

In his first year as guardian, Gocker claimed \$1.5 million in fees from Farash’s estate. The lawyer is now asking a probate judge to allow him to sell off Farash’s valuable real estate to benefit the foundation, despite Farash’s clearly written wishes in his will that the homes should be left to his daughter.

The guardian claims that keeping the properties is a burden on the estate, and that the \$140,000 spent annually to maintain these homes should be set aside to benefit the foundation. Gocker has offered to pay Lynn Farash the sales proceeds when her father dies, but she’d rather have the homes for their sentimental value.

## **A Simple, Two-Step Solution**

This case underscores the dilemma of court-appointed guardianships. They can cause people to lose control and be costly for the family.

Farash could have avoided a legal nightmare for his daughter if he had done two things:

1. Hired an attorney to draft a proper Revocable Living Trust.
2. Hand-picked a successor Trustee or Trustees to manage his estate in the manner he wanted.

These simple steps can avoid court involvement in a client’s affairs, and their children can be assured of receiving the family’s treasured heirloom assets.

We hope this information was useful to you and helps your clients and their families. If you have a specific case or a question, please don’t hesitate to call our office. As always, feel free to call us for further advice or to share your ideas.

## **Workshop Schedule**

### **The Truth about Estate Planning**

Tuesday, April 7 – 7:00 pm

Tuesday, May 5 – 7:00 pm



### **IRA Preservation Planning**

Learn how to properly protect your IRAs and what the IRA Preservation Trust can do!

**Wednesday, May 13 – 7:00 pm OR at a mutually convenient date in your office – your welcome to invite your clients!**

*On February 8, 2006, President Bush signed into law the Deficit Reduction Act of 2005 (DRA 2005), which included the most sweeping changes to Medicaid laws ever enacted.*

### **Medicaid Planning Workshop**

*The new Medicaid laws and some of the planning options that are still available, even in light of these sweeping changes.*

Tuesday, April 14 – 7:00 pm

Tuesday, May 12 – 7:00 pm

**Registration:** Contact Mary Lang at (847) 367-4460

<http://eblawgroup.com>

### **ESTATE & BUSINESS LAW GROUP, P.C.**

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We invite you also to direct your clients to [http://eblawgroup.com/FAQ\\_medicaid.htm](http://eblawgroup.com/FAQ_medicaid.htm) for more information on Medicaid Planning.